OKLAHOMA AERONAUTICS COMMISSION
CITY OF WEATHERFORD
PROJECT NUMBER OJA-08-F
FOR THE PERIOD
JUNE 12, 2008 THROUGH AUGUST 17, 2009

OPERATIONAL AUDIT

Oklahoma State Auditor & Inspector
Audit Report of the
Oklahoma Aeronautics Commission -
City of Weatherford - Project Number OJA-08-F

For the Period
June 12, 2008 through August 17, 2009
October 5, 2009

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period June 12, 2008 through August 17, 2009. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency’s staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

[Signature]

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR
Background

The Oklahoma Aeronautics Commission (the Commission) was created to encourage, foster, and assist in the development of aeronautics in Oklahoma and to encourage the establishment and maintenance of public airports. This includes the preservation and improvement of the state’s 114 public airports, which make up the state’s airport system; and the promotion of the aviation industry, one of the top ten employers in Oklahoma, providing 143,700 jobs.

Oversight is provided by seven commission members. They are:

- Kenneth Adams ................................................................. Chair
- Wes Stucky ................................................................ Vice-Chair
- Rick Armstrong ................................................................. Secretary
- Dave Amis ........................................................................... Member
- Dr. David Conway ............................................................... Member
- Tom Stephenson ................................................................. Member
- Joe Harris ........................................................................... Member

The City of Weatherford, Oklahoma (the Sponsor) applied for assistance from the Commission to provide terminal ramp space for aircraft parking that is outside the taxiway area of their airport. The Commission committed $403,777 to this $1,463,878 project. The Sponsor pledged $121,000 with the difference paid by the Federal Aviation Administration (FAA).

Purpose and Scope

This audit was conducted in response to the Commission’s request.

The audit period covered was June 12, 2008 through August 17, 2009.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

Objective 1 - Determine if expenditures paid to the City of Weatherford (state project number OJA-08-F) were in accordance with “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement.

Conclusion

The expenditures paid to the City of Weatherford were in accordance with “Exhibit B-1 – Program Narrative” and “Exhibit B-2 – Project Costs” of the airport construction agreement.

Methodology

To accomplish our objective, we performed the following:

- Reviewed the airport construction agreement;
- Interviewed the airport manager and the city treasurer;
- Interviewed the president of LBR Engineering;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractors to the Sponsor;

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• Reviewed all invoices submitted by the engineer to the Sponsor;
• Reviewed all requests for reimbursement submitted by the Sponsor to the Commission;
• Documented internal controls related to the construction project; and
• Observed the completed project.
APPENDIX
The following information has been presented at the request of management. Our objective was to determine if expenditures paid to the City of Weatherford (state project number OJA-08-F) were in accordance with “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement. Therefore, we did not conclude on the following schedules and information.

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Change Order</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$320.00</td>
<td>$-</td>
<td>$320.00</td>
<td>$319.15</td>
<td>$0.85</td>
</tr>
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<td>Engineering</td>
<td>$167,035.00</td>
<td>$-</td>
<td>$158,683.25</td>
<td>$8,351.75</td>
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</tr>
<tr>
<td>Testing</td>
<td>$28,500.00</td>
<td>$-</td>
<td>$20,255.50</td>
<td>$8,244.50</td>
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<tr>
<td>Inspection</td>
<td>$58,125.00</td>
<td>$-</td>
<td>$58,125.00</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Field Survey</td>
<td>$2,200.00</td>
<td>$-</td>
<td>$4,200.00</td>
<td>$(2,000.00)</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$1,201,207.00</td>
<td>$6,491.05</td>
<td>$1,207,698.05</td>
<td>$1,151,887.05</td>
<td>$55,811.00</td>
</tr>
</tbody>
</table>

Total Eligible Project Costs $1,457,387.00 $6,491.05 $1,463,878.05 $1,393,469.95 $70,408.10

Note: The change order amount identified in the schedule above will not agree to the change order amount discussed in the construction costs schedule on page 5. This is because the amount noted above as budgeted construction expenditures was presented on exhibit B-2 of the Sponsor’s grant application to the Commission while the amount identified as budgeted construction expenditures by the construction vendor was $2,000.45 less.
### Construction Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Bid Qty</th>
<th>Per Unit Bid</th>
<th>Bid Price</th>
<th>Actual Qty</th>
<th>Per Unit Actual</th>
<th>Actual Cost</th>
<th>Variance on Qty</th>
<th>Variance on Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic Maintenance</td>
<td>1</td>
<td>$10,500.00</td>
<td>$10,500.00</td>
<td>1</td>
<td>$10,500.00</td>
<td>$10,500.00</td>
<td>0.00</td>
<td>$ -</td>
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<tr>
<td>Mobilization, bonds, and temporary erosion control</td>
<td>1</td>
<td>$32,676.00</td>
<td>$32,676.00</td>
<td>1</td>
<td>$32,676.00</td>
<td>$32,676.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Saw cutting - full depth asphalt or concrete</td>
<td>100</td>
<td>$5.50</td>
<td>$550.00</td>
<td>180</td>
<td>$5.50</td>
<td>$990.00</td>
<td>(80.00)</td>
<td>(440.00)</td>
</tr>
<tr>
<td>Existing pavement breakup and disposal</td>
<td>9,109</td>
<td>$4.10</td>
<td>$37,346.90</td>
<td>9,139</td>
<td>$4.10</td>
<td>$37,469.90</td>
<td>(30.00)</td>
<td>(123.00)</td>
</tr>
<tr>
<td>Relocate set of eight portable hangar units</td>
<td>1</td>
<td>$19,500.00</td>
<td>$19,500.00</td>
<td>1</td>
<td>$19,500.00</td>
<td>$19,500.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Electrical disconnect/reconnect for portable hangar units</td>
<td>1</td>
<td>$2,100.00</td>
<td>$2,100.00</td>
<td>1</td>
<td>$2,100.00</td>
<td>$2,100.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Construct 10 unit T-Hangar slab</td>
<td>1</td>
<td>$129,480.00</td>
<td>$129,480.00</td>
<td>1</td>
<td>$129,480.00</td>
<td>$129,480.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Disassemble and re-erect 10 unit T-unit w/electric</td>
<td>1</td>
<td>$69,524.00</td>
<td>$69,524.00</td>
<td>1</td>
<td>$69,524.00</td>
<td>$69,524.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Trench 48&quot; deep and backfill</td>
<td>450</td>
<td>$4.50</td>
<td>$2,025.00</td>
<td>450</td>
<td>$4.50</td>
<td>$2,025.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Unclassified excavation - strip 6&quot; of topsoil</td>
<td>1,344</td>
<td>$5.50</td>
<td>$7,392.00</td>
<td>1,434</td>
<td>$5.50</td>
<td>$7,887.00</td>
<td>(50.00)</td>
<td>(495.00)</td>
</tr>
<tr>
<td>Unclassified excavation - normal to required grades</td>
<td>2,483</td>
<td>$3.50</td>
<td>$8,690.50</td>
<td>2,583</td>
<td>$3.50</td>
<td>$9,040.50</td>
<td>(350.00)</td>
<td>(350.00)</td>
</tr>
<tr>
<td>Embankment in place-normal</td>
<td>974</td>
<td>$4.50</td>
<td>$4,383.00</td>
<td>974</td>
<td>$4.50</td>
<td>$4,383.00</td>
<td>0.00</td>
<td>$ -</td>
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<tr>
<td>Embankment in place-repalce 6&quot; of topsoil</td>
<td>246</td>
<td>$5.50</td>
<td>$1,355.00</td>
<td>336</td>
<td>$5.50</td>
<td>$1,848.00</td>
<td>(90.00)</td>
<td>(495.00)</td>
</tr>
<tr>
<td>Surveying</td>
<td>20</td>
<td>$300.00</td>
<td>$6,000.00</td>
<td>0</td>
<td>-</td>
<td>$6,000.00</td>
<td>20.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Construct 9&quot; crushed aggregate base course</td>
<td>6,542</td>
<td>$12.45</td>
<td>$81,447.90</td>
<td>6,542</td>
<td>$12.45</td>
<td>$81,447.90</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Construct 8&quot; aggregate base course</td>
<td>9,345</td>
<td>$12.45</td>
<td>$116,345.25</td>
<td>9,375</td>
<td>$12.45</td>
<td>$116,718.75</td>
<td>(373.50)</td>
<td>(373.50)</td>
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<tr>
<td>Construct 5&quot; PPC surface course w/ joints</td>
<td>6,420</td>
<td>$33.00</td>
<td>$211,860.00</td>
<td>6,420</td>
<td>$33.00</td>
<td>$211,860.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Construct 6&quot; PPC surface course w/ joints</td>
<td>9,278</td>
<td>$35.50</td>
<td>$329,369.00</td>
<td>9,308</td>
<td>$35.50</td>
<td>$330,434.00</td>
<td>(1,065.00)</td>
<td>(1,065.00)</td>
</tr>
<tr>
<td>Install aircraft tie down anchors in new pavement</td>
<td>36</td>
<td>$55.00</td>
<td>$1,980.00</td>
<td>36</td>
<td>$55.00</td>
<td>$1,980.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Install aircraft tie down anchors in existing pavement</td>
<td>18</td>
<td>$125.00</td>
<td>$2,250.00</td>
<td>23</td>
<td>$125.00</td>
<td>$2,875.00</td>
<td>(50.00)</td>
<td>(625.00)</td>
</tr>
<tr>
<td>Taxiway painting with reflective media</td>
<td>13,200</td>
<td>$6.00</td>
<td>$79,200.00</td>
<td>4,234.50</td>
<td>$6.00</td>
<td>$25,407.00</td>
<td>8965.50</td>
<td>53,793.00</td>
</tr>
<tr>
<td>Construct 18&quot; RCP storm drain</td>
<td>535</td>
<td>$50.00</td>
<td>$26,750.00</td>
<td>600</td>
<td>$50.00</td>
<td>$30,000.00</td>
<td>(650.00)</td>
<td>(3,250.00)</td>
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<tr>
<td>Construct single grate field inlet</td>
<td>2</td>
<td>$3,200.00</td>
<td>$6,400.00</td>
<td>2</td>
<td>$3,200.00</td>
<td>$6,400.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Construct manhole/junction box</td>
<td>1</td>
<td>$1,600.00</td>
<td>$1,600.00</td>
<td>1</td>
<td>$1,600.00</td>
<td>$1,600.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Construct headwall for 18&quot; storm sewer</td>
<td>1</td>
<td>$950.00</td>
<td>$950.00</td>
<td>3</td>
<td>$950.00</td>
<td>$2,870.00</td>
<td>(2.00)</td>
<td>(1,900.00)</td>
</tr>
<tr>
<td>Seeding with fertilizer and watering</td>
<td>0.3</td>
<td>$3,800.00</td>
<td>$1,140.00</td>
<td>0.3</td>
<td>$3,800.00</td>
<td>$1,140.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Solid slab bermuda with fertilizer and watering</td>
<td>1,532</td>
<td>$4.50</td>
<td>$6,894.00</td>
<td>2,278</td>
<td>$4.50</td>
<td>$10,251.00</td>
<td>(746.00)</td>
<td>(3,357.00)</td>
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<tr>
<td>Insurance premium</td>
<td>1</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>1</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>0.00</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Total** $1,199,206.55 $1,151,887.05 $47,319.50

Note: A change order for $8,491.50 was issued and is not reflected in the variance above. See further discussion in note on page 4.
NOTICE OF FINAL INSPECTION

Date: 9/30/2009

State # OSA-08-F  Project Number: 3-40-0106-087-2008

Airport: KOSA WEATHERFORD-THOMAS STAFFORD AIRPORT

TO: Oklahoma Aeronautics Commission
120 N. Robinson, Suite 1244W
Oklahoma City, Oklahoma 73102
(405) 604-6900 – phone
(405) 604-6919 – fax

FROM: City of Weatherford, Mayor Mike D. Brown

522 West Rainey
Weatherford, Oklahoma 73096
580-772-7451

This is to advise you that the above referenced project is complete and ready for final inspection. The final inspection is scheduled to begin at 10:00 A.M. on July 2, 2009 at Weatherford - Stafford Airport.

Prior to making this request, I have carefully gone over this project and have found there to be no known plan omissions and that the work is complete and in reasonably close conformity with approved plans and specifications.

[Signature]
Mayor
FINIAL INSPECTION REPORT

Date: 9/30/2009  Project No: 3-40-006-007-203  Airport: Weatherford - Stafford Airport

TO:  Oklahoma Aeronautics Commission
     120 N. Robinson, Suite 1244W
     Oklahoma City, OK 73102
     (405) 604-8900  phone
     (405) 604-6919  fax

FROM:  City of Weatherford
        522 West Rainey
        Weatherford, OK 73096
        580-772-7451

Final inspection on the above project was made by John Creswell, Airport Manager
on July 2, 2009 at Weatherford - Stafford Airport

Personnel attending inspection:

<table>
<thead>
<tr>
<th>name</th>
<th>title</th>
<th>organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Creswell</td>
<td></td>
<td>City of Weatherford</td>
</tr>
<tr>
<td>Kevin Reeder</td>
<td></td>
<td>LBR</td>
</tr>
<tr>
<td>Vivek</td>
<td></td>
<td>OAC</td>
</tr>
<tr>
<td>Aaron</td>
<td></td>
<td>OAC</td>
</tr>
</tbody>
</table>

The project was found acceptable with the following exceptions:

Anticipated completion date for above exceptions:

Signature of above named person

Title of above named person
FINAL ACCEPTANCE NOTICE

Date: 9/30/2009
Project Number: DJA-08-F
Airport: WEATHERFORD - STAFFORD AIRPORT

TO: Oklahoma Aeronautics Commission
120 N. Robinson, Suite 1244W
Oklahoma City, OK 73102
(405) 604-6900 - phone
(405) 604-6919 - fax

FROM: CITY OF WEATHERFORD
Project Engineer, Mayor, City Manager

522 W. Rainey
Weatherford, OK 73096
(918) 772-7451

This is to advise you that the exceptions found at the final inspection have been completed or corrected. The project is accepted by Mike D. Brown (Project Engineer, Mayor, City Manager)

on July 10, 2009 at Weatherford - Stafford Airport

Signature of above named person Mayor

NOTE: If no exceptions are found at the Final Inspection, submit this form at the same time the Final Inspection is completed, showing acceptance of the Project.

END