

OPERATIONAL AUDIT

**OKLAHOMA AERONAUTICS COMMISSION
CITY OF ARDMORE
PROJECT NUMBER ADM-08F – LIGHTING REPLACEMENT**

For the period June 12, 2008 through October 18, 2012



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**Audit Report of the
Oklahoma Aeronautics Commission
City of Ardmore, Municipal Airport - Project Number ADM-08-F
Lighting Replacement**

**For the period
June 12, 2008 through October 18, 2012**



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

May 10, 2013

TO THE OKLAHOMA AERONAUTICS COMMISSION

This is the audit report for the Oklahoma Aeronautics Commission – City of Ardmore, Municipal Airport (state project number ADM-08-F) for the period of June 12, 2008 through October 18, 2012. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA 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.

Oversight is provided by seven commission members. They are:

- Dr. David Conway Chairman
- Joe Harris Vice Chairman
- Dave Amis Secretary
- Rick Armstrong Member
- Michael Ray Member
- Tom Stephenson. Member
- Wes Stucky Member

The City of Ardmore, Oklahoma (the Sponsor) applied for assistance from the Commission to replace and extend the runway edge lighting of Runway 13/31 after a grant from the Federal Aviation Administration (FAA) fell short of the total cost of the construction. The Commission committed \$47,607¹ to this \$349,673 project while the Sponsor pledged \$17,874. The FAA funded the difference.

Purpose and Scope

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

The audit period covered was June 12, 2008 through October 18, 2012.

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 - Determine whether expenditures paid to the City of Ardmore, Oklahoma (state project number ADM-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 Ardmore, Oklahoma 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 project engineer;

¹ The Commission originally committed \$72,444 to the project. Considering the Commission’s funding was viewed as a supplement to the Sponsor’s FAA funding, they reduced the amount committed to \$47,607 when the total costs were under budget. See further discussion on page 4 of this report.

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- Reviewed the bid submitted by the construction contractor for the project;
- Reviewed all invoices submitted by the contractors to the engineer and Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor;
- Documented the expenditure process related to the construction project; and
- Observed the completed project.

There were no exceptions noted as a result of these procedures.

APPENDIX

**Oklahoma Aeronautics Commission
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Appendix – Project Costs (unaudited) and
Close-out Documentation**

The following information has been presented at the request of management. Our objective was to determine whether expenditures paid to the City of Ardmore, Oklahoma (state project number ADM-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.

| Category | Budgeted | Change Order | Adjusted Budget | Actual | Variance |
|-------------------------|---------------|--------------|-----------------|---------------|--------------|
| Construction | \$ 332,173.45 | \$ 17,500.00 | \$ 349,673.45 | \$ 322,075.97 | \$ 27,597.48 |
| | \$ 332,173.45 | \$ 17,500.00 | \$ 349,673.45 | \$ 322,075.97 | \$ 27,597.48 |
| City Share -5% | | | \$ 20,633.95 | \$ 17,873.65 | \$ 2,760.30 |
| Commission Share - 15%* | | | 72,444.00 | 47,607.32 | 24,836.68 |
| FAA Share- 80% | | | 256,595.50 | 256,595.00 | 0.50 |
| | | | \$ 349,673.45 | \$ 322,075.97 | \$ 27,597.48 |

*Because the Commission's funding was considered supplemental the FAA's commitment, the Commission's commitment was reduced from \$72,444 to \$47,607.32 when actual costs were less than budgeted.

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Construction Costs

| Item NO. | Description | Bid Unit | Bid Quantity | Unit Price Bid | Bid Total | Actual Quantity | Actual Unit Price | Actual Total | Quantity Variance | Cost Variance |
|----------|--|----------|--------------|----------------|----------------------|-----------------|-------------------|----------------------|-------------------|---------------------|
| L-108-A | L-824 u/g 5kv Cable | L.F. | 29,385 | \$ 1.62 | \$ 47,603.70 | 24,611 | \$ 1.62 | \$ 39,869.82 | 4,774.00 | \$ 7,733.88 |
| L-108-B | U/G Cable 1/C #6 | L.F. | 27,135 | 1.05 | 28,491.75 | 22,227 | 1.05 | 23,338.35 | 4,908.00 | 5,153.40 |
| L-108-C | Ground Rod | EA. | 34 | 172.00 | 5,848.00 | 40 | 172.00 | 6,880.00 | (6.00) | (1,032.00) |
| L-108-D | Trenching for Underground Cable | L.F. | 26,000 | 3.30 | 85,800.00 | 22,816 | 3.30 | 75,292.80 | 3,184.00 | 10,507.20 |
| L-108-E | Trenching for Counterpole | L.F. | 26,000 | 0.75 | 19,500.00 | 21,900 | 0.75 | 16,425.00 | 4,100.00 | 3,075.00 |
| L-109-A | 20kw Regulator | EA. | 1 | 19,750.00 | 19,750.00 | 1 | 19,750.00 | 19,750.00 | - | - |
| L-110-C | L-867 Splice Can | EA. | 11 | 840.00 | 9,240.00 | 11 | 840.00 | 9,240.00 | - | - |
| L-125-A | F&I High Intensity Runway Edge Lights | EA. | 74 | 1,260.00 | 93,240.00 | 75 | 1,260.00 | 94,500.00 | (1.00) | (1,260.00) |
| L-125-B | F&I Runway Threshold | EA. | 8 | 1,270.00 | 10,160.00 | 8 | 1,270.00 | 10,160.00 | - | - |
| L-125-C | F&I Taxiway Edge Lights | EA. | 11 | 1,140.00 | 12,540.00 | 8 | 1,140.00 | 9,120.00 | 3.00 | 3,420.00 |
| | Runway Guidance Signs* | | 1 | \$ 17,500.00 | 17,500.00 | 1 | \$ 17,500.00 | 17,500.00 | - | - |
| | | | | | <u>\$ 349,673.45</u> | | | <u>\$ 322,075.97</u> | | <u>\$ 27,597.48</u> |

* Change Order

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Appendix – Project Costs (unaudited) and
Close-out Documentation

NOTICE OF FINAL INSPECTION

Date: March 28, 2012
Project Number: ADM-08-F
Airport: Andover Municipal Airport

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

FROM: Chris Bryant Airport Manager
Project Engineer, Mayor, City Manager
620 General Dr. Suite 2
Address
Andover 73901
City/Town and Zip Code
580-389-5238
Area Code and Phone Number

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 2:00 PM
(Time)

on MARCH 28, 2012 at Andover Municipal Airport Conf. Room.
(Date) (Location)

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.

Chris Bryant
Signature of above named person Airport Manager
Title of above named person

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FINAL INSPECTION REPORT

Date: 3/28/2012 Project No: ADM-08-F Airport: Ardmore Municipal

TO: Oklahoma Aeronautics Commission
120 N. Robinson, Suite 1244W
Oklahoma City, OK 73102
(405) 804-6900 – phone
(405) 804-6919 – fax

FROM: Chris Bryant Airport Manager
Project Engineer, Mayor, City Manager
620 General Dr. Suite 2
Address
Ardmore 73401
City/Town and Zip Code
580-389-5238
Area Code and Phone Number

Final inspection on the above project was made by Chris Bryant Airport Manager
(Project Engineer, Mayor, City Manager)

on 3/28/2012 at Ardmore Municipal Airport
(Date) (Location)

Personnel attending inspection:

| name-title-organization | name-title-organization |
|---------------------------------------|-------------------------|
| <u>Doug Jones - Tower Manager</u> | |
| <u>Denny Byers - Fire Chief</u> | |
| <u>Chris Bryant - Airport Manager</u> | |

The project was found acceptable with the following exceptions:

N/A

Anticipated completion date for above exceptions: N/A

CLB
Signature of above named person

Airport Manager
Title of above named person

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FINAL ACCEPTANCE NOTICE

Date: 3/28/12
Project Number: ADM-08-F
Airport: ARDMORE Municipal Airport

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

FROM: Chris Bryant Airport Manager
Project Engineer, Mayor, City Manager
600 General Dr. Suite 2
Address
ARDMORE 73401
City/Town and Zip Code
580-387-5238
Area Code and Phone Number

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

on 3/28/12 at ARDMORE Municipal Airport
(Date) (Location)

Chris Bryant Airport Manager
Signature of above named person Title of above named person

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



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV