

OPERATIONAL AUDIT

# OKLAHOMA AERONAUTICS COMMISSION

CITY OF CLAREMORE - PROJECT NUMBER GCM-09-S/NPE  
RUNWAY SEAL COATING

For the period May 6, 2009 through July 27, 2011



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



Oklahoma State  
Auditor & Inspector  
Gary Jones, CPA, CFE

**Audit Report of the  
Oklahoma Aeronautics Commission  
City of Claremore - Project Number GCM-09-S/NPE  
Runway Seal Coating**

**For the period  
May 6, 2009 through July 27, 2011**



# Oklahoma State Auditor & Inspector

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

October 18, 2011

## **TO THE OKLAHOMA AERONAUTICS COMMISSION**

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission – City of Claremore (state project number GCM-09-S/NPE) for the period of May 6, 2009 through July 27, 2011. 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

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. 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:

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

The City of Claremore (the Sponsor) applied for assistance from the Commission to seal coat the runway at the Claremore Regional Airport. The Commission committed \$172,840 to this \$497,045 project, while the Sponsor pledged \$34,454. The Federal Aviation Administration funded the difference.

**Purpose and Scope**

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

The audit period covered was May 6, 2009 through July 27, 2011.

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 Claremore (state project number GCM-09-S/NPE) 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 Claremore 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 engineer;
- Reviewed the bid submitted by the construction contractor for the project;

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- 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 Claremore (state project number GCM-09-S NPE) 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.

<b>Category</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Advertising	\$ 1,000.00	\$ 273.00	\$ 727.00
Engineering	16,950.00	16,950.00	-
Inspection	18,500.00	18,500.00	-
Bidding	5,220.00	5,220.00	-
Grant Administration and Closeout	5,120.00	5,120.00	-
Construction	<u>450,255.00</u>	<u>450,255.00</u>	-
Total Eligible Project Cost	<u>\$ 497,045.00</u>	<u>\$ 496,318.00</u>	<u>\$ 727.00</u>

The funding for this project was:

	<b>Grant Amount</b>	<b>Actual</b>	<b>Variance</b>
FAA's share -58.30%	\$ 289,751.00	\$ 289,327.20	\$ 423.80
Commission's Share - 34.80%	172,840.00	172,587.20	252.80
Sponsor's Share- 6.9%	34,454.00	34,403.60	50.40
	<u>\$ 497,045.00</u>	<u>\$ 496,318.00</u>	<u>\$ 727.00</u>

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Appendix- Project Costs (unaudited) and  
Close Out Documentation**

**Construction Costs**

<b>Bid Tabulation</b>	<b>Bid Qty</b>	<b>Per Unit Bid</b>	<b>Bid Price</b>	<b>Actual Quantity</b>	<b>Per Unit Actual</b>	<b>Actual Cost</b>	<b>Variance on Qty</b>	<b>Variance on Cost</b>
1 Site Preparation	1.00	\$ 5,500.00	\$ 5,500.00	1.00	\$ 5,500.00	\$ 5,500.00	-	\$ -
2 Crack Seal	66,500.00	0.50	33,250.00	66,500.00	0.50	33,250.00	-	-
3 Thermoplastic Coal-Tar Emulsion Slurry Seal	66,500.00	5.27	350,455.00	66,500.00	5.27	350,455.00	-	-
4 Runway and Taxiway Paint Removal	33,000.00	0.85	28,050.00	33,000.00	0.85	28,050.00	-	-
5 Runway and Taxiway Painting	33,000.00	\$ 1.00	33,000.00	33,000.00	\$ 1.00	33,000.00	-	-
			<b>\$ 450,255.00</b>			<b>\$ 450,255.00</b>		<b>\$ -</b>

**Oklahoma Aeronautics Commission  
Operational Audit  
Appendix- Project Costs (unaudited) and  
Close Out Documentation**

**RECEIVED**

NOV 16 2010

**FINAL INSPECTION REPORT**



Date: 9-25-09 Project No: 3-40-0019-013-2009, Airport: Claremore Regional

TO: Oklahoma Aeronautics Commission  
3800 North Classen, Suite 240  
Oklahoma City, Oklahoma 83118  
(405) 604-6900 – phone  
(405) 604-6919 – fax

FROM: Kelly Fincannon – Garver, LLC  
Project Engineer, Mayor, City Manager

10015 E. 51<sup>st</sup> Street  
Address

Tulsa, OK 74146  
City/Town and Zip Code

918-250-5922  
Area Code and Phone Number

Final inspection on the above project was made by Kelly Fincannon  
(Project Engineer, Mayor, City Manager)

on September 25, 2009 at Claremore Regional Airport  
(Date) (Location)

Personnel attending inspection:

name-title-organization	name-title-organization
Adrian Rice – Superintendent – Ameriseal of Ohio, Inc.	Kelly Fincannon – Senior Project Manager – Garver, LLC

The project was found acceptable with the following exceptions:

- The permanent pavement marking is to be applied 30 days after the seal coat was installed. Therefore the final paint application cannot be installed before Oct. 23, 2009

Anticipated completion date for above exceptions: October 24, 2009

Signature of above named person

Senior Project Manager  
Title of above named person

Oklahoma Aeronautics Commission  
Operational Audit  
Appendix- Project Costs (unaudited) and  
Close Out Documentation

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NOV 16 2010



FINAL ACCEPTANCE NOTICE

Date: November 3, 2009

Project Number: 3-40-0019-013-2009

Airport: Claremore Regional Airport

TO: Oklahoma Aeronautics Commission  
3800 North Classen, Suite 240  
Oklahoma City, Oklahoma 83118  
(405) 604-6900 – phone  
(405) 604-6919 – fax

FROM: Kelly Fincannon  
Project Engineer, Mayor, City Manager  
10015 E. 51<sup>st</sup> Street  
Address  
Tulsa, OK 74146  
City/Town and Zip Code  
918-250-5922  
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 Kelly Fincannon  
(Project Engineer, Mayor, City Manager)  
on November 3, 2009 at Claremore Regional Airport  
(Date) (Location)

Kelly Fincannon  
Signature of above named person  
Senior Project Manager  
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.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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