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
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
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,

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR
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;
• 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
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.

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

The funding for this project was:

<table>
<thead>
<tr>
<th>Grant Amount</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA's share -58.30%</td>
<td>$289,751.00</td>
<td>$289,327.20</td>
</tr>
<tr>
<td>Commission's Share - 34.80%</td>
<td>172,840.00</td>
<td>172,587.20</td>
</tr>
<tr>
<td>Sponsor’s Share- 6.9%</td>
<td>34,454.00</td>
<td>34,403.60</td>
</tr>
<tr>
<td>Total</td>
<td>$497,045.00</td>
<td>$496,318.00</td>
</tr>
</tbody>
</table>
### Construction Costs

<table>
<thead>
<tr>
<th>Bid Tabulation</th>
<th>Bid Qty</th>
<th>Per Unit Bid</th>
<th>Bid Price</th>
<th>Actual Quantity</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>1 Site Preparation</td>
<td>1.00</td>
<td>$5,500.00</td>
<td>$5,500.00</td>
<td>1.00</td>
<td>$5,500.00</td>
<td>$5,500.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2 Crack Seal</td>
<td>66,500</td>
<td>0.50</td>
<td>33,250.00</td>
<td>66,500.00</td>
<td>0.50</td>
<td>33,250.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 Thermoplastic Coal-Tar Emulsion Slurry Seal</td>
<td>66,500</td>
<td>5.27</td>
<td>350,455.00</td>
<td>66,500.00</td>
<td>5.27</td>
<td>350,455.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4 Runway and Taxiway Paint Removal</td>
<td>33,000</td>
<td>0.85</td>
<td>28,050.00</td>
<td>33,000.00</td>
<td>0.85</td>
<td>28,050.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5 Runway and Taxiway Painting</td>
<td>33,000</td>
<td>1.00</td>
<td>33,000.00</td>
<td>33,000.00</td>
<td>1.00</td>
<td>33,000.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

$450,255.00 $450,255.00 $-
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. 51st Street

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.

Personnel attending inspection:

<table>
<thead>
<tr>
<th>name-title-organization</th>
<th>name-title-organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrian Rice – Superintendent – Ameriseal of Ohio, Inc.</td>
<td>Kelly Fincannon – Senior Project Manager – Garver, LLC</td>
</tr>
</tbody>
</table>

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
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. 51st 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

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.