OKLAHOMA AERONAUTICS COMMISSION

CITY OF GUTHRIE

FOR THE PERIOD
MAY 8, 2008 THROUGH DECEMBER 19, 2008

OPERATIONAL AUDIT

Oklahoma State Auditor & Inspector
Audit Report of the
Oklahoma Aeronautics Commission -
City of Guthrie - Project Number GOK-08-S(A)

For the Period
May 8, 2008 through December 19, 2008
March 30, 2009

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, transmitted herewith is the audit report for the Oklahoma Aeronautics Commission for the period May 8, 2008 through December 19, 2008. 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,

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR
Mission Statement

The Oklahoma Aeronautics Commission’s mission is to promote aviation, which includes fostering the growth of the aerospace industry and ensuring that the needs of commerce and communities across Oklahoma are met by the state’s 114 public airports that comprise the state’s air transportation system.

Commission Members

Joe Harris ................................................................. Chair
Kenneth Adams ............................................................ Vice-Chair
Wes Stucky ................................................................. Secretary
Dave Amis ................................................................. Member
Rick Armstrong ............................................................ Member
Tom Stephenson .......................................................... Member
Mel Stubbings ............................................................. Member

Key Staff

Victor Bird ................................................................. Executive Director
Elaine Spell ................................................................. Chief Operations Officer
Vivek Khanna, PhD., P.E. ................................................... Airport Engineer
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.

The City of Guthrie, Oklahoma (the Sponsor) applied for assistance from the Commission to improve drainage and create erosion protection on a portion of their facility. The Commission committed $213,509 to this $389,540 project. The difference was paid by the Sponsor.

Authority, Purpose, and Scope

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

The audit period covered was May 8, 2008 through December 19, 2008.

Objective 1 - Determine if expenditures paid to the City of Guthrie (state project number GOK-08-S(A)) 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 Guthrie 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 manager of the Guthrie/Edmond Regional Airport;
- Interviewed the project manager at Myers Engineering;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractor to the Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor to the Commission;
- Documented internal controls related to the construction project;
- Observed the completed project.
The following information has been presented at the request of management. Our objective was to determine if expenditures paid to the City of Guthrie (state project number GOK-08-S (A)) 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></th>
<th>Budget</th>
<th>Change Order</th>
<th>Adj. Budget</th>
<th>Actual</th>
<th>Variance</th>
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<td>Base</td>
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<td>(19,340)</td>
<td>161,944</td>
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<td>Total</td>
<td>$389,540</td>
<td>$(19,340)</td>
<td>$370,200</td>
<td>$236,986</td>
<td>$133,214</td>
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Commission portion - $213,509
Sponsor portion - Balance was paid by the Sponsor
## Construction Costs

<table>
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<tr>
<th>Base Bid</th>
<th>Bid Quantity</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>
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<td>$79,063.00</td>
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<td>Solid Slab Sodding Area 2</td>
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<td>(19,340.00)</td>
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<td><strong>Alternate 1</strong></td>
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<td>$344,200.02</td>
<td>$219,721.00</td>
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</table>
NOTICE OF FINAL INSPECTION

Date: September 19, 2008
Project Number: GOK-08-S(A)
Airport: Guthrie-Edmond Regional

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

FROM: Eric Strong, P.E., Myers Engineering
Project Engineer, Mayor, City Manager
13911 Quail Pointe Drive
Address
Oklahoma City, OK 73134
City/Town and Zip Code
405/755-5325
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 10:00 am
(Time)

on September 23, 2008 at Guthrie-Edmond Regional Airport, Airport Manager’s office
(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.

Signature of above named person

Principal Engineer
Title of above named person
FINAL INSPECTION REPORT

Date: September 23, 2008, Project No: GOK-08-S(A), Airport: Guthrie-Edmond Regional

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

FROM: Eric Strong, P.E., Myers Engineering
          Project Engineer, Mayor, City Manager
13911 Quail Pointe Drive
          Address
Oklahoma City, OK 73134
          City/Town and Zip Code
405/755-5325
          Area Code and Phone Number

Final inspection on the above project was made by Project Engineer
         (Project Engineer, Mayor, City Manager)
on September 23, 2008 at Guthrie-Edmond Regional Airport
         (Date) (Location)

Personnel attending inspection:

<table>
<thead>
<tr>
<th>name-title-organization</th>
<th>name-title-organization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>(See attached sign-in sheet)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The project was found acceptable with the following exceptions:
         (See Punch List notes attached)

Anticipated completion date for above exceptions: October 3, 2008

Signature of above named person  Principal Engineer

Title of above named person
<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eric Strong</td>
<td>Myers Engineering</td>
</tr>
<tr>
<td>Wes Williams</td>
<td>W.S. Bowlin</td>
</tr>
<tr>
<td>Phil Holland</td>
<td>W.S. Bowlinare</td>
</tr>
<tr>
<td>Melvin Sumter</td>
<td>Mustang Turf</td>
</tr>
<tr>
<td>Terry Jessop</td>
<td>G &amp; A</td>
</tr>
<tr>
<td>Maxine Fruitt</td>
<td>City of Guthrie</td>
</tr>
<tr>
<td>Vivek Khanna</td>
<td>Vivek Khanna O.A.C.</td>
</tr>
<tr>
<td>Aaron Boulse</td>
<td>O.A.C.</td>
</tr>
</tbody>
</table>
Guthrie/Edmond Regional Airport
Eversen Regional Project - Final Inspection
Punch List

1. North end of Runway, West side
   - Dress up apron channel
   - Align posts along slope
   - Place topsoil around NE corner to eliminate drop out?
   - Topsoil north end of runway to eliminate drop out?
   - Remove metal vans laying grass

2. West 2
   - Cut holes in inlet slabs per plan
   - Repair mats and soil damage
   - Seal west end of dam
   - Place excess riprap along west side of field

3. Northwest Gate
   - Remove sandbags and ties
   - GPK to take roadway
   - Remove Surveying Stake

2 Forms (located in back of grant office)
* Need acceptance forms and

4. General
   - Remove trash
   - Clean up entrance from airport road
FINAL ACCEPTANCE NOTICE

Date: October 24, 2008
Project Number: GOK-08-S(A)
Airport: Guthrie-Edmond Regional

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

FROM: Eric Strong, P.E., Myers Engineering
Project Engineer, Mayor, City Manager

13911 Quail Pointe Drive
Address

Oklahoma City, OK 73134
City/Town and Zip Code

405/755-5325
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 Project Engineer,
(Project Engineer, Mayor, City Manager)
on October 24, 2008 at Guthrie-Edmond Regional Airport
(Date) (Location)

Signature of above named person Principal Engineer
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.