

OPERATIONAL AUDIT

OKLAHOMA AERONAUTICS COMMISSION

CITY OF GUYMON - PROJECT NUMBER GUY-10-S

RUNWAY SEAL COATING

For the period August 12, 2010 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 Guymon - Project Number GUY-10-S
Runway Seal Coating**

**For the period
August 12, 2010 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

September 26, 2011

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission – City of Guymon (state project number GUY-10-S) for the period of August 12, 2010 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 StuckyMember
- Dave AmisMember
- Michael Ray.....Member
- Tom Stephenson.Member

The City of Guymon (the Sponsor) applied for assistance from the Commission to modify runway 18/36 at the Guymon Regional Airport. The Commission committed \$190,490 to this \$391,743 project, while the Sponsor pledged \$30,170. 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 August 12, 2010 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 Guymon (state project number GUY-10-S) 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 Guymon 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 director of municipal services, the airport manager, and the engineer;

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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 Guymon (state project number GUY-10-S) 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	Budget	Actual	Variance
* Engineering	\$ 44,500	\$ 44,500	\$ -
* Inspection	14,604	14,604	-
Construction	391,743	391,743	-
 Total Eligible Project Cost	 <u>\$ 450,847</u>	 <u>\$ 450,847</u>	 <u>\$ -</u>

* These costs were not included in the agreement between the Sponsor and the Commission; however, we are including them for presentation purposes only.

The funding for the construction portion of this project was budgeted at the following percentages: Commission's portion - 48%; Sponsor's portion – 8%; and FAA’s portion – 44%

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

Construction Costs

	Bid Tabulation	Bid Qty	Per Unit Bid	Bid Price	Actual Quantity	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
1	Mobilization Closure Markings- Furnish, Install, and	1.0	\$ 8,000.00	\$ 8,000.00	1.0	\$ 8,000.00	\$ 8,000.00	0.00	\$ -
2	Remove Markings Removal (Water Blasting	1	1,000.00	1,000.00	1	1,000.00	1,000.00	0.00	-
3	Only) Furnish and Install Runway Overlay	34,352	1.20	41,222.40	34,352	1.20	41,222.40	0.00	-
4	(Micro seal) Furnish and Install Reflective Media	65,582	4.95	324,630.90	65,582	4.95	324,630.90	0.00	-
5	Markings (White) Furnish and Install Reflective Media	33,201	0.46	15,272.46	33,201	0.46	15,272.46	0.00	-
6	Markings (Yellow) Furnish and Install Reflective Media	1,150.89	0.46	529.41	1,150.89	0.46	529.41	0.00	-
7	Glass Beads, Type I	2,093	\$ 0.52	1,088.36	2,093	\$ 0.52	1,088.36	0.00	-
	Total			<u><u>\$ 391,743.53</u></u>			<u><u>\$ 391,743.53*</u></u>		<u><u>\$ -</u></u>

*The actual construction amount presented on the previous page has an immaterial variance when compared to this amount.

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Appendix- Project Costs (unaudited) and
Close Out Documentation

NOTICE OF FINAL INSPECTION

Date: 10-05-2010

Project Number: 3-40-0037-013-2010

Airport: Guymon Municipal Airport

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

FROM: Norbert Ricky Schlegel, PE
Project Engineer, Mayor, City Manager

13911 Quail Pointe Dr.

Address

Oklahoma City, OK 73134

City/Town and Zip Code

405-755-5325

Area Code and Phone Number

RECEIVED

NOV 11 2010




Oklahoma Aeronautics Commission

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 11:00 am (Time)

on 10-07-2010 (Date) at Guymon Municipal Airport (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

Project Engineer
Title of above named person

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Appendix- Project Costs (unaudited) and
Close Out Documentation

FINAL ACCEPTANCE NOTICE

Date: 10-07-2010
Project Number: 3-40-0037-013-2010
Airport: Guymon Municipal Airport

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

FROM: Norbert Ricky Schlegel, PE
Project Engineer, Mayor, City Manager
13911 Quail Pointe Dr.
Address
Oklahoma City, OK 73134
City/Town and Zip Code
405-755-5325
Area Code and Phone Number

RECEIVED

NOV 11 2010



This is to advise you that the exceptions found at the final inspection have been completed or corrected. The project is accepted by Norbert Ricky Schlegel
(Project Engineer, Mayor, City Manager)
on October 7, 2010 at Guymon Municipal Airport
(Date) (Location)

[Signature] P.E. 12529
Signature of above named person

Project 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.

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

FINAL INSPECTION REPORT

Date: 10-07-2010, Project No: 3-40-0037-013-2010, Airport: Guymon Municipal Airport

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

FROM: Norbert Ricky Schlegel, PE
Project Engineer, Mayor, City Manager
13911 Quail Pointe Dr.
Address
Oklahoma City, OK 73134
City/Town and Zip Code
405-755-5325
Area Code and Phone Number

RECEIVED

NOV 11 2010



Final inspection on the above project was made by Norbert Ricky Schlegel
(Project Engineer, Mayor, City Manager)

on October 7, 2010 at Guymon Municipal Airport
(Date) (Location)


Personnel attending inspection:

name-title-organization	name-title-organization
Rick Schlegel - Myers Engineering	
Ivan Clark - Public Works Director	

The project was found acceptable with the following exceptions:

No exceptions

Anticipated completion date for above exceptions: NA

 P.E. 12529
Signature of above named person

Project Engineer
Title of above named person



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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