

AGREED-UPON PROCEDURES REPORT

OKLAHOMA SPACE INDUSTRY DEVELOPMENT AUTHORITY

For the Period September 1, 2011 through December 31, 2016



*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

Oklahoma Space Industry Development Authority

Agreed-Upon Procedures Report

For the Period

September 1, 2011 through December 31, 2016



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 4, 2017

**To the Executive Director
of the Oklahoma Space Industry Development Authority**

This is the agreed-upon procedures report of the Oklahoma Space Industry Development Authority (hereafter referred to as the Authority) for the period of September 1, 2011 through December 31, 2016. The goal of the Oklahoma 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

Mission Statement

The mission of the Oklahoma Space Industry Development Authority is resolved to be aggressive, deliberate and forceful in the planning and development of spaceport facilities, launch systems and projects and to successfully promote and stimulate the creation of space commerce, education and space related industries in Oklahoma. The Authority was also setup to:

- Create a licensed commercial spaceport in southwest Oklahoma to include facilities necessary for space launch operations and associated industries specialized in space related activities;
- Create innovative partnerships with the private sector in order to establish new aerospace industries, enhance existing aerospace industries and retain a significant number of high paying/high tech jobs in Oklahoma;
- Promote and stimulate the creation of space related education, research, recreational, and cultural initiatives in the public interest of Oklahoma; *and*
- Enhance economic development of Oklahoma through added diversity of jobs and industries to the new space frontier.

Board Members (As of 8/23/2017)

Robert Cox.....	Chair
Donald Wetekam	Vice-Chair
Bailey J. Siegfried.....	Secretary
Michael Halsey	Treasurer
David Greer.....	Member
James Cunningham	Member
Ben Robinson.....	Member

Key Staff (As of 8/23/2017)

Bill Khourie	Executive Director
Nicola Borghini.....	Operations Manager
Kim Vowell.....	Business and Finance Officer
Amy Lovell	Administrative Assistant
Kyle Bloomer.....	Facilities Manager



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Executive Director of the Oklahoma Space Industry Development Authority

We have performed the procedures enumerated below, which were agreed to by the management of the Oklahoma Space Industry Development Authority (the Authority), solely to assist management of the Authority in evaluating the financial operational activities of the Authority for the period of September 1, 2011 through December 31, 2016. The financial operational activities of the Authority are the responsibility of the Authority's management. This agreed-upon procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the engagement period, we applied the procedures listed below:

1. Determined the Authority has accounting duties over revenues properly segregated by function of billing, receiving transactions, posting transactions, depositing and reconciling revenue for rent and sale of utilities.

The Authority did not have accounting duties properly segregated by function of billing, receiving transactions, posting transactions, depositing and reconciling revenue for rent and sale of utilities.

2. Randomly select a sample of ten deposits from rent and sale of utilities during the period using the AR Reconcile Deposits Report from the Statewide Accounting System, and determine the amount of the deposits agreed with supporting documentation (monthly deposit report, deposit slip, and calculator tape (when applicable)), were coded to the correct account codes, and agreed with the amount recorded in the Statewide Accounting System.

No exceptions were found as a result of applying the procedure.

3. Determine the Board of Directors performs an independent detailed review of expenditures after payments are made.

The Board of Directors did not perform an independent detailed review of expenditures after payments were made.

4. Randomly select one month for each state fiscal year during the period and determine there was an independent review and approval of expenditures by the Board.

No exceptions were found as a result of applying the procedure.

5. Randomly select a sample of 25 expenditure claims from the period using the 6 Digit Expenditure Report from the Statewide Accounting System and determine the claims agreed with supporting documentation (invoice, purchase order, and receiving reports (when applicable)), were coded to the correct account codes, agreed with the amount recorded in the Statewide Accounting System, and met the Authority's mission.

No exceptions were found as a result of applying the procedure.

6. Obtain a list of employees for each state fiscal year during the period using the HR All Action and Summary Query reports from the Statewide Accounting System, and randomly select one employee from each state fiscal year and determine the employee's salary from their Request for Personnel Action form (OPM-14/HCM-14) agrees with the HR Summary Query in the Statewide Accounting System and was properly approved.

No exceptions were found as a result of applying the procedure.

7. For each employee randomly selected above, randomly select one month during that state fiscal year and determine the salary/hourly rate paid agrees with the time reported on the timesheet.

No exceptions were found as a result of applying the procedure.

8. Obtain a list of terminated employees with their respective termination dates during the period using the HR All Action report from the Statewide Accounting System, and determine no further payroll was paid to the employee after the termination payroll period.

No exceptions were found as a result of applying the procedure.

9. Obtain a list of hired employees with their respective start dates during the period using the HR All Action report from the Statewide Accounting System, and determine the new hire was properly authorized by observing their Request for Personnel Action form (OPM-14/HCM-14).

No exceptions were found as a result of applying the procedure.

10. Determine the Authority has controls over inventory properly segregated by function of record keeping, physical control of assets, and periodic review.

The Authority does not have controls over inventory properly segregated by function of record keeping, physical control of assets, and periodic review.

We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial operational activities for the Authority. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to assist management of the Authority in evaluating the financial operational activities of the Authority for the period of September 1, 2011 through December 31, 2016. Accordingly, this communication is not suitable for any other purpose. This report is also 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.

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

August 23, 2017



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

WWW.SAI.OK.GOV