
SUMMARY

NAME OF ENTITLEMENT*CITY OF SHAWNEE

MAILING ADDRESS P.O. BOX 1448

SHAWNEE, OK Zip Code +4 74802

Area Code & Phone Number 405.273.1938 FEI# 73-6005424

Data Universal Numbering System (DUNS) # 091602441

*A DUNS Number is now a requirement for a contractor that receives Federal Assistance. If the Contractor does not have a DUNS Number please go to the following website to obtain one:
<http://fedgov.dnb.com/webform/displayHomePage.do>

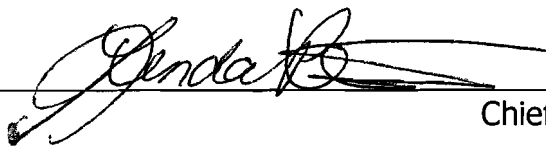
Contact: MIKE WOLF, PROGRAM MANAGER or CARLA HAWKINS, PLANNING ASSISTANT
Phone 405.878.1543 or 405.878.1542

E-mail: mwolf@shawneeok.org or chawakins@shawneeok.org

ENTITLEMENT AMOUNT: \$394,792.00

REQUEST AMOUNT: \$394,792.00

By



Chief Elected Official

Decline to participate in Neighborhood Stabilization Program

By

Chief Elected Official

*Only Entitlement Entities will be accepted in entitlement areas

For Assistance, please contact:

- Tiana Douglas (405) 815-5357 Cell: 405-627-0456
Email: tiana_douglas@odoc.state.ok.us
- Steve Hoover (405) 815-5268
Email: steve_hoover@odoc.state.ok.us
- D. Scott Myers (405) 815-5356
Email: scott_myers@odoc.state.ok.us

NEIGHBORHOOD STABILIZATION PROGRAM BUDGET SUMMARY

CITY OF SHAWNEE	\$365,183.00
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NSP ACTIVITY	Activity Code	ODOC HP Code	BUDGET AMOUNT	
			Activity Amt.	NSP Only Total
FINANCE MECHANISMS				
Direct Homeownership Assistance	A-13	551053		\$0.00
PURCHASE & REHAB				
Acquisition	B-01	551050		\$0.00
Disposition	B-02	551054		
Homebuyer Counseling	B-05	551055		
Rehabilitation - Homeownership	B-14a	551049		
Rehabilitation - Rental Housing	B-14b	551049		
LAND BANKING				
Acquisition	C-01	551050		\$0.00
Disposition	C-02	551054		
DEMOLISH BLIGHTED STRUCTURES				
Demolition	D-04	551070		\$0.00
REDEVELOP DEMOLISHED or VACANT PROPERTIES				
Acquisition <i>City Liens, County taxes waived</i>	E-01	551050	\$39,736.00	\$365,183.00
Disposition	E-02	551054		
Public Facilities & Improvements	E-03	551110		
Homebuyer Counseling	E-05	551055	\$2,800.00	
New Construction - Home Ownership <i>Soft costs</i>	E-12a	NA	\$365,183.00	\$13,718.00
New Construction - Rental Housing	E-12b	NA		\$0.00
<i>Permits & inspections, code enforcement waived</i>				\$1,760.00
ADMINISTRATION (Not To Exceed 7.5%)				
Administration:	F-01	551010	\$29,609.00	\$14,324.00
TOTAL NSP:				
\$394,792.00				
TOTAL LEVERAGE:				
\$72,338.00				
GRAND TOTAL (NSP \$ + Leverage):				
\$467,130.00				
(ODOC ONLY) Activity Group Totals:				
Acquisition		551050	\$0.00	
Demolition		551070	\$0.00	
Disposition		551054	\$0.00	
Direct Homeownership Assistance		551053	\$0.00	
Public Facilities & Improvements		551110	\$0.00	
Homebuyer Counseling		551055	\$0.00	
New Construction - Home Ownership		NA	\$365,183.00	
New Construction - Rental Housing		NA	\$0.00	
Rehabilitation - Homeownership		551049	\$0.00	
Rehabilitation - Rental Housing		551049	\$0.00	

Includes property appraisal


 Signature of Authorized Official **LINDA PETERSON, MAYOR**

February 24, 2009
 Date

CERTIFICATION

The Entitlement hereby certifies that all of the information contained in this application for Neighborhood Stabilization Program (NSP) assistance is true and accurate to the best of my knowledge and that all documentation supporting the information in this application is on file in the official offices of this unit of local government, available for review by ODOC/CD during normal business hours. The Applicant also affirms that none of the activities set forth in this application have been initiated, nor shall they be initiated unless a grant has been awarded, a contract fully executed, and notice has been issued by ODOC/CD that release of funds requirements have been met.

Additionally, the Entitlement is hereby notified that failure to provide any of the documentation necessary to support the information in this application for assistance may result in the return of all Program grant funds, both expended and unexpended, in accordance with the Program Sanctions under the codified rules of ODOC, contained in the Oklahoma Administrative Code, Chapter 15 Small Cities Community Development Block Grant Program, Subchapter 7, Section 3 (150:15-7-3), and Title 150 Oklahoma Department of Commerce, Chapter 1 General rules of Practice and Procedure, Subchapter 11, Sections 1-17 (150:1-11-1 through 17).

LINDA PETERSON, MAYOR
(Type) Name and Title of Chief Elected Official

February 24, 2009
Date



Signature of Chief Elected Official

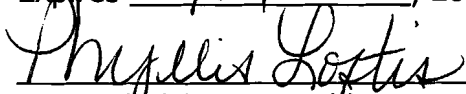
[S E A L]

State of Oklahoma
County of Pottawatomie

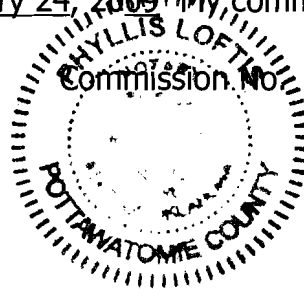
ATTEST:

Subscribed and sworn to before me February 24, 2009 My commission

Expires 3/27, 2002.



~~Town Clerk~~ Notary Public
CITY CLERK



Preparer Carla Y. Hawkins

ELIGIBLE ACTIVITIES

NSP ACTIVITY	CDBG ACTIVITY
Establish financing mechanisms for purchase and redevelopment of foreclosed upon home and residential properties, including such mechanisms as soft-second, loan loss reserves and shared-equity loans for low and moderate income homebuyers.	As a part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.
Purchase and rehabilitate homes and Residential properties that have been Abandoned or Foreclosed upon, in order to sell, rent, or redevelop such homes and properties.	24.CFR 570.201 (a) Acquisition (b) Disposition (i) Relocation (n) Direct homeownership assistance (as modified below); 24.CFR 570.202 eligible Rehabilitation and Preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
Establish land banks for homes that have been foreclosed upon.	24.CFR 570.201 (a) Acquisition and (b) Disposition
Demolish blighted structures	24.CFR 570.201 (d) clearance for blighted structures only

NSP ACTIVITY	CDBG ACTIVITY
Redevelop demolished or vacant properties	24.CFR 570.201 (a) Acquisition (b) Disposition (c) Public facilities and improvements (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties. (i) Relocation, and (n) Direct homeownership assistance (as modified in NSP Plan) 204 Community Based Development Organizations

BUDGET SUMMARY PAGE

	NSP FUNDS	OTHER FUNDING (if applicable)
FINANCING MECHANISMS	\$ _____	\$ _____
PURCHASE	\$ _____	\$ _____
REHABILITATION	\$ _____	\$ _____
LAND BANKING	\$ _____	\$ _____
DEMOLITION	\$ _____	\$ _____
REDEVELOPMENT (demolished or vacant property)	\$ _____	\$ _____
ADMINISTRATION (not to exceed 7.5%)	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____
AMOUNT SERVING <50% MEDIAN INCOME	\$ _____	

***ATTACH SCHEDULE WITH MILESTONES FOR EACH ACTIVITY**

ESTABLISHING FINANCING MECHANISMS

ACTIVITY DESCRIPTION (Include range of interest rates and other specifics):

LOCATION:

AMOUNT: \$

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$

COST PER UNIT:\$

SUBCONTRACTORS (Including experience and record with CDBG and other programs):

PROJECTED START DATE: _____

PROJECTED COMPLETION DATE: _____

AQUISITION OF PROPERTY

ACTIVITY DESCRIPTION (Including discount rates):
NOT APPLICABLE

LOCATION:

AMOUNT: \$_____

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$_____

COST PER UNIT: \$_____

SUBCONTRACTORS: (Including experience with CDBG programs and other)

PROJECTED START DATE: _____

PROJECTED COMPLETION DATE: _____

REHABILITATION OF PROPERTY

ACTIVITY DESCRIPTION:
NOT APPLICABLE

LOCATION:

AMOUNT: \$_____

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$_____

COST PER UNIT: \$_____

SUBCONTRACTORS (Including experience and record with CDBG and other programs):

PROJECTED START DATE: _____

PROJECTED COMPLETION DATE: _____

LAND BANKING

ACTIVITY DESCRIPTION:
NOT APPLICABLE

LOCATION:

AMOUNT: \$_____

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$_____

SUBCONTRACTORS (Including experience and record with CDBG and other programs):

PROJECTED START DATE: _____

PROJECTED COMPLETION DATE: _____

DEMOLITION

ACTIVITY DESCRIPTION:
NOT APPLICABLE

LOCATION:

AMOUNT: \$_____

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$_____

COST PER UNIT: \$_____

SUBCONTRACTORS (Including experience and record with CDBG and other programs):

PROJECTED START DATE: _____

PROJECTED COMPLETION DATE: _____

REDEVELOPMENT OF DEMOLISHED OR VACANT PROPERTY

ACTIVITY DESCRIPTION (Rental housing/Home ownership – compliance with affordability requirements):

Shawnee's intent is to perform new single family construction and housing counseling utilizing the Shawnee Housing Authority. The homes will be sold to eligible homeowners. Each property will adhere to a 20 year period of affordability.

The City of Shawnee will perform four (4) new construction units benefitting low-moderate or middle-income persons. Three (3) of the four (4) persons will be at or below 50% of the median income. The properties in which the new construction will be performed are vacant lots which have been abandoned or foreclosed upon. The NSP housing units will be located in areas which are greater than 120% of the area median income. The City's intentions are to construct two (2) new construction units located in CT 5002 BG .001, one (1) new construction unit located in CT 5004 BG .004 and one (1) new construction unit located in CT 5004 BG .004.

All of the funds appropriated or otherwise made available under this section shall be used with respect to individuals and families whose income does not exceed 120% of area median income. Not less than 25% of the funds appropriated or otherwise made available will be used for redevelopment of abandoned or foreclosed properties.

The new homeowner will sign a mortgage agreement with the Shawnee Urban Renewal Authority, agent for the City of Shawnee. The mortgage is designed to meet the required affordability period and the new homeowner agrees to pay as follows:

The 50% portion of the construction amount. Fifty percent (50%) of the construction amount shall bear interest from loan date at three percent (3%) per annum, payable in 240 equal monthly installments of principal and interest, the first payment is due and payable on or before the first day of the month, and succeeding payments of like amount on the first day of each succeeding month until all of said 240 payments have been paid. Any installment not paid within fifteen (15) days of due date shall incur a late penalty of five percent (5%) of payment amount. Any one monthly late penalty shall not exceed fifteen dollars (\$15.00).

The remaining 50% portion of the construction amount shall bear interest from loan date at Zero Percent (0%) per annum. In the event the real property and dwelling are further encumbered, sold, leased, rented, sold under contract, or if title or possession is otherwise transferred by the Owner, the remaining Fifty Percent (50%) portion of the new construction amount shall become immediately due and payable to SURA. Marriage and divorce shall not constitute such an event of transfer.

Owner shall also pay funds for escrow items to provide for payment of amounts due for taxes, assessments and other items which can attain priority over the Security instrument as a lien or encumbrance on the property and premiums for any and all insurance required by SURA.

In the event the real property and dwelling are sold, leased, rented, sold under contract, or if title or possession is otherwise transferred by the Owner, any unpaid portion of the construction amount shall become immediately due and payable to SURA. Marriage and divorce shall not constitute such an event of transfer.

The City of Shawnee will utilize tax defaulted properties donated by Pottawatomie County. In addition, Shawnee will use the City's Code Enforcement office to perform all inspections, issuance of occupancy permits and waive inspection permit fees. The City waives liens and County waives back taxes on foreclosed properties donated to SURA.

LOCATION:

Target areas for NSP funds will encompass the city limits of Shawnee with the greatest need located throughout Shawnee. (See attached NSP Map)

AMOUNT: \$365,183.00

AMOUNT BENEFITING <50% MEDIAN INCOME (if applicable) \$362,383

COST PER UNIT: \$90,569.00

SUBCONTRACTORS (Including experience and record with CDBG and other programs):
N/A

PROJECTED START DATE: March 1, 2009

PROJECTED COMPLETION DATE:February 28, 2013

The Oklahoma Department of Commerce (ODOC) reserves the right to look at the Neighborhood Stabilization Program principles as a whole to ensure that the intent of the law is met. ODOC further reserves the right to seek HUD guidance regarding eligibility of activities.

ODOC reserves the right to adjust contracted amounts based upon actual performance and progress in order to maximize use of funds within the initial 18 months of the program. ODOC will evaluate the progress of each of the identified activity areas among all NSP recipients. NSP funds may be re-allocated by ODOC among the activity areas in response to unacceptable progress in accomplishing the stated goals and commitment of funds in compliance with NSP requirements. ODOC may identify additional activities, consistent with the needs analysis and eligible uses, and may amend the Program to incorporate such activities if funds can be obligated within the time required.

ODOC will require a timeline and expected outcomes as part of this application submission. After 120 days from start date of contract, ODOC will review the progress to date, determine whether the funds are being committed in a timely manner and whether there has been progress against the community's stated goals. Should the community not be meeting standards, ODOC will work with them to improve its performance. ODOC will review performance again after another four (4) months. At that point, if performance standards are not being met, ODOC will suspend further assistance to the community and re-allocate those funds to other activity components.

The following documentation must be attached to this Request for Information:

- 1) Section 102 Disclosure Report (Attached)
- 2) Most recent audit
- 3) Resolution Amending Consolidated Plan and approving NSP (Sample Attached)
- 4) W-9 Request for Taxpayer Identification Number and Certification

SECTION 102 DISCLOSURE REPORT

Section 102 Disclosure and Certifications are a requirement of the Urban Development Reform Act of 1989, 24, CFR part 24. The Purpose of the disclosures is to ensure greater accountability and integrity in the provision of various programs. All applicants must complete the form.

Part I – Applicant/Grantee Information

1. Applicant/grantee name, address and phone number 2. Indicate whether this is:

CITY OF SHAWNEE
P.O. BOX 1448

Initial Report Update Report

SHAWNEE, OK 74802-1448

Federal employer identification number (FEI#): 73-6005424

2. Project assisted/to be assisted.

a. Fiscal Year: 2009-2013

b. Entitlement grant(s)

Competitive grant

c. Amount requested/received: _____ \$394,792

d. Program income to be used with c. above: _____ \$ _____

e. Total of c. and d.: _____ \$ _____

Part II – Threshold Determinations

1. Is the amount listed at 3.e. (above) more than \$200,000?

Yes

No

2. Have you received or applied for other HUD assistance which when added to 3.e. (above), amounts to more than \$200,000?

Yes

No

If the answer to EITHER 1. or 2. of this Part is "yes," then you must complete the remainder of this report.

If the answer to BOTH 1. or 2. of this Part is "no," then you are not required to complete the remainder of this report, but you must sign the following certification.

I hereby certify that this information is true.



Chief Elected Official

February 24, 2009
Date

PART III – Other Government Assistance Provided/Applied For

1. Provide the requested information for any other Federal, State and/or local governmental assistance, on hand or applied for, that will be used with the CDBG (NSP) grant

Name and Address of Agency Providing, or to Provide Assistance	Program	Type of Assistance	Amount Requested or Provided \$
N/A			\$
N/A			\$
N/A			\$

PART IV – Interested Parties

Alphabetical List of All Persons with a Reportable Financial Interest in the Program	Social Security No. or Employee ID No.	Type of Participation in Project	Financial Interest in Project \$ and %
N/A			
N/A			
N/A			


PART V – Expected Sources and Uses of Funds

This Part requires that you identify the sources and uses of all assistance, including CDBG (NSP) that have been or may be used in the Project.

Source	Use
Oklahoma Department of Commerce	Redevelopment of vacant lots
N/A	
N/A	

PART VI – Certification

I hereby certify that the information provided in this disclosure is true and correct and I am aware that any false information or lack of information knowingly made or omitted may subject me to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, I am aware that if I knowingly and materially violate any required disclosure of information, including intentional non-disclosure, I am subject to a civil money penalty not to exceed \$10,000 for each violation.


Chief Elected Official

February 24, 2009
Date

AUDIT

All towns and cities (counties are exempt) must submit a copy of the FY 2008 Audit or most recent audit or the agreed upon procedures.

Attached is the latest audit performed on the City of Shawnee for Fiscal Year 2007-2008.

The 2008-2009 is being prepared for approval with a projected completion date of approximately April, 2009.

THE CITY OF SHAWNEE, OKLAHOMA

Basic Financial Statements

June 30, 2007

(With Independent Auditors' Report Thereon)



COUNT ON MHM

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government
Auditing Standards***

To the City Commission
City of Shawnee
Shawnee, Oklahoma:

We have audited the financial statements of the City of Shawnee, Oklahoma, as of and for the year ended June 30, 2007, and have issued our report thereon dated April 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Shawnee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Shawnee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Shawnee's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Shawnee's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the City of Shawnee's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses, as item 07-1, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies as described above is a material weakness.

Murrell, Hall, McIntosh & Co., PLLP • Certified Public Accountants

2601 N.W. Expressway Suite 700E • Oklahoma City, OK 73112 • 405.842.4420 • F. 405.842.3776 • www.mhmcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Shawnee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 07-2.

We noted certain matters that we reported to management of the City of Shawnee in a separate letter dated April 21, 2008.

The City of Shawnee, Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Shawnee's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the city council, management, others within the City of Shawnee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Murrell, Hall, McIntosh, & Co. PLLP

Oklahoma City, Oklahoma
April 14, 2008

Schedule of Findings and Recommendations

07-1

Noncompliance with City Procurement Policy

Criteria:

It is the City's policy to obtain a minimum of three quotes for purchases in excess of \$100. Purchases over \$250 must have quotes in writing. Lastly, purchases in excess of \$10,000 (\$7,500 prior to July 1, 2007) requires competitive bidding. All such documentation should be maintained in the vendor files.

Condition:

For a sample of procurement items selected for testwork, we noted repeat instances of the following:

- No bids or documentation of bids were maintained in the files;
- Less than three bids were obtained;
- Competitive bid documentation could not be located; and
- Only verbal quotes were obtained for purchases over \$250.

It should be noted that all procurement items were approved by at least one other party but the official policy was not followed.

Recommendation:

First, we suggest reinforcing City policy with employees, pointing out the importance of adherence to stated policy. Further, it should be strongly reasserted that all documentation should be maintained in the vendor files, including internal notes of verbal quotes obtained.

The City should review the established policies and procedures and consider redefining these policies to accommodate current and anticipated requirements. Procedures should be developed to periodically determine that the policies are being properly followed. More specifically, we recommend that management review this policy to determine if the purchase levels and required actions are reasonable in the ordinary course of business. Some thresholds may need to be revised (i.e. increase dollar thresholds, reduce number of quotes required) to reduce the workload of the City employees involved in this process in order to obtain a cost benefit. Any change to thresholds should be in accordance with City ordinances and State regulations.

Benefit:

By reasserting the policy, management can ensure that City employees are aware of the policy thresholds in order to properly follow these procedures. Adherence to a record retention policy will result in improved accountability over historical financial information.

By reassessing the requirements of this policy, management may be able to better allocate its resources. Additionally, this could reduce the risk of error if the volume of documentation is reduced.

Response:

The City agrees with the auditors' observation and recommendation. The City has experienced staffing turnover within the Finance Department and other departments.

The City has implemented several internal controls over issuing and approving purchase orders, including noting the quotes in the electronic purchase order notes area. Currently only the Finance Director approves purchase orders over \$1,000 and purchase orders over budget.

Continuing efforts are made to train and remind staff of the City's procurement policies.

Finance Department staff has been trained on the City's procurement policies, which are in written form.

The City has recently updated its procurement policies to increase the competitive bidding threshold to \$25,000. Also written quotes or catalog pricing is required for purchases over \$500.

The City will continue to enforce these procurement policies.

07-2

Noncompliance with State Statute

- Criteria:** State statute requires the municipalities to file annual a financial statement audit within 6 months after year end.
- Condition:** City of Shawnee did not file its June 30, 2007 audit report with the State Auditor by the December 31, 2007 deadline.
- Response:** The City experienced significant turnover in the financial reporting process and engaged an accounting firm to help with the financial reporting. As a result of this process, several errors were discovered and restatements to financials were necessary. Due to these items, management, the accounting firm, and the auditing firm were unable to complete the financials so that the audit could be completed by December 31, 2007. Now that the corrections have been completed and there has been staffing changes in this area, future audits will be completed in a timely manner.



COUNT ON MHM

April 21, 2008

To the City Commission
The City of Shawnee, Oklahoma
Shawnee, Oklahoma

We have audited the basic financial statements of the City of Shawnee, Oklahoma (the City) as of and for the year ended June 30, 2007, and have issued our report thereon dated April 14, 2008. Under our professional standards, we are providing you with the attached information related to the conduct of our audit.

Our Responsibility under Professional Standards

We have a responsibility to conduct our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the basic financial statements are detected.

In addition, in planning and performing our audit of the basic financial statements, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit of the basic financial statements does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Accounting Policies

Significant Accounting Policies

The significant accounting policies used by the City are described in Note II to the basic financial statements.

Unusual Transactions

We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Murrell, Hall, McIntosh & Co., PLLP • Certified Public Accountants

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Management Judgments and Accounting Estimates

The preparation of the basic financial statements requires management of the City to make a number of estimates and assumptions relating to the reported amounts on the basic financial statements. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Audit Adjustments and Uncorrected Misstatements

For purposes of this communication, professional standards define an audit adjustment, whether or not recorded by the City, as a proposed correction of the financial statements that, in our judgment, may not have been detected except through the audit procedures performed. These adjustments may include those proposed by us but not recorded by the City that could potentially cause future financial statements to be materially misstated, even though we have concluded that the adjustments are not material to the current financial statements.

Audit Adjustments

In connection with our audit of the basic financial statements, one adjustment was proposed and recorded in the basic financial statements. This adjustment reclassified transfers to the discretely presented component unit from transfers to an operating expenditure as required by the Governmental Accounting Standards Board. The adjustment had no net impact to the change in fund balances of the governmental funds or to the change in net assets of the governmental activities.

Uncorrected Misstatements

There were no uncorrected misstatements noted in connection with our audit of the basic financial statements.

Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the City's basic financial statements.

Consultation with Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of AU 625, "Reports on the Application of Accounting Principles."

Major Issues Discussed with Management Prior to Retention

We did not discuss any major issues with management regarding the application of accounting principles and auditing standards that resulted in a condition to our retention as the City's auditors.

Difficulties Encountered in Performing the Audit

No difficulties were encountered in dealing with management while performing our audit.

* * * * *

This information is intended solely for the use of the City Commission, management and others within the City of Shawnee, Oklahoma, and is not intended to be and should not be used by anyone other than these specified parties. This report is not intended for general use, circulation or publication and should not be published, circulated, reproduced or used for any purpose without our prior written permission in each specific instance.

Very truly yours,

Murrell, Hall, McIntosh, & Co. PLLP

Oklahoma City, Oklahoma



April 21, 2008

To the City Commission
The City of Shawnee, Oklahoma
Shawnee, Oklahoma

We have audited the basic financial statements of the City of Shawnee, Oklahoma (the City) as of and for the year ended June 30, 2007, and have issued our report thereon dated April 14, 2008. Under our professional standards, we are providing you with the attached information related to the conduct of our audit. In planning and performing our audit of the basic financial statements of the City, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

Capital Asset Inventory

It is the City's policy to perform a capital asset inventory every three years. However, the City has not performed a complete physical inventory of fixed assets in over three years. We recommend the City perform a physical inventory of all capital assets. Additionally, the physical inventory should be reconciled to the general ledger and all unexplained differences should be investigated.

Performance of a physical inventory of capital assets and proper recording of any necessary adjustments will provide a more accurate capital assets base for management decision-making and financial statement purposes and will promote the accurate recording and safeguarding of capital assets.

Management's Response:

The City agrees that physical inventory of fixed assets must be performed periodically to accurately account for and safeguard capital assets. Budget constraints and inadequate staffing levels have made it

Murrell, Hall, McIntosh & Co., PLLP • Certified Public Accountants

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impossible to perform a physical inventory in the past three years. The City will conduct a physical inventory of capital assets.

* * * * *

Our audit procedures are designed primarily to enable us to form an opinion on the basic financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the City gained during our work to make comments and suggestions that we hope will be useful to you. We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the City Commission, management and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Murrell, Hall, McIntosh, & Co. PLLP

Oklahoma City, Oklahoma

RESOLUTION NO. 6349

A RESOLUTION AMENDING THE 2005-2009 CONSOLIDATED PLAN AND 2008-2009 YEAR PLAN APPROVING THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP); THE NEIGHBORHOOD PROGRAM (NSP) GRANT APPLICATION IN THE AMOUNT OF \$394,792 AND ALL REQUIRED CERTIFICATIONS; ALLOCATIONS OF NEIGHBORHOOD STABILIZATION PROGRAM (NSP) GRANT FUNDS TO ELIGIBLE PROGRAM ACTIVITIES; AND AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICATION DOCUMENTS, CERTIFICATION FUNDING AWARDS AND GRANT AGREEMENTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND THE STATE OF OKLAHOMA, AS FUNDING IS BEING MADE AVAILABLE THROUGH THE STATE OF OKLAHOMA'S ALLOCATION OF NEIGHBORHOOD STABILIZATION PROGRAM (NSP) IMPLEMENTATION, ASSOCIATED WITH THE PURCHASE, REHABILITATION AND CONVEYANCE OF ABANDONED AND FORECLOSED UPON HOMES.

WHEREAS, The Housing and Economic Recovery Act of 2008 established the Neighborhood Stabilization Program (NSP) to assist communities around the nation in addressing problems associated with subprime lending and home foreclosures; and

WHEREAS, The U. S. Department of Housing and Urban Development (HUD) has been directed by the Housing and Economic Recovery Act of 2008 to develop regulations and distribute Neighborhood Stabilization Program (NSP) grant funds to states and units of general local government; and

WHEREAS, based on the State of Oklahoma Neighborhood Stabilization Program (NSP) Plan, as approved by HUD, Shawnee has been allocated \$394,792 of the \$29,969,459. allocated to the state; and

WHEREAS, Federal regulations, effective September 30, 2008 and published in the Federal Register (FR-5255-N-01) on October 6, 2008, sets forth requirements governing the expenditure of Neighborhood Stabilization Program (NSP) funds, establishes certain funding ratios for allocating grant funds and requires the set aside of 25% of the grant funds to insure benefit to persons of lower income (less than 50% of area median); and

WHEREAS, All Neighborhood Stabilization Program (NSP) grant funds must be expended under the Community Development Block Grant national objective of low-and moderate-income benefit expanded to include individuals and families whose incomes do not exceed 120% of area median income; and

WHEREAS, Priority must be given for the expenditure of Neighborhood Stabilization Program (NSP) grant funds in the areas of ~~greatest need, and~~

I, the undersigned, duly qualified and acting City Clerk of the City of Shawnee, State of Oklahoma, hereby certify that the above and foregoing document, consisting of 2 pages, is a true and correct copy of the original document on file in the City Clerk's office.

Witness my hand and the seal of said City this 10th day of

APRIL, 2009.

Donna Mayo
City Clerk - Deputy

WHEREAS, Based on the data provided by the U.S. Department of Housing and Urban Development the land area designated by the attached map corresponds to the area of greatest need within the community.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SHAWNEE:

1. The 2005-2009 Consolidated Plan and 2008-2009 Year Plan are amended by establishing the Neighborhood Stabilization Program (NSP);
2. The information and application documents and certifications to the State of Oklahoma are approved;
3. The allocations of Neighborhood Stabilization Program (NSP) funds and program income to Neighborhood Stabilization Program (NSP) eligible activities attached hereto are approved;
4. The Mayor is authorized to execute the Neighborhood Stabilization Program (NSP) information and application documents, to make the required certifications and to execute the Neighborhood Stabilization Program (NSP) funding awards and grant agreement that may be provided through the State of Oklahoma's allocation of Neighborhood Stabilization Program (NSP) funds;
5. The Mayor is authorized to execute all documents associated with Neighborhood Stabilization (NSP) implementation associated with the purchase, rehabilitation and conveyance of abandoned and foreclosed upon homes.

PROVIDED that copies of the executed application/information and related documents are filed with the City Clerk's Office; and

PROVIDED that the Mayor will not sign any agreements or contract pursuant to such awards without first securing the specific approval of the Board of City Commissioners.

PASSED AND APPROVED this 17th day of February, 2009.


LINDA PETERSON, MAYOR

ATTEST:


DONNA MAYO, DEPUTY CITY CLERK

REVIEWED as to form and legality


MUNICIPAL COUNSELOR

FEBRUARY 17, 2009
Date

ATTACHED: Summary of Neighborhood Stabilization Information Sheet

SUMMARY

NAME OF ENTITLEMENT*CITY OF SHAWNEE

MAILING ADDRESS P.O. BOX 1448

SHAWNEE, OK Zip Code +4 74802

Area Code & Phone Number 405.273.1938 FEI# 73-6005424

Data Universal Numbering System (DUNS) # 091602441

*A DUNS Number is now a requirement for a contractor that receives Federal Assistance. If the Contractor does not have a DUNS Number please go to the following website to obtain one:
<http://fedgov.dnb.com/webform/displayHomePage.do>

Contact: MIKE WOLF, PROGRAM MANAGER or CARLA HAWKINS, PLANNING ASSISTANT
Phone 405.878.1543 or 405.878.1542

E-mail: mwolf@shawneeok.org or chawakins@shawneeok.org

ENTITLEMENT AMOUNT: \$394,792.00

REQUEST AMOUNT: \$394,792.00

By



Chief Elected Official

Decline to participate in Neighborhood Stabilization Program

By

Chief Elected Official

*Only Entitlement Entities will be accepted in entitlement areas

For Assistance, please contact:

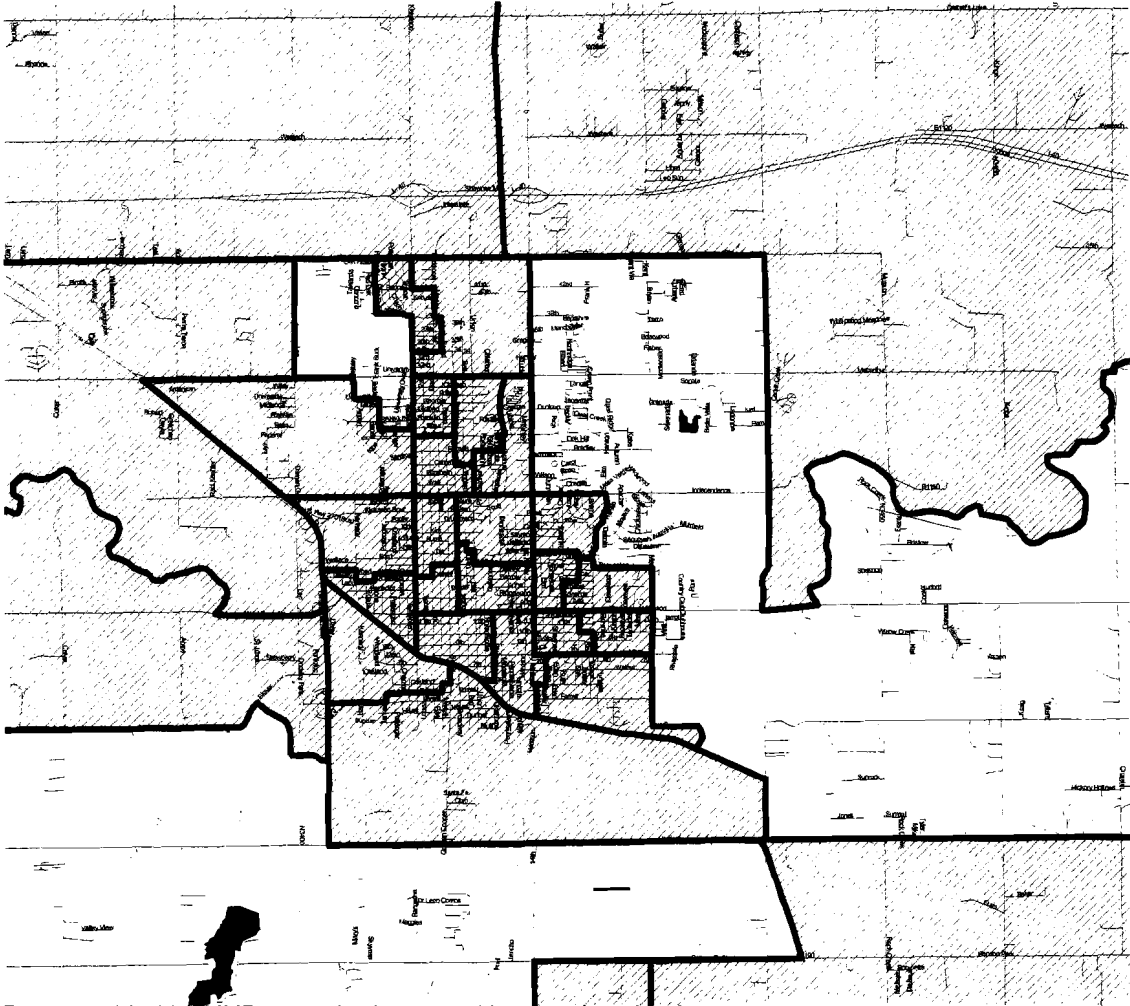
- Tiana Douglas (405) 815-5357 Cell: 405-627-0456
Email: tiana_douglas@odoc.state.ok.us
- Steve Hoover (405) 815-5268
Email: steve_hoover@odoc.state.ok.us
- D. Scott Myers (405) 815-5356
Email: scott_myers@odoc.state.ok.us

PRODUCTION AND PROJECT IMPLEMENTATION SCHEDULE

Activity Name	2009												2010											
	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J
Application Phase																								
Neighborhood Stabilization Program (NSP) Oklahoma Department of Commerce (ODOC)		X																						
Applicant and Environmental Phase																								
Grantee Selection and Approval			X	X	X	X																		
Environmental Review			X	X	X	X																		
SHPO Clearance				X	X	X																		
Contract with ODOC				X	X	X																		
Request for Release of Funds					X	X																		
Pre-Construction/Construction Completion and Contract Closeout Phase																								
Initial Inspection, work write up and Cost estimate			X	X	X	X		X	X	X	X	X												
Solicit Project Bids					X	X	X	X	X	X	X													
Award Contract to successful bidder						X	X	X	X	X	X													
Project Set Up Request to ODOC							X	X	X	X	X													
Construction Begins							X	X	X	X	X	X	X	X	X	X	X							
Construction inspections: 2-3 times weekly until completion							X	X	X	X	X	X	X	X	X	X	X							
Weekly progress payments to General Contractors							X	X	X	X	X	X	X	X	X	X	X	X						
Monthly Expenditures Reimbursement Reports Request for Reimbursement to ODOC								X	X	X	X	X	X	X	X	X	X	X						
Project Completion Report to ODOC											X	X	X	X	X	X	X	X	X					
Closeout ODOC Contract																			X	X				



**Project Implementation Schedule is contingent upon award of contract for funding by ODOC and RROF.

CITY OF SHAWNEE
NEIGHBORHOOD STABILIZATION PROGRAM
AREAS OF GREATEST NEED



Data provided by HUD: www.huduser.org/datasets/nsp.html

KEY

- Streets
-  Block Groups with Greatest Need
-  Water/Lakes
- Streams

NOTE: City limits not shown. NSP funds will only be spent within the corporate limits of the City of Shawnee.

Vendor Registration / W-9 Form

Federal Taxpayer Identification Number (FIN):
(AKA EMPLOYER IDENTIFICATION NUMBER - EIN)

73-6005424

Or Social Security Number:
(IF INDIVIDUAL OR SOLE PROPRIETORSHIP)

PRINT HERE: CITY of SHAWNEE
NAME OF BUSINESS OR OWNER, IF SOLE PROPRIETOR OR INDIVIDUALLY OWNED:

CHECK ALL THAT APPLY:

- Sole Proprietor/Individually Owned
- Partnership
- Limited Liability Company (LLC)
- Corporation
- Non-Profit (Per IRS 501C3 Regs.)
- Government

CERTIFICATION: UNDER PENALTIES OF PERJURY, I CERTIFY THAT: (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (for exempt payees)

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest of dividends, or (c) the IRS has notified me that I am no longer subject to backup withholdings.

SIGN HERE: [Signature] DATE 2/24/09

CHECK ALL THAT APPLY:

- NEW VENDOR
- ADDRESS CHANGE
- ADDRESS ADDITION
- FEDERAL I.D. NO. CHG.
- MISCELLANEOUS

SERVICES PROVIDED:

- GOODS
- SERVICES
- GOODS & SERVICES
- PROFESSIONAL
- MEDICAL SVCS

TYPE OF VENDOR:

- DEALER
- FACTORY REP
- RETAILER
- MANUFACTURER
- GOVT

PURCHASE ORDER ADDRESS:

CITY of SHAWNEE
INCLUDE INDIVIDUAL NAME IF SOLE PROPRIETORSHIP

COMPANY NAME

16th West 9th Street
STREET OR P. O. BOX

SHAWNEE OK 74801
CITY, STATE, ZIP

CARLA HAWKINS CDBC
CONTACT PERSON

405.878.1542 405.878.1232
TELEPHONE NUMBER FAX NUMBER

PAYMENT/REMITTANCE ADDRESS:

CITY of SHAWNEE
INCLUDE INDIVIDUAL NAME IF SOLE PROPRIETORSHIP

COMPANY NAME

P.O. Box 1448
STREET OR P. O. BOX

SHAWNEE OK 74802
CITY, STATE, ZIP

CARLA HAWKINS CDBC
CONTACT PERSON

405.878.1542 405.878.1232
TELEPHONE NUMBER FAX NUMBER

I certify that the information supplied herein is correct and that neither the applicant nor any person (or concern) in any connection with the applicant as a principal or officer is now debarred or otherwise declared ineligible by any public agency from bidding or furnishing materials, supplies or services, to any other public agency thereof. NOTE: Article XVI Conflict of interest, and other prohibited acts or public officers and employees of the City Charter prohibits employees of the City from having direct or indirect interest in City contracts or supplier of goods.

[Signature]
SIGNATURE OF PERSON AUTHORIZED TO SIGN

2/24/09
DATE SIGNED

NAME & TITLE OF PERSON SIGNING