

<b>DUE DATE: December 31, 2011</b>		<b>FORM SA&amp;I 2643</b> (7-18-2011)	
<b>IMPORTANT</b>		<b>OFFICE OF THE STATE AUDITOR AND INSPECTOR</b> <b>STATE OF OKLAHOMA</b> <b>STEVE BURRAGE, AUDITOR AND INSPECTOR</b> <b>ANNUAL SURVEY OF CITY AND TOWN FINANCES</b>	
<p>This report is to be compiled by your auditor from the audited financial statements of the municipality as required by Oklahoma Statutes, Section 17-105.1 of Title 11.</p> <p>This report details the funds available to the municipality and the use of those funds including information relating to the duly constituted authorities of the municipality (public trusts, etc.) for the fiscal year ending June 30, 2011. See supplementary instructions (coverage of this report) for information related to entities and activities to be included in this report on page 5 of this document.</p> <p>This report, principally for planning purposes at the local, State, and national level, is used by the Office of the State Auditor, the Oklahoma Municipal League, public interest groups, State and Federal agencies and universities.</p> <p>For assistance in completing this report, please call the Office of the State Auditor at (401) 521-3424. When completed, please return this form to the Office of the State Auditor at the address below.</p>		<p><b>Town of Covington</b></p> <p><b>Mayor</b></p> <p><b>P. O. Box 78</b></p> <p><b>Covington, OK 73730</b></p>	
<b>RETURN TO</b>	<b>Office of the Auditor and Inspector</b> <b>State of Oklahoma</b> <b>2300 North Lincoln Blvd. Room 100</b> <b>Oklahoma City, OK 73105</b>		
<b>Part I TAX REVENUES</b>			
<b>Items 1-3</b> — Report collections from all taxes imposed by your government. Include current and delinquent amounts, penalties, and interest. Do not include receipts from service charges, special assessments, interest earnings, fines or any other sources that are not taxes or licenses.			
	Item	Amount (Omit cents)	
<b>1. Property taxes</b> — General fund, building fund, and sinking fund	T01	0	Item
<b>2. Local sales taxes</b> — Taxes on goods and services, measured as a percent of sales or receipts, or as an amount per unit sold (gallon, package, etc.). Report only these taxes imposed by your government; shares of taxes imposed by another government are to be reported under part 1A below.	T09		Amount (Omit cents)
<b>a. General sales tax</b>		66,668	<b>d. Use tax</b>
<b>b. Franchise fee or tax</b>	T15	14,899	T99
<b>c. Cigarette Tax</b>	T16	975	13,406
<b>c. Hotel/Motel</b>	T19	0	<b>3. Occupation and business licensing and permits</b>
			T28
			<b>a.</b> Enter here licenses and inspection charges on occupations and businesses - for example, inspection of restrooms, restaurants, and food manufacturing plants; food handler permits; plumbing permits; taxicab licenses; tags; animal tags; vending licenses, and liquor licenses; business licenses; etc.
			0
			<b>b. Other licensing and permits</b>
			T29
			20
			<b>4. Other</b> — Specify
			T99
			0
<b>Part IA INTERGOVERNMENTAL REVENUE</b>			
Report all amounts received by your government from other governments, including grants, shares of taxes imposed by other governments, payments in lieu of taxes and reimbursements for services performed for other governments, excluding loans. Also exclude here and report as "Tax Revenues" in part I, any taxes imposed by your government which were collected for it by another government.		<b>Column (a)</b> — Report all amounts your government received from the State (other than as collection fees), including any amounts financed wholly or in part from Federal grants to the State.	
<b>Column (c)</b> — Report only amounts received directly from the Federal Government.			
	Amount (Omit cents)		
Purpose for which received	From State (a)	From other local governments (b)	From Federal Government (directly) ©
<b>General support</b> —Total amts rec'd (as per capita grants, shared taxes, etc.) without restrictions as to particular programs or purposes to be financed.	C30	D30	B30
<b>1. Alcoholic beverage tax</b>	1,807	0	0
<b>2. Street and highways</b>	C46	D46	B46
<b>3. Health or Hospital</b>	C42	D42	B42
<b>4. Grants received for water utilities</b>	C91	D91	B91
<b>5. Grants received for waste water utilities</b>	C80	D80	B80
<b>6. Grants received for housing, economic, &amp; community development</b>	C50	D50	B50
<b>7. Airports</b>	C89	D89	B01
<b>8. Mass transit rail and/or bus system</b>	C94	D94	B94
<b>9. Grants received for transportation</b>	C89	D89	B89
<b>10. ALL OTHER</b> (From State - code C89; From Fed. Gov't. - Code B89) — Include in the appropriate box, receipts from various payments such as —	C89	D89	B89
<b>a. Parks and recreation (BOR or HUD)</b>	0	0	0
<b>b. Public Safety</b>	C89	D89	B89
<b>c. Job training</b>	C89	D89	B89
<b>d. Library grants</b>	C89	D89	B89
Other - Specify	C89	D89	B89
<b>e.</b>	0	0	0
<b>f.</b>	C89	D89	B89
			0
<b>Part IB OTHER REVENUES — Other than tax and intergovernmental revenues</b>			
Enter below amounts of the stated types of revenue (net of refunds and interfund transfers) received by your government during the fiscal year. Be sure to include revenues of all funds other than the exceptions noted in the special instructions.			
<b>1. Utility sales revenue</b> — Gross receipts of any water, electric, gas or transit systems operated by your government, from utility sales and charges. Exclude any amounts paid to such utilities by the parent government.	Amount (Omit cents)		Amount (Omit cents)
<b>a. Water supply system</b>	A91	99,250	A80
<b>b. Electric power system</b>	A92	0	A81
<b>c. Gas supply system</b>	A93	140,730	A36
<b>d. Transit</b>	A94	0	0
<b>2. Other sales and service revenue</b> - Gross receipts from sales, rentals, maintenance assessments, and other charges for municipal services, aside from utility receipts (carried in item 1) and exclude of amounts received from other governments.		49,298	
<b>a. Sewerage charges</b>		54,365	
<b>b. Refuse collection charges</b>			
<b>c. Hospital charges</b> received on behalf of individual patients under the Medicare program or other insurance-type arrangements. Exclude Medicaid and amounts for hospital purposes received from other governments.			



PART II DIRECT EXPENDITURES BY PURPOSE AND TYPE — Continued				
PURPOSE	EXPENDITURES BY PURPOSE AND TYPE			
	Personal Services	Operations & Maintenance	CAPITAL OUTLAY	
			Construction	Purchase of land, equip. & structures
	(a)	(b)	(c.)	(d)
<b>PUBLIC SAFETY — Continued</b>	E05	E05	F05	G06
<b>15. Correction institutions</b> — Operation of facilities for confinement, correction and rehabilitation of adults or juveniles.	0	0	0	0
<b>16. Other corrections</b> — Probation and parole activities - But exclude "lock up" operations (report in item 16).	E04	E04	F04	G04
	0	0	0	0
<b>17. Protection inspection and regulation, n.e.c.</b> — Regulation of private enterprise for the protection of the public and inspection of hazardous activities (including building inspection), except when related to major functions, such as health, natural resources, etc.	E66	E66	F66	G66
	0	0	0	0
<b>AMBULANCE</b>	E32	E32	F32	G32
<b>18. All expenditures for city operated or subsidized ambulance services</b>	0	0	0	0
<b>CULTURE AND RECREATION</b>	E61	E61	F61	G61
<b>19. Parks, cultural activities, and other recreation</b> — Include playgrounds, golf courses, swimming pools, museums, marinas, community music, drama, celebrations, and zoos.	0	0	0	0
<b>20. Libraries</b> — Include payments to nongovernmental libraries as well as libraries operated by the city. <i>Aid to other governmental libraries should be excluded and reported in part III.</i>	E52	E52	F52	G52
	0	0	0	0
<b>UTILITIES</b>				
<b>21. Gross expenditures for utility systems operated by your government. Exclude interest (report in item 19); also exclude utility contributions to the parent government and deduct the cost of providing services to the parent government (e.g., for street lighting, hydrant rental, etc.).</b>	E91	E91	F91	G91
<b>a. Water supply system (Public Works)</b>	85,367	267,561	0	0
<b>b. Electric power system</b>	0	0	0	0
<b>c. Gas supply system</b>	0	0	0	0
<b>d. Transit</b>	0	0	0	0
<b>e. Sewers and storm sewers</b> — Construction, maintenance and operation of sanitary and storm systems and sewage disposal plants	E80	E80	F80	G80
	0	1,069	287,080	0
<b>f. Solid waste and landfill</b> — The collection and disposal of garbage and landfill operations	E81	E81	F81	G81
	0	0	0	0
<b>INTEREST ON DEBT</b>				
<b>22. Amounts of interest paid, including any interest on short-term or nonguaranteed obligations, as well as general obligations.</b>				
<b>a. Water supply system</b>		i91	0	
<b>b. Electric power system</b>		i92	0	
<b>c. Gas supply system</b>		i93	0	
<b>d. Transit</b>		i94	0	
<b>e. All interest not covered by items 19a through 19d</b>		i89	0	
<b>ALL OTHER EXPENDITURES</b>				
<b>23. Include any amounts which have not been allocated above by purpose, such as: your employer contribution to a State administered retirement system or to the Federal Social Security System; judgements and insurance premiums; and municipal service agencies, such as a central garage or an engineering department, which serve more than one functional agency, and whose expenses are not allocated to the various departments.</b>				
<b>Do not include: (1) Payments for retirement of debt, (2) payments for purchase of securities, (3) transfer between funds or agencies of your government, or (4) benefits and payments from distinct employee pension funds.</b>				
<b>a. Housing and community development</b> — Gross expenditure for urban renewal, slum clearance, municipal housing projects, and similar activities.	E50	E50	F50	G50
	0	0	0	0
<b>b. Economic development (Industrial)</b>	E89	E89	F89	G89
	0	0	0	0
<b>c. Civil defense</b>	E89	E89	F89	G89
	0	0	0	0
<b>d. Cemetery operations and maintenance</b>	E89	E89	F89	G89
	0	0	0	0
<b>e. Miscellaneous commercial activities</b>	E03	E03	F03	G03
	0	0	0	0
<b>Other — Specify</b>	E89	E89	F89	G89
<b>f. General Gov't.</b>	2,506	10,852	0	0
<b>g.</b>	0	0	0	0
<b>h.</b>	0	0	0	0

**Part III INTERGOVERNMENTAL EXPENDITURES**

Please detail all payments made to other governments for services or programs performed on a reimbursement or cost-sharing basis — e.g., for hospital care, highways, school tuition, or support, etc. (Such amounts should be excluded from expenditure figures reported in column (b) of part II.) Enter "None" if your government made no reportable payments to other governments during the fiscal year.

Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)	Item	Type of recipient government(s) (County, State, school districts, etc.) (a)	Amount (Omit cents) (b)
1.		0	5.		0
2.		0	6.		0
3.		0	7.		0
4.		0	8.		0

**Part IV SALARIES, WAGES, AND FORCE ACCOUNT**

Report the total expenditure for salaries and wages included in column (a) of part II, as well as any salaries and wages paid on force account construction projects.

Amount (Omit cents)
200
<b>82,437</b>

**Part V DEBT OUTSTANDING, ISSUED, AND RETIRED — Report special obligations of all agencies of your government as well as general city or town debt.**

**1. Long term debt** — Bonds, mortgages, etc., with an original term of more than one year issued in the name of your government or of particular agencies. Include revenue and non-guaranteed special assessment bonds payable solely from pledged earnings or special assessments on property owners (column (e)). Report also general obligations and any debt backed by pledged resources but guaranteed by your government if these sources are insufficient (column (f)). When an advance refunding has resulted in a legal or an insubstance defeasance, the debt may be considered extinguished, reported as retired in the year of defeasance and should not be reported herein in subsequent years.

	AMOUNT, BY PURPOSE (Omit cents)					
	Outstanding at beginning of fiscal year (a)	DURING FISCAL YEAR		Outstanding total (a) plus (b) minus © (d)	DETAIL OF LONG-TERM DEBT OUTSTANDING	
		Issued (b)	Retired (c)		Revenue and non-guaranteed bonds (e)	Guaranteed bonds (f)
a. Sewer debt	19X 0	29X 0	39X 0	0	44X 0	41X 0
b. Water supply system debt	19A 0	29A 0	39A 0	0	44A 0	41A 0
c. Electric power system debt	19B 0	29B 0	39B 0	0	44B 0	41B 0
d. Gas supply system debt	19C 0	29C 0	39C 0	0	44C 0	41C 0
e. Transit	19D 0	29D 0	39D 0	0	44D 0	41D 0
f. Industrial revenue and pollution control debt	19T 0	24T 0	34T 0	0	44T 0	41T 0
g. All other purposes	19K 0	29K 0	39K 0	0	44K 0	41K 0

**2. Short-term (interest-bearing) debt** — Tax anticipation notes, bond anticipation notes, interest-bearing warrants, and other obligations with a term of one year or less — Exclude accounts payable and other noninterest-bearing obligations.

	Amount (Omit cents)
a. Amount outstanding at beginning of fiscal year	61V 0
b. Amount outstanding at end of fiscal year	64V 0

**Part VI CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR**

Report separately for each of the three types of funds listed below, the total amount of cash on hand and on deposit and investments in Federal Government, Federal agency, State and local government, and non-governmental securities. Report all investments at carrying value. Include in the sinking fund total any mortgages and notes receivable held as offsets to housing and industrial financing loans. Exclude accounts receivable, value of real property, and all non-security assets. Assets obtained and held pursuant to an advance refunding that results in a legal or in-substance defeasance should not be reported herein.

Type of fund	Amount at end of fiscal year (Omit cents)
<b>1. Sinking funds</b> — Reserves held for redemption of long-term debt. All cash held for statutory sinking fund and revenue bond related accounts and any other reserves held for redemption of long-term debt.	W01 0
<b>2. Bond funds</b> — Unexpended proceeds from sale of G.O. and revenue bond issues held pending disbursement.	W31 0
<b>3. All other funds except employee retirement funds</b>	W61 <b>286,712</b>
<b>4. Retirement systems</b> — Single employer plans only	0

**Part VII AUDITOR INFORMATION**

**NOTE** — This report will not be considered complete unless an accompanying "accountants compilation report on financial statements included in certain prescribed forms" is attached to the report. The municipality's auditor should follow the in AR Section 300 of the AICPA Professional Standards in preparing such compilation report.

Auditor's firm name

**Arlidge & Associates, P.C.**

Address — *Number and street*

**309 North Bryant**

City

**Edmond**

State

**OK**

ZIP Code

**73034**

TELEPHONE

Area Code

**405**

Number

**348-0615**

Extension

Name of contact person/Email

**COVERAGE OF THIS REPORT**

The financial reporting entity for which information is to be presented should comply with generally accepted accounting principles for governments. Current authoritative guidance is provided in GASB Codification Section 2100 and/or GASB Statement No. 14. These statements prescribe that the financial reporting entity should consist of the primary government or oversight unit and all blended and discreetly presently component units.

Oklahoma Statutes, Section 17-105.1 of Title 11 require that municipalities include information relating to all of its duly constituted authorities. Copies of this form may be distributed to component units for their completion. Forms completed by component units should not be filed separately but should be returned to the appropriate municipality for inclusion in the report filed for the financial reporting entity. Such component units would include special districts, hospitals, boards, trusts, and authorities meeting the inclusion criteria of the statements reference above.

**SUPPLEMENTARY INSTRUCTIONS FOR OKLAHOMA MUNICIPALITIES  
2007 ANNUAL SURVEY OF CITY AND TOWN FINANCES**

**COVERAGE OF THIS REPORT**

In addition to the fiscal activities of your general government, include the revenues, expenditures, assets and debt of the following types of agencies, if they are operative in your city or town.

- City water districts
- Medical center authorities
- Joint airport boards
- Municipal parking districts
- Rural water, sewer, gas, and solid waste management districts with ex officio boards
- Public trust (Title 60, Section 176 of the Oklahoma Statutes)
- Separate road districts
- Sewer districts
- Utilities authorities
- Zoning districts

**Part I — TAX REVENUES**

This part refers to all city-imposed taxes. It does not include service charges, special assessments (such as those for paving districts), or interest earnings, fines, or any other sources which are not taxes or licenses.

**1. Property taxes (code T01)**

Also include city-imposed ad valorem property taxes collected by the county and paid to the city for the repayment of G.O. bonds.

**2. Local sales taxes**

**a. General sales tax (code T09)**

Report revenue from city-imposed sales tax only. This tax is collected by the State and paid back to the city minus a small percentage withheld by the State for handling expenses. Be sure to enter only the amount of the check received from the State.

**b. Franchise fee or tax public utilities (code T15)**

Enter here any franchise tax collected from a private utility to operate within the city such as gas, electric, telephone, cable TV, etc.

**d. Other — Specify any sales tax not mentioned above**

**3. Licenses, permits, and other taxes**

**a. Occupation and business licensing and permits (code T28)**

Enter here licenses and inspection charges on occupation and business.

**b. Report only licenses and permits not included in 3a (code T29)**

**Part IA — INTERGOVERNMENTAL REVENUE**

**1. General support**

From State (code C30) — Enter amount received from alcoholic beverage tax county distribution.

**2. Streets and highways (codes C46 D46 and R46)**

Enter receipts from commercial vehicle tags, gasoline tax, bus mileage tax, registration tags.

**3. Health or hospitals (codes C42 D42 and R42)**

In the appropriate column, list any intergovernmental revenues received for operation of a hospital, health facility or health department, (grants, not loans) or funds received from other government jurisdictions for health services or facilities operated by your government.

**7. Grants received for mass transit and/or bus systems (codes C94 to B94)**

**9. All other (From State — code C-89; From Federal Government — code B89)**

Include in the appropriate box, receipts from various payments such as:

- Park and recreation (BOR or HUD)
- Community development and urban renewal
- Civic defense
- Airports
- Waste and sewer facilities
- Manpower planning and utilization

**Part IB — OTHER REVENUE**

**3. Special assessment funds**

**Include —**

- All transactions of special assessment funds established to finance streets, sidewalks, or other local improvements within the city.
- Assessments collected from property owners at part IB, item 3.
- Expenditure from improvements at part II. Report as capital outlay.
- Interest paid on special assessment obligations as part II, Item 19e.
- Transactions of special assessment bonds at part V.
- Cash and security holdings of special assessment funds at part VI.

**Part IV — SALARIES, WAGES, AND FORCE ACCT.**

Report salaries and wages for all employees full- and part-time. Include salaries paid for employees of any utility owned and operated by your government. Report salaries in gross amounts before deductions for income taxes, Social Security, or retirement coverage.

**Part V — DEBT OUTSTANDING, ISSUED & RETIRED**

Also include industrial revenue or pollution control bonds, if issued by your city or town.

**Hospitals —** The following hospitals are classified as agencies of various municipal governments and their transactions should be included in the appropriate parts of this report.

<b>Municipality</b>	<b>Hospital</b>
Anadarko	Anadarko Municipal Hospital
Bethany	Bethany General Hospital
Carnegie	Carnegie Tri-County Municipal Hospital
Cleveland	Cleveland Area Hospital
Clinton	Clinton Regional Hospital
El Reno	Park View Hospital
Fairfax	Fairfax Municipal Hospital
Fairview	Fairview Hospital
Healdton	Healdton Municipal Hospital
Holdenville	Holdenville General Hospital
Lindsay	Lindsay Municipal Hospital
Mangum	Mangum City Hospital
Norman	Norman Municipal Hospital
Okeene	Okeene Municipal Hospital
Pauls Valley	Pauls Valley General Hospital
Pawnee	Pawnee Municipal Hospital
Sayre	Sayre Memorial Hospital
Seminole	Seminole Municipal Hospital
Tahlequah	Tahlequah City Hospital
Watonga	Watonga Municipal Hospital



**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT ON  
ANNUAL SURVEY OF CITY AND TOWN FINANCES  
PURSUANT TO SECTION 17-105.1 OF TITLE 11  
OF THE OKLAHOMA STATUTES**

Honorable Mayor and City Council  
Town of Covington

We have compiled the schedules of revenues, expenditures, debt, and cash and investments – cash basis as of and for the year ended June 30, 2011, of the Town of Covington, Oklahoma, included in the accompanying Annual Survey of City and Town Finances (SA&I Form 2643). We have not audited or reviewed the accompanying financial schedules and, accordingly do not express an opinion or provide any other assurance about whether the financial schedules are in accordance with the form prescribed by the Office of the State Auditor & Inspector of the State of Oklahoma on the cash basis.

Management is responsible for the preparation and fair presentation of the schedules in the form prescribed by the Office of the State Auditor & Inspector of the State of Oklahoma on the cash basis and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial schedules.

Our responsibility is to conduct the compilation in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting the financial schedules in the form prescribed by the Office of the State Auditor & Inspector of the State of Oklahoma on the cash basis without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial schedules.

These financial schedules are presented in accordance with the reporting requirements of the Office of the State Auditor & Inspector of the State of Oklahoma, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Mayor, City Council, city management, and the Office of the State Auditor & Inspector of the State of Oklahoma and is not intended to be used by anyone other than these specified parties.

*Arledge & Associates, P.C.*

Arledge & Associates, P.C.  
January 11, 2012