

TOWN OF SPERRY, OKLAHOMA  
REST HAVEN CEMETERY  
YEARS ENDED JUNE 30, 2012 and 2011

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Condition	3
Statement of Activities and Changes in Retained Earnings	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Report on Compliance and Internal Control – Government Auditing Standards	8-9

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Rest Haven Cemetery  
Sperry, Oklahoma

We have audited the accompanying basic financial statements of Rest Haven Cemetery of the Town of Sperry, Oklahoma, a Component Unit of the Town of Sperry, Oklahoma, as of June 30, 2012 and 2011, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of Rest Haven Cemetery, Sperry, Oklahoma, management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial positions of the Rest Haven Cemetery, Sperry, Oklahoma, as of June 30, 2012 and 2011, and the statement of activities and changes in retained earnings and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 18, 2012, on our consideration of the Rest Haven Cemetery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

To the Board of Trustees  
Rest Haven Cemetery  
Sperry, Oklahoma

Rest Haven Cemetery has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Certified Public Accountant  
Tulsa, Oklahoma

July 18, 2012

TOWN OF SPERRY, OKLAHOMA  
 REST HAVEN CEMETERY  
 STATEMENT OF FINANCIAL CONDITION  
 JUNE 30, 2012 AND 2011

<u>ASSETS</u>		
	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
Cash	\$ 30,841	\$ 27,521
Certificates of deposit	91,226	88,831
Accounts receivable	--	500
	<u>\$122,067</u>	<u>\$116,852</u>
<u>Property and Equipment</u>		
Cost	\$129,529	\$136,279
Less: Accumulated depreciation	65,207	76,302
	<u>\$ 64,322</u>	<u>\$ 59,977</u>
	<u>\$186,389</u>	<u>\$176,829</u>
<u>LIABILITIES AND RETAINED EARNINGS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 1,706	\$ 1,130
Due to Town of Sperry	5,616	7,138
	<u>\$ 7,322</u>	<u>\$ 8,268</u>
<u>Retained Earnings</u>		
Restricted for maintenance and operations	\$ 53,172	\$ 55,766
Restricted for capital improvement	52,941	55,691
Unrestricted	72,954	57,104
	<u>\$179,067</u>	<u>\$168,561</u>
	<u>\$186,389</u>	<u>\$176,829</u>

Notes to financial statements are an integral part of these statements.

TOWN OF SPERRY, OKLAHOMA  
 REST HAVEN CEMETERY  
 STATEMENT OF ACTIVITIES AND RETAINED EARNINGS  
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Income</u>		
Lot Sales	\$ 28,360	\$ 21,860
Internments	29,640	26,713
Interest	2,419	2,358
Other	1,470	756
Insurance recovery	16,250	--
	<u>\$ 78,139</u>	<u>\$ 51,687</u>
 <u>Expenses</u>		
Personnel cost	\$ 34,607	\$ 35,679
Operations	13,637	6,745
Professional	2,684	2,842
Contract – openings	11,050	11,550
Depreciation	5,655	5,754
	<u>\$ 67,633</u>	<u>\$ 62,570</u>
 Net income (loss)	 \$ 10,506	 <\$ 10,883>
 Retained Earnings, July 1, 2011 and 2010	 <u>\$168,561</u>	 <u>\$179,444</u>
 Retained Earnings, June 30, 2012	 <u>\$179,067</u>	 <u>\$168,561</u>

Notes to financial statements are an integral part of these statements.

TOWN OF SPERRY, OKLAHOMA  
 REST HAVEN CEMETERY  
 STATEMENT OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash flows operating activities:		
Cash received from customers	\$ 59,470	\$ 51,019
Cash operating expenses	62,424	52,538
Net cash provided by (used in) operating activities	<u>&lt; 2,954&gt;</u>	<u>&lt; 1,519&gt;</u>
Cash flows from capital and related financing activities:		
Capital expenditures	< 10,000>	--
Insurance recovery	16,250	--
Net cash provided for (used in) financing activities	6,250	--
Cash flows from investing activities:		
Interest received	2,419	2,358
Net increase (decrease) in cash	5,715	839
Cash, beginning of year	<u>116,352</u>	<u>115,513</u>
Cash, end of year	<u>\$122,067</u>	<u>\$116,352</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 10,506	<\$ 10,883>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	5,655	5,754
Changes in operating assets and liabilities:		
Property and equipment	< 10,000>	--
Accounts receivable	500	1,690
Accounts payable	< 946>	4,278
Net cash provided by (used in) operating activities	<u>\$ 5,715</u>	<u>\$ 839</u>

Notes to financial statements are an integral part of these statements.

TOWN OF SPERRY, OKLAHOMA  
REST HAVEN CEMETERY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011

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1. Reporting Entity

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by generally accepted accounting principles as applied to government units. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Rest Haven Cemetery

Rest Haven Cemetery was created to operate and manage cemetery affairs including cash management, lot sales and interments, land acquisitions, capital improvements and maintenance of cemetery property. Trustees for the Cemetery are appointed by members of the Town Board of Trustees.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Cemetery accounts for operations that are financed and operated in a manner similar to a private business enterprise, with the intent of the governing body that the costs, including depreciation, of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The Cemetery utilizes the accrual basis of accounting, where revenues are recognized when they are earned and expenses when they are incurred.

TOWN OF SPERRY, OKLAHOMA  
REST HAVEN CEMETERY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012 AND 2011

-2-

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3. Cash

For the purposes of the combined balance sheet, cash includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three-months or less. All cash and certificates are properly collateralized.

4. Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the useful lives of the assets which have been estimated as follows:

Building	25 years
Building improvements	10 years
Equipment	5 to 10 years

5. Pension Plan

There is no pension plan for employees.

6. Estimates

The preparation of financial statements in conformity with the accrual basis of accounting used by the Town requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.



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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*

Board of Trustees  
Rest Haven Cemetery  
Sperry, Oklahoma

We have audited the component unit financial statements of Rest Haven Cemetery, Town of Sperry, Oklahoma, for the year ended June 30, 2012, and have issued our report thereon dated July 18, 2012. Rest Haven Cemetery has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. 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

Management of Town of Sperry, Oklahoma, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Sperry, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Sperry, Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Sperry, Oklahoma's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Board of Trustees  
Rest Haven Cemetery  
Sperry, Oklahoma  
July 18, 2012  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance

As part of obtaining reasonable assurance about whether Town of Sperry, Oklahoma'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Town Trustees, others within the entity, 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.

Certified Public Accountant  
Tulsa, Oklahoma

July 18, 2012