

TOWN OF SPERRY, OKLAHOMA
REST HAVEN CEMETERY
YEARS ENDED JUNE 30, 2016 AND 2015

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

JIM RUSH
CERTIFIED PUBLIC ACCOUNTANT
9726 East 42nd Street, Suite 230
Tulsa, Oklahoma 74146-3645
Telephone (918) 664-9190

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Rest Haven Cemetery
Town of Sperry, Oklahoma

We have audited the accompanying financial statements of Rest Haven Cemetery, a component unit of the Town of Sperry, Oklahoma, as of and for the years ended June 30, 2016 and June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
Rest Haven Cemetery
Town of Sperry, Oklahoma
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position Rest Haven Cemetery, a component unit of the Town of Sperry, Oklahoma, as of June 30, 2016 and June 30, 2015, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Rest Haven Cemetery and do not purport to, and do not present fairly the financial position of the Town of Sperry, Oklahoma, as of June 30, 2016 and 2015, the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Rest Haven Cemetery has not presented a management's discussion and analysis or an annual budget 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2016, on our consideration of the Rest Haven Cemetery, Sperry, Oklahoma'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Rest Haven Cemetery, Sperry, Oklahoma's internal control over financial reporting and compliance.



Certified Public Accountant
Tulsa, Oklahoma

July 18, 2016

TOWN OF SPERRY, OKLAHOMA
 REST HAVEN CEMETERY
 STATEMENT OF FINANCIAL CONDITION
 JUNE 30, 2016 AND 2015

<u>ASSETS</u>		
	<u>2016</u>	<u>2015</u>
<u>Current Assets</u>		
Cash	\$ 46,176	\$ 48,638
Certificates of deposit	94,025	93,825
Accounts receivable	650	0
	\$140,851	\$142,463
 <u>Property and Equipment</u>		
Land	\$ 32,655	\$ 32,655
Equipment	97,860	97,860
	130,515	130,515
Less: Accumulated depreciation	84,547	80,761
	45,968	49,754
	\$186,819	\$192,217
<u>LIABILITIES AND RETAINED EARNINGS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 1,463	\$ 2,335
Due to Town of Sperry	8,437	6,318
	\$ 9,900	\$ 8,653
 <u>Retained Earnings</u>		
Restricted for maintenance and operations	\$ 55,958	\$ 55,729
Restricted for capital improvement	67,110	65,183
Unrestricted	53,851	62,652
	\$176,919	\$183,564
	\$186,819	\$192,217

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Income</u>		
Lot Sales	\$ 22,650	\$ 36,200
Internments	34,425	52,150
Interest	247	734
Other	3,613	2,813
	\$ 60,935	\$ 91,897
 <u>Expenses</u>		
Personnel cost	\$ 36,816	\$ 36,994
Operations	13,308	12,383
Professional	2,320	2,038
Contract – openings	11,450	16,875
Depreciation	3,786	5,850
	\$ 67,680	\$ 74,140
 Net income (loss)	<\$ 6,745>	\$ 17,757
 Retained Earnings, July 1, 2015 and 2014	\$183,564	\$165,807
 Retained Earnings, June 30, 2016 and 2015	\$176,819	\$183,564

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows operating activities:		
Cash received from customers	\$ 60,038	\$ 91,163
Cash operating expenses	62,547	70,547
Net cash provided by (used in) operating activities	<u>< 2,509 ></u>	<u>20,616</u>
Cash flows from capital and related financing activities:		
Capital expenditures	--	--
Net cash provided for (used in) financing activities	--	--
Cash flows from investing activities:		
Interest received	247	734
Net increase (decrease) in cash	<u>< 2,262 ></u>	<u>21,350</u>
Cash, beginning of year	<u>142,463</u>	<u>121,113</u>
Cash, end of year	<u>\$140,201</u>	<u>\$142,463</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	<\$ 6,745 >	\$ 17,757
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	3,786	5,850
Interest received	<247 >	< 734 >
Changes in operating assets and liabilities:		
Accounts payable	697	< 2,257 >
Net cash provided by (used in) operating activities	<u><\$ 2,509 ></u>	<u>\$ 20,616</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, 2016 AND 2015

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, 2016 AND 2015

-2-

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.

JIM RUSH
CERTIFIED PUBLIC ACCOUNTANT
9726 East 42nd Street, Suite 230
Tulsa, Oklahoma 74146-3645
Telephone (918) 664-9190

INDEPENDENT AUDITOR'S 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
Town of Sperry, Oklahoma

We have audited, in accordance with the 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, the financial statements of the Rest Haven Cemetery, a component unit of the Town of Sperry, Oklahoma, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2016. Rest Haven Cemetery has not presented a management's discussion and analysis or an annual budget 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.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Rest Haven Cemetery, Sperry, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rest Haven Cemetery, Sperry, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Rest Haven Cemetery, Sperry, Oklahoma's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Trustees
Rest Haven Cemetery
Town of Sperry, Oklahoma
Page 2

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rest Haven Cemetery, Sperry, Oklahoma's financial statements are free from 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 audits, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This Report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant
Tulsa, Oklahoma
July 18, 2016