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State Auditor & Inspector

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TOWN OF SPERRY, OKLAHOMA

REST HAVEN CEMETERY

YEAR ENDED JUNE 30, 2011

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JIM RUSH
CERTIFIED PUBLIC ACCOUNTANT
9726 East 42nd Street, Suite 230
Tulsa, Oklahoma 74146-3674
Telephone (918) 664-9190

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, 2011, and for the year 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 audit 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 audit provides 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 position of the Rest Haven Cemetery, Sperry, Oklahoma, as of June 30, 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 19, 2011, 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 audit.

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 19, 2011

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

ASSETS

Current Assets

Cash	\$ 27,521
Certificates of deposit	88,831
Accounts receivable	500
	\$116,852

Property and Equipment

Cost	\$136,279
Less: Accumulated depreciation	76,302
	\$ 59,977

\$176,829

LIABILITIES AND RETAINED EARNINGS

Current Liabilities

Accounts payable	\$ 1,130
Due to Town of Sperry	7,138
	\$ 8,268

Retained Earnings

Restricted for maintenance and operations	\$ 55,766
Restricted for capital improvement	55,691
Unrestricted	57,104
	\$168,561

\$176,829

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 YEAR ENDED JUNE 30, 2011

Income

Lot Sales	\$ 21,860
Internments	26,713
Interest	2,358
Other	756
	\$ 51,687

Expenses

Personnel cost	\$ 35,679
Operations	6,745
Professional	2,842
Contract – openings	11,550
Depreciation	5,754
	\$ 62,570

Net income (loss) <\$ 10,883>

Retained Earnings, July 1, 2010 \$179,444

Retained Earnings, June 30, 2011 \$168,561

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

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

Cash flows operating activities:	
Cash received from customers	\$ 53,377
Cash operating expenses	<u>52,538</u>
Net cash provided by (used in) operating activities	<u>839</u>
Net increase (decrease) in cash	839
Cash, beginning of year	<u>115,513</u>
Cash, end of year	<u>\$116,352</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	<\$ 10,883>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	5,754
Changes in operating assets and liabilities:	
Accounts receivable	1,690
Accounts payable	<u>4,278</u>
Net cash provided by (used in) operating activities	<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, 2011

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, 2011

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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.

JIM RUSH

CERTIFIED PUBLIC ACCOUNTANT
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Tulsa, Oklahoma 74146-3674
Telephone (918) 664-9190

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE 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, 2011, and have issued our report thereon dated July 19, 2011. 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

In planning and performing our audit, we considered Rest Haven Cemetery'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 Rest Haven Cemetery's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rest Haven Cemetery'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 Rest Haven Cemetery'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 Rest Haven Cemetery's financial statements that is more than inconsequential will not be prevented or detected by Rest Haven Cemetery's internal control.

Board of Trustees
Rest Haven Cemetery
Sperry, Oklahoma
July 19, 2011
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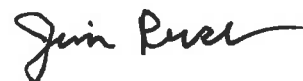
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Rest Haven Cemetery's internal control.

Our consideration of 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 internal control that might be 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 Rest Haven Cemetery'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 the Board of Trustees, management 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 19, 2011