



**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2022**



CITY OF SANDY OAKS, TEXAS  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

CITY OFFICIALS

MAYOR

MICHAEL MARTINEZ, JR.

MAYOR PRO TERM

GRACE KELLER-ALVARADO

CITY COUNCIL

CHARLES FILLINGER

TERRY COFFINDAFFER

THOMAS REPINO

DEBBIE MARTINEZ

CITY SECRETARY

KATHERINE YELTON

CITY ATTORNEY

KASSAHN & ORTIZ, P.C.

CITY OF SANDY OAKS, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2022

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Mayor and City Council  
City of Sandy Oaks, Texas

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major funds of the City of Sandy Oaks, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the City of Sandy Oaks, Texas, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Sandy Oaks and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Sandy Oaks, Texas' ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Sandy Oaks, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Sandy Oaks, Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of pension contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sandy Oaks, Texas' basic financial statements. The comparative financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

June 12, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

The discussion and analysis of the City of Sandy Oaks's financial performance provides an overview of the City's financial activity for the fiscal year ended September 30, 2022. It should be read in conjunction with the financial statements.

### **Financial Highlights**

- The City's assets and deferred outflows exceeded liabilities (net position) by \$1.04 million at September 30, 2022, an increase of \$215 thousand from September 30, 2021. Of this amount, \$360 thousand is unrestricted and available to cover future expenses and obligations of the City.
- The City's total revenues were \$1.1 million, compared to \$880 thousand in the prior year.
- The City's expenses were \$926 thousand, compared to \$761 thousand in the prior year.
- The General Fund reported a fund balance of \$275 thousand at the end of the fiscal year which represents a \$33 thousand increase over the previous fiscal year.
- The City received an additional \$563 thousand in funding under the American Recovery Program Act, making the total received under the program \$1.1 million. \$932 thousand of these funds have been deferred to the subsequent year and are reflected in the Statement of Net Position as Unearned Grant Revenue.
- The City began a pension plan for employees in 2022 as part of the Texas Municipal Retirement System.

### **Using this Annual Report**

This annual report consists of three parts; Management's Discussion and Analysis, Financial Statements, and Required Supplementary Information. The Financial Statements comprise three components: the government-wide statements, fund financial statements, and the notes to the financial statements. The Statement of Net Position and Statement of Activities (government-wide financial statements) provide information on the City as a whole with a focus on economic resources. The City's net position – the difference between assets and liabilities – is a way to measure financial health or financial position. The fund financial statements present the City's operations with a focus on financial resources which align with the City's budgeting process.

### **Governmental Activities**

Table 1 shows all of the assets and liabilities of the City and is presented on the accrual basis. The total net position is \$1.04 million. A large portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, and infrastructure), less any related debt used to acquire those resources and other restricted net position not available for current spending. The remaining unrestricted net position may be used to meet the government's ongoing obligations to citizens.

Current liabilities includes unearned grant revenue from the American Rescue Plan Act of \$932 thousand. The revenue will be recorded once the City spends the funds on qualified purposes.



Table 1  
City of Sandy Oaks  
Statement of Net Position

	2022	2021
Current Assets	\$ 2,088,516	\$ 1,641,608
Capital Assets	699,543	561,937
Total Assets	<u>2,788,059</u>	<u>2,203,545</u>
Deferred Outflows	7,752	-
Current Liabilities	1,085,633	659,989
Long-term Liabilities	674,202	722,698
Total Liabilities	<u>1,759,835</u>	<u>1,382,687</u>
Net Invested in Capital Assets	653,495	511,224
Restricted	22,373	-
Unrestricted Assets	360,108	309,634
Total Net Position	<u>\$ 1,035,976</u>	<u>\$ 820,858</u>

Table 2 summarizes the expenses and revenues of the City’s governmental activities. General grant revenue of \$194 thousand represents the earned portion of the American Rescue Plan Act. Tax revenues increased \$94 thousand from increased property values and franchise fees (primarily from CPS Energy).

Table 2  
City of Sandy Oaks  
Changes in Net Position

	2022	2021
Program Revenues		
Charges for Services	\$ 104,552	\$ 129,131
Operating Grants & Contributions	690	-
General Revenues		
Tax Revenues	838,141	744,134
General Grants	194,334	-
Other Revenues	3,613	6,338
<b>Total Revenues</b>	<u>1,141,330</u>	<u>879,603</u>
General Administration	526,128	463,290
Public Safety	257,236	216,205
Public Works	121,932	58,852
Interest and Principal on Debt	20,916	22,381
<b>Total Expenses</b>	<u>926,212</u>	<u>760,728</u>
<b>Change in Net Position</b>	215,118	118,875
Beginning Net Position	820,858	701,983
Ending Net Position	<u>\$ 1,035,976</u>	<u>\$ 820,858</u>

## **Analysis of the Fund Financial Statements**

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance present the financial resources and activities of the City's governmental funds. Long-term assets and liabilities are not presented on this statement because the focus is on current financial resources.

The City has four funds:

**General Fund** – Fund balance of the General Fund increased \$33 thousand as a result of 2022 operations. Revenues increased \$48 thousand, primarily from property taxes and franchise fees. Expenditures increased \$43 thousand or 6%. Most of the growth in expenditures relates to personnel and benefits.

**Capital Projects Fund** – This fund holds the proceeds of the 2020 voter approved bonds for street improvements. Engineering began on the project with construction expected to begin in 2023.

**Debt Service Fund** – Property taxes levied for bond debt service exceeded the debt service by \$10 thousand. The fund balance remaining of \$9 thousand is restricted for future debt service.

**ARPA Fund** – This fund holds the American Rescue Plan grant that is refundable to the federal government if unspent. \$194 thousand was spent in fiscal year 2022, leaving \$932 thousand for future periods.

## **Budgetary Analysis**

General fund expenditures were \$57 thousand less than budgeted expenditures, and revenues were \$42 thousand more than budgeted revenues. Fund balance increased \$33 thousand compared to an expected decrease in fund balance of \$66 thousand.

## **Capital Assets**

Capital Asset additions for the year ended September 30, 2022 included the purchase of two police vehicles, a tractor, fitness equipment for the park, an automatic gate and a UV purification system. Information about the City's capital assets can be found in the notes to the financial statements.

## **Long Term Debt**

During the year-end September 30, 2020, the City issued \$800 thousand in bonds, of which \$710 thousand is still outstanding. In addition, the City has a note payable of \$12,698 outstanding at year-end. More detailed information about the City's debt is presented in the notes to the financial statements.

## **Financial Outlook**

Sandy Oaks City Council decreased the property tax rate for the 2023 fiscal year from 0.2917976 per \$100 in valuation to 0.256259. However, increasing property values and new properties are expected to generate \$95 thousand more in property tax revenue. The City anticipates adding to the police and public works personnel. However, City operations are not expected to change significantly.

## **Contacting the City's Financial Management**

The financial report is designed to provide a general overview of the City's finances and to show the City's accountability to its taxpayers. If you have any questions about this report or need additional information, contact the City office at City of Sandy Oaks, 22870 Priest Road P.O. Box 828, Elmendorf, Texas 78112.



## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF SANDY OAKS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

	Governmental Activities
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 1,927,352
Ad Valorem Taxes Receivable	111,635
Allowance for Uncollectible Accounts	(6,435)
Other Receivables	55,964
<i>Total Current Assets</i>	2,088,516
 <i>Capital Assets:</i>	
Land	45,724
Buildings & Improvements	346,230
Furniture & Equipment	254,391
Infrastructure	136,221
Construction in Progress	57,327
Accumulated Depreciation	(140,350)
<i>Total Capital Assets</i>	699,543
<b>TOTAL ASSETS</b>	<b>2,788,059</b>
 <b>DEFERRED OUTFLOWS</b>	
Deferred Pension Related Outflows	7,752
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>7,752</b>
 <b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	82,171
Accrued Wages	14,891
Accrued Interest Payable	1,645
Compensated Absences Payable	6,363
Unearned Grant Revenue	932,067
Long Term Debt Due within One Year	48,496
<i>Total Current Liabilities</i>	1,085,633
<i>Noncurrent Liabilities:</i>	
Long Term Debt Due in More Than One Year	674,202
<i>Total Noncurrent Liabilities</i>	674,202
<b>TOTAL LIABILITIES</b>	<b>1,759,835</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	653,495
Restricted for Debt Service	22,373
Unrestricted	360,108
<b>TOTAL NET POSITION</b>	<b>\$ 1,035,976</b>

See accompanying notes to basic financial statements.

CITY OF SANDY OAKS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<b>FUNCTIONS AND PROGRAMS</b>	Expenses	Program Revenues		Net Revenue (Expense)
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Administration	\$ 526,128	\$ 104,552	\$ -	\$ (421,576)
Public Safety	257,236	-	690	(256,546)
Public Works	121,932	-	-	(121,932)
Interest and Principal on Debt	20,916	-	-	(20,916)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 926,212</u>	<u>\$ 104,552</u>	<u>\$ 690</u>	<u>(820,970)</u>
<b>GENERAL REVENUES</b>				
Taxes:				
Ad Valorem Taxes				523,403
Franchise Fees				157,820
Sales Tax				156,918
General Grants				194,334
Interest Income				3,613
<b>TOTAL GENERAL REVENUES</b>				<u>1,036,088</u>
Change in Net Position				215,118
<b>BEGINNING NET POSITION</b>				<u>820,858</u>
<b>ENDING NET POSITION</b>				<u>\$ 1,035,976</u>

See accompanying notes to basic financial statements.

CITY OF SANDY OAKS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	ARPA Fund	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 288,483	\$ 704,402	\$ -	\$ 934,467	\$ 1,927,352
Ad Valorem Taxes Receivable	93,473	-	18,162	-	111,635
Allowance for Uncollectible Accounts	(5,388)	-	(1,047)	-	(6,435)
Other Receivables	55,964	-	-	-	55,964
Due from Other Funds	1,929	-	6,903	-	8,832
<b>TOTAL ASSETS</b>	<b><u>\$ 434,461</u></b>	<b><u>\$ 704,402</u></b>	<b><u>\$ 24,018</u></b>	<b><u>\$ 934,467</u></b>	<b><u>\$ 2,097,348</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<i>Liabilities:</i>					
Accounts Payable	\$ 60,851	\$ 18,920	\$ -	\$ 2,400	\$ 82,171
Accrued Wages	14,891	-	-	-	14,891
Due to Other Funds	-	8,832	-	-	8,832
Unearned Grant Revenue	-	-	-	932,067	932,067
<i>Total Liabilities</i>	<u>75,742</u>	<u>27,752</u>	<u>-</u>	<u>934,467</u>	<u>1,037,961</u>
<i>Deferred Inflows of Resources:</i>					
Unavailable Property Tax Revenue	83,352	-	15,276	-	98,628
<i>Total Deferred Inflows</i>	<u>83,352</u>	<u>-</u>	<u>15,276</u>	<u>-</u>	<u>98,628</u>
<i>Fund Balances:</i>					
Restricted for:					
Street Improvements	-	676,650	-	-	676,650
Debt Service	-	-	8,742	-	8,742
Unassigned	275,367	-	-	-	275,367
<i>Total Fund Balances</i>	<u>275,367</u>	<u>676,650</u>	<u>8,742</u>	<u>-</u>	<u>960,759</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 434,461</u></b>	<b><u>\$ 704,402</u></b>	<b><u>\$ 24,018</u></b>	<b><u>\$ 934,467</u></b>	<b><u>\$ 2,097,348</u></b>

See accompanying notes to basic financial statements.



CITY OF SANDY OAKS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

<b>TOTAL FUND BALANCE - GOVERNMENTAL FUND</b>	\$	960,759
Property Taxes receivable are not available to pay for current expenditures and therefore, are deferred in the fund statements.		98,628
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		699,543
Compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(6,363)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Bonds Payable		(710,000)
Notes Payable		(12,698)
		(722,698)
Contributions to pension plans before the measurement date consume financial resources of government funds but are deferred for governmental activities		7,752
Accrued interest payable on long-term debt is not due and payable in the current period and, therefore, not reported in the governmental funds.		(1,645)
		(1,645)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,035,976</u></b>

See accompanying notes to basic financial statements.

CITY OF SANDY OAKS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	ARPA Fund	
<b>REVENUES</b>					
Ad Valorem Taxes	\$ 425,022	\$ -	\$ 75,261	\$ -	\$ 500,283
Franchise Fees	157,820	-	-	-	157,820
Sales Tax	156,918	-	-	-	156,918
Fines and Penalties	102,320	-	-	-	102,320
Grants	-	-	-	194,334	194,334
Interest Income	3,267	343	-	-	3,610
Miscellaneous	2,922	-	-	-	2,922
<b>TOTAL REVENUES</b>	<u>848,269</u>	<u>343</u>	<u>75,261</u>	<u>194,334</u>	<u>1,118,207</u>
<b>EXPENDITURES</b>					
Current:					
General Administration	402,919	-	-	107,198	510,117
Public Safety	234,684	-	-	2,871	237,555
Public Works	108,673	-	-	-	108,673
Capital Outlay	64,620	44,439	-	84,265	193,324
Debt Service:					
Principal	3,327	-	45,000	-	48,327
Interest & Fiscal Charges	723	-	20,364	-	21,087
<b>TOTAL EXPENDITURES</b>	<u>814,946</u>	<u>44,439</u>	<u>65,364</u>	<u>194,334</u>	<u>1,119,083</u>
<b>NET CHANGE IN FUND BALANCE</b>	33,323	(44,096)	9,897	-	(876)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>242,044</u>	<u>720,746</u>	<u>(1,155)</u>	<u>-</u>	<u>961,635</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 275,367</u>	<u>\$ 676,650</u>	<u>\$ 8,742</u>	<u>\$ -</u>	<u>\$ 960,759</u>

See accompanying notes to basic financial statements.

CITY OF SANDY OAKS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND** \$ (876)

Amounts reported for governmental activities in the Statement of Activities are different because:

The change in property taxes receivable reported in the statement of activities does not provide current financial resources and, therefore, is not reported as revenue in the governmental fund. 23,124

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	193,323	
Depreciation Expense	<u>(55,717)</u>	137,606

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to government funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Repayments	48,327
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The change in pension related deferred outflows of resources reported in the statement of activities does not provide current financial resources and, therefore, is not reported as revenue in the governmental fund. 7,752

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in Compensated Absences	(986)
Change in Accrued Interest	<u>171</u>

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 215,118

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Sandy Oaks, Texas (“City”) are presented in accordance with generally accepted accounting principles (GAAP) applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board. A summary of the City’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. REPORTING ENTITY

The City of Sandy Oaks was incorporated by an election and is governed by an elected Mayor and five-member council. The City’s annual financial report includes the accounts of all City operations. The financial statements of the City of Sandy Oaks, have been prepared in accordance with generally accepted accounting principles. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations; thus, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. There were no component units identified that would require inclusion in this report.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report, except for City fiduciary activity, information on all of the activities of the City. Governmental activities are supported mainly by tax revenues.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds which meet the criteria as a *major governmental fund*. The major funds of the City are the general fund, capital projects fund, debt service fund and ARPA fund. There were no non-major funds.

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

**The General Fund** is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include sales and property taxes as well as franchise fees. Primary expenditures are for general administration, public works, and capital acquisition.

**Capital Projects Fund** is used to account for all funds collected and disbursed for street, sidewalk, and drainage improvements related to the 2020 bonds.

**Debt Service Fund** is used to account for the ad valorem taxes collected for interest and sinking, as well as debt service disbursements associated with the City's bonds.

**ARPA Fund** is used to account for resources received from the American Rescue Plan. The grant is refundable to the federal government if not spent in accordance with grant provisions.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits in a checking account and local government investment pools.

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

The City currently only invests in local government investment pools which are reported at net asset value.

6. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

7. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 and become due October 1, 2021 and are past due after January 31, 2022. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for the prior year's levy are shown net of an allowance for uncollectibles. Management has recorded an allowance for estimated uncollectibles in the amount of \$6,435 for September 30, 2022.

Accounts receivable from other sources includes franchise fees and amounts due from the state for sales tax collections. Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements.

CITY OF SANDY OAKS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>LIFE</u>
Buildings and improvements	10-40 years
Infrastructure	20-50 years
Vehicles	5 years
Furniture and equipment	5-10 years

9. COMPENSATED ABSENCES

Employees earn vacation leave at varying rates depending on length of service up to a maximum of 80 hours per year.

Liabilities for compensated absences are recognized in the fund statements to the extent liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements. Compensated absences as of September 30, 2022 are \$6,363.

10. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the debt, using the effective interest method. Bonds payable are reported net of premiums and discounts. Bond issue costs are expensed when incurred.

In the governmental fund financial statements, bond proceeds, discounts, and premiums are recognized in the period of occurrence as other financing sources and uses. Debt service principal and interest costs as well as bond issue costs are recorded as expenditures when paid.

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

A deferred outflow of resources represents a consumption of net assets that applies to future periods while a deferred inflow of resources represents an acquisition of net assets that applies to future periods. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resource in the period the amounts become available.

12. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund has typically been used in prior years to liquidate pension liabilities.

13. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

14. FUND BALANCES

Fund balances in governmental funds are classified as follows:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.



CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. FUND BALANCES (Continued)

Committed - Represents amounts that can only be used for a specific purpose by a resolution of City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments and has not delegated that authority to any other individuals.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City. The General Fund is the only fund that may report an unassigned balance.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second and assigned third.

15. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- CASH AND CASH EQUIVALENTS

The City's bank deposits are secured by a combination of FDIC insurance and pledged collateral from the City's depository.

NOTE C -- INVESTMENTS

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. For the year ending September 30, 2022, the City has materially complied with all requirements of the Act.

Investments consist of deposits with Texpool, a local government investment pool. The Pool is rated AAAm by Standard & Poor's and strives to maintain a consistent net asset value. It does not have any minimum or maximum transaction or balance amounts and the investment balances are accessible on the same day as the request pending end of business time constraints. The balance of the investment as of September 30, 2022 was \$132,097 and is reported in cash and cash equivalents.

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE D -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years.

For the fiscal year ended September 30, 2022, the assessed tax rate for the City was 0.291976 per \$100 on an assessed valuation (less exemptions) of \$173 million. The total tax levy for fiscal year 2022 is \$506 thousand. As of September 30, 2022, the delinquent current taxes for property tax year 2021 were \$46 thousand.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt, for the year ended September 30, 2022, was \$.291976 per \$100 of assessed value, which means that the City has a tax margin of \$2.208024 for each \$100 value and could increase its annual tax levy by approximately \$33.8 million based upon the present assessed valuation of \$173 million. However, the City is generally limited to annual increases of no more than 3.5%, with certain exceptions.

NOTE E -- OTHER RECEIVABLES

Other receivables as of September 30, 2022 consisted of the following balances owed to the City:

Sales Tax	\$ 25,782
Franchise Fees	<u>30,182</u>
Total	<u><u>\$ 55,964</u></u>

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE F -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

<u>Governmental Activities</u>	Balance 10/1/21	Additions	Transfers/ Disposals	Balance 9/30/22
Land	\$ 45,724	\$ -	\$ -	\$ 45,724
Buildings and Improvements	346,230	-	-	346,230
Furniture & Equipment	118,395	135,996	-	254,391
Infrastructure	136,221	-	-	136,221
Construction in Progress	-	57,327	-	57,327
	<u>646,570</u>	<u>193,323</u>	<u>-</u>	<u>839,893</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,293)	(17,312)	-	(37,605)
Furniture & Equipment	(52,541)	(35,681)	-	(88,222)
Infrastructure	(11,799)	(2,724)	-	(14,523)
	<u>(84,633)</u>	<u>(55,717)</u>	<u>-</u>	<u>(140,350)</u>
Governmental Capital Assets, Net	<u>\$ 561,937</u>	<u>\$ 137,606</u>	<u>\$ -</u>	<u>\$ 699,543</u>

Land and construction in progress are not depreciated.

Depreciation Expense was allocated to the following governmental functions:

General Administration	\$ 24,173
Public Safety	20,546
Public Works	10,998
Total	<u>\$ 55,717</u>

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE G -- LONG-TERM DEBT

As of September 30, 2022 the City's long-term debt consisted of and changed as follows:

<u>Governmental Activities</u>	Balance 10/1/21	Additions	Retirements	Balance 9/30/22	Due Within One Year
Compensated Absences Payable	\$ 5,377	\$ 2,390	\$ (1,404)	\$ 6,363	\$ 6,363
Note Payable	16,025	-	(3,327)	12,698	3,496
2020 Bond Payable	755,000	-	(45,000)	710,000	45,000
Total	<u>\$ 776,402</u>	<u>\$ 2,390</u>	<u>\$ (49,731)</u>	<u>\$ 729,061</u>	<u>\$ 54,859</u>

In August 2020, the City issued a General Obligation Bond of \$800,000 with an interest rate of 2.780%. The bonds were voter approved for street improvements and were privately placed. The bond documents do not contain subjective acceleration clauses, events of default with finance-related consequences or termination events with finance-related consequences.

The annual requirements to amortize all bonded debt outstanding as of September 30, 2022, including interest payments, are as follows:

Fiscal Year Ending September 30,	2020 Bond		
	Principal	Interest	Total
2023	\$ 45,000	\$ 19,113	\$ 64,113
2024	45,000	17,862	62,862
2025	50,000	16,541	66,541
2026	50,000	15,151	65,151
2027	50,000	13,761	63,761
2028-2032	285,000	45,941	330,941
2033-2035	185,000	7,854	192,854
Total	<u>\$ 710,000</u>	<u>\$ 136,223</u>	<u>\$ 846,223</u>

The City financed the purchase of Public Works equipment totaling \$21,420 with an interest rate of 4.981%. The note requires monthly payments of \$337 through May 2026. Future minimum debt payments are as follows:

Fiscal Year Ending September 30,	Note Payable		
	Principal	Interest	Total
2023	\$ 3,496	\$ 539	\$ 4,035
2024	3,674	360	4,034
2025	3,862	172	4,034
2026	1,666	14	1,680
Total	<u>\$ 12,698</u>	<u>\$ 1,085</u>	<u>\$ 13,783</u>

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE H -- TEXAS MUNICIPAL RETIREMENT SYSTEM

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

All eligible employees of the City are required to participate in TMRS retirement system.

The City began participation in the plan January 1, 2022 and an actuarial valuation has not yet been performed. The City's plan provisions include a member contribution rate of 5% and matching of 1 to 1.

Contributions to the plan for 2022 (which matched required contributions) of \$7,752 are deferred on the Statement of Net Position until the December 31, 2022 measurement date.

NOTE I -- COMMITMENTS

The City entered into a three year contract with a vendor during the current fiscal year. The contract is to provide software maintenance services. The agreement is to pay \$5,000 per year for three years beginning in fiscal year 2022 and ending in fiscal year 2024. The City also has an outstanding road bond engineering project as well as a City Hall renovation project as of September 30, 2022. Future estimated future

<u>Project</u>	<u>Total Commitment</u>	<u>Incurred Through 9/30/2022</u>	<u>Estimated Future Commitment</u>
City Hall Renovations	\$ 25,779	\$ 12,889	\$ 12,890
Road Bond Engineering Services	71,466	44,439	27,027
Software Service Agreement	15,000	5,000	10,000
	<u>\$ 112,245</u>	<u>\$ 62,328</u>	<u>\$ 49,917</u>

NOTE J -- LITIGATION

The City is subject to various claims and litigation that have arisen in the course of its operations. Management and legal counsel are not aware of any claims that will have a material effect on the City's financial position.

CITY OF SANDY OAKS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

NOTE K -- RISK MANAGEMENT

The City has identified possible risk of losses arising from events such as the following:

1. Torts.
2. Theft of, damage to, or destruction of assets.
3. Errors and omissions.
4. Job-related illnesses or injuries to employees.
5. Acts of God.

The City contracts with Texas Municipal League providers to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2022, were \$18,443.

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Pension Contributions

CITY OF SANDY OAKS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Tax	\$ 405,000	\$ 405,000	\$ 425,022	\$ 20,022
Franchise Fees	125,000	125,000	157,820	32,820
Sales Tax	150,000	150,000	156,918	6,918
Fines and Penalties	122,000	118,690	102,320	(16,370)
Interest Income	1,700	1,700	3,267	1,567
Miscellaneous	5,700	5,700	2,922	(2,778)
<b>TOTAL REVENUES</b>	809,400	806,090	848,269	42,179
<b>EXPENDITURES</b>				
<i>General Administration:</i>				
City Hall	309,586	338,614	337,002	1,612
Elections	3,500	293	-	293
Municipal Court	91,200	80,568	65,917	14,651
<i>Total General Administration</i>	404,286	419,475	402,919	16,556
<i>Public Safety:</i>				
Police	212,467	210,906	189,496	21,410
Animal Control	61,210	62,771	45,188	17,583
<i>Total Public Safety</i>	273,677	273,677	234,684	38,993
<i>Public Works:</i>				
Street Maintenance	4,500	6,928	6,928	-
General and Parks	95,770	93,342	91,938	1,404
Public Facilities	28,343	9,844	9,807	37
<i>Total Public Works</i>	128,613	110,114	108,673	1,441
<i>Capital Outlay</i>	64,620	64,620	64,620	-
<i>Debt Service:</i>				
Principal	3,327	3,327	3,327	-
Interest	723	723	723	-
<b>TOTAL EXPENDITURES</b>	875,246	871,936	814,946	56,990
<b>Net Change in Fund Balance</b>	(65,846)	(65,846)	33,323	99,169
<b>BEGINNING FUND BALANCE</b>	242,044	242,044	242,044	-
<b>ENDING FUND BALANCE</b>	\$ 176,198	\$ 176,198	\$ 275,367	\$ 99,169



CITY OF SANDY OAKS  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL – GENERAL FUND  
SEPTEMBER 30, 2022

**Budgetary Information** – Budgets are prepared for the general fund in accordance with the modified accrual basis of accounting. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device.

Budgetary preparation and control is exercised at the fund level. Actual expenditures may not legally exceed appropriations at the fund level. Encumbrances represent commitments related to unperformed contracts for goods or services. The City does not utilize encumbrance accounting.

CITY OF SANDY OAKS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PENSION CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 7,752	\$ 7,752	\$ -	\$ 235,611	3.3%

The City began participation in the plan January 1, 2022. An actuarial valuation is planned for December 31, 2022. Information is being accumulated until 10 years are presented.

## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

### *Contents*

#### Comparative Fund Financial Statements for the

- General Fund
- Capital Projects Fund

CITY OF SANDY OAKS  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022 AND 2021

	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 288,483	\$ 794,354
Ad Valorem Taxes Receivable	93,473	68,148
Allowance for Uncollectible Accounts	(5,388)	(5,210)
Other Receivables	55,964	52,159
Due from Other Funds	1,929	-
<b>TOTAL ASSETS</b>	<b>\$ 434,461</b>	<b>\$ 909,451</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 60,851	\$ 30,827
Accrued Wages	14,891	10,441
Unearned Grant Revenue	-	563,201
<i>Total Liabilities</i>	75,742	604,469
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	83,352	62,938
<i>Total Deferred Inflows of Resources</i>	83,352	62,938
<i>Fund Balances:</i>		
Unassigned	275,367	242,044
<i>Total Fund Balances</i>	275,367	242,044
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 434,461</b>	<b>\$ 909,451</b>

CITY OF SANDY OAKS  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE -  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
<b>REVENUES</b>		
Ad Valorem Tax	\$ 425,022	\$ 378,784
Franchise Fees	157,820	133,972
Sales Tax	156,918	151,862
Fines and Penalties	102,320	126,131
Interest Income	3,267	1,217
Miscellaneous Income	2,922	8,093
<b>TOTAL REVENUES</b>	<b>848,269</b>	<b>800,059</b>
 <b>EXPENDITURES</b>		
<i>Current:</i>		
City Hall	337,002	252,059
Elections	-	731
Municipal Court	65,917	87,027
Police	189,496	169,706
Animal Control	45,188	44,906
Street Maintenance	6,928	2,838
General Public Works and Parks	91,938	54,276
Public Facilities	9,807	65,868
Capital Outlay	64,620	90,571
<i>Debt Service:</i>		
Principal	3,327	3,165
Interest	723	884
<b>TOTAL EXPENDITURES</b>	<b>814,946</b>	<b>772,031</b>
 Net Change in Fund Balance	 33,323	 28,028
 <b>Beginning Fund Balance</b>	 242,044	 214,016
 <b>Ending Fund Balance</b>	 \$ 275,367	 \$ 242,044

CITY OF SANDY OAKS  
 COMPARATIVE BALANCE SHEET  
 CAPITAL PROJECTS FUND  
 SEPTEMBER 30, 2022 AND 2021

	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 704,402	\$ 720,312
Due from Other Funds	-	434
<b>TOTAL ASSETS</b>	<b>\$ 704,402</b>	<b>\$ 720,746</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities</i>		
Accounts Payable	\$ 18,920	\$ -
Due to Other Funds	8,832	-
<i>Total Liabilities</i>	<i>27,752</i>	<i>-</i>
 <i>Fund Balances:</i>		
Unassigned	676,650	720,746
<i>Total Fund Balances</i>	<i>676,650</i>	<i>720,746</i>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 704,402</b>	 <b>\$ 720,746</b>

CITY OF SANDY OAKS  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
<b>REVENUES</b>		
Interest Income	\$ 343	\$ 29
<b>TOTAL REVENUES</b>	343	29
 <b>EXPENDITURES</b>		
Capital Outlay	44,439	29,292
<b>TOTAL EXPENDITURES</b>	44,439	29,292
Net Change in Fund Balance	(44,096)	(29,263)
 <b>Beginning Fund Balance</b>	720,746	750,009
 <b>Ending Fund Balance</b>	\$ 676,650	\$ 720,746

