

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

Town of Enchanted Oaks, Texas

Mayor
Natalie Oñate



PO BOX 5019 • Mabank, TX 75147-5000
903•451•2222

**TOWN OF ENCHANTED OAKS, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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PO BOX 5019 • Mabank, TX 75147-5000
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INTRODUCTORY SECTION

**TOWN OF ENCHANTED OAKS, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Natalie Oñate, Mayor
Judy Purdy, Mayor Pro-Tem
Tim Johnson, Alderman
Don Agold, Alderman
Bryan Piper, Alderman
Shelia Hermes, Alderman**

**Judy King, Treasurer
Pam Foster, Town Secretary
Anthony Katsoulas, Chief of Police
Brad Neighbor, Town Attorney**

FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

(903) 269-6211
mward@mikewardcpa.com

INDEPENDENT AUDITOR'S REPORT

Town of Enchanted Oaks, Texas
Mayor and Town Council
P.O. Box 5019
Gun Barrel, Texas 75147-5019

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enchanted Oaks, Texas ("Town") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Enchanted Oaks, Texas' basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enchanted Oaks, Texas as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Enchanted Oaks, Texas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 the Town of Enchanted Oaks, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinions. Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 the Town of Enchanted 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Enchanted Oaks, Texas' ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

Respectfully Submitted,

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas

September 17, 2024

TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the Town of Enchanted Oaks, Texas ("Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$1,330,761. The unrestricted net position is \$627,784, or 47.2%, may be used to meet the Town's ongoing obligations to its citizens and creditors in accordance with fiscal practices.
- The Town's net position increased \$119,603 during 2023.
- As of the close of the current fiscal year, the Town's governmental fund reported an ending fund balance of \$619,962, an increase of \$80,968 from the 2022 fund balance. Approximately 60.2% percent of this total amount, or \$372,962 is available for spending at the Town's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$372,962.
- The Town does not have any long-term debt as of September 30, 2023

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Enchanted Oaks' basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Basic Financial Statements

The first two statements (pages 17-18) in the basic financial statements are the **Government-wide Financial Statements**. These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The next statements (pages 19-22) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There is one part to the Fund Financial Statements: the governmental funds statements.

The next section of the basic financial statements are the **notes** (pages 23-30). The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide financial statements provide short and long-term information about the Town's financial status as a whole.

The statement of net position presents information on all of the Town of Enchanted Oaks' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these financial statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes).

The government-wide financial statements are divided into governmental activities categories. Currently, the Town of Enchanted Oaks has one fund – General Fund. The governmental activities include the Town's basic services such as general administration. Intergovernmental fees, property taxes and franchises taxes finance most of these activities. The government-wide financial statements are on pages 17-18 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Enchanted Oaks, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. The Town of Enchanted Oaks has one fund category: Governmental Fund.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

All of the Town's basic services are accounted for in the governmental fund. This fund focuses on how assets can readily be converted into cash flow in and out, and what funds are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements. The governmental fund financial statements can be found on pages 19-22.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Enchanted Oaks adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. The budgetary comparison schedule is found on page 33.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23-30 of this report.

TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023

Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 630,523	\$ 601,345
Capital assets	702,977	663,936
Total assets	1,333,500	1,265,281
Current liabilities	2,739	54,123
Total liabilities	2,739	54,123
Net position:		
Net investment in capital assets	702,977	663,936
Unrestricted	627,784	547,222
Total net position	\$1,330,761	\$1,211,158

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Town of Enchanted Oaks exceeded liabilities by \$1,330,761 as of September 30, 2023. The Town's net position increased by \$119,603 for fiscal year ended September 30, 2023.

Net investment in capital assets:

The largest portion, \$702,977, or 53%, of net position reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment less any related debt still outstanding that was issued to acquire those items). The Town of Enchanted Oaks uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town of Enchanted Oaks net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The Town of Enchanted Oaks does not have any long-term debt at the end of the current fiscal year.

Unrestricted net position:

Unrestricted net position of \$627,784, or 47.2%, is available to fund the Town's programs for citizens.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Changes in Net Position

	Governmental Activities	
	2023	2022
REVENUE:		
Program Revenues:		
Charges for services	\$ 49,017	\$ 97,461
Operating Grants and Contributions	54,945	43,507
General Revenues:		
Property Taxes, including Penalties and Interest	283,429	270,309
Franchise Fees	34,841	35,058
Miscellaneous	4,621	35
Total Revenues	427,202	446,370
EXPENSES:		
Program Expenses:		
General Government	93,152	105,217
Public Safety	67,501	62,895
Public Works	105,565	109,005
Parks and Recreation	41,381	25,595
Total Expenses	307,599	302,712
Increase (Decrease) in Net Position	119,603	143,658
Net position - October 1	1,211,158	1,067,500
Net position - September 30	\$ 1,330,761	\$ 1,211,158

Governmental activities increased net position by \$119,603.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

As noted earlier, the Town of Enchanted Oaks uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Financial Analysis of the Town's Funds

Governmental Funds - The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirement. Specifically, unassigned fund balance serves as a useful measure of the Town's resources available for spending at the end of the fiscal year.

At September 30, 2023, the Town's governmental fund reported an total fund balance of \$619,962, an increase of 15% in comparison with the prior year's total ending fund balance. The components of total fund balance are as follows:

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total expenditures. Unassigned fund balance equates to (113%) of total General Fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that were used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Revenues exceeded budgeted amounts due to higher franchise fees, licenses and permits than anticipated.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Capital assets - The Town's investment in capital assets for its governmental activities as of September 30, 2023, totals \$702,977 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment.

Major capital asset transactions during the year include the following:

- Road improvements
- Park equipment
- Pool improvements

**Town of Enchanted Oaks
Capital Assets
As of September 30, 2023
(net of depreciation)**

	2023		2022
Land	\$ 120,969	\$	120,969
Buildings & Improvements	124,099		364,502
Infrastructure	414,559		156,146
Machinery & Equipment	31,350		22,319
Total	\$ 702,977	\$	663,936

More detailed information about the Town's capital assets is presented in Note E to the financial statements.

Long-term Debt - The Town does not have any long-term debt.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Requests for Information

This report is designed to provide a general overview of the Town's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Enchanted Oaks, P O Box 5019, Gun Barrel City, Texas 75147.



PO BOX 5019 • Mabank, TX 75147-5000
903•451•2222

BASIC FINANCIAL STATEMENTS

**TOWN OF ENCHANTED OAKS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 622,701
Receivables (Net of Allowance for Uncollectibles)	7,822
Capital Assets Not Being Depreciated:	
Land	120,969
Capital Assets Net of Accumulated Depreciation:	
Buildings and Improvements	124,099
Machinery and Equipment	31,350
Infrastructure	414,559
Total Assets	<u>1,333,500</u>
LIABILITIES	
Accounts Payable	-
Other Liabilities	2,739
Total Liabilities	<u>2,739</u>
NET POSITION	
Net Investment in Capital Assets	702,977
Unrestricted	627,784
Total Net Position	<u>\$ 1,330,761</u>

The accompanying notes to the financial statements are an integral part of this financial statement

**TOWN OF ENCHANTED OAKS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental Activities:				
General Government	\$ 93,151	\$ -	\$ 42,505	\$ -
Public Safety	67,501	924	-	-
Public Works	105,565	35,712	-	-
Parks and Recreation	41,381	12,380	12,440	-
Total governmental activities	<u>307,598</u>	<u>49,016</u>	<u>54,945</u>	<u>-</u>
Total Primary Government	<u>\$ 307,598</u>	<u>\$ 49,016</u>	<u>\$ 54,945</u>	<u>\$ -</u>

General revenues:	
Property taxes	\$ 283,429
Franchise taxes	34,841
Miscellaneous	4,621
Total general revenues	<u>323,240</u>
Change in net position	119,603
Net position - beginning	1,211,158
Net position - ending	<u>\$ 1,330,761</u>

**TOWN OF ENCHANTED OAKS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2023**

	General Fund
	<u> </u>
ASSETS	
Cash and Cash Equivalents-unrestricted	\$ 622,701
Receivables (net of allowance for uncollectibles)	7,822
Total Assets	<u>630,523</u>
LIABILITIES	
Accounts Payable	-
Other Liabilities	2,739
Total Liabilities	<u>2,739</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	7,822
Total Deferred Inflows of Resources	<u>7,822</u>
FUND BALANCE	
Assigned:	
Street improvements	96,000
Waste management improvements	10,000
Building improvements	8,000
Park & boat ramp improvements	23,000
Police and emergency management	90,000
Grounds and equipment	10,000
Pool improvements	10,000
Unassigned	372,962
Total Fund Balance	<u>619,962</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 630,523</u>

The accompanying notes to the financial statements are an integral part of this financial statement

**TOWN OF ENCHANTED OAKS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances - governmental funds balance sheet	\$ 619,962
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in government funds.	1,887,925
Accumulated depreciation has not been included in the governmental fund financial statements.	(1,184,948)
Revenue reported as receivable in the government-wide financial statements was not recorded in the governmental fund financial statements.	7,822
	<hr/>
Net position of governmental activities - statement of net position	<u><u>\$ 1,330,761</u></u>

**TOWN OF ENCHANTED OAKS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Fund</u>
REVENUE	
Property taxes	\$ 283,834
Franchise taxes	34,841
Licenses and permits	8,818
Fines and forfeitures	925
Charge for services	39,274
Grant	51,979
Donations	2,966
Miscellaneous	4,621
Total Revenues	<u>427,258</u>
EXPENDITURES	
Current:	
General Government	87,862
Public Safety	65,545
Parks	19,095
Public Works	72,813
Capital Outlays:	
General Government	12,000
Parks	21,271
Public Works	68,053
Total Expenditures	<u>346,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,619</u>
Net Change in Fund Balance	<u>80,968</u>
Fund Balance, October 1	538,994
Fund Balance, September 30	<u>\$ 619,962</u>

The accompanying notes to the financial statements are an integral part of this financial statement

**TOWN OF ENCHANTED OAKS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balance - total governmental fund \$ 80,968

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

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. 101,324

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. (62,023)

Revenues in the statement of activities that do not provide current financial resources are not recognized as revenue in the fund financial statements. (666)

Change in net position of governmental activities - statement of activities \$ 119,603

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Enchanted Oaks ("Town") was incorporated in 1974. The Town is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The Town is governed by an elected mayor and five-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments-Audit and Accounting Guide* and by the Financial Accounting Standards Board when applicable.

1. Reporting Entity

The Town is a municipal corporation and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Town is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units".

Under GASB Statement No. 14, component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for government organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB Statement No. 14 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to other access, are significant to the primary government.

Based upon the application of these tests, the Town of Enchanted Oaks does not have any component units.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

2. Basis of Presentation, Basis of Accounting
a. Basis of Presentation

The basic financial statements are prepared in conformity with GAAP which requires the government-wide financial statements to be prepared using the accrual basis of accounting, and the economic resources measurement focus. Government-wide financial statements do not provide information by fund but distinguish between the Town's governmental

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

activities on the statement of net position and statement of activities. Significantly, the Town's statement of net position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expenses on the Town's capital assets, including infrastructure.

In addition to the government-wide financial statements, the Town has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds.

Management's Discussion and Analysis includes an analytical overview of the Town's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results.

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Works, Administration, etc.) or a segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental fund is the General Fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of fund category) for the determination of major funds. The Town does not have any nonmajor funds.

The government-wide focus is on the sustainability of the Town as an entity, and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

b. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities, (whether current or noncurrent), are included in the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

The net cost (by function) is normally covered by general revenue (property and franchise taxes, and interest income).

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are measurable and available. Revenues are considered to be

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 30 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 compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem and franchise tax revenues recorded in the General Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Governmental funds are those through which all governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the major Governmental Fund of the Town.

The General Fund is the operating fund of the Town. This fund is used to account for all financial resources. All general tax revenues and other receipts are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs are paid from this fund.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Town maintains a checking account for the General Fund.

b. Receivable and Payable Balances

The Town believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

Property tax and mowing receivables are shown net of an allowance for uncollectibles.

c. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or are imposed by law through constitutional provision or enabling legislation. Restricted assets in the governmental fund represent cash and cash equivalents set aside for specific purposes per the donors. The Town has no restricted net assets as of the close of the current fiscal year.

**TOWN OF ENCHANTED OAKS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

d. Capital Assets

Capital assets, which include land, buildings, equipment, and infrastructure, purchased or acquired, are reported in the applicable governmental activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Town defines capital assets as those items with an initial individual cost of \$1,000 or more and an estimated useful life in excess of two years.

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	10 - 25
Buildings	5 - 40
Improvements	5 - 20
Machinery & Equipment	3 - 15

e. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town does not have any deferred outflow of resources at the close of the current fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town does not have any deferred inflow of resources at the close of the current fiscal year.

f. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted net position in the government-wide and fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

g. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Town is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

- **Committed fund balance** - amounts that can only be used for specific purposes determined by an ordinance of the Town's highest level of decision-making authority (Town Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the Town's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making (Town Council), or by the Town's Administrator as designated for that purpose. This is also the classification for residual funds in the Town's special revenue funds, if any.
- **Unassigned fund balance** - the residual classification for the Town's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Town Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoptions of the budget and subsequent budget amendments that occur throughout the year.

For the classification of the General Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

h. Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from restricted and unrestricted resources, (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of the unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

i. Property Taxes

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the Town. Assessed value represents the appraisal value less applicable exemptions authorized by Town Council. The Appraisal Board of Review establishes appraised values at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Taxes are due October 1 immediately following the levy date and are delinquent after the following January 31st. Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally sixty days after year-end.

**TOWN OF ENCHANTED OAKS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

j. Comparative Data/Reclassification

Comparative total data for the current year to budget have been presented in the financial statements in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

k. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

Violation
 No violations noted

Action Taken
 N/A

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None reported	Not applicable

3. Budgets and Budgetary Accounting

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted budget and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures.

The following procedures are followed in establishing the budgetary data:

- * No later than the first Town Council meeting each August, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- * Public hearings are conducted to obtain taxpayer comments.
- * Prior to September 30, the budget is legally enacted through passage of an ordinance. If the Council takes no action on or prior to such day, the budget, as submitted by the Mayor, shall be deemed to have been adopted by Town Council.
- * According to the Town Charter, total estimated expenditures of the General Fund are to be budgeted.
- * The level of control (the level at which expenditures may not exceed budget) is the fund level. The Mayor is authorized to approve a transfer of budgeted amounts within departments; however, any revisions that alter the total of any fund must be approved by the Town Council.

The majority of the Town's capital projects are budgeted on an annual basis.

**TOWN OF ENCHANTED OAKS, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

C. DEPOSITS AND INVESTMENTS

The Town's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Town's agent bank approved pledged securities in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2023, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$622,701 and the bank balance was \$628,087. The Town's cash deposit at September 30, 2023 and during the year ended September 30, 2023, were entirely covered by FDIC insurance or appropriate pledged securities.

Statement of net position:

Primary Government

Cash and cash equivalents	\$ 622,701
Total cash and cash equivalents	<u>\$ 622,701</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The Public Funds Act and the Town's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits. The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balances less the FDIC insurance at all times.

D. RECEIVABLES

Receivables as of September 30, 2023 for the Town's individual major fund, including allowances for uncollectible accounts are shown below:

	General Fund
Receivables:	
Taxes	\$ 16,268
Fees	-
Gross Receivables	16,268
Less: allowance for uncollectibles	(8,446)
Net Total Receivables	<u>\$ 7,822</u>

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

E. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 120,969	\$ -	\$ -	\$ 120,969
Construction in progress	-	12,000	-	12,000
Total capital assets, not being depreciated	<u>\$ 120,969</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 132,969</u>
Capital assets, being depreciated				
Building & Improvements	\$ 642,323	\$ -	\$ -	\$ 642,323
Infrastructure	780,873	76,884	-	857,757
Machinery & Equipment	242,436	12,440	-	254,876
Total capital assets being depreciated	<u>\$ 1,665,632</u>	<u>\$ 89,324</u>	<u>\$ -</u>	<u>\$ 1,754,956</u>
Less accumulated depreciation for:				
Buildings & Improvements	\$ (507,909)	\$ (10,315)	\$ -	\$ (518,224)
Infrastructure	(398,508)	(44,690)	-	(443,198)
Machinery & Equipment	(216,508)	(7,018)	-	(223,526)
Total accumulated depreciation	<u>\$ (1,122,925)</u>	<u>\$ (62,023)</u>	<u>\$ -</u>	<u>\$ (1,184,948)</u>
Total capital assets being depreciated, net	<u>\$ 542,707</u>	<u>\$ 27,301</u>	<u>\$ -</u>	<u>\$ 570,008</u>
Governmental activities capital assets, net	<u>\$ 663,676</u>	<u>\$ 39,301</u>	<u>\$ -</u>	<u>\$ 702,977</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 14,119
Public Safety	1,697
Parks & Recreation	13,455
Public Works	32,752
Total depreciation expense-governmental activities:	<u>\$ 62,023</u>

F. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The Town pays an annual premium to TML for its insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance.

G. LITIGATION

Currently, management is unaware of significant pending litigation against the Town of Enchanted Oaks.

H. SUBSEQUENT EVENTS

The Town's management has evaluated events or transactions that comes to management attention after September 30, 2023 up through September 17, 2024 the date the financial statements were available to be issued. Management noted no subsequent events requiring disclosure.



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REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF ENCHANTED OAKS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 273,700	\$ 273,700	\$ 283,834	\$ 10,134
Franchise taxes	32,000	32,000	34,841	2,841
Licenses and permits	18,000	18,000	8,818	(9,182)
Fines and forfeitures	-	-	925	
Charge for services	32,130	32,130	39,274	7,144
Donations	-	-	2,966	2,966
Grant	-	-	51,979	51,979
Miscellaneous	-	-	4,621	4,621
Total Revenues	355,830	355,830	427,258	70,503
EXPENDITURES				
Current:				
General Government:				
Administration	77,015	77,015	87,862	(10,847)
Capital Outlay	-	-	12,000	(12,000)
Total General Government	77,015	77,015	99,862	(22,847)
Public Safety:				
Police	66,994	66,994	65,545	1,449
Total Public Safety	66,994	66,994	65,545	1,449
Capital Outlay	-	-	68,053	(68,053)
Total Public Works	290,100	290,100	140,866	149,234
Parks and Recreation				
Parks and Recreation	58,700	58,700	19,095	39,605
Capital Outlay	-	-	21,271	(21,271)
Total Parks	58,700	58,700	40,366	18,334
Total Expenditures	492,809	492,809	346,639	146,170
Excess (deficiency) of revenues over (under) expenditures	(136,979)	(136,979)	80,619	217,598
Other Revenues and Financing Sources (Uses)				
Use of Accumulated Fund Balance	136,979	136,979	-	(136,979)
Interest Income	-	-	349	349
Total Other Financing Sources (Uses)	136,979	136,979	349	(136,630)
Net Change in Fund Balances	-	-	80,968	80,968
Fund Balance, October 1	538,994	538,994	538,994	
Fund Balance, September 30	\$ 538,994	\$ 538,994	\$ 619,962	

The accompanying notes to the financial statements are an integral part of this financial statement

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION

This part of the Town of Enchanted Oaks' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes, and disclosures says about the Town's overall financial health. This information has not been audited by the independent auditor.

Contents

Table #s

Financial Trends

These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

1,2,3,4,5

Revenue Capacity

These tables contain information to help the reader assess the Town's two most significant local revenue sources, the property, and franchise taxes.

6,7

Source: Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant year.

TOWN OF ENCHANTED OAKS, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 1

	FISCAL YEAR				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 708,620	\$ 633,310	\$ 588,773	\$ 519,398	\$ 535,276
Restricted	2,130	2,130	2,130	2,130	2,342
Unrestricted	<u>255,103</u>	<u>320,278</u>	<u>184,060</u>	<u>239,431</u>	<u>298,747</u>
Total governmental activities net position	<u>\$ 965,853</u>	<u>\$ 955,718</u>	<u>\$ 774,963</u>	<u>\$ 760,959</u>	<u>\$ 836,365</u>

	FISCAL YEAR				
	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 561,168	\$ 612,227	\$ 616,972	\$ 663,936	\$ 702,977
Restricted	1,537	1,537	-	-	-
Unrestricted	<u>363,550</u>	<u>355,043</u>	<u>450,531</u>	<u>547,222</u>	<u>627,784</u>
Total governmental activities net position	<u>\$ 926,255</u>	<u>\$ 968,807</u>	<u>\$ 1,067,503</u>	<u>\$ 1,211,158</u>	<u>\$ 1,330,761</u>

TOWN OF ENCHANTED OAKS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
REVENUES					
Property Taxes	\$ 185,633	\$ 191,274	\$ 193,493	\$ 200,455	\$ 207,938
Non-Property Taxes	24,851	27,349	28,330	28,028	28,613
License and permits	9,373	5,248	4,370	10,057	10,358
Charge for Services	19,800	17,310	18,900	16,885	22,800
Fines/Court	-	-	-	-	-
Intergovernmental	43,419	36,138	37,532	29,538	49,849
Capital and Operational Grants	-	25,158	4,925	-	-
Donations	3,094	4,400	3,771	2,802	3,141
Miscellaneous	2,050	3,277	3,055	2,257	2,175
Total Revenues	<u>288,220</u>	<u>310,154</u>	<u>294,376</u>	<u>290,022</u>	<u>324,874</u>
EXPENDITURES					
General Government	67,092	52,659	256,793	102,841	88,483
Public Safety	40,988	47,319	13,291	15,570	15,636
Parks and Recreation	10,572	18,269	10,029	16,714	8,737
Public Works	90,866	106,313	101,462	89,463	64,380
Capital Outlay:					
General Government	21,155	-	-	4,879	10,936
Public Safety	-	21,423	4,700	15,877	3,490
Parks and Recreation	-	639	13,000	-	-
Public Works	24,218	-	32,034	-	78,620
Total Expenditures	<u>254,891</u>	<u>246,622</u>	<u>431,309</u>	<u>245,344</u>	<u>270,282</u>
OTHER FINANCING SOURCES (USES)					
Insurance Refund	-	-	-	-	-
Investment Income	4	6	31	76	18
Sale of Asset	5,550	-	-	-	6,758
Extraordinary Income(Expense)	-	-	-	9,847	-
Total other financing sources (uses)	<u>5,554</u>	<u>6</u>	<u>31</u>	<u>9,923</u>	<u>6,776</u>
NET CHANGE IN FUND BALANCE	<u>\$ 38,883</u>	<u>\$ 63,538</u>	<u>\$ (136,902)</u>	<u>\$ 54,601</u>	<u>\$ 61,368</u>

Table 5

FISCAL YEAR				
2019	2020	2021	2022	2023
\$ 211,914	\$ 216,594	\$ 254,678	\$ 266,004	\$ 283,834
32,494	31,602	32,025	35,058	34,841
37,790	12,771	22,016	44,816	8,818
19,360	25,298	30,805	51,275	39,274
-	-	-	1,370	925
39,586	10,890	-	-	-
-	-	-	32,683	51,979
7,025	-	-	10,825	2,966
1,622	2,375	5,693	35	4,621
<u>349,791</u>	<u>299,530</u>	<u>345,217</u>	<u>442,066</u>	<u>427,258</u>
99,925	95,193	106,250	90,966	87,862
14,510	4,297	11,383	60,957	65,545
12,966	7,159	13,173	21,268	19,095
55,019	81,039	53,604	72,413	72,813
16,618	-	-	51,280	12,000
-	-	4,995	-	-
-	7,985	-	52,793	21,271
84,706	114,089	57,366	-	68,053
<u>283,744</u>	<u>309,762</u>	<u>246,771</u>	<u>349,677</u>	<u>346,639</u>
-	-	-	-	-
-	-	-	-	349
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349</u>
<u>\$ 66,047</u>	<u>\$ (10,232)</u>	<u>\$ 98,446</u>	<u>\$ 92,389</u>	<u>\$ 80,968</u>

TOWN OF ENCHANTED OAKS, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

Table 3

Fiscal Year	Property Tax	Franchise Tax	Total
2014	185,633	24,851	210,484
2015	192,911	27,349	220,260
2016	194,175	28,330	222,505
2017	190,640	28,028	218,668
2018	216,685	28,613	245,298
2019	209,865	32,494	242,359
2020	218,317	31,602	249,919
2021	250,182	32,025	282,207
2022	270,309	35,058	305,367
2023	283,429	34,841	318,270

TOWN OF ENCHANTED OAKS, TEXAS
FUND BALANCES, GOVERNMENTAL FUND
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 4

	FISCAL YEAR				
	2014	2015	2016	2017	2018
General Fund					
Restricted:					
Fire Department	\$ 2,130	\$ 2,130	\$ 2,130	\$ 2,130	\$ 2,342
Committed:					
Fire Department	80,911	97,540	83,704	114,204	35,000
Pool Improvements	6,925	5,000	5,000	10,000	15,000
Police & Emergency Management	-	-	-	-	-
Street Improvements	50,000	100,000	501	14,180	35,000
Tractor	180	-	-	-	-
Park Equipment	10,000	10,000	18,895	7,989	2,926
Park & Boat Ramp Improvements	250	1,000	-	-	5,000
Critical Infrastructure	-	-	-	1,841	-
Camera System	-	3,822	-	-	-
ECCFWSD Prop Exchange	1,119	-	-	-	-
Mower	-	-	1,600	-	-
Unassigned	98,222	98,783	64,543	80,630	190,316
Total	\$249,737	\$318,275	\$176,373	\$230,974	\$292,342

	FISCAL YEAR				
	2019	2020	2021	2022	2023
General Fund					
Restricted:					
Fire Department	\$ 1,537	\$ 1,537	\$ -	\$ -	\$ -
Committed:					
Fire Department	40,000	6,686	-	-	-
Edgewood Circle	-	-	-	-	-
Building Improvements	6,000	6,000	8,000	8,000	8,000
Pool Improvements	20,000	20,000	10,000	10,000	10,000
Police & Emergency Management	-	20,000	10,000	10,000	90,000
Street Improvements	45,000	65,000	96,000	96,000	96,000
Grounds and Equipment	-	-	10,000	10,000	10,000
Waste Management Improvements	10,000	10,000	10,000	10,000	10,000
Park Equipment	-	-	-	-	-
Park & Boat Ramp Improvements	6,000	6,000	23,000	23,000	23,000
Critical Infrastructure	-	-	-	-	-
Unassigned	229,852	212,934	279,603	538,994	372,962
Total	\$358,389	\$348,157	\$446,603	\$705,994	\$619,962

TOWN OF ENCHANTED OAKS, TEXAS
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
REVENUES					
Property Taxes	\$ 185,633	\$ 191,274	\$ 193,493	\$ 200,455	\$ 207,938
Non-Property Taxes	24,851	27,349	28,330	28,028	28,613
License and permits	9,373	5,248	4,370	10,057	10,358
Charge for Services	19,800	17,310	18,900	16,885	22,800
Fines/Court	-	-	-	-	-
Intergovernmental	43,419	36,138	37,532	29,538	49,849
Capital and Operational Grants	-	25,158	4,925	-	-
Donations	3,094	4,400	3,771	2,802	3,141
Miscellaneous	2,050	3,277	3,055	2,257	2,175
Total Revenues	288,220	310,154	294,376	290,022	324,874
EXPENDITURES					
General Government	67,092	52,659	256,793	102,841	88,483
Public Safety	40,988	47,319	13,291	15,570	15,636
Parks and Recreation	10,572	18,269	10,029	16,714	8,737
Public Works	90,866	106,313	101,462	89,463	64,380
Capital Outlay:					
General Government	21,155	-	-	4,879	10,936
Public Safety	-	21,423	4,700	15,877	3,490
Parks and Recreation	-	639	13,000	-	-
Public Works	24,218	-	32,034	-	78,620
Total Expenditures	254,891	246,622	431,309	245,344	270,282
OTHER FINANCING SOURCES (USES)					
Insurance Refund	-	-	-	-	-
Investment Income	4	6	31	76	18
Sale of Asset	5,550	-	-	-	6,758
Extraordinary Income(Expense)	-	-	-	9,847	-
Total other financing sources (uses)	5,554	6	31	9,923	6,776
NET CHANGE IN FUND BALANCE	\$ 38,883	\$ 63,538	\$ (136,902)	\$ 54,601	\$ 61,368

Table 5

FISCAL YEAR				
2019	2020	2021	2022	2023
\$ 211,914	\$ 216,594	\$ 254,678	\$ 266,004	\$ 283,834
32,494	31,602	32,025	35,058	34,841
37,790	12,771	22,016	44,816	8,818
19,360	25,298	30,805	51,275	39,274
-	-	-	1,370	925
39,586	10,890	-	-	-
-	-	-	32,683	51,979
7,025	-	-	10,825	2,966
1,622	2,375	5,693	35	4,621
<u>349,791</u>	<u>299,530</u>	<u>345,217</u>	<u>442,066</u>	<u>427,258</u>
99,925	95,193	106,250	90,966	87,862
14,510	4,297	11,383	60,957	65,545
12,966	7,159	13,173	21,268	9,095
55,019	81,039	53,604	72,413	72,813
16,618	-	-	51,280	12,000
-	-	4,995	-	-
-	7,985	-	52,793	21,271
84,706	114,089	57,366	-	68,053
<u>283,744</u>	<u>309,762</u>	<u>246,771</u>	<u>349,677</u>	<u>336,639</u>
-	-	-	-	-
-	-	-	-	349
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349</u>
<u>\$ 66,047</u>	<u>\$ (10,232)</u>	<u>\$ 98,446</u>	<u>\$ 92,389</u>	<u>\$ 90,968</u>

**TOWN OF ENCHANTED OAKS, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Table 6

Fiscal Year Ended Sept. 30	Real Property Residential Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value^a as a Percentage of Actual Value
2013	89,880,158	405,218	7,579,814	82,705,562	0.24	90,285,376	91.60%
2014	90,131,770	407,948	8,236,644	82,303,074	0.24	90,539,718	90.90%
2015	91,898,360	414,625	8,471,197	83,841,788	0.24	92,312,985	90.82%
2016	91,972,750	409,480	8,770,816	83,611,414	0.25	92,382,230	90.51%
2017	92,480,600	334,560	8,873,500	83,941,660	0.25	92,815,160	90.44%
2018	95,456,070	438,850	8,312,742	87,582,178	0.25	95,894,920	91.33%
2019	101,729,950	349,100	8,784,413	93,294,637	0.25	102,079,050	91.39%
2020	111,835,987	394,160	9,843,836	102,386,311	0.24	112,230,147	91.23%
2021	131,496,550	366,720	13,973,374	117,889,896	0.0019	131,863,270	89.40%
2022	176,546,500	381,320	14,747,940	162,179,880	0.186908	176,927,820	91.66%

Source: Henderson County Appraisal District

Note 1: Property is reappraised annually. Property is assessed at market value; therefore, the assessed values are equal to market value.
 Tax rates are per \$100 of assessed value.

^a Includes tax-exempt property

**TOWN OF ENCHANTED OAKS, TEXAS
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (PER \$100 OF ASSESSED VALUE)**

Table 7

Fiscal Year Ended Sept. 30	Operating/ General Rate	Eustace Independent School District	Henderson County
2012	0.0024	1.27000	0.561658
2013	0.0024	1.27000	0.561658
2014	0.0024	1.26640	0.568658
2015	0.0024	1.23150	0.604724
2016	0.0024	1.23000	0.613654
2017	0.0025	1.23000	0.616524
2018	0.0025	1.22000	0.616524
2019	0.0025	1.44680	0.616524
2020	0.0024	1.39720	0.616524
2021	0.0019	1.24410	0.600693
2022	0.186908	1.13400	0.600693

Source: Town Staff, School District, and County Tax Assessor/Collector

**TOWN OF ENCHANTED OAKS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Table 8

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	195,592	183,760	93.95%	10,925	194,685	99.54%
2014	192,027	186,260	97.00%	5,089	191,349	99.65%
2015	189,596	188,390	99.36%	915	189,305	99.85%
2016	193,301	191,555	99.10%	327	191,882	99.27%
2017	194,081	191,917	98.89%	745	192,662	99.27%
2018	201,950	199,397	98.74%	1,083	200,480	99.27%
2019	211,102	204,404	96.83%	5,228	209,632	99.30%
2020	242,788	239,870	98.80%	1,471	241,341	99.40%
2021	269,135	263,830	98.03%	3,817	267,647	99.45%
2022	275,972	272,555	98.76%	4,152	276,707	100.27%

Source: Henderson County Appraisal District

**TOWN OF ENCHANTED OAKS, TEXAS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS**

Table 9

	FISCAL YEAR				
	2013	2014	2015	2016	2017
Tax Rate Limit	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Current Tax Rate	0.24	0.24	0.24	0.24	0.25
Available Tax Rate	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -

	FISCAL YEAR				
	2018	2019	2020	2021	2022
Tax Rate Limit	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Current Tax Rate	0.25	0.25	0.24	0.19	0.186908
Available Tax Rate	\$ -	\$ -	\$ 0.01	\$ 0.06	\$ 0.06

**TOWN OF ENCHANTED OAKS, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Table 10

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Average Age</u>
2013	326	53,000	17,278,000	50
2014	326	53,000	17,278,000	50
2015	326	53,000	17,278,000	50
2016	326	55,000	17,930,000	50
2017	326	55,000	17,930,000	50
2018	326	55,000	17,930,000	50
2019	326	55,000	17,930,000	50
2020	326	55,000	17,930,000	50
2021	347	61,875	21,470,625	62
2022	353	60,824	15,327,648	61.5

Source: *Based on 2022 American Community Survey 5-Year Estimates - United States Census Bureau.

**TOWN OF ENCHANTED OAKS, TEXAS
PART-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table 11

Function / Program	FISCAL YEAR ENDED SEPTEMBER 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Public Safety										
Police	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Parks and Recreation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Source: Town Staff

**TOWN OF ENCHANTED OAKS, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 12

	FOR FISCAL YEAR ENDED SEPTEMBER 30,									
Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Number of police officers	1	1	1	1	1	1	1	1	1	1
Number of violations (citations)	-	-	16	5	-	-	-	1	-	-
Development Services										
Construction permits issued ¹	20	26	14	31	31	37	41	48	37	37
Estimated valuation ¹	597,000	1,114,500	258,000	523,200	2,064,750	1,396,600	7,050	1,025,250	2,801,750	2,801,750
Public Works										
Streets paved (miles)	2	3	3	-	-	-	-	2	2	2
Parks and Recreation										
Park land and municipal acreage maintaine	20	34	34	34	34	34	34	34	34	34

Source: Town Departments

¹Includes residential, commercials, and miscellaneous (e.g., pools, fences) permits

**TOWN OF ENCHANTED OAKS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Table 13

Function/Program	FOR FISCAL YEAR ENDED SEPTEMBER 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Patrol Units	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets-Paved (miles)	7	7	7	7	7	7	7	7	7	7
Streets-Unimproved (miles)	0	0	0	0	0	0	0	0	0	0
Parks and Recreation										
Park Acreage	20	34	34	34	34	34	34	34	34	34
Public Parks	4	4	4	4	4	4	4	4	4	4
Public Swimming Pools	1	1	1	1	1	1	1	1	1	1

Source: Town Staff