

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2022

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, 2022**

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INTRODUCTORY SECTION

**TOWN OF ENCHANTED OAKS, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**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
Connie Peña, 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 and the aggregate remaining fund information of the Town of Enchanted Oaks, Texas as of and for the year ended September 30, 2022, 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 and the aggregate remaining fund information of the Town of Enchanted Oaks, Texas as of September 30, 2022, and the respective changes in financial position and, where applicable 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 that basis 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Enchanted Oaks, Texas' basic financial statements. The individual component unit financial statements are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 my opinion, the individual component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

January 27, 2023

TOWN OF ENCHANTED OAKS, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

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, 2022. 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 \$1,211,158. The unrestricted net position is \$547,222, or 45.2%, 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 \$98,696 during 2022.
- As of the close of the current fiscal year, the Town's governmental fund reported an ending fund balance of \$538,994, a increase of \$92,389 from the 2021 fund balance. Approximately 100.% percent of this total amount, or \$538,994 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 \$538,994.
- The Town does not have any long-term debt as of September 30, 2022

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, 2022**

Basic Financial Statements

The first two statements (pages 21-22) 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 23-27) 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 28-36). 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 21-22 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, 2022**

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 23-26.

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 27.

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 28-36 of this report.

TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2022

Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 601,345	\$ 494,415
Capital assets	663,936	616,972
Total assets	1,265,281	1,111,387
Current liabilities	54,123	43,887
Total liabilities	54,123	43,887
Net position:		
Net investment in capital assets	663,936	616,972
Restricted	-	-
Unrestricted	547,222	450,528
Total net position	\$1,211,158	\$1,067,500
	-	-

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 \$1,211,158 as of September 30, 2021. The Town's net position increased by \$143,658 for fiscal year ended September 30, 2022.

Net investment in capital assets:

The largest portion, \$663,936, or 55%, 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 \$547,222, or 23.8%, is available to fund the Town's programs for citizens.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2022**

Changes in Net Position

	Governmental Activities	
	2022	2021
REVENUE:		
Program Revenues:		
Charges for services	\$ 97,461	\$ 55,046
Operating Grants and Contributions	43,507	-
General Revenues:		
Property Taxes, including Penalties and Interest	270,309	250,182
Franchise Fees	35,058	32,025
Miscellaneous	35	3,468
Total Revenues	<u>446,370</u>	<u>340,721</u>
EXPENSES:		
Program Expenses:		
General Government	105,217	113,281
Public Safety	62,895	22,593
Public Works	109,005	88,667
Parks and Recreation	25,595	17,484
Total Expenses	<u>302,712</u>	<u>242,025</u>
Increase (Decrease) in Net Position	143,658	98,696
Net position - October 1	1,067,500	968,804
Net position - September 30	<u>\$ 1,211,158</u>	<u>\$ 1,067,500</u>

Governmental activities increased net position by \$143,658.

**TOWN OF ENCHANTED OAKS, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2022**

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, 2022, the Town's governmental fund reported a total fund balance of \$538,994, an increase of 21% 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, 2022**

Capital assets - The Town's investment in capital assets for its governmental activities as of September 30, 2022, totals \$663,936 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment.

Major capital asset transactions during the year include the following:

- Town Hall lot purchase.
- Town Hall improvements.
- Pool improvements.
- Boat ramp improvements.

**Town of Enchanted Oaks
Capital Assets
As of September 30, 2022
(net of depreciation)**

	2022	2021	
Land	\$ 120,969	\$ 95,945	
Buildings & Improvements	364,502	356,937	
Infrastructure	156,146	134,080	
Machinery & Equipment	22,319	30,010	
Total	\$ 663,936	\$ 616,972	

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, 2022**

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
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BASIC FINANCIAL STATEMENTS



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

**TOWN OF ENCHANTED OAKS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 592,227
Receivables (Net of Allowance for Uncollectibles)	9,118
Capital Assets Not Being Depreciated:	
Land	120,969
Capital Assets Net of Accumulated Depreciation:	
Buildings and Improvements	364,502
Machinery and Equipment	22,319
Infrastructure	156,146
Total Assets	<u>1,265,281</u>
LIABILITIES	
Accounts Payable	-
Other Liabilities	2,144
Deferred ARPA income	51,979
Total Liabilities	<u>54,123</u>
NET POSITION	
Net Investment in Capital Assets	663,936
Unrestricted	547,222
Total Net Position	<u>\$ 1,211,158</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, 2022**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities:					
General Government	\$ 105,217	\$ -	\$ 13,334	\$ -	\$ (91,883)
Public Safety	62,895	1,370	16,535	-	(44,990)
Public Works	109,005	83,816	-	-	(25,189)
Parks and Recreation	25,595	12,275	13,638	-	318
Total governmental activities	302,712	97,461	43,507	-	(161,744)
Total Primary Government	\$ 302,712	\$ 97,461	\$ 43,507	\$ -	\$ (161,744)

General revenues:	
Property taxes	\$ 270,309
Franchise taxes	35,058
Miscellaneous	35
Total general revenues	305,402
Change in net position	143,658
Net position - beginning	1,067,500
Net position - ending	\$ 1,211,158

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

**TOWN OF ENCHANTED OAKS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

	General Fund
ASSETS	
Cash and Cash Equivalents-unrestricted	\$ 592,227
Receivables (net of allowance for uncollectibles)	9,118
Total Assets	<u>601,345</u>
LIABILITIES	
Deferred ARPA income	51,979
Other Liabilities	2,144
Total Liabilities	<u>54,123</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	8,228
Total Deferred Inflows of Resources	<u>8,228</u>
FUND BALANCE	
Unassigned	538,994
Total Fund Balance	<u>538,994</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 601,345</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, 2022**

Total fund balances - governmental funds balance sheet	\$ 538,994
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.	1,786,601
Accumulated depreciation has not been included in the governmental fund financial statements.	(1,122,665)
Revenue reported as receivable in the government-wide financial statements was not recorded in the governmental fund financial statements.	8,228
	<hr/>
Net position of governmental activities - statement of net position	<u><u>\$ 1,211,158</u></u>

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

**TOWN OF ENCHANTED OAKS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund
REVENUE	
Property taxes	\$ 266,004
Franchise taxes	35,058
Licenses and permits	44,816
Fines and forfeitures	1,370
Charge for services	51,275
Grant	32,683
Donations	10,825
Miscellaneous	35
Total Revenues	<u>442,066</u>
EXPENDITURES	
Current:	
General Government	90,966
Public Safety	60,957
Parks	21,268
Public Works	72,413
Capital Outlays:	
General Government	51,280
Parks	52,793
Total Expenditures	<u>349,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>92,389</u>
Net Change in Fund Balance	<u>92,389</u>
Fund Balance, October 1	<u>446,605</u>
Fund Balance, September 30	<u><u>\$ 538,994</u></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, 2022**

Net change in fund balance - total governmental fund \$ 92,389

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. 104,073

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. (57,108)

Revenues in the statement of activities that do not provide current financial resources are not recognized as revenue in the fund financial statements. 4,304

Change in net position of governmental activities - statement of activities \$ 143,658

**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, 2022**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 255,000	\$ 255,000	\$ 266,004	\$ 11,004
Franchise taxes	29,000	29,000	35,058	6,058
Licenses and permits	4,000	22,500	44,816	22,316
Fines and forfeitures	-	-	1,370	
Charge for services	29,230	32,680	51,275	18,595
Donations	-	-	10,825	10,825
Grant	-	32,733	32,683	(50)
Intergovernmental	-	-	-	-
Miscellaneous	50	-	35	35
Total Revenues	<u>317,280</u>	<u>371,913</u>	<u>442,066</u>	<u>68,783</u>
EXPENDITURES				
Current:				
General Government:				
Administration	105,799	95,329	90,966	4,363
Capital Outlay	10,500	38,000	51,280	(13,280)
Total General Government	<u>116,299</u>	<u>133,329</u>	<u>142,246</u>	<u>(8,917)</u>
Public Safety:				
Police	49,499	59,848	60,957	(1,109)
Capital Outlay - Police	10,000	22,000	-	22,000
Total Public Safety	<u>59,499</u>	<u>81,848</u>	<u>60,957</u>	<u>20,891</u>
Public Works:				
Streets	93,990	96,793	72,413	24,380
Capital Outlay	140,000	140,000	-	140,000
Total Public Works	<u>233,990</u>	<u>236,793</u>	<u>72,413</u>	<u>164,380</u>
Parks and Recreation				
Parks and Recreation	15,000	19,800	21,268	(1,468)
Capital Outlay	21,500	28,000	52,793	(24,793)
Total Parks	<u>36,500</u>	<u>47,800</u>	<u>74,061</u>	<u>(26,261)</u>
Total Expenditures	<u>446,288</u>	<u>499,770</u>	<u>349,677</u>	<u>150,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,008)</u>	<u>(127,857)</u>	<u>92,389</u>	<u>220,246</u>
Net Change in Fund Balances	(129,008)	(127,857)	92,389	220,246
Fund Balance, October 1	446,605	446,605	446,605	
Fund Balance, September 30	<u>\$ 317,597</u>	<u>\$ 318,748</u>	<u>\$ 538,994</u>	

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

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

- **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, 2022**

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, 2022**

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, 2022, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$592,227 and the bank balance was \$623,046. The Town's cash deposit at September 30, 2022 and during the year ended September 30, 2022, were entirely covered by FDIC insurance or appropriate pledged securities.

Statement of net position:

Primary Government

Cash and cash equivalents	\$ 592,227
Total cash and cash equivalents	<u>\$ 592,227</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, 2022 for the Town's individual major fund, including allowances for uncollectible accounts are shown below:

	General Fund
Receivables:	
Taxes	\$ 16,694
Fees	4,725
Gross Receivables	<u>21,419</u>
Less: allowance for uncollectibles	(12,301)
Net Total Receivables	<u>\$ 9,118</u>

**TOWN OF ENCHANTED OAKS, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

E. CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2022 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	\$ 95,945	\$ 25,024	\$ -	\$ 120,969
Total capital assets, not being depreciated	\$ 95,945	\$ 25,024	\$ -	\$ 120,969
Capital assets, being depreciated				
Building & Improvements	\$ 616,068	\$ 26,255	\$ -	\$ 642,323
Infrastructure	728,080	52,793	-	780,873
Machinery & Equipment	551,341	-	(308,905)	242,436
Total capital assets being depreciated	\$ 1,895,489	\$ 79,048	\$ (308,905)	\$ 1,665,632
Less accumulated depreciation for:				
Buildings & Improvements	\$ (259,130)	\$ (18,691)	\$ -	\$ (277,821)
Infrastructure	(594,001)	(30,726)	-	(624,727)
Machinery & Equipment	(521,331)	(7,691)	308,905	(220,117)
Total accumulated depreciation	<u>\$ (1,374,462)</u>	<u>\$ (57,108)</u>	<u>\$ 308,905</u>	<u>\$ (1,122,665)</u>
Total capital assets being depreciated, net	\$ 521,027	\$ 21,940	\$ -	\$ 542,967
Governmental activities capital assets, net	\$ 616,972	\$ 46,964	\$ -	\$ 663,936

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

Governmental activities:	
General Government	\$ 7,031
Public Safety	11,210
Parks & Recreation	4,311
Public Works	35,064
Total depreciation expense-governmental activities:	\$ 57,616

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, 2022 up through January 27, 2023 the date the financial statements were available to be issued. Management noted no subsequent events requiring disclosure.

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.

6,8

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				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 718,444	\$ 708,620	\$ 633,310	\$ 588,773	\$ 519,398
Restricted	2,130	2,130	2,130	2,130	2,130
Unrestricted	216,220	255,103	320,278	184,060	239,431
Total governmental activities net position	<u>\$ 936,794</u>	<u>\$ 965,853</u>	<u>\$ 955,718</u>	<u>\$ 774,963</u>	<u>\$ 760,959</u>

	FISCAL YEAR				
	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 535,276	\$ 561,168	\$ 612,227	\$ 616,972	\$ 663,936
Restricted	2,342	1,537	1,537	-	-
Unrestricted	298,747	363,550	355,043	450,531	547,222
Total governmental activities net position	<u>\$ 836,365</u>	<u>\$ 926,255</u>	<u>\$ 968,807</u>	<u>\$ 1,067,503</u>	<u>\$ 1,211,158</u>

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

	FISCAL YEAR				
	2013	2014	2015	2016	2017
EXPENSES					
Government activities:					
General government	\$ 63,754	\$ 77,697	\$ 64,226	\$ 266,137	\$ 112,451
Public Safety	76,105	84,108	90,614	53,300	53,173
Public Works	75,038	129,973	145,344	140,493	121,887
Parks and Recreation	9,941	14,037	21,748	15,916	27,208
Public Services and Operations	-	-	-	-	-
Unallocated Depreciation	-	-	-	-	-
Total governmental activities expenses	<u>224,838</u>	<u>305,815</u>	<u>321,932</u>	<u>475,846</u>	<u>314,719</u>
PROGRAM REVENUES					
Governmental activities:					
Charge for services:					
Public Safety	2,000	-	65,471	-	-
Public Works	23,730	31,173	18,933	19,020	21,115
Public Services and Operations	-	-	-	-	-
Parks and Recreation	3,525	3,550	3,850	4,250	5,825
Operating grants and contributions	32,795	87,613	-	41,302	42,927
Capital grants and contributions	9,366	-	-	4,925	-
Total governmental activities program revenues	<u>71,416</u>	<u>122,336</u>	<u>88,254</u>	<u>69,497</u>	<u>69,867</u>
Total primary government program revenues	<u>(153,422)</u>	<u>(183,479)</u>	<u>(233,678)</u>	<u>(406,349)</u>	<u>(244,852)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Government activities:					
Taxes:					
Property	186,396	185,633	192,911	194,175	190,640
Franchise	23,178	24,851	27,349	28,330	28,028
Investment Income	10	4	6	31	76
Donations	2,339	-	-	-	-
Miscellaneous	2,480	2,050	3,277	3,055	2,257
Extraordinary Income (Expense)	-	-	-	-	9,847
Total governmental activities	<u>214,403</u>	<u>212,538</u>	<u>223,543</u>	<u>225,591</u>	<u>230,848</u>
CHANGE IN NET POSITION					
Total primary government program net expenses	<u>\$ 60,981</u>	<u>\$ 29,059</u>	<u>\$ (10,135)</u>	<u>\$ (180,758)</u>	<u>\$ (14,004)</u>

Table 2

FISCAL YEAR				
2018	2019	2020	2021	2022
\$ 102,513	\$ 113,748	\$ 102,224	\$ 113,281	\$ 105,217
45,471	42,201	25,903	22,593	62,895
91,081	87,065	117,470	88,667	109,005
15,339	14,838	13,104	17,484	25,595
-	-	-	-	-
-	-	-	-	-
254,404	257,852	258,701	242,025	302,712
-	-	-	-	1,370
26,983	51,375	33,869	46,221	83,816
-	-	-	-	-
6,175	5,775	4,200	8,825	12,275
42,403	46,611	10,890	-	43,507
-	-	-	-	-
75,561	103,761	48,959	55,046	140,968
(178,843)	(154,091)	(209,742)	(186,979)	(161,744)
216,685	209,865	218,317	250,182	270,309
28,613	32,494	31,602	32,025	35,058
18	-	-	-	-
-	-	-	-	-
8,933	1,622	2,375	3,468	35
-	-	-	-	-
254,249	243,981	252,294	285,675	305,402
\$ 75,406	\$ 89,890	\$ 42,552	\$ 98,696	\$ 143,658

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
2013	186,396	23,178	209,574
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

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

Table 4

	FISCAL YEAR				
	2013	2014	2015	2016	2017
General Fund					
Restricted:					
Fire Department	\$ 2,130	\$ 2,130	\$ 2,130	\$ 2,130	\$ 2,130
Committed:					
Fire Department	53,704	80,911	97,540	83,704	114,204
Pool Improvements	4,000	6,925	5,000	5,000	10,000
Police & Emergency Management	15,000	-	-	-	-
Street Improvements	20,000	50,000	100,000	501	14,180
Tractor	10,000	180	-	-	-
Park Equipment	-	10,000	10,000	18,895	7,989
Park & Boat Ramp Improvements	-	250	1,000	-	-
Critical Infrastructure	-	-	-	-	1,841
Camera System	-	-	3,822	-	-
ECCFWSD Prop Exchange	-	1,119	-	-	-
Mower	-	-	-	1,600	-
Unassigned	106,020	98,222	98,783	64,543	80,630
Total	\$210,854	\$249,737	\$318,275	\$176,373	\$230,974

	FISCAL YEAR				
	2018	2019	2020	2021	2022
General Fund					
Restricted:					
Fire Department	\$ 2,342	\$ 1,537	\$ 1,537	\$ -	\$ -
Committed:					
Fire Department	35,000	40,000	6,686	-	-
Edgewood Circle	758	-	-	-	-
Building Improvements	6,000	6,000	6,000	8,000	-
Pool Improvements	15,000	20,000	20,000	10,000	-
Police & Emergency Management	-	-	20,000	10,000	-
Street Improvements	35,000	45,000	65,000	96,000	-
Grounds and Equipment	-	-	-	10,000	-
Waste Management Improvements	2,926	10,000	10,000	10,000	-
Park Equipment	5,000	-	-	-	-
Park & Boat Ramp Improvements	-	6,000	6,000	23,000	-
Critical Infrastructure	-	-	-	-	-
Unassigned	190,316	229,852	212,934	279,603	538,994
Total	\$292,342	\$358,389	\$348,157	\$446,603	\$538,994

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

	FISCAL YEAR				
	2013	2014	2015	2016	2017
REVENUES					
Property Taxes	\$ 186,396	\$ 185,633	\$ 191,274	\$ 193,493	\$ 200,455
Non-Property Taxes	23,178	24,851	27,349	28,330	28,028
License and permits	7,780	9,373	5,248	4,370	10,057
Charge for Services	19,475	19,800	17,310	18,900	16,885
Fines/Court	-	-	-	-	-
Intergovernmental	32,795	43,419	36,138	37,532	29,538
Capital and Operational Grants	9,366	-	25,158	4,925	-
Donations	2,339	3,094	4,400	3,771	2,802
Miscellaneous	2,480	2,050	3,277	3,055	2,257
Total Revenues	<u>283,809</u>	<u>288,220</u>	<u>310,154</u>	<u>294,376</u>	<u>290,022</u>
EXPENDITURES					
General Government	53,062	67,092	52,659	256,793	102,841
Public Safety	35,836	40,988	47,319	13,291	15,570
Parks and Recreation	4,082	10,572	18,269	10,029	16,714
Public Works	42,197	90,866	106,313	101,462	89,463
Capital Outlay:					
General Government	8,384	21,155	-	-	4,879
Public Safety	38,408	-	21,423	4,700	15,877
Parks and Recreation	-	-	639	13,000	-
Public Works	89,904	24,218	-	32,034	-
Total Expenditures	<u>271,873</u>	<u>254,891</u>	<u>246,622</u>	<u>431,309</u>	<u>245,344</u>
OTHER FINANCING SOURCES (USES)					
Insurance Refund	-	-	-	-	-
Investment Income	10	4	6	31	76
Sale of Asset	2,000	5,550	-	-	-
Extraordinary Income(Expense)	-	-	-	-	9,847
Total other financing sources (uses)	<u>2,010</u>	<u>5,554</u>	<u>6</u>	<u>31</u>	<u>9,923</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,946</u>	<u>\$ 38,883</u>	<u>\$ 63,538</u>	<u>\$(136,902)</u>	<u>\$ 54,601</u>

Table 5

FISCAL YEAR				
2018	2019	2020	2021	2022
\$ 207,938	\$ 211,914	\$ 216,594	\$ 254,678	\$ 266,004
28,613	32,494	31,602	32,025	35,058
10,358	37,790	12,771	22,016	44,816
22,800	19,360	25,298	30,805	51,275
-	-	-	-	1,370
49,849	39,586	10,890	-	-
-	-	-	-	32,683
3,141	7,025	-	-	10,825
2,175	1,622	2,375	5,693	35
<u>324,874</u>	<u>349,791</u>	<u>299,530</u>	<u>345,217</u>	<u>442,066</u>
88,483	99,925	95,193	106,250	90,966
15,636	14,510	4,297	11,383	60,957
8,737	12,966	7,159	13,173	21,268
64,380	55,019	81,039	53,604	72,413
10,936	16,618	-	-	51,280
3,490	-	-	4,995	-
-	-	7,985	-	52,793
78,620	84,706	114,089	57,366	-
<u>270,282</u>	<u>283,744</u>	<u>309,762</u>	<u>246,771</u>	<u>349,677</u>
-	-	-	-	-
18	-	-	-	-
6,758	-	-	-	-
-	-	-	-	-
<u>6,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 61,368</u>	<u>\$ 66,047</u>	<u>\$ (10,232)</u>	<u>\$ 98,446</u>	<u>\$ 92,389</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
2012	88,164,890	452,417	7,103,796	81,513,511	0.24	88,617,307	91.98%
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	0.25	112,230,147	91.23%
2021	-	-	-	-	0.25	-	#DIV/0!

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
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
2012	181,439	179,719	99.05%	736	180,455	99.46%
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%	912	189,302	99.84%
2016	193,301	191,555	99.10%	447	192,002	99.33%
2017	194,081	191,917	98.89%	742	192,659	99.27%
2018	201,950	199,397	98.74%	1,080	200,477	99.27%
2019	211,102	204,404	96.83%	5,228	209,632	99.30%
2020	242,788	239,870	98.80%	1,465	241,335	99.40%
2021	269,135	263,830	98.03%	-	263,830	98.03%

Source: Henderson County Appraisal District