

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Collin County Municipal Utility District No. 5
Collin County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Collin County Municipal Utility District No. 5 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2025, 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 for Opinions

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

Responsibilities of Management for the Financial Statements

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 District's 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Collin County Municipal Utility
District No. 5

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

October 14, 2025

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Management's discussion and analysis of the financial performance of Collin County Municipal Utility District No. 5 (the "District") provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets and liabilities with the difference 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 District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. 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 District has one governmental fund type. The General Fund accounts for property tax revenues, developer advances, professional fees, administrative costs and any other lawfully authorized expenditures of the District.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE ANALYSIS

Net Position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by \$1,034,051 as of June 30, 2025. This is the District's first audit. In future years a comparative analysis of government-wide changes in net position will be presented.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the Statement of Net Position as of June 30, 2025.

Summary of the Statement of Net Position	
	2025
Current and Other Assets	\$ 114,997
Right-to-Use Assets (Net of Amortization)	6,518,035
Capital Assets (Net of Depreciation)	17,355,677
Total Assets	<u>\$ 23,988,709</u>
Due to Developer	\$ 18,429,737
Leases Payable	6,335,913
Other Liabilities	257,110
Total Liabilities	<u>\$ 25,022,760</u>
Net Position	
Net Investment in Capital Assets	\$ (113,618)
Unrestricted	<u>(920,433)</u>
Total Net Position	<u><u>\$ (1,034,051)</u></u>

The following table provides a summary of the District's financial activities for the year ending June 30, 2025, which is the initial audit period for the District.

Summary of the Statement of Activities	
	2025
Revenues:	
Property Taxes	\$ 120,673
Service Revenues	127,878
Investment and Other Revenues	249
Total Revenues	<u>\$ 248,800</u>
Total Expenses	<u>982,925</u>
Change in Net Position	\$ (734,125)
Net Position, Beginning of Year	<u>(299,926)</u>
Net Position, End of Year	<u><u>\$ (1,034,051)</u></u>

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The General Fund fund balance decreased by \$88,345, primarily due to operating and administrative expenditures exceeding property tax revenues, service revenues, and developer advances during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the General Fund for the current fiscal year. Actual revenues were more than budgeted revenues by \$109,782, actual expenditures were less than budgeted expenditures by \$51,400 and actual developer advances were \$249,527 less than budgeted. The net result was a negative budget to actual variance of \$88,345. See the budget to actual comparison for more information.

CAPITAL ASSETS

The District's governmental activities have invested \$17,355,677 in capital assets. The capital asset detail is reflected in the following schedule:

Capital Assets At Year-End	
	2025
Capital Assets Subject to Depreciation:	
Water Infrastructure	\$ 3,821,254
Sewer Infrastructure	6,427,283
Drainage Facilities	2,521,957
Roads	4,199,919
Landscape Improvements	686,376
Less Accumulated Depreciation	<u>(301,112)</u>
Total Net Capital Assets	<u>\$ 17,355,677</u>

RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

The District leases a lift station and wastewater treatment plant facilities which are recorded as right-to-use assets totaling \$6,518,035 in the government-wide financial statements in accordance with GASB Statement No. 87. Offsetting lease liabilities totaling \$6,335,913 are also recorded in relation to these leases.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Collin County Municipal Utility District No. 5, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, TX 75201.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 3,590	\$	\$ 3,590
Service Receivable	16,651		16,651
Prepaid Costs	92,756		92,756
Other	2,000		2,000
Right-to-Use Assets (Net of Accumulated Amortization)		6,518,035	6,518,035
Capital Assets (Net of Accumulated Depreciation)		17,355,677	17,355,677
TOTAL ASSETS	<u><u>\$ 114,997</u></u>	<u><u>\$ 23,873,712</u></u>	<u><u>\$ 23,988,709</u></u>
LIABILITIES			
Accounts Payable	\$ 254,860	\$	\$ 254,860
Security Deposits	2,250		2,250
Due to Developer		18,429,737	18,429,737
Long-Term Liabilities:			
Leases Payable, Due Within One Year		727,333	727,333
Leases Payable, Due After One Year		5,608,580	5,608,580
TOTAL LIABILITIES	<u><u>\$ 257,110</u></u>	<u><u>\$ 24,765,650</u></u>	<u><u>\$ 25,022,760</u></u>
FUND BALANCE (DEFICIT)			
Nonspendable - Prepaid Costs	\$ 92,756	\$ (92,756)	\$
Unassigned	(234,869)	234,869	
TOTAL FUND BALANCE (DEFICIT)	<u><u>\$ (142,113)</u></u>	<u><u>\$ 142,113</u></u>	<u><u>\$ -0-</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 114,997</u></u>		
NET POSITION			
Net Investment in Capital Assets		\$ (113,618)	\$ (113,618)
Unrestricted		(920,433)	(920,433)
TOTAL NET POSITION		<u><u>\$ (1,034,051)</u></u>	<u><u>\$ (1,034,051)</u></u>

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Fund	\$	(142,113)
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		23,873,712
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of -

Due to Developer	\$ (18,429,737)	
Leases Payable	<u>(6,335,913)</u>	<u>(24,765,650)</u>

Total Net Position - Governmental Activities	\$	<u><u>(1,034,051)</u></u>
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The accompanying notes to the financial
statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 120,673	\$	\$ 120,673
Connection and Other Service Revenues	94,502		94,502
Sewer Service	33,376		33,376
Investment and Other Revenues	<u>249</u>		<u>249</u>
TOTAL REVENUES	<u>\$ 248,800</u>	<u>\$ - 0 -</u>	<u>\$ 248,800</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 69,299	\$	\$ 69,299
Contracted Services	65,685		65,685
Repairs and Maintenance	373		373
Utilities	3,664		3,664
Sludge Hauling	406,256		406,256
Lease Payments	295,450	(231,482)	63,968
Depreciation		301,112	301,112
Amortization		49,360	49,360
Administrative and Other	<u>23,208</u>		<u>23,208</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 863,935</u>	<u>\$ 118,990</u>	<u>\$ 982,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>\$ (615,135)</u>	<u>\$ (118,990)</u>	<u>\$ (734,125)</u>
OTHER FINANCING SOURCES			
Developer Advances	<u>\$ 526,790</u>	<u>\$ (526,790)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ (88,345)	\$ 88,345	\$
CHANGE IN NET POSITION		(734,125)	(734,125)
FUND BALANCE (DEFICIT) / NET POSITION - JULY 1, 2024	<u>(53,768)</u>	<u>(246,158)</u>	<u>(299,926)</u>
FUND BALANCE (DEFICIT) / NET POSITION - JUNE 30, 2025	<u>\$ (142,113)</u>	<u>\$ (891,938)</u>	<u>\$ (1,034,051)</u>

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balance - Governmental Fund	\$ (88,345)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Depreciation of capital assets and amortization of right-to-use assets are recorded in the Statement of Activities.	(350,472)
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Governmental funds report lease principal payments as expenditures. However, in the Statement of Net Position, lease principal payments are reported as decreases in long-term liabilities.	231,482
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Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.	(526,790)
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Change in Net Position - Governmental Activities	\$ <u>(734,125)</u>
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The accompanying notes to the financial
statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. CREATION OF DISTRICT

Collin County Municipal Utility District No. 5 (the “District”) was confirmed at an election held on November 8, 2022. The District is a political subdivision of the State of Texas, created pursuant to the provisions of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and operating under the provisions of Chapters 49 and 54 of the Texas Water Code. The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater, and the control and diversion of storm water. The District also has road powers. The District is governed by a Board of Directors consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The District held its organizational meeting on March 26, 2021.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Fund

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance. The District has one governmental fund and considers it to be a major fund. The General Fund accounts for property tax revenues, service revenues, developer advances, professional fees, administrative costs, and any other lawfully authorized expenditures of the District.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over 45 years assuming no salvage value.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

In accordance with a Non-Standard Service Contract with Bear Creek Special Utility District (the “SUD”) (see Note 10), water facilities are conveyed to the SUD once constructed and placed in service. The SUD operates and maintains the facilities for the benefit of District residents. The District retains residual interest in such facilities which are recorded as capital assets by the District in accordance with GASB Statement No. 94.

Right-to-Use Assets

In accordance with GASB Statement No. 87, the District records its leased lift station and leased wastewater treatment plant as right-to-use assets (see Note 9). Both lease agreements have purchase options which are reasonably certain to be exercised. As a result, the right-to-use assets are being amortized over the estimated useful lives of the underlying assets of 45 years using the straight-line method.

Budgeting

A budget was adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that the directors are considered “employees” for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. The District does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. BOND AUTHORITY

The bond authority for the District was authorized at an election held on May 4, 2024. The District is authorized to issue bonds for utility facilities of \$494,000,000, utility refunding bonds of \$617,500,000, road bonds of \$310,000,000 and refunding road bonds of \$387,500,000. As of June 30, 2025, the District has not issued any bonds.

Subsequent to the report date, the District anticipates closing on the sale of its Series 2025 Road bonds in the approximate amount of \$4,970,000. Bond proceeds will be used to reimburse the developer for road construction related costs and pay for bond issuance costs.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was \$3,590 and the bank balance was \$61,915. The District was not exposed to custodial credit risk at year-end. The carrying values of deposits at year end are summarized in the following table:

	Cash
GENERAL FUND	\$ 3,590

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District did not own any investments during the current fiscal year.

NOTE 5. CAPITAL ASSETS

Changes in capital assets for the current fiscal year is summarized in the following table:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Subject to Depreciation				
Water Infrastructure	\$	\$ 3,821,254	\$	\$ 3,821,254
Sewer Infrastructure		6,427,283		6,427,283
Drainage Facilities		2,521,957		2,521,957
Roads		4,199,919		4,199,919
Landscape Improvements		686,376		686,376
Total Capital Assets Subject to Depreciation	<u>\$ - 0 -</u>	<u>\$ 17,656,789</u>	<u>\$ - 0 -</u>	<u>\$ 17,656,789</u>
Accumulated Depreciation				
Water Infrastructure	\$	\$ 95,096	\$	\$ 95,096
Sewer Infrastructure		81,359		81,359
Drainage Facilities		46,677		46,677
Roads		69,807		69,807
Landscape Improvements		8,173		8,173
Total Accumulated Depreciation	<u>\$ - 0 -</u>	<u>\$ 301,112</u>	<u>\$ - 0 -</u>	<u>\$ 301,112</u>
Total Capital Assets, Net of Accumulated Depreciation	<u><u>\$ - 0 -</u></u>	<u><u>\$ 17,355,677</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 17,355,677</u></u>

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. MAINTENANCE TAX

On November 8, 2022, voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.20 per \$100 of assessed valuation of taxable property within the District. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax rate of \$1.10 per \$100 of assessed valuation, which resulted in a tax levy of \$120,673 on the adjusted taxable valuation of \$10,970,292 for the 2024 tax year. Maintenance tax revenues are to be used by the General Fund to pay for any lawfully authorized expenditures of the District. As of June 30, 2025, the entire tax levy had been collected.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 7. UNREIMBURSED COSTS

The District and the developers have entered into financing agreements which require the developers to fund costs associated with construction of facilities serving the residents of the District in addition to providing operating advances during the early stages of the District's development. The District is responsible for reimbursing these costs from proceeds of future bond issuances. The following table summarizes amounts owed for developer advances which have been paid directly to the District which total \$772,948 and construction costs paid by the developer on behalf of the District to date which total \$17,656,789.

Due to Developer, July 1, 2024	\$ 246,158
Add: Current Year Additions	<u>18,183,579</u>
Due to Developer, June 30, 2025	<u><u>\$ 18,429,737</u></u>

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant changes in coverage from the prior year and settlements have not exceeded coverage in the past three years.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. LEASES

On December 1, 2023, the District entered into an equipment lease agreement for a wastewater treatment plant facility. The lease became operational April 2025, and includes a five-year noncancelable term with automatic extensions for one-year periods until such time as lessor terminates or the District exercises the purchase option. As of June 30, 2025, one month of prepaid lease payment was recorded of \$39,450. After the initial five-year term, the District has the option to purchase all or a portion of the leased equipment. The lease liability was measured using a five-year lease term, a discount rate of 5.00%, monthly payments of \$39,450 and a purchase option of \$992,121. At June 30, 2025, the lease liability for the leased wastewater treatment plant was \$2,998,821.

On December 1, 2023 and amended on February 24, 2025, the District entered into an equipment lease agreement for a lift station facility. The lease became operational February 2025, and includes a five-year noncancelable term with automatic extensions for one-year periods until such time as lessor terminates or the District exercises the purchase option. As of June 30, 2025, one month of prepaid lease payment was recorded of \$35,420. After the initial five-year term, the District has the option to purchase all or a portion of the leased equipment. The lease liability was measured using a five-year lease term, a discount rate of 5.00%, monthly payments of \$35,420 and a purchase option of \$1,591,328. At June 30, 2025, the lease liability for the leased lift station was \$3,337,092.

The changes in lease liability for the current fiscal year are summarized below:

Leases Payable, July 1, 2024	\$
Addition: New Lease Liabilities	6,567,395
Less: Lease Principal Paid	<u>(231,482)</u>
Leases Payable, June 30, 2025	<u>\$ 6,335,913</u>

Future lease payment schedule is summarized below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 727,333	\$ 171,107	\$ 898,440
2027	764,545	133,895	898,440
2028	803,661	94,779	898,440
2029	844,780	53,660	898,440
2030	3,195,594	12,155	3,207,749
Total	<u>\$ 6,335,913</u>	<u>\$ 465,596</u>	<u>\$ 6,801,509</u>

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. LEASES (Continued)

The District recognized lease payments of \$295,450 in the current fiscal year. Current year activity for the leased assets is summarized below:

	July 1, 2024	Increases	Decreases	June 30, 2025
Right-to-use Asset Subject to Amortization				
Lift Station	\$	\$ 3,476,080	\$	\$ 3,476,080
Wastewater Treatment Plant		3,091,315		3,091,315
Total Right-to-use Asset Subject to Amortization	<u>\$ - 0 -</u>	<u>\$ 6,567,395</u>	<u>\$ - 0 -</u>	<u>\$ 6,567,395</u>
Less Accumulated Amortization				
Lift Station	\$	\$ 32,186	\$	\$ 32,186
Wastewater Treatment Plant		17,174		17,174
Total Accumulated Amortization	<u>\$ - 0 -</u>	<u>\$ 49,360</u>	<u>\$ - 0 -</u>	<u>\$ 49,360</u>
Right-to-use Asset, Net of Accumulated Amortization	<u><u>\$ - 0 -</u></u>	<u><u>\$ 6,518,035</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 6,518,035</u></u>

NOTE 10. WATER SERVICE

On June 8, 2022, the Board approved a Non-Standard Service Contract (the “Contract”) with Bear Creek Special Utility District (the “SUD”). Pursuant to the Agreement, the SUD will provide water service to the District through an extension of the SUD’s water system (the “Water System Extension”). The District is responsible for construction of the Water System Extension and upon completion and final inspection, the Water System Extension will be conveyed to the SUD. In exchange, the SUD will provide water service to customers within the District on a retail basis in the same manner and at the same rates as the SUD provides service to customers. The SUD will be solely responsible for the billing and collecting for water services provided to customers within the District.

NOTE 11. DEFICIT FUND BALANCE

The District recorded a deficit fund balance in the General Fund of \$142,113. The Board anticipates this deficit will be alleviated with continued growth within the District which will result in an increase in property tax revenues and service revenues.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 53,900	\$ 120,673	\$ 66,773
Connection and Other Service Revenues	71,313	94,502	23,189
Sewer Service	13,725	33,376	19,651
Investment and Other Revenues	<u>80</u>	<u>249</u>	<u>169</u>
TOTAL REVENUES	<u>\$ 139,018</u>	<u>\$ 248,800</u>	<u>\$ 109,782</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 90,000	\$ 69,299	\$ 20,701
Contracted Services	178,288	65,685	112,603
Repairs and Maintenance	4,355	373	3,982
Utilities	25,497	3,664	21,833
Sludge Hauling	8,227	406,256	(398,029)
Lease Payments	552,300	295,450	256,850
Administrative and Other	<u>56,668</u>	<u>23,208</u>	<u>33,460</u>
TOTAL EXPENDITURES	<u>\$ 915,335</u>	<u>\$ 863,935</u>	<u>\$ 51,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (776,317)</u>	<u>\$ (615,135)</u>	<u>\$ 161,182</u>
OTHER FINANCING SOURCES			
Developer Advances	<u>\$ 776,317</u>	<u>\$ 526,790</u>	<u>\$ (249,527)</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ (88,345)	\$ (88,345)
FUND BALANCE (DEFICIT) - JULY 1, 2024	<u>(53,768)</u>	<u>(53,768)</u>	<u></u>
FUND BALANCE (DEFICIT) - JUNE 30, 2025	<u>\$ (53,768)</u>	<u>\$ (142,113)</u>	<u>\$ (88,345)</u>

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2025

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u> </u>	Retail Water	<u> </u>	Wholesale Water	<u> X </u>	Drainage
<u> X </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> X </u>	Fire Protection	<u> </u>	Security
<u> X </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> X </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service				
<u> X </u>	Other (specify): Emergency Medical Service				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

The following rates are based on the rate order approved September 10, 2024.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	N/A*				
WASTEWATER:	\$ 75.00				
REGULATORY ASSESSMENT FEE: 0.5% of sewer service fee					
FIRE SERVICE AND EMERGENCY MEDICAL SERVICE: \$16.67 / month					
GARBAGE SERVICE: \$28.98 / month					

District employs winter averaging for wastewater usage?	<u> </u>	<u> X </u>
	Yes	No

Total charges per 10,000 gallons usage: Sewer: \$75.00 Regulatory Assessment Fee: \$0.38
 Fire/Emergency: \$16.67 Garbage: \$28.98 Total: \$121.03

*Water service is provided by Bear Creek Special Utility District (see Note 10).

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
5/8"	_____	_____	x 1.0	_____
≤3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1½"	_____	_____	x 5.0	_____
2"	_____	_____	x 8.0	_____
3"	_____	_____	x 15.0	_____
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water Connections	<u>N/A*</u>	<u>N/A*</u>		<u>N/A*</u>
Total Wastewater Connections	<u>142</u>	<u>56</u>	x 1.0	<u>56</u>

*Water service is provided by Bear Creek Special Utility District (see Note 10).

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

3. TOTAL WATER CONSUMPTION: NOT APPLICABLE

4. STANDBY FEES: NOT APPLICABLE

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No

County in which District is located: Collin County, Texas

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely Partly X Not at all

City's ETJ in which the District is located: City of Lavon, Texas

Is the District located within a City?

Entirely Partly Not at all X

Are Board Members appointed by an office outside the District?

Yes No X

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

PROFESSIONAL FEES:	
Engineering	\$ 14,160
Legal	<u>55,139</u>
TOTAL PROFESSIONAL FEES	<u>\$ 69,299</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 938
Bookkeeping	19,211
Operations	40,856
Solid Waste	<u>4,680</u>
TOTAL CONTRACTED SERVICES	<u>\$ 65,685</u>
REPAIRS AND MAINTENANCE	<u>\$ 373</u>
UTILITIES	<u>\$ 3,664</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 8,558
Insurance	5,962
Lease Payments	295,450
Travel and Meetings	2,153
Website and Other	<u>3,444</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 315,567</u>
OTHER EXPENDITURES:	
Chemicals	\$ 794
Inspection Fees	2,297
Sludge Hauling	<u>406,256</u>
TOTAL OTHER EXPENDITURES	<u>\$ 409,347</u>
TOTAL EXPENDITURES	<u><u>\$ 863,935</u></u>

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE -		
JULY 1, 2024	\$	
Adjustments to Beginning		
Balance	<u> </u>	\$ -0-
Original 2024 Tax Levy	\$ 139,063	
Adjustment to 2024 Tax Levy	<u> (18,390)</u>	<u> 120,673</u>
TOTAL TO BE		
ACCOUNTED FOR		\$ 120,673
TAX COLLECTIONS:		
Prior Years	\$	
Current Year	<u> 120,673</u>	<u> 120,673</u>
TAXES RECEIVABLE -		
JUNE 30, 2025		<u><u> \$ -0-</u></u>

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2024</u>
PROPERTY VALUATIONS:	
Land	\$ 17,951,385
Improvements	40,822
Exemptions	<u>(7,021,915)</u>
TOTAL PROPERTY	
VALUATIONS	<u>\$ 10,970,292</u>
 TAX RATES PER \$100	
VALUATION -	
Maintenance	<u>\$ 1.10</u>
 ADJUSTED TAX LEVY*	<u>\$ 120,673</u>
 PERCENTAGE OF TAXES	
COLLECTED TO TAXES	
LEVIED	<u>100.00 %</u>

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$1.20 per \$100 of assessed valuation was approved by voters on November 8, 2022.

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - ONE YEAR

	<u>Amounts</u>	<u>Percentage of Total Revenues</u>
	<u>2025</u>	<u>2025</u>
REVENUES		
Property Taxes	\$ 120,673	48.5 %
Connection and Other Service Revenues	94,502	38.0
Sewer Service	33,376	13.4
Investment and Other Revenues	<u>249</u>	<u>0.1</u>
TOTAL REVENUES	<u>\$ 248,800</u>	<u>100.0 %</u>
EXPENDITURES		
Professional Fees	\$ 69,299	27.9 %
Contracted Services	65,685	26.4
Repairs and Maintenance	373	0.1
Utilities	3,664	1.5
Sludge Hauling	406,256	163.3
Lease Payments	295,450	118.8
Administrative and Other	<u>23,208</u>	<u>9.3</u>
TOTAL EXPENDITURES	<u>\$ 863,935</u>	<u>347.3 %</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ (615,135)</u>	<u>(247.2) %</u>
OTHER FINANCING SOURCES		
Developer Advances	<u>\$ 526,790</u>	
NET CHANGE IN FUND BALANCE	\$ (88,345)	
BEGINNING FUND BALANCE (DEFICIT)	<u>(53,768)</u>	
ENDING FUND BALANCE (DEFICIT)	<u>\$ (142,113)</u>	
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>See Note 10</u>	
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>56</u>	

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

District Mailing Address Collin County Municipal Utility District No. 5
c/o Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, TX 75201

District Telephone Number (214) 745-5400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>June 30, 2025</u>	Expense Reimbursements for the year ended <u>June 30, 2025</u>	<u>Title</u>
Thomas Frierson	05/24 05/28 (Elected)	\$ 1,650	\$ 91	President
MaRetta Dyer	11/22 05/26 (Elected)	\$ 1,800	\$ 495	Vice President
Orlando Batista	05/24 05/28 (Elected)	\$ 1,500	\$ 540	Secretary
Julia Brantley	11/22 05/26 (Elected)	\$ 1,500	\$ 521	Assistant Secretary
Justine Cohn	05/24 05/28 (Elected)	\$ 1,500	\$ 507	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The most recent submission date of the District Registration Form was on May 14, 2024.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by the Commission. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2025</u>	<u>Title</u>
Winstead PC	03/26/21	\$ 58,030	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	09/09/25	\$ -0-	Auditor
Dye & Tover, LLC	03/26/21	\$ 19,211	Bookkeeper
Southland Consulting Engineers	03/24/22	\$ 14,160	Engineer
Inframark, LLC	05/14/24	\$ 450,576	Operator
Robert W. Baird & Co. Incorporated	03/26/21	\$ -0-	Financial Advisor
Kerry Tover	03/26/21	\$ -0-	Investment Officer

See accompanying independent auditor's report.