

CITY OF CEDAR HILLS, UTAH



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CITY OF CEDAR HILLS, UTAH

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:
Department of Finance

INTRODUCTORY SECTION



CITY OF CEDAR HILLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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CITY OF CEDAR HILLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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December 5, 2025



To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Cedar Hills:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

K & C, CPA firm, have issued an unmodified ("clean") opinion on the City of Cedar Hill's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

Cedar Hills is built upon an alluvial fan or bench, created thousands of years ago when it was a shore-line of Lake Bonneville. Early settlers referred to the area as "the Bench." Because of the growth of cedar trees (later becoming Manila's source of Christmas trees), the area was later referred to as Cedar Hills. The bench provides a beautiful view of the surrounding mountains, Utah Lake, and Utah Valley. Cedar Hills was established as a community in 1977. The surrounding cities such as Pleasant Grove and Alpine were settled in 1849 and 1850. Cedar Hills is located 35 miles south of Salt Lake City, eight miles north of the Orem/Provo area, and east of Alpine and Highland on the slopes of Mount Timpanogos.

The City of Cedar Hills has operated under the mayor-council form of government. A mayor and five council members are elected at-large for four-year, staggered terms. The Mayor, with Council approval, appoints the City of Cedar Hills's manager, who in turn appoints its department heads.

The City of Cedar Hills provides a wide range of services, water, sewer, and pressurized irrigation services; garbage and recycling; snow removal; code enforcement; building inspections; licenses and permits; the maintenance of streets, and other infrastructure; recreational and cultural activities; police and fire services are provided through American Fork City. Electricity is provided by Rocky Mountain Power, gas by Dominion Energy, telephone by CenturyLink, and cable by Comcast.

The Council is required to adopt an initial budget for the fiscal year no later than the first Tuesday in May. This annual budget serves as the foundation for the City of Cedar Hills financial planning and control. The budget is prepared by fund. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

Local economy

The City of Cedar Hills is an affluent area in the center of the Wasatch front. Within 10 to 15 minutes residents have access to growing clusters of businesses and major shopping outlets. Major businesses located in close proximity include Adobe, IM Flash Technologies, Thanksgiving Point, the Meadows, and Tanger's shopping outlet. Recent transportation improvements in the area include widening the Timpanogos Highway and North County Boulevard, the I-15 Core project, and the addition of commuter rail.

Because of its location in a region with a strong economic base, unemployment had been relatively stable. During the past ten years, the unemployment rate in the County declined from a 3.1 percent for 2016 to 2.1 percent in 2022 and back up to 3.3 percent for 2025. Unemployment rates in Utah County continues to be lower than national averages. The County's seasonally adjusted unemployment rate as of June 2024 was 3.3 percent compared to 4.1 percent nationally. Slightly higher unemployment rates are possible in fiscal calendar year 2025-2026 with uncertainty in the global economy.

Median household incomes within the City of Cedar Hills are significantly higher than for the state as a whole. For 2023, according to Census.gov profiles, the City's household median gross income was \$137,527. Utah County's median gross income was \$100,895. The latest Utah population estimate has the city's population at 9,809 as of 2025. The population estimate has been flat, due to the City is close to build out, and families are getting old enough to have children move out on their own.

Due to its conservative financial management, the City of Cedar Hills confirmed their credit rating of AA+ from Fitch during 2025. Fitch and Standard improved the city's rating during 2017, which was an upgrade from AA- and the highest general obligation bond rating the City has earned. Its small population base and lack of commercial development within city limits have always been challenges to improve the rating, but its conservative budgeting and healthy fund balances helped the upgrade in the last evaluation.

Over the last few years, the government has experienced a period of steady economic growth and investment. The City's commercial area continues to add new businesses like Fitz, Swig, Café Rio, Starbucks, Cup-bop and Shiny Shell Car Wash. This development, combined with high quality transportation systems, the presence of retail and service industries, and the presence of recreational, educational and health facilities in the nearby proximity have further strengthened the City's already strong economic base.

During the past ten years, the government's expenditures related to public safety costs have increased from \$1,168,200 to \$2,266,876, and increased as a percentage of total expenses (from 13.7 percent to currently 16.9 percent). The slower growth of the City, the decrease in dispatch calls, and a fixed contract have helped keep the public safety pricing stable. A contractual adjustment of approximately \$1 million to maintain American Fork police and fire services for fiscal year 2024-2025 was made to reflect the inflation American Fork experienced the last few years. A public safety contractual fee was restored to offset a portion of the cost.

During this same ten-year period, sales taxes related to governmental funds have increased from \$1,248,838 to \$2,124,525. The increase in sales taxes is due to mostly inflation, The city is distributed a higher percentage of sales tax revenues based on population vs. point of sale. The growth of commercial development in the city helps too, but remains around 30% of the sales tax revenues. Decreasing or flat population estimates are negatively impacting potential sales tax growth.

Long-term financial planning and major initiatives

The maximum unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) allowed by the State of Utah is 35% of actual revenues. In the general fund, at year end, unrestricted fund balance was still approximately 31.7% of the total actual general fund revenues. This amount is within the policy guidelines set by the governing body for budgetary and planning purposes (i.e. a target amount of 16% or two months of revenues). Program and tax revenues continue to trend higher. The fund



balance amount, is for rainy day type expenditures that should help the city maintain core services, if it were to experience a significant downturn in sales tax revenues. The city anticipates maintaining the fund balance between 16%-35%, based on current trends and pending projects.

As part of its strategic plan, the governing body also envisions additional commercial development of its Cedar Hills Drive/North County Boulevard corridor, which began with Walmart, McDonalds and Chase bank. And has slowly added other businesses including a gas station, a Dollar Tree store, a Great Clips, a Marcos Piz-za, Taco Bell, and an indoor storage facility. The city anticipates more businesses to be completed in the next year.

The city maintains a Capital Improvement Plan, which serves as its planning document to ensure that its parks, facilities, equipment, and infrastructure are well maintained and operating in peak condition. This budget process gives the city the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. In addition, the public works department monitors the condition of all government equipment and vehicles and makes recommendations on their replacement.

The fiscal year 2025-2026 capital Improvement plan anticipates \$270,000 for Harvey Boulevard widening, \$250,000 for Mesquite park updates, \$900,000 for a building renovation.

The government's 2025-2026 equipment and vehicles program will replace one vehicle for the golf staff and two vehicles for public works.

As a result of careful financial management, revenues were greater than expenditures for the operating funds in prior fiscal year.

In addition, the City has a policy that nonrecurring (i.e., "one-time") resource inflows not be used for operating purposes. During the current year, Utah County allocates the city approximately \$4,500 for park and recreation improvements. The council, in accordance with its policy, plans to use the grant towards park improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the government the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year ended June 30, 2026. This is the 23rd year that the city has achieved this prestigious award. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The GFOA awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the city for its annual comprehensive financial report for fiscal year ended June 30, 2024. This is the eleventh year the city achieved this prestigious award. In order to achieve this award, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe this current annual comprehensive financial report will meet the Certificate of Achievement Program's requirements and we may submit it to the GFOA to determine its eligibility for the city's eleventh financial reporting certificate award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the finance and administration department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the mayor and the

council for their support for maintaining the highest standards of professionalism in the management of the city's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charl Louw", with a stylized, flowing script.

Charl Louw, CPA, MBA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cedar Hills
Utah**

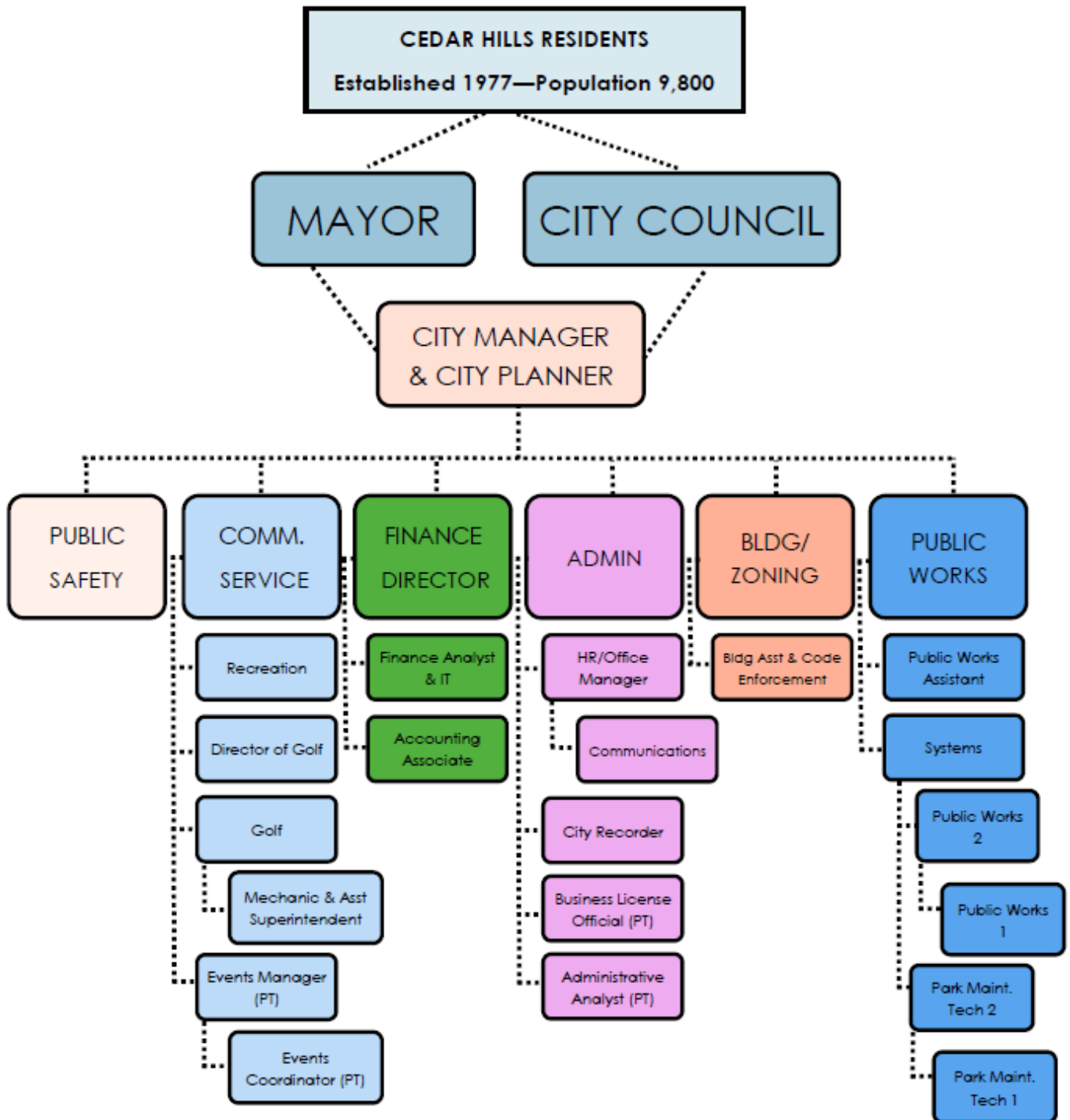
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

City of Cedar Hills Organization Chart



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Cedar Hills
Cedar Hills, Utah



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the budgetary comparison schedules for the General Fund and Golf Special Revenue Fund of the City of Cedar Hills, Utah (the City) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the budgetary comparison schedules for the General Fund and Golf Special Revenue Fund of the City of Cedar Hills, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City 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 City'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 and *Government 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 and *Government 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 City'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 City'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, schedule of the proportionate share of the net pension liability, and the schedule of contributions as noted in the table of contents, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedules of revenues, expenditures, and changes in fund balance – budget and actual – for the General, Golf Special Revenue, Golf Debt Service, and Capital Projects funds as listed in the table of contents, are presented for purposes of 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 our opinion, schedules of revenues, expenditures, and changes in fund balance – budget and actual – for the General, Golf Special Revenue, Golf Debt Service, and Capital Projects funds 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the City of Cedar Hills, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Cedar Hills we offer readers of the city's financial statements this narrative, discussion, overview, and analysis of the financial activities of the City of Cedar Hills for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the city of Cedar Hills exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$70,856,989 (net position). Of this amount, \$6,834,404 unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The city's total net position increased \$326,460.
- At the close of the current fiscal year, the city's governmental funds reported combined fund balances of \$5,232,690. An increase of \$844,935 in comparison with the prior year because of growth in golf revenue.
- In the general fund, revenues exceeded expenditures by \$254,512.
- At the close of the fiscal year, the fund balance of the general fund totaled \$1,969,042 of which \$17,199 is non-spendable, \$50,264 is restricted, \$709,125 is assigned, and \$1,192,454 is unassigned. State statutes allow a maximum unrestricted fund balance of 35 percent of actual general fund revenues. The city is currently has 31.7 percent unrestricted fund balance in the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the city's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the city's assets, liabilities, and deferred inflows/outflows of resources, 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 city is improving or deteriorating.

The *statement of activities* presents information regarding how the city'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



this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety, streets and public works, solid waste and recycling, motor pool, golf, parks and recreation. The business-type activities of the city include water and sewer.

Please refer to the table of contents for the location of the government-wide financial statements.

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 city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into two categories: *governmental funds* and *proprietary funds*.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of government 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 the 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 funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The city maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, golf, golf debt service, and capital projects funds, each of which are considered to be major funds.

The city adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund, golf special revenue fund, and the golf debt service fund to demonstrate compliance with the budget.

PROPRIETARY FUNDS

The city maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for its water and sewer fund. The city uses an internal service fund for its motor pool fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, and motor pool funds which are all considered to be major funds of the city.

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 are part of the basic financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents other *supplementary information* concerning the city.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city of Cedar Hills, assets and deferred outflows of resources exceed liabilities by \$70,856,989 (net position) at the close of the most recent fiscal year.

CITY OF CEDAR HILL'S Net Position June 30, 2025 and 2024 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Change
	2025	2024	2025	2024	2025	2024	2025-2024
Current and other assets	\$ 7,629.0	\$ 6,467.2	\$ 2,512.3	\$ 4,899.6	\$10,141.3	\$11,366.8	\$ (1,225.5)
Capital assets	40,467.8	41,890.5	32,371.8	30,255.5	72,839.6	72,146.0	693.6
Total assets	48,096.8	48,357.7	34,884.1	35,155.1	82,980.9	83,512.8	(531.9)
Total deferred outflows of resources	473.7	475.7	256.3	252.2	730.0	727.9	2.1
Other liabilities	1,168.2	961.3	526.1	816.9	1,694.3	1,778.2	(83.9)
Long-term liabilities outstanding	4,071.1	4,366.1	6,005.9	6,489.1	10,077.0	10,855.2	(778.2)
Total liabilities	5,239.3	5,327.4	6,532.0	7,306.0	11,771.3	12,633.4	(862.1)
Total deferred inflows of resources	1,081.2	1,076.7	1.4	-	1,082.6	1,076.7	5.9
Net position:							
Net investment in capital assets	36,928.2	37,985.9	26,638.0	26,309.3	63,566.2	64,295.2	(729.0)
Restricted	188.2	468.4	268.2	236.5	456.4	704.9	(248.5)
Unrestricted	5,133.6	3,974.9	1,700.8	1,555.6	6,834.4	5,530.5	1,303.9
Total net position	<u>\$ 42,250.0</u>	<u>\$ 42,429.2</u>	<u>\$28,607.0</u>	<u>\$28,101.4</u>	<u>\$70,857.0</u>	<u>\$70,530.6</u>	<u>\$ 326.4</u>

The majority of the city's net position (approximately 89.7 percent) represents resources that are invested in capital assets, another 0.7% are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$6,834,404 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2025, the City is able to report positive balances in all three categories of net position for the government as a whole as well as for its separate governmental activities. The overall net position of the government increased by \$326,460 because a stable local economy, new public safety fee, substantial increases in golf revenues, and slight increases in sales related tax revenues and other programs, and debt service coverage net revenue requirements require more fees collected than expenses. Lower general government expenses are because some employee allocation shifted to parks and recreation due to the time needed to provide golf related support. Higher parks and recreation expenses are due to changes in employee allocations and volume of golf play. Lower streets and public work expenses less expensive road projects. Higher solid waste costs are a result of rate increases for contracted garbage collection and dumping fees.

CITY OF CEDAR HILL'S Changes in Net Position
Years Ended June 30, 2025 and 2024
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Change
	2025	2024	2025	2024	2025	2024	2025-2024
Revenues:							
Program revenues:							
Charges for services	\$ 4,126.5	\$ 3,489.4	\$ 4,245.2	\$ 3,910.1	\$ 8,371.7	\$ 7,399.5	\$ 972.2
Operating grants and contributions	485.4	437.7	-	-	485.4	437.7	47.7
Capital grants and contributions	19.7	102.6	442.9	889.7	462.6	992.3	(529.7)
General revenues:							
Property taxes	1,210.9	1,204.7	-	-	1,210.9	1,204.7	6.2
Sales taxes	2,124.5	2,110.7	-	-	2,124.5	2,110.7	13.8
Highway sales taxes	183.1	183.4	-	-	183.1	183.4	(0.3)
Public transit sales taxes	73.7	38.5	-	-	73.7	38.5	35.2
Franchise taxes	482.0	504.7	-	-	482.0	504.7	(22.7)
PARC taxes	95.7	96.9	-	-	95.7	96.9	(1.2)
Other	189.8	227.0	121.8	115.1	311.6	342.1	(30.5)
Total revenues	8,991.3	8,395.6	4,809.9	4,914.9	13,801.2	13,310.5	490.7
Expenses:							
Governmental activities:							
General government	1,025.2	1,061.9	-	-	1,025.2	1,061.9	(36.7)
Public safety	2,266.9	1,438.3	-	-	2,266.9	1,438.3	828.6
Parks and recreation	3,638.0	2,985.9	-	-	3,638.0	2,985.9	652.1
Streets and public works	1,466.4	1,857.4	-	-	1,466.4	1,857.4	(391.0)
Solid waste and recycling	621.5	585.1	-	-	621.5	585.1	36.4
Interest on long-term debt	152.5	122.5	-	-	152.5	122.5	30.0
Business-type activities:							
Water and sewer	-	-	4,304.3	3,654.7	4,304.3	3,654.7	649.6
Total expenses	9,170.5	8,051.1	4,304.3	3,654.7	13,474.8	11,705.8	1,769.0
Changes in net position	(179.2)	344.5	505.6	1,260.2	326.4	1,604.7	(1,278.3)
Net position, beginning,	42,429.2	42,084.7	28,101.4	26,841.2	70,530.6	68,925.9	1,604.7
Net position, ending	<u>\$ 42,250.0</u>	<u>\$ 42,429.2</u>	<u>\$28,607.0</u>	<u>\$28,101.4</u>	<u>\$70,857.0</u>	<u>\$70,530.6</u>	<u>\$ 326.4</u>

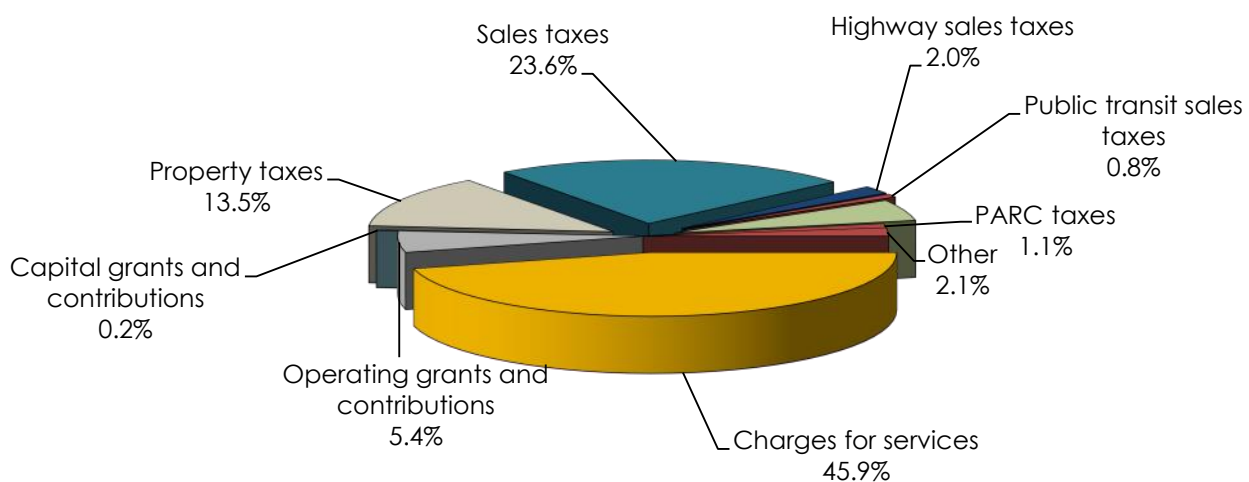
GOVERNMENTAL ACTIVITIES

Governmental activities decreased the city's net position by \$179,179, because of a significant increase in the depreciation on newly completed park projects that were finished at the end of the prior fiscal year and depreciation on new golf carts. There was an overall increase in expenses was due to depreciation, contractual increases in public safety, garbage and recycling costs, golf's higher volume requiring increased staffing costs.

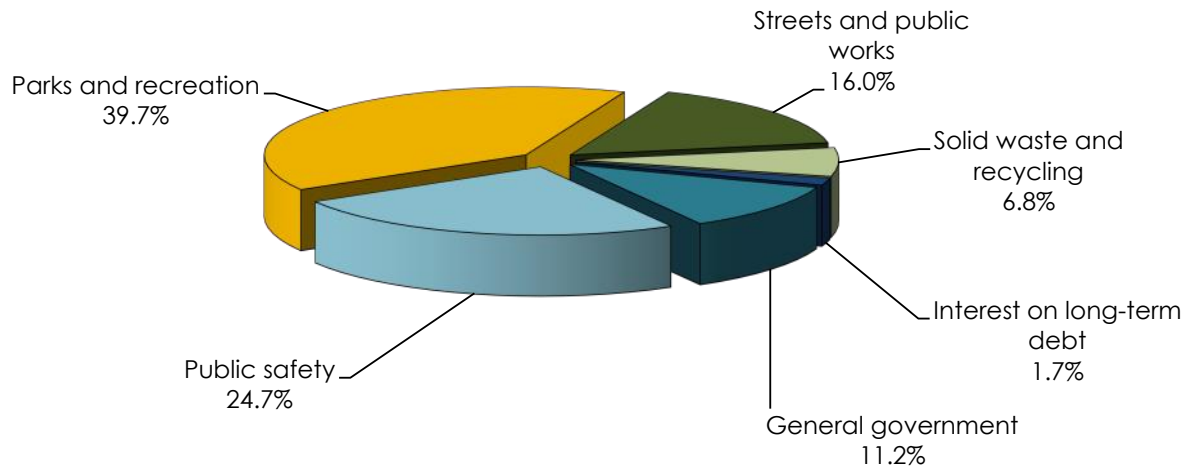
Property taxes revenue for governmental activities increased only slightly by \$6,186 from \$1,204,733 in 2024 to \$1,210,919 in 2025, because of limited new growth. Sales and use tax collections increased by \$13,850 from \$2,110,675 in 2024 to \$2,124,525 in 2025. Highway sales taxes, public safety sales taxes and PARC taxes were flat or decreasing due to the local economy and limited building growth. Charges for services related to public works increased because a slight increase in building permit related fees.

General governmental expenses were down except for legal, liability insurance, and staffing compensation increases. Public Safety significantly increased due to the American Fork public safety contract was renegotiated, because of American fork's hiring, new equipment, and market conditions for their staffing. Current year public safety usage continues to trend down. Parks and recreation costs increased due to park improvements and related golf equipment related depreciation, high staffing levels at golf, family festival activities, recreation programs, and staff compensation. Streets and public works expenses decreased because of timing of planned resurfacing projects and a lower volume of work. Solid waste and recycling contract increased due to the Waste Management contractual increase. The actual interest paid is more this year, because of a new golf cart lease.

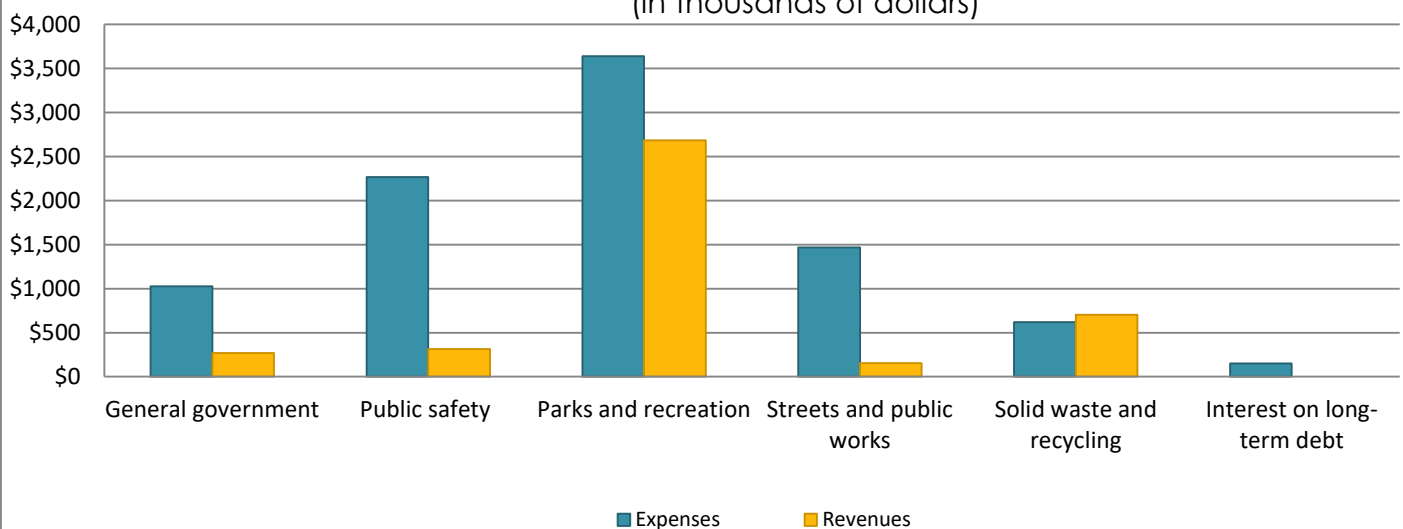
CITY OF CEDAR HILLS
Revenues by Source - Governmental Activities
Fiscal Year Ended June 30, 2025



CITY OF CEDAR HILLS
 Expenses by Function - Governmental Activities
 Fiscal Year Ended June 30, 2025



CITY OF CEDAR HILLS
 Expense and Program Revenue - Governmental Activities
 Fiscal Year Ended June 30, 2025
 (in thousands of dollars)



BUSINESS-TYPE ACTIVITIES

Business-type activities increased the city's net position \$505,639 because of grant funding for a continuing meter project, sewer and water rate increases. Utility fees were increased to offset contractual interlocal contracts and they are also needed to provide net revenues that meet debt covenants and cover annual increases to rates to fund operational increases, and capital maintenance projects.

Charges for services increased from \$3,910,114 in 2024 to \$4,245,226 in 2025, because sewer fees were increased to cover Timpanogos Special Service District fee increases, and water fees were increased to cover electrical pumping costs and water line maintenance increases. The expenses related to compensation for staff also increased.

For more details, see the Statement of Revenues, Expenses, and Changes in Net Position.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the city's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the year, the city of Cedar Hills' governmental funds reported combined ending fund balances of \$5,232,690. Approximately 23 percent of this amount, \$1,192,454 constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has an external restriction, or it has been designated by the governing body 1) \$849,125 to pay for road maintenance or widening projects, 2) \$1,194,183 to pay for golf, parks and events projects, 3) \$57,384 to pay for debt service, 4) \$17,199 is for prepaid expenditures, and 5) \$1004,558 is golf inventory. The general fund is the chief operating fund of the city. Including the general fund, there are four governmental funds included in this report, which are all considered major funds—general fund, golf fund, golf debt service fund, and the capital projects fund. At the end of the current year, unassigned fund balance of the general fund was \$1,192,454. Total fund balance was \$1,969,042. The City maintained its unrestricted fund balance at approximately 32 percent of actual revenues in 2025. The general fund also is required to be under the 35 percent of actual revenues threshold to be in compliance with the state of Utah's code. The total fund balance for the golf fund increased due to strong revenue growth. The capital projects fund decreased during the fiscal year from planned golf and park improvements. The golf debt service fund's fund balance decreased slightly due to an effort to minimize the debt levy.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 21 percent of the total general fund expenditures.

PROPRIETARY FUNDS

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary funds are water and sewer \$1,421,886, and motor pool fund \$455,544. The water and sewer fund unrestricted net position increased because net revenues are budgeted to provide required debt service coverage. Outstanding utility revenue bonds require net revenue that is 25% higher than annual bond payments. The motor pool unrestricted net position increased due to higher charges than expenses, and gains on sold vehicles.

BUDGETARY HIGHLIGHTS

The difference between the original general fund budget (adopted June 2024) and the final amended budget for expenditures and capital assets was \$96,600. The significant changes are summarized as follows:

- \$49,345 increase in general government—primarily due to \$40,000 higher legal services anticipated, \$6,000 higher membership dues for ULCT and MAG, \$3,000 for electrical increases, and a slightly higher general liability insurance premium than expected.
- \$16,600 decrease in public safety—police and crossing guard expenses lower than anticipated.
- \$24,455 increase in streets and public works—the increase was due to a road maintenance scope increasing for additional crack sealing.
- \$0 changes in solid waste and recycling or transfers.
- \$39,400 increase in parks and recreation—the increase was due to higher costs for the park maintenance, recreation programs/classes expenditures, credit card fees and part-time recreation benefits.

CAPITAL ASSETS

The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities and procuring equipment necessary for providing programs for the citizens of the City. The golf fund and water & sewer fund also incurred acquisition costs for equipment and improvements.

CITY OF CEDAR HILL'S Capital Assets
June 30, 2025 and 2024
 (net of accumulated depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Change
	2025	2024	2025	2024	2025	2024	2025-2024
Land	\$ 9,040.1	\$ 9,040.1	\$ -	\$ -	\$ 9,040.1	\$ 9,040.1	\$ -
Water Stock		-	3,311.6	3,311.5	3,311.6	3,311.5	0.1
Construction in progress	122.1	51.8	66.6	3,843.6	188.7	3,895.4	(3,706.7)
Buildings	3,001.3	3,029.8	1,213.3	1,251.9	4,214.6	4,281.7	(67.1)
Improvements	14,171.5	14,937.3	-	-	14,171.5	14,937.3	(765.8)
Vehicles	489.3	567.7	31.0	68.3	520.3	636.0	(115.7)
Equipment	358.8	405.7	-	-	358.8	405.7	(46.9)
Right-to-use leased equipment	528.0	660.0	-	-	528.0	660.0	(132.0)
Water, sewer, and storm drain systems	-	-	27,749.3	21,780.2	27,749.3	21,780.2	5,969.1
Infrastructure (Roads, Sidewalks)	12,756.7	13,198.1	-	-	12,756.7	13,198.1	(441.4)
Total	<u>\$ 40,467.8</u>	<u>\$ 41,890.5</u>	<u>\$32,371.8</u>	<u>\$30,255.5</u>	<u>\$72,839.6</u>	<u>\$72,146.0</u>	<u>\$ 693.6</u>

Major capital asset events during the year included the following:

- \$27,153 for golf's bunker sand maintenance equipment.
- \$21,024 for event's new pavilion.
- \$243,319 for Harvey Blvd widening engineering plans, which receives substantial contributions from Pleasant Grove and Mountainland Association of Governments (MAG).
- \$11,943 for Harvey park security updates.
- \$81,046 for lighting updates at Heritage park.
- \$25,187 for building plans for an addition and renovations for city council chambers.
- \$39,523 for one public work utility truck.
- \$332,500 in storm drain improvements related to Heritage park new parking lot.
- \$3,083,769 in water improvements related to Harvey well house/chlorination project, meters project and a water line project.
- \$80,000 in storm drain improvements related to developer capital asset contributions.
- \$28,521 in water improvements related to developer capital asset contributions.

These expenses do not include approximately \$1,221,996 in capital maintenance projects related to parks, trees, the golf course, water, pressurized irrigation, water meters, streets, street lights, sidewalks, gutters, vehicles and building repairs.

Additional information on the city of Cedar Hills' capital assets can be found in Note 8 to the financial statements.

LONG-TERM DEBT

The city of Cedar Hills has \$3,105,000 of general obligation debt and \$33,710 in unamortized bond premiums as of June 30, 2025. The city also has utility revenue bonds.

The general obligation bonds were refinanced in December 2012 to save future cash outflows by taking advantage of lower interest rates. The current balance on the 2012 general obligation bonds is \$3,105,000. General obligation indebtedness is limited by Utah law to 12 percent of the fair value of the taxable property in the City—4 percent for general purposes and 8 percent for sewer, water, or lighting.

In October 2014, the city partially refunded the 2006 utility bonds directly through JPMorgan Chase Bank to capture savings with a lower interest rate. The current principal balance on the 2014 utility revenue bonds is \$2,039,000.

The excise tax revenue bonds were obtained in 2006 in the amount of \$2,325,000 for the construction of a public works/administration facility. The city refunded these bonds in March 2022 to utility revenue bonds. The current principal balance of these bonds are \$386,000.

The city has lease agreements for golf carts and the GPS software on the golf carts. The outstanding leases payable on the leases is \$545,794.

Utah Infrastructure Agency (UIA) issued bonds of \$5,965,000 in April 2022 to install a fiber optic network throughout Cedar Hills. UIA anticipates completing the project within two years. The city is responsible for debt service not covered by resident user fees. The city would then be refunded any contributions required, once the debt service is covered.

The city issued utility revenue bonds of \$655,000 in March 2023 to supplement a \$1.6 million grant for a water meter project. The project is ongoing with second phase grant received for \$1.1 million. The current principal balance is \$386,000.

The city issued new utility revenue bonds of \$2,725,000 in March 2024 to update the Harvey Well building and update the main water line on Cedar Hills drive. The current principal balance is \$2,725,000.

Additional information on the city's long-term debt can be found in Note 9 to the financial statements.

CITY OF CEDAR HILL'S Outstanding Debt June 30, 2025 and 2024

(net of unamortized deferrals, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Change 2025-2024
	2025	2024	2025	2024	2025	2024	
General obligation bonds	\$ 3,138.7	\$ 3,421.1	\$ -	\$ -	\$ 3,138.7	\$ 3,421.1	\$ (282.4)
Utility revenue bonds	-	-	5,771.0	6,304.0	5,771.0	6,304.0	(533.0)
Leases payable	545.8	660.0	-	-	545.8	660.0	(114.2)
Total	<u>\$ 3,684.5</u>	<u>\$ 4,081.1</u>	<u>\$ 5,771.0</u>	<u>\$ 6,304.0</u>	<u>\$ 9,455.5</u>	<u>\$10,385.1</u>	<u>\$ (929.6)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The city of Cedar Hills new residential housing is limited, because there is very little land left in the city to develop cost effectively. Renovations of existing homes continue to be large portion of building revenues. The city anticipates minimal building activity outside of commercial additions.
- The flattening population trends of the city have continued to impact sales tax revenues. Program revenue growth for events and golf are still trending higher with significant investments in improvements made to both programs.
- For the 2025-2026 fiscal budget, the estimated general fund revenues and transfers in are \$5,312,495 and the budgeted expenditures and transfers out are \$5,281,790. The revenues were slightly higher than the expenditures. The revenues are budgeted to be higher overall than last year's original budget because of fees being adjusted to cover higher contractual costs. Expenditures grew primarily from higher personnel costs, public safety contractual costs and solid waste contractual increases.
- The most significant capital projects are \$270,000 for road improvements, \$250,000 for park renewal at Mesquite park, \$900,000 for building renovations for city council chambers and offices at an old fire station. There is \$642,500 budgeted for a vac truck, trailer and sewer repair in the water and sewer fund
- Other significant capital maintenance budget appropriations include \$738,674 for street maintenance, street light, and sidewalk related maintenance/projects in the general fund. \$132,000 for park and tree maintenance and \$158,000 for golf course maintenance. And \$1,014,840 was appropriated for water, storm drain, and sewer maintenance and contracted services in the Water and Sewer fund. \$251,000 was set aside for supplementary water purchases.
- The city council adopted the certified tax rate for the general fund operations, which provides the city the same property tax revenue that was budgeted in the prior year plus an adjustment for new residential and commercial growth. The city adopted the property tax debt levy based on what was needed to fund the general obligation debt in the golf debt service fund utilizing the available fund balance to offset some of the debt service.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the city of Cedar Hills' finances for anyone 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 City of Cedar Hills, City Manager, 10246 N Canyon Road, Cedar Hills, Utah 84062.

BASIC FINANCIAL STATEMENTS





CITY OF CEDAR HILLS

Statement of Net Position June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 5,835,729	\$ 1,482,309	\$ 7,318,038
Restricted cash and cash equivalents	188,233	268,213	456,446
Tax receivables	1,139,158	-	1,139,158
Intergovernmental receivables	531,488	176,696	708,184
Other receivables (net of allowance for uncollectibles)	79,863	284,598	364,461
Internal balances	(278,917)	278,917	-
Inventories and prepaid items	133,499	21,602	155,101
Capital assets:			
Land, water stock, and construction in progress	9,162,206	3,378,137	12,540,343
Buildings, improvements, equipment, and other depreciable assets, net of accumulated depreciation	31,305,562	28,993,628	60,299,190
Total assets	48,096,821	34,884,100	82,980,921
Deferred Outflows of Resources:			
Deferred outflows of resources related to pensions	328,833	219,627	548,460
Deferred charge on refunding	144,889	36,676	181,565
Total deferred outflows of resources	473,722	256,303	730,025
Liabilities:			
Accounts payable	962,258	417,914	1,380,172
Accrued expenses	172,985	36,774	209,759
Accrued interest	32,972	62,238	95,210
Long-term liabilities:			
Portion due or payable within one year	477,528	580,170	1,057,698
Portion due or payable after one year	3,593,577	5,425,721	9,019,298
Total liabilities	5,239,320	6,532,035	11,771,355
Net Deferred Inflows of Resources:			
Net deferred inflows of resources related to pensions	4,349	1,366	5,715
Property taxes levied for future year	1,076,887	-	1,076,887
Total net deferred inflows of resources	1,081,236	1,366	1,082,602
Net position:			
Net investment in capital assets	36,928,153	26,637,986	63,566,139
Restricted for:			
Debt service	-	260,068	260,068
Streets	188,233	-	188,233
Water and sewer improvements	-	545	545
Other purposes	-	7,600	7,600
Unrestricted	5,133,601	1,700,803	6,834,404
Total net position	\$ 42,249,987	\$ 28,607,002	\$ 70,856,989

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

CITY OF CEDAR HILLS

Statement of Activities

Year Ended June 30, 2025

Activities / Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
Governmental activities:							
General government	\$ 1,025,230	\$ 269,748	\$ -	\$ -	\$ (755,482)		\$ (755,482)
Public safety	2,266,876	315,832	-	990	(1,950,054)		(1,950,054)
Parks and recreation	3,638,007	2,682,733	27,800	4,512	(922,962)		(922,962)
Streets and public works	1,466,438	153,647	457,640	14,203	(840,948)		(840,948)
Solid waste and recycling	621,551	704,498	-	-	82,947		82,947
Interest on long-term debt	152,470	-	-	-	(152,470)		(152,470)
Total governmental activities	9,170,572	4,126,458	485,440	19,705	(4,538,969)		(4,538,969)
Business-type activities:							
Water and sewer	4,304,265	4,245,226	-	442,948	-	383,909	383,909
Total business-type activities	4,304,265	4,245,226	-	442,948	-	383,909	383,909
Total City	<u>\$ 13,474,837</u>	<u>\$ 8,371,684</u>	<u>\$ 485,440</u>	<u>\$ 462,653</u>	(4,538,969)	383,909	(4,155,060)
General revenue:							
Property taxes					1,210,919	-	1,210,919
Sales taxes					2,124,525	-	2,124,525
Highway sales taxes					183,101	-	183,101
Public transit sales taxes					73,741	-	73,741
Franchise taxes					482,016	-	482,016
PARC taxes					95,699	-	95,699
Total taxes					4,170,001	-	4,170,001
Unrestricted investment earnings					189,789	121,730	311,519
Total general revenue					4,359,790	121,730	4,481,520
Changes in net position					(179,179)	505,639	326,460
Net position - beginning					42,429,166	28,101,363	70,530,529
Net position - ending					\$ 42,249,987	\$ 28,607,002	\$ 70,856,989

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

CITY OF CEDAR HILLS

Balance Sheet Governmental Funds June 30, 2025

	General	Special Revenue Fund Golf	Golf Debt Service	Capital Projects	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 2,202,214	\$ 1,087,978	\$ 52,553	\$ 2,036,811	\$ 5,379,556
Restricted cash and cash equivalents	50,264	-	-	137,969	188,233
Tax receivables	824,172	-	314,986	-	1,139,158
Intergovernmental receivables	512,826	-	-	18,662	531,488
Other receivables (net of allowance for uncollectibles)	79,363	500	-	-	79,863
Prepaid and Inventory items	17,199	104,558	-	-	121,757
Total assets	<u>\$ 3,686,038</u>	<u>\$ 1,193,036</u>	<u>\$ 367,539</u>	<u>\$ 2,193,442</u>	<u>\$ 7,440,055</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable and accrued expenditures	\$ 813,600	\$ 100,368	\$ -	\$ 35,919	\$ 949,887
Accrued salaries, wages, and benefits	54,849	43,927	-	-	98,776
Other payables	74,209	-	-	-	74,209
Total liabilities	942,658	144,295	-	35,919	1,122,872
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue—property tax revenues	10,343	-	4,155	-	14,498
Property taxes levied for future year	763,995	-	306,000	-	1,069,995
Total deferred inflows of resources	<u>774,338</u>	<u>-</u>	<u>310,155</u>	<u>-</u>	<u>1,084,493</u>
FUND BALANCES:					
Nonspendable:					
Inventory and prepaid expenditures	17,199	104,558	-	-	121,757
Restricted for:					
Streets and Public Works	50,264	-	-	137,969	188,233
Committed to:					
General Government	-	-	-	400,000	400,000
Parks and recreation	-	-	-	250,000	250,000
Streets and Public Works	-	-	-	140,000	140,000
Assigned to:					
General Government	-	-	-	500,000	500,000
Debt service	-	-	57,384	-	57,384
Parks and recreation	-	944,183	-	729,554	1,673,737
Streets and Public Works	709,125	-	-	-	709,125
Unassigned	1,192,454	-	-	-	1,192,454
Total fund balances	<u>1,969,042</u>	<u>1,048,741</u>	<u>57,384</u>	<u>2,157,523</u>	<u>5,232,690</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,686,038</u>	<u>\$ 1,193,036</u>	<u>\$ 367,539</u>	<u>\$ 2,193,442</u>	<u>\$ 7,440,055</u>

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2025

Total fund balances for governmental funds \$ 5,232,690

Total *net position* reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 9,040,148	
Construction in progress	122,058	
Buildings, net of accumulated depreciation of \$1,443,808	3,001,259	
Improvements, net of accumulated depreciation of \$7,642,385	14,171,489	
Equipment, net of accumulated depreciation of \$512,682	222,303	
Right-to-use leased equipment, net of amortization \$132,009	528,038	
Infrastructure (roads and sidewalks), net of accumulated depreciation of \$4,710,483	12,756,663	39,841,958

Property taxes that will be collected after year end, but not available soon enough to pay current period's expenditures, and are therefore reported as deferred inflows. 7,606

Internal service funds are used by the City to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the statement of net position. Internal service fund net position are: 1,081,354

Internal balances: (278,917)

Internal receivable representing a loan to business-type activities to cover cash defi	(278,917)	
Amounts due from business-type activities	-	

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. Accrued interest for long-term debt is: (32,972)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. All liabilities-net of premiums are reported in the statement of net position.

General obligation bonds, net of unamortized premiums of \$33,710	\$ (3,138,710)	
Leases	(545,794)	
Deferred amount on refundings, net of accumulated amortization of \$626,493	144,889	
Net pension liability	(236,569)	
Net deferred amount related to pensions	324,484	
Compensated absences payable	(150,032)	(3,601,732)

Total net position of governmental activities \$ 42,249,987

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

CITY OF CEDAR HILLS

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended June 30, 2025

	General	Special Revenue Fund Golf	Golf Debt Service	Capital Projects	Total Governmental Funds
REVENUES:					
Property taxes	\$ 865,716	\$ -	\$ 347,506	\$ -	\$ 1,213,222
Sales taxes	2,124,525	-	-	-	2,124,525
Highway sales taxes	183,101	-	-	-	183,101
Public transit sales taxes	73,741	-	-	-	73,741
Franchise taxes	482,016	-	-	-	482,016
PARC taxes	-	-	-	95,699	95,699
Licenses and permits	165,737	-	-	-	165,737
Intergovernmental and grants	471,224	-	-	-	471,224
Charges for services	1,200,146	-	-	-	1,200,146
Fees	296,602	2,409,203	-	6,752	2,712,557
Investment earnings	75,820	27,738	2,447	83,784	189,789
Miscellaneous	64,259	4,727	-	-	68,986
Total revenues	6,002,887	2,441,668	349,953	186,235	8,980,743
EXPENDITURES:					
Current:					
General government	1,034,931	-	-	-	1,034,931
Public safety	2,266,876	-	-	-	2,266,876
Streets and public works	975,346	-	-	-	975,346
Solid waste and recycling	621,551	-	-	-	621,551
Parks and recreation	849,671	1,679,379	-	-	2,529,050
Debt service:					
Principal	-	114,253	275,000	-	389,253
Interest and fiscal charges	-	42,584	88,745	-	131,329
Capital outlay:					
General government	-	-	-	25,187	25,187
Streets and public works	-	-	-	74,155	74,155
Parks and recreation	-	48,177	-	92,989	141,166
Total expenditures	5,748,375	1,884,393	363,745	192,331	8,188,844
Excess (deficiency) of revenues over (under) expenditures	254,512	557,275	(13,792)	(6,096)	791,899
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	53,036	-	-	-	53,036
Transfers in	27,000	-	-	-	27,000
Transfers out	-	-	-	(27,000)	(27,000)
Total other financing sources (uses)	80,036	-	-	(27,000)	53,036
Net change in fund balances	334,548	557,275	(13,792)	(33,096)	844,935
Fund balances - beginning	1,634,494	491,466	71,176	2,190,619	4,387,755
Fund balances - ending	\$ 1,969,042	\$ 1,048,741	\$ 57,384	\$ 2,157,523	\$ 5,232,690

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

CITY OF CEDAR HILLS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 844,935

The change in *net position* reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, capital assets are capitalized and depreciated over their useful lives. Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Capital outlays	\$ 211,610	
Proceeds from sale of capital assets	(53,036)	
Gain on sale of capital assets	53,036	
Donations of capital assets (infrastructure) from developers	12,953	
Depreciation expense	<u>(1,541,284)</u>	(1,316,721)

Certain revenues (property taxes) that are collected several months after the City's fiscal year end are not considered as available revenues in the governmental funds and are, instead, counted as deferred revenues. They are however, recorded as revenues in the statement of activities. Also, any amount reported as unavailable at the beginning of the fiscal period that was already recognized as revenue would be eliminated. (2,303)

Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Accrued interest	3,161	
Principal retirement of bonds and obligations under leases	389,253	
Amortization of bond premiums and discounts	7,369	
Amortization of deferred amounts on refundings	<u>(31,671)</u>	368,112

In the statement of activities, certain operating expenses for compensated absences (for unpaid vacation and compensatory time) are recorded as costs are incurred during the year. In the governmental funds, these obligations are recorded when they mature or when they are paid. Changes in these obligations during the year are as follows:

Compensated absence obligation	(18,739)
Net pension expense adjustment	(55,657)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Change in net position of governmental activities \$ 1,194
(179,179)

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

CITY OF CEDAR HILLS

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Property taxes	\$ 856,465	\$ 856,465	\$ 865,716	\$ 9,251
Sales taxes	2,069,000	2,069,000	2,124,525	55,525
Highway sales taxes	171,000	171,000	183,101	12,101
Public transit sales taxes	46,000	71,000	73,741	2,741
Franchise taxes	510,000	510,000	482,016	(27,984)
Total taxes	3,652,465	3,677,465	3,729,099	51,634
Licenses and permits	96,000	150,000	165,737	15,737
Intergovernmental and grants	395,000	440,000	471,224	31,224
Charges for services	1,469,000	1,475,000	1,496,748	21,748
Investment earnings	55,000	72,000	75,820	3,820
Miscellaneous	25,000	45,000	64,259	19,259
Total revenues	5,692,465	5,859,465	6,002,887	143,422
Expenditures:				
Current:				
General government	1,033,276	1,082,621	1,034,931	47,690
Public safety	2,296,198	2,279,598	2,266,876	12,722
Streets and public works	1,096,499	1,120,954	975,346	145,608
Solid waste and recycling	631,000	631,000	621,551	9,449
Parks and recreation	890,087	929,487	849,671	79,816
Total expenditures	5,947,060	6,043,660	5,748,375	295,285
Excess (deficiency) of revenues over (under) expenditures	(254,595)	(184,195)	254,512	438,707
Other financing sources(uses):				
Proceeds from sale of capital assets	-	53,000	53,036	36
Transfers in	27,000	27,000	27,000	-
Transfers out	-	-	-	-
Total other financing sources(uses)	27,000	80,000	80,036	36
Net change in fund balance	(227,595)	(104,195)	334,548	438,743
Fund balances - beginning	1,634,494	1,634,494	1,634,494	-
Fund balances - ending	\$ 1,406,899	\$ 1,530,299	\$ 1,969,042	\$ 438,743

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

CITY OF CEDAR HILLS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Golf Special Revenue Fund Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees	\$ 1,820,600	\$ 2,291,600	\$ 2,409,203	\$ 117,603
Investment Earnings	5,000	5,000	27,738	22,738
Miscellaneous	-	4,000	4,727	727
Total revenues	1,825,600	2,300,600	2,441,668	141,068
EXPENDITURES				
Parks and recreation	1,623,959	1,821,959	1,679,379	142,580
Capital outlay	34,000	84,000	48,177	35,823
Debt Service				
Principal	156,949	110,949	114,253	(3,304)
Interest	-	46,000	42,584	3,416
Total expenditures	1,814,908	2,062,908	1,884,393	178,515
Excess of revenues over expenditures	10,692	237,692	557,275	319,583
Fund balance at beginning of year	491,466	491,466	491,466	-
Fund balance at end of year	<u>\$ 502,158</u>	<u>\$ 729,158</u>	<u>\$ 1,048,741</u>	<u>\$ 319,583</u>

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

CITY OF CEDAR HILLS

Statement of Net Position Proprietary Funds June 30, 2025

	Business-type Activities Enterprise Fund Water & Sewer	Governmental Activities Internal Service Fund Motor Pool
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,482,309	\$ 456,173
Intergovernmental receivables	176,696	-
Accounts receivable, net of allowance	284,598	-
Prepaid items	21,602	11,742
Total current assets	1,965,205	467,915
Noncurrent assets:		
Restricted cash and cash equivalents	268,213	-
Capital assets:		
Buildings	1,955,127	-
Equipment	-	345,863
Vehicles	298,132	1,108,115
Water, sewer, and storm drain systems	43,351,447	-
Construction-in-progress	66,578	-
Accumulated depreciation	(16,611,078)	(828,168)
Water stock	3,311,559	-
Total noncurrent assets	32,639,978	625,810
Total assets	34,605,183	1,093,725
Deferred Outflows of Resources:		
Deferred outflows of resources relating to pensions	219,627	-
Deferred charge on refunding, net of amortization	36,676	-
Total deferred outflows of resources	256,303	-
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	417,914	12,371
Accrued wages payable	36,774	-
Accrued interest payable	62,238	-
Unearned revenue	9,218	-
Compensated absences	34,170	-
Bonds payable - current	546,000	-
Total current liabilities	1,106,314	12,371
Noncurrent liabilities:		
Compensated absences	34,170	-
Net pension liability	166,551	-
Bonds payable, net of premium	5,225,000	-
Total noncurrent liabilities	5,425,721	-
Total liabilities	6,532,035	12,371
Deferred Inflows of Resources:		
Deferred inflows of resources relating to pensions	1,366	-
Total deferred inflows of resources	1,366	-
Net position:		
Net investment in capital assets	26,637,986	625,810
Restricted for capital improvements	545	-
Restricted for debt service	260,068	-
Restricted for water shares	7,600	-
Unrestricted	1,421,886	455,544
Total net position	\$ 28,328,085	\$ 1,081,354
Total net position - enterprise funds	\$ 28,328,085	
An internal charge between the governmental and business-type activities is not recorded at the fund level	278,917	
Total net position - business-type activities	\$ 28,607,002	

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

CITY OF CEDAR HILLS

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds Year Ended June 30, 2025

	Business Activities Enterprise Fund Water & Sewer	Governmental Activities Internal Service Fund Motor Pool
Operating revenues:		
Charges for services:		
Water & sewer	\$ 4,245,226	\$ -
Motor pool	-	263,161
Total operating revenues	4,245,226	263,161
Operating expenses:		
Salaries, wages, and benefits	1,068,038	-
Materials, supplies and services	1,941,976	119,566
Other operating expenses	3,482	-
URS pension expense allocation	30,550	-
Amortization	12,213	-
Depreciation	1,076,034	134,876
Total operating expenses	4,132,293	254,442
Operating income (loss)	112,933	8,719
Nonoperating revenues (expenses):		
Interest income	121,730	-
Gain (loss) on sale of capital assets	-	20,388
Intergovernmental grant revenue	331,727	-
Interest expense and fiscal charges	(199,885)	-
Total nonoperating revenues (expenses)	253,572	20,388
Income (loss) before transfers	366,505	29,107
Capital contributions	111,221	-
Changes in net position	477,726	29,107
Total net position - beginning	27,850,359	1,052,247
Total net position - ending	\$ 28,328,085	\$ 1,081,354
Change in net position - enterprise funds	\$ 477,726	
The change in internal balances between the governmental activities and the business-type activities relating to internal service funds is not reported at the fund level	27,913	
Change in net position of business-type activities	\$ 505,639	

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

CITY OF CEDAR HILLS

Statement of Cash Flows Proprietary Funds Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund Motor Pool
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,206,648	\$ 263,161
Payments to suppliers	(1,170,041)	(88,864)
Payments to employees	(1,073,337)	-
Intergovernmental payments	(1,035,283)	-
Net cash provided by operating activities	927,987	174,297
Cash flows from capital and related financing activities:		
Receipts from impact fees, cash contributions	6,720	-
Capital grants	672,191	-
Payments for acquisition of capital assets	(3,085,273)	(39,524)
Principal paid on capital debt	(533,000)	-
Proceeds from sale of capital assets	-	31,000
Interest paid on capital debt	(193,550)	-
Net cash used by capital and related financing activities	(3,132,912)	(8,524)
Cash flows from investing activities:		
Interest received	121,730	-
Net change in cash and cash equivalents	(2,083,195)	165,773
Cash and cash equivalents - beginning	3,833,717	290,400
Cash and cash equivalents - ending	\$ 1,750,522	\$ 456,173
Displayed on the statement of net position as:		
Pooled cash and investments	\$ 1,482,309	\$ 456,173
Restricted cash and investments	268,213	-
	\$ 1,750,522	\$ 456,173
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 112,933	\$ 8,719
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
URS Pension expense allocation	30,550	-
Depreciation expense	1,076,034	134,876
Amortization expense	12,213	-
Changes in operating assets and liabilities:		
Accounts receivable	(38,578)	-
Prepaid items	30,146	23,666
Accounts payable	(290,012)	7,036
Accrued wages payable	(9,589)	-
Compensated absences payable	4,290	-
Total adjustments	815,054	165,578
Net cash provided by operating activities	\$ 927,987	\$ 174,297
Noncash investing, capital, and financing activities:		
Contributions of capital assets	\$ 108,521	\$ -
Fair market value of investments adjustment	2,759	-

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

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CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Cedar Hills ("The City") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant government accounting policies followed by the City are described below.

Reporting Entity

The City was incorporated under the laws of the State of Utah on October 31, 1977. The City operates under a Council-Mayor form of government and provides the following broad range of services to citizens: general administrative services, sanitation, public safety, highways and streets, recreation and parks, public improvements, planning, zoning, water and sewer utilities, and golf course services. The financial statements include all funds and activities that are financially accountable to the City.

Blended Component Unit

The Municipal Building Authority was created by the City during fiscal year 1999 and is governed by the City's Mayor and Council. The Authority used the proceeds of its tax exempt bonds to finance the construction of general capital assets for the City. The financial activity of the Municipal Building Authority is included as part of the capital projects fund. There were no outstanding lease revenue bonds as of June 30, 2025. No financials are available for the Municipal Building Authority.

Principles Used in Determining Scope of Reporting Entity

The City, for financial purposes, includes all of the funds relevant to the operations of the City of Cedar Hills. The financial statements of the City include those of separately administered organizations that are controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of Timpanogos Special Service District are excluded from the accompanying financial statements because they are autonomous and their board of directors are responsible for its operations and the hiring of its management personnel.

The City pays Timpanogos Special Service District for its share of services received. Timpanogos Special Service District receives payments from other nearby cities receiving these same services. The City collects impact fees on behalf of Timpanogos Special Service District and then remits them back to the District.

Basis of Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. The effect of inter-fund activity, within the governmental

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of the given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities.

Governmental funds are those funds through which most of the governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Golf Fund

The Golf Fund is used to account for the activity of the golf course. Costs are generally financed through charges to golf course customers, but golf has received support from transfers in prior years.

Golf Debt Service Fund

The Golf Debt Service Fund is used to account for the accumulation of resources for, and the payment of long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for funds received and expended for the acquisition or construction of capital facilities, improvements, and equipment (other than those financed by proprietary funds).

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, materials and supplies, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City also has an internal service fund which is accounted for like proprietary funds using the economic resources measurement focus.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary fund:

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of sewer and water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer and water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of long-term debt, and capital improvements. Costs are financed through charges to utility customers.

Motor Pool Fund

The Motor Pool (internal service) Fund is used to account for the operation and maintenance of vehicles provided by one department to other departments of the City on a cost measurement basis. The fund activities are reported on the proprietary fund statements, and based on their use, are appropriately allocated between governmental and business-type activities on the government-wide statements.

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 on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds 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 non-current) are included on 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. Expenses are rec-

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

ognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers amounts collected within 60 days after year end to be available. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days of year-end are reported as deferred inflows of resources until collected. Sales taxes, franchise taxes, class "C" road funds, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Control

Budgets are prepared for City funds on the cash basis while the modified accrual or accrual basis is used to account and prepare fund financial reports.

The City Council approves by resolution the total budget appropriation by fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council. A public hearing is held anytime an increase in total appropriations is made. The budget was amended in fiscal year 2024. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.

Cash, Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Inventories and Prepaids

Inventories of golf equipment held at the pro shop are valued at cost using the first-in/first-out (FIFO) method and the cost of inventories is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as pre-

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

paid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts. Sick leave accrues to full-time permanent employees to specified maximums. Employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination.

Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied and tax notices are sent on November 1. All unpaid taxes are due and become delinquent on November 30. Property tax revenues are recognized by the City when they are collected. Property taxes and fees on licensed motor vehicles are collected on a monthly basis in the month in which the individual motor vehicle license is renewed. Property taxes are billed and collected by Utah County on behalf of the City and remitted to the City monthly. At June 30, 2025, only delinquent taxes are uncollected. The amount of collectible delinquent taxes at June 30, 2025 was \$11,548.

In accordance with government accounting standards, a receivable and deferred inflows of resources have been recorded for property taxes levied for the future fiscal year.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary funds. All 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 expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment in the governmental funds.

Assets not leased or intangible right-to-use assets, having an original cost of \$10,000 or more are capitalized. Intangible right-to-use or lease assets with fair market value of total payments exceeding \$50,000 are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	50 years
Improvements other than buildings	30 - 50 years
Machinery and equipment	6 - 20 years
Infrastructure	50 years

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has pension and refunding items that qualify for reporting in this category. Resources related to pension and the deferred charge on refunding are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has levied property taxes for the future fiscal year and deferred inflows related to pensions, which qualifies for reporting in this category. Accordingly, the unavailable revenues, are reported in the governmental funds balance sheet, and the statement of net position for proprietary funds and the government-wide statements. These levied amounts are deferred and recognized as inflows of resources in the period that the amount becomes available.

Transactions Between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations in both Governmental and Proprietary Funds.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance/Net position

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

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

stricted resources to finance qualifying activities.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally constrained due to state or federal laws, or externally imposed conditions by grantors or creditors. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Assigned fund balance is constrained by the City Council's intent to be used for specific purposes. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Unassigned are residual balances in the General Fund. The City first utilizes restricted resources to finance qualifying activities. 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) and the rules of the Utah Money Management Council (the Council), a five-member body, appointed by the Governor of the State, which exercises oversight of public deposits and investments. Following are discussions of the City's exposure to various risks related to its cash management activities.

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured, up to a mandatory limit, by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2025, \$250,000 of the City's bank balances were insured and \$1,248,734 were uninsured and uncollateralized.

Investments. Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As with Deposits, the City's policy for managing custodial credit risk of investments is to adhere to the Money Management Act.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the City has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these does not entail any significant degree of judgment. Securities

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.

- Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and "brokered" or securitized certificates of deposit.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At June 30, 2025, the City had the following recurring fair value measurements.

Investments by fair value level	6/30/2025	Fair Value Measurements		
		Level 1	Level 2	Level 3
U.S. Bank Trustee Investments				
First American Government Obligation:	\$ 125,630	\$ -	\$ 125,630	\$ -
Utah State Treasurer's Pool	134,983	-	134,983	-
Total U.S. Bank Trustee Investments	260,613	-	260,613	-
PTIF	6,009,931	-	6,009,931	-
Total investments by fair value level	\$ 6,270,544	\$ -	\$ 6,270,544	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a "consensus price" or a weighted average price for each security. Moreton Asset Management receives market prices for these securities from a variety of industry standard data providers (e.g. Bloomberg), security master files from large financial institutions, and other third-party sources. Moreton Asset Management uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, U.S. Agencies: quoted prices for identical securities in markets that are active.

Debt and equity securities classified in Level 2 are valued using the following approaches. Some securities have a structure that implies a standard expected market price. Examples include a floating-rate note with frequent resets that make it reasonable to expect the price to stay at par or an open ended money market fund expected to maintain a Net Asset Value of \$1 per share. These securities are priced at the expected market price.

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund; and,

As of June 30, 2025, the City's fair value investments in the PTIF were \$11,909 more than the amortized cost of \$5,998,023. The City's investments have been adjusted to show this increase in value. As of June 30, 2025, the City's \$6,009,931 investment in the PTIF had an average adjusted maturity of less than one year.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Cedar Hills City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investments securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poor's; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rate "A" or higher by two nationally recognized statistical rating organizations defined in the Act.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Cedar Hills City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

At June 30, 2025, Cedar Hills City does not hold more than 10 percent of total investments in any single security concentration other than U. S. Government Treasuries and Agencies.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Cedar Hills City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Cedar Hills City does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurers fund are to be held by a third party with securities delivered on a delivery vs. purchase basis.

The City's cash and cash equivalents include \$456,446 of restricted cash. The City has \$545 restricted for water improvements, \$137,969 restricted for street impact fees, \$260,068 restricted for debt service, \$50,264 for street maintenance, and \$7,600 for other purposes.

NOTE 3 – WATER SHARES

At June 30, 2025, the City had water shares recorded at \$3,311,559. The water shares are stated at cost. Utah State law allows the trading of water shares but precludes the sale or disposition of water shares or rights acquired or otherwise controlled by the City.

NOTE 4 – ACCOUNTS RECEIVABLE

Net accounts receivable of \$284,598 for all proprietary funds includes an allowance for doubtful accounts of \$113,189. The City established an allowance for accounts that may not be collectible. Net accounts receivable of \$79,863 for the governmental funds includes an allowance for doubtful accounts of \$17,800.

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES

The City has \$531,488 of intergovernmental receivables at June 30, 2025 in the governmental funds resulting from \$377,459 due in sales tax revenue, \$88,480 due in Class C Road Funds, \$33,552 due in highway sales tax revenue, \$9,239 in public transit sales tax, \$4,095 in telecommunication taxes, and \$18,662 in PARC tax revenue. The City has \$176,696 of intergovernmental funds at June 30, 2025 in the proprietary funds resulting from \$176,696 ARPA water meter grant from the State of Utah Board of Water Resources.

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the City to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft,

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

damage, and other losses. A minimal deductible applies to these policies which the City pays in the event of any loss. There have been no significant reductions in the coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The City also has purchased a workers' compensation policy.

NOTE 7 – INTERFUND ACTIVITY

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 27,000	\$ -
Capital Projects Fund	-	27,000
Total	<u>\$ 27,000</u>	<u>\$ 27,000</u>

During the year ended June 30, 2025, the City made the following significant transfers: .A transfer of \$27,000 from the Capital Projects fund to the General fund to fund \$15,000 Creekside Theater PARC tax allocation and to \$12,000 for Harvey park equipment.

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 9,040,148	\$ -	\$ -	\$ 9,040,148
Construction in progress	51,614	70,444	-	122,058
Total capital assets not being depreciated	9,091,762	70,444	-	9,162,206
Capital assets being depreciated:				
Buildings	4,380,043	65,024	-	4,445,067
Improvements	21,776,828	37,046	-	21,813,874
Vehicles	1,103,320	39,523	(34,728)	1,108,115
Equipment	1,041,752	39,096	-	1,080,848
Intangible right-to-use or leased equipment	660,047	-	-	660,047
Infrastructure	17,454,193	12,953	-	17,467,146
Total capital assets being depreciated	46,416,183	193,642	(34,728)	46,575,097
Accumulated depreciation for:				
Buildings	(1,350,252)	(93,556)	-	(1,443,808)
Improvements	(6,839,485)	(802,900)	-	(7,642,385)
Vehicles	(535,622)	(107,279)	24,117	(618,784)
Equipment	(636,035)	(86,031)	-	(722,066)
Intangible right-to-use or leased equipment	-	(132,009)	-	(132,009)
Infrastructure	(4,256,098)	(454,385)	-	(4,710,483)
Total accumulated depreciation	(13,617,492)	(1,676,160)	24,117	(15,269,535)
Total capital assets being depreciated, net	32,798,691	(1,482,518)	(10,611)	31,305,562
Total governmental activity capital assets, net	\$ 41,890,453	\$ (1,412,074)	\$ (10,611)	\$ 40,467,768

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Water Stock	\$ 3,311,559			\$ 3,311,559
Construction in progress	3,843,584	66,578	(3,843,584)	66,578
Total capital assets not being depreciated	7,155,143	66,578	(3,843,584)	3,378,137
Capital assets being depreciated:				
Buildings	1,955,127	-	-	1,955,127
Vehicles	298,132	-	-	298,132
Water, sewer, and storm drain systems	36,382,150	6,969,297		43,351,447
Total capital assets being depreciated	38,635,409	6,969,297	-	45,604,706
Accumulated depreciation for:				
Buildings	(703,232)	(38,618)		(741,850)
Vehicles	(229,810)	(37,266)		(267,076)
Water, sewer, and storm drain systems	(14,602,003)	(1,000,149)		(15,602,152)
Total accumulated depreciation	(15,535,045)	(1,076,033)	-	(16,611,078)
Total capital assets being depreciated, net	23,100,364	5,893,264	-	28,993,628
Total business-type activity capital assets, net	\$ 30,255,507	\$ 5,893,264	\$ -	\$ 32,371,765
Governmental activities:				
General government			\$ 18,510	
Streets and public works			455,330	
Parks and recreation			1,067,444	
Depreciation on capital assets of the City's internal service funds charged to the various functions based on their usage of the assets			134,876	
Total depreciation expense - governmental activities			\$ 1,676,160	
Business-type activities:				
Water and sewer			\$ 1,076,033	
Total depreciation expense - business-type activities			\$ 1,076,033	

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

NOTE 9 – LONG-TERM DEBT

The general obligation debt limit for the City is \$118,836,381 and the legal debt margin is \$115,415,302 based on \$3,105,000 in general obligation debt and bond premiums of \$33,710. The City also had \$5,771,000 in other debt at June 30, 2025.

General Obligation Bonds	Governmental	Business-Type
\$5,570,000 General Obligation Refunding Bond, Series 2012 due in annual installments on February 1 of \$280,000 to \$350,000. Interest at 2.00% to 3.00% is due in semi-annual payments on February 1 and August 1, secured by the revenues all available resources, including tax revenues.	\$ 3,105,000	
Total general obligation bonds	\$ 3,105,000	\$ -

Utility Revenue Bonds

\$4,633,000 Utility Revenue Bonds, Series 2014 due in annual installments on March 1 of \$321,000 to \$364,000. Interest at 2.68% due in semi-annual payments on March 1 and September 1.		2,039,000
\$936,000 Utility Revenue Bonds, Series 2022 due in annual installments on March 1 of \$191,000 to \$195,000. Interest at 2.214% due in semi-annual payments on March 1 and September 1.		386,000
\$655,000 Utility Revenue Bonds, Series 2023 due in annual installments on March 1 of \$34,000 to \$50,000. Interest at 1% due in annual payments on March 1.		621,000
\$2,725,000 Utility Revenue Bonds, Series 2024 due in annual installments on March 1 of \$0 to \$331,000. Interest at 3.55% to 4.90% due in annual payments on March 1.		2,725,000
Total revenue bonds	\$ -	\$ 5,771,000
Total debt	\$ 3,105,000	\$ 5,771,000

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Utah Infrastructure Agency (UIA) issued \$5,965,000 Telecommunications, Franchise & Sales Tax Revenue Bonds, Series 2022 between 4% and 4.25% over 30 years April 28, 2022 for their Cedar Hills fiber optic project. The city was required to pledge the taxes as backup funding, if the resident user fees collected by UIA don't cover the debt service for average annual payments of \$360,000. Any contributions by the city will be repaid by UIA after the debt service is paid off. Debt reserves are set aside during the installation phase to cover debt service, which is expected be two years.

Long-term liabilities other than debt related to governmental activities they are liquidated in the following funds. For the liability related to pensions, the general fund normally liquidates 62 percent, and the Golf fund normally liquidates 38 percent. For the liability related to compensated absences the general fund normally liquidates 55 percent, and the Golf fund normally liquidates 45 percent.

Transactions for the year ended June 30, 2025 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 3,380,000	\$ -	\$ (275,000)	\$ 3,105,000	\$ 280,000
Unamortized premiums	41,079	-	(7,369)	33,710	-
Net general obligation bonds	3,421,079	-	(282,369)	3,138,710	280,000
Leases	660,047	-	(114,253)	545,794	122,512
Net pension liability	153,713	82,856	-	236,569	-
Compensated absences	131,293	93,755	(75,016)	150,032	75,016
Total governmental activity long-term liabilities	<u>\$ 4,366,132</u>	<u>\$ 176,611</u>	<u>\$ (471,638)</u>	<u>\$ 4,071,105</u>	<u>\$ 477,528</u>
Business-type activities:					
Utility revenue bonds from direct placements	\$ 6,304,000	\$ -	\$ (533,000)	\$ 5,771,000	\$ 546,000
Net pension liability	121,072	45,479	-	166,551	-
Compensated absences	64,049	38,461	(34,170)	68,340	34,170
Total business-type activity long-term liabilities	<u>\$ 6,489,121</u>	<u>\$ 83,940</u>	<u>\$ (567,170)</u>	<u>\$ 6,005,891</u>	<u>\$ 580,170</u>

The 2012 General Obligation Bonds—property taxes pledged over the next 10 years (until the bond matures in 2035) are \$3,612,000 (total principal and interest until maturity). The proportion of the pledged to the revenue stream is ~30% (Debt service of \$360,000 each year by property tax revenue of ~\$1,200,000).

The 2014 Utility Revenue Bonds are direct placements related to business-type activities secured by related utility fees pledged over the next 6 years (until bond matures in 2031) is \$2,234,292 (total principal and interest until maturity). ~29% of net revenues (Debt Service of \$375,000 each year by net revenues of \$1,300,000).

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

The 2022 Utility Revenue Bonds are a direct placements related to business-type activities secured by related utility fees pledged over the next 3 years (until bond matures in 2027) is \$398,863 (total principal and interest until maturity). ~15% of net revenues (Debt Service of \$200,000 each year by net revenues of \$1,300,000).

The 2023 Utility Revenue Bonds are direct placements related to business-type activities secured by related utility fees pledged over the next 15 years (until bond matures in 2039) is \$670,590 (total principal and interest until maturity). ~4% of net revenues (Debt Service of \$51,000 each year by net revenues of \$1,300,000).

The 2024 Utility Revenue Bonds are direct placements related to business-type activities secured by related utility fees pledged over the next 15 years (until bond matures in 2039) is \$3,895,052 (total principal and interest until maturity). ~27% of net revenues (Debt Service of \$347,000 each year by net revenues of \$1,300,000).

Revenue bonds future debt service requirements:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026			\$ 546,000	\$ 184,551
2027			555,000	171,380
2028			370,000	158,002
2029			379,000	148,674
2030			622,000	139,122
2031-2035			1,860,000	471,191
2036-2039			1,439,000	154,876
Total	\$ -	\$ -	\$ 5,771,000	\$ 1,427,796

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

General obligation bonds future debt service requirements:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 280,000	\$ 82,820		
2027	285,000	77,220		
2028	290,000	71,520		
2029	295,000	65,140		
2030	300,000	58,650		
2031-2035	1,655,000	151,650		
Total	\$ 3,105,000	\$ 507,000	\$ -	\$ -

NOTE 10 – NET POSITION

Net position at June 30, 2025 consisted of the following:

	Governmental	Business-Type
Net investment in capital assets		
Net capital assets	\$ 40,467,768	\$ 32,371,765
Add: Deferred outflow related to refunding	144,889	36,676
Less: Outstanding debt issued	(3,684,504)	(5,770,455)
Net investment in capital assets	36,928,153	26,637,986
Restricted for:		
Debt service	-	260,068
Streets	188,233	-
Water and sewer improvements	-	545
Other purposes	-	7,600
Total restricted net position	188,233	268,213
Unrestricted net position	5,133,601	1,700,803
Total net position	\$ 42,249,987	\$ 28,607,002

(Continue on to next page)

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

NOTE 11 – RETIREMENT PLANS/PENSIONS

The City contributes to the Local Governmental Noncontributory and Contributory Retirement Systems which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). The Tier 2 Contributory Retirement System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the URS, are members of the Tier 2 Retirement Systems. The Systems provide retirement benefits, annual cost of living allowances, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The System is established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1958 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the System, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board), whose members are appointed by the Governor.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement System, 560 East 200 South, Salt Lake City, Utah, 84102, or by visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age	2.0% per year all years	Up to 4.0%
		25 years any age*		
		20 years age 60*		
		10 years age 62*		
		4 years age 65		
Tier 2 Public Employees System	Highest 5 years	35 years any age	1.5% per year all years	Up to 2.5%
		20 years age 60*		
		10 years age 62*		
		4 years age 65		

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actu-

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

al Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 Local government Div - Tier 2	0.70%	15.19%	N/A
Noncontributory System			
15 Local government Div - Tier 1	N/A	16.97%	N/A
Tier 2 DC Only			
211 Local Government	N/A	5.19%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

The City's contributions to the Noncontributory System for the years ending June 30, 2025, 2024, and 2023 were \$180,861, \$184,355, and \$176,355, respectively. The contributions were equal to the required contributions for each year. The City's contribution to the contributory plan for the year ending June 30, 2025, 2024, and 2023, were \$105,531, \$89,046, and \$69,904. The City's contribution to the Tier 2 DC Only for the years ending June 30, 2025, 2024, and 2023 were \$9,794, \$8,355, and \$9,687. Contributions in Tier 2 systems are used to finance the unfunded liabilities in the Tier 1 systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$403,120.

	(Measurement Date): December 31, 2024				December 31, 2023	
Utah Retirement Systems (URS)	Net Pension Asset	Net Pension Liability	Proportionate Share		Proportionate Share	Change (Decrease)
Noncontributory System						
15 Local government Div - Tier 1	\$ -	\$ 342,033	0.1078594%		0.1022453%	0.0056141 %
Contributory System						
111 Local government Div - Tier 2	-	61,087	0.0204825%		0.0193292%	0.0011533 %
Total	\$ -	\$ 403,120				

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to URS during the plan year over the total of all employer contributions to the URS during the plan year.

For the year ended June 30, 2025, we recognized pension expense of \$381,944.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,212	\$ 421
Changes in assumptions	48,695	6
Net difference between project and actual earnings on pension plan and investments	106,931	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,704	5,288
Contributions subsequent to the measurement date	151,918	-
Total	\$ 548,460	\$ 5,715

\$151,918 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025 \$	200,820
2026	198,156
2027	(37,086)
2028	(1,820)
2029	13,732
Thereafter	17,024

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$315,160. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 203,803	\$ -
Changes in assumptions	28,293	-
Net difference between project and actual earnings on pension plan and investments	103,026	-
Changes in proportion and differences between contributions and proportionate share of contributions	574	4,199
Contributions subsequent to the measurement date	92,537	-
Total	\$ 428,233	\$ 4,199

\$92,537 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025 \$	193,712
2026	187,223
2027	(41,805)
2028	(7,634)
2029	-
Thereafter	-

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$66,784. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,408	\$ 421
Changes in assumptions	20,402	6
Net difference between project and actual earnings on pension plan and investments	3,904	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,132	1,090
Contributions subsequent to the measurement date	59,381	-
Total	\$ 120,227	\$ 1,517

\$59,380 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025 \$	7,108
2026	10,933
2027	4,719
2028	5,814
2029	13,732
Thereafter	17,024

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Actuarial assumptions: The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.5 - 9.5 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity Securities	35.00%	7.01%	2.45%
Debt Securities	20.00%	2.54%	0.51%
Real Assets	18.00%	5.45%	0.98%
Private Equity	12.00%	10.05%	1.21%
Absolute Return	15.00%	4.36%	0.65%
Cash and Cash Equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		8.30%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,446,526	\$ 342,035	\$ (584,276)
Tier 2 Public Employees System	182,452	61,087	(33,323)
Total	\$ 1,628,978	\$ 403,122	\$ (617,599)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 12 – DEFERRED COMPENSATION PLANS

The City of Cedar Hills offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code* Section 457 and a 401(k) plan. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants or their beneficiaries by Utah Retirement Systems.

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

Compensation Plans	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 21,570	\$ 16,775	\$ 16,167
Employee Contributions	65,182	57,029	45,624
457 Plan			
Employer Contributions	113,059	100,448	73,824
Employee Contributions	81,972	85,762	79,111
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	30,766	31,583	31,887

NOTE 13 – SUPPLY CONTRACT ARRANGEMENT

On June 10, 1997, the City entered into an agreement with Central Utah Water Conservancy District to use 710 acre feet of municipal and industrial project water. The City received a 100-acre foot allotment during August 2002, August 2003, two allotments in September 2003 and the remaining 310 acre foot allotment in August 2007, for a total of 710 acre feet. The total cost of the water is \$4,529,812, financed at 3% interest, payable in 40–45 annual installments. The annual installment payment is determined at the current price per acre foot times the number allotted. The City began payment for all 710 acre feet in 2008. The City paid \$105,972 for using the allotments in 2025. The City could cancel or reduce this agreement at anytime, if it determines it no longer needs as much supplementary water due to substantial usage reductions.

Year Ended June 30,	Total	Year Ended June 30,	Total
2026	\$ 105,972	2031-2035	\$ 529,860
2027	105,972	2036-2040	529,860
2028	105,972	2041-2045	529,860
2029	105,972	2046-2047	164,207
2030	105,872		
		Total	\$ 2,283,547

CITY OF CEDAR HILLS

Notes to Financial Statements June 30, 2025

NOTE 14 – LEASES

On June 25, 2024, the City entered into a 60-month agreement and payments began July 2024 to Zions Credit Corporation. The lease agreement pays for 78 electric golf carts and GPS software at \$13,070 a month. The following is a schedule by year of future minimum lease payments required under operating lease agreements:

Purpose	Interest Rates	Amount	Leases payable outstanding as of
78 Golf Carts & GPS	7.00%	\$ 545,794	June 30, 2025, are as follows:
Total		<u>\$ 545,794</u>	

Year Ended June 30,	Governmental Activities		Leases payable debt service requirements to maturity are as follows:
	Principal	Interest	
2026	\$ 122,512	\$ 34,325	
2027	131,369	25,468	
2028	140,865	15,971	
2029	151,048	5,788	
Total	<u>\$ 545,794</u>	<u>\$ 81,552</u>	

REQUIRED SUPPLEMENTARY INFORMATION





CITY OF CEDAR HILLS

Required Supplementary Information Schedule of the Proportionate Share of the Net Pension Liability Last Ten Years

	For the year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its cover-employee payroll	Plan fiduciary net position as a percentage of the total pension liability/(asset)
Noncontributory System	2015	0.1112910%	\$ 629,739	\$ 929,189	67.77%	87.80%
	2016	0.1102801%	708,133	962,934	73.54%	87.30%
	2017	0.1036686%	454,203	898,962	50.53%	91.90%
	2018	0.1016374%	748,430	886,661	84.41%	87.00%
	2019	0.0961929%	362,538	823,183	44.04%	93.70%
	2020	0.0968759%	49,692	782,757	6.35%	99.20%
	2021	0.1035593%	(593,095)	872,021	-68.01%	108.70%
	2022	0.1145589%	196,211	1,032,679	19.00%	97.50%
	2023	0.1022453%	237,165	958,337	24.75%	96.90%
	2024	0.1078594%	342,035	1,026,534	33.32%	96.02%
Tier 2 Public Employees System	2015	0.0268669%	\$ (59)	\$ 173,564	-0.03%	100.20%
	2016	0.0191998%	2,142	157,454	1.36%	95.10%
	2017	0.0173892%	1,533	170,427	0.90%	97.40%
	2018	0.0147242%	6,306	171,558	3.68%	90.80%
	2019	0.0188351%	4,236	261,485	1.62%	96.50%
	2020	0.0243057%	3,496	388,871	0.90%	98.30%
	2021	0.0201285%	(8,519)	373,890	-2.28%	103.80%
	2022	0.0200899%	21,876	438,719	4.99%	92.30%
	2023	0.0193292%	37,622	499,724	7.53%	89.58%
	2024	0.0204825%	61,087	606,397	10.07%	87.44%

CITY OF CEDAR HILLS
Required Supplementary Information
Schedule of Contributions
Last Ten Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiencies (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	\$ 174,603	\$ 174,603	\$ -	\$ 945,336	18.47%
	2017	171,764	171,764	-	934,916	18.37%
	2018	165,986	165,986	-	898,679	18.47%
	2019	159,394	159,394	-	862,989	18.47%
	2020	145,869	145,869	-	789,765	18.47%
	2021	147,455	147,455	-	798,351	18.47%
	2022	177,920	177,920	-	963,290	18.47%
	2023	176,355	176,355	-	981,389	17.97%
	2024	184,355	184,355	-	1,025,904	17.97%
	2025	180,861	180,861	-	1,065,770	16.97%
Tier 2 Public Employees System(1)	2016	\$ 23,972	\$ 23,972	\$ -	\$ 160,768	14.91%
	2017	26,113	26,113	-	175,139	14.91%
	2018	23,951	23,951	-	158,611	15.10%
	2019	31,402	31,402	-	202,071	15.54%
	2020	57,319	57,319	-	366,024	15.66%
	2021	58,530	58,530	-	370,441	15.80%
	2022	65,095	65,095	-	405,083	16.07%
	2023	69,904	69,904	-	436,760	16.01%
	2024	89,046	89,046	-	556,187	16.01%
	2025	105,531	105,531	-	694,888	15.19%
Tier 2 Public Employees DC Only System(1)	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	-	-	-	-	0.00%
	2018	1,179	1,179	-	17,620	6.69%
	2019	3,716	3,716	-	55,540	6.69%
	2020	4,401	4,401	-	65,787	6.69%
	2021	9,726	9,726	-	145,380	6.69%
	2022	9,582	9,582	-	143,237	6.69%
	2023	9,687	9,687	-	158,614	6.11%
	2024	8,355	8,355	-	134,974	6.19%
	2025	9,794	9,794	-	188,703	5.19%

Note(s):

- (1) Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 retirement. Tier 2 systems were created July 1, 2011.
- (2) Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

SUPPLEMENTARY INFORMATION





CITY OF CEDAR HILLS

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Current property taxes	\$ 761,465	\$ 761,465	\$ 766,207	\$ 4,742
Delinquent property taxes	30,000	30,000	36,583	6,583
Penalty & interest on property taxes	2,000	2,000	4,071	2,071
Motor vehicle taxes	60,000	60,000	58,185	(1,815)
Fee in lieu of taxes	3,000	3,000	670	(2,330)
Sales taxes	2,069,000	2,069,000	2,124,525	55,525
Highway sales taxes	171,000	171,000	183,101	12,101
Public transit sales taxes	46,000	71,000	73,741	2,741
Franchise taxes	485,000	485,000	457,537	(27,463)
Telecom taxes	25,000	25,000	24,479	(521)
Total	3,652,465	3,677,465	3,729,099	51,634
Licenses and permits				
Building permits	50,000	93,000	103,272	10,272
Plan check fees	30,000	40,000	44,314	4,314
Other licenses and permits	16,000	17,000	18,151	1,151
Total	96,000	150,000	165,737	15,737
Intergovernmental revenue				
Class C Roads	377,000	427,000	457,640	30,640
Other	18,000	13,000	13,584	584
Total	395,000	440,000	471,224	31,224
Fees				
Garbage fees	490,000	490,000	494,994	4,994
Recycling fees	215,000	215,000	209,504	(5,496)
Passports	155,000	165,000	171,443	6,443
American Fork Public Safety Fee	290,000	290,000	302,248	12,248
Other	20,000	20,000	21,957	1,957
Total	1,170,000	1,180,000	1,200,146	20,146
Recreation and culture revenue				
Family festival income	45,000	45,000	45,437	437
Cell tower leasing	26,000	2,000	-	(2,000)
Recreation programs	200,000	200,000	199,729	(271)
Recreation Classes	10,000	30,000	25,778	(4,222)
Park Reservations	15,000	15,000	19,940	4,940
Other	3,000	3,000	5,718	2,718
Total	299,000	295,000	296,602	1,602
Miscellaneous revenues				
Interest earnings	55,000	72,000	75,820	3,820
Other revenue	25,000	45,000	64,259	19,259
Total	80,000	117,000	140,079	23,079
Total revenues	5,692,465	5,859,465	6,002,887	143,422

(Continues on to next page)

CITY OF CEDAR HILLS

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Continued) General Fund Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
General government				
Mayor & council	95,117	95,117	87,699	7,418
Administrative operations	314,972	311,817	306,976	4,841
City Recorder	105,006	105,006	97,974	7,032
Finance	215,199	215,199	201,226	13,973
Other materials, supplies, and contracted services	302,982	355,482	341,056	14,426
Total	1,033,276	1,082,621	1,034,931	47,690
Public safety				
Police department	1,000,000	990,000	990,000	-
Fire department	1,200,000	1,200,000	1,199,184	816
Other	96,198	89,598	77,692	11,906
Total	2,296,198	2,279,598	2,266,876	12,722
Streets and public works				
Building and zoning	149,519	147,974	134,971	13,003
Public works	106,002	129,002	115,301	13,701
Streets	840,978	843,978	725,074	118,904
Total	1,096,499	1,120,954	975,346	145,608
Solid waste and recycling				
Solid Waste	450,000	450,000	447,141	2,859
Recycling	180,000	180,000	173,822	6,178
Other	1,000	1,000	588	412
Total	631,000	631,000	621,551	9,449
Parks and recreation				
Parks	527,788	532,188	479,357	52,831
Community services	338,299	373,299	348,714	24,585
Library	24,000	24,000	21,600	2,400
Total	890,087	929,487	849,671	79,816
Total expenditures	5,947,060	6,043,660	5,748,375	295,285
Excess of revenues over expenditures	(254,595)	(184,195)	254,512	438,707
Other financing sources(uses)				
Proceeds from sale of capital assets	-	53,000	53,036	36
Transfers in	27,000	27,000	27,000	-
Transfers out	-	-	-	-
Total other financing sources(uses)	27,000	80,000	80,036	36
Net change in fund balance	(227,595)	(104,195)	334,548	438,743
Fund balance at beginning of year	1,634,494	1,634,494	1,634,494	-
Fund balance at end of year	\$ 1,406,899	\$ 1,530,299	\$ 1,969,042	\$ 438,743

*The net change in fund balances was included as an appropriation(i.e., spenddown) of fund balance.

CITY OF CEDAR HILLS

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Golf Special Revenue Fund Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees:				
Green Fees	\$ 1,102,000	\$ 1,478,000	\$ 1,530,066	\$ 52,066
Short Course	70,000	80,000	95,113	15,113
Pro shop	174,000	194,000	226,526	32,526
Golf concessions	23,000	23,000	29,417	6,417
Season passes	145,000	185,000	195,545	10,545
Events rentals & concessions	306,600	331,600	332,536	936
Investment earnings	5,000	5,000	27,738	22,738
Miscellaneous	-	4,000	4,727	727
Total revenues	1,825,600	2,300,600	2,441,668	141,068
EXPENDITURES				
Parks and recreation				
Salaries, wages, and employee benefits	1,017,003	1,023,003	949,385	73,618
Materials, supplies, and services	606,956	798,956	729,994	68,962
Capital outlay	34,000	84,000	48,177	35,823
Debt Service				
Principal	156,949	110,949	114,253	(3,304)
Interest	-	46,000	42,584	3,416
Total	1,814,908	2,062,908	1,884,393	178,515
Excess (deficiency) of revenues over (under) expenditures	10,692	237,692	557,275	319,583
Fund balance at beginning of year	491,466	491,466	491,466	-
Fund balance at end of year	\$ 502,158	\$ 729,158	\$ 1,048,741	\$ 319,583

CITY OF CEDAR HILLS

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Golf Debt Service Fund Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
Current property taxes	\$ 306,000	\$ 306,000	\$ 307,801	\$ 1,801
Delinquent property taxes	12,000	12,000	14,696	2,696
Penalty & Interest on property taxes	500	500	1,635	1,135
Motor vehicle taxes	23,000	23,000	23,374	374
Total tax revenues	341,500	341,500	347,506	6,006
Investment earnings	-	-	2,447	2,447
Total revenues	341,500	341,500	349,953	8,453
EXPENDITURES				
Debt Service:				
Principal	275,000	275,000	275,000	-
Interest	88,320	88,320	88,320	-
Trustee fees	425	425	425	-
Total expenditures	363,745	363,745	363,745	-
Excess (deficiency) of revenues over (under) expenditures	(22,245)	(22,245)	(13,792)	8,453
Fund balance at beginning of year	71,176	71,176	71,176	-
Fund balance at end of year	\$ 48,931	\$ 48,931	\$ 57,384	\$ 8,453

*The net change in fund balances was included as an appropriation(i.e., spenddown) of fund balance.

CITY OF CEDAR HILLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Capital Projects Fund Year Ended June 30, 2025

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Impact fees:				
Park development	\$ 4,512	\$ 4,512	\$ 4,512	\$ -
Public safety	2,413	2,413	990	(1,423)
Streets	2,500	2,500	1,250	(1,250)
PARC taxes	93,000	93,000	95,699	2,699
Investment earnings	50,000	50,000	83,784	33,784
Grant revenues	5,000	5,000	-	(5,000)
Total revenues	<u>157,425</u>	<u>157,425</u>	<u>186,235</u>	<u>28,810</u>
EXPENDITURES				
Capital Outlay				
General government	1,400,000	400,000	25,187	374,813
Streets and public works	270,000	270,000	74,155	195,845
Parks and recreation	125,000	119,000	92,989	26,011
Total expenditures	<u>1,795,000</u>	<u>789,000</u>	<u>192,331</u>	<u>596,669</u>
Excess (deficiency) of revenues over expenditures	(1,637,575)	(631,575)	(6,096)	625,479
Other financing sources(uses)				
Transfers out	(27,000)	(27,000)	(27,000)	-
Total other financing sources(uses)	<u>(27,000)</u>	<u>(27,000)</u>	<u>(27,000)</u>	<u>-</u>
Net change in fund balances	(1,664,575)	(658,575)	(33,096)	625,479
Fund balance at beginning of year	<u>2,190,619</u>	<u>2,190,619</u>	<u>2,190,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 526,044</u>	<u>\$ 1,532,044</u>	<u>\$ 2,157,523</u>	<u>\$ 625,479</u>

*The net change in fund balances was included as an appropriation(i.e., spenddown) of fund balance.

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STATISTICAL SECTION



STATISTICAL SECTION

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CITY OF CEDAR HILLS

Net Position By Component Last Ten Years (accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$ 29,479,348	\$ 29,379,254	\$ 30,960,680	\$ 31,304,240
Restricted	1,748,889	1,637,585	974,200	1,054,641
Unrestricted	2,120,199	3,125,631	4,295,831	3,946,925
Total governmental activities net position	<u>\$ 33,348,436</u>	<u>\$ 34,142,470</u>	<u>\$ 36,230,711</u>	<u>\$ 36,305,806</u>
Business-type activities:				
Net investment in capital assets	\$ 17,693,371	\$ 17,985,338	\$ 18,331,560	\$ 18,758,007
Restricted	626,271	657,529	846,409	1,069,086
Unrestricted	2,269,291	2,242,558	2,152,704	2,021,822
Total business-type activities net position	<u>\$ 20,588,933</u>	<u>\$ 20,885,425</u>	<u>\$ 21,330,673</u>	<u>\$ 21,848,915</u>
Total City:				
Net investment in capital assets	\$ 47,172,719	\$ 47,364,592	\$ 49,292,240	\$ 50,062,247
Restricted	2,375,160	2,295,114	1,820,609	2,123,727
Unrestricted	4,389,490	5,368,189	6,448,535	5,968,747
Total City net position	<u>\$ 53,937,369</u>	<u>\$ 55,027,895</u>	<u>\$ 57,561,384</u>	<u>\$ 58,154,721</u>

Source: City statement of net position at June 30, 2016 through 2025.



2020	2021	2022	2023	2024	2025
\$ 34,507,212	\$ 34,368,981	\$ 35,245,740	\$ 36,558,866	\$ 37,985,887	\$ 36,928,153
689,812	512,035	623,510	845,961	468,354	188,233
2,522,061	4,169,711	4,508,809	4,679,921	3,974,925	5,133,601
<u>\$ 37,719,085</u>	<u>\$ 39,050,727</u>	<u>\$ 40,378,059</u>	<u>\$ 42,084,748</u>	<u>\$ 42,429,166</u>	<u>\$ 42,249,987</u>
\$ 22,122,790	\$ 22,525,190	\$ 22,835,776	\$ 24,795,468	\$ 26,309,332	\$ 26,637,986
282,571	257,258	282,572	664,083	236,475	268,213
945,331	1,839,575	2,382,951	1,381,630	1,555,556	1,700,803
<u>\$ 23,350,692</u>	<u>\$ 24,622,023</u>	<u>\$ 25,501,299</u>	<u>\$ 26,841,181</u>	<u>\$ 28,101,363</u>	<u>\$ 28,607,002</u>
\$ 56,630,002	\$ 56,894,171	\$ 58,081,516	\$ 61,354,334	\$ 64,295,219	\$ 63,566,139
972,383	769,293	906,082	1,510,044	704,829	456,446
3,467,392	6,009,286	6,891,760	6,061,551	5,530,481	6,834,404
<u>\$ 61,069,777</u>	<u>\$ 63,672,750</u>	<u>\$ 65,879,358</u>	<u>\$ 68,925,929</u>	<u>\$ 70,530,529</u>	<u>\$ 70,856,989</u>

CITY OF CEDAR HILLS

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 807,242	\$ 957,640	\$ 866,076	\$ 830,849
Public safety	1,168,200	1,158,970	1,163,075	1,423,778
Parks and recreation	1,827,222	1,857,780	1,916,110	1,970,872
Streets and public works	1,070,747	1,128,041	926,837	1,252,945
Solid waste and recycling	350,724	354,319	371,153	418,417
Interest on long-term debt	245,326	222,277	149,856	160,026
Total governmental activities	5,469,461	5,679,027	5,393,107	6,056,887
Business-type activities:				
Water and sewer	3,063,328	3,045,078	3,139,655	3,039,648
Total business-type activities	3,063,328	3,045,078	3,139,655	3,039,648
Total City expenses	<u>\$ 8,532,789</u>	<u>\$ 8,724,105</u>	<u>\$ 8,532,762</u>	<u>\$ 9,096,535</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 98,178	\$ 147,323	\$ 164,031	\$ 188,872
Public safety	184,400	186,590	187,190	219,664
Parks and recreation	1,186,748	1,211,239	1,197,152	1,211,824
Streets and public works	247,480	175,803	122,287	144,391
Solid waste and recycling	463,175	474,987	483,651	529,987
Operating grants and contributions	380,710	425,784	425,858	447,365
Capital grants and contributions	344,932	92,672	72,391	117,008
Total governmental activities	2,905,623	2,714,398	2,652,560	2,859,111
Business-type activities:				
Charges for services:				
Water and sewer	3,552,420	3,273,216	3,372,627	3,448,326
Capital grants and contributions	321,142	154,947	42,575	20,608
Total business-type activities	3,873,562	3,428,163	3,415,202	3,468,934
Total City program revenues	<u>\$ 6,779,185</u>	<u>\$ 6,142,561</u>	<u>\$ 6,067,762</u>	<u>\$ 6,328,045</u>



2020	2021	2022	2023	2024	2025
\$ 794,600	\$ 741,397	\$ 843,294	\$ 846,390	\$ 1,061,928	\$ 1,025,230
1,397,771	1,444,408	1,476,951	1,362,119	1,438,268	2,266,876
1,891,342	2,305,939	2,472,412	2,871,238	2,985,940	3,638,007
1,166,220	1,544,837	1,365,555	1,201,307	1,857,438	1,466,438
444,247	429,530	490,705	524,017	585,090	621,551
152,825	145,815	146,101	133,422	122,465	152,470
5,847,005	6,611,926	6,795,018	6,938,493	8,051,129	9,170,572
3,345,923	3,248,038	3,257,313	3,575,320	3,654,658	4,304,265
3,345,923	3,248,038	3,257,313	3,575,320	3,654,658	4,304,265
\$ 9,192,928	\$ 9,859,964	\$ 10,052,331	\$ 10,513,813	\$ 11,705,787	\$ 13,474,837
\$ 159,623	\$ 177,897	\$ 217,705	\$ 218,279	\$ 231,596	\$ 269,748
220,303	238,320	240,000	11,402	15,788	315,832
1,306,626	1,587,262	1,836,044	2,022,626	2,460,005	2,682,733
177,236	385,397	211,237	201,892	137,599	153,647
559,825	589,242	613,961	632,531	644,363	704,498
724,650	747,247	389,115	429,797	437,669	485,440
707,024	518,438	746,193	834,471	102,554	19,705
3,855,287	4,243,803	4,254,255	4,350,998	4,029,574	4,631,603
3,541,590	3,768,286	3,666,238	3,738,280	3,910,114	4,245,226
1,264,073	741,069	471,777	1,114,132	889,748	442,948
4,805,663	4,509,355	4,138,015	4,852,412	4,799,862	4,688,174
\$ 8,660,950	\$ 8,753,158	\$ 8,392,270	\$ 9,203,410	\$ 8,829,436	\$ 9,319,777

CITY OF CEDAR HILLS

Changes in Net Position (Continued) Last Ten Years

(accrual basis of accounting)

	2016	2017	2018	2019
Net (expense) revenue:				
Governmental activities	\$ (2,563,838)	\$ (2,964,629)	\$ (2,740,547)	\$ (3,197,776)
Business-type activities	810,234	383,085	275,547	429,286
Total City net (expense) revenue	<u>\$ (1,753,604)</u>	<u>\$ (2,581,544)</u>	<u>\$ (2,465,000)</u>	<u>\$ (2,768,490)</u>
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 1,152,914	\$ 1,171,228	\$ 1,235,850	\$ 1,192,568
Sales taxes	1,248,838	1,309,420	1,400,723	1,448,328
Highway sales taxes	-	-	-	-
Public transit sales taxes	-	-	-	-
Franchise taxes	486,996	471,415	461,559	431,834
PARC taxes	43,757	34,151	13,601	55,974
Investment earnings	46,981	54,665	37,668	144,167
Miscellaneous	120,811	600,171	1,808,567	-
Transfers	116,032	117,613	(129,180)	-
Total governmental activities	3,216,329	3,758,663	4,828,788	3,272,871
Business-type activities:				
Investment earnings	19,594	31,020	40,521	88,956
Transfers	(116,032)	(117,613)	129,180	-
Total business-type activities	(96,438)	(86,593)	169,701	88,956
Total City general revenues and other changes in net position	<u>\$ 3,119,891</u>	<u>\$ 3,672,070</u>	<u>\$ 4,998,489</u>	<u>\$ 3,361,827</u>
Changes in Net Position:				
Governmental activities	\$ 652,491	\$ 794,034	\$ 2,088,241	\$ 75,095
Business-type activities	713,796	296,492	445,248	518,242
Total City changes in net position	<u>\$ 1,366,287</u>	<u>\$ 1,090,526</u>	<u>\$ 2,533,489</u>	<u>\$ 593,337</u>

Source City of Cedar Hills statements of activities for years ended June 30, 2016 through 2025.



2020	2021	2022	2023	2024	2025
\$ (1,991,718)	\$ (2,368,123)	\$ (2,540,763)	\$ (2,587,495)	\$ (4,021,555)	\$ (4,538,969)
1,459,740	1,261,317	880,702	1,277,092	1,145,204	383,909
<u>\$ (531,978)</u>	<u>\$ (1,106,806)</u>	<u>\$ (1,660,061)</u>	<u>\$ (1,310,403)</u>	<u>\$ (2,876,351)</u>	<u>\$ (4,155,060)</u>
\$ 1,181,389	\$ 1,200,008	\$ 1,203,977	\$ 1,194,816	\$ 1,204,733	\$ 1,210,919
1,546,816	1,810,195	1,993,518	2,099,236	2,110,675	2,124,525
130,277	155,434	173,599	182,859	183,377	183,101
-	-	-	-	38,471	73,741
416,781	429,241	450,510	511,894	504,746	482,016
63,057	76,657	83,770	93,652	96,869	95,699
66,677	28,230	(9,388)	211,727	227,102	189,789
-	-	-	-	-	-
-	-	-	-	-	-
3,404,997	3,699,765	3,895,986	4,294,184	4,365,973	4,359,790
42,037	10,014	(1,426)	62,790	114,978	121,730
-	-	-	-	-	-
42,037	10,014	(1,426)	62,790	114,978	121,730
<u>\$ 3,447,034</u>	<u>\$ 3,709,779</u>	<u>\$ 3,894,560</u>	<u>\$ 4,356,974</u>	<u>\$ 4,480,951</u>	<u>\$ 4,481,520</u>
\$ 1,413,279	\$ 1,331,642	\$ 1,355,223	\$ 1,706,689	\$ 344,418	\$ (179,179)
1,501,777	1,271,331	879,276	1,339,882	1,260,182	505,639
<u>\$ 2,915,056</u>	<u>\$ 2,602,973</u>	<u>\$ 2,234,499</u>	<u>\$ 3,046,571</u>	<u>\$ 1,604,600</u>	<u>\$ 326,460</u>

CITY OF CEDAR HILLS

Fund Balances, Governmental Funds Last Ten Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
General fund:				
Nonspendable				
Inventory and prepaid	\$ 453	\$ 26,763	\$ 31,428	\$ 2,512
Restricted	-	-	282,807	385,769
Committed	2,297	4,436	4,862	5,212
Assigned	-	-	-	-
Unassigned	963,319	963,198	701,890	597,801
Total general fund	<u>\$ 966,069</u>	<u>\$ 994,397</u>	<u>\$ 1,020,987</u>	<u>\$ 991,294</u>
All other governmental funds:				
Nonspendable				
Inventory and prepaid	\$ 37,138	\$ 42,265	\$ 47,883	\$ 154,679
Restricted	1,748,889	1,637,585	691,393	560,237
Committed	1,119,387	2,025,823	2,760,000	3,228,694
Assigned	142,978	125,335	724,402	46,993
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,048,392</u>	<u>\$ 3,831,008</u>	<u>\$ 4,223,678</u>	<u>\$ 3,990,603</u>
Total Fund Balances - Government Funds	<u>\$ 4,014,461</u>	<u>\$ 4,825,405</u>	<u>\$ 5,244,665</u>	<u>\$ 4,981,897</u>

Source: City of Cedar Hills balance sheets - governmental funds at December 31, 2016 through 2025.



2020	2021	2022	2023	2024	2025
\$ 31,127	\$ 1,077	\$ 603	\$ 4,044	\$ 43,561	\$ 17,199
445,619	200,999	264,546	376,350	31,978	50,264
-	-	-	-	-	-
-	-	462,430	718,184	718,933	709,125
1,372,715	1,438,590	910,684	735,818	840,022	1,192,454
<u>\$ 1,849,461</u>	<u>\$ 1,640,666</u>	<u>\$ 1,638,263</u>	<u>\$ 1,834,396</u>	<u>\$ 1,634,494</u>	<u>\$ 1,969,042</u>
\$ 52,946	\$ 41,113	\$ 102,868	\$ 98,027	\$ 120,122	\$ 104,558
244,193	261,036	262,838	331,589	378,876	137,969
894,297	2,432,602	2,373,104	2,565,921	1,825,419	790,000
302,149	331,905	576,919	365,012	428,844	2,231,121
-	-	-	-	-	-
<u>\$ 1,493,585</u>	<u>\$ 3,066,656</u>	<u>\$ 3,315,729</u>	<u>\$ 3,360,549</u>	<u>\$ 2,753,261</u>	<u>\$ 3,263,648</u>
<u>\$ 3,343,046</u>	<u>\$ 4,707,322</u>	<u>\$ 4,953,992</u>	<u>\$ 5,194,945</u>	<u>\$ 4,387,755</u>	<u>\$ 5,232,690</u>

CITY OF CEDAR HILLS

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues:				
Taxes	\$ 2,920,514	\$ 2,986,919	\$ 3,111,948	\$ 3,126,035
Licenses and permits	271,224	196,014	119,367	147,244
Intergovernmental	371,973	418,056	414,045	512,641
Charges for services	672,927	747,364	794,655	894,437
Fees	1,261,977	1,248,918	1,235,533	1,254,550
Investment earnings	46,981	54,665	37,666	144,168
Miscellaneous	61,268	73,554	55,635	50,238
Total revenues	5,606,864	5,725,490	5,768,849	6,129,313
Expenditures:				
General government	1,003,621	917,195	877,633	831,618
Public Safety	1,168,200	1,158,970	1,163,075	1,423,778
Streets and public works	701,674	731,830	554,617	1,014,954
Solid waste and recycling	350,724	354,319	371,153	418,417
Parks and recreation	1,448,810	1,886,063	4,265,596	2,290,512
Capital Outlay	28,350	105,744	109,986	73,932
Debt Service:				
Principal retirement	295,000	347,000	230,000	240,000
Interest and fiscal charges	214,440	172,146	129,529	123,870
Total expenditures	5,210,819	5,673,267	7,701,589	6,417,081
Excess of revenues over (under) expenditures	396,045	52,223	(1,932,740)	(287,768)
Other financing sources (uses):				
Proceeds from the sale of capital assets	120,811	641,108	2,428,233	25,000
Leases issued	-	-	-	-
Refunding bond issued	1,644,000	-	-	-
Payment to refund bond escrow agent	(1,826,562)	-	-	-
Transfers in	902,564	801,726	857,000	641,233
Transfers out	(786,532)	(684,113)	(933,233)	(641,233)
Total other financing sources (uses)	54,281	758,721	2,352,000	25,000
Net change in fund balances	\$ 450,326	\$ 810,944	\$ 419,260	\$ (262,768)
Debt service as a percentage of noncapital expenditures	10.35%	10.16%	7.49%	6.69%

Source: City of Cedar Hills statements of revenues, expenditures, and changes in fund balances - governmental funds for years ending December 31, 2016 through 2025.



2020	2021	2022	2023	2024	2025
\$ 3,335,681	\$ 3,678,645	\$ 3,908,235	\$ 4,078,101	\$ 4,139,726	\$ 4,172,304
179,324	388,446	218,066	160,693	143,858	165,737
727,540	758,442	983,606	1,028,995	437,431	471,224
893,382	956,782	1,015,304	807,669	828,924	1,200,146
1,387,790	1,803,770	1,997,114	2,100,047	2,492,577	2,712,557
66,677	28,230	(9,388)	211,727	227,102	189,789
49,718	24,816	40,165	84,620	115,776	68,986
6,640,112	7,639,131	8,153,102	8,471,852	8,385,394	8,980,743
811,430	811,987	910,285	922,805	1,066,553	1,034,931
1,397,771	1,444,408	1,476,951	1,362,119	1,438,268	2,266,876
1,167,419	1,122,884	943,586	843,872	1,408,563	975,346
444,247	429,530	490,705	524,017	585,090	621,551
4,103,526	2,024,080	3,540,322	3,907,092	2,240,147	2,529,050
-	77,696	71,542	204,344	2,677,484	240,508
240,000	250,000	346,601	359,840	372,867	389,253
119,070	114,270	117,549	106,810	98,659	131,329
8,283,463	6,274,855	7,897,541	8,230,899	9,887,631	8,188,844
(1,643,351)	1,364,276	255,561	240,953	(1,502,237)	791,899
4,500	-	19,000	-	35,000	53,036
-	-	-	-	660,047	-
-	-	-	-	-	-
-	-	-	-	-	-
294,000	1,759,000	1,140,000	1,415,000	865,000	27,000
(294,000)	(1,759,000)	(1,140,000)	(1,415,000)	(865,000)	(27,000)
4,500	-	19,000	-	695,047	53,036
\$ (1,638,851)	\$ 1,364,276	\$ 274,561	\$ 240,953	\$ (807,190)	\$ 844,935
6.87%	6.18%	8.01%	7.61%	6.54%	6.53%

CITY OF CEDAR HILLS

Assessed Value and Actual Value of Taxable Property Last Ten Years

Year Ended June 30,	Primary Residential Property	Secondary or Non-Residential Property	Less: Tax-Exempt Real Property (1)	Total Taxable Assessed Value	Total Taxable Assessed Value as a Percentage of Actual Value	Estimated Total Fair Market Value (2)	Total Direct Rate
2016	\$ 793,101,018	\$ 47,064,503	\$ 356,895,458	\$ 483,270,063	57.52%	\$ 840,165,521	0.002186
2017	864,794,600	49,219,722	389,157,570	524,856,752	57.42%	914,014,322	0.002024
2018	923,772,200	53,990,554	415,697,490	562,065,264	57.48%	977,762,754	0.001923
2019	1,011,028,200	63,395,154	454,962,690	619,460,664	57.66%	1,074,423,354	0.001737
2020	1,070,910,700	70,791,577	481,909,815	659,792,462	57.79%	1,141,702,277	0.001646
2021	1,190,030,084	77,796,938	535,513,538	732,313,484	57.76%	1,267,827,022	0.001495
2022	1,636,903,500	90,108,861	736,606,575	990,405,786	57.35%	1,727,012,361	0.001123
2023	1,614,636,000	88,648,141	726,586,200	976,697,941	57.34%	1,703,284,141	0.001148
2024	1,620,996,480	98,755,111	729,448,416	990,303,175	57.58%	1,719,751,591	0.001141
2025	N/A	N/A	N/A	N/A	N/A	N/A	0.001043

Source(s): Utah State Tax Commission--Entity Year-End Value Reports. Values and total direct rate at <http://www.taxrates.utah.gov>.

- Notes: (1) Statute 59-2-103 states 45% of the value of primary residential property is specifically exempt under the constitution of Utah.
 (2) Estimated actual value of real property is a net market value--property value subject to tax after reductions made for greenbelt, full or part exemptions.

CITY OF CEDAR HILLS

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30 (1)	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage
		Collected	of Levy		Collected (2)	of Levy
2016	\$ 1,005,624	\$ 999,343	99.38%	\$ 6,281	\$ 1,005,624	100.00%
2017	1,014,588	1,008,799	99.43%	5,789	1,014,588	100.00%
2018	1,021,694	1,013,405	99.19%	8,289	1,021,694	100.00%
2019	1,026,255	1,016,254	99.03%	10,001	1,026,255	100.00%
2020	1,036,621	1,027,310	99.10%	9,311	1,036,621	100.00%
2021	1,046,798	1,041,862	99.53%	4,456	1,046,318	99.95%
2022	1,053,703	1,044,152	99.09%	6,812	1,050,963	99.74%
2023	1,062,348	1,052,443	99.07%	6,772	1,059,214	99.71%
2024	1,067,465	1,062,270	99.51%	-	1,062,270	99.51%
2025	1,069,995	N/A	N/A	N/A	N/A	N/A

Source(s): County Treasurer Annual Tax Settlement

<http://utahcounty.gov/dept/treas/fiscalreport.html>

Notes:

- (1) Total tax levy is based on the City's proposed tax levy. The 2025 property tax levy collections were not available.
- (2) Amounts collected to do not include penalties and interest.

CITY OF CEDAR HILLS

Property Tax Rates - Direct and Overlapping Governments Last Ten Years (Per \$1 of Assessed/Taxable Value)

	2016	2017	2018	2019
City rates:				
General operations	0.001512	0.001406	0.001340	0.001219
Interest and sinking fund	0.000674	0.000618	0.000583	0.000518
	0.002186	0.002024	0.001923	0.001737
Utah County rates:				
General operations	0.000654	0.000611	0.000574	0.000527
Other	0.000180	0.000168	0.000158	0.000145
Assessing and collecting	0.000215	0.000190	0.000179	0.000248
	0.001049	0.000969	0.000911	0.000920
Alpine School district rates:				
Capital	0.000661	0.000613	0.000550	0.000505
GO bond payments	0.002967	0.002745	0.002524	0.002225
Levy	0.004090	0.003809	0.003959	0.003768
	0.007718	0.007167	0.007033	0.006498
Central Utah Water Conservancy District rate:				
Water conservancy	0.000400	0.000400	0.000400	0.000400
North Utah County Water Conservancy district rate:				
Water conservancy	0.000023	0.000021	0.000019	0.000017
Total direct rate	0.011376	0.010581	0.010286	0.009572

Source: website--www.taxrates.utah.gov



2020	2021	2022	2023	2024	2025
0.001160	0.001058	0.000797	0.000817	0.000814	0.000745
0.000486	0.000437	0.000326	0.000331	0.000327	0.000298
0.001646	0.001495	0.001123	0.001148	0.001141	0.001043
0.000904	0.000724	0.000561	0.000557	0.000554	0.000801
0.000137	0.000129	0.000100	0.000099	0.000098	0.000092
0.000161	0.000154	0.000126	0.000125	0.000109	0.000126
0.001202	0.001007	0.000787	0.000781	0.000761	0.001019
0.000529	0.000000	0.000000	0.000000	0.001410	0.001729
0.002305	0.002219	0.001714	0.001320	0.001231	0.000744
0.003966	0.002282	0.004010	0.004498	0.003774	0.003601
0.006800	0.004501	0.005724	0.005818	0.006415	0.006074
0.000400	0.000000	0.000400	0.000400	0.000400	0.000400
0.000016	0.000015	0.000012	0.000012	0.000012	0.000011
0.010064	0.007018	0.008046	0.008159	0.008729	0.008547

CITY OF CEDAR HILLS

Principal Property Taxpayers Current Year and Eight Years Ago

Taxpayers	2025		
	Taxable Value	Rank	Percentage of Total Taxable Values (1)
Wal-Mart	\$ 18,084,800	1	1.8%
CH Self Storage LLC	6,750,000	2	0.7%
Questar/Dominion Gas/Enbridge Gas	6,053,374	3	0.6%
The Charleston/SSSHT PROP Co	5,464,635	4	0.5%
Lexington Heights Professional Offices	3,475,000	5	0.3%
CHComm Warehouse	2,793,400	6	0.3%
Harts Gas & Food LLC/Parkland USA	2,553,700	7	0.3%
Shiny Shell	2,401,200	8	0.2%
JPMorgan Chase Bank	2,256,600	9	0.2%
Pacificorp	2,197,214	10	0.2%
McDonald's	2,000,900	11	0.2%
Amsource Cedar Hills			
SLML LLC			
Totals	\$54,030,823		5.30%

Source(s): Top taxpayers Utah County Treasurer custom report by Cary McConnell. Total proposed tax rate value on tax rate summary report at taxrates.utah.gov.

If a business has two or more properties, you would add the values.

Notes:

- (1) Percentage of total taxable values equals the taxable value divided by the total taxable value of \$995,811,588.
- (2) Percentage of total taxable values equals the taxable value divided by the total taxable value of \$532,277,290.

CITY OF CEDAR HILLS

Ratios of Outstanding Debt by Type Last Ten Years

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Excise Tax Revenue Bonds	Lease Obligations	Franchise & Sales Tax Revenue Bonds	Notes Payable	Excise Tax Revenue Bonds	Utility Revenue Bonds
2016	\$ 5,476,228	\$ 1,644,000		\$ -	\$ -	\$ -	\$ 6,615,000
2017	5,233,037	1,527,000		-	-	-	6,204,000
2018	4,990,574	-		-	-	1,411,000	5,787,000
2019	4,738,839	-		-	-	1,290,000	5,351,000
2020	4,487,831	-		-	-	1,165,000	3,936,000
2021	4,227,552	-		-	-	1,041,000	3,457,000
2022	3,968,000	-	297,988	5,965,000	-	-	3,885,000
2023	3,699,175	-	198,148	5,965,000	-	-	4,067,000
2024	3,421,079	-	660,047	5,965,000	-	-	6,304,000
2025	3,138,710	-	545,794	5,850,000	-	-	5,771,000

Source: For outstanding debt details, see the notes to the basic financial statements.

General Notes: For general obligation bonds in 2016-2025 the amortized bond premium is included.

No other outstanding bonds have a premium or discount. Excise tax revenue bonds were moved to the Water & Sewer fund from the Capital Projects fund for the fiscal year ending in 2018. 2007 Utility revenue bonds were called early, March 2020.

In March 2022, the Excise tax revenue bonds were refunded as Utility Revenue bonds. Right-to-use leases tracked starting 2022.

In March 2023 and 2024, Utility Revenue bonds were issued.

CITY OF CEDAR HILLS

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Obligations Bonds Total	Population	G.O. Net Bonded Debt Per Capita
2016	\$ 5,476,228	\$ 3,984	\$ 5,472,244	10,325	\$ 530
2017	5,233,037	51,161	5,181,876	10,341	501
2018	4,990,574	56,839	4,933,735	10,225	483
2019	4,738,839	66,822	4,672,017	10,082	463
2020	4,487,831	61,696	4,426,135	10,004	442
2021	4,227,552	97,566	4,129,986	10,022	412
2022	3,968,000	44,863	3,923,137	9,956	394
2023	3,699,175	81,832	3,617,343	9,800	369
2024	3,421,079	71,176	3,349,903	N/A	N/A
2025	3,138,710	52,553	3,086,157	N/A	N/A

Source: For outstanding debt details, see notes to the basic financial statements and statistical section, Debt Service Schedule of Outstanding Bonds.

CITY OF CEDAR HILLS

Computation of Direct and Overlapping Debt

June 30, 2025

Entity	2024 Taxable Value (1)	City's Portion of Taxable Value	City's Percentage	Debt Outstanding (2)	City's Portion of Debt
Utah County	\$ 91,383,498,658	\$ 990,303,175	1.084%	\$ 170,946,350	\$ 1,852,509
Alpine School District	61,745,317,190	990,303,175	1.604%	433,799,813	6,957,505
North Utah County Water Conservancy District	31,241,988,016	990,303,175	3.170%	-	-
Central Utah Water Conservancy District	91,508,646,859	990,303,175	1.082%	535,914,612	5,799,648
Total Overlapping Debt (Excluding the State) (3)					\$ 14,609,661
Total Direct Bonded Indebtedness (4)					9,534,504
Total Direct and Overlapping Debt (Excluding the State)					\$ 24,144,165

Sources: Utah State Tax commission and taxing entities

General Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Cedar Hills. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

- Notes:
- (1) Taxable value per Utah State Tax Commission Assessor Report 510-233b List of Final Values
 - (2) Amount of principal debt net of premiums/discounts as of June 30, 2025 per taxing entity's most recent financial statements.
 - (3) The State's debt is not included in overlapping debt because the State currently levies no property tax.
 - (4) Does not include enterprise related revenue bonds. City's general obligation bond debt net of premiums, UIA debt and leases.

CITY OF CEDAR HILLS

Legal Debt Margin Information Last Ten Years

	2016	2017	2018	2019
Debt limit (12%)	\$ 57,992,408	\$ 62,982,810	\$ 67,447,832	\$ 74,335,280
Total general obligation debt applicable to the limit	5,476,228	5,233,037	4,990,574	4,738,839
Legal debt margin	<u>\$ 52,516,180</u>	<u>\$ 57,749,773</u>	<u>\$ 62,457,258</u>	<u>\$ 69,596,441</u>
Percentage of net debt contracting margin available	90.56%	91.69%	92.60%	93.63%

Notes:

- (1) The general obligation indebtedness of the City is limited by Utah law to twelve percent of the "reasonable fair cash value" of taxable property in the City. 4% for general purposes and 8% for sewer, water, or lighting.
- (2) Statute 59-2-103 states 45% of the value of primary residential property is specifically exempt under the Constitution of Utah.
- (3) Legal debt margin calculation for 2024 used, since 2025 assessed value not available:

	<u>Taxable Value (2)</u>
Residential values	\$ 1,620,996,480
Non-residential values	98,755,111
Exempt property	<u>(729,448,416)</u>
Totals	<u>\$ 990,303,175</u>
Debt limit (adjusted fair market value x 0.12)	\$ 118,836,381
Debt applicable to limit:	
General obligation bonds	<u>3,421,079</u>
Legal debt margin	<u>\$ 115,415,302</u>



2020	2021	2022	2023	2024	2025
\$ 82,408,750	\$ 87,877,618	\$ 114,880,694	\$ 113,504,578	\$ 118,836,381	N/A
4,487,831	4,227,552	3,968,000	3,699,175	3,421,079	3,138,710
\$ 77,920,919	\$ 83,650,066	\$ 110,912,694	\$ 109,805,403	\$ 115,415,302	N/A
94.55%	95.19%	96.55%	96.74%	97.12%	N/A

CITY OF CEDAR HILLS

Debt Service Schedule of Outstanding Bonds (By Year)

June 30, 2025

				2026	2027	2028	2029	2030
General Obligations Bonds								
Series 2012	Partially refunded 2005 GO bonds, which was used for	Principal		\$ 280,000	\$ 285,000	\$ 290,000	\$ 295,000	\$ 300,000
\$ 5,570,000	golf course improvements.	Interest		82,820	77,220	71,520	65,140	58,650
	Total			<u>\$ 362,820</u>	<u>\$ 362,220</u>	<u>\$ 361,520</u>	<u>\$ 360,140</u>	<u>\$ 358,650</u>
Utility Revenue Bonds								
Series 2014	Partially refunded 2006 utility revenue	Principal		\$ 321,000	\$ 325,000	\$ 335,000	\$ 343,000	\$ 351,000
4,633,000	bonds used for water improvements.	Interest		54,645	46,042	37,332	28,354	19,162
Series 2022	Refunded 2015 Excise bonds, which was used to	Principal		191,000	195,000	-	-	-
936,000	finance the construction of public works building.	Interest		8,546	4,317	-	-	-
Series 2023	Issued 2023 Utility revenue bonds for meter project.	Principal		34,000	35,000	35,000	36,000	46,000
655,000		Interest		6,210	5,870	5,520	5,170	4,810
Series 2024	Issued 2024 Utility revenue bonds for water main and	Principal		-	-	-	-	225,000
2,725,000	well house.	Interest		115,150	115,150	115,150	115,150	115,150
	Total principal			546,000	555,000	370,000	379,000	622,000
	Total interest			184,551	171,380	158,002	148,674	139,122
	Total			<u>\$ 730,551</u>	<u>\$ 726,380</u>	<u>\$ 528,002</u>	<u>\$ 527,674</u>	<u>\$ 761,122</u>
Total All Bonds								
	Total principal			\$ 826,000	\$ 840,000	\$ 660,000	\$ 674,000	\$ 922,000
	Total interest			267,371	248,600	229,522	213,814	197,772
	Total all bonds			<u>\$ 1,093,371</u>	<u>\$ 1,088,600</u>	<u>\$ 889,522</u>	<u>\$ 887,814</u>	<u>\$ 1,119,772</u>



2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
\$ 315,000	\$ 320,000	\$ 330,000	\$ 340,000	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 3,105,000
49,650	40,200	30,600	20,700	10,500	-	-	-	-	507,000
\$ 364,650	\$ 360,200	\$ 360,600	\$ 360,700	\$ 360,500	\$ -	\$ -	\$ -	\$ -	\$ 3,612,000
\$ 364,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,039,000
9,755	-	-	-	-	-	-	-	-	195,292
-	-	-	-	-	-	-	-	-	386,000
-	-	-	-	-	-	-	-	-	12,863
47,000	47,000	47,000	48,000	48,000	49,000	49,000	50,000	50,000	621,000
4,350	3,880	3,410	2,940	2,460	1,980	1,490	1,000	500	49,590
234,000	242,000	251,000	261,000	271,000	290,000	303,000	317,000	331,000	2,725,000
107,163	98,622	89,547	79,883	69,182	57,665	44,905	31,118	16,219	1,170,052
645,000	289,000	298,000	309,000	319,000	339,000	352,000	367,000	381,000	5,771,000
121,268	102,502	92,957	82,823	71,642	59,645	46,395	32,118	16,719	1,427,796
\$ 766,268	\$ 391,502	\$ 390,957	\$ 391,823	\$ 390,642	\$ 398,645	\$ 398,395	\$ 399,118	\$ 397,719	\$ 7,198,796
\$ 960,000	\$ 609,000	\$ 628,000	\$ 649,000	\$ 669,000	\$ 339,000	\$ 352,000	\$ 367,000	\$ 381,000	\$ 8,876,000
170,918	142,702	123,557	103,523	82,142	59,645	46,395	32,118	16,719	1,934,796
\$ 1,130,918	\$ 751,702	\$ 751,557	\$ 752,523	\$ 751,142	\$ 398,645	\$ 398,395	\$ 399,118	\$ 397,719	\$ 10,810,796

CITY OF CEDAR HILLS

Pledged-Revenue Coverage Last Ten Years

	Excise Tax Revenue Bonds & UIA Bonds (1)						Utility Revenue Bonds (1)			
	Franchise	Sales	Debt Service		Franchise Tax Coverage	Sales Tax Coverage	Utility Net	Debt Service		
Year	Taxes	Taxes	Principal	Interest	Coverage		Revenues (2)	Principal (3)	Interest	Coverage
2015	\$ 474,814	N/A	\$75,000	\$81,063	3.0	N/A	\$ 987,993	\$ 349,000	\$ 279,740	1.57
2016	486,996	N/A	75,000	48,115	4.0	N/A	1,264,379	372,000	192,828	2.24
2017	471,415	N/A	117,000	37,576	3.0	N/A	1,083,927	390,000	179,951	1.90
2018	461,559	N/A	116,000	34,815	3.1	N/A	1,154,149	397,000	168,699	2.04
2019	431,834	N/A	121,000	32,007	2.8	N/A	1,352,814	418,000	157,289	2.35
2020	416,781	N/A	125,000	29,092	2.7	N/A	1,519,323	382,000	130,893	2.96
2021	429,241	N/A	124,000	26,141	2.9	N/A	1,323,699	282,000	94,282	3.52
2022	450,510	N/A	128,000	23,155	3.0	N/A	1,248,899	288,000	86,725	3.33
2023	511,894	2,099,236	-	235,954	4.3	17.8	1,269,194	473,000	99,326	2.22
2024	504,746	2,110,675	-	244,794	4.1	17.2	1,261,497	488,000	87,914	2.19
2025	482,016	2,124,525	115,000	240,194	2.7	12.0	1,416,489	533,000	189,048	1.96

Source: For outstanding debt details, see the notes to the basic financial statements.

- Notes: (1) Excise tax revenue bonds for the public works building were refunded in March 2022 into Utility revenue bonds. Utah Infrastructure Agency (UIA) issued new franchise & sales tax bonds for a fiber project that are covered by resident user fees billed by UIA. If there are user fee coverage shortfalls, then 100% of telecom, franchise taxes and up to \$180,000 in sales tax revenues are pledged. Each revenue pledge covers approx. 50% of debt service
- (2) Operating revenues minus operating expenses, excluding URS pension expense, depreciation and amortization, equals net revenues available for debt service.
- (3) Minimum principal payments required, extra principal payments not included.

CITY OF CEDAR HILLS

Demographic and Economic Statistics Last Ten Years

Year	Population (3)	Adjusted Gross Income Income (amounts in thousands) (5)	Household Median Adjusted Gross Income (1)	District School Enrollment (4)	Unemployment % Rate (2)
2016	10,325	\$260,262,373	\$ 87,086	73,724	3.1
2017	10,341	267,125,724	89,388	77,457	2.9
2018	10,225	285,337,549	90,246	78,853	2.8
2019	10,082	287,960,096	93,088	79,856	2.6
2020	10,004	321,612,549	94,600	81,532	4.5
2021	10,022	336,948,417	101,000	80,953	2.2
2022	9,956	351,841,446	107,000	83,999	2.1
2023	9,800	395,472,795	113,000	84,667	2.4
2024	N/A	N/A	N/A	84,703	3.3
2025	N/A	N/A	N/A	84,215	3.3

Sources:

- (1) tax.utah.gov/econstats/income/fed-returns-recent data. The Utah State Tax Commission website provides these statistics in an income tax report titled "Federal returns 2000 & newer", Table 14-Summary of Mean and Median AGI by City for Returns and Households.
- (2) Utah County Labor Force, not seasonally adjusted (annual average) Data are revised based on statistical information provided by Utah Department of Workforce Services, seasonally adjusted estimates.
— www.jobs.utah.gov
- (3) Mountainland Association of Governments website population estimates
- (4) Alpine school district—Ryan Clark
- (5) tax.utah.gov/econstats/income/fed-returns-2000. The Utah State Tax Commission website provides these statistics in an income tax report titled "Federal returns 2000 & newer", Table 9-Ranking of Utah Cities by Number of returns, AGI, Net Exemptions, and Federal Taxes

CITY OF CEDAR HILLS

Principal Employers (2) Most Current Calendar Year and Nine Years Ago

Employer	Industry	2024		Percentage of Total County Employment
		Employees	Rank	
Brigham Young University	Higher Education	15,000 - 19,999	1	4.26% - 5.67%
Alpine School District	Public Education	7,000 - 9,999	2	1.99% - 2.84%
Utah Valley Hospital	Health Care	7,000 - 9,999	3	1.99% - 2.84%
Utah Valley University	Higher Education	5,000 - 6,999	4	1.42% - 1.99%
Nebo School District	Public Education	4,000 - 4,999	5	1.14% - 1.42%
Walmart	Warehouse Clubs and Supercenters	3,000 - 3,999	6	0.85% - 1.13%
State Of Utah	State Government	2,000 - 2,999	7	0.57% - 0.85%
Vivint	Building Equipment Contractors	2,000 - 2,999	8	0.57% - 0.85%
Adobe Systems	Software Publishers	1,000 - 1,999	9	0.28% - 0.57%
Provo School District	Public Education	1,000 - 1,999	10	0.28% - 0.57%
Bluefin Office Group	Office Supplies			
Total		47,000 - 65,990		13.34% - 18.73%

Source: Utah Department of Workforce Services--County Annual Profiles--Major Employers.

Notes:

- (1) Information for Utah County was used, since information is not available for the City. 2024 and 2015 statistics were used because the 2025 were not available.
- (2) Workforce Services Utah County Annual Profiles. Total employed labor force for the County in 2015 was 257,594. Total employed labor force for 2024 annual average was 352,413.



2015		
Employees	Rank	Percentage of Total County Employment
15,000 - 19,999	1	5.82% - 7.76%
7,000 - 9,999	2	2.72% - 3.88%
5,000 - 6,999	3	1.94% - 2.72%
3,000 - 3,999	4	1.16% - 1.55%
3,000 - 3,999	5	1.16% - 1.55%
2,000 - 2,999	6	0.78% - 1.16%
2,000 - 2,999	7	0.78% - 1.16%
2,000 - 2,999	8	0.78% - 1.16%
1,000 - 1,999	10	0.39% - 0.78%
1,000 - 1,999	10	0.39% - 0.78%
2,000 - 2,999	9	0.78% - 1.16%
43,000 - 60,989		16.69% - 23.68%

CITY OF CEDAR HILLS

Full-Time Equivalent City Government Employees By Function Last Ten Years

FUNCTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	8.4	8.2	8.4	8.4	8.3	7.9	7.4	7.1	7.3	7.4
Streets and public works	9.5	10.8	10.7	10.6	12.4	14.0	13.6	14.3	12.8	12.0
Community Services	6.2	6.2	5.1	5.3	5.0	5.0	4.9	5.1	5.0	5.4
Golf	7.7	8.0	7.3	7.6	7.1	7.7	8.2	8.5	9.0	10.3
Total	31.9	33.2	31.5	32.0	32.8	34.6	34.1	35.1	34.1	35.1

Source: Payroll Register Report Hours by Department (Payroll>Reports>Payroll register Single line summary>title-by Department)

General Note:

During the 2017 fiscal year, part-time staffing was added to provide passport services and building support, and the assistant city manager duties were delegated to other administrative and finance positions.

CITY OF CEDAR HILLS

Capital Asset Statistics Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015
Highways and streets:										
Miles of road	26	26	26	26	26	26	26	26	26	26
Recreation:										
Neighborhood Pocket Parks	1	1	1	1	1	1	1	1	1	1
Community Parks	5	6	6	6	6	6	6	6	6	6
Regional Park	-	-	-	-	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Community Event Center	1	1	1	1	1	1	1	1	1	1

Sources: City of Cedar Hills budget document, UDOT Mileage detail report

CITY OF CEDAR HILLS

Operating Indicators By Organization Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration:										
Media communications produced and posted	80	80	80	80	80	80	80	80	80	80
Fraud risk evaluation low risk	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Internal audit function performed	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Passport revenues	N/A	\$ 61,864	\$100,112	\$121,839	\$ 91,040	\$120,918	\$153,791	\$ 152,767	\$164,817	\$171,443
Parking violations cited	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Finance:										
GFOA "Certificate of Achievement in Financial Reporting"	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	N/A
General obligation bond rating	AA-	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Utility billing collection rate	99.72%	99.95%	99.92%	99.91%	99.88%	99.97%	99.14%	99.68%	99.92%	99.92%
Average payroll processing time (days)	<5	<5	<2	<2	<2	<2	<2	<2	<2	<2
Invoices processed not including purchasing card transactions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,995
Purchasing card transactions processed	N/A	N/A	N/A	N/A	282	1,375	1,313	1,461	1,500	1,387
Public Works:										
Acres of landscaping maintained	-	-	-	-	44	44	44	44	44	44
Certified arborist expenses	\$ -	\$ -	\$ -	\$ -	\$ 14,301	\$ 65,693	\$ 31,178	\$ 45,343	\$ 36,743	\$ 36,132
Harvey, Heritage, & Mesquite parks average Google reviews score out of 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.7
Street, sidewalk, and lighting maintenance costs	\$297,878	\$ 328,649	\$ 57,372	\$347,711	\$415,642	\$708,910	\$485,561	\$ 288,076	\$988,708	\$843,978
Water repair expenses	\$ 39,857	\$ 41,314	\$ 49,757	\$ 21,088	\$ 25,421	\$ 25,734	\$ 29,921	\$ 35,573	\$ 35,586	\$ 56,881
Community Services:										
Family festival donations raised	\$ 6,670	\$ 16,550	\$ 16,692	\$ 22,800	\$ 4,000	\$ 15,430	\$ 16,150	\$ 28,310	\$ 38,010	\$ 27,800
Vista room Google reviews score out of 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.6
Library reimbursements	\$ 9,825	\$ 12,245	\$ 11,585	\$ 12,945	\$ 14,182	\$ 13,680	\$ 14,810	\$ 17,070	\$ 23,400	\$ 21,600
Season golf passes sold, or traded for services	\$ 52,148	\$ 75,552	\$ 70,312	\$ 67,980	\$ 69,982	\$115,674	\$112,334	\$ 151,676	\$213,888	\$195,545
Cedar Hills golf club average Google reviews score out of 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.3

Source: Audit schedules and general ledger

General note: Media communication include monthly newsletters, weekly emails, and city council minutes

ADDITIONAL INFORMATION





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



**CERTIFIED PUBLIC
ACCOUNTANTS**

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Honorable Mayor and
Members of the City Council
City of Cedar Hills
Cedar Hills, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the budgetary comparison schedules for the General Fund and Golf Special Revenue Fund of the City of Cedar Hills, Utah (the City) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2025



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Honorable Mayor and
Members of City Council
City of Cedar Hills
Cedar Hills, Utah

Report on Compliance

We have audited the City of Cedar Hills, Utah's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems

In our opinion, the City of Cedar Hills complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide), issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2025

