



# Cedar City

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www.cedarcityut.gov

**Mayor**  
Steve Nelson

**Council Members**  
Robert Cox  
Waldo D. Galan  
R. Scott Phillips  
Phil E. Schmidt  
Carter Wilkey

**City Manager**  
Paul Bittmenn

**CITY COUNCIL WORK MEETING**  
**FEBRUARY 18, 2026**  
**5:30 P.M.**

The City Council meeting will be held in the Council Chambers at the City Office, 10 North Main Street. The City Council Chambers may be an anchor location for participation by electronic means. The agenda will consist of the following items:

- I. Call to Order
- II. Agenda Order Approval
- III. Administration Agenda
  - Mayor and Council Business
  - Staff Comments
    - Honoring Rob Cuff, Retiring Utah High School Activities Association Executive Director. Scott Phillips/Jon Oglesby, USG
- IV. Business Agenda
  - Public
    1. Audit Presentation. Caleb Reese/Terri Marsh
- V. Staff
  2. Consider proposals for engineering design of the Pressure Reduction and Chlorination Project. Jonathan Stathis
  3. Consider contract modification/change order #4 with Hansen, Allen & Luce for water modeling support on the Pressure Reduction and Chlorination Project. Jonathan Stathis
  4. Revision to a portion of City Ordinance Section 32-9 regarding sidewalks. Kent Fugal
  5. Closed Meeting – property negotiations

Dated this 13<sup>th</sup> day of February 2026.

  
Renon Savage  
City Recorder

**CERTIFICATE OF DELIVERY:**

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 13<sup>th</sup> day of February 2026.

  
Renon Savage  
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the city not later than the day before the meeting and we will try to provide whatever assistance may be required.

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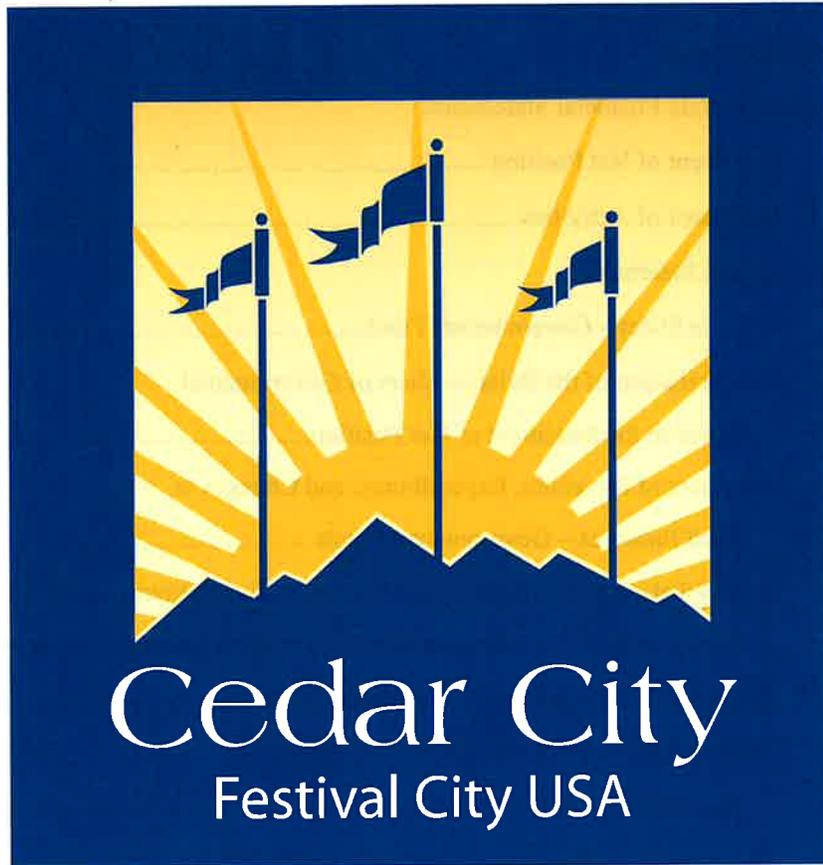
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**CEDAR CITY, UTAH**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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January 22, 2026

Honorable Mayor and Councilmembers, and Citizens of Cedar City, Utah:

State law requires that general-purpose local governments publish a complete set of audited financial statements. We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Cedar City (the City) for the fiscal year ended June 30, 2025. These statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report consists of management's representations concerning finances of the City. Responsibility for both accuracy of the data, and completeness and fairness of presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of financial statements in conformity with GAAP.

Management asserts that to the best of its knowledge and belief, the enclosed data is accurate in all material respects, and reported in a manner designed to present fairly the financial position with the results of operations of various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements for the year ending June 30, 2025, have been audited by Rees CPA, an independent public accounting firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2025, and that the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

## PROFILE OF THE GOVERNMENT

The City, incorporated on February 18, 1868, has an estimated population of 42,101 and a land area of 36.70 square miles. It is in southwest Utah - 250 miles south of Salt Lake City and 170 miles north of Las Vegas. It is bordered by the communities of Enoch and Hamilton's Fort. Other nearby communities include Kanarrville, Parowan, New Harmony, and Summit. The City is also home to the world-renowned and Tony award winning Utah Shakespeare Festival, the Southern Utah Museum of Arts, the Simon Fest Theatre Co, Southern Utah University and is close to Cedar Breaks, Bryce Canyon, Grand Canyon, and Zion Canyon National Parks. Cedar City continues to be a center of tourism, commercial development, education, and the arts in southwestern Utah.

The City currently operates under the Six-Member Council form of government. Policy making and legislative authority are vested in the Mayor and City Council. The City Manager is responsible for carrying out policies and ordinances approved by the City Council, overseeing the day-to-day operations of the City.

The City is a "full-service city" and provides a wide range of services. These services include: police and fire protection; animal control; building safety regulation and inspection; engineering; land use planning and zoning; economic development; maintenance and improvement of streets and related structures; traffic safety, maintenance, and improvement; utilities such as water, sewer, storm water, solid waste; an airport; library; and a full range of recreational and cultural programs. A **"full-service city" is defined as a city that is financially responsible for the full set of basic tax-dependent municipal services within its jurisdiction including police, fire, parks and recreation, streets, and land-use planning.**

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Annual budgets are legally adopted for all governmental funds on a basis consistent with GAAP. Budgetary control for management purposes is maintained as authorized by City Council at the department functional level within individual funds.

The City Mayor submits the budget to the City Council, who adopts it prior to the beginning of the fiscal year. A public hearing and budget study sessions are conducted prior to budget adoption. Supplemental appropriations, when required during the fiscal year, are also approved by the City Council on a quarterly basis.

## ECONOMIC CONDITION

During fiscal year 2025, the City of Cedar City continued to demonstrate steady economic growth and diversification, reflective of its role as the primary economic center of Iron County. The city's population has expanded substantially in recent years, increasing by approximately 16% between 2020 and 2024, driven by residential development and in-migration to the region.

Cedar City's economy benefits from a diverse mix of sectors. Educational services, healthcare and social assistance, retail trade, and accommodation and food services are among the largest employment sectors, providing a broad base of jobs for residents.

A key economic anchor is Southern Utah University (SUU), which enrolls a large student population and contributes significantly to regional economic activity through operations, payroll, student and visitor spending, and cultural and sporting events such as the Utah Shakespeare Festival and Utah Summer Games. Recent estimates indicate that SUU supports thousands of jobs and over \$200 million in earnings region-wide, underscoring its ongoing importance to local prosperity.

The tourism and hospitality sector also remains a critical component of the local economy. Cedar City's strategic location along Interstate 15, proximity to National Parks and year-round outdoor recreation opportunities drive visitor spending, hotel demand, and ancillary business activity.

Looking Forward, Cedar City's economic outlook continues to be shaped by population growth, sustained tourism demand, expanding post-secondary educational influence, and ongoing residential and commercial development. City leaders and economic partners remain focused on enhancing infrastructure, broadening employment opportunities, and supporting a resilient and diversified local economy.

Despite areas of strength, the local economy landscape also includes challenges consistent with smaller regional markets. Cedar City's economic outlook remains positive, anchored by strong population growth, a major university presence, tourism, and a diversified job base. However, the City must confront significant challenges – including housing affordability, infrastructure capacity, resource management, limited specialized job opportunities, and the need to expand amenities- to ensure sustainable, balanced growth over the next five years. These challenges will require proactive policy choices, strategic investments, and collaborative regional planning.

While broader economics remain uncertain the City continues to monitor revenue trends closely and maintain a conservative approach to budgeting and financial planning. The City is cautiously expecting a positive outlook for the local economy. The City enjoys a strong, diverse local economy, well-funded emergency reserves, and a solid commitment to continue to deliver top quality services to the community.

## FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$26.4 million during the fiscal year, primarily due to a decrease in transfers. Page (7)
- General Fund total revenues exceeded total expenditures by \$3,686,647, reflecting strong revenue performance and rollover capital improvements to be completed in FY 2025-26. (Page 21)
- General Fund expenditures decreased by 2.1 percent (\$621,790) compared to the prior year. (Page 21)
- Infrastructure: The City's overall capital assets increased 16.5 million (Page 13)
- Debt: No new debt was added in fiscal year 2025. At the end of fiscal year 2025 the Governmental debt was \$5.5 million and the Water Fund debt \$20.6 million (Page 15)
- Public Safety: Comprised 37% of the total General Fund expenditures (Page 11)

## MAJOR AND FUTURE DEVELOPMENT INITIATIVES

### **Major Developments:**

During 2025, Cedar City continued to build momentum in economic and community development with significant private investment announcements, major infrastructure enhancements, and strategic planning actions that strengthen the City's long-term fiscal position and quality of life. A few of the projects and accomplishments are listed below.

One of the most significant projects completed this year was the Cedar City Regional Airport terminal expansion. The expanded terminal improves passenger capacity, security screening, baggage handling, and overall traveler experience. Healthcare infrastructure advanced as well with renovation and expansion of the Intermountain Cedar City Hospital emergency department, increasing treatment space and enhancing local healthcare delivery.

Cedar City has made progress on key community infrastructure that supports both development and quality of life. The Hampton Inn hotel in historic downtown is approaching near completion, representing a significant private hotel investment that will enhance lodging capacity for visitors, conferences, and university-related travel, further activating downtown businesses. The project will also provide a new public parking garage to expand capacity and improve connectivity in our historic downtown.

This year, Cedar City also joined Iron County as part of the Iron Springs Inland Port project area within the Utah Inland Port Authority. This regional designation enhances the City's ability to attract and support advanced manufacturing and logistics investment by improving coordination on transportation infrastructure, workforce planning, and site readiness, while preserving local land-use authority and fiscal oversight.

South Main Street Lights Phase 1 was completed in June 2025. This project added new streetlights along South Main Street. As an important business and commercial center for Cedar City, Main Street plays an important role in the growth and vitality of the City. The new streetlights will provide enhanced safety for motorists and provide better commercial experience in the evening hours.

Iron West Sports Complex Phase 1 was completed in late 2024. This project will provide new sports fields on the west side of Cedar City for soccer and other sports. The project includes approximately 1.7 acres of turf fields that will be used for sporting events. The fields have a full irrigation system installed and light pole bases in place. Future phases of the project will include a new parking lot, restroom facilities, and access road to the site. This project will provide additional recreational spaces for residents of Cedar City.

Industrial Road Parkway and Fort Cedar Railroad Trail were completed in summer 2025. This project has provided a major corridor enhancement to the Industrial Road area. The project included widening Industrial Road along the south side and installing a new 10-foot-wide asphalt trail known as the Fort Cedar Railroad Trail. The project also included other amenities, such as landscaping, lighting, drainage improvements, and water and sewer upgrades. Additional work on the project will include future enhancements such as benches, monument for Fort Cedar, trailhead and restroom facilities, pump track, and pollinator garden.

A new culinary water well was completed on BLM property in the Rush Lake area. The well yielded good flow and water quality results. When further well development in the area is completed, there will need to be a pipeline installed to Cedar City.

### **Future Development (in the process):**

Several major retail and commercial projects announced this year represent substantial capital investment and increased consumer choice for residents. Smith's Food & Drug has announced plans for a new 123,000-square-foot Smith's Marketplace on South Main Street, representing an approximately \$50 million investment that will anchor a new retail development, with negotiations for a second Smith's Marketplace off of the north interchange.

Cedar City also confirmed that WinCo Foods has applied to develop an approximately 80,000-square-foot grocery store, also on the north end of town, reflecting strong retailer interest in serving local demand for value-oriented grocery options. This project will contribute to expanded retail capacity on the north end of Cedar City and enhance community choice.

Fiddlers Park is currently being designed for the north end of Cedar City in the Fiddlers area. The park will be located near the intersection of Nichols Canyon Road and Main Street. Amenities will include a pavilion, playground area, restroom facilities, and paved parking lot. The project will provide open space and recreation areas for the citizens of Cedar City. It is anticipated that the design for the project will be completed in early 2026 and then go out for construction bids.

Along with the Fiddlers Park project, an extension of the master-planned Fiddlers Canyon Trail, is planned to be completed in 2026. The trail will continue west under Main Street, then head south along I-15 towards Canyon View High School. The project will provide a 10-foot-wide multi-use trail for pedestrians and bicyclists.

An expansion of the Diamond Z Arena building is currently under construction at the Cross Hollow Events Center. The new addition will add 22,600 square feet of usable space in the facility. The new portion of the building will include a meeting/banquet room, kitchen, restrooms, storage, animal washing bays, and a run-out and warm-up for animals.

Fort Cedar Railroad Trail is in the process of being constructed. The trailhead at the east end of Industrial Road is planned to be improved with new roadway improvements and a new restroom facility. The restroom will be constructed on the south side of the new parking lot. The restroom has been designed, received construction bids, and is expected to begin construction in January 2026.

The original location of the historic Fort Cedar is located just to the north of Industrial Road. The Fort Cedar monument and iron ore rock are planned to be moved down to the south side of the Fort Cedar Railroad Trail. It is anticipated that the construction work on the monument will be done in early 2026.

Another phase of the South Main Street Lights project is currently under construction. The project will continue the installation of new streetlights south along Main Street. The project will provide safety enhancements to this important transportation corridor.

A test well is currently being drilled at the Martins Flat location in Cedar Canyon. Cedar City is exploring new water sources. The test well will provide information regarding the water potentially available in the Navajo Sandstone formation.

## LONG TERM FINANCIAL PLANNING

The City continues to manage its long-term obligations responsibly. Outstanding debt remains within the statutory limits. Long-term financial planning emphasizes sustainability, infrastructure maintenance, and prudent use of debt.

The City continuously reviews existing debt for refunding possibilities to lower total debt service requirements. The City will also adopt a comprehensive set of debt policies covering all aspects of debt issuance to consolidate information for debt obligations and maintain or improve its good credit standing.

## INTERNAL CONTROLS

Management of the City is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the City's assets are safeguarded, transactions are properly authorized and recorded, and financial information is reliable and prepared in accordance with GAAP.

The City's internal control framework is designed to promote efficient and effective uses of resources, compliance with applicable laws and regulations, and the timely detection and correction of errors or irregularities. These controls include policies and procedures related to financial reporting, budgeting, cash handling, procurement, payroll, and information systems.

Management recognizes that no system of internal control can provide absolute assurance due to inherent limitations, including the possibility of human error or circumvention of controls. However, management believes that the City's internal controls provide reasonable assurance that the City's financial statements are free of material misstatement.

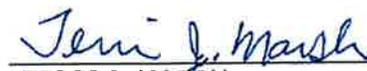
During the fiscal year, management evaluated the City's internal control structure and made improvements where appropriate to strengthen segregation of duties, documentation, and oversight. Management is committed to the ongoing review and enhancement of internal controls to adapt to changes in operations, staffing, and regulatory requirements.

## ACKNOWLEDGEMENTS

Special recognition is extended to the entire Finance Department staff for their ongoing dedication and efficient services provided to all City departments and citizens on a daily basis. Special appreciation is also extended specifically to those who contributed to and participated in the coordination and preparation of this Annual Comprehensive Financial Report. Further, thanks are also extended to our independent auditors, Rees CPA, for their expertise and advice.

Respectfully submitted,

  
\_\_\_\_\_  
PAUL BITTMENN  
City Manager

  
\_\_\_\_\_  
TERRI J. MARSH  
Finance Director

The Board of Directors has reviewed the financial statements and the accompanying notes and has determined that the financial statements present fairly, in all material aspects, the financial position, results of operations, and cash flows of the Company as of and for the periods indicated.

The accompanying notes are an integral part of these financial statements. The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America.

The accompanying notes are an integral part of these financial statements.

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council and Mayor  
Cedar City, Utah

### **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 aggregate remaining fund information of Cedar City, Utah as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Cedar City, Utah'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 aggregate remaining fund information of Cedar City, Utah, 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 Cedar City, Utah 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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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, budgetary comparison information, schedule of the proportionate share of the net pension liability and the schedule of contributions as listed on the table of contents 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 Cedar City, Utah’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of passenger facility charges and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, the combining and individual nonmajor fund financial statements, schedule of expenditures of passenger facility charges and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2026 on our consideration of Cedar City, Utah’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Cedar City, Utah’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 Cedar City, Utah’s internal control over financial reporting and compliance.

*Rees CPA*

Rees CPA  
Cedar City, Utah  
January 22, 2026

## MANAGEMENT'S DISCUSSION & ANALYSIS

This section of Cedar City's (the City's) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2025. Please read this discussion and analysis in conjunction with the City's financial statements.

### FINANCIAL HIGHLIGHTS

- The City's total net position at the close of the fiscal year was \$448,161,635. This amount is comprised of \$340,866,198 in net investments in capital assets, \$26,191,845 of restricted net position and \$81,103,592 in unrestricted net position.
- Prior to all transfers in and out of the general fund, general fund revenues exceeded expenditures by \$7,060,621. After all transfers, general fund revenues exceeded expenditures by \$3,686,647. Transfers to the general fund for capital expenditures totaled \$445,750. Transfers from the general fund for capital projects, debt service and related expenses totaled \$3,819,724.
- The general fund's ending unassigned fund balance of \$15,070,621 represents 42 percent of the total actual revenues for the fiscal year ending June 30, 2025.
- The City's total long-term debt decreased by \$820,358.
- Total net position for the City's governmental activities increased \$15,226,585 while total net position for business-type activities increased \$11,218,275.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report includes: 1) this discussion and analysis, which serves as an introduction to the City's basic financial statements; 2) the basic financial statements comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements; and 3) other supplementary information.

**Government-wide financial statements.** The government-wide financial statements include a statement of net position and a statement of activities that provide a citywide perspective of the City's overall financial status. These statements are prepared using accrual accounting methods similar to those used in preparing the financial statements of private-sector businesses.

- The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources represents the City's net position. Increases or decreases in net position, when viewed over a period of time, may serve as a useful indicator of whether the financial position of the City is improving or deteriorating, respectively.

- The *statement of activities* presents information reflecting how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs irrespective of the timing of the related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish between governmental activities, those principally supported by taxes and intergovernmental revenues, and business-type activities, those that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements can be found on pages 17-18 of this report.

**Fund financial statements.** A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. This segregation is also used to ensure and demonstrate compliance with finance-related legal requirements. The City utilizes three types of funds: governmental, proprietary, and fiduciary funds.

- *Governmental funds* account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these statements are prepared using modified accrual accounting methods, which measure cash and other financial assets readily convertible to cash and their balances available for use at year-end. As a result, these statements provide a short-term perspective of the City's general government operations and the basic services provided and may assist in determining the availability of financial resources that could be used in the near future to finance the City's programs.

Reconciliations between the long-term perspective of the government-wide financial statements and the short-term perspective of the fund financial statements are provided on pages 20 and 22 of this report.

The City has identified two of its governmental funds to be major governmental funds requiring separate reporting. The remaining governmental funds are non-major funds and are included in the combining statements on pages 73-82 of this report.

- *Proprietary funds* account for the same functions and utilize the same accounting methods reported as business-type activities in the government-wide financial statements. Full accrual accounting methods are used and provide both long and short-term financial information. The City uses enterprise funds and an internal service fund, types of proprietary funds, to account for its six business-type activities. Four of the City's enterprise funds qualify as major funds.
- *Fiduciary funds* account for resources held by the City for the benefit of parties outside the City. The City has a fiduciary responsibility to ensure that these resources are used

for their intended beneficiaries and purposes. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds cannot be used to finance City programs. The City's fiduciary responsibilities are reported separately in a statement of fiduciary net position and a statement of changes in fiduciary net position. These statements are prepared using full accrual accounting methods similar to those used in preparing proprietary fund statements.

Fund financial statements can be found on pages 19-30 of this report.

**Notes to the financial statements.** The notes to the financial statements provide additional information essential to understanding the government-wide and fund financial statements. The notes to the financial statements begin on page 31 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As was previously noted, increases or decreases in net position, when viewed over a period of time, may serve as a useful indicator of whether the financial position of the City is improving or deteriorating, respectively. The City's total net position, assets plus deferred outflows of resources in excess of liabilities plus deferred inflows of resources, totaled \$448,161,635.

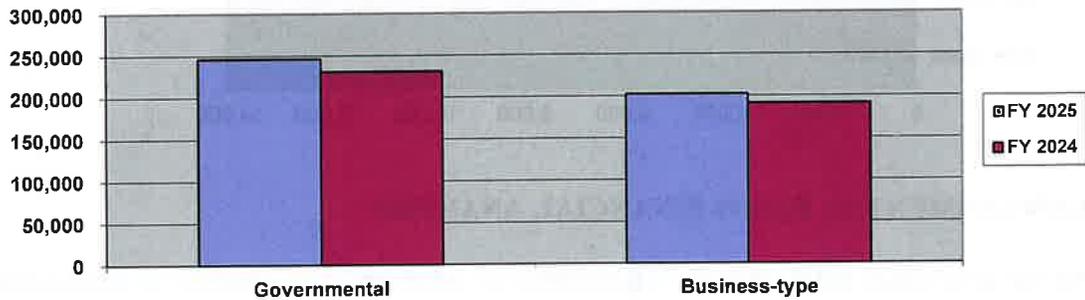
	CEDAR CITY'S NET POSITION			
	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Current and other assets	\$ 76,792,717	\$ 69,234,256	\$ 48,734,334	\$ 46,044,528
Capital assets	190,202,790	181,855,439	176,791,408	168,615,085
Total assets	<u>266,995,507</u>	<u>251,089,695</u>	<u>225,525,742</u>	<u>214,659,619</u>
Deferred outflows of resources	3,576,345	3,515,765	587,037	577,092
Current liabilities	10,023,545	9,307,513	3,309,272	3,014,087
Long-term liabilities	7,976,879	8,233,255	20,657,715	21,289,639
Total liabilities	<u>18,000,424</u>	<u>17,540,768</u>	<u>23,966,987</u>	<u>24,303,726</u>
Deferred inflows of resources	6,543,835	6,263,684	11,750	17,212
Net position:				
Net investment in capital assets	184,672,790	171,858,769	156,193,408	147,314,085
Restricted	17,260,352	14,683,264	8,931,493	9,158,204
Unrestricted	44,094,451	44,258,975	37,009,141	34,443,478
Total net position	<u>\$246,027,593</u>	<u>\$230,801,008</u>	<u>\$202,134,042</u>	<u>\$190,915,767</u>

CHANGES IN CEDAR CITY'S NET POSITION

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
<b>Revenues:</b>				
<b>Program revenues</b>				
Charges for services	\$8,431,956	\$7,749,361	\$ 16,376,795	\$ 14,799,508
Operating grants and contributions	653,634	1,102,780		
Capital grants and contributions	15,637,875	22,581,311	7,662,540	13,668,587
<b>General Revenues</b>				
Property taxes	7,397,652	7,171,256		
Other taxes	18,842,518	17,955,180		
Investment income	3,019,319	2,672,910	2,170,570	2,087,849
Other revenues	2,253,798	2,176,390	17,807	10,779
Gain (loss) on sale/disposal of assets				
Total revenues	56,236,752	61,409,188	26,227,712	30,566,723
<b>Expenses:</b>				
General government	6,706,379	2,238,764		
Police protection	8,143,254	7,416,808		
Other public safety and inspection services	4,474,570	4,398,989		
Streets and highways	3,770,273	6,007,626		
Parks, cemetery and public property	2,202,664	2,182,493		
Culture and recreation	5,891,672	6,595,822		
Public works	2,930,418	2,410,643		
Community and economic development	4,260,451	4,083,900		
Transportation services	1,015,010	907,494		
Interest and fiscal charges	115,476	127,846		
Water			8,966,223	7,122,071
Sewer system			2,249,066	2,451,276
Regional sewer plant			3,326,281	3,124,267
Storm drain			986,277	976,782
Solid waste			981,590	1,038,211
Total expenses	39,510,167	36,370,385	16,509,437	14,712,607
Increase in net position before transfers	16,726,585	25,038,803	9,718,275	15,854,116
Transfers	(1,500,000)	(7,530,000)	1,500,000	7,530,000
Increase in net position	15,226,585	17,508,803	11,218,275	23,384,116
Net position – beginning	230,801,008	213,292,205	190,915,767	167,531,651
Restatement adjustment				
Net position – ending	\$246,027,593	\$230,801,008	\$202,134,042	\$190,915,767

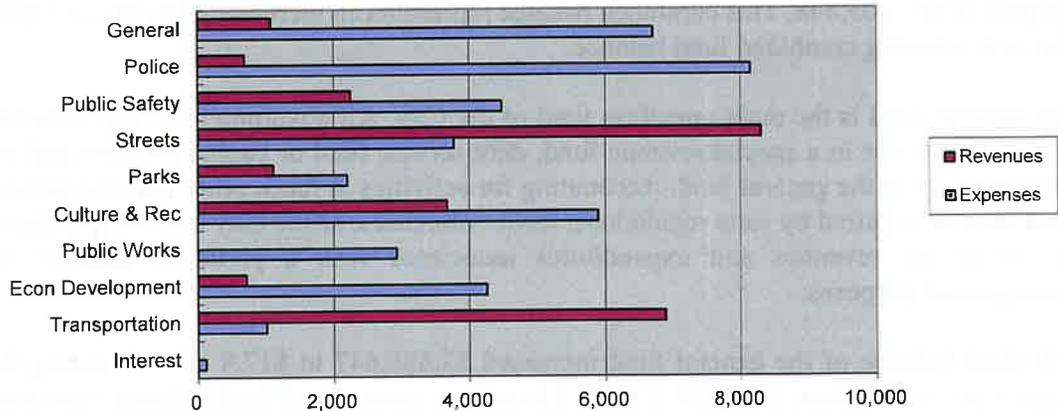
Governmental fund net position increased from \$230.8 million to \$246.0 million during fiscal year 2025, an increase of 6.5 percent. Business-type net position increased 5.8 percent from \$190.9 million in fiscal year 2024 to \$202.1 million in fiscal year 2025. This information is displayed in the graph below.

**CEDAR CITY'S NET POSITION BY FUND TYPE  
FY 2025 & FY 2024 COMPARISON  
(In thousands)**

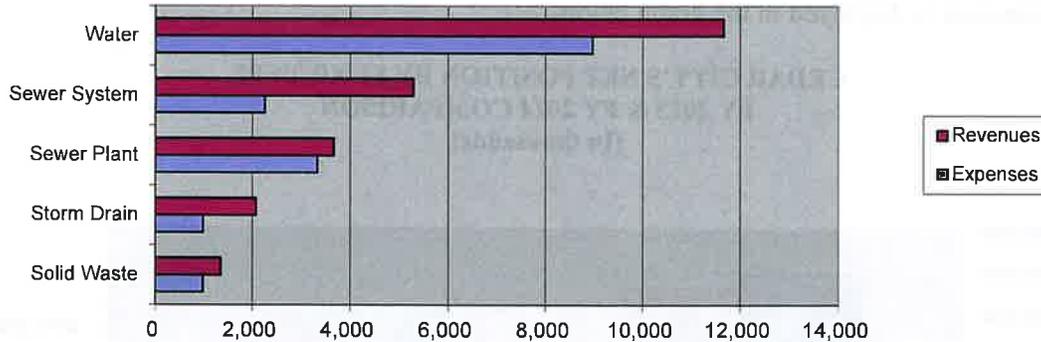


The following charts display program revenues and expenses for governmental activities and business-type activities for fiscal year 2025 as reflected in the statement of activities.

**PROGRAM REVENUES AND EXPENSES  
GOVERNMENTAL ACTIVITIES FOR FY 2025  
(In thousands)**



**PROGRAM REVENUES AND EXPENSES  
BUSINESS-TYPE ACTIVITIES FOR FY 2025  
(In thousands)**



**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

As was previously noted, the City’s governmental funds provide a short-term perspective of the City’s general government operations and the financial resources available in the near future to finance the City’s programs. Differences between available financial resources and the short-term obligations of general government operations are reported as fund balances. Fund balances are designated as non-spendable, restricted, committed, assigned or unassigned.

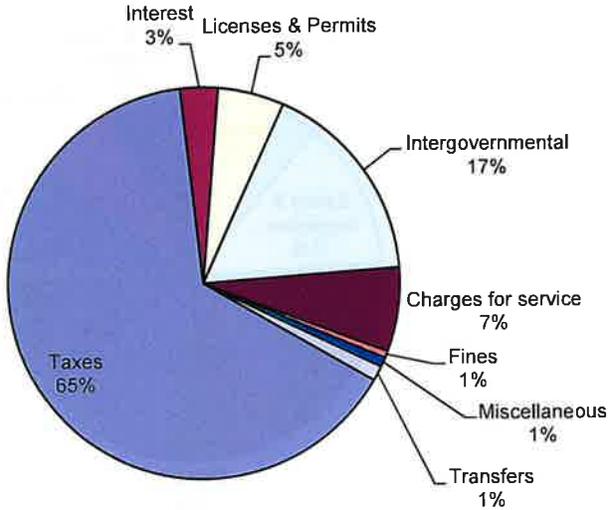
As of June 30, 2025, the City’s governmental funds, which include the general fund, all special revenue funds, debt service funds and capital project funds, report a combined fund balance of \$61,105,448. This combined balance represents an increase of \$6,495,357 from last year’s ending combined fund balance.

The general fund is the main operating fund of the City. All governmental-type activities not accounted for in a special revenue fund, debt service fund or capital project fund are accounted for in the general fund. Accounting for activities in funds other than the general fund may be required by state regulations, local ordinances, or the City may simply desire to isolate the revenues and expenditures associated with a particular activity for management purposes.

The fund balance of the general fund increased \$3,686,647 to \$17.8 million during the fiscal year ending June 30, 2025. The \$15.0 million unrestricted fund balance represents 42 percent of general fund revenues and transfers for the fiscal year ending June 30, 2025. State law requires municipalities maintain a fund balance between 5 and 35 percent of the subsequent year’s budget.

The following charts identify general fund revenue sources and function expenditures for fiscal year 2025.

**REVENUES BY SOURCE  
GENERAL FUND FOR FY 2025**



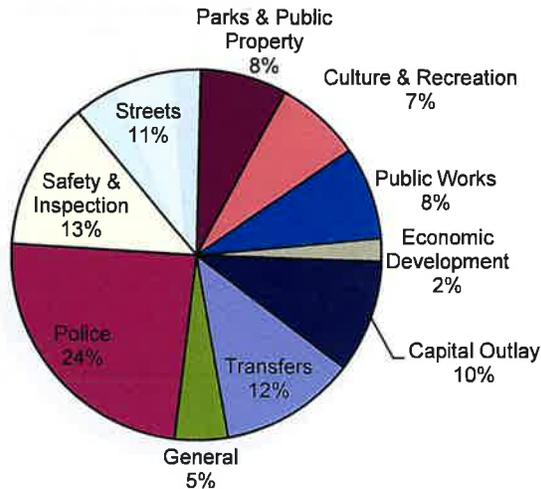
Taxes were the largest source of revenues in the general fund representing approximately 65 percent of total general fund revenues. Property tax revenues accounted for approximately 28.1 percent of all of the tax revenues generated in the general fund while sales taxes generated about 58.0 percent of the tax revenues. The remaining tax revenue was generated from franchise and energy taxes.

Intergovernmental revenues comprised of federal, state and local payments and grants accounted for 17 percent of the general fund revenues, the second largest category for fiscal year 2025. Approximately 54 percent of this revenue came from State of Utah road funds. Federal and state grants made up 6 percent of intergovernmental revenues, while payments from Iron County for services provided to the County by the City accounted for the remaining 40 percent of intergovernmental revenues.

The third largest category, charges for services, made up 7 percent of general fund revenues. Approximately 42.3 percent of these revenues were operating reimbursements from enterprise funds to the general fund.

Transfers from the capital improvement fund, licenses and permits, fines and forfeitures, miscellaneous revenues and interest are the remaining categories of revenue within the general fund. When combined, these categories accounted for approximately 11 percent of general fund revenues.

**EXPENDITURES BY FUNCTION  
GENERAL FUND FOR FY 2025**



Police functions accounted for 24 percent of all general fund expenditures. Approximately 8 percent of the capital outlay was for the police department.

Streets accounted for 11 percent of all general fund expenditures. Approximately 43 percent of capital outlay was for the streets department including street and intersections improvements, sidewalk improvements and equipment.

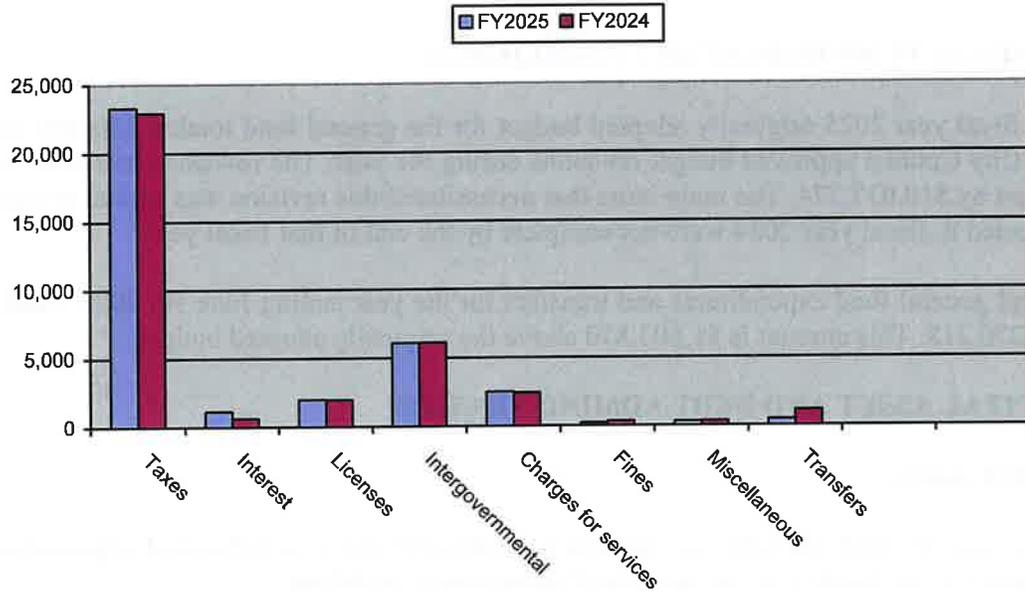
Transfers from the general fund to other funds accounted for 12 percent of all general fund expenditures. The transfers were made to meet debt service obligations, subsidize operating costs for the aquatic center and golf course and fund capital and special revenue funds.

Other public safety and inspection services accounted for 13 percent of all general fund expenditures. This category includes fire protection, building and zoning, animal control and justice court functions.

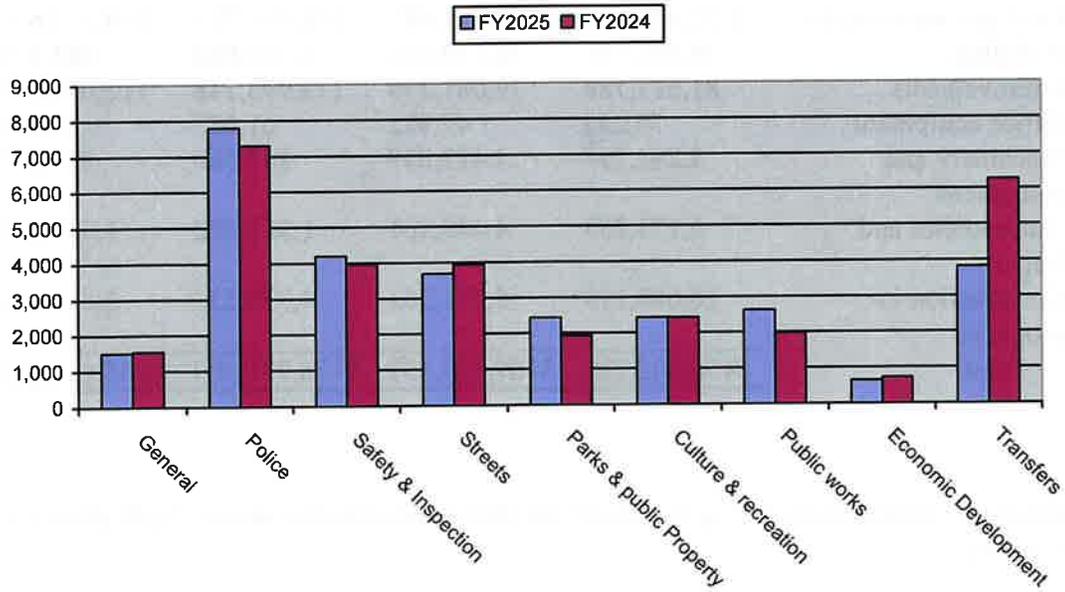
General government, public works, culture and recreation, parks and public property economic development and capital outlay comprise the remaining categories of expenditures in the general fund. The combined percentage of expenditures in these categories accounted for 39 percent of total general fund expenditures.

The following charts compare fiscal year 2025 and 2024 general fund revenues and expenditures by source and function.

**REVENUES BY SOURCE  
GENERAL FUND COMPARISON FY 2025 & FY 2024  
(In thousands)**



**EXPENDITURES BY FUNCTION  
GENERAL FUND COMPARISON FY 2025 & FY 2024  
(In thousands)**



As was previously noted, the City maintains five enterprise funds and one internal service fund to account for its business-type activities. The separate fund statements provide the same information, with more detail, as the information provided for business-type activities in the government-wide financial statements.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2025 originally adopted budget for the general fund totaled \$30,666,348. The City Council approved budget revisions during the year. The revisions increased the budget by \$10,037,774. The main issue that necessitated this revision was capital projects budgeted in fiscal year 2024 were not complete by the end of that fiscal year.

Actual general fund expenditures and transfers for the year ending June 30, 2025, totaled \$32,270,218. This amount is \$1,603,870 above the originally adopted budget.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

As of June 30, 2025, the City had invested \$366,994,197, net of accumulated depreciation, in capital assets for its governmental and business-type activities.

	CEDAR CITY'S CAPITAL ASSETS			
	(net of depreciation)			
	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Land and water rights	\$ 52,981,483	\$ 52,981,483	\$48,466,715	\$48,215,625
Buildings	36,467,121	36,139,536	1,798,068	1,881,377
Improvements	81,523,789	79,081,459	118,995,748	112,096,279
Office equipment	76,232	47,922	61,082	83,806
Machinery and equipment	3,292,797	3,423,837	847,769	991,672
Automobiles and trucks	5,173,253	4,449,901	1,851,792	1,680,220
Construction in progress	10,688,115	5,731,301	4,770,233	3,666,108
Total	<u>\$190,202,790</u>	<u>\$181,855,439</u>	<u>\$176,791,407</u>	<u>\$168,615,087</u>

Significant expenditures during the fiscal year that management wishes to highlight are the following:

- \$1,153,943 Fire Truck
- \$408,698 Peterbilt Garbage Truck

- \$374,740 Fire Station #4 Improvements
- \$719,923 Iron West Recreation Building
- \$538,243 Airport Terminal Hold Room
- \$990,447 Cody Drive Improvements
- \$4,268,969 New Roads
- \$785,256 Cemetery Expansion
- \$490,999 Trail Improvements
- \$224,000 Canyon Park Water Feature
- \$1,616,651 Water Well Mud Springs
- \$764,559 Waterline Upsizing
- \$524,405 Water Line Replacements
- \$1,473,938 New Water Lines
- \$1,177,057 Hunter Glenn Lift Station
- \$2,496,687 New Sewer Lines
- \$494,182 Sewer Line Upsizing
- \$601,769 Storm Drain Upsizing
- \$251,090 Water Rights

Additional information regarding the City's capital assets can be found in the footnotes to the financial statements.

### **Debt Administration**

State statute limits the amount of debt a city may issue to 4 percent of the fair market value of the taxable property within the city's jurisdiction, which totaled over \$4.08 billion for tax year 2025. An additional 8 percent of indebtedness may be issued for water, sewer or electricity when such public works are owned and controlled by the city. Cedar City's debt limit based on 2025 fair market values is \$489,600,000 comprised of \$163,200,000 for the 4 percent and \$326,400,000 for the additional 8 percent. In any case, the City's outstanding debt is significantly below the statutory debt limits.

At June 30, 2025, the City had total debt outstanding of \$26,128,000. Of this amount, \$3,727,000 is considered general obligation debt, which is secured by the full faith and credit of the City. The remaining debt is secured by future cash flows from specific revenue sources.

The following is a summary of the City’s outstanding debt (excluding bond premiums and discounts):

<b>CEDAR CITY’S OUTSTANDING DEBT</b>				
	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
General obligation bonds	\$ 3,727,000	\$ 4,187,000		
Sales tax revenue bonds	1,166,000	1,201,000		
Special improvement districts:				
Assessment bonds	181,000	357,000		
Municipal Building Authority:				
Lease revenue bonds	456,000	543,000		
Loans payable				
Revenue bonds			\$20,598,000	\$21,301,000
Capital leases				
Total	\$5,530,000	\$6,288,000	\$20,598,000	\$21,301,000

The City issued two new revenue bonds within the water fund during the fiscal year.

Additional information on the outstanding debt of the City is located in the footnotes to the financial statements.

#### **REQUESTS FOR FINANCIAL INFORMATION**

This financial report is designed to provide users with a general overview of the City’s finances and demonstrate accountability for the sources and uses of City funding. Questions concerning information contained in this report or requests for additional financial information should be addressed to the Finance Director, Cedar City Corporation, 10 North Main, Cedar City, Utah, 84720.

**BASIC FINANCIAL STATEMENTS**

**CEDAR CITY, UTAH**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 63,817,880	\$ 46,698,454	\$110,516,334
Special assessments receivable	489,683	-	489,683
Accounts receivable	-	1,462,173	1,462,173
Property tax receivable	6,472,246	-	6,472,246
Other receivables	5,518,154	-	5,518,154
Inventory	188,604	552,331	740,935
Internal balances	24,806	(24,806)	-
Net pension asset	281,344	46,182	327,526
Capital assets:			
Nondepreciable	63,669,598	53,236,949	116,906,547
Depreciable, net of accumulated depreciation	126,533,192	123,554,459	250,087,651
Net capital assets	<u>190,202,790</u>	<u>176,791,408</u>	<u>366,994,198</u>
Total assets	<u>266,995,507</u>	<u>225,525,742</u>	<u>492,521,249</u>
<b>Deferred outflows of resources</b>			
Deferred outflows related to pensions	3,576,345	587,037	4,163,382
Total deferred outflows of resources	<u>3,576,345</u>	<u>587,037</u>	<u>4,163,382</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	8,173,789	2,336,405	10,510,194
Interest payable	30,359	158,593	188,952
Liability for closure and post closure costs	-	73,157	73,157
Noncurrent liabilities:			
Due within one year	1,819,397	741,117	2,560,514
Due in more than one year	7,976,879	20,657,715	28,634,594
Total liabilities	<u>18,000,424</u>	<u>23,966,987</u>	<u>41,967,411</u>
<b>Deferred inflows of resources</b>			
Deferred inflows related to pensions	71,589	11,750	83,339
Property taxes levied for future year	6,472,246	-	6,472,246
Total deferred inflows of resources	<u>6,543,835</u>	<u>11,750</u>	<u>6,555,585</u>
<b>Net position</b>			
Net investment in capital assets	184,672,790	156,193,408	340,866,198
Restricted for:			
Community development	15,691,712	8,931,493	24,623,205
Public safety	1,373,970	-	1,373,970
Other purposes	194,670	-	194,670
Unrestricted	<u>44,094,451</u>	<u>37,009,141</u>	<u>81,103,592</u>
<b>Total net position</b>	<u>\$ 246,027,593</u>	<u>\$ 202,134,042</u>	<u>\$448,161,635</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 6,706,379	\$ 1,076,120	\$ 4,515	\$ 1,500	\$ (5,624,244)	\$ -	\$ (5,624,244)
Police protection	8,143,254	381,318	236,987	72,800	(7,452,149)	-	(7,452,149)
Other public safety and inspection services	4,474,570	1,891,792	33,506	330,146	(2,219,126)	-	(2,219,126)
Streets and highways	3,770,273	31,409	4,500	8,262,586	4,528,222	-	4,528,222
Parks, cemetery and public property	2,202,664	296,187	-	821,430	(1,085,047)	-	(1,085,047)
Culture and recreation	5,891,672	3,422,996	248,660	-	(2,220,016)	-	(2,220,016)
Public works	2,930,418	-	-	-	(2,930,418)	-	(2,930,418)
Community and economic development	4,260,451	449,688	-	267,800	(3,542,963)	-	(3,542,963)
Transportation services	1,015,010	882,446	125,466	5,881,613	5,874,515	-	5,874,515
Interest and fiscal charges	115,476	-	-	-	(115,476)	-	(115,476)
Total governmental activities	39,510,167	8,431,956	653,634	15,637,875	(14,786,702)	-	(14,786,702)
Business-type activities:							
Water	8,966,223	7,502,051	-	4,159,407	-	2,695,235	2,695,235
Sewer system	2,249,066	2,390,762	-	2,906,627	-	3,048,323	3,048,323
Regional sewer plant	3,326,281	3,254,439	-	408,574	-	336,732	336,732
Storm drain	986,277	1,883,057	-	187,932	-	1,084,712	1,084,712
Solid waste	981,590	1,346,486	-	-	-	364,896	364,896
Total business-type activities	16,509,437	16,376,795	-	7,662,540	-	7,529,898	7,529,898
Total primary government	\$ 56,019,604	\$ 24,808,751	\$ 653,634	\$ 23,300,415			
General revenues:							
Taxes:							
Property taxes, levied for general purposes					6,114,106	-	6,114,106
Property taxes, levied for redevelopment					1,283,546	-	1,283,546
Franchise taxes					2,911,075	-	2,911,075
Fees-in-lieu of taxes					500,484	-	500,484
General sales and use taxes					15,220,355	-	15,220,355
Telecommunications taxes					210,604	-	210,604
Unrestricted investment earnings					3,019,319	2,170,570	5,189,889
Licenses and permits					1,975,900	-	1,975,900
Miscellaneous					277,898	17,807	295,705
Transfers in/(out)					(1,500,000)	1,500,000	-
Total general revenues and transfers					30,013,287	3,688,377	33,701,664
Change in net position					15,226,585	11,218,275	26,444,860
Net position, beginning of the year					230,801,008	190,915,767	421,716,775
Net position, end of the year					\$ 246,027,593	\$ 202,134,042	\$ 448,161,635

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 21,351,714	\$ 21,812,610	\$ 20,381,134	\$ 63,545,458
Special assessments receivable	-	-	489,683	489,683
Property tax receivable	6,472,246	-	-	6,472,246
Other receivables	3,312,977	-	2,205,177	5,518,154
Due from other funds	-	24,806	-	24,806
Inventory	188,604	-	-	188,604
Total assets	<u>\$ 31,325,541</u>	<u>\$ 21,837,416</u>	<u>\$ 23,075,994</u>	<u>\$ 76,238,951</u>
<b>Liabilities:</b>				
Accounts payable	\$ 1,160,680	\$ -	\$ 1,200,126	\$ 2,360,806
Payroll taxes payable	210,434	-	-	210,434
Other payables	5,597,859	-	-	5,597,859
Total liabilities	<u>6,968,973</u>	<u>-</u>	<u>1,200,126</u>	<u>8,169,099</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for future year	6,472,246	-	-	6,472,246
Unavailable revenues - special assessments	-	-	492,158	492,158
Total deferred inflows of resources	<u>6,472,246</u>	<u>-</u>	<u>492,158</u>	<u>6,964,404</u>
<b>Fund balances:</b>				
Nonspendable				
Inventory	188,604	-	-	188,604
Restricted for:				
Community development	2,625,097	-	13,066,615	15,691,712
Public safety	-	-	1,373,970	1,373,970
Other	-	-	194,670	194,670
Committed	-	-	5,861,888	5,861,888
Assigned	-	21,837,416	886,567	22,723,983
Unassigned	15,070,621	-	-	15,070,621
Total fund balances	<u>17,884,322</u>	<u>21,837,416</u>	<u>21,383,710</u>	<u>61,105,448</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,325,541</u>	<u>\$ 21,837,416</u>	<u>\$ 23,075,994</u>	<u>\$ 76,238,951</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**June 30, 2025**

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

<b>Total fund balances - total governmental funds</b>		\$ 61,105,448
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		
Governmental capital assets	296,161,692	
Accumulated depreciation	<u>(105,958,902)</u>	190,202,790
Net pension asset is not an available resource and, therefore, is not reported in the funds.		
		281,344
Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(5,530,000)	
Compensated absences	(1,311,746)	
Interest payable	(30,359)	
Net pension liability	<u>(2,954,530)</u>	(9,826,635)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	3,576,345	
Deferred inflows related to pensions	<u>(71,589)</u>	3,504,756
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		492,158
Internal service funds are used by management to charge the costs of public works facilities and services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
		<u>267,732</u>
<b>Total net position - governmental activities</b>		<u><u>\$ 246,027,593</u></u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 23,306,395	\$ -	\$ 2,933,775	\$ 26,240,170
Interest earnings	1,136,324	1,041,455	841,535	3,019,314
Licenses and permits	1,975,900	-	-	1,975,900
Intergovernmental revenues	6,099,132	-	6,231,402	12,330,534
Charges for services	2,500,709	-	3,165,385	5,666,094
Fines and forfeitures	204,453	-	-	204,453
Other revenues	288,202	-	2,243,116	2,531,318
Total revenue	<u>35,511,115</u>	<u>1,041,455</u>	<u>15,415,213</u>	<u>51,967,783</u>
<b>Expenditures:</b>				
Current				
General government	1,501,007	-	-	1,501,007
Police protection	7,795,070	-	166,078	7,961,148
Other public safety and inspection services	4,197,360	-	3,516	4,200,876
Streets and highways	3,675,328	-	3,516	3,678,844
Parks, cemetery and public property	2,437,190	-	20,915	2,458,105
Culture and recreation	2,421,609	-	3,326,157	5,747,766
Public works	2,623,236	125,030	-	2,748,266
Community and economic development	640,722	-	1,522,181	2,162,903
Transportation services	-	-	1,029,621	1,029,621
Capital outlay	3,158,972	-	8,472,351	11,631,323
Debt service:				
Principal	-	-	758,000	758,000
Interest	-	-	94,567	94,567
Total expenditures	<u>28,450,494</u>	<u>125,030</u>	<u>15,396,902</u>	<u>43,972,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,060,621</u>	<u>916,425</u>	<u>18,311</u>	<u>7,995,357</u>
<b>Other financing sources (uses):</b>				
Transfers in	445,750	603,864	3,679,140	4,728,754
Transfers out	<u>(3,819,724)</u>	<u>(1,544,849)</u>	<u>(864,181)</u>	<u>(6,228,754)</u>
Total other financing sources (uses)	<u>(3,373,974)</u>	<u>(940,985)</u>	<u>2,814,959</u>	<u>(1,500,000)</u>
Net change in fund balance	3,686,647	(24,560)	2,833,270	6,495,357
Fund balances, beginning of year	<u>14,197,675</u>	<u>21,861,976</u>	<u>18,550,440</u>	<u>54,610,091</u>
<b>Fund balance, end of the year</b>	<u><u>\$ 17,884,322</u></u>	<u><u>\$ 21,837,416</u></u>	<u><u>\$ 21,383,710</u></u>	<u><u>\$ 61,105,448</u></u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**In Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

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

**Net change in fund balances - total governmental funds** \$ 6,495,357

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 10,379,584	
Depreciation expense	<u>(7,548,793)</u>	2,830,791

An internal service fund is used by the City to charge the costs of public works facilities to individual funds. The net revenue of the internal service fund is reported with governmental activities. 303,651

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and transfers) changes net position. In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the carrying cost of the assets sold. 110,241

Sub divider and other capital contributions do not provide current financial resources in the governmental funds, however, these contributions are recorded as revenue in the government-wide statement of activities 4,268,969

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured six months before the City's report date. Pension expense, which is the change in net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

Pension expense	\$ 2,519,066	
Benefit expense	<u>(1,983,604)</u>	535,462

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditures. Also, governmental funds report the effect of discounts, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due.

Principal payments on long-term debt	\$ 758,000	
Changes in accrued interest payable	<u>(20,909)</u>	737,091

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This adjustment reflects the change in compensated absences. (54,977)

**Change in net position of governmental activities** \$ 15,226,585

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	Water	Sewer Collection System	Regional Sewer Plant
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 22,542,820	\$ 6,201,145	\$ 13,410,689
Accounts receivable, net of allowance	693,543	214,923	233,391
Inventory	552,139	-	-
Due from other funds	-	-	78,796
Total current assets	<u>23,788,502</u>	<u>6,416,068</u>	<u>13,722,876</u>
Non-current assets			
Net pension asset	21,617	6,223	13,429
Capital assets:			
Nondepreciable	48,102,626	80,915	3,979,042
Depreciable, net of accumulated depreciation	61,991,578	32,709,320	11,857,084
Net capital assets	<u>110,094,204</u>	<u>32,790,235</u>	<u>15,836,126</u>
Total non-current assets	<u>110,115,821</u>	<u>32,796,458</u>	<u>15,849,555</u>
Total assets	<u>133,904,323</u>	<u>39,212,526</u>	<u>29,572,431</u>
<b>Deferred outflows of resources:</b>			
Deferred outflows of resources - pensions	274,783	79,104	170,699
Total deferred outflows of resources	<u>274,783</u>	<u>79,104</u>	<u>170,699</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	1,515,858	109,633	388,569
Interest payable	148,969	-	-
Deposits payable	151,700	-	-
Compensated absences payable - current	111,371	32,905	86,060
Bonds payable - current	233,000	-	-
Due to other funds	-	78,796	-
Total current liabilities	<u>2,160,898</u>	<u>221,334</u>	<u>474,629</u>
Non-current liabilities			
Liability for closure and post closure costs	-	-	-
Net pension liability	227,007	65,350	141,019
Compensated absences payable	11,113	11,083	10,240
Bonds payable	19,035,000	-	-
Total non-current liabilities	<u>19,273,120</u>	<u>76,433</u>	<u>151,259</u>
Total liabilities	<u>21,434,018</u>	<u>297,767</u>	<u>625,888</u>
<b>Deferred inflows of resources:</b>			
Deferred inflows related to pensions	5,500	1,583	3,417
Total deferred inflows of resources	<u>5,500</u>	<u>1,583</u>	<u>3,417</u>
<b>Net position</b>			
Net investment in capital assets	90,826,204	32,790,235	15,836,126
Restricted for:			
Community development	6,839,723	350,764	1,162,101
Unrestricted	<u>15,073,661</u>	<u>5,851,281</u>	<u>12,115,598</u>
<b>Total net position</b>	<u>\$ 112,739,588</u>	<u>\$ 38,992,280</u>	<u>\$ 29,113,825</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

Storm Drain Utility	Nonmajor Solid Waste	Total	Public Works Facilities Internal Service Fund
\$ 2,239,017	\$ 2,304,783	\$ 46,698,454	\$ 272,422
168,101	152,215	1,462,173	-
-	192	552,331	-
-	-	78,796	-
<u>2,407,118</u>	<u>2,457,190</u>	<u>48,791,754</u>	<u>272,422</u>
1,310	3,603	46,182	-
1,074,366	-	53,236,949	735,647
<u>15,926,158</u>	<u>1,070,319</u>	<u>123,554,459</u>	<u>2,814,136</u>
<u>17,000,524</u>	<u>1,070,319</u>	<u>176,791,408</u>	<u>3,549,783</u>
<u>17,001,834</u>	<u>1,073,922</u>	<u>176,837,590</u>	<u>3,549,783</u>
<u>19,408,952</u>	<u>3,531,112</u>	<u>225,629,344</u>	<u>3,822,205</u>
16,654	45,797	587,037	-
<u>16,654</u>	<u>45,797</u>	<u>587,037</u>	<u>-</u>
87,300	83,345	2,184,705	4,690
9,624	-	158,593	-
-	-	151,700	-
15,187	7,594	253,117	-
255,000	-	488,000	-
24,806	-	103,602	-
<u>391,917</u>	<u>90,939</u>	<u>3,339,717</u>	<u>4,690</u>
-	73,157	73,157	-
13,758	37,834	484,968	-
20,990	9,321	62,747	-
<u>1,075,000</u>	<u>-</u>	<u>20,110,000</u>	<u>-</u>
<u>1,109,748</u>	<u>120,312</u>	<u>20,730,872</u>	<u>-</u>
<u>1,501,665</u>	<u>211,251</u>	<u>24,070,589</u>	<u>4,690</u>
333	917	11,750	-
<u>333</u>	<u>917</u>	<u>11,750</u>	<u>-</u>
15,670,524	1,070,319	156,193,408	3,549,783
578,905	-	8,931,493	-
<u>1,674,179</u>	<u>2,294,422</u>	<u>37,009,141</u>	<u>267,732</u>
<u>\$ 17,923,608</u>	<u>\$ 3,364,741</u>	<u>\$202,134,042</u>	<u>\$ 3,817,515</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Water	Sewer Collection System	Regional Sewer Plant
<b>Operating revenues:</b>			
Charges for services	\$ 7,356,465	\$ 2,382,016	\$ 3,247,959
Penalties	135,478	-	-
Other revenues	10,108	8,746	6,480
Total operating revenues	<u>7,502,051</u>	<u>2,390,762</u>	<u>3,254,439</u>
<b>Operating expenses</b>			
Salaries	942,976	353,916	732,603
Employee benefits	463,715	202,325	391,460
Administration	364,192	145,839	179,133
Utilities	1,101,286	25,396	491,108
Professional services	18,694	17,020	84,556
Repairs and maintenance	2,341,496	371,081	282,528
Insurance	27,970	16,144	20,306
Miscellaneous	174,956	75,086	11,705
Supplies	878,993	25,154	295,334
Closure and post closure expenses	-	-	-
Depreciation	1,738,437	1,013,214	837,548
Total operating expenses	<u>8,052,715</u>	<u>2,245,175</u>	<u>3,326,281</u>
Operating income	<u>(550,664)</u>	<u>145,587</u>	<u>(71,842)</u>
<b>Non-operating revenues (expenses):</b>			
Interest earnings	987,278	275,444	668,960
Gain (loss) on disposal of assets	-	-	18,291
Interest and fiscal charges	(913,508)	(3,891)	-
Total non-operating revenues (expenses):	<u>73,770</u>	<u>271,553</u>	<u>687,251</u>
Income before contributions and transfers	<u>(476,894)</u>	<u>417,140</u>	<u>615,409</u>
Capital contributions	1,473,949	2,496,688	-
Impact fees	1,635,189	409,939	408,574
Water acquisition fees	1,050,269	-	-
Transfers in	1,500,000	-	-
<b>Change in net position</b>	<u>5,182,513</u>	<u>3,323,767</u>	<u>1,023,983</u>
Total net position, beginning of year	<u>107,557,075</u>	<u>35,668,513</u>	<u>28,089,842</u>
Total net position, end of year	<u>112,739,588</u>	<u>38,992,280</u>	<u>29,113,825</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

Storm Drain Utility	Nonmajor Solid Waste	Total	Public Works Facilities Internal Service Fund
\$ 1,883,057	\$ 1,334,963	\$ 16,204,460	\$ 540,578
-	-	135,478	-
-	11,523	36,857	-
<u>1,883,057</u>	<u>1,346,486</u>	<u>16,376,795</u>	<u>540,578</u>
198,242	219,995	2,447,732	59,445
110,177	113,364	1,281,041	36,837
178,765	174,636	1,042,565	-
-	680	1,618,470	19,805
10,062	7,312	137,644	10,957
116,515	45,812	3,157,432	10,617
4,345	11,037	79,802	9,142
8,529	38,942	309,218	-
22,586	189,539	1,411,606	11,582
-	-	-	-
<u>304,354</u>	<u>180,273</u>	<u>4,073,826</u>	<u>78,875</u>
<u>953,575</u>	<u>981,590</u>	<u>15,559,336</u>	<u>237,260</u>
<u>929,482</u>	<u>364,896</u>	<u>817,459</u>	<u>303,318</u>
136,774	102,114	2,170,570	333
-	(484)	17,807	-
<u>(32,702)</u>	<u>-</u>	<u>(950,101)</u>	<u>-</u>
<u>104,072</u>	<u>101,630</u>	<u>1,238,276</u>	<u>333</u>
<u>1,033,554</u>	<u>466,526</u>	<u>2,055,735</u>	<u>303,651</u>
-	-	3,970,637	-
187,932	-	2,641,634	-
-	-	1,050,269	-
-	-	1,500,000	-
<u>1,221,486</u>	<u>466,526</u>	<u>11,218,275</u>	<u>303,651</u>
<u>16,702,122</u>	<u>2,898,215</u>	<u>190,915,767</u>	<u>3,513,864</u>
<u>17,923,608</u>	<u>3,364,741</u>	<u>202,134,042</u>	<u>3,817,515</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Water	Sewer Collection System	Regional Sewer Plant
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 7,574,535	\$ 2,378,784	\$ 3,254,439
Cash payments to suppliers for goods and services	(3,595,548)	(862,503)	(994,832)
Cash payments to employees for services	(1,799,670)	(544,398)	(1,098,507)
Cash payments to other funds for services provided	(364,192)	(145,839)	(179,133)
Net cash flows from operating activities	<u>1,815,125</u>	<u>826,044</u>	<u>981,967</u>
<b>Cash flows from non-capital financing activities:</b>			
Loans due from/(to) other funds	-	(76,875)	76,875
Transfers in	1,500,000	-	-
Net cash flows from non-capital financing activities	<u>1,500,000</u>	<u>(76,875)</u>	<u>76,875</u>
<b>Cash flows from capital and related financing activities:</b>			
Water acquisition and impact fees	2,685,458	409,939	408,574
Acquisition of capital assets	(2,950,334)	(626,707)	(2,632,602)
Proceeds from the sale of capital assets	-	-	65,468
Interest paid on capital debt	(913,508)	(3,891)	-
Principal paid on capital debt	(453,000)	-	-
Net cash flows from capital and related activities	<u>(1,631,384)</u>	<u>(220,659)</u>	<u>(2,158,560)</u>
<b>Cash flows from investing activities:</b>			
Interest received	987,278	275,444	668,960
Net cash flows from investing activities	<u>987,278</u>	<u>275,444</u>	<u>668,960</u>
Net change in cash and cash equivalents	2,671,019	803,954	(430,758)
<b>Cash and cash equivalents - beginning (including restricted cash)</b>	<u>19,871,801</u>	<u>5,397,191</u>	<u>13,841,447</u>
<b>Cash and cash equivalents - ending (including restricted cash)</b>	<u>\$ 22,542,820</u>	<u>\$ 6,201,145</u>	<u>\$ 13,410,689</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>			
Operating income (loss)	\$ (550,664)	\$ 145,587	\$ (71,842)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	1,738,437	1,013,214	837,548
Pension expense	41,141	11,843	25,556
(Increase) decrease in accounts receivable	55,909	(11,978)	-
(Increase) decrease in inventory	188,086	-	-
Increase (decrease) in accounts payable	759,761	(332,622)	190,705
Increase (decrease) in deposits payable	16,575	-	-
Increase (decrease) in post closure liability	-	-	-
Increase (decrease) in interest payable	(434,120)	-	-
Increase (decrease) in compensated absences	-	-	-
Net cash flows from operating activities	<u>\$ 1,815,125</u>	<u>\$ 826,044</u>	<u>\$ 981,967</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

Storm Drain Utility	Nonmajor Solid Waste	Total	Public Works Facilities Internal Service Fund
\$ 1,876,002	\$ 1,340,475	\$ 16,424,235	\$ 540,578
(81,592)	(278,673)	(5,813,148)	(59,976)
(305,926)	(326,503)	(4,075,004)	(96,282)
(178,765)	(174,636)	(1,042,565)	-
<u>1,309,719</u>	<u>560,663</u>	<u>5,493,518</u>	<u>384,320</u>
(24,560)	-	(24,560)	-
-	-	1,500,000	-
<u>(24,560)</u>	<u>-</u>	<u>1,475,440</u>	<u>-</u>
187,932	-	3,691,903	-
(1,923,651)	(194,700)	(8,327,994)	(168,580)
-	821	66,289	-
(32,702)	-	(950,101)	-
(250,000)	-	(703,000)	-
<u>(2,018,421)</u>	<u>(193,879)</u>	<u>(6,222,903)</u>	<u>(168,580)</u>
136,774	102,114	2,170,570	333
<u>136,774</u>	<u>102,114</u>	<u>2,170,570</u>	<u>333</u>
(596,488)	468,898	2,916,625	216,073
2,835,505	1,835,885	43,781,829	56,349
<u>\$ 2,239,017</u>	<u>\$ 2,304,783</u>	<u>\$ 46,698,454</u>	<u>\$ 272,422</u>
\$ 929,482	\$ 364,896	\$ 817,459	\$ 303,318
304,354	180,273	4,073,826	78,875
2,493	6,856	87,889	-
(7,055)	(6,011)	30,865	-
-	11,635	199,721	-
82,020	3,014	702,878	2,127
-	-	16,575	-
-	-	-	-
(1,575)	-	(435,695)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,309,719</u>	<u>\$ 560,663</u>	<u>\$ 5,493,518</u>	<u>\$ 384,320</u>

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2025**

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	Agency Funds	
	Task Force Trust	Total
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 90,670	\$ 90,670
Total assets	\$ 90,670	\$ 90,670
<b>Liabilities:</b>		
Held in trust for others	\$ 90,670	\$ 90,670
Total liabilities	\$ 90,670	\$ 90,670

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Statement of Changes in Fiduciary Net Position**  
**Agency Funds**  
**For the Year Ended June 30, 2025**

	Agency Funds	
	Task Force Trust	Total
<b>Additions</b>		
Investment earnings:		
Interest	\$ 4,130	\$ 4,130
Total additions	4,130	4,130
<b>Deductions</b>		
Depreciation	-	-
Total deductions	-	-
Change in held in trust for others	4,130	4,130
Held in trust for others, beginning	86,540	86,540
Held in trust for others, ending	\$ 90,670	\$ 90,670

The accompanying notes are an integral part of the financial statements

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1.            Summary of Significant Accounting Policies**

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**Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

Cedar City, Utah (government) is a municipal corporation governed by an elected mayor and five member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Blended Component Units**

The City established a Redevelopment Agency pursuant to the Utah Neighborhood Development act and designated the municipal council and the mayor as the Redevelopment Agency. The Redevelopment Agency is participating in the Port 15 economic development area. The Redevelopment Agency is presented as a special revenue fund of the city.

The City established the Municipal Building Authority of Cedar City, Utah to facilitate construction of public facilities. The mayor and council serve as the governing board of the Authority. The Municipal Building Authority of Cedar City, Utah is presented as a debt service fund of the City.

The accompanying financial statements include all activities of the City.

**Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Capital Improvement Fund** is used by the City to finance large improvements into the City's infrastructure. It accounts for various projects from inception to completion. Each fiscal year, different projects may be accounted for within the fund.

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the provision of water services to the residents of the City.

The **Sewer Collection Fund and the Regional Sewer Plant Fund** account for the operation and maintenance of the City-owned collection and treatment system for wastewater.

The **Storm Drain Fund** accounts for the operation and maintenance of the City's storm drain system.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1.            Summary of Significant Accounting Policies, Continued**

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**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, earned but unreimbursed state and federal grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Only the portion of special assessments receivable received within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

***Deposits and Investments***

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds." All trade accounts receivable in the enterprise funds are shown net of an allowance for uncollectibles. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

***Inventories and Prepaid Items***

Inventories of the governmental and business type activities are valued at the lower of FIFO cost or market. Market is considered as replacement cost.

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

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Depreciation of all exhaustible fixed assets used is charged as an expense against operations. Accumulated depreciation is reported on the financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water and sewer system improvement	10-75 years
Buildings	20-50 years
Machinery and equipment	5-15 years
Roads and infrastructure	15-20 years
Improvements other than buildings	10-50 years

***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.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has two types of items that qualify for reporting in this category. The first is the deferred charge on refunding 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. The second item is pension related items reported on the government-wide and proprietary fund financial statements. See Note 9 for more information.

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 position 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 two types of items, which qualify for reporting in this category. Accordingly, the first item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes levied for a future year and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities statement of net position reports deferred inflows of resources from property taxes levied for a future year. The second item is pension related items reported on the government-wide and proprietary fund financial statements. See Note 9 for more information.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied. However, management has chosen to accumulate restricted Class C road funds in order to create a reserve for future projects.

***Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. However, management has chosen to accumulate restricted Class C road funds in order to create a reserve for future projects.

***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Manager, Finance Director, and Division/Department Heads are authorized to assign amounts to a specific purpose in accordance with the City’s budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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***Minimum Fund Balance***

Utah Code 10-6-116(4) indicates that only the “fund balance in excess of 5% of total revenues of the general fund may be utilized for budget purposes.” The remaining 5% must be maintained as a minimum fund balance.

**Revenues and Expenditures/Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Taxes***

Iron County assesses all taxable property other than centrally assessed property, which is assessed through the state, by May 22 of each year. The City should adopt a final tax rate prior to June 22, which is then submitted to the state for approval. Property taxes are due November 30 of each year. After January 15 of the following year, delinquent taxes and penalty bear interest of 6 percent above the federal discount rate from January 1 until paid.

Property taxes attach as an enforceable lien on property as they become delinquent. All unpaid taxes levied during the year become delinquent December 1 of the current year.

Property tax revenues are recognized when they become measurable and available. Amounts available include those property tax receivables expected to be collected within sixty days after year-end.

An accrual of uncollected current and prior year’s property taxes has not been made, as the amounts are not material in relationship to the financial statements taken as a whole.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

***Compensated Absences***

City employees accumulate one day of sick leave for each month of service. There is no limit on sick leave accrual. However, none of the accrued sick leave is paid upon termination. Employees with sick leave accrued in excess of 60 days may be paid 25 percent of the unused sick leave accrued during the current calendar year.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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City employees accrue vacation leave in varying amounts depending on the years of service. An employee may carry over into the following calendar year the amount of vacation leave that the employee accrues in one year plus 40 hours. Any accumulated vacation leave in excess of the annual accrual plus 40 hours will be lost at the end of the calendar year.

Vacation and sick leave are charged to operations as they are used. No provision has been made in the financial statements for unused sick leave as the low degree of reliability and the cost of making the evaluating estimates of this liability would be too great.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates**

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

**Statement of Cash Flows**

For the purpose of the Statement of Cash Flows, the business-type activities consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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**Note 2.           Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. These differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation as listed on the table of contents.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements, Continued**

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The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation as listed on the table of contents.

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**Note 3. Stewardship, Compliance and Accountability**

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**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for governmental and proprietary fund types. Encumbrance accounting is not employed by the city in its governmental funds, therefore, all annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital project funds.

The City can make adjustments to the adopted budget through public hearings. During the fiscal year, the City made budget adjustments through public hearings the effects of which were material and are reflected in management's discussion and analysis.

Before the first scheduled council meeting in May, all agencies of the City submit requests for appropriation to the City's financial officer so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information of the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the City council for review at the first scheduled meeting in May. The City council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes to the budget must be within the revenues and reserves estimated as available by the City financial officer or the revenue estimates must be changed by an affirmation vote of a majority of the City council.

Within 30 days of adoption, the final budget must be submitted to the State Auditor. If there is no increase to the certified tax rate, a final tax rate is adopted by June 22 and adoption of budget is done similarly.

State statute requires that City officers shall not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or subsequently amended.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 4. Deposits and Investments**

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The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Deposits**

**Custodial Credit Risk**

For deposits, this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2025, \$3,013,733 of the City's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

The Money Management Act defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah State Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 4. Deposits and Investments, Continued**

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Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments.

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 participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2025, the City had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
State Treasurer's Investment Pool	84,407,276	N/A	66.13
Moreton Asset Management	23,278,383	N/A	N/A

- (1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.
- (2) Interest Rate Risk is estimated using the weighted average days to maturity. Taken from the Utah Public Treasurer's Investment Fund Portfolio Statistics as of June 30, 2025.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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 Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act.

**Fair Value Measurements**

As noted above, the City holds investments that are measured at fair value on a recurring basis. The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The PTIF, as listed above, is valued using significant other observable inputs (Level 2 inputs). Moreton Asset Management, as listed above, is valued using other observable inputs (Level 2 inputs).

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 5. Capital Assets**

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

<b>Governmental activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>6/30/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>6/30/2025</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 52,981,483	\$ -	\$ -	\$ 52,981,483
Construction in progress	5,731,301	10,468,877	(5,512,063)	10,688,115
Total capital assets, not being depreciated	<u>58,712,784</u>	<u>10,468,877</u>	<u>(5,512,063)</u>	<u>63,669,598</u>
<b>Capital assets, being depreciated:</b>				
Automobiles and trucks	13,870,185	1,793,125	(98,951)	15,564,359
Buildings and improvements	55,103,528	1,632,906	-	56,736,434
Machinery and equipment	7,665,209	240,580	(17,000)	7,888,789
Office furniture and equipment	733,650	-	-	733,650
Improvements other than buildings	144,291,995	7,276,867	-	151,568,862
Total capital assets, being depreciated	<u>221,664,567</u>	<u>10,943,478</u>	<u>(115,951)</u>	<u>232,492,094</u>
Less accumulated depreciation for:				
Automobiles and trucks	(9,420,284)	(1,026,224)	98,951	(10,347,557)
Buildings and improvements	(18,963,992)	(1,305,321)	-	(20,269,313)
Machinery and equipment	(4,241,372)	(367,472)	12,852	(4,595,992)
Office furniture and equipment	(685,728)	(15,239)	-	(700,967)
Improvements other than buildings	(65,210,536)	(4,834,537)	-	(70,045,073)
Total accumulated depreciation	<u>(98,521,912)</u>	<u>(7,548,793)</u>	<u>111,803</u>	<u>(105,958,902)</u>
Total capital assets, being depreciated, net	<u>123,142,655</u>	<u>3,394,685</u>	<u>(4,148)</u>	<u>126,533,192</u>
Governmental activities capital assets, net	<u>\$ 181,855,439</u>	<u>\$ 13,863,562</u>	<u>\$ (5,516,211)</u>	<u>\$ 190,202,790</u>

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

<b>Governmental activities:</b>	
General government	\$ 18,917
Police protection	403,753
Other public safety and inspection services	430,157
Streets and highways	2,876,101
Parks, cemetery and public property	650,806
Culture and recreation	889,359
Public works	182,152
Community and economic development	169,665
Transportation services	1,927,883
Total depreciation expense	<u>\$ 7,548,793</u>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 5. Capital Assets, Continued**

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<b>Business-type activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>6/30/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>6/30/2025</b>
<b>Capital assets, not being depreciated:</b>				
Land and water rights	\$ 48,215,625	\$ 251,090	\$ -	\$ 48,466,715
Construction in progress	3,666,108	4,028,547	(2,924,422)	4,770,233
Total capital assets, not being depreciated	<u>51,881,733</u>	<u>4,279,637</u>	<u>(2,924,422)</u>	<u>53,236,948</u>
<b>Capital assets, being depreciated:</b>				
Automobiles and trucks	4,731,958	506,684	(462,438)	4,776,204
Buildings	4,356,596	-	-	4,356,596
Office furniture and equipment	161,826	-	-	161,826
Machinery and equipment	3,071,818	71,419	(62,105)	3,081,132
Improvements other than buildings	169,351,140	10,365,312	-	179,716,452
Total capital assets, being depreciated	<u>181,673,338</u>	<u>10,943,415</u>	<u>(524,543)</u>	<u>192,092,210</u>
Less accumulated depreciation for:				
Automobiles and trucks	(3,051,738)	(333,806)	461,132	(2,924,412)
Buildings	(2,475,219)	(83,309)	-	(2,558,528)
Office furniture and equipment	(78,020)	(22,724)	-	(100,744)
Machinery and equipment	(2,080,146)	(168,144)	14,927	(2,233,363)
Improvements other than buildings	(57,254,861)	(3,465,843)	-	(60,720,704)
Total accumulated depreciation	<u>(64,939,984)</u>	<u>(4,073,826)</u>	<u>476,059</u>	<u>(68,537,751)</u>
Total capital assets, being depreciated, net	<u>116,733,354</u>	<u>6,869,589</u>	<u>(48,484)</u>	<u>123,554,459</u>
Business-type activities capital assets, net	<u>\$ 168,615,087</u>	<u>\$ 11,149,226</u>	<u>\$ (2,972,906)</u>	<u>\$ 176,791,407</u>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 6. Long-Term Liabilities**

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	<b>Balance 6/30/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2025</b>	<b>Current Portion</b>
<b>Governmental activities:</b>					
<b>General obligation bonds:</b>					
General obligation refunding	\$ 4,187,000	\$ -	\$ (460,000)	\$ 3,727,000	\$ 465,000
Total general obligation	4,187,000	-	(460,000)	3,727,000	465,000
<b>Revenue bonds:</b>					
Lease revenue bond	543,000	-	(87,000)	456,000	88,000
RDA rental revenue bond	357,000	-	(176,000)	181,000	181,000
Series 2018 revenue bond	1,201,000	-	(35,000)	1,166,000	36,000
Total revenue bonds	2,101,000	-	(298,000)	1,803,000	305,000
<b>Compensated absences</b>	1,256,769	1,065,126	(1,010,149)	1,311,746	1,049,397
<b>Net pension liability</b>	2,451,901	502,629	-	2,954,530	-
<b>Governmental activity long-term liabilities</b>	9,996,670	1,567,755	(1,768,149)	9,796,276	1,819,397
<b>Business-type activities:</b>					
<b>Revenue bonds:</b>					
Storm drain revenue bond 2020	1,580,000	-	(250,000)	1,330,000	255,000
Water revenue bond 2020	1,692,000	-	(227,000)	1,465,000	233,000
Water revenue bonds 2023A	10,000,000	-	(226,000)	9,774,000	463,000
Water revenue bonds 2023B	8,029,000	-	-	8,029,000	-
Total revenue bonds	21,301,000	-	(703,000)	20,598,000	951,000
<b>Compensated absences</b>	315,863	220,523	(219,990)	316,396	253,117
<b>Net pension liability</b>	402,466	82,503	-	484,969	-
<b>Business-type long-term liabilities</b>	22,019,329	303,026	(922,990)	21,399,365	1,204,117
<b>Total long-term liabilities</b>	<b>\$ 32,015,999</b>	<b>\$ 1,870,781</b>	<b>\$ (2,691,139)</b>	<b>\$ 31,195,641</b>	<b>\$ 3,023,514</b>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 6. Long-Term Liabilities, Continued**

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Long-term debt at June 30, 2025 is comprised of the following issues:

**General obligation bonds:**

**Governmental activities:**

General Obligation Bonds - Series 2020 issued for \$6,342,000 payable in installments of \$362,000 to \$470,000 bearing interest of 1.11%	\$ 3,727,000
Total general obligation bonds	3,727,000

**Revenue bonds:**

**Governmental activities:**

Lease Revenue Bonds - Series 2014 issued for \$1,270,000 payable in installments of \$76,000 to \$95,000 bearing interest of 1.5%	456,000
Lease Revenue Bonds - Series 2016 issued for \$1,622,000 payable in installments of \$150,000 to \$181,000 bearing interest of 1.0% to 3.35%	181,000
Lease Revenue Bonds - Series 2018 issued for \$1,265,000 payable in installments of \$32,000 to \$65,000 bearing interest of 2.5%	1,166,000

**Business-type activities:**

Water Revenue Bonds - Series 2020 issued for \$3,366,000 payable in installments of \$15,000 to \$256,000 bearing interest of 1.55% to 2.40%	1,465,000
Water Revenue Bonds - Series 2023A issued for \$10,000,000 payable in installments of \$226,000 to \$1,108,000 bearing interest of 3.2% to 5.5%	9,774,000
Water Revenue Bonds - Series 2023B issued for \$8,029,000 payable in installments of \$3,000 to \$1,513,000 bearing interest of 3.4% to 5.8%	8,029,000
Storm Drain Revenue Bonds - Series 2020 issued for \$2,549,000 payable in installments of \$238,000 to \$277,000 bearing interest of 1.55% to 2.30%	1,330,000

Total revenue bonds	22,401,000
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<b>Compensated absences</b>	1,628,142
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<b>Net pension liability</b>	3,439,499
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Total long-term debt	31,195,641
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Less: Current portion

Governmental activities	(1,819,397)
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Business-type activities	(1,204,117)
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<b>Net long-term debt</b>	<b>\$ 28,172,127</b>
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**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 6. Long-Term Liabilities, Continued**

Fiscal Year Ended June 30,	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 770,000	\$ 96,341	\$ 866,341	\$ 953,000	\$ 1,381,409	\$ 2,334,409
2027	596,000	83,423	679,423	980,000	935,263	1,915,263
2028	462,000	69,978	531,978	1,006,000	910,156	1,916,156
2029	468,000	62,511	530,511	1,034,000	883,083	1,917,083
2030	476,000	56,528	532,528	1,064,000	854,448	1,918,448
2031-2035	1,978,000	198,352	2,176,352	4,402,000	3,797,564	8,199,564
2036-2040	238,000	95,743	333,743	5,564,000	2,723,439	8,287,439
2041-2045	290,000	60,625	350,625	5,595,000	1,181,889	6,776,889
2046-2049	252,000	23,625	275,625	-	-	-
Total	<u>\$ 5,530,000</u>	<u>\$ 747,126</u>	<u>\$ 6,277,126</u>	<u>\$ 20,598,000</u>	<u>\$ 12,667,251</u>	<u>\$ 33,265,251</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 7. Interfund Transactions and Balances**

Individual fund receivable and payable balances at June 30, 2025 were:

	Due from Other Funds	Due to Other Funds
Capital Improvement Fund	\$ 24,806	-
Sewer Collection System Fund	-	78,796
Sewer Plant Fund	78,796	-
Storm Drain Utility Fund	-	24,806
	\$ 103,602	\$ 103,602

Loans outstanding from the capital improvements fund and regional sewer fund in the amount of \$103,602 to the storm drain fund and the sewer collection system fund are for the acquisition and construction of capital assets. Payments of principal and interest are made annually on the loans.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

	General Fund	Capital Improvement	Nonmajor Governmental Funds	Total Transfers in
<b>Transfers in:</b>				
General Fund	-	29,643	416,106	445,749
Capital Improvement	603,864	-	-	603,864
Water Fund	-	1,500,000	-	1,500,000
Non major Governmental Funds	3,215,860	15,206	448,075	3,679,141
Total transfers out	3,819,724	1,544,849	864,181	6,228,754

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 8. Equity Classifications**

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Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Equity is classified in the governmental fund financial statements as fund balance and is further classified as nonspendable, restricted, committed, assigned or unassigned as follows:

**Nonspendable fund balance** cannot be spent because it is either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.

**Restricted fund balance** is fund balance with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Committed fund balance** can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the City Council. A resolution, ordinance or vote by the City Council is required to establish, modify or rescind a fund balance commitment.

**Assigned fund balance** is constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The City Manager, Finance Director, and Division/Department Heads are authorized to assign amounts to a specific purpose in accordance with the City’s budget policy.

**Unassigned fund balance** is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use committed resources first, followed by assigned resources and then unassigned resources, as they are needed.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 8. Equity Classifications, Continued**

The components of fund equity are as follows:

**Governmental Activities**

**General fund:**

Nonspendable	
Inventory	\$ 188,604
Total nonspendable	<u>\$ 188,604</u>
Restricted for:	
Community development	
Class C roads	\$ 2,538,243
State liquor funds	76,359
Perry legacy donation	10,495
Total restricted	<u>\$ 2,625,097</u>

**Business-type Activities:**

**Water fund:**

Restricted for:	
Community development	\$ 6,839,723
Total restricted	<u>\$ 6,839,723</u>

**Storm Drain**

Restricted for:	
Community development	\$ 578,905
Total restricted	<u>\$ 578,905</u>

**Sewer Collection:**

Restricted for:	
Community development	\$ 350,764
Total restricted	<u>\$ 350,764</u>

**Regional Sewer Plant**

Restricted for:	
Community development	\$ 1,162,101
Total restricted	<u>\$ 1,162,101</u>

**Other governmental funds:**

Restricted for:

Community development	
Transportation impact fees	4,423,126
Parks impact fees	4,262,740
RAP tax	4,004,845
TRT tax	375,904
Public safety	
Public safety impact fees	1,212,268
Task force	161,702
Other	
Parking authority	194,670
Total restricted	<u>\$ 14,635,255</u>

Committed to:

Aquatic center	\$ 348,046
Airport	2,877,949
Golf course	934,194
RDA	1,701,699
Total committed	<u>\$ 5,861,888</u>

Assigned to:

Debt service	
Debt service sinking fund	\$ 177,416
SID guarantee	137
Special Improvement 2002-1	11,821
Special Improvement 97-1	989
Special Improvement 98-1	134
Municipal Building Authority	202,869
Cedar Area Transit	439,538
Capital Improvements	21,889,667
Total assigned	<u>\$ 22,722,571</u>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 9. Defined Benefit Pension Plan**

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***General Information about the Pension Plan***

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

**Defined Benefit Plans**

- Public Employees Noncontributory Retirement System (Noncontributory System).
- Firefighters Retirement System (Firefighters System) are multiple employer, cost-sharing, retirement systems.
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer cost sharing public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees 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 Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 9. Defined Benefit Pension Plan, Continued**

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*Summary of Benefits by System*

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 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 DC Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2% per year July 1, 2020 to present	Up to 2.5%

\* Actuarial reductions are applied

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

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

**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 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 as of June 30, 2025 are as follows:

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)
<b>Noncontributory System</b>											
15 Local Government	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00
<b>Public Safety System</b>											
<b>Noncontributory</b>											
75 Other Div A 4% COLA	-	35.21	-	122	4.73	26.49	-	222	-	12.49	14.00
<b>Firefighters Retirement System</b>											
31 Other Division A	15.05	1.61	-	132	4.73	14.08	-	232	-	0.08	14.00

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

For the fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were:

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 649,222	-
Public Safety System	351,473	-
Firefighters System	12,986	121,388
Tier 2 Public Employees System	609,407	28,192
Tier 2 Public Safety and Firefighter	614,550	112,891
Tier 2 DC Public Employees	58,149	-
Tier 2 DC Public Safety and Firefighter System	15,351	-
<b>Total Contributions</b>	<b>\$ 2,311,138</b>	<b>\$ 262,471</b>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2025, the City reported a net pension asset of \$327,525 and a net pension liability of \$3,439,499.

**(Measurement Date): 12/31/2024**

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 1,427,658	0.4502069%	0.4550248%	(0.0048179) %
Public Safety System	-	1,427,891	0.9228265%	0.9669288%	(0.0441023) %
Firefighters System	327,525	-	1.8646182%	2.0239186%	(0.1593004) %
Tier 2 Public Employees System	-	364,697	0.1222835%	0.1143140%	0.0079695 %
Tier 2 Safety and Public Firefighter	-	219,253	0.4847625%	0.5137939%	(0.0290314) %
<b>Total Net Pension Asset/Liability</b>	<b>\$ 327,525</b>	<b>\$ 3,439,499</b>			

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 the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2025, the City recognized pension expense of \$2,932,557. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,651,816	\$ 14,032
Change in assumptions	389,129	3,481
Net difference between projected and actual earnings on pension plan investments	808,298	-
Changes in proportion and differences between contributions and proportionate share of contributions	151,685	65,827
Contributions subsequent to the measurement date	1,162,455	-
<b>Total</b>	<b>\$ 4,163,383</b>	<b>\$ 83,340</b>

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

\$1,162,455 was reported as deferred outflows of resources related to pension 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,	Deferred Outflows (inflows) of Resources
2025	\$ 1,205,106
2026	\$ 1,507,220
2027	\$ (168,841)
2028	\$ 16,085
2029	\$ 128,701
Thereafter	\$ 229,317

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

For the year ended June 30, 2025, we recognized pension expense of \$1,322,700. 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	\$ 850,679	\$ -
Change in assumptions	118,094	-
Net difference between projected and actual earnings on pension plan investments	430,033	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,062	4,977
Contributions subsequent to the measurement date	311,189	-
Total	\$ 1,711,057	\$ 4,977

\$311,189 reported as deferred outflows of resources related to pension 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:

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2025	\$ 816,002
2026	\$ 785,246
2027	\$ (174,494)
2028	\$ (31,864)
2029	\$ -
Thereafter	\$ -

***Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended June 30, 2025, we recognized pension expense of \$827,854. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 150,887	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	247,126	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	15,508
Contributions subsequent to the measurement date	175,386	-
Total	\$ 573,399	\$ 15,508

\$175,386 reported as deferred outflows of resources related to pension 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,	Deferred Outflows (inflows) of Resources
2025	\$ 150,300
2026	\$ 350,777
2027	\$ (100,378)
2028	\$ (18,196)
2029	\$ -
Thereafter	\$ -

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

*Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources*

For the year ended June 30, 2025, we recognized pension expense of \$66,717. At June 30, 2025 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 359,849	\$ -
Change in assumptions	26,271	-
Net difference between projected and actual earnings on pension plan investments	93,618	-
Changes in proportion and differences between contributions and proportionate share of contributions	70,198	35,178
Contributions subsequent to the measurement date	6,495	-
Total	\$ 556,431	\$ 35,178

\$6,495 reported as deferred outflows of resources related to pension 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,	Deferred Outflows (inflows) of Resources
2025	\$ 171,730
2026	\$ 267,540
2027	\$ 63,633
2028	\$ 11,855
2029	\$ -
Thereafter	\$ -

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

***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 \$398,374. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 157,662	\$ 2,512
Change in assumptions	121,804	38
Net difference between projected and actual earnings on pension plan investments	23,310	-
Changes in proportion and differences between contributions and proportionate share of contributions	57,753	4,954
Contributions subsequent to the measurement date	343,693	-
Total	<u>\$ 704,222</u>	<u>\$ 7,504</u>

\$343,693 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,	Deferred Outflows (inflows) of Resources
2025	\$ 42,101
2026	\$ 64,992
2027	\$ 28,039
2028	\$ 34,547
2029	\$ 81,628
Thereafter	\$ 101,718

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

***Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended June 30, 2025, we recognized pension expense of \$316,912. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 132,739	\$ 11,520
Change in assumptions	122,961	3,443
Net difference between projected and actual earnings on pension plan investments	14,211	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,672	5,210
Contributions subsequent to the measurement date	325,692	-
Total	<u>\$ 618,275</u>	<u>\$ 20,173</u>

\$325,692 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,	Deferred Outflows (inflows) of Resources
2025	\$ 24,973
2026	\$ 38,664
2027	\$ 14,359
2028	\$ 19,743
2029	\$ 47,073
Thereafter	\$ 127,599

***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

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 9. Defined Benefit Pension Plan, Continued**

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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 the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-210 Employee Mortality Table for the 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 five year 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	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	<u>Inflation</u>		<u>2.50%</u>
	<u>Expected arithmetic nominal return</u>		<u>8.30%</u>

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.

**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.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 9. Defined Benefit Pension Plan, Continued**

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:

<b>System</b>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 6,037,822	\$ 1,427,658	\$ (2,438,778)
Public Safety System	4,386,686	1,427,891	(986,440)
Firefighters System	712,785	(327,525)	(1,175,775)
Tier 2 Public Employees System	1,089,262	364,697	(198,943)
Tier 2 Public Safety and Firefighter	747,631	219,253	(203,194)
Total	\$ 12,974,186	\$ 3,111,974	\$ (5,003,130)

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

**Defined Contributions Savings Plans**

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Cedar City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 9. Defined Benefit Pension Plan, Continued**

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Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2025	2024	2023
<b>401(K) Plan</b>			
Employer Contributions	\$ 137,467	\$ 125,275	\$ 111,896
Employee Contributions	\$ 316,893	\$ 295,349	\$ 265,793
<b>457 Plan</b>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 104,788	\$ 79,612	\$ 61,375
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 54,377	\$ 48,782	\$ 48,661
<b>Traditional IRA</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 1,025	\$ 725	\$ 650

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**Note 10. Risk Management**

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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. Risk financing activities are accounted for in various operating funds, with unallocated or citywide activities being accounted for in the general fund.

The City maintains insurance for general liability, auto liability, and employee dishonesty through Utah Risk Management Mutual Association (URMMA). As of June 30, 2025, the City had \$397,817 in outstanding recaptured losses that will be paid with premiums due in future years. Worker's compensation coverage is carried through the State Worker's Compensation Fund.

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**Note 11. Individual Fund Disclosures**

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**Segment Information**

For information on the enterprise funds, see the proprietary funds' financial statements in the fund financial statements and the combining financial statements in the supplementary section.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Note 12.      Redevelopment Agency**

In accordance with Section 17A-2-1219, Utah Code Annotated, all municipalities having established Redevelopment Agencies are required to disclose the following revenues and expenditures associated with the various project areas:

	Cedar			
	Downtown	Port 15	Decorworx	Aviation Way
Tax increment collected	\$ -	\$ 1,213,056	\$ 22,942	\$ 47,548
Interest income	\$ 80,184	\$ -	\$ -	\$ -
Miscellaneous revenues	\$ 369,688	\$ -	\$ -	\$ -
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Balance of debt	\$ 181,000	None	None	None
 Funds expended:				
Site improvements and maintenance	\$ 130,858	\$ 448,758	\$ 19,449	\$ -
Administrative costs	\$ 8,756	\$ 448,006	\$ -	\$ -
Debt payments	\$ 187,696	\$ -	\$ -	\$ -
Net transfers in (out)	\$ 8,600	\$ -	\$ -	\$ -

**Note 13.      Litigation**

The City is currently involved in various legal disputes due to property damage caused by personnel while performing daily operations. While no material judgements have been handed down against Cedar City, it is expected that not all court cases will be won. As of the date the financials are ready to be issued, it is expected that the City will lose settlements in the aggregate of approximately \$675,000.

**CEDAR CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 14. Landfill Closure and Post-Closure Care Costs**

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Cedar City has estimated closure and post-closure care costs for the City landfill to be \$73,157. The nature and source of these costs as estimated by Cedar City are described below as well as other pertinent information concerning the landfill.

As of the date of this report, the City had not been notified of any corrective actions that need to be taken towards the landfill.

The City has placed funds in a restricted account with the Public Treasurer's Investment pool sufficient to provide for the estimated closure and post-closure costs.

Closure costs:	
Cover material	\$ 70,750
Total closure costs	<u>70,750</u>
Post-closure costs:	
Vegetative cover	<u>3,538</u>
Total post-closure costs	<u>3,538</u>
Total costs	<u>\$ 74,288</u>

To date, Cedar City had not incurred any closure or post-closure care costs but has recorded a liability of \$73,157 towards these costs.

Estimated landfill capacity used to date based on the estimates of the city engineers are as follows:

Bulloch Pit 87 percent

The City estimates the useful life of the landfill as follows:

Bulloch Pit 12 years

**REQUIRED SUPPLEMENTARY INFORMATION**

**CEDAR CITY, UTAH**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	21,908,846	\$21,928,900	\$23,306,395	\$ 1,377,495
Interest earnings	50,000	50,000	1,136,324	1,086,324
Licenses and permits	1,322,832	1,492,832	1,975,900	483,068
Intergovernmental revenues	2,784,920	4,786,060	6,099,132	1,313,072
Charges for services	1,483,609	2,031,985	2,500,709	468,724
Fines and forfeitures	163,500	163,500	204,453	40,953
Other revenues	40,705	40,705	288,202	247,497
Total revenues	27,754,412	30,493,982	35,511,115	5,017,133
<b>Expenditures</b>				
General government				
Administration	1,839,715	2,107,515	1,952,087	155,428
Police protection				
Police	8,147,550	8,490,208	8,016,717	473,491
Other public safety and inspection services				
Fire department	2,857,984	4,761,031	2,902,960	1,858,071
Protective inspection	717,011	717,011	621,490	95,521
Animal control	303,452	330,110	279,837	50,273
Justice court	601,266	601,266	549,536	51,730
Streets and highways				
Streets and highways	4,764,698	5,902,155	4,671,696	1,230,459
Parks, cemetery and public property				
City building	313,262	501,970	512,883	(10,913)
Parks and cemetery	3,119,482	6,222,947	2,512,269	3,710,678
Culture and recreation				
Recreation	268,671	268,671	276,881	(8,210)
Library	970,316	978,316	875,611	102,705
Cross Hollows events center	363,267	2,673,103	1,131,761	1,541,342
Heritage center	645,853	913,476	636,171	277,305
Leisure services	230,386	230,386	246,637	(16,251)
Public works				
City engineer	1,670,784	1,885,784	1,645,611	240,173
Public works administration	386,958	386,958	363,555	23,403
Fleet and warehouse	610,591	610,591	614,070	(3,479)
Community and economic development				
Community promotions	183,482	198,482	143,205	55,277
Economic development	522,097	570,097	497,517	72,580
Total expenditures	28,516,825	38,350,077	28,450,494	9,899,583
Excess of revenues over (under) expenditures	(762,413)	(7,856,095)	7,060,621	14,916,716
<b>Other financing sources (uses):</b>				
Transfers in	2,911,936	8,380,999	445,750	(7,935,249)
Transfers out	(2,149,523)	(2,354,045)	(3,819,724)	(1,465,679)
Appropriation of fund balance	-	1,829,141		
Total other financing sources (uses)	762,413	7,856,095	(3,373,974)	(9,400,928)
Net change in fund balance	-	-	3,686,647	5,515,788
Fund balance, beginning of year	14,197,675	14,197,675	14,197,675	-
<b>Fund balance, end of year</b>	<b>\$14,197,675</b>	<b>\$14,197,675</b>	<b>\$17,884,322</b>	<b>\$ 5,515,788</b>

**CEDAR CITY, UTAH**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**June 30, 2025**  
**Last 10 Fiscal Years**

Year Ended	Proportionate share of the net pension liability (asset)		Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll		Plan fiduciary net position as a percentage of the total pension liability
	Proportion of net pension liability (asset)	share of the net pension liability (asset)		Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	
<b>Noncontributory System</b>						
2016	0.4165971%	2,357,309	3,404,346	69.24%		87.8%
2017	0.4074062%	2,616,046	3,392,850	77.10%		87.3%
2018	0.4119892%	1,805,048	3,345,064	53.96%		91.9%
2019	0.4106241%	3,023,722	3,371,640	89.68%		87.0%
2020	0.4060753%	1,530,444	3,324,097	46.04%		93.7%
2021	0.4153345%	213,043	3,365,562	6.33%		99.2%
2022	0.4367769%	(2,501,468)	3,514,741	-71.17%		108.7%
2023	0.4871937%	834,440	4,118,940	20.26%		97.5%
2024	0.4550248%	1,055,459	4,001,047	26.38%		96.9%
2025	0.4502069%	1,427,658	3,922,780	36.39%		96.0%
<b>Public Safety System</b>						
2016	0.9708819%	1,739,093	1,454,903	119.53%		87.1%
2017	0.9780919%	1,984,819	1,371,702	144.70%		86.5%
2018	1.0298082%	1,615,417	1,380,030	117.06%		90.2%
2019	0.9687915%	2,492,299	1,228,204	202.92%		84.7%
2020	0.8924997%	1,433,013	1,067,698	134.22%		90.9%
2021	0.8819298%	732,215	1,028,445	71.20%		95.5%
2022	0.9042603%	(734,388)	1,014,898	-72.36%		104.2%
2023	1.0477991%	1,354,883	1,201,930	112.73%		93.6%
2024	0.9669288%	1,382,867	1,088,193	127.08%		93.4%
2025	0.9228265%	1,427,891	1,012,143	141.08%		93.3%
<b>Firefighters System</b>						
2016	1.6384771%	(29,676)	440,401	-6.74%		101.0%
2017	1.6897646%	(13,321)	474,649	-2.81%		100.4%
2018	1.8604718%	(116,196)	544,055	-21.36%		103.0%
2019	1.6784452%	217,942	519,329	41.97%		94.3%
2020	1.6455495%	(204,081)	526,864	-38.74%		105.0%
2021	1.7254805%	(482,479)	562,925	-85.71%		110.5%
2022	1.8391623%	(1,072,629)	613,168	-174.93%		120.1%
2023	2.0889058%	(542,498)	752,347	-72.11%		108.4%
2024	2.0239186%	(475,002)	772,755	-61.47%		106.8%
2025	1.8646182%	(327,525)	776,083	-42.20%		104.6%

**CEDAR CITY, UTAH**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**June 30, 2025**  
**Last 10 Fiscal Years**

Year Ended	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>Tier 2 Public Employees System</b>					
2016	0.1012189%	(221)	653,949	-0.03%	100.2%
2017	0.0944426%	10,535	774,506	1.36%	95.1%
2018	0.1074217%	9,471	1,050,445	0.90%	97.4%
2019	0.1072807%	45,946	1,252,827	3.67%	90.8%
2020	0.1131864%	25,456	1,572,618	1.62%	96.5%
2021	0.1114716%	16,033	1,781,792	0.90%	98.3%
2022	0.1187333%	(50,252)	2,204,119	-2.28%	103.8%
2023	0.1267600%	138,028	2,762,918	5.00%	92.3%
2024	0.1143140%	222,499	2,955,406	7.53%	89.6%
2025	0.1222835%	364,697	3,621,755	10.07%	87.4%
<b>Tier 2 Public Safety and Firefighter System</b>					
2016	0.2329357%	(3,403)	138,650	-2.45%	110.7%
2017	0.4044896%	(3,511)	334,199	-1.05%	103.6%
2018	0.4576159%	(5,295)	482,984	-1.10%	103.0%
2019	0.4889595%	12,251	652,838	1.88%	95.6%
2020	0.5066702%	47,660	835,064	5.71%	89.6%
2021	0.5053176%	45,324	1,004,415	4.51%	93.1%
2022	0.4814767%	(24,335)	1,151,398	-2.11%	102.8%
2023	0.5391807%	44,981	1,658,941	2.71%	96.4%
2024	0.5137939%	193,542	1,946,787	9.94%	89.1%
2025	0.4847625%	219,253	2,212,800	9.91%	90.1%

**CEDAR CITY, UTAH**  
**Schedule of Contributions**  
**Utah Retirement Systems**  
**June 30, 2025**  
**Last 10 Fiscal Years**

As of fiscal year ended	June 30	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution		Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee payroll
			Contributions	to the contractually required contribution			
<b>Noncontributory System</b>							
2016		615,646	615,646	-	3,408,213	18.06%	
2017		602,778	602,778	-	3,348,612	18.00%	
2018		597,249	597,249	-	3,353,221	17.81%	
2019		591,123	591,123	-	3,326,573	17.77%	
2020		604,059	604,059	-	3,361,397	17.97%	
2021		614,424	614,424	-	3,402,816	18.06%	
2022		679,393	679,393	-	3,782,710	17.96%	
2023		693,600	693,600	-	3,958,964	17.52%	
2024		716,787	716,787	-	4,087,645	17.54%	
2025		649,222	649,222	-	3,936,264	16.49%	
<b>Public Safety System</b>							
2016		480,651	480,651	-	1,438,411	33.42%	
2017		478,724	478,724	-	1,342,059	35.67%	
2018		474,100	474,100	-	1,332,257	35.59%	
2019		402,792	402,792	-	1,127,953	35.71%	
2020		377,387	377,387	-	1,056,812	35.71%	
2021		361,658	361,658	-	1,012,763	35.71%	
2022		395,242	395,242	-	1,106,812	35.71%	
2023		394,494	394,494	-	1,104,716	35.71%	
2024		394,353	394,353	-	1,104,471	35.71%	
2025		351,473	351,473	-	998,218	35.21%	

**CEDAR CITY, UTAH**  
**Schedule of Contributions**  
**Utah Retirement Systems**  
**June 30, 2025**  
**Last 10 Fiscal Years**

	Year Ended	Actuarial Contributions in relation to the contractually required contribution			Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee payroll
		Determined Contributions	Contributions to the contractually required contribution	Contributions in relation to the contractually required contribution			
<b>Tier 2 Public Safety and Firefighter System**</b>	2016	49,422	49,422	-	226,335	21.84%	
	2017	91,796	91,796	-	408,547	22.47%	
	2018	121,637	121,637	-	544,337	22.35%	
	2019	177,907	177,907	-	756,423	23.52%	
	2020	222,251	222,251	-	936,644	23.73%	
	2021	280,716	280,716	-	1,056,931	26.56%	
	2022	352,829	352,829	-	1,347,328	26.19%	
	2023	466,305	466,305	-	1,771,956	26.32%	
	2024	566,987	566,987	-	2,159,429	26.26%	
	2025	614,550	614,550	-	2,393,337	25.68%	
<b>Tier 2 Public Employees DC Only System**</b>	2016	29,177	29,177	-	436,122	6.69%	
	2017	36,398	36,398	-	544,031	6.69%	
	2018	37,486	37,486	-	551,242	6.80%	
	2019	35,333	35,333	-	510,833	6.92%	
	2020	37,035	37,035	-	524,851	7.06%	
	2021	38,120	38,120	-	526,789	7.24%	
	2022	48,757	48,757	-	685,576	7.11%	
	2023	54,845	54,845	-	807,202	6.79%	
	2024	62,062	62,062	-	922,055	6.73%	
	2025	58,149	58,149	-	1,038,422	5.60%	
<b>Tier 2 Public Safety and Firefighter DC Only System**</b>	2016	-	-	-	-	0.00%	
	2017	-	-	-	-	0.00%	
	2018	-	-	-	-	0.00%	
	2019	2,242	2,242	-	17,262	12.99%	
	2020	5,684	5,684	-	43,755	12.99%	
	2021	7,420	7,420	-	57,122	12.99%	
	2022	13,154	13,154	-	101,262	12.99%	
	2023	14,358	14,358	-	110,530	12.99%	
	2024	16,133	16,133	-	124,195	12.99%	
	2025	15,351	15,351	-	125,257	12.26%	

**CEDAR CITY, UTAH**  
**Schedule of Contributions**  
**Utah Retirement Systems**  
**June 30, 2025**  
**Last 10 Fiscal Years**

As of fiscal year ended	June 30	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee payroll
<b>Fire fighters System</b>						
2016	18,429	18,429	-	-	461,864	3.99%
2017	18,883	18,883	-	-	485,428	3.89%
2018	21,563	21,563	-	-	548,684	3.93%
2019	24,113	24,113	-	-	523,064	4.61%
2020	25,281	25,281	-	-	548,397	4.61%
2021	26,924	26,924	-	-	585,672	4.60%
2022	30,918	30,918	-	-	672,317	4.60%
2023	26,776	26,776	-	-	741,704	3.61%
2024	28,986	28,986	-	-	802,949	3.61%
2025	12,986	12,986	-	-	806,570	1.61%
<b>Tier 2 Public Employees System</b>						
2016	108,328	108,328	-	-	725,906	14.92%
2017	128,239	128,239	-	-	856,533	14.97%
2018	181,440	181,440	-	-	1,197,512	15.15%
2019	213,847	213,847	-	-	1,376,151	15.54%
2020	265,192	265,192	-	-	1,690,347	15.69%
2021	315,473	315,473	-	-	1,994,924	15.81%
2022	388,616	388,616	-	-	2,420,975	16.05%
2023	441,231	441,231	-	-	2,755,593	16.01%
2024	544,742	544,742	-	-	3,406,403	15.99%
2025	609,407	609,407	-	-	4,027,773	15.13%

\*\* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011

**CEDAR CITY, UTAH**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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*Changes in Assumptions*

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

**COMBINING STATEMENTS**

**CEDAR CITY, UTAH**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2025**

	<b>Special Revenue Funds</b>					
	Airport	Downtown Parking	Transportation Impact Fees	Parks/Recreation Impact Fees	Public Safety Impact Fees	Redevelopment
<b>Assets:</b>						
Cash and cash equivalents	\$ 2,928,309	\$ 196,521	\$ 4,423,126	\$ 4,262,740	\$ 1,212,268	\$ 1,674,682
Special assessments receivable	-	-	-	-	-	-
Other receivables	44,900	-	-	-	-	56,875
Total assets	<u>\$ 2,973,209</u>	<u>\$ 196,521</u>	<u>\$ 4,423,126</u>	<u>\$ 4,262,740</u>	<u>\$ 1,212,268</u>	<u>\$ 1,731,557</u>
<b>Liabilities:</b>						
Accounts payable	\$ 85,308	\$ 1,851	\$ -	\$ -	\$ -	\$ 29,858
Total liabilities	<u>85,308</u>	<u>1,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,858</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenues - special assessments	2,475	-	-	-	-	-
Total deferred inflows of resources	<u>2,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>						
Restricted for:						
Community development	-	-	4,423,126	4,262,740	-	-
Public safety	-	-	-	-	1,212,268	-
Other	-	194,670	-	-	-	-
Committed	2,877,949	-	-	-	-	1,701,699
Assigned	7,477	-	-	-	-	-
Total fund balances	<u>2,885,426</u>	<u>194,670</u>	<u>4,423,126</u>	<u>4,262,740</u>	<u>1,212,268</u>	<u>1,701,699</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,973,209</u>	<u>\$ 196,521</u>	<u>\$ 4,423,126</u>	<u>\$ 4,262,740</u>	<u>\$ 1,212,268</u>	<u>\$ 1,731,557</u>

**CEDAR CITY, UTAH**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2025**

**Special Revenue Funds, Continued**

	Aquatic Center	Task Force	Cedar Area Transit	RAP Sales Tax Fund	TRT Sales Tax Fund	Golf Course
<b>Assets:</b>						
Cash and cash equivalents	\$ 435,279	\$ 148,570	\$ 408,343	\$ 3,797,067	\$ 325,202	\$ 953,876
Special assessments receivable	-	-	-	-	-	-
Other receivables	-	20,866	35,469	230,878	67,709	-
Total assets	<u>\$ 435,279</u>	<u>\$ 169,436</u>	<u>\$ 443,812</u>	<u>\$ 4,027,945</u>	<u>\$ 392,911</u>	<u>\$ 953,876</u>
<b>Liabilities:</b>						
Accounts payable	\$ 92,667	\$ 6,040	\$ 4,274	\$ 23,100	\$ 12,359	\$ 26,655
Total liabilities	<u>\$ 92,667</u>	<u>\$ 6,040</u>	<u>\$ 4,274</u>	<u>\$ 23,100</u>	<u>\$ 12,359</u>	<u>\$ 26,655</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenues - special assessments	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>						
Restricted for:						
Community development	-	-	-	4,004,845	375,904	-
Public safety	-	161,702	-	-	-	-
Other	-	-	-	-	-	-
Committed	348,046	-	-	-	-	934,194
Assigned	(5,434)	1,694	439,538	-	4,648	(6,973)
Total fund balances	<u>342,612</u>	<u>163,396</u>	<u>439,538</u>	<u>4,004,845</u>	<u>380,552</u>	<u>927,221</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 435,279</u>	<u>\$ 169,436</u>	<u>\$ 443,812</u>	<u>\$ 4,027,945</u>	<u>\$ 392,911</u>	<u>\$ 953,876</u>

**CEDAR CITY, UTAH**  
**Combining Balance Sheet (Continued)**  
**Other Governmental Funds**  
**June 30, 2025**

	<b>Debt Service Funds</b>			
	Bond Sinking Fund	Municipal Building Authority	Special Improve #93- 1	Special Improve #95- 2
<b>Assets:</b>				
Cash and cash equivalents	\$ 177,416	\$ 202,869	\$ -	\$ -
Special assessments receivable	-	-	251,399	4,652
Other receivables	-	-	-	-
Total assets	<u>\$ 177,416</u>	<u>\$ 202,869</u>	<u>\$ 251,399</u>	<u>\$ 4,652</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues - special assessments	-	-	251,399	4,652
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>251,399</u>	<u>4,652</u>
<b>Fund balances:</b>				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Other	-	-	-	-
Committed	-	-	-	-
Assigned	177,416	202,869	-	-
Total fund balances	<u>177,416</u>	<u>202,869</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 177,416</u>	<u>\$ 202,869</u>	<u>\$ 251,399</u>	<u>\$ 4,652</u>

**CEDAR CITY, UTAH**  
**Combining Balance Sheet (Continued)**  
**Other Governmental Funds**  
**June 30, 2025**

<b>Debt Service Funds, Continued</b>				
	Special Improve #97- 1	Special Improve #98- 1	Special Improve #2002-1	Special Improve Guarantee
<b>Assets:</b>				
Cash and cash equivalents	\$ 989	\$ 134	\$ 11,821	\$ 137
Special assessments receivable	10,175	120,643	102,814	-
Other receivables	-	-	-	-
Total assets	<u>\$ 11,164</u>	<u>\$ 120,777</u>	<u>\$ 114,635</u>	<u>\$ 137</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenues - special assessments	10,175	120,643	102,814	-
Total deferred inflows of resources	<u>10,175</u>	<u>120,643</u>	<u>102,814</u>	<u>-</u>
<b>Fund balances:</b>				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Other	-	-	-	-
Committed	-	-	-	-
Assigned	989	134	11,821	137
Total fund balances	<u>989</u>	<u>134</u>	<u>11,821</u>	<u>137</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,164</u>	<u>\$ 120,777</u>	<u>\$ 114,635</u>	<u>\$ 137</u>

**CEDAR CITY, UTAH**  
**Combining Balance Sheet (Continued)**  
**Other Governmental Funds**  
**June 30, 2025**

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Cove Drive	Airport Construction	Coal Creek Flood Control	Ball Diamond Complex	Aquatic Center	
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ (1,585,423)	\$ 706,775	\$ 94,455	\$ 5,978	\$ 20,381,134
Special assessments receivable	-	-	-	-	-	489,683
Other receivables	-	1,695,393	53,087	-	-	2,205,177
Total assets	<u>\$ -</u>	<u>\$ 109,970</u>	<u>\$ 759,862</u>	<u>\$ 94,455</u>	<u>\$ 5,978</u>	<u>\$ 23,075,994</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 158,152	\$ 759,862	\$ -	\$ -	\$ 1,200,126
Total liabilities	<u>-</u>	<u>158,152</u>	<u>759,862</u>	<u>-</u>	<u>-</u>	<u>1,200,126</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenues - special assessments	-	-	-	-	-	492,158
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>492,158</u>
<b>Fund balances:</b>						
Restricted for:						
Community development	-	-	-	-	-	13,066,615
Public safety	-	-	-	-	-	1,373,970
Other	-	-	-	-	-	194,670
Committed	-	-	-	-	-	5,861,888
Assigned	-	(48,182)	-	94,455	5,978	886,567
Total fund balances	<u>-</u>	<u>(48,182)</u>	<u>-</u>	<u>94,455</u>	<u>5,978</u>	<u>21,383,710</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 109,970</u>	<u>\$ 759,862</u>	<u>\$ 94,455</u>	<u>\$ 5,978</u>	<u>\$ 23,075,994</u>

**CEDAR CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds					
	Airport	Downtown Parking	Transportation Impact Fees	Parks/Recreation Impact Fees	Public Safety Impact Fees	Redevelopment
<b>Revenues:</b>						
Taxes	\$ 20,292	-	\$ -	-	\$ -	\$ 1,283,546
Interest earnings	141,559	9,054	183,137	174,972	50,355	80,183
Intergovernmental revenues	63,213	-	-	-	-	-
Charges for services	642,629	34,552	-	-	-	369,688
Other revenues	212,218	-	729,896	821,430	402,946	-
Total revenues	<u>1,079,911</u>	<u>43,606</u>	<u>913,033</u>	<u>996,402</u>	<u>453,301</u>	<u>1,733,417</u>
<b>Expenditures:</b>						
Current						
Police protection	-	-	-	-	-	-
Streets and highways	-	-	3,516	-	-	-
Parks, cemetery and public property	-	20,915	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	932,181
Transportation services	754,940	-	-	-	-	-
Capital outlay	54,762	-	14,611	117,272	-	123,646
Debt service:						
Principal	-	-	-	-	-	176,000
Interest	-	-	-	-	-	11,696
Total expenditures	<u>809,702</u>	<u>20,915</u>	<u>18,127</u>	<u>117,272</u>	<u>3,516</u>	<u>1,243,523</u>
Revenues (over)/under expenditures	<u>270,209</u>	<u>22,691</u>	<u>894,906</u>	<u>879,130</u>	<u>449,785</u>	<u>489,894</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	8,600
Transfers out	(271,148)	(8,600)	-	-	(95,145)	-
Total other financing sources (uses)	<u>(271,148)</u>	<u>(8,600)</u>	<u>-</u>	<u>-</u>	<u>(95,145)</u>	<u>8,600</u>
Net change in fund balance	(939)	14,091	894,906	879,130	354,640	498,494
Fund balances, beginning of year	2,886,365	180,579	3,528,220	3,383,610	857,628	1,203,205
Fund balances, end of year	<u>\$ 2,885,426</u>	<u>\$ 194,670</u>	<u>\$ 4,423,126</u>	<u>\$ 4,262,740</u>	<u>\$ 1,212,268</u>	<u>\$ 1,701,699</u>

**CEDAR CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds, Continued					
	Aquatic Center	Task Force	Cedar Area Transit	RAP Sales Tax Fund	TRT Sales Tax Fund	Golf Course
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,243,707	\$ 386,230	\$ -
Interest earnings	-	6,267	-	179,966	15,433	-
Intergovernmental revenues	138,000	86,324	90,466	-	-	-
Charges for services	642,464	-	32,901	-	115,722	1,327,429
Other revenues	540	72,486	-	-	-	3,600
Total revenues	781,004	165,077	123,367	1,423,673	517,385	1,331,029
<b>Expenditures:</b>						
Current						
Police protection	-	166,078	-	-	-	-
Streets and highways	-	-	-	-	-	-
Parks, cemetery and public property	-	-	-	-	-	-
Culture and recreation	1,547,503	-	-	-	563,914	1,214,740
Community and economic development	-	-	-	590,000	-	-
Transportation services	-	-	274,681	-	-	-
Capital outlay	-	-	-	-	-	117,848
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	1,547,503	166,078	274,681	590,000	563,914	1,332,588
Revenues (over)/under expenditures	(766,499)	(1,001)	(151,314)	833,673	(46,529)	(1,559)
<b>Other financing sources (uses):</b>						
Transfers in	763,068	-	139,247	-	-	-
Transfers out	-	-	-	(489,288)	-	-
Total other financing sources (uses)	763,068	-	139,247	(489,288)	-	-
Net change in fund balance	(3,431)	(1,001)	(12,067)	344,385	(46,529)	(1,559)
Fund balances, beginning of year	346,043	164,397	451,605	3,660,460	427,081	928,780
Fund balances, end of year	\$ 342,612	\$ 163,396	\$ 439,538	\$ 4,004,845	\$ 380,552	\$ 927,221

**CEDAR CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**For the Year Ended June 30, 2025**

	Debt Service Funds			
	Bond Sinking Fund	Municipal Building Authority	Special Improve #93- 1	Special Improve #95- 2
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Current				
Police protection	-	-	-	-
Streets and highways	-	-	-	-
Parks, cemetery and public property	-	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	-	-	-
Transportation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	460,000	122,000	-	-
Interest	46,152	36,719	-	-
Total expenditures	506,152	158,719	-	-
Revenues (over)/under expenditures	(506,152)	(158,719)	-	-
<b>Other financing sources (uses):</b>				
Transfers in	506,152	161,934	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	506,152	161,934	-	-
Net change in fund balance	-	3,215	-	-
Fund balances, beginning of year	177,416	199,654	-	-
Fund balances, end of year	\$ 177,416	\$ 202,869	\$ -	\$ -

**CEDAR CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**For the Year Ended June 30, 2025**

	Debt Service Funds, Continued			
	Special Improve #97- 1	Special Improve #98- 1	Special Improve #2002-1	Special Improve Guarantee
<b>Revenues:</b>				
Taxes	-	\$ -	-	\$ -
Interest earnings	45	6	538	6
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	45	6	538	6
<b>Expenditures:</b>				
Current				
Police protection	-	-	-	-
Streets and highways	-	-	-	-
Parks, cemetery and public property	-	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	-	-	-
Transportation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Revenues (over)/under expenditures	45	6	538	6
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	45	6	538	6
Fund balances, beginning of year	944	128	11,283	131
Fund balances, end of year	\$ 989	\$ 134	\$ 11,821	\$ 137

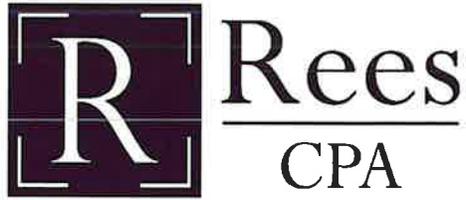
**CEDAR CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds (Continued)**  
**For the Year Ended June 30, 2025**

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Cove Drive	Airport Construction	Coal Creek Flood Control	Ball Diamond Complex	Aquatic Center	Total	
<b>Revenues:</b>							
Taxes	-	-	\$ -	-	-	-	\$ 2,933,775
Interest earnings	-	14	-	-	-	-	841,535
Intergovernmental revenues	-	5,853,399	-	-	-	-	6,231,402
Charges for services	-	-	-	-	-	-	3,165,385
Other revenues	-	-	-	-	-	-	2,243,116
Total revenues	-	5,853,413	-	-	-	-	15,415,213
<b>Expenditures:</b>							
Current							
Police protection	-	-	-	-	-	-	166,078
Streets and highways	-	-	-	-	-	-	3,516
Parks, cemetery and public property	-	-	-	-	-	-	20,915
Culture and recreation	-	-	-	-	-	-	3,326,157
Community and economic development	-	-	-	-	-	-	1,522,181
Transportation services	-	-	-	-	-	-	1,029,621
Capital outlay	-	6,172,743	1,788,304	9,920	73,245	-	8,472,351
Debt service:							
Principal	-	-	-	-	-	-	758,000
Interest	-	-	-	-	-	-	94,567
Total expenditures	-	6,172,743	1,788,304	9,920	73,245	-	15,396,902
Revenues (over)/under expenditures	-	(319,330)	(1,788,304)	(9,920)	(73,245)	-	18,311
<b>Other financing sources (uses):</b>							
Transfers in	-	271,148	1,755,746	-	73,245	-	3,679,140
Transfers out	-	-	-	-	-	-	(864,181)
Total other financing sources (uses)	-	271,148	1,755,746	-	73,245	-	2,814,959
Net change in fund balance	-	(48,182)	(32,558)	(9,920)	-	-	2,833,270
Fund balances, beginning of year	-	-	32,558	104,375	5,978	-	18,550,440
Fund balances, end of year	-	\$ (48,182)	\$ -	\$ 94,455	\$ 5,978	\$ -	\$ 21,383,710

**FEDERAL AND STATE REPORTS**



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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*

To the City Council and Mayor  
Cedar City, 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 aggregate remaining fund information of Cedar City, Utah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Cedar City, Utah's basic financial statements, and have issued our report thereon dated January 22, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cedar City, Utah'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 Cedar City, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of Cedar City, Utah'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 Cedar City, Utah'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.

*Rees CPA*

Rees CPA  
Cedar City, Utah  
January 22, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council and Mayor  
Cedar City, Utah

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Cedar City, Utah's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cedar City, Utah's major federal programs for the year ended June 30, 2025. Cedar City, Utah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cedar City, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cedar City, Utah 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 on compliance for each major federal program. Our audit does not provide a legal determination of Cedar City, Utah'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 Cedar City, Utah's federal 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 Cedar City, Utah'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Cedar City, Utah's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Cedar City, Utah'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 Cedar City, Utah'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cedar City, Utah'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 detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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, 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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rees CPA*

Rees CPA  
Cedar City, Utah  
January 22, 2026

**CEDAR CITY, UTAH**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditor’s report issued: Unmodified  
Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ Yes   X   No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Grant

Dollar threshold used to distinguish between type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes \_\_\_\_\_ No

**CEDAR CITY, UTAH**  
**Schedule of Findings and Questioned Costs, Continued**  
**For the Year Ended June 30, 2025**

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**Section II – Financial Statement Findings**

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No significant matters were noted.

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**Section III – Federal Award Findings and Questioned Costs**

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No significant matters were noted.

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**Section IV – Passenger Facility Charge Program Findings and Questioned Costs**

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No significant matters were noted.

**CEDAR CITY, UTAH**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Program Number	Federal Expenditures	Provided to Subrecipients
<b>U.S. Department of Justice</b>				
<b>Bureau of Justice Assistance</b>				
<b>Passed through Utah Attorney General's Office</b>				
Internet Crimes Against Children	16.800		\$ 5,038	
Total U.S. Department of Justice			<u>5,038</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
<b>Federal Aviation Administration</b>				
<b>Passed through Utah Department of Transportation:</b>				
Airport Improvement Program	20.106		5,853,399	-
Formula Grants for Rural Areas	20.509		102,487	-
Total U.S. Department of Transportation			<u>5,955,886</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Passed through Utah Division of Housing and Community Development:</b>				
Community Development Block Grant	14.228	14-0814	267,800	267,800
<b>U.S. Department of Homeland Security:</b>				
Assistance to Firefighters Grant	97.044		10,000	-
<b>U.S. National Endowment for the Humanities</b>				
<b>Passed through Utah Department of Heritage and Arts:</b>				
Grants to States	45.310		12,452	-
Total expenditure of federal awards			<u>\$ 6,251,176</u>	<u>\$ 267,800</u>

**CEDAR CITY, UTAH**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

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**General:**

The schedule of expenditures of federal awards presents the activity of all federal award programs of Cedar City, Utah (City). The City reporting entity is defined in Note 1 to City's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. Of the federal expenditures presented in the schedule, the City provided \$267,800 of federal awards to sub recipients.

**Basis of Presentation:**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for assistance received by governmental fund types, which is described in Note 1 to the City's financial statements.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all grant requirements have been met.

**Indirect Cost Rate:**

The City did not elect to use the 15% de minimis indirect cost rate for fiscal year 2025.

**Federal Loans:**

The City did not have any federal loans for fiscal year 2025.

**CEDAR CITY, UTAH**  
**Schedule of Expenditures of Passenger Facility Charges**  
**For the Year Ended June 30, 2025**

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	<u>September 30</u>	<u>December 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Total</u>
19-04-C-00-CDC	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

To the City Council and Mayor  
Cedar City, Utah

**Report On Compliance**

We have audited Cedar City, Utah's 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 Revenues
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees

***Opinion on Compliance***

In our opinion, Cedar City, Utah complied, in all material respects, with the state 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). 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 Cedar City, Utah 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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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 Cedar City, Utah'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, 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.

**Purpose of this Report**

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. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

*Rees CPA*

Rees CPA  
Cedar City, Utah  
January 22, 2026

**CEDAR CITY  
CITY COUNCIL AGENDA ITEM 2  
STAFF INFORMATION SHEET**

**To:** Mayor and City Council

**From:** Jonathan Stathis

**Council Meeting Date:** February 18, 2026

**Subject:** **Consider proposals for engineering design of the Pressure Reduction and Chlorination Project.**

**Discussion:** This project involves the engineering design of a project necessary for the City's culinary water system to provide chlorination in the west area of Cedar City. The project includes engineering design for: rehabilitating and re-equipping the north Quichapa wells, chlorination facility, 2 pump stations, and connection to the CICWCD system.

The project will reduce the pressure at the north Quichapa wells, allow for the City's drinking water system to be interconnected with the Central Iron County Water Conservancy District (CICWCD) system, and allow the remainder of the City's system to be chlorinated.

The 800 South water tank is also part of the overall project. The design for the 800 South tank was completed in 2022. City staff is looking at options for the construction submittal reviews and inspection of the 800 South Tank. This was not included in the scope of this proposal.

Cedar City received three proposals for the Pressure Reduction and Chlorination Project. Based on the scoring of the proposals, AE2S received the highest score. The proposals were evaluated based on a 100-point scoring system.

If the proposal is awarded it would be on condition that the Consultant provide the required executed insurance documents, immigration status verification, and that the Mayor be authorized to sign the agreement with the Consultant.

The table on the following page shows a ranking of the proposals based on the average evaluation score. The table also lists the proposed fee and where each Consultant has an office location.

Each proposal also had other engineering firms listed as team members. The following table lists the other firms on the project team.

Points were assigned for the “Project Costs & Fees” based on a formula provided in an addendum. According to the formula, if a proposal had a cost that was more than twice as much as the lowest fee, then that proposal would receive 0 points for that item.

**Proposal Scoring Summary**

			<b>AE2S (Lehi) Teamed with: Watson Engineering (Cedar City)</b>	<b>Jones &amp; DeMille (Richfield) Teamed with: Ensign Engineering (Cedar City) Resolut (Murray) Landmark Testing (St. George) John Files, and Keith Hegerhorst</b>	<b>Hansen Allen &amp; Luce (South Jordan) Teamed with: Ensign Engineering (Cedar City) Bowen Collins (St. George) Stantec (St. George)</b>
Proposed Fee =			<b>\$570,598</b>	<b>\$660,705</b>	<b>\$1,722,333</b>
1	Introductory Letter	<b>5</b>	3.47	4.0	4.83
2	Project Team	<b>10</b>	7.0	7.50	9.17
3	Consultant’s Capability	<b>15</b>	9.83	9.17	13.33
4	Project Understanding	<b>10</b>	7.33	8.33	8.60
5	Work Plan	<b>20</b>	13.0	14.33	14.67
6	Schedule Control	<b>15</b>	12.0	10.33	10.33
7	Project Cost & Fees	<b>20</b>	20.0	16.84	0
8	Required City Services	<b>5</b>	4.83	3.33	4.33
	<b>Point Totals</b>	<b>100</b>	<b>77.47</b>	<b>73.84</b>	<b>65.27</b>

There is currently not a specific project budgeted for this work. However, the following table provides possible funding for the project. Other engineering expenses for the water modeling support associated with this project are also included in the table on the following page.

**Project Funding**  
**Engineering portion of the Pressure Reduction and Chlorination Project**  
**Account #51-40-711 and #51-40-734**

<u>Funding -</u>	<u>Funding</u>	<u>Expenses</u>	<u>Balance</u>
Martins Flat Well remaining (Account #51-40-711)	\$840,000		
Waterline Mud Springs to WWTP (Account #51-40-734)	\$4,000,000		
<u>Engineering Expenses -</u>			
Pressure Reduction & Chlorination		(\$570,598)	
Water Modeling Support		(\$20,500)	
<b>Totals -</b>	<b>\$4,840,000</b>	<b>(\$591,098)</b>	<b>\$4,248,902</b>



**CEDAR CITY  
CITY COUNCIL AGENDA ITEM 3  
STAFF INFORMATION SHEET**

**To:** Mayor and City Council

**From:** Jonathan Stathis

**Council Meeting Date:** February 18, 2026

**Subject:** **Consider contract modification/change order #4 with Hansen, Allen & Luce for water modeling support on the Pressure Reduction and Chlorination Project.**

**Discussion:** This item is a contract modification and change order proposed for Hansen, Allen & Luce (HAL) to provide engineering services on the following project:

1. This item will provide water modeling support as part of the Pressure Reduction and Chlorination Project. The water modeling will be used to determine the design parameters for the infrastructure associated with this project, including: well re-equipping, chlorination system, water quality modeling, two pump stations, pipelines, chlorination and well re-equipping. Please refer to the attached change order and proposal from Hansen, Allen & Luce. **The proposed cost for this contract modification is \$20,500.**

There is currently not a specific project budgeted for this work. However, the following table provides possible funding for the project. Other engineering expenses associated with this project are also included in the table on the following page:

**Project Funding**  
**Engineering portion of the Pressure Reduction and Chlorination Project**  
**Account #51-40-711 and #51-40-734**

<u>Funding -</u>	<u>Funding</u>	<u>Expenses</u>	<u>Balance</u>
Martins Flat Well remaining (Account #51-40-711)	\$840,000		
Waterline Mud Springs to WWTP (Account #51-40-734)	\$4,000,000		
<u>Engineering Expenses -</u>			
Pressure Reduction & Chlorination		(\$570,598)	
Water Modeling Support		(\$20,500)	
<b>Totals -</b>	<b>\$4,840,000</b>	<b>(\$591,098)</b>	<b>\$4,248,902</b>

The following items are attached to this Information Sheet:

- Proposed contract modification/change order #4.
- Proposal from HAL.

Please consider whether to approve this contract modification.  
Thank you for your consideration of this matter.

**CONTRACT MODIFICATION / CHANGE ORDER**

Order No. 4  
Date: \_\_\_\_\_  
Agreement Date: 9/26/2024

NAME OF PROJECT: Water Master Plan for Cedar Canyon Project 2024

OWNER: Cedar City Corporation

CONTRACTOR: Hansen, Allen & Luce Inc.

The following changes are hereby made to the CONTRACT DOCUMENTS:

Description:

1. Additional engineering work is being added for Item 1 listed in the following table. This item is outlined in the attached proposal from Hansen, Allen & Luce (incorporated herein by reference).

Item 1	Modeling Assistance for Pressure Reduction and Chlorination Project – Contract Modification:	\$20,500.00
<b>Total:</b>		<b>\$20,500.00</b>

Justification:

1. Item 1 – This item will provide water modeling support as part of the Pressure Reduction and Chlorination Project. The water modeling will be used to determine the design parameters for the infrastructure associated with this project, including: well re-equipping, chlorination system, water quality modeling, two pump stations, pipelines, chlorination and well re-equipping. Refer to the attached proposal from Hansen, Allen & Luce.

Change to CONTRACT PRICE:

Original CONTRACT PRICE: \$ 59,700.00.

Current CONTRACT PRICE adjusted by previous CHANGE ORDER \$ 162,409.00.

(**Note:** Change Order #3 had the incorrect current Contract Price and new Contract Price listed. This change order corrects the amounts.)

The CONTRACT PRICE due to this CHANGE ORDER will be increased by: \$ 20,500.00.

The new CONTRACT PRICE including this CHANGE ORDER will be \$ 182,909.00.

Change to CONTRACT TIME:

The CONTRACT TIME will be increased by 185 calendar days.

The date for completion of all work will be November 1, 2026 (Date).

Ordered by: \_\_\_\_\_  
(City)

Accepted by: \_\_\_\_\_  
(Contractor)



**SALT LAKE AREA OFFICE**  
859 W South Jordan Pkwy – Ste 200  
South Jordan, Utah 84095  
Phone: (801) 566-5599  
www.hansenallenuce.com

Mr. Jonathan Stathis, P.E.  
Cedar City  
10 N. Main Street  
Cedar City, UT 84720

February 12, 2026

RE: Cedar City Pressure Reduction and Chlorination Project 2026 Modeling Assistance

Dear Mr. Stathis:

Hansen, Allen & Luce, Inc. (HAL) appreciates this opportunity to help Cedar City with modeling related to the design of the Pressure Reduction and Chlorination Project 2026. The proposed scope of work and fee for this project is described below. As needed, we can add, subtract, or modify tasks to better meet your needs.

### **PROJECT UNDERSTANDING**

Cedar City recently issued an RFP to select an engineering consultant for design services for the Pressure Reduction and Chlorination Project 2026. Hydraulic modeling is needed during the design process to size pipelines and develop design parameters for pump stations, a chlorination facility, and interconnections to Central Iron County Water Conservancy District (CICWCD). HAL will work with the City's selected design consultant to provide preliminary design information to assist in pump selection and will also use the model to verify the adequacy of selected pumps, pipes, and other equipment.

Items for consideration in this study include the following:

- Re-equipping the North Quichapa Wells
- Design pressures and flow rates for a future chlorination system
- Water quality modeling
- Locations and design parameters for pump stations
- Locations, pipe diameters, and configurations for CICWCD interconnections
- Strategies for constructing looping within the Cedar City system
- Predicted operation of CICWCD and Cedar City Tanks

## **WORK PLAN – PRESSURE REDUCTION AND CHLORINATION MODELING ASSISTANCE**

Our recommended scope of work is included below:

### **Task 1 – Project Management and Coordination**

#### ***Objective:***

Coordinate with City personnel, the City's selected design consultant, and other stakeholders as needed to facilitate communication throughout the project.

#### ***Input:***

- 1) Project scope of work
- 2) Stakeholder contact information

#### ***Activities:***

- 1) Provide monthly invoices and work summaries.
- 2) Attend up to 6 virtual meetings to discuss modeling results with the City's design consultant and other stakeholders

### **Task 2 – CICWCD System Integration Modeling**

#### ***Objective:***

Coordinate with City personnel, CICWCD personnel, and the City's design consultant to identify how the City's system and the CICWCD system will be connected and interact.

#### ***Input:***

- 1) Project scope of work
- 2) Information about the infrastructure in the CICWCD system
- 3) Information about water quality in the CICWCD and Cedar City systems
- 4) Hydraulic models of the CICWCD and Cedar City systems

#### ***Activities:***

- 1) Facilitate a virtual meeting with personnel from Cedar City, CICWCD, and the City's design consultant to discuss the characteristics of each system and how they can be connected and/or integrated.
- 2) Identify design flow rates from the CICWCD system to the Cedar City system for both existing and future conditions.
- 3) Use the hydraulic model to determine the future design flow rate through future connections and identify the buildout size of connecting pipes near Iron Springs Road and at other identified locations.
- 4) Use the hydraulic model to evaluate and recommend future pressure zones considering

- planned connections and/or integration with the CICWCD system.
- 5) Use the hydraulic model to identify locations for strategic looping of pipelines to improve redundancy and conveyance capacity.
  - 6) Use the hydraulic model to identify a recommended location for Pump Station 1 considering recommended future zone boundaries and integration with the CICWCD system. Coordinate with Cedar City and the City's design consultant regarding the location of Pump Station 1.
  - 7) Identify which connections will be made within the next two to three years. These connections will be included in modeling for near-term hydraulic performance.
  - 8) Use the hydraulic model to identify the effects of feeding chlorinated water into the City's system.
  - 9) Present recommendations and findings to Cedar City and CICWCD personnel and the City's design consultant in a virtual meeting. Collect comments and feedback.
  - 10) Incorporate comments and feedback from Cedar City and CICWCD personnel and the City's design consultant into the hydraulic models.
  - 11) Prepare a summary memorandum and figures describing recommended pressure zones, points of connection, design flow rates through connections, and pipe sizing. Deliver this memorandum to Cedar City and CICWCD personnel and the City's selected design consultant.

### **Task 3 – North Quichapa Well Field Re-Equipment and Chlorination Modeling**

#### ***Objective:***

Identify design flow rates and pump design parameters for Quichapa Wells 5, 6, 7, and 8 and the chlorination facility.

#### ***Input:***

- 1) Existing information about the North Quichapa Wells
- 2) Output from Task 2
- 3) Input from City personnel and the City's design consultant

#### ***Activities:***

- 1) Coordinate with City personnel and the City's design consultant to identify the minimum and maximum design flow rate for each well and the maximum combined flow rate for all four wells. Consideration will be given to the physical capacity of each well, the capacity of the transmission pipe, the production capacity of the aquifer, and the effect of the future planned West Pump Station 1 on the hydraulic grade in the system.
- 2) Use the models developed in Task 2 to test a range of production scenarios under existing and future conditions. Identify the minimum and maximum total dynamic head required at each well whether the well is operating independently or in combination with the other wells.
- 3) Coordinate with Cedar City and the City's design consultant to identify the location of the planned future chlorination facility. Use the hydraulic models to identify future expected design flow rates and operating pressures at the chlorination facility.
- 4) Prepare a summary memorandum of preliminary design parameters for the wells. This

memorandum will be delivered to the City's selected design consultant to assist with preliminary pump selection.

- 5) Coordinate with the City's selected design consultant to incorporate their selected pumps and chlorination equipment into the hydraulic model. Use the model to verify that the selected pumps and equipment will be adequate for the projected range of existing and future operating conditions.
- 6) Prepare a summary memorandum with findings about the modeled performance of selected pumps and chlorination equipment. Coordinate with the City's selected design consultant to discuss findings and any necessary revisions.

#### **Task 4 – West Pump Stations 1 and 2 Modeling**

##### ***Objective:***

Identify design flow rates and pump design parameters for Quichapa Wells 5, 6, 7, and 8 and the chlorination facility.

##### ***Input:***

- 1) Information from previous tasks
- 2) Input from City personnel and the City's design consultant

##### ***Activities:***

- 1) Coordinate with City personnel and the City's design consultant to identify the minimum and maximum design flow rate for each pump station.
- 2) Use the models developed in Tasks 2 and 3 to test a range of production scenarios under existing and future conditions. Identify the minimum and maximum total dynamic head required at each pump station.
- 3) Prepare a summary memorandum of preliminary design parameters for the pump stations. This memorandum will be delivered to Cedar City and the City's selected design consultant to assist with preliminary pump selection.
- 4) Coordinate with the City's selected design consultant to incorporate their selected pumps into the hydraulic model. Use the model to verify that the selected pumps will be adequate for the projected range of existing and future operating conditions.
- 5) Prepare a summary memorandum with findings about the modeled performance of selected pumps. Coordinate with Cedar City and the City's selected design consultant to discuss findings and any necessary revisions.

**PROPOSED FEE**

The work will be invoiced on an hourly plus reimbursable expenses basis, with an estimated fee of \$20,500. Cedar City will only be invoiced for actual effort expended. Estimated labor hours and fees per task are shown in the table below.

<b>Task</b>	<b>Labor Hours</b>	<b>Fees</b>
Project Management and Coordination	11	\$2,500
CICWCD System Integration Modeling	33	\$7,300
North Quichapa Well Field Re-Equipment and Chlorination Modeling	26	\$5,800
West Pump Stations 1 and 2 Modeling	22	\$4,900
<b>Totals</b>	<b>92</b>	<b>\$20,500</b>

**SCHEDULE**

Work will proceed in accordance with the proposed schedule of the City's selected design consultant. Work described in Task 2 can begin as soon as is authorized by Cedar City.

**ASSUMPTIONS**

The proposed scope, budget, and schedule assume the following:

- 1) The City and CICWCD will respond promptly to all requests for data and information. All data listed as inputs in the scope are available and will be provided to HAL by the City and CICWCD.
- 2) All meetings and coordination will take place remotely.
- 3) Current versions of the City's hydraulic models will be used as a basis for the study. Existing and projected future demands will not be updated as a part of this work. Planned future pressure zones may be updated based on discussions with CICWCD.

Please contact us if you have any questions or need additional information.

Sincerely,

**HANSEN, ALLEN & LUCE, INC.**



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Steven C. Jones, P.E.  
CEO



**CEDAR CITY  
CITY COUNCIL AGENDA ITEM 4  
STAFF INFORMATION SHEET**

**To:** Mayor and City Council

**From:** City Engineer

**Council Meeting Date:** February 18, 2026

**Subject:** **Consider a Revision to a Portion of City Ordinance Section 32-9 Regarding Sidewalks**

**Discussion:** Proposed revisions to City Ordinance 32-9 regarding the timing of sidewalk installation in new developments was considered by the City Council in December 2025. Those proposed revisions were not adopted at that time.

Staff took direction from the Council expressed in that meeting and is now bringing forward a revised proposal intended to address concerns that were raised.

**Action Requested:** Consider this modified proposal for revisions to City Ordinance Section 32-9 regarding sidewalk installation in new developments.

Revision to a portion of City Ordinance 32-9 regarding sidewalks

C. Required Subdivision Improvements: The following improvements shall be required in all subdivisions and also PUDs where specifically indicated herein:

1. All streets shall have sub-base, and minimum two and one half (2 1/2) inch oil mat from curb to curb in accordance with Cedar City's engineering standards;
2. Signs in accordance with Cedar City's engineering standards;
3. Street drainage and drainage structures shall be provided in accordance with Cedar City's engineering standards and City storm drain system master plans;
4. The subdivider shall install sanitary sewers as approved by the City Engineer in accordance with Cedar City's engineering standards and City sewer system master plans;
5. Water mains having a diameter of not less than eight (8) inches shall be installed in accordance with Cedar City's engineering standards and City water system master plans;
6. Easements shall be provided, and fire hydrants and water meters installed to City specifications;
7. Curbs and gutters shall be installed in accordance with Cedar City's engineering standards;
8. Underground utilities shall be installed within the subdivision (these utilities shall include electricity, natural gas, telephone, cable T.V. and street lights; a subdivider may have the option of installing appropriate overhead utilities in any portion of the subdivision in which overhead utilities existed at the time of the presentation of the preliminary land use application where such utilities could serve that portion of the subdivision);
9. Sidewalks, ADA ramps, master-planned trails and side paths for the ~~entire~~ subdivision where streets front lots (including lots with frontage on more than one street) in the subdivision shall be installed in accordance with Cedar City's engineering standards. Where a street does not front lots on both sides, the sidewalks, ADA ramps, master-planned trails and side paths along the side of the street not fronting lots can be omitted;
  - a. ADA Ramps and pathways shall be installed as follows, prior to acceptance of the subdivision public improvements for City maintenance:
    - (1) ADA ramps at all street corners; and
    - (2) Master-planned trails or side paths.
  - b. All sidewalks are to be constructed and accepted along street frontages within two years after the date the completion assurance for the sidewalks is posted. Notwithstanding said two-year allowance, the portion of the public sidewalk to be constructed within a public right-of-way and located immediately adjacent to any new construction or site development must be completed or improved to City standards and receive City acceptance prior to the issuance of a certificate of occupancy.
  - c. Notwithstanding the above, a developer may install sidewalks for the entire subdivision at any time prior to the expiration of the two-year completion assurance.