COTTONWOOD HEIGHTS
PARKS & RECREATION
SERVICE AREA

Board Of Trustees
Board Meeting

June 17, 2026

3:15pm - Work Session

4:00pm - Board Meeting

Cottonwood Heights Parks and Recreation Service Area
Board of Trustees
June 17, 2026

Work Session-3:15 pm
Board Meeting – 4:00 pm

AGENDA

WORK SESSION - *no action will be taken during the work session*
3:15 pm

A. Board District Representation Reports
B. Safety Meeting Minute-Audrey Durfee
C. Department Head updates
D. Discussion of any items listed on the General Board Meeting Agenda

GENERAL BOARD MEETING
4:00 pm

GENERAL BUSINESS

A. Welcome-Patti Hansen
B. Pledge of Allegiance-by Invitation
C. Review and Approval of May 20, 2026 Minutes – Patti Hansen
D. Review and Approval of the Financial Statement for May 2026 – Lyse' Durrant
E. Review and Approval of Accounts Payable Selected Entries for May 2026– Audrey Durfee

INFORMATION/DISCUSSION ITEMS

A. Public Comment
B. Presentation of the 2025 Annual Audit – K & C CPA's
C. Executive Director's Report – Lyse' Durrant
D. Fraud Risk Assessment – Audrey Durfee
E. Information and Discussion regarding the Certified Tax Rate 2026-Lyse' Durrant

SPECIAL BUSINESS

A. Consideration and Recommendation to approve the 2025 Audit Report-Resolution 2026-7
B. Consideration and Recommendation to Establish and Adopt the Certified Tax Rate for 2026 – Resolution 2026-8

ADJOURN

CLOSED MEETING (if needed and voted upon) - a closed meeting to discuss litigation, property acquisition or the character and professional competence or physical or mental health of an individual

ADJOURN

The above items will be discussed at the Board meeting on June 17, 2026 at 4:00 p.m. with a work session held at 3:15 pm. This meeting will be held at the Cottonwood Heights Recreation Center, 7500 S. 2700 E. CWH, UT 84121. Public comments will be limited to 3 minutes. If you would like to submit written comment, please email all comments to allie@chparksandrecut.gov. All comments received by 2:00 pm on June 17, 2026 will be summarized for the public record (Full name and address must be submitted as well). Comments made after that time will be forwarded to the Board of Trustees but will not be on the record. Posted on the PNW, CHPRSA website and Recreation Center.

Minutes for the

Cottonwood Heights Parks and Recreation Service Area

General Board Meeting

Held at 7500 South 2700 East, CWH, UT

On the 20th day of May 2026

Pursuant of Notice

all minutes pending until approval at the next Board Meeting

Board of Trustees Present	**Staff Present**	
Patti Hansen	Lyse' Durrant	Audrey Durfee
Jen Cottam	Allie Brown	Melissa Ruff
Dennis Magaro	Andrew Davis	Jenny Soifua
	Bonnie Lee	

A work session was held on May 20, 2026, at 3:15 p.m. During the session, Board members provided District Representation reports. Audrey Durfee presented the Safety Meeting Minutes, and department heads provided updates on their departments. The Board also discussed items listed on the general board meeting agenda.

General Board Meeting – 4pm

A. **Welcome –** Patti Hansen

B. **Pledge of Allegiance –** Bonnie Lee

C. **Review and Approval of the April 22, 2026, Minutes – Patti Hansen**

- After review, Mr. Magaro made a motion to approve April 22, 2026, minutes. Ms. Cottam seconded the motion. The motion carried unanimously, with Ms. Hansen, Ms. Cottam, and Mr. Magaro voting "Yes."

D. **Review and Approval of the Financial Statement for April 2026 – Lyse' Durrant**

- After review, Ms. Cottam made a motion to approve the Financial Statement for April 2026. Mr. Magaro seconded the motion. The motion was carried unanimously with Ms. Hansen, Ms. Cottam, Mr. Magaro voting "Yes."

E. Review and Approval of the Accounts Payable Selected Entries for April 2026 – Audrey Durfee

- After review, Ms. Cottam made a motion to approve the Accounts Payable Selected Entries for April 2026. Mr. Magaro seconded the motion. Motion carried unanimously with Ms. Hansen, Ms. Cottam, and Mr. Magaro voting "Yes."

Information/Discussion Items

A. Citizen/Customer Comments

- None

B. Executive Directors Report – Lyse' Durrant

- ZAP Applications close Friday, May 22.
- Golf Tournament Meeting was held on April 28. Next meeting will be held on May 26
- Attended the Health in the Heights Coalition Key Stake Holder Meeting
- Board Budget Work Session regarding possible TNT. Would like to hold another workshop in late June or early July
- Splash Pad update at Mountview Park
- Ribbon Cutting for Summerhill Park on May 26 @ noon
- Outdoor pool Opening -Saturday, May 23
- Sun and Fun Days here May 20, 21, 22, 26 and 27
- Fox 13 news from the parks and from the pool
- ULGT Annual meeting @ the TRUST on May 21
- Auditors will present at the June Board meeting
- Other

C. Information and Discussion regarding ZAP Application – Lyse' Durrant

- Ms. Durrant gave an update regarding the ZAP Application.

D. Information and Discussion regarding the 2025 Audit – Lyse' Durrant

- Ms. Durrant gave information regarding the 2025 Audit.
- To be brought back in Special Business during the June 2026 meeting.

E. **Information and Discussion regarding the Certified Tax Rate – Lyse' Durrant**

   - Ms. Durrant presented information regarding the Certified Tax Rate.
   - To be brought back in Special Business during the June 2026 meeting.

F. **Information and Discussion regarding the Fraud Risk Assessment – Lyse' Durrant**

   - Ms. Durrant presented information regarding the Fraud Risk Assessment.
   - To be brought back in Special Business during the June 2026 meeting.

Special Business

A. **Consideration and Recommendation to approve Policy VI-Employee Code of Conduct – Resolution 2026 – 6.**

   - After review, Mr. Magaro motion to approve Policy VI-Employee Code of Conduct – Resolution 2026-6. Ms. Cottam seconded the motion. Motion carried unanimously with Ms. Hansen, Ms. Cottam, and Mr. Magaro voting "Yes."

Adjourned at 4:32pm

The next meeting of the Board will be held on June 17, 2026 @ 4pm

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

Ordinary Income/Expense

Income

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
4000 · MEMBERSHIPS	79,748.66	83,000.00	96.08%	358,607.51	353,000.00	101.59%	830,000.00
4010 · SILVER SNEAKERS	11,326.50	8,500.00	133.25%	57,041.00	43,500.00	131.13%	104,000.00
4100 · ARENA ADMISSIONS	5,225.67	3,000.00	174.19%	71,772.87	62,000.00	115.76%	120,000.00
4120 · LTS GROUP SKATE LESSONS	12,905.14	2,000.00	645.26%	39,188.32	24,500.00	159.95%	65,000.00
4130 · BMS SKATE LESSONS	13.02	2,500.00	0.52%	5,788.02	5,000.00	115.76%	5,000.00
4140 · FREESTYLE	12,005.51	9,500.00	126.37%	60,924.48	52,500.00	116.05%	117,000.00
4150 · PRIVATE ARENA RENTAL	15,302.94	15,000.00	102.02%	118,915.04	99,000.00	120.12%	225,000.00
4160 · PRIVATE SKATE LESSONS	2,369.00	1,200.00	197.42%	7,162.00	6,000.00	119.37%	14,000.00
4200 · POOL ADMISSIONS	25,296.35	20,000.00	126.48%	55,404.75	46,000.00	120.45%	332,783.00
4210 · PUBLIC SWIM LESSONS	8,039.00	6,000.00	133.98%	42,818.33	40,000.00	107.05%	100,000.00
4220 · PRIVATE SWIM LESSONS	235.00	537.00	43.76%	2,137.00	2,598.00	82.26%	6,875.00
4230 · Water Fitness	57.00	400.00	14.25%	587.00	1,700.00	34.53%	5,000.00
4240 · SPECIALTY CLASSES	926.00	500.00	185.2%	2,551.00	1,980.00	128.84%	3,500.00
4250 · TEAM DUES	0.00	0.00	0.0%	0.00	250.00	0.0%	500.00
4255 · TEAM UNIFY INCOME	3,274.35	3,500.00	93.55%	66,046.42	67,500.00	97.85%	250,000.00
4260 · TEAM MEET FEES	7.50	0.00	100.0%	2,328.50	3,500.00	66.53%	10,000.00
4275 · INVITATIONAL	8,688.00	10,000.00	86.88%	15,113.00	10,000.00	151.13%	35,000.00
4280 · PRE-COMP	1,766.00	3,000.00	58.87%	13,140.00	8,750.00	150.17%	24,000.00
4290 · WATER POLO	0.00	0.00	0.0%	3.75	0.00	100.0%	7,000.00
4300 · TRACK ADMISSIONS	33.48	125.00	26.78%	309.71	625.00	49.55%	1,000.00
4310 · GYM ADMISSIONS	656.58	800.00	82.07%	5,171.22	4,600.00	112.42%	10,000.00
4320 · GYM RENTAL	0.00	1,100.00	0.0%	-125.00	5,400.00	-2.32%	14,500.00
4400 · RB COURT FEES	1,525.35	1,000.00	152.54%	9,358.89	7,200.00	129.99%	15,000.00
4500 · LOCKERS	780.00	500.00	156.0%	4,000.52	3,900.00	102.58%	9,000.00
4600 · Land Fitness	2,702.40	2,800.00	96.51%	13,978.30	14,000.00	99.85%	32,000.00
4605 · Fitness Camps	70.00	0.00	100.0%	3,704.60	2,000.00	185.23%	4,000.00
4610 · ROOM RENTAL	4,396.25	2,200.00	199.83%	25,494.99	11,000.00	231.77%	25,000.00
4615 · MISC INCOME	-90.00			0.00			
4630 · PERSONAL TRAINERS	684.00	500.00	136.8%	3,073.00	2,500.00	122.92%	5,500.00
4640 · WEIGHT ROOM	5,424.69	4,500.00	120.55%	30,731.65	24,500.00	125.44%	55,000.00
4660 · ADVERTISING	0.00	100.00	0.0%	50.00	200.00	25.0%	750.00
4700 · NURSERY	895.00	500.00	179.0%	4,774.50	2,700.00	176.83%	7,000.00
4710 · SNACK BAR	0.00	0.00	0.0%	0.00	0.00	0.0%	13,500.00
4720 · VENDING	551.84	1,500.00	36.79%	6,534.41	5,500.00	118.81%	15,000.00

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
4730 · PRO SHOP	124.68	750.00	16.62%	977.62	1,750.00	55.86%	4,000.00
4735 · POSTAGE/COPIES	0.00	5.00	0.0%	2.24	5.00	44.8%	30.00
4740 · CANYON'S SCHOOL DISTRICT	0.00	0.00	0.0%	0.00	0.00	0.0%	219,748.00
4760 · REBATES	0.00	0.00	0.0%	3,232.82	2,500.00	129.31%	4,000.00
4800 · PAVILION	5,030.00	5,000.00	100.6%	14,140.00	12,950.00	109.19%	23,000.00
4810 · FIELD FEES	0.00	4,000.00	0.0%	0.00	8,000.00	0.0%	42,000.00
4820 · TENNIS	4,675.00	8,000.00	58.44%	23,439.60	18,000.00	130.22%	23,000.00
4821 · PICKLEBALL TOURNAMENT ENTRY	0.00	0.00	0.0%	0.00	0.00	0.0%	5,500.00
4823 · OUTDOOR COURT RESERVATIONS	935.00	700.00	133.57%	3,350.00	3,100.00	108.07%	6,000.00
4830 · ADMIN FEES	0.00	0.00	0.0%	0.00	0.00	0.0%	2,500.00
4840 · Processing fees	5,035.04	5,000.00	100.7%	24,314.53	20,500.00	118.61%	50,000.00
4910 · FOUNDATION / DONATIONS	4,560.02			4,560.02			
4916 · 5-K RACE INCOME	0.00	0.00	0.0%	35.00	0.00	100.0%	67,500.00
4918 · COTTONWOOD HEIGHTS CITY HOSTING	0.00	0.00	0.0%	0.00	0.00	0.0%	10,000.00
4920 · PROPERTY TAX REVENUE	24,922.41	16,750.00	148.79%	155,429.46	89,050.00	174.54%	2,937,000.00
4921 · FEE IN LIEU, ETC.	10,499.49	16,000.00	65.62%	61,075.88	72,000.00	84.83%	170,000.00
4930 · INTEREST INCOME	3,771.15	3,500.00	107.75%	23,684.86	17,000.00	139.32%	37,500.00
4965 · CWH CITY MNTNC CONTRACT	20,816.08	20,816.00	100.0%	104,129.90	104,080.00	100.05%	321,813.00
4972 · KIDS SPORTS CAMP INCOME	-241.32	3,000.00	-8.04%	60,872.98	58,000.00	104.95%	58,000.00
4973 · FLAG FOOTBALL INCOME	0.00	0.00	0.0%	21,590.00	20,000.00	107.95%	40,000.00
4974 · JR. JAZZ	0.00	0.00	0.0%	0.00	0.00	0.0%	40,000.00
4975 · CWH YOUTH SOCCER	0.00	0.00	0.0%	51,572.01	55,000.00	93.77%	92,000.00
5810 · INTEREST INCOME BOND	2,007.06			9,714.53			
Total Income	286,949.84	267,783.00	107.16%	1,588,707.23	1,393,838.00	113.98%	6,615,499.00
Gross Profit	**286,949.84**	**267,783.00**	**107.16%**	**1,588,707.23**	**1,393,838.00**	**113.98%**	**6,615,499.00**
Expense							
5000 · ADMIN/BENEFITED EMPLOYEES	42,078.44	45,837.00	91.8%	241,389.39	258,153.00	93.51%	599,129.00
5001 · ADMIN FICA,WC,S,V	3,235.10	5,068.00	63.83%	19,490.05	27,796.00	70.12%	66,222.00
5010 · WAGES/MANAGER ON DUTY	5,311.17	5,000.00	106.22%	28,375.31	27,000.00	105.09%	65,000.00
5020 · WAGES/NURSERY	4,346.74	2,900.00	149.89%	17,004.56	15,100.00	112.61%	35,050.00
5040 · WAGES/CSR	16,273.91	19,000.00	85.65%	90,843.41	88,500.00	102.65%	215,000.00
5041 · ADMIN WAGES/FICA,WRKCOMP	2,111.72	2,959.00	71.37%	11,068.75	14,366.00	77.05%	34,656.00
5100 · SALARIES/AQUATICS	19,594.97	20,336.00	96.36%	109,780.84	111,848.00	98.15%	266,716.00
5101 · AQUATICS, SALARY,FICA,WRKCOMP	1,664.35	2,237.00	74.4%	9,261.60	12,304.00	75.27%	29,339.00
5110 · WAGES/SWIM INSTRUCTORS	3,846.12	6,000.00	64.1%	19,001.66	18,000.00	105.57%	66,500.00
5120 · WAGES/SPECIALTY CLASSES	469.94	75.00	626.59%	1,506.66	325.00	463.59%	2,500.00

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
5130 · WAGES/LIFEGUARDS	34,439.96	33,252.00	103.57%	137,455.53	124,392.00	110.5%	450,000.00
5140 · Wages/Water Fitness Instructors	1,673.17	2,900.00	57.7%	7,726.17	11,000.00	70.24%	27,000.00
5141 · WAGES/AQUATICS/FICA,WRKCOMP	3,378.49	4,975.00	67.91%	13,511.16	16,580.00	81.49%	60,060.00
5160 · WAGES/SWIM TEAM	3,486.74	4,583.00	76.08%	24,157.65	23,836.00	101.35%	55,000.00
5161 · SWIM TEAM WAGES/FICA,WRKCOMP	307.57	504.00	61.03%	2,058.75	2,622.00	78.52%	6,050.00
5200 · SALARIES/PROGRAMS	14,267.47	14,265.00	100.02%	82,516.57	82,630.00	99.86%	191,100.00
5201 · SALARIES/PROGRAMS,FICA,WC,S,V	1,215.31	1,649.00	73.7%	6,956.72	8,602.00	80.87%	21,118.00
5210 · Wages/Land Fitness	9,680.94	8,200.00	118.06%	53,479.18	44,000.00	121.54%	105,000.00
5240 · WAGES/SKATE GUARDS	5,881.83	7,500.00	78.42%	37,830.28	36,000.00	105.08%	78,500.00
5250 · WAGES/LTS INSTRUCTORS	2,021.23	4,700.00	43.01%	15,179.12	15,900.00	95.47%	25,750.00
5260 · WAGES/SUPER SPORT	0.00	1,320.00	0.0%	0.00	2,640.00	0.0%	42,540.00
5261 · WAGES/RECREATION COORDINATOR PT	1,001.31			1,001.31			
5264 · WAGES/YOUTH SOCCER	672.67	2,300.00	29.25%	2,293.47	3,600.00	63.71%	7,500.00
5266 · WAGES/FLAG FOOTBALL	1,254.93	1,700.00	73.82%	3,231.86	3,500.00	92.34%	7,000.00
5268 · WAGES/JUNIOR JAZZ	0.00	0.00	0.0%	2,504.46	5,300.00	47.25%	8,000.00
5270 · WAGES/TENNIS INSTRUCTORS	38.26	250.00	15.3%	547.88	1,250.00	43.83%	9,250.00
5271 · WAGES/ARENA,FICA,WC,S,V	1,446.95	2,800.00	51.68%	8,207.79	12,228.00	67.12%	30,608.00
5300 · SALARIES/OPERATIONS	21,490.72	21,808.00	98.55%	118,586.65	118,469.00	100.1%	283,913.00
5301 · SALARIES/OPER,FICA,WC,S,V	1,948.69	2,399.00	81.23%	10,614.62	13,032.00	81.45%	31,230.00
5310 · WAGES/OPERATIONS	3,034.95	3,902.00	77.78%	18,993.36	19,750.00	96.17%	50,565.00
5311 · WAGES/OPER,FICA,WC,S,V	292.66	429.00	68.22%	1,755.07	2,174.00	80.73%	5,562.00
5400 · SALARIES/GROUNDS	27,391.64	26,852.00	102.01%	145,826.07	150,716.00	96.76%	352,983.00
5401 · SALARY/GOUNDS,FICA,WC,S,V	2,402.18	2,954.00	81.32%	12,710.27	16,579.00	76.67%	38,828.00
5410 · WAGES/GROUNDS	7,326.90	5,500.00	133.22%	11,865.78	11,250.00	105.47%	58,750.00
5411 · WAGES/GROUNDS,FICA,WC,S,V	783.15	605.00	129.45%	1,517.26	1,238.00	122.56%	6,463.00
5500 · SALARIES/VISUAL MAINTENANCE	11,242.93	11,270.00	99.76%	61,748.17	61,590.00	100.26%	147,526.00
5501 · SALARIES/VM,FICA,WC,S,V	982.87	1,240.00	79.26%	5,352.15	6,775.00	79.0%	16,228.00
5510 · WAGES,VISUAL MNTNC	2,865.71	3,538.00	81.0%	19,462.47	19,465.00	99.99%	46,000.00
5511 · WAGES,VISUAL MNTNC,FICA,WC,S,V	299.44	389.00	76.98%	1,890.44	2,140.00	88.34%	5,060.00
6000 · UT STATE RETIREMENT	21,931.64	22,696.00	96.63%	119,651.50	123,376.00	96.98%	290,974.00
6010 · HEALTH INS,DISABILITY	26,854.60	30,000.00	89.52%	148,321.71	153,500.00	96.63%	367,000.00
6030 · BOARD FEES	1,312.35	2,000.00	65.62%	9,492.81	14,300.00	66.38%	27,500.00
6040 · TRAVEL	0.00	3,000.00	0.0%	4,189.89	12,000.00	34.92%	18,000.00
6050 · TRAINING/WORKSHOPS	108.00	2,000.00	5.4%	2,658.20	10,500.00	25.32%	17,100.00
6560 · PAYROLL EXPENSES	0.00			-70.00			
7000 · ADVERTISING, ADMIN	10.30			245.62			

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
7001 · MARKETING	1,156.41	2,000.00	57.82%	3,091.12	5,000.00	61.82%	12,500.00
7010 · AUDITING	0.00	5,000.00	0.0%	0.00	10,500.00	0.0%	20,500.00
7020 · CONSULTING	1,500.00	5,000.00	30.0%	5,097.44	13,500.00	37.76%	50,000.00
7040 · DUES & SUBSCRIPTIONS	7,083.52	6,890.00	102.81%	44,907.56	36,915.00	121.65%	99,750.00
7050 · PROPERTY INSURANCE	0.00	0.00	0.0%	0.00	750.00	0.0%	125,000.00
7060 · LEGAL/CONSULTING,ADVERTISING	1,750.00	1,000.00	175.0%	5,475.00	4,500.00	121.67%	9,000.00
7065 · CWH CITY CONTRACT EXP	29,655.26	7,500.00	395.4%	49,646.51	23,000.00	215.85%	62,021.00
7130 · BANK/CREDIT CARD SRVC CHARGES	114.85	25,000.00	0.46%	86,939.67	89,000.00	97.69%	200,000.00
7140 · OVER/SHORT	14.76			-55.58			
7200 · SWIM TEAM REIMBURSABLES	3,698.42	2,000.00	184.92%	22,723.47	19,000.00	119.6%	56,000.00
7215 · INVITATIONAL EXP	3,394.45	2,500.00	135.78%	7,452.86	7,500.00	99.37%	20,000.00
7220 · SWIM TEAM EXPENSE	147.04	500.00	29.41%	2,408.18	7,500.00	32.11%	20,700.00
7221 · TEAM UNIFY EXPENSES	1,498.00	0.00	100.0%	1,498.00	1,500.00	99.87%	2,000.00
7230 · WATER POLO EXP	0.00	0.00	0.0%	0.00	0.00	0.0%	2,500.00
7540 · TELEPHONE EXP	2,197.58	2,500.00	87.9%	11,664.45	14,500.00	80.44%	28,000.00
7550 · UTILITIES/GAS	16,943.16	24,000.00	70.6%	65,470.98	109,000.00	60.07%	250,000.00
7551 · UTILITIES/ELECTRICITY	23,630.38	25,000.00	94.52%	113,164.74	110,000.00	102.88%	280,000.00
7552 · UTILITIES/SEWER	0.00	200.00	0.0%	4,938.36	5,025.00	98.28%	18,000.00
7553 · UTILITIES/WATER	0.00	500.00	0.0%	3,641.00	11,500.00	31.66%	60,000.00
7561 · UTILITIES/GROUNDS/ELECT	605.75	600.00	100.96%	4,226.26	3,850.00	109.77%	8,000.00
7562 · UTILITIES/GROUNDS,WATER	3,046.01	1,000.00	304.6%	8,890.91	11,000.00	80.83%	110,000.00
7563 · UTILITIES/GROUNDS,SEWER-GARBAGE	2,875.73	2,500.00	115.03%	7,765.22	12,600.00	61.63%	36,000.00
7700 · AUTO EXP	1,790.18	1,465.00	122.2%	5,553.87	12,570.00	44.18%	22,450.00
8000 · REP & MNTNC ADMIN	0.00	500.00	0.0%	2,168.64	4,500.00	48.19%	15,000.00
8010 · REP & MNTNC/POOLS	5,104.50	4,000.00	127.61%	15,793.16	21,000.00	75.21%	60,000.00
8020 · REP & MNTNC/ARENA	9,723.37	1,500.00	648.23%	21,507.15	19,000.00	113.2%	40,000.00
8030 · REP & MNTNC/GYM,WT RMS	2,385.63	1,000.00	238.56%	5,444.60	6,000.00	90.74%	12,000.00
8036 · REP & MNTNC/TENNIS	74.95	0.00	100.0%	162.99	500.00	32.6%	1,000.00
8040 · REP & MNTNC/SNACK BAR	102.00	500.00	20.4%	510.00	900.00	56.67%	2,500.00
8050 · REP & MNTC OP	5,813.63	7,000.00	83.05%	27,097.56	39,500.00	68.6%	80,000.00
8055 · REP & MNTC GROUNDS	15,632.98	9,000.00	173.7%	36,856.65	34,000.00	108.4%	80,000.00
8100 · PRO SHOP/COST OF GOODS	327.78	500.00	65.56%	605.78	1,900.00	31.88%	4,000.00
8130 · UNIFORMS EXPENSE	10,756.00	4,000.00	268.9%	12,633.07	13,500.00	93.58%	17,000.00
8140 · UNIFORMS AQUATICS	862.00	4,000.00	21.55%	3,258.73	10,000.00	32.59%	10,000.00
8500 · SUNDRIES	1,397.08	1,190.00	117.4%	6,094.87	3,815.00	159.76%	17,300.00
9000 · SUPPLIES/ADMIN	1,495.43	3,000.00	49.85%	16,876.73	26,000.00	64.91%	40,000.00

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
9010 · SUPPLIES/OFFICE POSTAGE	342.01	500.00	68.4%	1,334.00	2,500.00	53.36%	5,000.00
9020 · SUPPLIES/COMPUTER	2,124.99	2,500.00	85.0%	10,692.62	15,500.00	68.99%	38,000.00
9040 · SUPPLIES/NURSERY	96.86	105.00	92.25%	395.99	520.00	76.15%	1,250.00
9050 · SUPPLIES/POOL	4,032.24	2,000.00	201.61%	7,884.11	9,000.00	87.6%	15,000.00
9055 · SUPPLIES/POOL(OPERATING)	23,317.41	14,000.00	166.55%	66,833.69	51,000.00	131.05%	150,000.00
9060 · SUPPLIES/AQUACISE	73.98	150.00	49.32%	91.56	1,000.00	9.16%	1,500.00
9070 · SUPPLIES/SPECIALTY CLASSES	2,514.00	1,500.00	167.6%	4,085.93	6,150.00	66.44%	8,000.00
9080 · SUPPLIES/PROGRAMS	885.08	250.00	354.03%	1,614.72	1,750.00	92.27%	3,250.00
9081 · SUPPLIES/LTS	192.50	100.00	192.5%	918.55	500.00	183.71%	800.00
9085 · SUPPLIES/ARENA	0.00	150.00	0.0%	373.91	4,281.00	8.73%	5,481.00
9090 · Supplies/Land Fitness	285.82	300.00	95.27%	3,992.42	3,900.00	102.37%	6,000.00
9091 · SUPPLIES/SILVER SNEAKERS	0.00	0.00	0.0%	285.20	350.00	81.49%	500.00
9092 · Supplies/Fitness Camp	166.30	0.00	100.0%	583.61	500.00	116.72%	1,000.00
9110 · SUPPLIES/WEIGHT ROOM	198.37	450.00	44.08%	1,500.89	2,250.00	66.71%	5,250.00
9115 · SUPPLIES/GYM	277.05	125.00	221.64%	297.52	625.00	47.6%	1,500.00
9116 · SUPPLIES/TENNIS	318.03	800.00	39.75%	948.11	800.00	118.51%	1,300.00
9120 · SUPPLIES/OPERATIONS	0.00	800.00	0.0%	0.00	1,700.00	0.0%	4,000.00
9130 · SUPPLIES/GROUNDS	264.02	1,000.00	26.4%	2,426.97	4,250.00	57.11%	10,460.00
9131 · FIELD COSTS	42.49	1,250.00	3.4%	4,320.51	6,803.00	63.51%	13,053.00
9140 · SUPPLIES/VM,CLEANING	2,046.23	2,837.00	72.13%	8,967.02	12,370.00	72.49%	29,242.00
9150 · SUPPLIES/VM PAPER	959.50	2,098.00	45.73%	3,889.85	9,044.00	43.01%	21,392.00
9200 · SMALL EQUIP	0.00	0.00	0.0%	15,676.09	13,500.00	116.12%	24,480.00
9210 · THANKSGIVING 5K RACE EXPENSE	0.00	0.00	0.0%	0.00	0.00	0.0%	38,000.00
9212 · Pickleball Tournaments	259.91	0.00	100.0%	259.91	0.00	100.0%	3,550.00
9222 · KIDS SPORTS CAMP EXPENSE	474.42	500.00	94.88%	634.42	1,500.00	42.3%	2,000.00
9224 · FLAG FOOTBALL EXPENSE	43.31	0.00	100.0%	11,046.57	13,000.00	84.97%	22,000.00
9225 · JR. JAZZ EXPENSE	0.00	16,000.00	0.0%	23,427.00	26,000.00	90.1%	26,000.00
9226 · CWH Youth Soccer expense	21,110.70	17,500.00	120.63%	21,569.23	19,000.00	113.52%	38,000.00
Total Expense	**524,780.09**	**557,152.00**	**94.19%**	**2,438,752.52**	**2,601,444.00**	**93.75%**	**6,615,499.00**
Net Ordinary Income	**-237,830.25**	**-289,369.00**	**82.19%**	**-850,045.29**	**-1,207,606.00**	**70.39%**	**0.00**
Other Income/Expense							
Other Expense							
9300 · CAPITAL EQUIPMENT/IMPROVEMENTS	45,759.00	40,000.00	114.4%	95,037.00	80,000.00	118.8%	125,000.00
9301 · CAPITAL & OPERATING LEASES	0.00	0.00	0.0%	55,362.80	55,374.00	99.98%	137,018.00
Total Other Expense	**45,759.00**	**40,000.00**	**114.4%**	**150,399.80**	**135,374.00**	**111.1%**	**262,018.00**

Cottonwood Heights Parks and Recreation
Monthly Consolidated Board Financials
May 2026

	May 26	Budget	% of Budget	Jan - May 26	YTD Budget	% of Budget	Annual Budget
Net Other Income	-45,759.00	-40,000.00	114.4%	-150,399.80	-135,374.00	111.1%	-262,018.00
Net Income	**-283,589.25**	**-329,369.00**	**86.1%**	**-1,000,445.09**	**-1,342,980.00**	**74.49%**	**-262,018.00**

Cottonwood Heights Parks and Recreation
Bill Payment Register
As of May 31, 2026

Type	Date	Num	Name	Memo	Amount
1016 · GENERAL CHECKING					
Bill Pmt -Check	05/07/2026	ACH	Citi Cards		-21,927.26
Bill Pmt -Check	05/07/2026	66925	AMERICAN FAMILY LIFE...		-49.12
Bill Pmt -Check	05/07/2026	66926	AMERICAN RED CROSS	SPCIALTY CLASS	-240.00
Bill Pmt -Check	05/07/2026	66927	BLOMQUIST HALE CON...		-385.00
Bill Pmt -Check	05/07/2026	66928	BRADY INDUSTRIES INC.	VIS. MAIN.	-1,492.29
Bill Pmt -Check	05/07/2026	66929	CEM AQUATICS		-970.52
Bill Pmt -Check	05/07/2026	66930	CHEMWORLD	OPS	-254.98
Bill Pmt -Check	05/07/2026	66931	JOE'S TRIPLE A	OPS	-248.00
Bill Pmt -Check	05/07/2026	66932	KENNEDY, JULIE	CHAT REIMBURSEMENT	-147.04
Bill Pmt -Check	05/07/2026	66933	KONOPACKI, ELISABETH	REFUND TENNIS	-76.40
Bill Pmt -Check	05/07/2026	66934	LABOR COMMISSION	OPS	-72.00
Bill Pmt -Check	05/07/2026	66935	ROCKY MOUNTAIN PO...		-22,951.07
Bill Pmt -Check	05/07/2026	66936	SALT LAKE CITY CORP...		-50.19
Bill Pmt -Check	05/07/2026	66937	SIMONSEN, SETH	REFUND KIDS CAMP	-60.00
Bill Pmt -Check	05/07/2026	66938	SUMMIT ENERGY		-12,169.12
Bill Pmt -Check	05/07/2026	66939	TRUGREEN-CHEMLAWN	PARKS	-883.94
Bill Pmt -Check	05/07/2026	66940	UTAH JAZZ	JR. JAZZ GEAR	-14,648.00
Bill Pmt -Check	05/07/2026	66941	WATER SAFETY PROD...	LIFEGUARD EQUIPMENT	-1,693.77
Bill Pmt -Check	05/07/2026	66942	WATER STAR USA	100-8481511-001	-108.40
Bill Pmt -Check	05/07/2026	66943	WATERMAN	LIFEGUARD GEAR	-2,610.73
Bill Pmt -Check	05/07/2026	66944	WITCHER, RUSSELL	REFUND SWIM LESSONS	-51.00
Bill Pmt -Check	05/14/2026	ACH	UTAH STATE RETIREM...		-13,627.34
Bill Pmt -Check	05/14/2026	ACH	PUBLIC EMPLOYEES H...	4/26 flex reimbursement took $130...	-741.52
Bill Pmt -Check	05/14/2026	66945	AMERIGAS SALT LAKE ...	OPS	-851.79
Bill Pmt -Check	05/14/2026	66946	BECKER ARENA PROD...	OPS	-180.70
Bill Pmt -Check	05/14/2026	66947	CUSTOM WATER TECH...	OPS	-520.00
Bill Pmt -Check	05/14/2026	66948	DALL, ELIZABETH	REFUND TENNIS	-240.00
Bill Pmt -Check	05/14/2026	66949	Dudley, Lorie	CPA	-1,500.00
Bill Pmt -Check	05/14/2026	66950	DUPERTUIS, EVE	REFUND ROOM RENTAL	-50.00
Bill Pmt -Check	05/14/2026	66951	ENBRIDGE		-4,774.04
Bill Pmt -Check	05/14/2026	66952	INTERMOUNTAIN SOFT ...		-55.00
Bill Pmt -Check	05/14/2026	66953	JANITOR'S CLOSET	VIS. MAINT.	-103.95
Bill Pmt -Check	05/14/2026	66954	JR. REAL	SOCCER JERSEY'S	-20,802.28
Bill Pmt -Check	05/14/2026	66955	NORCO		-1,255.75
Bill Pmt -Check	05/14/2026	66956	PACIFIC WATER INC.	2173	-50.00
Bill Pmt -Check	05/14/2026	66957	PALMETTO POOLS	OPS	-4,200.00
Bill Pmt -Check	05/14/2026	66958	PEAK SOFTWARE SYST...	SCANNER	-174.60
Bill Pmt -Check	05/14/2026	66959	PRIMUS LAW	Garnishment	-188.54
Bill Pmt -Check	05/14/2026	66960	RIGHTWAY SANITARY ...	VIS. MAIN.	-1,019.75
Bill Pmt -Check	05/14/2026	66961	SALT LAKE CITY CORP...		-2,422.66
Bill Pmt -Check	05/14/2026	66962	SALT LAKE COUNTY HE...	PERMIT	-950.00
Bill Pmt -Check	05/14/2026	66963	WASTE MANAGEMENT		-2,156.30
Bill Pmt -Check	05/14/2026	66964	ZION ENGINEERING	REPAIR SNOW PIT	-2,112.90
Bill Pmt -Check	05/14/2026	66967	MOUNTAINLAND SUPPLY	PARKS/OPS	-149.33
Bill Pmt -Check	05/14/2026	ACH	PUBLIC EMPLOYEES H...	4/26 flex reimbursement	-130.76
Bill Pmt -Check	05/21/2026	66968	COMCAST		-620.71
Bill Pmt -Check	05/21/2026	66969	COTTONWOOD IMPRO...		-72.00
Bill Pmt -Check	05/21/2026	66970	ECONO.PEST		-102.00

Cottonwood Heights Parks and Recreation
Bill Payment Register
As of May 31, 2026

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	05/21/2026	66971	FABIAN VANCOTT		-1,750.00
Bill Pmt -Check	05/21/2026	66972	FUEL NETWORK		-1,032.71
Bill Pmt -Check	05/21/2026	66973	LUNDEEN, ASHLEY	REFUND KIDS CAMP	-90.00
Bill Pmt -Check	05/21/2026	66974	MCCRACKEN, MONICA	REFUND TENNIS	-50.00
Bill Pmt -Check	05/21/2026	66975	MENDOZA, HILARY	REFUND PARK	-100.00
Bill Pmt -Check	05/21/2026	66976	RIVENDELL TREE EXPE...		-1,084.50
Bill Pmt -Check	05/21/2026	66977	SAFE SLIDE RESTORAT...	WATER SLIDE REPAIR W/CHAN...	-45,759.00
Bill Pmt -Check	05/21/2026	66978	STRUCTURE COMPUTE...		-2,100.00
Bill Pmt -Check	05/21/2026	66979	THATCHER COMPANY		-7,298.00
Bill Pmt -Check	05/21/2026	66980	UNIVERSAL GRINDING ...		-48.00
Bill Pmt -Check	05/21/2026	66981	ZION ENGINEERING	OPS	-986.00
Bill Pmt -Check	05/21/2026	ACH	UTAH STATE RETIREM...	RETIREMENT	-13,623.09
Bill Pmt -Check	05/21/2026	66982	SOUTHERN UTAH SWI...	MEET FEES	-1,315.00
Bill Pmt -Check	05/27/2026	66983	ZIONS BANK	To replace lost check #66924	-13,705.79
Bill Pmt -Check	05/28/2026	ACH	Utah State Tax Commissi...	April sales tax	-5,944.08
Bill Pmt -Check	05/28/2026	ACH	PITNEY BOWES	postage	-338.61
Bill Pmt -Check	05/28/2026	ACH	UTAH LOCAL GOVERN...		-1,980.70
Bill Pmt -Check	05/28/2026	66984	AMERICAN FAMILY LIFE...		-49.12
Bill Pmt -Check	05/28/2026	66985	BINGHAM, BRYNN	REFUND SWIM LESSONS	-56.00
Bill Pmt -Check	05/28/2026	66986	BRODY CHEMICAL	CUSTOMER # C00810	-1,032.34
Bill Pmt -Check	05/28/2026	66987	BUZACERO, JESSICA	REFUND SWIM LESSONS	-51.00
Bill Pmt -Check	05/28/2026	66988	COTTONWOOD HEIGHT...	ASPIRE TEE'S	-192.50
Bill Pmt -Check	05/28/2026	66989	COTTONWOOD HTS. P...	PETTY CASH	-126.60
Bill Pmt -Check	05/28/2026	66990	EWING IRRIGATION	parks	-655.19
Bill Pmt -Check	05/28/2026	66991	FUOCO, BRANDON	REFUND SKATE LESSONS	-70.00
Bill Pmt -Check	05/28/2026	66992	GAMETIME	Parks	-13,230.27
Bill Pmt -Check	05/28/2026	66993	GRAINGER	Parks	-413.84
Bill Pmt -Check	05/28/2026	66994	GREENBERG, MELISSA	REFUND KIDS CAMP	-260.00
Bill Pmt -Check	05/28/2026	66995	GRIFFITHS, SARA	Swim refund	-112.00
Bill Pmt -Check	05/28/2026	66996	JOE'S TRIPLE A	OPS	-159.00
Bill Pmt -Check	05/28/2026	66997	MINER, CINDI	REFUND PICKLEBALL	-250.00
Bill Pmt -Check	05/28/2026	66998	MOHLER, JESSICA	REFUND KIDS CAMP	-341.32
Bill Pmt -Check	05/28/2026	66999	MOUNTAINLAND SUPPLY	Parks	-104.67
Bill Pmt -Check	05/28/2026	67000	PRECISION CONCRETE...	TRIP HAZARDS	-6,402.58
Bill Pmt -Check	05/28/2026	67001	PRIMUS LAW	GARNISHMENT	-15.72
Bill Pmt -Check	05/28/2026	67002	PUBLIC EMPLOYEE HE...		-513.53
Bill Pmt -Check	05/28/2026	67003	PUBLIC EMPLOYEES H...		-35,914.47
Bill Pmt -Check	05/28/2026	67004	RADIATE VOLLEYBALL	Programs	-11,343.75
Bill Pmt -Check	05/28/2026	67005	SALT LAKE CITY CORP...		-623.35
Bill Pmt -Check	05/28/2026	67006	SCHMIDT, AUDREY	Refund Pickleball	-120.00
Total 1016 · GENERAL CHECKING					-309,383.48
TOTAL					**-309,383.48**

EXECUTIVE DIRECTOR UPDATES

June 2026

- ZAP Application was submitted
- Golf Tournament Meeting was held May 26. Next meeting June 23
- Met with Jared from CWH city
- Met with Canyons School District
- PTOS meeting held May 27. Andrew attended and will be attending with me in the future
- McIntyre Park fenced off on the south side for safety while we work with SL Public Utilities to get it landscaped
- BVDays planning meeting
- Summer! All programs in full swing
- ULGT annual walk through
- Board of Health annual walk through
- CWH City was appreciative how Summer Hill Park looked at the ribbon cutting -WARPA meeting regarding fundraising
- CH2-no meeting in July. Next meeting August 12
- Kevin and myself visited KOPFC to look at their chlorine generators
- 51st CHAT Invitational
- Outdoor Dive tank liner and repairs
- FT Parks position has been filled
- September Board meeting date-could we move to either Tuesday, September 15 or Wednesday, September 23?
- Other

Fraud Risk Assessment

Continued

*Total Points Earned: 395/395 *Risk Level:

Very Low	Low	Moderate	High	Very High
> 355	316-355	276-315	200-275	< 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	✓	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	✓	5
b. Procurement?	✓	5
c. Ethical behavior?	✓	5
d. Reporting fraud and abuse?	✓	5
e. Travel?	✓	5
f. Credit/Purchasing cards (where applicable)?	✓	5
g. Personal use of entity assets?	✓	5
h. IT and computer security?	✓	5
i. Cash receipting and deposits?	✓	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	✓	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	✓	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	✓	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	✓	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	✓	20
7. Does the entity have or promote a fraud hotline?	✓	20
8. Does the entity have a formal internal audit function?	✓	20
9. Does the entity have a formal audit committee?	✓	20

*Entity Name: Cottonwood Heights Parks and recreation Service Area

*Completed for Fiscal Year Ending: 2025 *Completion Date: 6/15/26

*CAO Name: Lyse Durrant *CFO Name: Audrey Durfee

*CAO Signature: [signature] *CFO Signature: [signature]

*Required

Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	X			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?			X	
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".			X	
4. Are all the people who have access to blank checks different from those who are authorized signers?	X			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	X			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	X			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	X			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	X			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".			X	
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	X			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			

* MC = Mitigating Control

Utah State Tax Commission - Property Tax Division Tax Rate Summary (693) TY: 4200 COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE A	Form PT-693 Rev. 2/15

SALT LAKE COUNTY **Tax Year: 2026**

The Board of Trustees for the above special district has set the current year's tax rates as follows:

Purpose of Tax Rate (Code from Utah Code Annotated)	Auditor's Tax Rate	Proposed Tax Rate	Maximum By Law	Budgeted Revenue
570 County Service Area 17B-2a-900	0.000636	0.000636	0.0014	2,954,008
Total Tax Rate	**0.000636**	**0.000636**	**Total Revenue**	**$2,954,008**

Certification by Taxing Entity

I, ___________________________________, as authorized agent, hereby certify that this statement is true and correct and in compliance with all sections of the Utah State Code relating to the tax rate setting process.

Signature: ____ Date: ________________

Title: ____ Telephone: ___________________

Mailing address: ____

RESOLUTION NO. 2026-7

A RESOLUTION ADOPTING THE 2025 INDEPENDENT AUDIT REPORT FROM K & C, CPA'S FOR THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA.

WHEREAS, the Cottonwood Heights Parks and Recreation Service Area Board of Trustees has completed an independent audit, in compliance with the applicable general state program compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Service Area, for the year ended December 31, 2025;

WHEREAS, The Board of Trustees of the Cottonwood Heights Parks and Recreation Service Area desires to adopt the 2025 independent audit from K & C, CPA'S;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA AS FOLLOWS:

1. **Adoption.** The 2025 Independent Audit from K & C, CPA'S of the Cottonwood Heights Parks and Recreation Service Area, attached hereto as Exhibit A and by this reference made a part of hereof, is hereby approved and adopted by the Board of Trustees.

2. **Severability.** If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidly or unenforceability, shall not affect any other portion of this Resolution, and all sections, parts and provisions shall be severable.

3. **Effective Date.** This Resolution shall become effective immediately upon its passage

PASSED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA ON THIS 17th DAY OF JUNE, 2026.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA

ATTEST:

____
Patti Hansen, Chair

____
Jennifer Cottam

______________________________ Attest: ____________________
Dennis Magaro Allie Brown

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
TABLE OF CONTENTS

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Cottonwood Heights Parks and Recreation Service Area
Cottonwood Heights, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cottonwood Heights Parks and Recreation Service Area (the Service Area), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Service Area'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 financial position of Cottonwood Heights Parks and Recreation Service Area, as of December 31, 2025, and the change in net position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Service Area and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Service Area'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 Responsibility 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 risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service Area's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Service Area'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, the schedule of proportionate share of the net pension liability, the pension schedule of contributions, and the notes to the required supplementary information as listed in 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2026, on our consideration of the Service Area'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 the Service Area's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Service Area's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
June 12, 2026

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cottonwood Heights Parks and Recreation Service Area's (the Service Area) annual financial report presents management's analysis of the Service Area's financial performance during the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes to enhance their understanding of the Service Area's financial activities.

Financial Highlights

- The continued collaborative efforts with the City of Cottonwood Heights, the Canyons School District, and Salt Lake County enhances the pooling of resources that improves the overall community's access to green space and other parks and recreation amenities. That pooling of resources, which the Service Area leads, fulfills the community's parks and recreational needs at a reasonable shared level of cost.

- In 2025, total operating revenues increased by $800,689, as compared to 2024. The Primary factor contributing to the increase in operating revenue was the TRCC grant that was obtained in 2025. In 2025, the Service Area also showed an increase in charges for services related to the use of facilities.

- In 2025, total operating expenses increased by $814,089. The primary factors contributing to the increase in operating expenses was the increases in the cost of wages and payroll related expenses by $352,173, required to keep the Recreation Center in operation. An increase in utilities expenses of $110,713 contributed to the increase in operating expenses.

- Net position decreased by $188,013 in 2025 compared to a decrease of $146,279 in 2024. A primary cause of the overall decrease in net position is the effect of depreciation expense, which is not a cash disbursement. Without depreciation expense, the district would show an increase of $444,462 from the prior year.

- The Cottonwood Heights Parks & Recreation Foundation (501(c)(3)), which is a blended component unit of the Service Area, continues to create opportunities for charitable contributions that provide needed Parks & Recreation facilities, sponsorships, and services to our community. The Foundation's financial position increased by $6,610 in 2025.

Overview of Financial Report

This annual report consists of two parts: Management's Discussion and Analysis (MD&A) and the financial statements. The financial statements include notes that explain in more detail some of the information in the financial statements.

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The MD&A represents management's analysis of the Service Area's financial condition and performance.
The financial statements report information about the Service Area using the accrual basis of accounting. They include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to the financial statements. The Statement of Net Position presents the financial position of the Service Area, while the statement of revenues, expenses and changes in net position presents the results of business activities over the course of the year and provides information as to how the net position changed during the year. The statement of cash flows presents changes in cash and cash

equivalents, resulting from operational, capital and non-capital financing, and investing activities. The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements.

Financial Analysis

The following table summarizes information presented in the financial statements.

	2025	2024
Current and other assets	$ 3,083,291	$ 3,412,535
Capital assets	9,470,189	8,939,745
Total Assets	12,553,480	12,352,280
Deferred outflows of resources	592,305	575,264
Total Assets and Deferred Outflows of Resources	$ 13,145,785	$ 12,927,544
Long-term liabilities outstanding	$ 1,158,005	$ 776,138
Other liabilities	662,024	634,333
Total Liabilities	1,820,029	1,410,471
Deferred inflows of resources	2,600	5,904
Total Liabilities and Deferred Inflows of Resources	$ 1,822,629	$ 1,416,375
Net investment in capital assets	$ 8,955,677	$ 8,686,298
Restricted	59,065	188,397
Unrestricted	2,308,414	2,636,474
Total Net Position	$ 11,323,156	$ 11,511,169

Net position may serve as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $11,323,156, as of December 31, 2025. A portion of the Service Area's net position, $8,955,677, reflects its investment in capital assets (e.g., land, buildings, improvements and equipment), net of related debt incurred to acquire these assets. The Service Area uses these capital assets in its daily operations; consequently, they are not available for future spending. Unrestricted net position decreased from $2,636,474 in 2024 to $2,308,414, as of December 31, 2025. As discussed below, the Service Area continues to pursue various strategies for maintaining sufficient total net position to support ongoing operations and future capital projects.

While the statement of net position shows the financial position of the Service Area at December 31, 2025, the Statement of Revenues, Expenses, and Changes in Net Position provides information regarding the nature and source of the changes in net position. Net position decreased in 2025 by $188,013, a result of the operating loss of $3,387,615 being offset by net non-operating revenue of $3,199,602. This non-operating revenue primarily consists of property taxes. Net non-operating revenue (expense) decreased from the prior year by $28,334.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
MANAGEMENT'S DISCUSSION AND ANALYSIS

A condensed version of the Service Area's statement of revenues, expenses, and changes in net position is presented on the following schedule.

	2025	2024
Operating Revenues:		
Charges for services	$ 1,920,723	$ 1,648,197
Membership fees	866,240	784,005
Intergovernmental revenue	924,938	483,663
Other operating fees	209,286	204,633
Total Operating Revenues	3,921,187	3,120,498
Operating Expenses:		
Personnel services	4,073,037	3,720,864
Depreciation of property and equipment	632,475	577,110
Maintenance and supplies	759,400	693,512
Utilities	813,771	703,058
Contractual services	161,831	110,754
Other	868,288	689,415
Total operating expenses	7,308,802	6,494,713
Net Loss from Operations	(3,387,615)	(3,374,215)
Nonoperating Revenues (Expenses):		
Interest revenue	$ 72,703	$ 94,234
Property tax revenue	3,091,043	3,089,705
Donation	52,437	36,092
Interest expense	(21,541)	(2,675)
Total Nonoperating Revenues (Expenses)	3,199,602	3,227,936
Change in Net Position	(188,013)	(146,279)
Net position - beginning of year	11,511,169	11,657,448
Total Net Position, End of Year	$ 11,323,156	$ 11,511,169

Capital Assets:

Due to the fact that current year capital asset additions were more than depreciation expense, net capital assets increased by $530,445 to $9,470,189, at December 31, 2025. Capital asset additions for the year ended December 31, 2025 amounted to $1,162,919, consisting primarily of the improvements to Bywater infrastructure, a new cooling tower, Tennis Courts, and additions of Cardio and Grounds equipment

	2025	2024
Land	$ 606,997	$ 606,997
Buildings and improvements	7,703,152	7,397,534
Equipment	1,160,039	930,175
Leased equipment	-	5,038
Total	$ 9,470,189	$ 8,939,744

Additional information on the Service Area's capital assets can be found in Note 3.

Long-Term Debt

The Service Area also had financed purchase obligations outstanding of $514,512 at the end of the current fiscal year. Interest and fiscal charges of $21,541 were incurred on all short-term and long-term liabilities during 2025.

Additional information on the Service Area's long-term debt can be found in Note 5.

Economic Outlook

The Board of Trustees, Executive Director and Management of the Service Area strive at all times to maintain its facilities, parks, and services in an optimum and sustainable condition while at the same time keeping costs and taxes at a minimum.

Cottonwood Heights Parks and Recreation Service Area was created in 1967. The recreation center facility and various parks have been added, throughout the years. Due to the infrastructure age of the facility and parks, there is a continual need for improvements, repairs, and maintenance. To assist with the continual need of improvements, repairs, and maintenance, the Service Area will continue to reduce expenditures where possible and look for additional creative sources of revenue through, boundary expansion, cost recovery, bonds, and grant applications.

Requests for Information

This financial report is designed to provide a general overview of Cottonwood Heights Parks and Recreation Service Area's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Cottonwood Heights Parks and Recreation Service Area, 7500 South 2700 East, Cottonwood Heights, UT 84121. Complete financial statements for the Cottonwood Heights Recreation Center Foundation may also be obtained at the Service Area's administrative offices.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

Assets and deferred outflows of resources	
Current Assets:	
Cash and cash equivalents	$ 2,332,494
Accounts receivable	35,375
Property tax receivable	564,002
Prepaid expenses	89,790
Inventory	2,565
Total Current Assets	3,024,226
Noncurrent Assets:	
Restricted cash and cash equivalents	59,065
Capital assets, not being depreciated	606,997
Depreciable capital assets, net of accumulated depreciation	8,863,192
Total Noncurrent Assets	9,529,254
Total Assets	12,553,480
Deferred Outflows of Resources:	
Deferred outflows relating to pensions	592,305
Total Assets and Deferred Outflows of Resources	$ 13,145,785

The accompanying notes are an integral part of this financial statement.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2025

Liabilities and deferred inflows of resources	
Current Liabilities:	
Accounts payable	$ 116,180
Accrued liabilities	79,261
Accrued interest	5,090
Compensated absences	103,852
Financed purchases	113,087
Unearned revenue	461,493
Total Current Liabilities	878,963
Noncurrent Liabilities:	
Compensated absences	191,863
Financed purchases	401,425
Net pension liability	347,778
Total Noncurrent Liabilities	941,066
Total Liabilities	1,820,029
Deferred Inflows of Resources:	
Deferred inflows relating to pensions	2,600
Total Liabilities and Deferred Inflows of Resources	1,822,629
Net Position	
Net investment in capital assets	8,955,677
Restricted:	
Special programs	59,065
Unrestricted	2,308,414
Total Net Position	11,323,156
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 13,145,785

The accompanying notes are an integral part of this financial statement.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Revenues:	
Charges for services	$ 1,920,723
Membership fees	866,240
Intergovernmental revenue	924,938
Other operating fees	209,286
Total Operating Revenues	3,921,187
Operating Expenses:	
Personnel services	4,073,037
Depreciation of property and equipment	632,475
Maintenance and supplies	759,400
Utilities	813,771
Contractual services	161,831
Other	868,288
Total Operating Expenses	7,308,802
Operating Loss	(3,387,615)
Nonoperating Revenues (Expenses):	
Interest revenue	72,703
Property tax revenue	3,091,043
Donation	52,437
Gain on disposal of property and equipment	4,960
Interest expense	(21,541)
Total Nonoperating Revenues (Expenses)	3,199,602
Change In Net Position	(188,013)
Net position, beginning of year	11,511,169
Total Net Position at End of Year	$ 11,323,156

The accompanying notes are an integral part of this financial statement.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows From Operating Activities	
Receipts from customers and members	$ 3,938,119
Payments for salaries and employee benefits	(3,961,585)
Payments to suppliers of goods or services	(2,646,238)
Net Cash From Operating Activities	(2,669,704)
Cash Flows From Noncapital Financing Activities	
Proceeds from property tax revenue	2,982,130
Donations	52,437
Net Cash From Noncapital Financing Activities	3,034,567
Cash Flows From Capital and Related Financing Activities	
Prinicpal paid on financed purchases	(97,875)
Interest paid on financed purchases	(16,552)
Prinicpal paid on lease	(5,038)
Proceeds on sale of capital assets	4,960
Acquisition and construction of capital assets	(798,941)
Net Cash (used for) Capital and Related Financing Activities	(913,446)
Cash Flows From Investing activities	
Interest income	72,703
Net Cash From Investing Activities	72,703
Net Increase (Decrease) in Cash and Cash Equivalents	(475,880)
Cash and Cash Equivalents, Beginning of Year	2,867,439
Cash and Cash Equivalents, End of Year	$ 2,391,559
Cash Appears on the Statement of Net Position as Follows:	
Cash and cash equivalents - unrestricted	$ 2,332,494
Cash and cash equivalents - restricted	59,065
	$ 2,391,559

The accompanying notes are an integral part of this financial statement.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

Reconciliation of Operating Loss to Net Cash From Operating Activities:

Operating Loss	$ (3,387,615)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	632,475
Change in current operating assets and liabilities:	
(Increase) decrease in current assets and deferred outflows of resources:	
Accounts receivable	(8,023)
Prepaid expenses	(29,700)
Deferred outflows of resources	(17,041)
Increase (decrease) in current liabilities and deferred inflows of resources:	
Accounts payable	(13,248)
Accrued liabilities	10,995
Compensated absences	24,390
Net pension liability	96,412
Deferred inflows of resources	(3,304)
Unearned revenue	24,955
Net Cash From Operating Activities	$ (2,669,704)

The accompanying notes are an integral part of this financial statement.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

The Cottonwood Heights Parks and Recreation Service Area (the Service Area), formerly known as Salt Lake County Service Area Number Two, was established in 1967 under the County Service Area Act of the State of Utah. The Service Area is governed by a Board of Trustees comprised of three elected members each serving four-year terms. Administrative, financial, and budgetary responsibilities are vested in the Service Area's director who is a full-time employee of the Service Area. The Service Area provides a variety of recreational opportunities and facilities to residents of the Service Area.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government. The Service Area has no discretely presented component units and is itself not a component unit of any other entity. The blended component unit has a December 31 year end.

Blended Component Units

The Cottonwood Heights Recreation Center Foundation (the Foundation), a not-for-profit corporation, was created by the Service Area in 1989 for the purpose of receiving tax-exempt charitable contributions, within the meaning of Section 501(c)(3) of the Internal Revenue code. The majority of the resources or income the Foundation holds and invests is restricted to the activities of the Service Area by the donors. The Foundation is governed by an appointed Board of Trustees. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the Service Area, and because the Foundation's governing body is the same as the Service Area's, the Foundation is considered a component unit of the Service Area and is presented in the Service Area's financial statements as a blended component unit. Following are the condensed financial statements for the Cottonwood Heights Recreation Center Foundation:

Cottonwood Heights Recreation Center Foundation
Statement of Revenue, Expenses, and Changes in Net Position
Year Ended December 31, 2025

Operating revenues	$ 56,700
Operating expenses	51,761
Operating income	4,939
Non-operating revenues	1,671
Change in net position	6,610
Net position, beginning of year	163,782
Net position, end of year	$ 170,392

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Cottonwood Heights Recreation Center Foundation
Statement of Cash Flows
Year Ended December 31, 2025

Net cash provided by operating activities	$ 10,111
Net cash provided by investing activities	1,671
Net increase in cash and cash equivalents	11,782
Cash and cash equivalents, beginning of year	128,880
Cash and cash equivalents, end of year	$ 140,662

Complete financial statements for the component unit may be obtained at the Service Area's administrative offices.

Cottonwood Heights Parks and Recreation Service Area
7500 South 2700 East
Cottonwood Heights, UT 84121

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Service Area's operations are accounted for within an enterprise fund. The 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 Service Area recognized unearned revenue from the sale of memberships and other services for which the Service Area has not yet earned the revenue from such sales. Revenues from these sales are recognized on a month-to-month basis.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Service Area are charges to customers for sales and services. Operating expenses for 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 non-operating revenues and expenses.

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

Cash Equivalents

For purposes of the statement of cash flows, the Service Area considers all investments with original maturities of three months or less to be cash equivalents. The Public Treasurer's Investment Fund is considered a cash equivalent since it is readily accessible by the Service Area.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of items held for resale.

Capital Assets

Capital assets are stated at cost. Depreciation is provided using the straight-line method over estimated useful lives ranging from 2 to 40 years for buildings and improvements and 2 to 10 years for equipment. It is the Service Area's general policy to capitalize assets with an initial cost in excess of $10,000 and an estimated life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Compensated Absences

Service Area employees are granted vacation and sick leave in varying amounts, based upon term of service. No more than 40 days of vacation can be carried over to the next year. Twenty-five percent of accrued sick leave will be paid upon voluntary retirement to employees who are eligible for retirement benefits from the Service Area as determined by Utah Retirement Systems. The cost of vacation and sick leave is recorded as a liability when earned.

Property Taxes

Property taxes are assessed, levied, and collected by the county governments in the State of Utah. Property taxes become a lien on January 1 and are levied on the first Monday of August. Taxes are due and payable on November 1 and delinquent after November 30 of each year. Taxes on an individual piece of property may be delinquent up to five years before the property is sold for delinquent taxes.

Under state statute, the County Treasurer, acting as a tax collector, must settle and disburse all current tax collections to all taxing units by the end of March following the taxing year. Delinquent taxes are collected throughout the year and disbursed to the taxing units on a routine basis.

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 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.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, financial statements 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 will not be recognized and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements 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 future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Service Area to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

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 Service Area of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Service Area 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 Service Area 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.

Cash on hand and on deposit:	**Carrying Value**	**Fair Value Factor**	**Fair Value**
Cash on hand	$ 2,700	1.0000	$ 2,700
Cash on deposit	379,076	1.0000	379,076
Utah State Treasurer's investment pool	2,009,783	1.0023	2,014,382
Total cash on hand and deposit	$ 2,391,559		$ 2,396,158
Cash and cash equivalents	$ 2,332,494		
Restricted cash	59,065		
Total cash on hand and deposit	$ 2,391,559		

NOTE 2 CASH AND INVESTMENTS (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Service Area's deposits may not be returned to it. The Service Area does not have a formal deposit policy for custodial credit risk. As of December 31, 2025, $0 of the Service Area's $379,076 balance of deposits 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 investments for the Service Area 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. Statutes authorize the Service Area to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury, including bills, notes, and bonds; 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; and the Utah State Public Treasurer's Investment Fund.

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

Investments (Continued)

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.

The Service Area categorizes 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 for identical assets.
- Level 2 inputs are significant other observable input.
- Level 3 inputs are significant unobservable inputs.

NOTE 2 CASH AND INVESTMENTS (Continued)

The PTIF is valued at the Service Area's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

As of December 31, 2025, the Service Area had the following investments, maturities for these investments are less than one year.

		Fair Value Measurements Using		
Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Utah State Treasurer's investment pool	$ 2,014,382	$ -	$ 2,014,382	$ -
Total investments	$ 2,014,382	$ -	$ 2,014,382	$ -

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Service Area'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. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Service Area's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed. As of December 31, 2025, the Service Area's investments in the State of Utah Public Treasurer's Investment Fund were unrated.

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

NOTE 3 CAPITAL ASSETS

Capital asset activity was as follows for the year ended December 31, 2025:

NOTE 3 CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 606,997	$ -	$ -	$ 606,997
Total Capital Assets, not being depreciated	606,997	-	-	606,997
Capital Assets, being depreciated:				
Buildings and improvements	24,130,775	778,942	(118,685)	24,791,032
Equipment	1,514,358	383,978	(239,282)	1,659,054
Leased equipment	66,487	-	(66,487)	-
Total Capital Assets, being depreciated	25,711,620	1,162,920	(424,454)	26,450,086
Less Accumulated Depreciation:				
Buildings and improvements	(16,733,241)	(473,323)	118,685	(17,087,879)
Equipment	(584,183)	(154,114)	239,282	(499,015)
Leased equipment	(61,449)	(5,038)	66,487	-
Total Accumulated Depreciation	(17,378,873)	(632,475)	424,454	(17,586,894)
Total Capital Assets, net	$ 8,939,744	$ 530,445	$ -	$ 9,470,189

In addition to the capital assets presented above, the Service Area maintains, and its facilities include, certain capital assets that are owned by Salt Lake County (the County).

NOTE 4 LEASING ARRANGEMENTS

The Service Area as Lessee - The Service Area leased a mower from a bank. The lease was started in April 2020 and was effective up through March 2025. Payments were scheduled to be paid each month. The lease agreement stated that payments remained the same. See Note 5 for further information. As a result of this agreement, the Service Area reported a right-of-use asset along with its capital assets. Amortization on the right-of-use asset was included with depreciation expense. As of 12/31/2025 the lease is terminated.

The Service Area leases land upon which a significant portion of the facility is built from Salt Lake County. The lease requires annual payments of $1 and was renewed for an additional 10 years in 2016, with the lease set to expire in 2026.

NOTE 5 LONG-TERM LIABILITIES

A summary of the Service Area's long-term debt and compensated absences activity for the year ended December 31, 2025 is as follows:

NOTE 5 LONG-TERM LIABILITIES (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Liabilities					
Financed Purchases from direct borrowings	$ 248,409	$ 363,978	$ (97,875)	$ 514,512	$ 113,087
Lease payable - equipment	5,038	-	(5,038)	-	-
Compensated absences *	271,325	24,390	-	295,715	103,852
Net pension Liability	251,366	96,412	-	347,778	-
Total long-term liabilities	$ 776,138	$ 484,780	$ (102,913)	$1,158,005	$ 216,939

* The service are has opted to show the net change in compensated absences

Financed Purchases from Direct Borrowings

In September 2021, the Service Area entered into an agreement to finance the purchase a truck for the principal amount of $39,430. Annual principal and interest payments began in September 2022 and are required until maturity in September 2026 at an interest rate of 2.39%.	$ 8,264
In October 2024, the Service Area entered into an agreement to finance the purchase of fitness equipment for the principal amount of $124,305. Quarterly principal and interest payments began in January 2025 and are required until maturity in October 2029 at an interest rate of 5.18%.	101,935
In July 2024, the Service Area entered into an agreement to finance the purchase two trucks for the principal amount of $75,350. Annual principal and interest payments began in July 2025 and are required until maturity in July 2029 at an interest rate of 5.84%.	61,940
In May 2025, the Service Area entered into an agreement to finance the purchase lawn mowers for the principal amount of $120,467. Quarterly principal and interest payments began in November 2025 and are required until maturity in May 2030 at an interest rate of 5.21%.	109,774
In August 2025, the Service Area entered into an agreement to finance the purchase fitness equipment for the principal amount of $243,511. Quarterly principal and interest payments began in November 2025 and are required until maturity in August 2030 at an interest rate of 4.62%.	232,599
Total Financed Purchases from Direct Borrowings	$ 514,512

The annual debt service requirements to maturity, including principal and interest for long-term debt, as of December 31, 2025, are as follows:

NOTE 5 LONG-TERM LIABILITIES (Continued)

	Financed Purchases from Direct Borrowings		
Year	Principal	Interest	Total
2026	$ 113,085	$ 23,909	$ 136,994
2027	110,186	18,350	128,536
2028	115,824	12,712	128,536
2029	121,752	6,784	128,536
2030	53,666	1,196	54,862
	$ 514,512	$ 39,042	$ 440,469

NOTE 6 RETIREMENT AND BENEFIT PLANS

Utah Retirement Systems Pension Plan

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

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, 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.

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 Service Area 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.

Summary of Benefits by System

Benefits Provided
URS provides retirement, disability, and death benefits.

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

Retirement benefits are as follows:

Contribution Rate Summary

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage 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%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of living adjustments are non-compounding and are based on the original 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.

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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 December 31, 2025 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System:			
111 Local Goverment Div - Tier 2	0.81%	14.19%	-
Noncontributory System			
15 Local Government Div - Tier 1	-	15.97%	-
Tier 2 DC Only			
211 Local Government	-	4.19%	10.00%

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

For fiscal year ended December 31, 2025, the employer and employee contributions to the Systems were as follows:

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 129,198	-
Tier 2 Public Employees System	117,907	6,083
Tier 2 DC Only System	4,919	-
Total Contributions	$ 252,025	6,083

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 Outflow and Inflows of Resources Relating to Pensions

At December 31, 2025, we reported a net pension asset of $0 and a net pension liability of $347,778.

	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	$ -	$ 269,542	0.0849991%	0.0859620%	(0.0009629%)
Tier 2 Public Employees System	-	78,237	0.0262328%	0.0267017%	(0.0004689%)
	$ -	$ 347,778			

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 December 31, 2025, we recognized pension expense of $327,705.

At December 31, 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	$ 194,430	$ 539
Changes in assumptions	48,426	8
Net difference between projected and actual earnings on pension plan investments	86,191	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,233	2,053
Contributions subsequent to the measurement date	252,025	-
	$ 592,305	$ 2,600

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

$252,025 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 162,399
2026	162,078
2027	(27,037)
2028	1,289
2029	17,391
Thereafter	21,560

<u>Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources</u>

For the year ended December 31, 2025, we recognized pension expense of $242,377.

At December 31, 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	$ 160,608	$ -
Changes in assumptions	22,296	-
Net difference between projected and actual earnings on pension plan investments	81,190	-
Changes in proportion and differences between contributions and proportionate share of contributions		1,294
Contributions subsequent to the measurement date	129,198	-
	$ 393,293	$ 1,294

$129,198 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.

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 153,500
2026	148,262
2027	(32,944)
2028	(6,016)
2029	-
Thereafter	-

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

For the year ended December 31, 2025, we recognized pension expense of $85,328.

At December 31, 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 Resourcfes
Differences between expected and actual experience	$ 33,822	$ 539
Changes in assumptions	26,130	8
Net difference between projected and actual earnings on pension plan investments	5,001	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,233	760
Contributions subsequent to the measurement date	122,826	-
	$ 199,012	$ 1,307

$122,826 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:

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 8,899
2026	13,816
2027	5,908
2028	7,305
2029	17,391
Thereafter	21,560

Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2024, valuation were based on an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. 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:

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

	Expected Return Arithmetic Basis		
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%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and 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.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

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

System	**1% Decrease (5.85%)**	**Discount Rate (6.85%)**	**1% Increase (7.85%)**
Noncontributory System	$ 1,139,941	$ 269,542	$ 460,441
Tier 2 Public Employees System	233,673	78,237	42,678
Total	$ 1,373,614	$ 347,778	$ 503,119

NOTE 6 RETIREMENT AND BENEFIT PLANS (Continued)

Defined Contribution 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.

The Service Area participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended December 31, were as follows:

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 24,520	$ 16,621	$ 12,793
Employee Contributions	31,069	30,650	25,527
457 Plan			
Employer Contributions	$ 8,205	$ 5,719	$ 5,335
Employee Contributions	18,163	13,428	9,425
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 16,110	$ 16,697	$ 12,130

NOTE 7 RISK MANAGEMENT

The Service Area is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters for which the Service Area participates in the Utah Local Government Trust (a public entity risk pool)

NOTE 8 COMMITMENTS

In 2017, the Service Area entered into an interlocal agreement with the County for the construction of a new outdoor dive tank in the aggregate amount of approximately $2.4 million. Although, there are no remaining contractual commitments still outstanding with respect to the construction of the dive tank, the Service Area retains responsibility for the continued management and maintenance of the constructed improvements and is subject to certain restrictions in connection with the use and disposition of the improvements.

NOTE 9 SUBSEQUENT EVENTS

The Service Area evaluated all events or transactions that occurred after December 31, 2025 through June 12, 2026 the date the Service Area issued these financial statements.

No subsequent events or transactions were identified as of this report.

REQUIRED SUPPLEMENTARY INFORMATION

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEM
DECEMBER 31, 2025
Last 10 Fiscal Years

For the year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered Payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System					
2024	0.0849991%	$ 269,542	$ 770,752	34.97%	96.0%
2023	0.0859620%	199,394	765,144	26.06%	96.9%
2022	0.0832640%	142,610	685,670	20.80%	97.5%
2021	0.0956235%	(547,646)	819,736	-66.81%	108.7%
2020	0.0971481%	49,830	822,032	6.06%	99.2%
2019	0.0935296%	352,501	776,337	45.41%	93.7%
2018	0.0899081%	662,058	727,447	91.01%	87.0%
2017	0.0923304%	404,527	756,518	53.47%	91.9%
2016	0.0925509%	594,290	786,739	75.54%	87.3%
2015	0.0870972%	492,838	769,474	64.05%	87.8%
Tier 2 Public Employees Retirement System					
2024	0.0262328%	$ 78,237	$ 777,554	10.06%	87.4%
2023	0.0267017%	51,972	690,332	7.53%	89.6%
2022	0.0263845%	28,730	574,701	5.00%	92.3%
2021	0.0202088%	(8,553)	374,840	-2.28%	103.8%
2020	0.0216696%	3,117	346,578	0.90%	98.3%
2019	0.0233380%	5,248	324,488	1.62%	96.5%
2018	0.0220330%	9,436	257,426	3.67%	90.8%
2017	0.0226962%	2,001	222,118	0.90%	97.4%
2016	0.0179143%	1,998	146,911	1.36%	95.1%
2015	0.0166216%	(36)	107,359	-0.03%	100.2%

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEM
DECEMBER 31, 2025
Last 10 Fiscal Years

As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributiory System					
2025	$ 129,198	$ 129,198	$ -	$ 808,415	15.98%
2024	129,567	129,567	-	770,752	16.81%
2023	135,657	135,657	-	765,144	17.73%
2022	125,058	125,058	-	685,670	18.24%
2021	151,399	151,399	-	819,704	18.47%
2020	151,829	151,829	-	822,032	18.47%
2019	143,390	143,390	-	776,337	18.47%
2018	134,360	134,360	-	727,447	18.47%
2017	139,729	139,729	-	759,518	18.40%
2016	145,311	145,311	-	786,739	18.47%
Tier 2 Public Employees System*					
2025	$ 117,907	$ 117,907	$ -	$ 803,624	14.67%
2024	121,905	121,905	-	781,168	15.61%
2023	110,522	110,522	-	690,332	16.01%
2022	92,161	92,161	-	574,701	16.04%
2021	59,755	59,755	-	374,673	15.95%
2020	54,512	54,512	-	346,578	15.73%
2019	50,616	50,616	-	324,488	15.60%
2018	39,464	39,464	-	257,426	15.33%
2017	33,522	33,522	-	223,222	15.02%
2016	21,905	21,905	-	146,911	14.91%
Tier 2 Public Employees DC Only System*					
2025	$ 4,919	$ 4,919	$ -	$ 105,075	4.68%
2024	1,482	1,482	-	28,553	5.19%
2023	-	-	-	-	0.00%
2022	2,734	2,734	-	41,589	6.57%
2021	3,778	3,778	-	56,478	6.69%
2020	3,687	3,687	-	55,112	6.69%
2019	3,718	3,718	-	55,581	6.69%
2018	6,066	6,066	-	90,671	6.69%
2017	3,844	3,844	-	57,462	6.69%
2016	3,010	3,010	-	44,999	6.69%

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.*

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2025

Changes in Assumptions

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

COMPLIANCE REPORTS

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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 Board of Trustees
Cottonwood Heights Parks and Recreation Service Area
Cottonwood Heights, 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 Cottonwood Heights Parks and Recreation Service Area (Service Area), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Service Area's basic financial statements, and have issued our report thereon dated June 12, 2026.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Service Area'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*.

Telephone (801) 590-2600 | 1285 S. 1650 W. Suite 200, Woods Cross, UT 84087

Purpose of This Report

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
June 12, 2026

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

To the Board of Trustees
Cottonwood Heights Parks and Recreation Service Area
Cottonwood Heights, Utah

Report on Compliance

We have audited Cottonwood Heights Parks and Recreation Service Area's (the Service Area) 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 December 31, 2025.

State compliance requirements were tested for the year ended December 31, 2025 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Governmental Fees
Open and Public Meetings Act

Opinion on Compliance

In our opinion, the Service Area complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 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 the Service Area and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Service Area's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Service Area'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 Service Area's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the Service Area's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
June 12, 2026

RESOLUTION NO. 2026-8

A RESOLUTION ADOPTING TAX RATES FOR THE PURPOSE OF LEVYING TAXES WITHIN THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA FOR THE YEAR 2026.

WHEREAS, the Cottonwood Heights Parks and Recreation Service Area has, in accordance with law, adopted its budget for the year 2026; and

WHEREAS, The Board of Trustees of the Cottonwood Heights Parks and Recreation Service Area desires now to adopt the tax rate for the purpose of raising money necessary for said budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA AS FOLLOWS:

1. **Adoption.** TAX RATE ADOPTED The Board of Trustees of the Cottonwood Heights Parks and Recreation Service Area does hereby set, establish and adopt the tax rate of **0.000636** for the year 2026.

2. **Delivered.** A copy of this Resolution shall be delivered to the Salt Lake County Auditor.

3. **Severability.** If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidly or unenforceability, shall not affect any other portion of this Resolution, and all sections, parts and provisions shall be severable.

4. **Effective Date.** This Resolution shall become effective immediately upon its passage

PASSED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA ON THIS 17th DAY OF JUNE, 2026.

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA

ATTEST:

____

Patti Hansen, Chair

____

Jennifer Cottam

______________________________ Attest: ________________________

Dennis Magaro Allie Brown

Utah State Tax Commission - Property Tax Division **Resolution Adopting Final Tax Rates and Budgets**	Form PT-800 Rev. 02/15

County: SALT LAKE **Tax Year:** 2026

It is hereby resolved that the governing body of:

COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA

approves the following property tax rate(s) and revenue(s) for the year: **2026**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
20 Interest and Sinking Fund/Bond		
190 Discharge of Judgement		
570 County Service Area	2,954,008	0.000636
	$2,954,008	**0.000636**

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature: ____ Date:_________________________

Title:____