



2025 Financial Statement Audit

City of Cologne



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion

unmodified
opinion under
GAAP

Minnesota Legal Compliance

No instances
of
noncompliance

AUDIT RESULTS

Fiscal Year 2025 Findings

- Preparation of Financial Statements
 - *Internal Control Finding*
- Limited Segregation of Duties
 - *Internal Control Finding*
- Quarterly Reports and Monitoring
 - *Internal Control Finding*

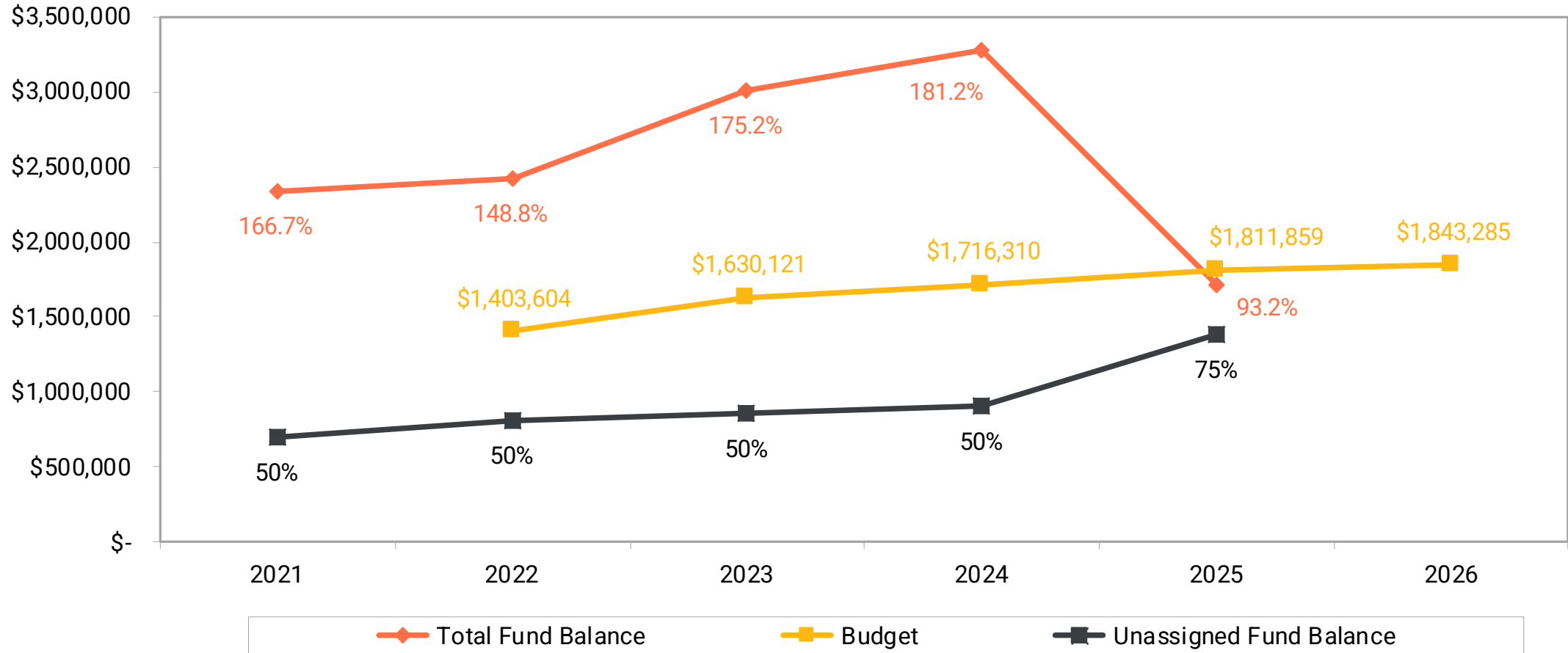


Auditor Recommendations

Policies and Procedures

- Limited policies and procedures are kept on file/provided to auditors related to finance. Absent policies, it is more likely that processes to account for operations are inefficient, especially in time of turnover.
- We recommend the City continue to create and adopt written financial policies and procedures to be approved by the City Council.
- Examples of financial policies include purchasing, electronic funds transfers, capital asset, fund balance, and internal control policies.

General Fund Reserves

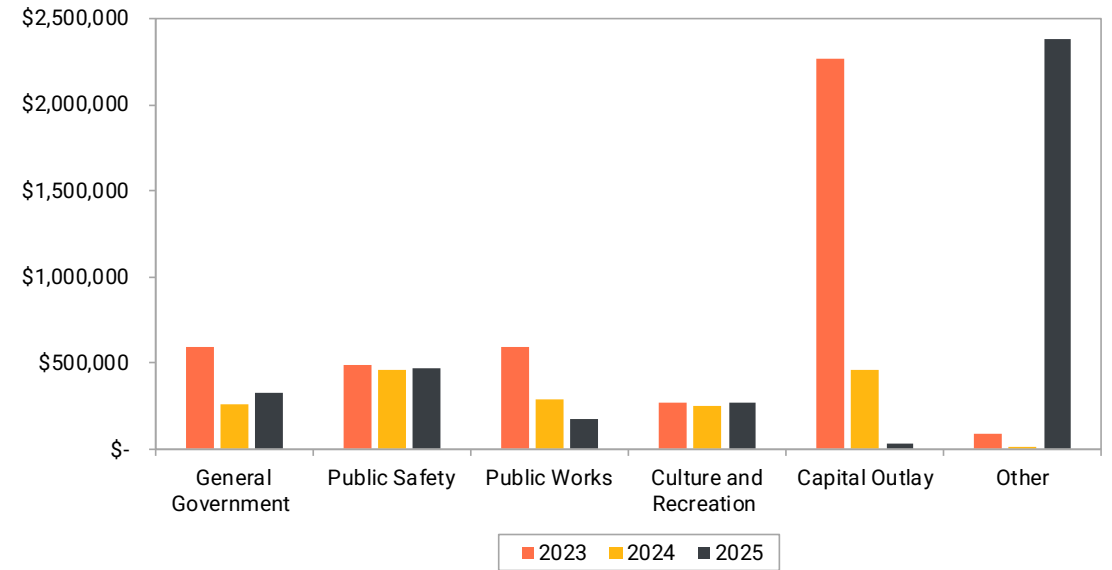
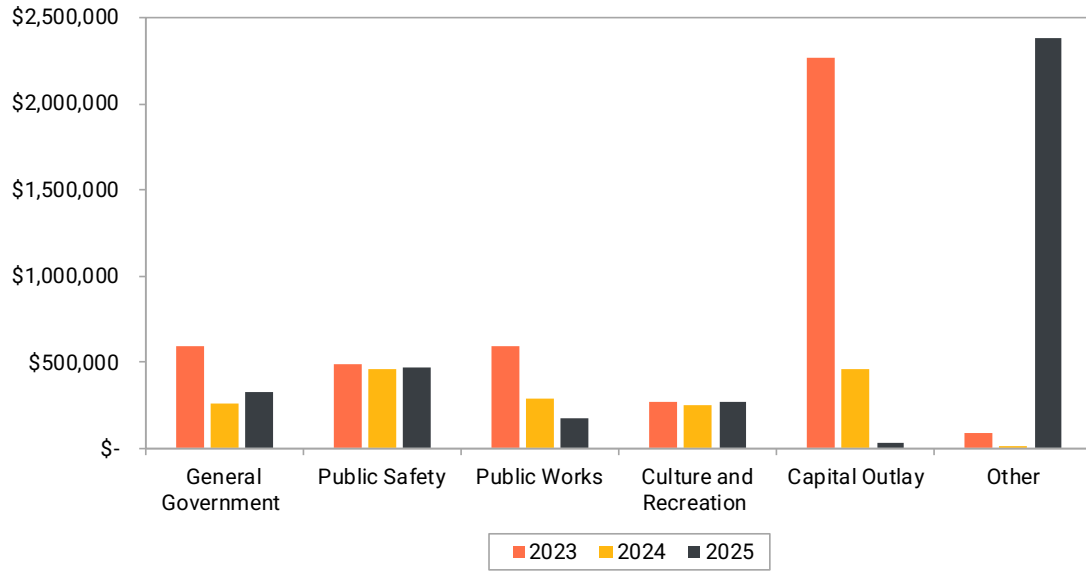


The decrease in General Fund balance in 2025 can mainly be attributed to creating a Fire Capital Reserve and Capital Improvement fund to pay for capital items in future years and keeping activity separate from the General Fund operations.

General Fund Budget to Actual

	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 1,811,859	\$ 2,091,109	\$ 279,250
Expenditures	1,811,859	1,396,641	415,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	694,468	694,468
Other Financing Sources (Uses)			
Transfers out	-	(2,258,107)	(2,258,107)
Net Change in Fund Balances	-	(1,563,639)	(1,563,639)
Fund Balances, January 1	3,282,350	3,282,350	-
Fund Balances, December 31	<u>\$ 3,282,350</u>	<u>\$ 1,718,711</u>	<u>\$ (1,563,639)</u>

General Fund Revenues and Expenditures by Type

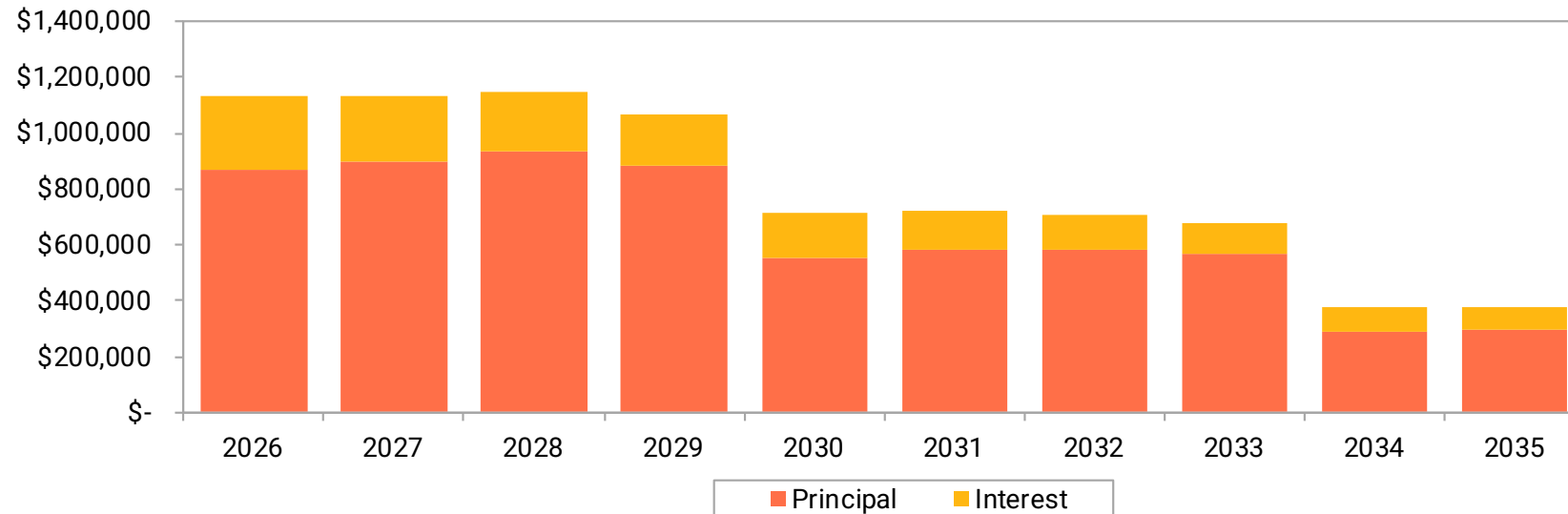


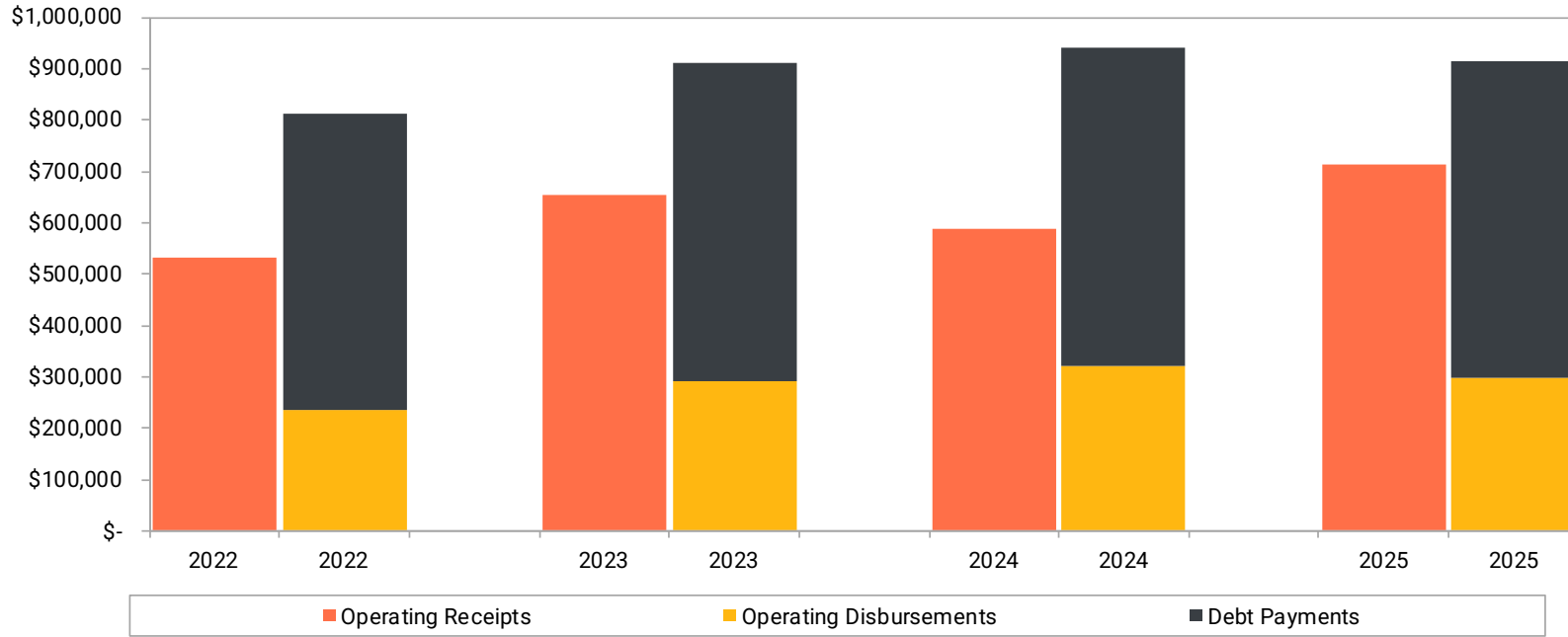
Capital Projects Funds

Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2025	2024	
Major			
Capital Improvements	\$ 1,350,184	\$ -	\$ 1,350,184
Fire Equipment Reserve	396,520	-	396,520
Nonmajor			
TIF 2-1	4,071	3,234	837
Total	<u>\$ 1,750,775</u>	<u>\$ 3,234</u>	<u>\$ 1,747,541</u>

Debt Service Fund

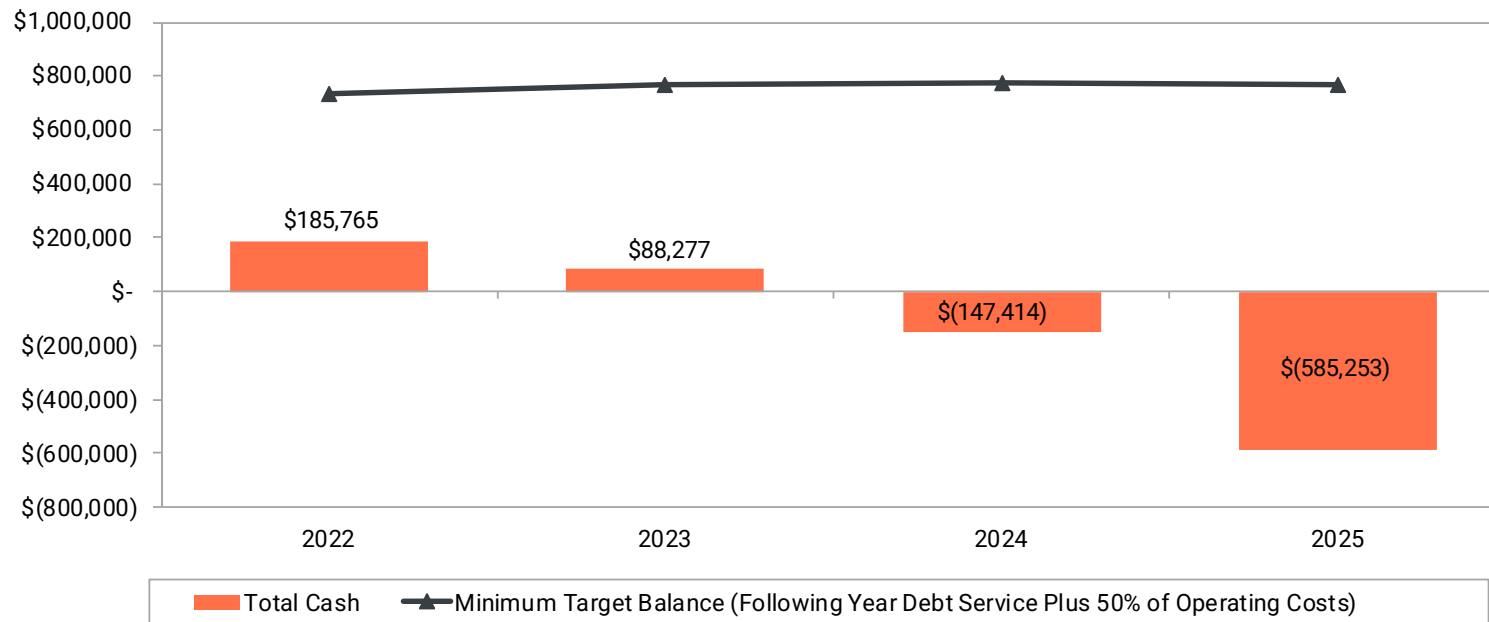
Debt Service Fund	Total Cash	Total Assets	Bonds Outstanding	Maturity Date
2013 G.O Refunding Bonds (Abatement)			\$ 2,080,000	2033
2013 G.O Refunding Bonds (Street)			1,300,000	2029
2018A G.O Equipment Certificates			252,000	2028
2020A G.O Bonds			2,480,000	2041
2021A G.O Bonds (Abatement)			120,000	2031
2021A G.O Bonds (Equipment)			150,000	2032
2023A G.O. Bonds (Improvement)			2,560,000	2044
Total	\$ 698,618	\$ 1,297,700	\$ 8,942,000	
Total Remaining Interest Payments			\$ 1,976,181	

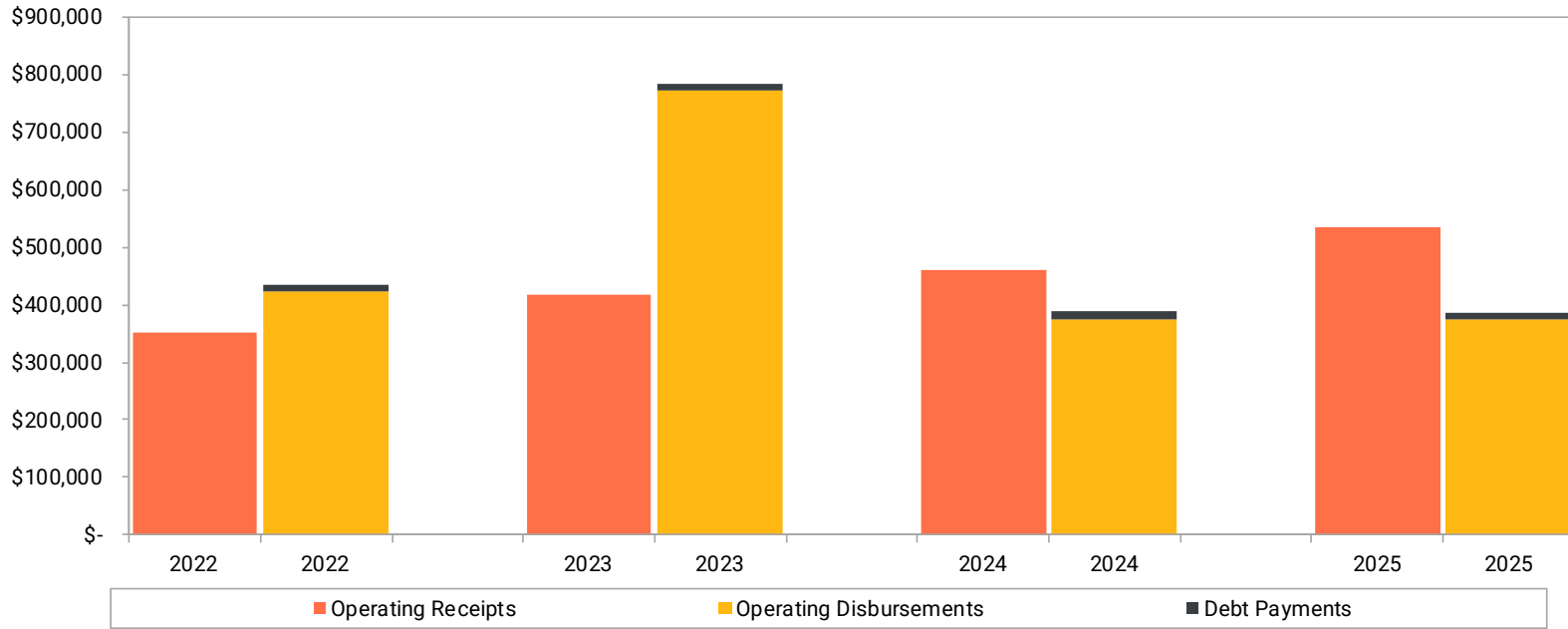




Water Fund

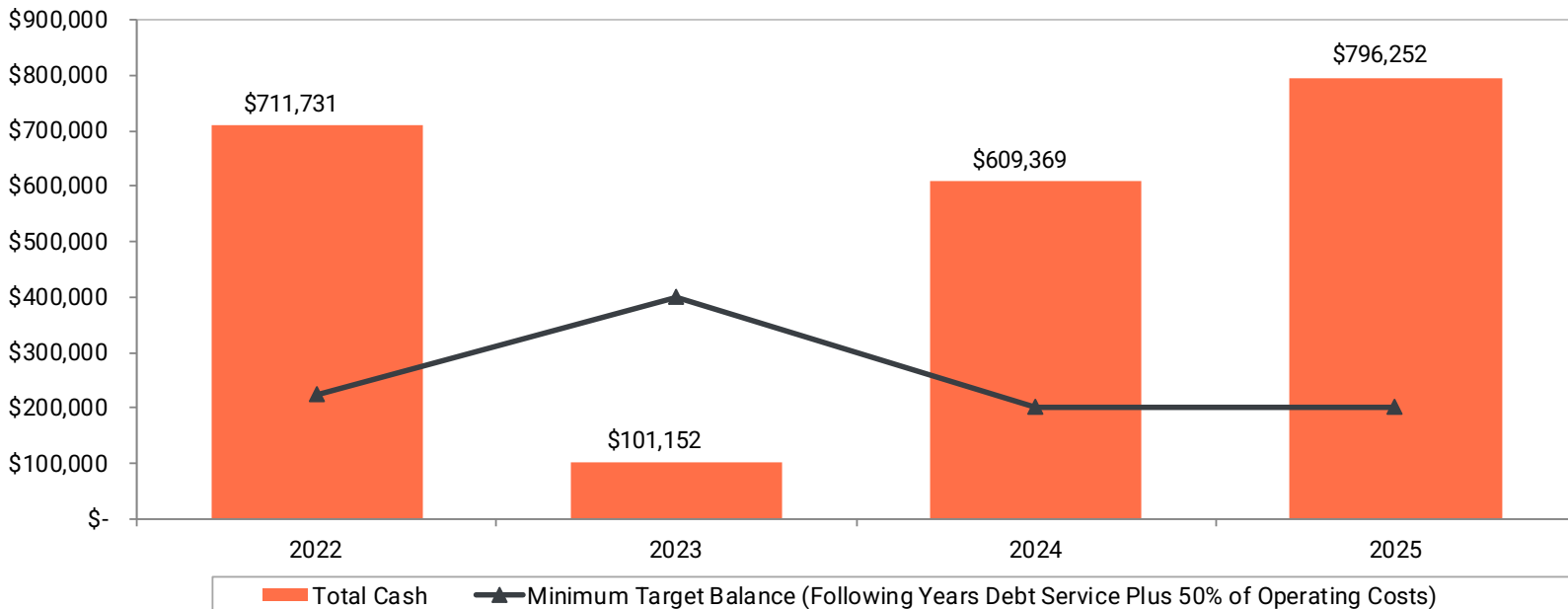
Cash Flows from Operations and Cash Balances

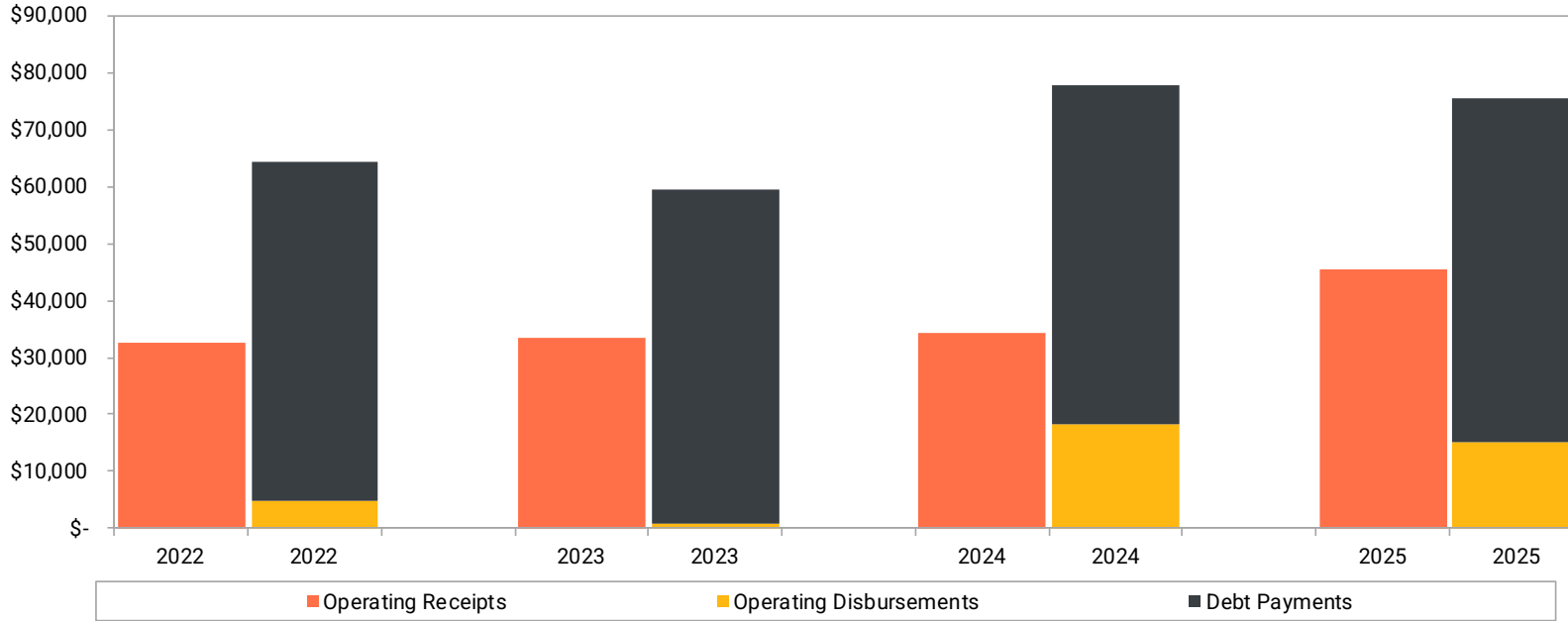




Sewer Fund

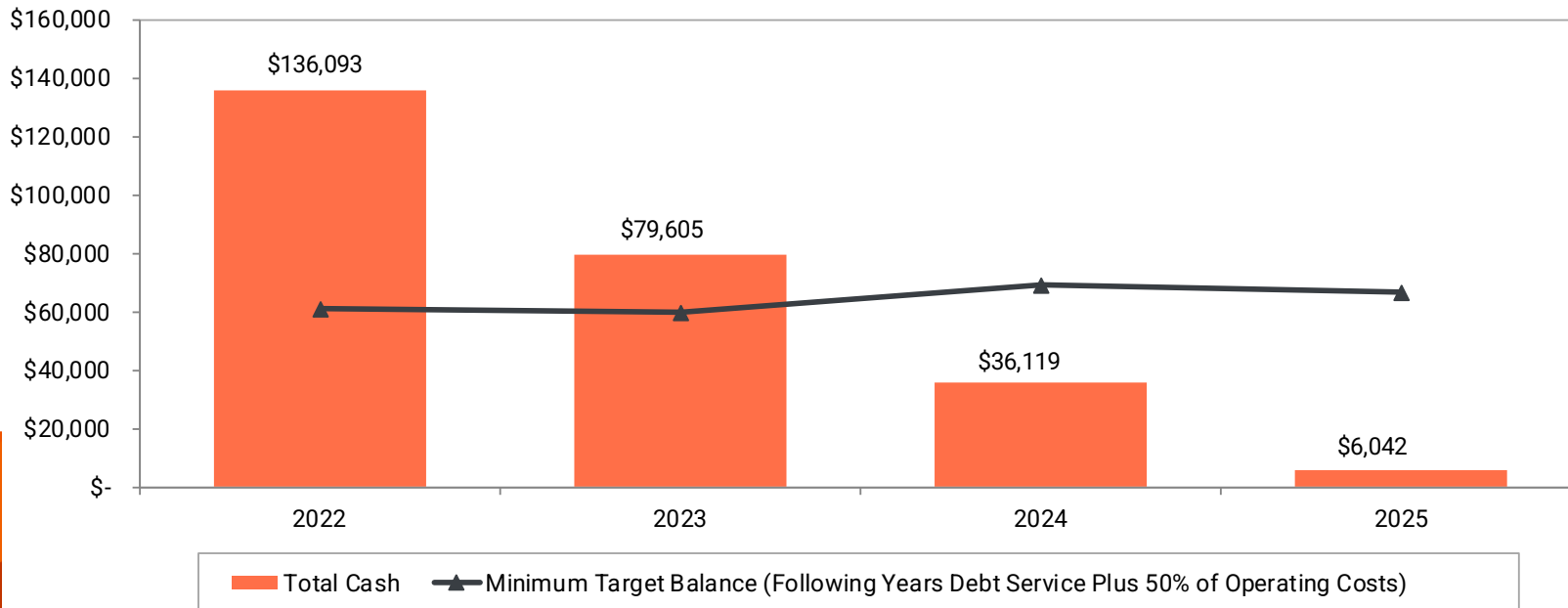
Cash Flows from Operations and Cash Balances



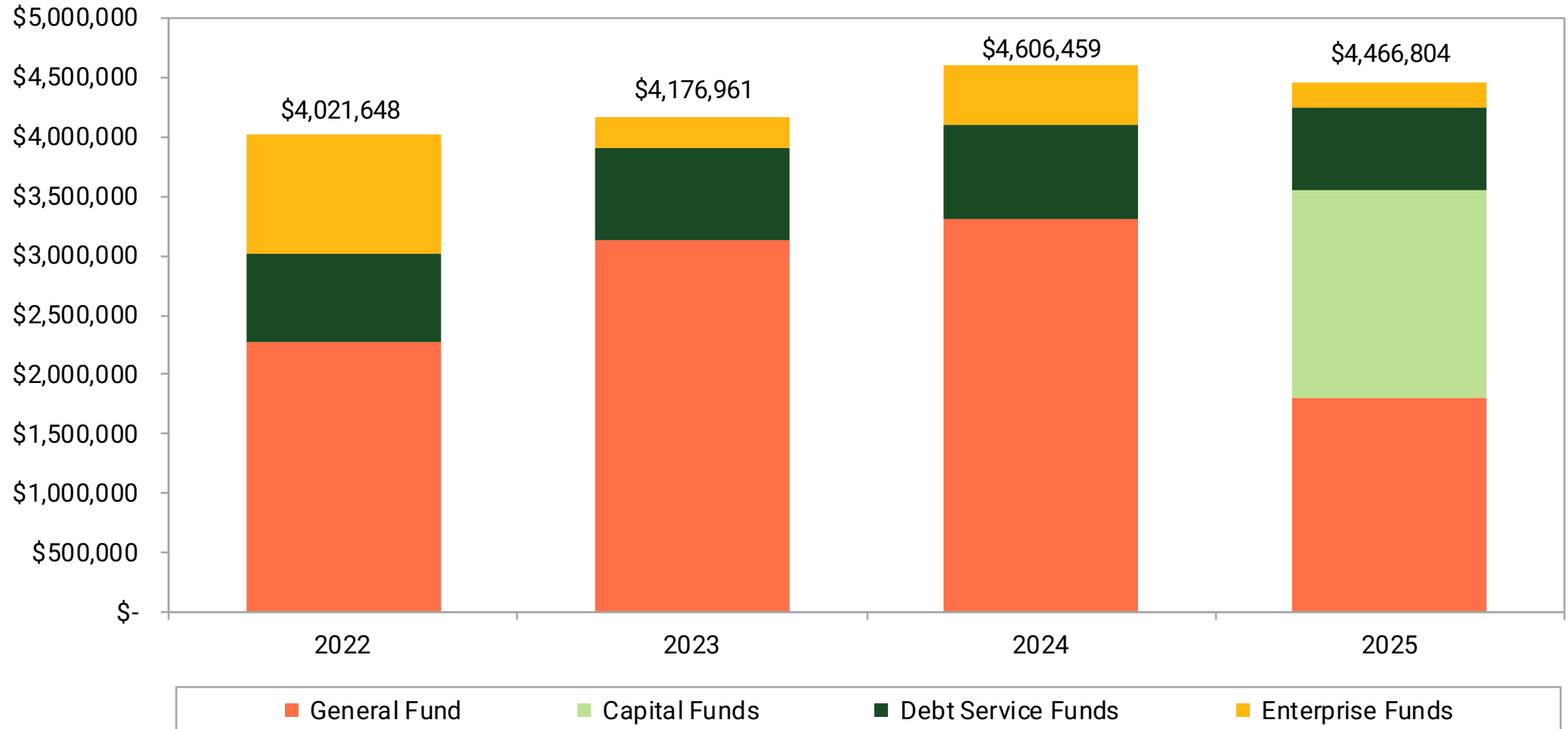


Storm Water Fund

Cash Flows from Operations and Cash Balances



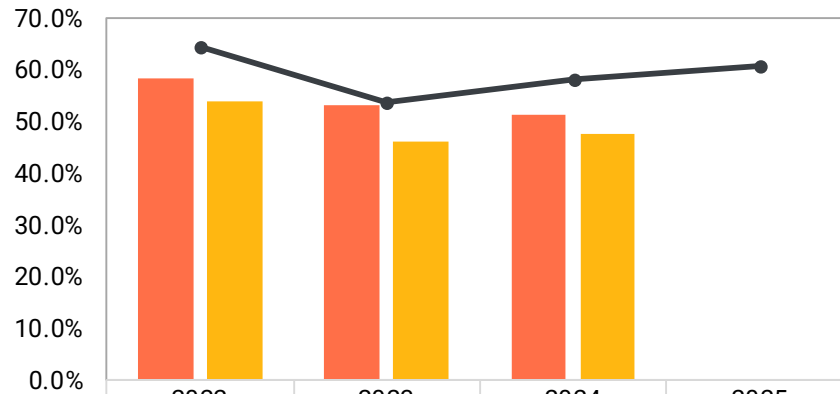
Cash and Investments Balances



KEY PERFORMANCE INDICATORS

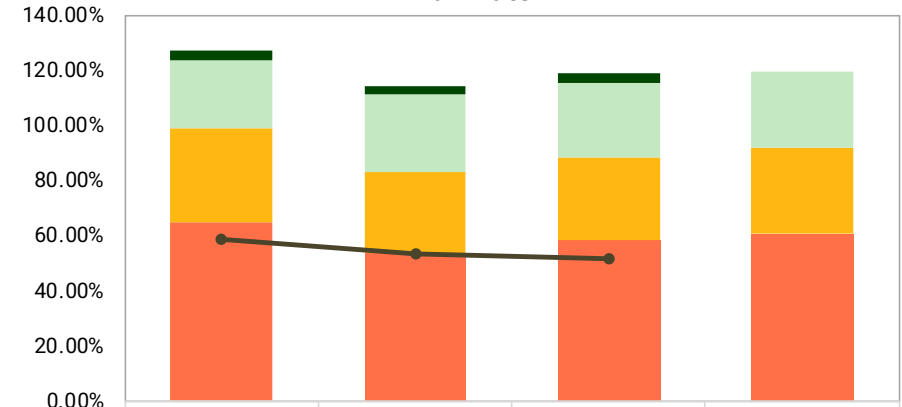
Taxes

Tax Rate



	2022	2023	2024	2025
Class 4 Cities	58.4%	53.4%	51.5%	N/A
Cities in Carver County	53.9%	46.3%	47.7%	N/A
City of Cologne	64.6%	53.9%	58.2%	60.8%

Tax Rate Mix

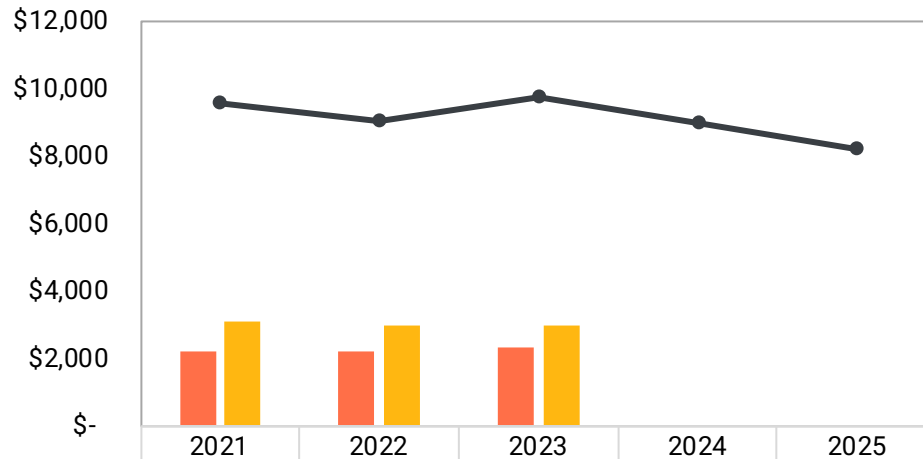


	2022	2023	2024	2025
Special Tax Rate	3.61%	3.07%	3.27%	N/A
School Tax Rate	24.96%	28.18%	27.31%	27.55%
County Tax Rate	34.17%	29.27%	30.11%	30.93%
City Tax Rate	64.57%	53.86%	58.24%	60.80%
Class 2 Cities City Tax Rate	58.35%	53.44%	51.54%	

KEY PERFORMANCE INDICATORS

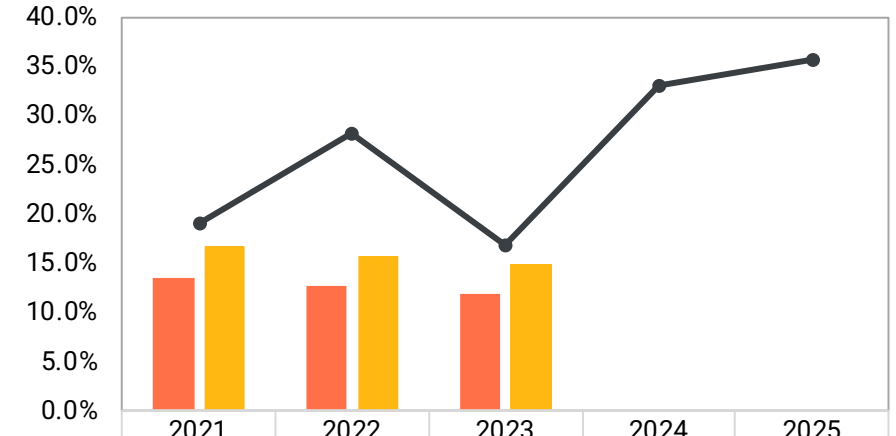
Debt

Debt Per Capita



	2021	2022	2023	2024	2025
Class 4 Cities	\$2,198	\$2,195	\$2,302	N/A	N/A
Cities in Carver County	\$3,078	\$2,948	\$2,968	N/A	N/A
City of Cologne	\$9,567	\$9,021	\$9,758	\$8,960	\$8,214

Debt Service Expenditures as a Percent of Total Expenditures

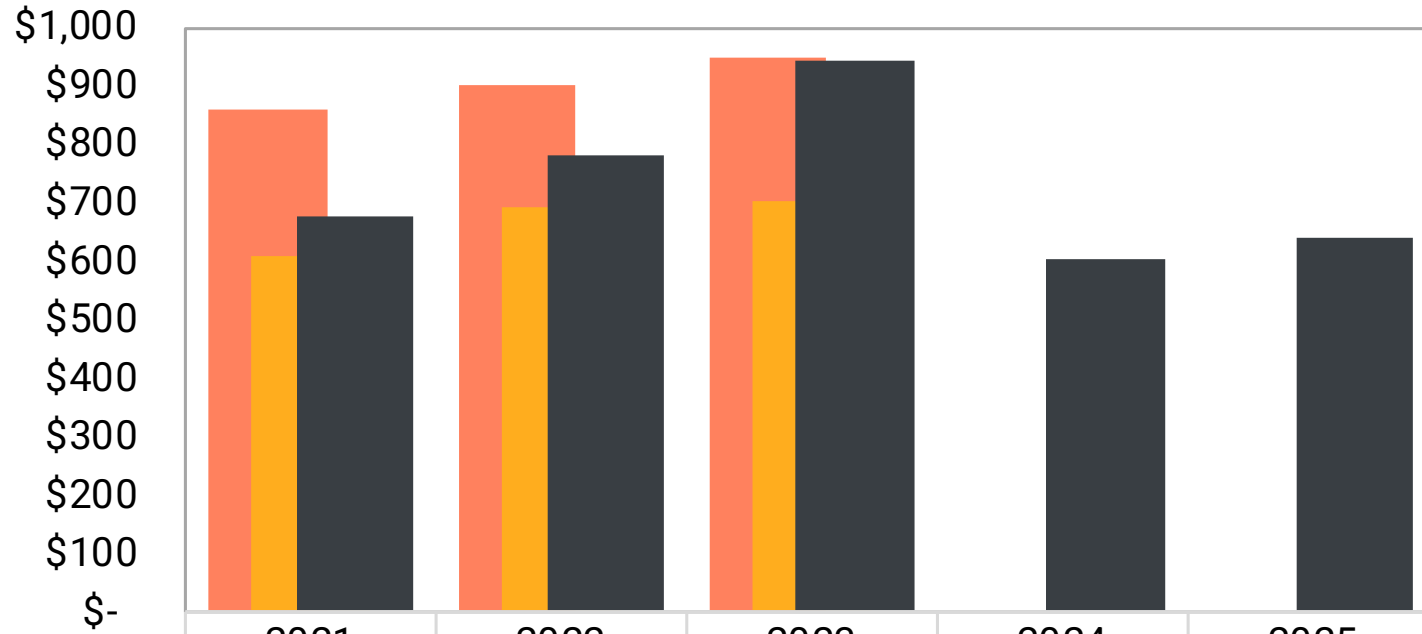


	2021	2022	2023	2024	2025
Class 4 Cities	13.4%	12.5%	11.82%	N/A	N/A
Cities in Carver County	16.6%	15.7%	14.80%	N/A	N/A
City of Cologne	19.0%	28.1%	16.7%	33.0%	35.7%

KEY PERFORMANCE INDICATORS

Expenditures

Current Expenditures Per Capita



	2021	2022	2023	2024	2025
■ Class 4 Cities	\$856	\$901	\$948	N/A	N/A
■ Cities in Carver County	\$609	\$690	\$703	N/A	N/A
■ City of Cologne	\$677	\$780	\$942	\$601	\$638

Your Abdo Team



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