



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

January/February, 2010

Article for *Minnesota Township News*

Minnesota Town Finances Report Released

By Rebecca Otto, State Auditor

The Office of the State Auditor recently released the Minnesota Town Finances Report for calendar year 2008. This report analyzes the financial operations of 1,720 towns in Minnesota that provided financial information to the Office of the State Auditor for the calendar year ended December 31, 2008.

In 2008, there were 1,787 towns, compared to 855 cities and 87 counties. The 2008 population estimates from the State Demographer show that 932,988 individuals reside in towns, representing about 18.0 percent of the State population. Town populations range from 11,745 in the Town of White Bear to 7 in the Town of Hangaard. Fifty-one percent of towns have a population of 300 or less.

The report analyzes current and five- to ten-year trends related to town financial information. Although the data for towns is usually fairly stable, our analysis revealed a few interesting trends.

In 2008, intergovernmental revenues increased 8.1 percent, due to increases in federal, state, and county/local grants. This changed the share of total revenues for intergovernmental revenues from 17.7 percent in 2007 to 18.5 percent in 2008. This reversed a long-term trend of intergovernmental revenues accounting for a shrinking share of total revenues.

Towns reported tax revenues of \$173.6 million in 2008, a 5.7 percent increase over 2007, which is consistent with recent trends. Between 1999 and 2008, the share of total revenue from taxes increased by 35.5 percent, while the share of total revenue from intergovernmental revenues (federal, state, and county/local unit grants) decreased by 44.4 percent.

Other Trends in Revenue, Expenditures and Debt

In 2008, Minnesota towns reported total revenue of \$251.2 million. This amount represents a 3.7 percent increase over the total revenue reported in 2007 and a 14.4

percent increase since 2004. Since 2001, total revenues in inflation-adjusted dollars have been declining and now total less than in 1999.

Minnesota towns reported total expenditures of \$250.4 million in 2008. This amount represents an increase of 3.1 percent over the amount reported in 2007. Over the five-year period of 2004 to 2008, town expenditures have increased 11.1 percent.

Towns had debt service expenditures of \$14.1 million in 2008. This amount represents a 12.2 percent increase in debt service expenditures from 2007 to 2008. Over the five-year period of 2004 to 2008, debt service expenditures decreased 15.7 percent.

To access financial information about your individual township, go to our website at www.auditor.state.mn.us and go to “Reports and Data”, and then select “Comparison Tools.” You can select your township from the list and the year that you would like to view. You can also compare it to other towns. To view the complete report, go to our website at www.auditor.state.mn.us and under “Reports and Data”, click on “Towns.”

A paper copy of the report can also be requested by contacting Jim Levi at 651-297-3683 or by e-mail at Jim.Levi@state.mn.us.