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Audit Thresholds for Towns

By Rebecca Otto, State Auditor

Each year the level of annual revenues at which towns are required to have audits performed is calculated according to statute. This level is also known as the audit threshold. A town's audit requirements are determined by the town's population, revenue level and whether that town has combined the offices of clerk and treasurer.

The annual audit thresholds are adjusted each year for inflation. The following are the 2010 audit requirements, based on the 2010 audit thresholds:

- A town with a population over 2,500, according to the latest census, must have an annual audit in accordance with generally accepted accounting principles if the 2010 annual revenue is greater than \$851,000.
- Towns under 2,500 where there are separate offices of clerk and treasurer are not required to have an audit.
- Towns under 2,500 with the combined office of clerk and treasurer must have an annual audit if 2010 annual revenue is greater than \$191,000.
- Towns under 2,500 with the combined office of clerk and treasurer must have an audit once in every five-year period if total revenues are less than the annual threshold.

Each year's revenue thresholds are posted to the Office of the State Auditor website, www.auditor.state.mn.us. If you have questions, please feel free to contact Greg Hierlinger, Deputy State Auditor, at (651) 296-7003, or e-mail him at greg.hierlinger@state.mn.us.