State Auditor Otto Releases Town Finances Report

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In 2009, there were 1,786 towns in Minnesota, compared to 854 cities and 87 counties. Population estimates from the State Demographer for 2009 show that 932,422 individuals reside in Minnesota's towns, representing about 17.6 percent of the state's population. Town populations range from 11,730 in the Town of White Bear (Ramsey County) to 7 in the Town of Hangaard (Clearwater County). Fifty-two percent of towns have a population of 300 or less.

Highlights from the report include:

Current and Five-Year Trends

- In 2009, Minnesota towns reported total revenue of $263.2 million. This amount represents a 4.8 percent increase over the total revenue reported in 2008 and a 14.5 percent increase since 2005.

- In 2009, intergovernmental revenues increased 8.3 percent, primarily due to large increases in federal and county/local grants. This changed the share of total revenues for intergovernmental revenues from 18.5 percent in 2008 to 19.1 percent in 2009.

- Minnesota towns reported total expenditures of $259.6 million in 2009. This amount represents an increase of 3.7 percent over the amount reported in 2008. Over the five-year period of 2005 to 2009, town expenditures increased 12.0 percent.

- Towns had debt service expenditures of $14.5 million in 2009. This amount represents a 3.1 percent increase in debt service expenditures from 2008 to 2009. Over the five-year period of 2005 to 2009, debt service expenditures decreased 0.6 percent.
• Total outstanding short- and long-term indebtedness totaled $81.2 million in 2009. This represents a decrease of 3.6 percent from 2008. Outstanding bonded indebtedness totaled $54.4 million in 2009, which was an increase of 4.5 percent over the $52.0 million outstanding in 2008. Other long-term debt totaled $26.1 million in 2009, which was a decrease of 16.1 percent from 2008.

Ten-Year Trends

• In constant dollars, town total expenditures increased 2.3 percent between 2000 and 2009.

• Since 2000, the share of total revenue derived from taxes has increased from 50.9 percent in 2000 to 70.4 percent in 2009. In contrast, the share of total revenues derived from intergovernmental sources has decreased from 32.4 percent in 2000 to 19.1 percent in 2009.

“There seems to be a persistent trend over the last 8 years toward towns as a group relying more on property tax revenue as a source of revenue as they receive less revenue from the state and federal governments,” said Auditor Otto.

For the complete report, which includes an Executive Summary, graphs and tables, go to:


-- 30 --

The Office of the State Auditor is a constitutional office that is charged with overseeing more than $20 billion spent annually by local governments in Minnesota. The Office of the State Auditor does this by performing audits of local government financial statements, and by reviewing documents, data, reports, and complaints reported to the Office. The financial information collected from local governments is analyzed and is the basis of statutory reports issued by the Office of the State Auditor.

Rebecca Otto is Minnesota’s 18th State Auditor. A high-resolution official photo is available for download at http://www.auditor.state.mn.us/images/otto_hires.jpg. To learn more about State Auditor Otto, see http://www.auditor.state.mn.us/default.aspx?page=bio.