



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)

*****PRESS RELEASE*****

State Auditor Otto Releases 2008 Minnesota Town Finances Report

Contact: Jim Levi, Office of the State Auditor, (651) 297-3683, Jim.Levi@state.mn.us

ST. PAUL (11/19/2009) – State Auditor Rebecca Otto today released the Minnesota Town Finances Report. It is a comprehensive report on revenues, expenditures and debt for Minnesota's towns which analyzes their financial operations for the calendar year ended December 31, 2008.

In 2008, there were 1,787 towns in Minnesota, 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 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.

Highlights from the report include:

Current and Five-Year Trends

- 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.
- 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.
- 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.

-- more --

- Outstanding bonded indebtedness totaled \$52.0 million in 2008, which was an increase of 0.5 percent over the \$51.8 million outstanding in 2007. Other long-term debt totaled \$31.1 million in 2008, which was a decrease of 6.8 percent from 2007. In addition, towns reported \$1.1 million in short-term indebtedness in 2008, which was a decrease of 7.9 percent from 2007.

Ten-Year Trends

- Since 2001, total revenues in constant dollars have been declining and now total less than in 1999.
- Since 1999, the share of total revenue from taxes increased by 35.5 percent, while the share of total revenue from intergovernmental revenues decreased by 44.4 percent.

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

<http://www.auditor.state.mn.us/Reports/gid/2008/tnFinances/tnFinances08report.pdf>

-- 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>.