



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 the 2007 Minnesota Town Finances Report

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

ST. PAUL (12/31/2008) – 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 the financial operations of the 1,788 towns in Minnesota for the calendar year ended December 31, 2007.

In 2007, there were 1,788 towns compared to 854 cities and 87 counties. The 2007 population estimates from the State Demographer show that 945,499 individuals reside in towns, representing about 18.0 percent of the state population. Town populations range from 11,802 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 2007, Minnesota towns reported total revenue of \$242.3 million. This amount represents a 2.3 percent increase over the total revenue reported in 2006 and a 15.1 percent increase since 2003.
- Minnesota towns reported total expenditures of \$242.8 million in 2007. This amount represents a decrease of 0.7 percent from the amount reported in 2006. Over the five-year period of 2003 to 2007, town expenditures have increased 20.7 percent
- Interest earnings increased 22.0 percent between 2006 and 2007. Revenues derived from interest earnings grew 119.1 percent between 2003 and 2007. This was the largest increase for any category of town revenues. This rapid growth resulted in the share of revenues derived from interest earnings growing from 1.5 percent in 2003 to 3.0 percent in 2007.
- Outstanding bonded indebtedness totaled \$51.8 million in 2007, an increase of 15.2 percent over the \$44.9 million outstanding in 2006. Other long-term debt increased by 6.9 percent from 2006 to 2007 to total \$33.4 million. In addition, towns reported \$1.2 million in short-term indebtedness in 2007, an increase from the \$771,146 reported in 2006.

Ten-Year Trends

- Since 2001, total revenues in constant dollars have been declining, now totaling less than in 1999.

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- Since 1998, the share of total revenue from taxes increased by 34.8 percent, while the share of total revenue from intergovernmental revenues decreased by 49.1 percent.

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

http://www.auditor.state.mn.us/Reports/gid/2007/tnFinances/tnFinances_07_report.pdf

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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>.