



MINNESOTA OFFICE OF THE STATE AUDITOR

**REVENUES, EXPENDITURES
AND DEBT OF
THE TOWNS IN MINNESOTA
DECEMBER 31, 1995**

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STATE AUDITOR**

**Revenues, Expenditures, and Debt
of
Minnesota Towns**

For the Year Ended December 31, 1995



October 31, 1997

**Government Information Division
Office of the State Auditor
State of Minnesota**

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1995 Finances of Minnesota Towns

Overview

In 1995, Minnesota's 1,797 towns collected total revenues of \$136.2 million, which was an increase of \$4.7 million over the total revenues collected in 1994. This increase was generated by higher revenues from taxes, intergovernmental grants and aids, special assessments, licenses and permits, and interest earnings.

Minnesota towns spent \$130.9 million to provide public services. Of the \$130.9 million, current expenditures accounted for \$100.6 million; capital outlays accounted for \$22 million; and debt service accounted for \$8.3 million. Current expenditures decreased 1.6 percent between 1994 and 1995.

The current expenditures of towns totaled \$100.6 million in 1995, a decrease of 1.6 percent over 1994.

Revenues

Towns raised \$136.2 million to finance public services in 1995, an increase of 3.6 percent over 1994. The principal sources of revenues were: taxes (51.9 percent), intergovernmental revenues (33.0 percent), and charges for services (3.2 percent).

Taxes and intergovernmental revenues accounted for almost 85 percent of town revenues in 1995.

- ***Taxes.*** The largest source of revenues for towns in 1995 were taxes, which accounted for 51.9 percent of all town revenues. Towns collected tax revenues of \$70.7 million in 1995, an increase of \$3.7 million or 5.5 percent over taxes collected in 1994. While tax revenues grew 19.5 percent between 1991 and 1995, the share of revenues derived from taxes decreased from 52.5 percent in 1991 to 51.9 percent in 1995.
- ***Intergovernmental Revenues.*** Intergovernmental revenues were the second largest source of town revenues in 1995, accounting for 33.0 percent of total revenues. Intergovernmental revenues which include grants and aids from federal, state, county and local governments, totaled \$45.0 million in 1995, a decrease of 1.6 percent from 1994. This is the second year in a row that intergovernmental revenues as a percent of total revenues has decreased.

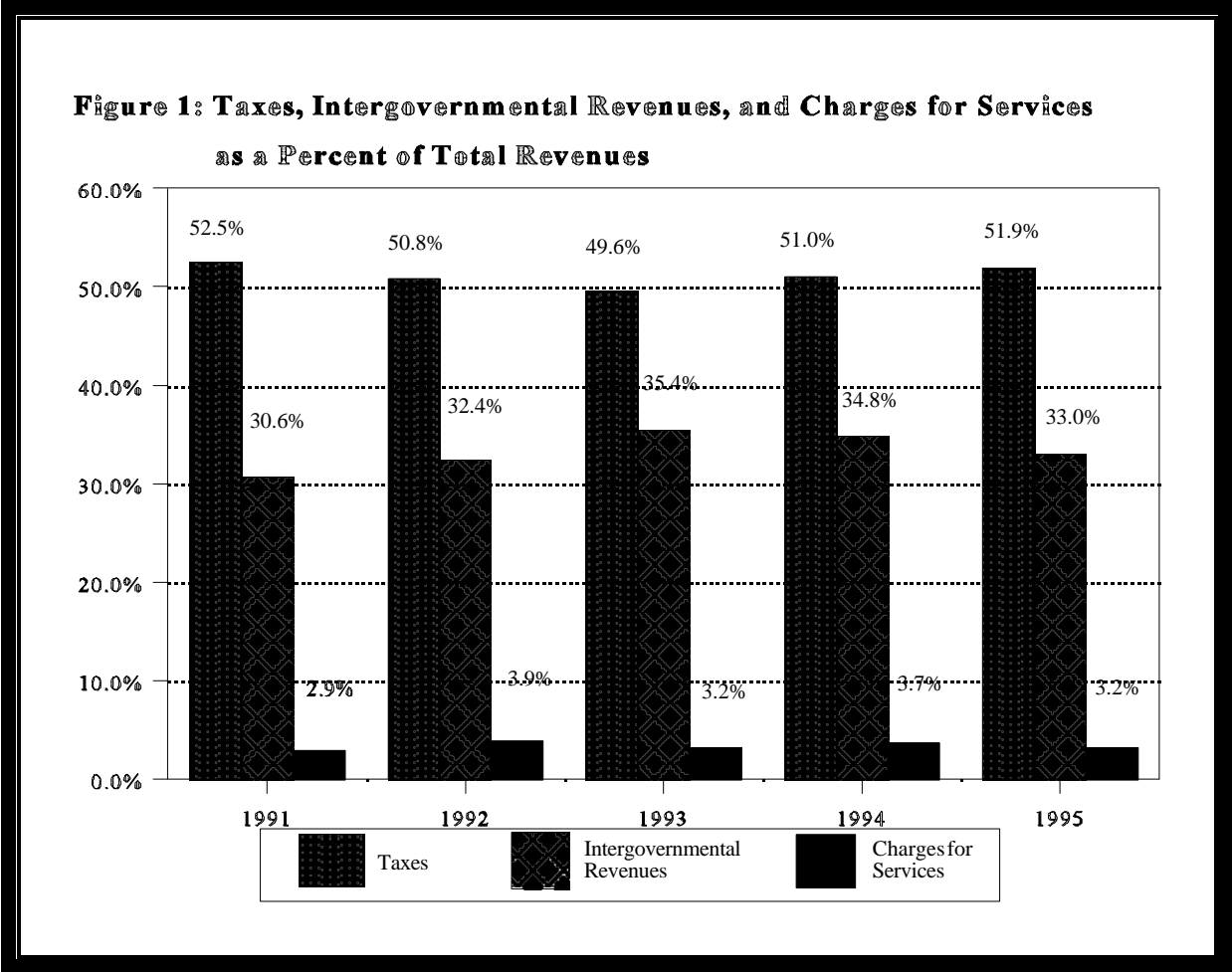
State grants and aids. The largest provider of intergovernmental revenues to towns is the State of Minnesota. State grants to towns totaled \$37.6 million, an increase of \$431,329 over 1994. The percent of total revenues from state grants decreased from 28.3 percent in 1994 to 27.6 percent in 1995. The major sources of intergovernmental revenues from the state are highway aids (gas tax refund), Homestead and Agricultural Credit Aid (HACA) and Local Government Aid (LGA).

Federal grants and aids. The federal government provided \$450,802 to Minnesota towns in 1995 which was \$582,183 or 56.4 percent less than in 1994. Federal grants and aids have increased 358.3 percent over the five-year period from 1991 through 1995.

County and Local Unit grants. Counties provided \$3.0 million to towns for road and bridge activities, a decrease of \$153,784. Towns also received \$3.1 million in county grants for other activities. Total county grants to towns were down .5 percent from 1994. Local unit grants totaled \$722,667 in 1995, down 43.0 percent from 1994.

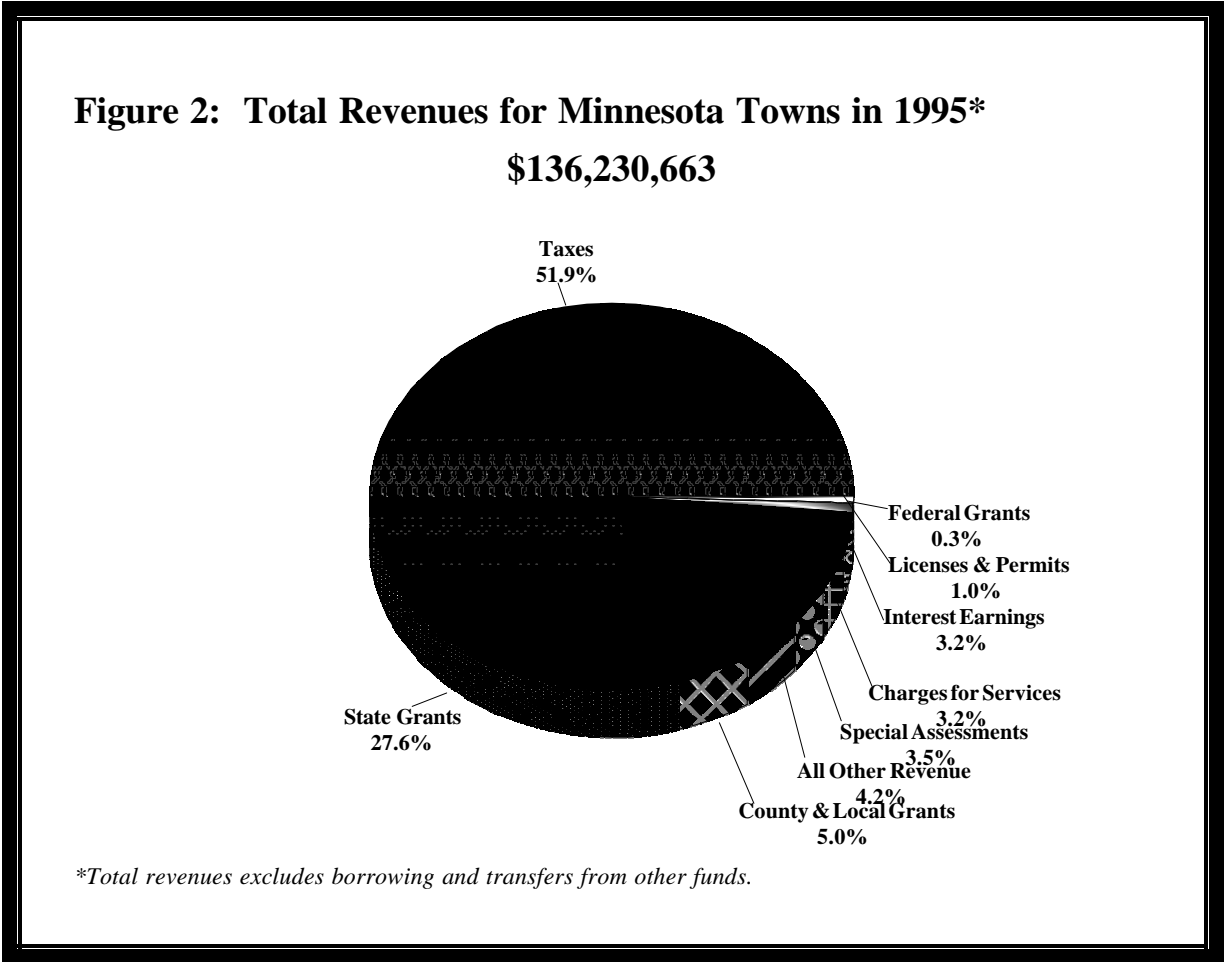
- **Charges for services.** Towns received \$4.4 million from charges for services in 1995, a decrease of 8.3 percent over 1994. Charges for services have increased 33.0 percent from 1991 to 1995. The percent of total revenues from charges for services has increased from 2.9 percent in 1991 to 3.2 percent in 1995.

Figure 1 provides a comparison of taxes, intergovernmental revenues and charges for services for the years 1991 through 1995.



- **Special assessments.** Towns collected special assessments totaling \$4.7 million in 1995, which accounted for 3.5 percent of all revenues. Two towns, Oakport in Clay County and White Bear in Ramsey County, accounted for 41.6 percent of all special assessments collected. Over the five-year period from 1991 to 1995, special assessments have increased 6.4 percent.
- **Other sources of revenues.** Licenses and permits decreased 11.3 percent from 1994. Interest earnings increased \$747,423 or 20.9 percent over 1994. However, interest earnings decreased \$1.5 million or 25.8 percent from the amount received in 1991. The "all other revenues" category of revenues increased \$1.6 million or 39.0 percent from 1994 to 1995.

Figure 2 illustrates the portion of revenues that each source provides.



Total Expenditures

Current Expenditures

Minnesota towns had current expenditures of \$100.6 million, which is \$1.7 million or 1.6 percent less than in 1994. Current expenditures exclude capital outlays, debt service and transfers to other funds.

- **Road and bridge.** The road and bridge function represents the largest current expenditure for towns, accounting for \$52.0 million or 51.7 percent of all current expenditures. Towns spent \$3.7 million or 6.6 percent less on road and bridge activity in 1995 than in 1994. Over the latest ten-year period, road and bridge activities have consistently accounted for over 50 percent of all current expenditures.
- **General government.** General government services were the second largest current expenditure in 1995. Current expenditures for general government totaled \$24.9 million or 24.7 percent of all current expenditures. Services included in general government are for the town board, financial administration, elections and other items related to the administration of the town.
- **Fire protection.** Minnesota towns spent \$13.1 million for fire protection in 1995. This is 13.0 percent of current expenditures as compared to 12.2 percent of current expenditures in 1994. Many towns contract for fire protection with a city fire department.
- **All other public safety, water and sewer and all other expenditures.** In 1995, all other public safety increased \$290,268 or 14.3 percent over 1994. All other expenditures increased \$118,542 or 1.9 percent over 1994, while the water and sewer expenditures decreased by \$2,771 or 0.2 percent.

Road and bridge activities accounted for 51.7 percent of all current expenditures.

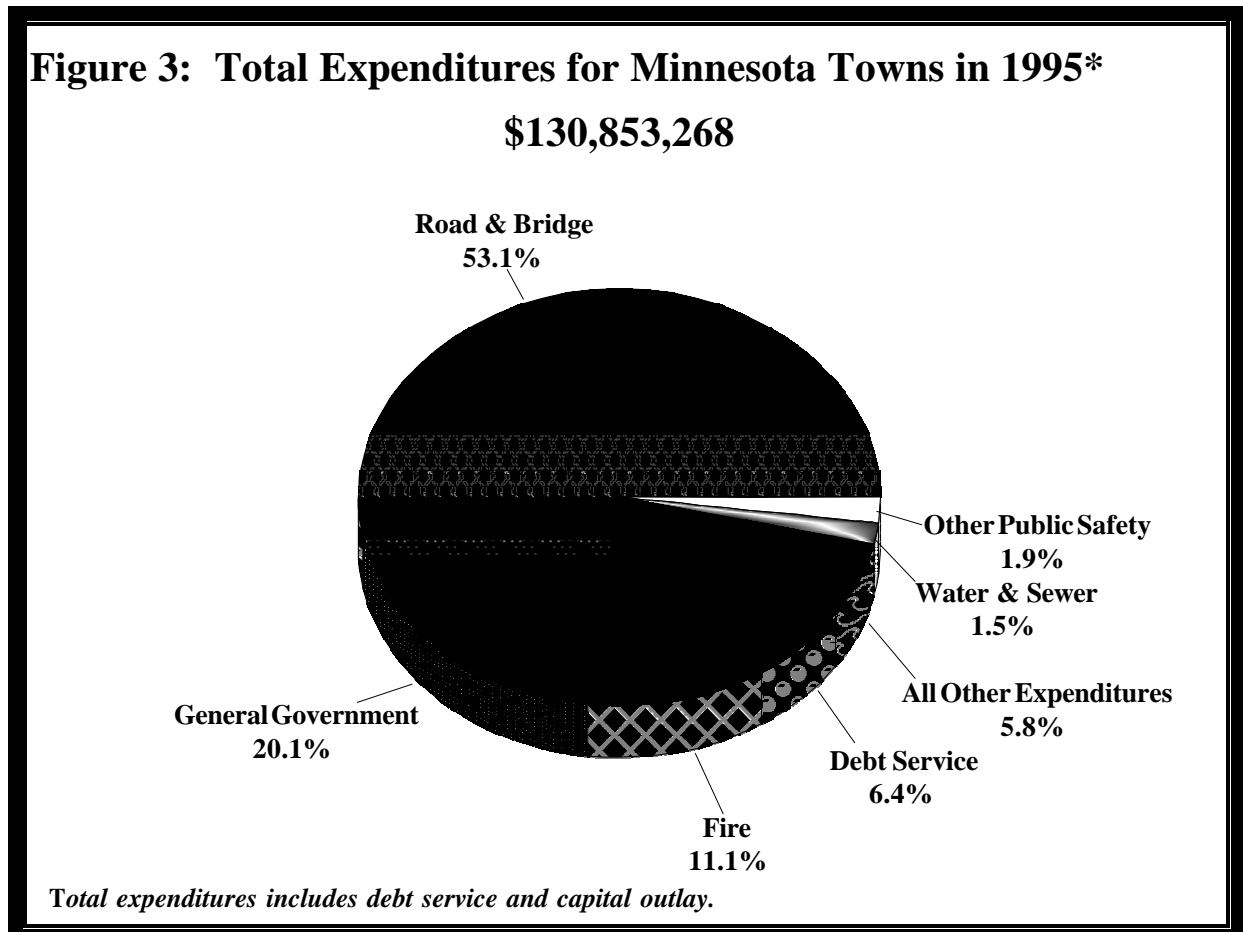
Capital Outlay and Debt Service

Capital outlays accounted for 16.8 percent of total expenditures in 1995.

Capital spending totaled \$22.0 million in 1995, 16.4 percent less than in 1994. Road and bridge construction and equipment purchases accounted for \$17.5 million or 79.6 percent of all capital spending.

Towns had debt service expenditures of \$8.3 million or 6.4 percent of all expenditures. Debt service expenditures include the principal and interest payments on outstanding indebtedness.

Figure 3 provides a summary of total expenditures including current expenditures, capital outlays and debt service.



Indebtedness

During the year, bonds totaling \$165,500 were issued and \$3.6 million were retired, leaving \$31.5 million outstanding at the end of 1995. Only 57 or 3.2 percent of the 1,797 towns have any bonded indebtedness. The towns of Oakport in Clay County and White Bear in Ramsey County account for 44.6 percent of the outstanding bonded indebtedness.

Other long-term indebtedness outstanding at the end of 1995 totaled \$8.9 million. Towns reported \$256,282 in short-term indebtedness.

The following table provides a two-year summary of bonds outstanding classified by type of bond:

Type of Issue	1995	1994
General Obligation	7,837,857	7,301,832
Special Assessment	20,648,711	29,445,039
All Other	3,027,600	2,668,560
Total Bonded Indebtedness	31,514,168	39,415,431

TABLE 1
REVENUES AND EXPENDITURES OF TOWNS
FOR THE YEARS ENDED DECEMBER 31, 1991 THROUGH 1995

	1991		1992		1993		1994		1995		1 Year Percent Change	5 Year Percent Change
Population	910,392		904,670		911,980		918,278		924,138		0.6%	1.5%
Taxable Tax Capacity	565,704,191		576,020,331		595,594,903		575,786,209		610,824,120		6.1%	8.0%
Tax Levy	61,612,002		63,189,852		66,882,375		67,879,260		73,332,194		8.0%	19.0%
REVENUES	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
Taxes	59,132,604	52.5%	59,154,812	50.8%	61,917,459	49.6%	67,033,762	51.0%	70,687,500	51.9%	5.5%	19.5%
Special Assessments	4,416,943	3.9%	5,179,748	4.4%	4,691,535	3.8%	4,677,234	3.6%	4,701,352	3.5%	0.5%	6.4%
Licenses and Permits	1,130,534	1.0%	1,385,296	1.2%	1,543,730	1.2%	1,610,140	1.2%	1,427,605	1.0%	-11.3%	26.3%
Intergovernmental Revenues												
Federal Grants	98,358	0.1%	168,628	0.1%	3,616,143	2.9%	1,032,985	0.8%	450,802	0.3%	-56.4%	358.3%
State	27,798,876	24.7%	31,145,125	26.7%	34,051,133	27.3%	37,218,217	28.3%	37,649,546	27.6%	1.2%	35.4%
County												
Highway Grants	2,378,848	2.1%	2,396,378	2.1%	2,333,948	1.9%	3,180,307	2.4%	3,026,523	2.2%	-4.8%	27.2%
All Other	2,722,876	2.4%	2,666,557	2.3%	2,619,916	2.1%	3,006,189	2.3%	3,130,251	2.3%	4.1%	15.0%
Local Unit Grants	1,434,471	1.3%	1,379,081	1.2%	1,557,689	1.2%	1,268,033	1.0%	722,667	0.5%	-43.0%	-49.6%
TOTAL INTERGOVERNMENTAL REVENUES	34,433,429	30.6%	37,755,769	32.4%	44,178,829	35.4%	45,705,731	34.8%	44,979,789	33.0%	-1.6%	30.6%
Charges for Services	3,317,466	2.9%	4,573,574	3.9%	3,971,126	3.2%	4,811,255	3.7%	4,412,934	3.2%	-8.3%	33.0%
Interest Earnings	5,836,426	5.2%	3,958,305	3.4%	3,354,516	2.7%	3,581,966	2.7%	4,329,389	3.2%	20.9%	-25.8%
All Other Revenues	4,275,864	3.8%	4,433,154	3.8%	5,220,484	4.2%	4,096,065	3.1%	5,692,094	4.2%	39.0%	33.1%
TOTAL REVENUES	112,543,266	100.0%	116,440,658	100.0%	124,877,679	100.0%	131,516,153	100.0%	136,230,663	100.0%	3.6%	21.0%
OTHER FINANCING SOURCES												
Borrowing	8,403,880		7,511,787		12,514,853		7,717,343		2,210,019		-71.4%	-73.7%
Transfers In	5,886,768		5,842,504		5,848,977		6,246,163		5,349,895		-14.3%	-9.1%
TOTAL REVENUES AND OTHER SOURCES	126,833,914		129,794,949		143,241,509		145,479,659		143,790,577		-1.2%	13.4%

Note: On this table the years 1991 and 1992 include the towns with fiscal years ending February 1992 and February 1993.

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Taxable Tax Capacity	565,704,191		576,020,331		595,594,903		575,786,209		610,824,120		6.1%	8.0%
Tax Levy	61,612,002		63,189,852		66,882,375		67,879,260		73,332,194		8.0%	19.0%
EXPENDITURES	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
General Government												
Current Expenditures	20,490,802	17.1%	21,893,736	17.2%	22,295,952	18.1%	23,885,105	17.5%	24,851,316	19.0%	4.0%	21.3%
Capital Outlay	1,121,353	0.9%	977,948	0.8%	2,026,366	1.6%	1,505,970	1.1%	1,459,778	1.1%	-3.1%	30.2%
Fire												
Current Expenditures	10,413,671	8.7%	10,763,868	8.5%	10,856,424	8.8%	12,471,396	9.1%	13,108,204	10.0%	5.1%	25.9%
Capital Outlay	1,313,989	1.1%	1,385,112	1.1%	917,705	0.7%	933,676	0.7%	1,423,535	1.1%	52.5%	8.3%
All Other Public Safety												
Current Expenditures	1,572,013	1.3%	1,905,357	1.5%	1,809,768	1.5%	2,025,714	1.5%	2,315,982	1.8%	14.3%	47.3%
Capital Outlay	117,717	0.1%	46,699	0.0%	116,285	0.1%	96,244	0.1%	181,477	0.1%	88.6%	54.2%
Road and Bridge												
Current Expenditures	44,982,392	37.4%	49,506,223	38.9%	51,262,573	41.6%	55,710,387	40.7%	52,031,176	39.8%	-6.6%	15.7%
Capital Outlay	15,566,599	13.0%	17,661,984	13.9%	16,511,916	13.4%	21,758,994	15.9%	17,482,858	13.4%	-19.7%	12.3%
Water and Sewer												
Current Expenditures	1,472,252	1.2%	2,126,457	1.7%	1,744,195	1.4%	1,749,153	1.3%	1,746,382	1.3%	-0.2%	18.6%
Capital Outlay	2,460,622	2.0%	2,097,178	1.6%	1,226,143	1.0%	648,806	0.5%	260,631	0.2%	-59.8%	-89.4%
All Other												
Current Expenditures	5,931,322	4.9%	6,024,595	4.7%	6,352,888	5.2%	6,383,702	4.7%	6,502,244	5.0%	1.9%	9.6%
Capital Outlay	1,792,540	1.5%	3,251,873	2.6%	1,323,651	1.1%	1,328,065	1.0%	1,147,914	0.9%	-13.6%	-36.0%
TOTAL CURRENT EXPENDITURES	84,862,452	70.6%	92,220,236	72.4%	94,321,800	76.5%	102,225,457	74.7%	100,555,304	76.8%	-1.6%	18.5%
TOTAL CAPITAL OUTLAY	22,372,820	18.6%	25,420,794	20.0%	22,122,066	17.9%	26,271,755	19.2%	21,956,193	16.8%	-16.4%	-1.9%
DEBT SERVICE												
Principal Payments	10,320,026	8.6%	7,117,515	5.6%	4,642,485	3.8%	5,852,792	4.3%	5,856,267	4.5%	0.1%	-43.3%
Interest and Fiscal Charges	2,568,850	2.1%	2,602,423	2.0%	2,248,775	1.8%	2,439,521	1.8%	2,485,504	1.9%	1.9%	-3.2%
TOTAL EXPENDITURES	120,124,148	100.0%	127,360,968	100.0%	123,335,126	100.0%	136,789,525	100.0%	130,853,268	100.0%	-4.3%	8.9%
OTHER FINANCING USES												
Transfers Out	5,886,768		5,842,504		5,825,283		6,246,163		5,358,030		-14.2%	-9.0%
TOTAL EXPENDITURES AND OTHER USES	126,010,916		133,203,472		129,160,409		143,035,688		136,211,298		-4.8%	8.1%

Note: On this table the years 1991 and 1992 include the towns with fiscal years ending February 1992 and February 1993.

TABLE 4
 OUTSTANDING INDEBTEDNESS OF TOWNS
 For the Year Ended December 31, 1995

NAME OF TOWNSHIP	POPULATION	TYPE OF BONDS			TOTAL BONDED INDEBTEDNESS	OTHER	SHORT-TERM INDEBTEDNESS
		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
AITKIN							
AITKIN	878	....	....	....	....	9,229	....
GLEN	339	....	....	....	....	6,333	....
MACVILLE	191	....	....	....	....	2,616	....
SHAMROCK	871	....	....	....	....	60,974	....
ANOKA							
BURNS	2,985	....	410,000	....	410,000	....	....
COLUMBUS	4,072	....	320,000	....	320,000	76,000	....
LINWOOD	4,078	....	170,000	....	170,000	55,555	....
BECKER							
LAKE EUNICE	1,012	23,484	....	....	23,484	....	....
BELTRAMI							
FROHN	1,260	15,000	....	....	15,000	....	....
PORT HOPE	582	....	....	....	....	27,764	....
TEN LAKE	696	....	....	....	....	33,752	....
TURTLE RIVER	909	105,000	....	....	105,000	....	....
BENTON							
GILMANTON	835	....	....	....	....	40,000	....
LANGOLA	861	....	....	....	....	25,000	....
WATAB	2,723	....	....	....	....	50,000	....
BLUE EARTH							
GARDEN CITY	707	....	....	....	....	37,269	....
LIME	1,215	....	....	....	....	22,500	....
MANKATO	2,270	....	71,439	....	71,439	....	....
MAPLETON	333	....	....	....	....	....	26,979
RAPIDAN	1,160	....	....	....	....	4,504	....
SOUTH BEND	1,538	....	....	396,000	396,000	....	....
CARLTON							
HOLYOKE	164	31,925	....	....	31,925	9,776	....
THOMSON	4,269	1,605,000	....	....	1,605,000	24,329	....
TWIN LAKES	1,794	....	....	....	....	1,165,729	....
CARVER							
DAHLGREN	1,407	61,000
HOLLYWOOD	1,104	147,010
LAKETOWN	2,292	45,724
WACONIA	1,345	215,000	215,000

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		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
CASS							
CROOKED LAKE	383	....	22,225	....	22,225	....	....
FAIRVIEW	497	135,000	....	....	135,000	....	....
OTTER TAIL PENIN	45	....	....	....	....	95,000	....
POWERS	632	....	....	....	....	13,613	....
SYLVAN	1,486	....	....	....	....	54,757	....
WABEDO	338	....	....	....	....	10,022	....
CHISAGO							
AMADOR	686	....	....	....	....	99,000	....
CHISAGO LAKE	3,640	....	303,367	....	303,367	....	....
SHAFER	785	....	....	....	....	40,000	....
WYOMING	4,237	....	481,000	....	481,000	....	....
CLAY							
GEORGETOWN	185	....	....	....	....	1,795	....
OAKPORT	1,474	....	4,990,000	....	4,990,000	17,726	....
CLEARWATER							
WINSOR	152	....	....	....	....	8,096	....
COOK							
LUTSEN	268	....	....	....	....	73,065	....
TOFTE	235	....	....	....	....	15,000	....
COTTONWOOD							
AMO	175	....	....	....	....	50,000	....
SELMA	282	....	....	....	....	15,000	....
CROW WING							
LONG LAKE	919	....	4,500	....	4,500	....	....
ROOSEVELT	373	....	....	....	....	8,001	....
DAKOTA							
GREENVALE	636	....	....	....	....	6,340	....
MARSHAN	1,348	....	....	....	....	93,287	....
RAVENNA	2,188	....	....	....	....	290,700	....
VERMILLION	1,266	....	....	....	....	28,712	....
WATERFORD	499	46,957
DOUGLAS							
BRANDON	627	85,000	85,000	10,000
MOE	558	12,234

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 For the Year Ended December 31, 1995

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		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
FILLMORE							
FILLMORE	457	....	....	....	....	32,418	....
SUMNER	452	....	....	....	....	19,432	....
FREEBORN							
HARTLAND	347	....	....	....	....	43,830	....
GOODHUE							
LEON	970	....	....	....	....	490	....
STANTON	915	....	....	....	....	15,000	....
HENNEPIN							
HASSAN	2,419	....	385,000	....	385,000	....	....
HOUSTON							
MONEY CREEK	442	....	....	....	....	6,689	....
WILMINGTON	522	....	....	....	....	13,354	....
HUBBARD							
ARAGO	557	....	....	....	....	27,098	....
LAKE EMMA	773	....	....	....	....	276,114	....
NEVIS	675	....	....	....	....	135,000	....
TODD	1,335	....	....	....	....	49,219	....
ISANTI							
BRADFORD	2,963	....	....	....	....	15,000	....
CAMBRIDGE	2,145	....	....	....	....	29,127	....
ISANTI	2,034	....	....	....	....	33,588	....
WYANETT	1,511	....	....	....	....	10,107	....
ITASCA							
BALSAM	558	....	....	....	....	28,516	....
LAWRENCE	459	....	....	....	....	21,698	....
MARCELL	317	....	....	....	....	59,500	....
MORSE	587	....	....	....	....	27,700	....
JACKSON							
ALBA	216	....	....	....	....	10,375	....
EWINGTON	289	....	....	....	....	50,000	....
HUNTER	309	....	....	....	....	33,281	....
KANDIYOHI							
BURBANK	448	97,000
HARRISON	642	86,155
KANDIYOHI	670	23,321
WILLMAR	685	15,000

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 For the Year Ended December 31, 1995

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		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
KITTSON							
SKANE	66	....	....	....	....	....	15,471
LAC QUI PARLE							
HANTHO	130	....	....	....	....	10,863	....
LAC QUI PARLE	218	....	....	....	....	2,178	....
RIVERSIDE	387	....	....	....	....	6,000	....
LE SUEUR							
KASOTA	1,416	....	....	....	....	180,801	....
SHARON	593	....	....	....	....	12,198	....
WASHINGTON	765	....	....	....	....	92,812	....
LINCOLN							
LAKE BENTON	245	....	....	....	....	13,857	....
LIMESTONE	190	....	....	....	....	15,000	....
MARSHALL							
LINSELL	42	....	....	....	....	....	....
MIDDLE RIVER	102	....	....	....	....	9,000	....
MARTIN							
FAIRMONT	281	....	....	....	....	27,500	....
GALENA	276	....	....	....	....	20,000	....
MANYASKA	350	....	20,000	....	20,000	....	....
ROLLING GREEN	307	....	....	....	....	19,362	....
WAVERLY	279	....	....	....	....	21,229	....
WESTFORD	357	....	....	....	....	39,741	....
MCLEOD							
HELEN	902	....	....	....	....	30,000	....
PENN	395	....	....	....	....	....	32,806
MEEKER							
DARWIN	716	300,000	....	....	300,000	....	....
DASSEL	1,081	325,000	....	....	325,000	....	....
GREENLEAF	712	....	....	....	....	122,088	....
KINGSTON	1,109	....	....	....	....	136,650	....
LITCHFIELD	768	....	....	41,600	41,600	....	....
MILLE LACS							
PRINCETON	1,676	128,471
MOWER							
LANSING	1,278	67,000
LYLE	416	37,000

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 For the Year Ended December 31, 1995

NAME OF TOWNSHIP	POPULATION	TYPE OF BONDS			TOTAL BONDED INDEBTEDNESS	OTHER	SHORT-TERM INDEBTEDNESS
		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
MOWER							
NEVADA	386	....	....	....	....	95,066	....
RED ROCK	761	....	....	....	....	14,422	....
UDOLPHO	483	....	....	....	....	47,828	....
MURRAY							
MURRAY	216	....	....	....	....	....	20,680
SHETEK	272	....	....	....	....	42,659	....
NOBLES							
ELK	308	....	....	....	....	10,468	....
WILMONT	263	....	....	....	....	43,206	....
OLMSTED							
KALMAR	1,307	....	....	....	....	79,251	....
ORONOCO	2,083	....	16,217	....	16,217	....	....
OTTER TAIL							
AMOR	441	....	....	....	....	35,448	....
DANE PRAIRIE	945	....	....	....	....	83,600	....
EDNA	808	....	....	....	....	44,745	....
GIRARD	621	....	93,634	....	93,634	....	....
MAINE	627	....	....	....	....	10,000	....
ST. OLAF	357	....	....	....	....	18,500	....
SVERDRUP	639	....	....	....	....	36,330	....
TUMULI	395	....	17,550	....	17,550	....	....
PENNINGTON							
ROCKSBURY	1,181	....	....	....	....	100,328	10,000
PINE							
PINE CITY	1,049	....	....	....	....	12,263	....
POKEGAMA	2,036	....	....	....	....	76,440	....
SANDSTONE	638	....	....	....	....	....	21,500
POLK							
GENTILLY	338	....	....	....	....	19,927	6,500
GODFREY	324	....	....	....	....	32,225	....
HAMMOND	60	....	....	....	....	....	1,876
HIGDEM	103	....	....	....	....	47,900	....
POPE							
MINNEWASKA	411	18,899
RAMSEY							
WHITE BEAR	10,529	540,000	6,160,000	2,380,000	9,080,000	98,248

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 For the Year Ended December 31, 1995

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REDWOOD							
WESTLINE	235	25,572
RENVILLE							
BOON LAKE	371	7,000
OSCEOLA	219	30,000
RICE							
BRIDGEWATER	1,782	....	....	....	....	182,344	....
NORTHFIELD	839	....	....	....	....	15,000	....
WARSAW	1,375	....	....	....	....	63,264	....
WEBSTER	1,670	....	80,000	....	80,000	22,900	....
WHEELING	482	....	....	....	....	10,500	....
ROCK							
BEAVER CREEK	440	....	....	....	....	96,196	25,000
CLINTON	346	....	....	....	....	10,000	....
MARTIN	451	....	....	....	....	42,000	....
ROSEAU							
LAKE	1,988	892,493	....	....	892,493	....	....
SCOTT							
CREDIT RIVER	3,650	....	874,700	....	874,700	....	....
HELENA	1,245	250,000	....	....	250,000	....	....
SPRING LAKE	3,353	....	129,000	....	129,000	....	....
SHERBURNE							
BECKER	3,047	....	196,000	....	196,000	....	....
SIBLEY							
GRAFTON	288	....	....	....	....	16,664	....
GREEN ISLE	635	....	....	....	....	6,223	....
HENDERSON	575	....	....	....	....	165,399	....
STEARNS							
EDEN LAKE	1,340	425,000	....	....	425,000	....	....
LE SAUK	2,284	....	....	210,000	210,000	....	....
LUXEMBURG	806	183,500	....	....	183,500	....	....
LYNDEN	1,801	....	....	....	....	16,978	....
MILLWOOD	919	49,686	....	....	49,686	....	....
MUNSON	1,214	....	30,000	....	30,000	....	....
PAYNESVILLE	1,387	....	....	....	....	97,637	....
ROCKVILLE	1,542	260,000	....	....	260,000	....	....

TABLE 4
 OUTSTANDING INDEBTEDNESS OF TOWNS
 For the Year Ended December 31, 1995

NAME OF TOWNSHIP	POPULATION	TYPE OF BONDS			TOTAL BONDED INDEBTEDNESS	OTHER	SHORT-TERM INDEBTEDNESS
		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	
STEVENS							
SWAN LAKE	235	....	....	....	....	6,262	....
ST. LOUIS							
BIWABIK	876	....	....	....	....	26,797	....
BREITUNG	612	....	....	....	....	88,263	....
BREVATOR	1,116	....	....	....	....	11,020	....
CLINTON	1,062	....	....	....	....	90,579	....
DULUTH	1,621	....	....	....	....	80,102	....
ELLSBURG	145	....	....	....	....	52,786	....
FAYAL	2,017	....	....	....	....	13,310	....
FINE LAKES	146	....	....	....	....	58,892	....
GREENWOOD	569	92,857	....	....	92,857	....	....
LAKEWOOD	1,900	....	....	....	....	110,731	....
MIDWAY	1,534	....	295,000	....	295,000	....	....
NORMANNA	497	....	....	....	....	1,255	....
PEQUAYWAN	103	....	....	....	....	34,508	....
RICE LAKE	3,987	1,025,000	1,115,000	....	2,140,000	465,000	....
SOLWAY	1,838	....	....	....	....	18,827	....
WHITE	1,656	....	....	....	....	691,915	....
TODD							
BIRCHDALE	793	....	....	....	....	13,272	....
STAPLES	785	....	....	....	....	30,000	....
VILLARD	579	....	....	....	....	30,481	....
WABASHA							
CHESTER	442	....	....	....	....	41,726	....
WASECA							
WOODVILLE	1,216	....	71,579	....	71,579	....	....
WASHINGTON							
DENMARK	1,294	....	190,000	....	190,000	....	....
FOREST LAKE	7,272	185,000	1,815,000	....	2,000,000	80,000	....
GRANT	4,022	....	570,000	....	570,000	....	....
MAY	2,717	....	265,000	....	265,000	5,482	....
NEW SCANDIA	3,537	....	796,000	....	796,000	16,500	....
STILLWATER	2,493	95,000	....	....	95,000	....	....
WATONWAN							
MADDELIA	362	....	....	....	....	13,392	....
WINONA							
NEW HARTFORD	836	....	....	....	....	49,924	....
WARREN	645	8,912	....	....	8,912	....	....

TABLE 4
 OUTSTANDING INDEBTEDNESS OF TOWNS
 For the Year Ended December 31, 1995

NAME OF TOWNSHIP	POPULATION	TYPE OF BONDS			TOTAL BONDED INDEBTEDNESS	OTHER	
		GENERAL OBLIGATION	SPECIAL ASSESSMENT	OTHER		LONG-TERM INDEBTEDNESS	SHORT-TERM INDEBTEDNESS
WRIGHT							
CHATHAM	992	....	155,000	....	155,000	....	....
CORINNA	2,212	....	85,000	....	85,000	5,352	....
FRANKFORT	3,627	870,000	....	....	870,000	11,671	....
FRANKLIN	2,922	....	335,000	....	335,000	....	....
FRENCH LAKE	1,012	....	36,500	....	36,500	....	....
MAPLE LAKE	2,043	....	80,000	....	80,000	....	....
SILVER CREEK	2,078	120,000	65,000	....	185,000	84,820	....
YELLOW MEDICINE							
FRIENDSHIP	229	....	....	....	....	6,784	....
SANDNES	224	....	....	....	....	....	18,470
STONY RUN	571	....	....	....	....	28,266	....
STATE TOTAL	229,240	7,837,857	20,648,711	3,027,600	31,514,168	8,911,478	256,282

Appendix A

Scope of Report & Methodology

This report covers the financial operations of the towns in Minnesota for the calendar year ended December 31, 1995. Starting in 1993, Minnesota Statutes required all towns to prepare financial reports for calendar year ended December 31. Prior to 1993, most towns reported their finances for fiscal year ended February or March.

Sources of the data include the annual township financial reporting form, audits by public accountants, financial statements prepared by the town clerk or clerk-treasurer, county auditors' reports of indebtedness, and the Department of Revenue records. Data received from the Department of Revenue includes state shared tax distributions, grants, aids, taxable valuations, and tax levies.

The township financial reporting form is designed by the Office of the State Auditor in cooperation with the Minnesota Department of Transportation to serve the needs of both state agencies. Through a state and federal cooperative agreement, the data have been furnished to the Governments Division of the U.S. Census Bureau for use in preparing the Government Finance reports.

Tables 2 and 3 include all the towns in Minnesota. Estimates of revenues and expenditures are no longer calculated for this report. The 98 non-reporting towns are noted accordingly. The data for fiscal years prior to February 1991 (December 1990) contain estimated revenues and expenditures. The total number of towns in the state is 1,797.

The 1995 populations are from "Minnesota Populations, 1995," issued by the Office of the State Demographer. Minnesota towns have an estimated 1995 population of 924,138.

Prior to tax collection year 1989, taxable valuation was calculated on a formula applied to market value. This resulted in an assessed valuation that was used as a base to spread the annual tax levies. Beginning with property taxes payable in 1989, a change in this formula was enacted by the Minnesota Legislature. The previous system of assessed values has been replaced with a set of tax capacity rates. Net capacity rate replaced the assessed value and the tax capacity rate replaced the mill rates. Taxes are determined by multiplying the net tax capacity by the local tax rates, which is expressed as a percentage.

The outstanding bonded indebtedness of towns is identified and the debt totaled by type of bond issue. Other types of long-term debt such as notes, loans and installment purchases are combined and shown in the other long-term debt total for each town.

Appendix B

Glossary

BORROWING - Includes the sale of bonds and notes, certificates of indebtedness, and tax anticipation certificates. Towns are restricted by law from borrowing for current expense.

CAPITAL OUTLAY - The purchase or construction of buildings, permanent improvements, equipment, machinery and land. Capital outlay varies from year to year based on the needs and resources of the town.

CAPITAL PROJECTS FUND - A fund created to account for the financial resources that are used for the acquisition or construction of a fixed asset. An example of this fund type is a road improvement fund.

CHARGES FOR SERVICES - Fees for activities of the governmental funds. These include rent of town hall by individuals or organizations, police and fire contracts, fire calls, recreation fees, etc.

CURRENT EXPENDITURES - Expenditures which benefit the current fiscal period. Expenditures included in this definition are salaries, pension contributions, operating expenses, etc.

DEBT SERVICE FUNDS - A fund to account for the collection of resources and payment of long-term debt principal and interest. An example of this fund type is the 1991 improvement bond.

FINES AND FORFEITS - Receipts from the payment of penalties for law violations, non-observance of contracts and forfeited deposits.

GENERAL FUND - The fund used to account for all financial resources not required to be accounted for in another fund. This fund is the main operating fund.

GENERAL GOVERNMENT - Expenditures related to the administration of the town.

GOVERNMENTAL FUNDS - The funds through which most governmental activities are financed. The four governmental fund types are: general, special revenue, debt service and capital projects.

INTEREST EARNINGS - Includes interest earned on checking and savings accounts, CD's, money market funds, and Treasury Bonds and bills.

LICENSES AND PERMITS - Includes receipts from liquor licenses, cigarette licenses, other business licenses, buildings permits, and other non-business licenses and permits.

Appendix B

Glossary

MISCELLANEOUS EXPENDITURES - Expenditures include all expenses that were not allocated to a specific function. Some of the expenditures are for cemetery, parks, and contributions.

MISCELLANEOUS REVENUES - Includes refunds, reimbursements, donations, and lease payments.

NET TAX LEVY - The town property taxes, net of state property tax relief aids or grants, required to be paid by the property owners of the town.

OTHER FINANCING SOURCES - Long-term debt proceeds, and transfers in from other funds.

ROAD AND BRIDGE - Expenditures include maintenance of roads, patching, seal coating, and snow removal. Road construction, bridge repair and construction, and purchase and maintenance of street equipment are also included. Includes expenditures on all town roads.

SPECIAL ASSESSMENTS - A levy made against certain properties to defray all or part of the costs of a specific improvement, such as new sewer and water mains, deemed to benefit primarily those properties. The amount includes the penalties and interest paid on the assessments.

SPECIAL REVENUE FUNDS - A fund used to account for the proceeds of specific revenue sources that are restricted to expenditures for a specific purpose.

TAXABLE TAX CAPACITY - The tax capacity less the tax increment district value, less the fiscal disparities contribution value plus the fiscal disparities distribution value.

TAX CAPACITY - The value assigned to the property used to calculate the property taxes.

TOTAL EXPENDITURES - Includes current operating expenses, capital outlays and debt service principal and interest payments.

TOTAL REVENUES - Receipt of monies that increases the amount of available resources without creating a liability or a future payment. Borrowing and transfers between funds are not included in total revenues.

TRANSFERS - The transfer of money between governmental funds.