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PRESS RELEASE

State Auditor Otto Releases Report on Minnesota County Finances

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ST. PAUL (2/22/2016) – State Auditor Rebecca Otto today released the 2014 Minnesota County Finances Report, which summarizes, through data tables and charts, the financial operations of Minnesota counties for calendar year 2014 and also examines long-term trends. The report is intended to help the public, local government officials, and other policy makers understand county financial operations.

Highlights from the report include:

Current Trends

- Minnesota county revenues totaled $6.4 billion in 2014. This represents an increase of $442.4 million, or 7.5 percent, over 2013. Increases in interest earnings (518.3 percent), federal grants (16.4 percent), and state grants (12.2 percent) contributed to the overall increase in county revenues between 2013 and 2014.

- Counties reported total expenditures of $6.3 billion in 2014. This represents an increase of $100.1 million, or 1.6 percent, over total expenditures in 2013. Between 2013 and 2014, current expenditures increased 2.4 percent to $5.0 billion, capital outlays increased 3.9 percent to $918.7 million, and debt service decreased 11.0 percent to $406.0 million.

- In 2014, Minnesota counties reported outstanding long-term debt of $3.5 billion. This represents a very slight decrease from the long-term debt reported in 2013. Of the $3.5 billion in long-term debt, $3.3 billion was outstanding bonded debt, and $233.2 million was other long-term debt.

- Minnesota county enterprises reported operating income of $3.3 million in 2014. This represents an increase of 109.6 percent from the operating losses of $34.9 million reported in 2013. The net income of county enterprises totaled $37.6 million in 2014. This represents an increase of 629.5 percent over the $7.1 million in net losses reported in 2013.

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Ten-Year Trends

- In actual dollars, total county revenues rose 33.7 percent from 2005 to 2014. When adjusted for inflation, there was an increase in total revenues of 2.8 percent over this period.

- Between 2005 and 2014, the share of total revenues derived from taxes increased from 40.0 percent to 46.2 percent, while the share of total revenues derived from intergovernmental revenues decreased from 41.7 percent to 38.7 percent.

- In actual dollars, total expenditures increased 30.1 percent from 2005 to 2014. When adjusted for inflation, county expenditures showed an increase of less than one percent over the ten-year period. The primary categories of expenditures for counties over the ten-year period were consistently human services, streets and highways, public safety, and general government expenditures. In 2014, these four expenditure categories alone accounted for 78.9 percent of all county expenditures.

To view the complete report, which includes an Executive Summary, charts and graphs, go to:

http://www.auditor.state.mn.us/default.aspx?page=20160219.000.

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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.