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

State Auditor Otto Releases Report on Minnesota County Finances

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ST. PAUL (5/7/2014) – State Auditor Rebecca Otto today released the 2012 Minnesota County Finances Report, which summarizes, through data tables and charts, the financial operations of Minnesota counties for calendar year 2012 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 \$6.0 billion in 2012. This represents an increase of \$43.1 million, or 0.7 percent, over 2011. Increases in revenues derived from taxes, charges for services, special assessments, and licenses and permits offset decreases in all other categories of revenues.
- Counties reported total expenditures of \$6.0 billion in 2012. This represents an increase of \$26.7 million, or 0.4 percent, over total expenditures in 2011. Between 2011 and 2012, current expenditures increased 2 percent to \$4.7 billion; capital outlays decreased 7 percent to \$933.5 million; and debt service increased 1 percent to \$372.5 million.
- In 2012, Minnesota counties reported outstanding long-term debt of \$3.5 billion. This represents a decrease of 1 percent from long-term debt reported in 2011. Of the \$3.5 billion in long-term debt, \$3.3 billion was outstanding bonded debt, and \$243.1 million was other long-term debt.
- Minnesota county enterprises reported operating losses of \$6.9 million in 2012. This represents a decrease of 131 percent from the operating income of \$22.0 million reported in 2011. The net income of county enterprises totaled \$26.0 million in 2012. This represents a decrease of 53 percent from 2011.

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- Minnesota counties' unrestricted fund balances of General Fund and Special Revenue Funds totaled \$2.4 billion in 2012. This represents an increase of 4 percent over 2011. The average unrestricted fund balances as a percent of current expenditures for counties was 51 percent in 2012 compared to 50 percent for unreserved fund balances as a percent of total current expenditures in 2011.

Ten-Year Trends

- In actual dollars, total revenues rose 33 percent from 2003 to 2012. When adjusted for inflation, there was a decrease in total revenues of 4 percent over this period.
- Since 2003, the share of total revenues derived from taxes has increased from 37 percent to 47 percent, while the share of total revenues derived from intergovernmental revenues has decreased from 45 percent to 37 percent.
- In actual dollars, total expenditures increased 31 percent from 2003 to 2012. When adjusted for inflation, county expenditures decreased 5 percent.
- In actual dollars, outstanding long-term debt increased 81 percent from 2003 to 2012. When adjusted for inflation, outstanding long-term indebtedness increased 31 percent.

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

<https://www.auditor.state.mn.us/default.aspx?page=20140506.000>.

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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>.