



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@osa.state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## **\*\*\*PRESS RELEASE\*\*\***

### **State Auditor Otto Releases 2012 Town Finances Report**

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

**ST. PAUL (11/21/2013)** – State Auditor Rebecca Otto today released the Minnesota Town Finances Report, a comprehensive report on revenues, expenditures and debt for Minnesota's towns. The report analyzes town financial operations for the calendar year ended December 31, 2012.

In 2012, there were 1,784 towns compared to 853 cities and 87 counties. The 2012 population estimates from the State Demographer show that 919,051 individuals reside in towns, representing about 17.5 percent of the State population. Town populations range from 11,089 in the Town of White Bear (Ramsey County) to 5 in the Town of Hangaard (Clearwater County). Fifty-two percent of towns have a population of 300 or less.

Highlights from the report include:

#### **Current and Five-Year Trends**

- In 2012, Minnesota towns reported total revenues of \$279.3 million. This amount represents a 3.1 percent increase over the total revenues reported in 2011. The overall increase is most likely understated, as the number of towns that failed to report in 2012 (176) was double that of 2011 (86). An analysis that examined only those towns that reported both years showed an increase of 7.2 percent.
- Minnesota towns reported total expenditures of \$253.7 million in 2012. This amount represents a decrease of 4.0 percent from the amount reported in 2011. The primary cause of this decrease was the significant number of towns that failed to report in 2012. An analysis of only those towns that reported in both 2011 and 2012 showed an increase of 0.2 percent in total expenditures.
- Debt service expenditures are the principal and interest payments on outstanding indebtedness. Towns had debt service expenditures of \$13.3 million in 2012. This amount represents a 5.8 percent increase in debt service expenditures from 2011 to 2012. Over the five-year period of 2008 to 2012, debt service expenditures decreased 5.8 percent.

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- Total outstanding short- and long-term indebtedness totaled \$69.1 million in 2012. This represents a decrease of 5.8 percent from 2011. Outstanding bonded indebtedness totaled \$45.9 million in 2012, which was a decrease of 4.1 percent from the \$47.8 million outstanding in 2011. Other long-term debt totaled \$22.6 million in 2012, which was a decrease of 8.3 percent from 2011.

### **Ten-Year Trends**

- Between 2003 and 2012, total town revenues in actual dollars increased 32.7 percent. In constant, or inflation-adjusted, dollars, total town revenues decreased 3.9 percent over this ten-year period.
- Since 2003, the share of total revenues derived from taxes has increased from 63.0 percent in 2003 to 74.5 percent in 2012. In contrast, the share of total revenues derived from intergovernmental sources has decreased from 20.7 percent in 2003 to 16.0 percent in 2012.
- In constant, or inflation-adjusted, dollars, total town expenditures decreased 8.7 percent between 2003 and 2012. In actual dollars, total expenditures grew 26.1 percent over the ten-year period.

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

**[LINK GOES HERE.](#)**

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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 18<sup>th</sup> State Auditor. A high-resolution official photo is available for download at [http://www.auditor.state.mn.us/images/otto\\_hires.jpg](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>.*