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

State Auditor Otto Releases 2014 Town Finances Report

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ST. PAUL (11/18/2015) – 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, 2014.

In 2014, there were 1,783 towns compared to 852 cities and 87 counties. The 2014 population estimates from the State Demographer show that 916,414 individuals reside in towns, representing about 16.8 percent of the state population. Town populations range from 11,072 in the Town of White Bear to 5 in the Town of Hangaard. Fifty-two percent of towns have a population of 300 or less.

Highlights from the report include:

Current and Five-Year Trends

- In 2014, Minnesota towns reported total revenues of \$306.8 million. This amount represents a 9.6 percent increase over the total revenues reported in 2013. The number of towns that failed to report in 2014 (102) was 34 less than 2013 (136). An analysis that examined only those towns that reported both years showed an increase in total revenues of 7.0 percent.
- Minnesota towns reported total expenditures of \$291.5 million in 2014. This amount represents an increase of 9.1 percent over the amount reported in 2013. An analysis of only those towns that reported in 2013 and 2014 shows that total expenditures among these towns increased 6.7 percent.
- Debt service expenditures are the principal and interest payments on outstanding indebtedness. Towns had debt service expenditures of \$14.1 million in 2014. This amount represents an increase of 9.9 percent over 2013. Over the five-year period of 2010 to 2014, debt service expenditures decreased 6.3 percent.

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- Total outstanding indebtedness totaled \$60.2 million in 2014. This represents a decrease of 14.9 percent from 2013. Outstanding bonded indebtedness totaled \$41.1 million in 2014, which represents a decrease of 15.4 percent from the \$48.6 million outstanding in 2013. Other long-term debt totaled \$18.0 million in 2014, which was a decrease of 15.3 percent from 2013. In addition, towns reported \$1.1 million in short-term indebtedness in 2014, which was an increase of 26.4 percent over 2013.

Ten-Year Trends

- Between 2005 and 2014, total town revenues in actual dollars increased 33.4 percent. In constant, or inflation-adjusted, dollars, total town revenues increased 2.6 percent over this ten-year period.
- Since 2005, the share of total revenues derived from taxes has increased from 65.5 percent in 2005 to 72.7 percent in 2014, and the share of total revenues derived from intergovernmental sources has generally remained the same over that period.
- In constant, or inflation-adjusted, dollars, total town expenditures decreased 3.3 percent between 2005 and 2014. In actual dollars, total expenditures grew 25.8 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 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>.