

Quarterly local government finances

2016, 1st quarter

Municipalities' operating expenses totalled EUR 9.0 billion in January to March 2016

In January to March 2016, municipalities' external operating expenses amounted to EUR 9.0 billion and operating revenue to EUR 2.0 billion. Municipalities' tax funding was EUR 7.9 billion. Joint municipal authorities' external operating expenses amounted to EUR 2.9 billion and operating revenue to EUR 3.3 billion. These data appear from Statistics Finland's statistics on quarterly local government finances, for which data were collected from 80 municipalities and from 69 joint municipal authorities in Mainland Finland.

External quarterly data on the finances of municipalities and joint municipal authorities, EUR million¹⁾

	Municipalities	Joint municipal authorities
	Total	Total
Operating revenue total	1 974	3 284
Operating expenses total	9 019	2 920
Annual contribution margin	908	343
Loan stock	15 116	2 963

1) Operating expenses include expenses from production for own use.

Finances of municipalities and joint municipal authorities

Municipalities' external operating expenses amounted to EUR 9.0 billion and operating revenue to EUR 2.0 billion in January to March 2016. Municipalities' tax funding, which consists of tax revenue and central government transfers to local government, totalled EUR 7.9 billion. In all, 71.2 per cent of tax funding, or EUR 5.6 billion, comprised of tax revenues. The share of central government transfers to local government was thus 28.8 per cent, or EUR 2.3 billion. The combined annual contribution margin of municipalities was EUR 0.9 billion.

Municipalities used EUR 0.4 billion on investments in January to March 2016. At the end of the first quarter, the combined loan stock totalled EUR 15.1 billion. Loan per capita was EUR 2,769 at the end of the quarter.¹⁾

1) The population data used were the population of Mainland Finland on 31 December 2015.

Joint municipal authorities' external operating expenses amounted to EUR 2.9 billion and operating revenue to EUR 3.3 billion in January to March 2016. The combined annual contribution margin of joint municipal authorities was EUR 0.3 billion.

Joint municipal authorities spent EUR 0.1 billion on investments during the first quarter of the year. Joint municipal authorities' combined loan stock stood at EUR 3.0 billion at the end of the first quarter.

Information on the statistics

The statistics on quarterly local government finances are a sample survey and describe the development of the finances of municipalities and joint municipal authorities.

The data in the statistics on quarterly local government finances are preliminary and they might become revised in coming publications. No quarterly data by municipality or by joint municipal authority are published.

The data published in the statistics on quarterly local government finances are not directly comparable with the data of the previously published quarterly statistics because of the different way of handling local government enterprises. In the statistics on quarterly local government finances, local government enterprises are combined with data on basic municipalities and joint municipal authorities, while this was not done in the previous quarterly statistics published between 2013 and 2015.

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Appendix tables

Appendix table 1. External quarterly data on the finances of municipalities and joint municipal authorities (internal items eliminated), EUR million¹⁾

	1st quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Operating margin (+/-)	-7 008	365
Tax revenue	5 607	
Central government transfers to local government	2 265	
Financing income	91	3
Financing expenses	47	26
Annual contributing margin (+/-)	908	343
Depreciations and reductions in value	491	137
Extraordinary items (+/-)	1	1
Financial result for the accounting period (+/-)	418	206
Investment expenses total	403	130
Loan stock, at the end of the quarter	15 116	2 963

1) Local government enterprises were combined to the data and internal items were eliminated.

Appendix table 2. Quarterly data on the finances of municipalities and joint municipal authorities (incl. internal items), EUR million¹⁾

	1st quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Income statement:		
Operating revenue total	2 779	3 427
Sales revenue	1 224	3 178
Fees and charges	418	135
Subsidies and grants received	200	42
Other operating revenue	937	72
Change in inventories of finished goods and of work in progress (+/-)	0	0
Production for own use	37	1
Operating expenses total	9 824	3 063
Personnel expenses	3 480	1 459
Purchases of customer services	2 764	347
Purchases of other services	1 633	678
Materials, supplies and goods	469	362
Allowances and grants	604	45
Other operating expenses	874	172
= Operating margin (+/-)	-7 008	365

1) Data include local government enterprises and internal items between different functions of the municipality/joint municipal authority. Operating expenses include expenses from production for own use.

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Source: Quarterly local government finances, 1 st quarter 2016, Statistics Finland