

# Quarterly local government finances

2016, 3rd quarter

## Municipalities' operating expenses totalled EUR 27.4 billion in January to September 2016

In January to September 2016, municipalities' external operating expenses amounted to EUR 27.4 billion and operating revenue to EUR 5.6 billion. Municipalities received a total of EUR 24.0 billion in tax funding. Joint municipal authorities' external operating expenses amounted to EUR 9.3 billion and operating revenue to EUR 10.0 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 million<sup>1)</sup>

	Municipalities	Joint municipal authorities
	Total	Total
Operating revenue total	5 614	10 016
Operating expenses total	27 444	9 301
Annual contribution margin	2 683	654
Loan stock	14 899	3 029

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

### Finances of municipalities and joint municipal authorities

Municipalities' external operating expenses amounted to EUR 27.4 billion and operating revenue to EUR 5.6 billion in January to September 2016. Municipalities' tax funding, which consists of tax revenue and central government transfers to local government, totalled EUR 24.0 billion. In all, 71.6 per cent of tax funding, or EUR 17.2 billion, comprised of tax revenues. The share of central government transfers to local government was thus 28.4 per cent or EUR 6.8 billion. The combined annual contribution margin of municipalities was EUR 2.7 billion.

In the period from the beginning of January 2016 to the end of September 2016, municipalities used EUR 2.0 billion on investments. At the end of the third quarter, the loan stock totalled EUR 14.9 billion. Loan per capita was EUR 2,730 at the end of the quarter in question.<sup>1)</sup>

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

Joint municipal authorities' external operating expenses amounted to EUR 9.3 billion and operating revenue to EUR 10.0 billion in January to September 2016. The combined annual contribution margin was EUR 0.7 billion.

The investment expenditure of joint municipal authorities totalled EUR 0.5 billion in the first three quarters of 2016. The combined loan stock amounted to EUR 3.0 billion at the end of the third quarter.

## Information on the statistics

The statistics on quarterly local government finances are a sample survey that describes the development of the finances of municipalities and joint municipal authorities by quarter in Mainland Finland.

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 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 statistics on local government finances by quarter because of the different way of handling local government enterprises. In the statistics on quarterly local government finances, local government enterprises are combined with the data on basic municipalities and joint municipal authorities, while this was not done in the statistics on local government finances by quarter 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 million<sup>1)</sup>**

	1st to 3rd quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Operating margin (+/-)	-21 599	719
Tax revenue	17 166	
Central government transfers to local government	6 798	
Financing income	464	15
Financing expenses	146	80
Annual contributing margin (+/-)	2 683	654
Depreciations and reductions in value	1 483	419
Extraordinary items (+/-)	208	3
Financial result for the accounting period (+/-)	1 408	238
Investment expenses total	1 982	526
Loan stock, at the end of the quarter	14 899	3 029

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 million<sup>1)</sup>**

	1st to 3rd quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Income statement:		
Operating revenue total	8 782	10 419
Sales revenue	3 892	9 606
Fees and charges	1 279	410
Subsidies and grants received	548	117
Other operating revenue	3 063	287
Change in inventories of finished goods and of work in progress (+/-)	0	0
Production for own use	232	4
Operating expenses total	30 612	9 705
Personnel expenses	11 015	4 786
Purchases of customer services	8 758	1 133
Purchases of other services	4 896	1 989
Materials, supplies and goods	1 366	1 201
Allowances and grants	1 928	141
Other operating expenses	2 649	455
= Operating margin (+/-)	-21 599	719

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.

# Revision of data

## Change from first release<sup>1)</sup>

				1st release, EUR million	Latest release, EUR million	Revision of data, EUR million	Revision of data, %
Area	Item	Year	Quarter				
Municipalities	Operating revenue total	2016	1	1 974	1 707	-267	-13,5
			2	3 993	3 717	-276	-6,9
	Operating expenses total	2016	1	9 019	8 645	-374	-4,1
			2	18 536	18 098	-438	-2,4
	Loan stock, at the end of the quarter	2016	1	15 116	15 105	-11	-0,1
			2	14 895	14 884	-10	-0,1
Joint municipal authorities	Operating revenue total	2016	1	3 284	3 279	-5	-0,1
			2	6 696	6 697	1	0,0
	Operating expenses total	2016	1	2 920	2 952	31	1,1
			2	6 488	6 490	2	0,0
	Loan stock, at the end of the quarter	2016	1	2 963	2 963	0	0,0
			2	2 999	2 999	0	0,0

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

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