

Quarterly local government finances

2016, 2nd quarter

Municipalities' operating expenses totalled EUR 18.5 billion in January to June 2016

In January to June 2016, municipalities' external operating expenses amounted to EUR 18.5 billion and operating revenue to EUR 4.0 billion. Municipalities received a total of EUR 11.1 billion in tax revenue and EUR 4.5 billion in central government transfers. Joint municipal authorities' external operating expenses amounted to EUR 6.5 billion and operating revenue to EUR 6.7 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	3 993	6 696
Operating expenses total	18 536	6 488
Annual contribution margin	1 519	169
Loan stock	14 895	2 999

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

Finances of municipalities and joint municipal authorities

Municipalities' external operating expenses amounted to EUR 18.5 billion and operating revenue to EUR 4.0 billion in January to June 2016. Municipalities' tax funding, which consists of tax revenue and central government transfers to local government, totalled EUR 15.7 billion. In all, 71.1 per cent of tax funding comprised of tax revenues and 28.9 per cent of central government transfers. The combined annual contribution margin of municipalities was EUR 1.5 billion.

Municipalities' investment expenditure stood at EUR 1.2 billion at the end of the first half of 2016. At the end of June, the combined loan stock stood at EUR 14.9 billion, which amounted to EUR 2,729 per capita.

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 6.5 billion and operating revenue to EUR 6.7 billion in January to June 2016. The combined annual contribution margin of joint municipal authorities was EUR 0.2 billion.

Joint municipal authorities spent EUR 0.3 billion on investments during the two first quarters of the year. Joint municipal authorities' combined loan stock stood at EUR 3.0 billion at the end of June.

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 million¹⁾

	1st to 2nd quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Operating margin (+/-)	-14 415	211
Tax revenue	11 125	0
Central government transfers to local government	4 533	0
Financing income	374	12
Financing expenses	97	53
Annual contributing margin (+/-)	1 519	169
Depreciations and reductions in value	986	278
Extraordinary items (+/-)	196	2
Financial result for the accounting period (+/-)	729	-107
Investment expenses total	1 170	328
Loan stock, at the end of the quarter	14 895	2 999

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 to 2nd quarter	
	Municipalities	Joint municipal authorities
	2016	2016
Income statement:		
Operating revenue total	5 999	6 971
Sales revenue	2 647	6 453
Fees and charges	873	292
Subsidies and grants received	388	84
Other operating revenue	2 092	142
Change in inventories of finished goods and of work in progress (+/-)	0	0
Production for own use	128	3
Operating expenses total	20 542	6 763
Personnel expenses	7 249	3 195
Purchases of customer services	5 902	742
Purchases of other services	3 369	1 473
Materials, supplies and goods	970	893
Allowances and grants	1 288	94
Other operating expenses	1 765	367
= Operating margin (+/-)	-14 415	211

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 release¹⁾

				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	1 825	-149	-7,5
	Operating expenses total	2016	1	9 019	8 867	-152	-1,7
	Loan stock, at the end of the quarter	2016	1	15 116	15 115	-1	0,0
Joint municipal authorities	Operating revenue total	2016	1	3 284	3 278	-5	-0,2
	Operating expenses total	2016	1	2 920	2 951	31	1,1
	Loan stock, at the end of the quarter	2016	1	2 963	2 963	0	0,0

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

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Source: Quarterly local government finances, 2nd quarter 2016, Statistics Finland