

# Financial statements 2018

Appendix

# CITY OF TURKU

## Income statement 1 Jan 2018 - 31 Dec 2018

Income statement	2018	2017
	1 000 €	1 000 €
<b>Operating revenue</b>	<b>272 357</b>	<b>270 820</b>
Sales proceeds	111 174	110 486
Fees and charges	63 201	65 163
Subsidies and grants	26 064	27 743
Rental yield	47 075	44 037
Other operating revenue	24 843	23 390
<b>Production for own use</b>	<b>1 864</b>	<b>2 414</b>
<b>Operating expenses</b>	<b>-1 309 940</b>	<b>-1 298 085</b>
Personnel expenses	-495 830	
Salaries and fees	-392 068	-384 341
Social security expenses	-103 762	
Pension expenses	-89 029	-90 195
Other social security expenses	-14 733	-17 673
Procured services	-603 033	-572 316
Materials, supplies and goods	-55 551	-55 882
Allowances and grants	-95 085	-105 832
Renting expenses	-51 246	-48 161
Other operating expenses	-9 194	-23 684
<b>Operating margin</b>	<b>-1 035 719</b>	<b>-1 024 851</b>
<b>Tax revenue</b>	<b>754 526</b>	<b>749 018</b>
Municipal income tax	601 726	601 025
Share of corporate tax income	97 196	94 339
Property tax	55 603	53 654
<b>Central government transfers to local government</b>	<b>256 380</b>	<b>256 605</b>
<b>Financing income and expenses</b>	<b>31 053</b>	<b>58 303</b>
Interest income	24 218	25 669
Other financing income	24 633	40 692
Interest expenses	-7 365	-7 020
Other financing expenses	-10 433	-1 038
<b>Annual contribution margin</b>	<b>6 239</b>	<b>39 074</b>
<b>Depreciations and reduction in value</b>	<b>-56 046</b>	<b>-55 626</b>
Depreciations according to plan	-55 787	-55 626
Reductions in value	-259	0
<b>Extraordinary items</b>	<b>0</b>	<b>23 660</b>
Extraordinary income	0	24 049
Extraordinary expenses	0	-389
<b>Financial result for the accounting period</b>	<b>-49 806</b>	<b>7 108</b>
Increase (-) or decrease (+) in depreciation difference	1 531	166
Increase (-) or decrease (+) in voluntary provisions	400	2 419
Increase (-) or decrease (+) in funds	75	14 504
<b>Surplus/deficit for the accounting period</b>	<b>-47 800</b>	<b>24 197</b>

**Income statement ratios**

	<b>2018</b>	<b>2017</b>
Operating revenue / Operating expenses, %	20,8	20,9
Annual contribution margin / Deprecations, %	11,1	70,2
Annual contribution margin € / resident	33	206
Number of residents	191 664 *	189 794

\* advance information

## Balance sheet 31 Dec 2018

	<b>2018</b>	<b>2017</b>
	1 000 €	1 000 €
<b>NON-CURRENT ASSETS</b>	<b>1 553 997</b>	<b>1 538 212</b>
<b>Intangible assets</b>	<b>17 076</b>	<b>18 603</b>
Intangible rights	3 345	3 677
Other capitalised long-term expenses	13 619	12 391
Advance payments	112	2 535
<b>Tangible assets</b>	<b>683 015</b>	<b>664 714</b>
Land and water area	137 990	128 271
Buildings	220 659	220 684
Fixed structures and installations	289 383	272 945
Machinery and equipment	15 784	14 378
Other tangible assets	3 189	3 091
Advance payments and construction in progress	16 010	25 346
<b>Investments</b>	<b>853 906</b>	<b>854 895</b>
Subscribed capital	213 179	206 645
Other loan receivables	640 556	648 079
Other receivables	170	170
<b>FUNDS FROM ASSIGNMENTS</b>	<b>46 429</b>	<b>48 665</b>
State assignments	21 902	23 352
Endowment assets	22 918	23 742
Other reserves from assignments	1 610	1 570
<b>CURRENT ASSETS</b>	<b>317 751</b>	<b>330 810</b>
<b>Current assets</b>	<b>1 572</b>	<b>1 369</b>
Materials and supplies	611	575
Work in process	960	794
<b>Receivables</b>	<b>108 488</b>	<b>112 848</b>
Long-term receivables	2 613	70
Loan receivables	80	70
Other receivables	2 533	0
Short-term receivables	105 875	112 778
Sales receivables	15 360	16 594
Loan receivables	53 127	60 318
Other receivables	13 570	12 902
Prepayments and accrued income	23 819	22 964
<b>Shares and holdings</b>	<b>115 458</b>	<b>121 686</b>
Shares and other similar rights of ownership	21 354	43 999
Bond receivables	94 104	77 687
<b>Cash in hand and at banks</b>	<b>92 233</b>	<b>94 907</b>
<b>ASSETS IN TOTAL</b>	<b>1 918 177</b>	<b>1 917 686</b>

<b>CAPITAL AND RESERVES</b>	<b>810 250</b>	<b>858 125</b>
Initial capital	601 956	601 956
Other internal funds	23	98
Surplus/deficit from previous accounting periods	256 071	231 875
Surplus/deficit for the accounting period	-47 800	24 197
<b>DEPRECIATION DIFFERENCE AND VOLUNTARY PROVISIONS</b>	<b>37 983</b>	<b>39 914</b>
Depreciation difference	33 239	34 769
Voluntary provisions	4 744	5 144
<b>MANDATORY PROVISIONS</b>	<b>7 311</b>	<b>8 861</b>
Provisions for pensions	3 334	5 194
Other mandatory provisions	3 978	3 667
<b>CAPITAL FROM ASSIGNMENTS</b>	<b>47 893</b>	<b>49 592</b>
State assignments	21 868	23 318
Capital from donation funds	24 416	24 703
Other capital from assignments	1 610	1 571
<b>LIABILITIES</b>	<b>1 014 739</b>	<b>961 193</b>
<b>Long-term liabilities</b>	<b>590 010</b>	<b>545 506</b>
Debentures	80 000	130 000
Loans from financial institutions and insurance	488 484	401 607
Other liabilities / Connection fees and other debts	21 063	13 331
Accrued expenses and deferred income	464	567
<b>Short-term liabilities</b>	<b>424 729</b>	<b>415 688</b>
Debentures	50 000	70 000
Loans from financial institutions and insurance	33 123	20 012
Loans from other creditors	169 217	135 437
Advances received	281	241
Accounts payable	73 325	64 335
Other liabilities / Connection fees and other debts	18 727	16 318
Accrued expenses and deferred income	80 056	109 345
<b>LIABILITIES IN TOTAL</b>	<b>1 918 177</b>	<b>1 917 686</b>

<b>Balance sheet ratios</b>	<b>2018</b>	<b>2017</b>
Equity ratio, %	44,2	46,8
Relative indebtedness, %	79,1	75,3
Debts and liabilities out of usable income, %	115,7	106,2
Accumulated surplus/deficit, 1,000 €	208 271	256 071
Accumulated surplus/deficit, € / resident	1 087	1 350
Loan portfolio 31 Dec	820 824	757 056
Loans, € / resident	4 283	3 991
Loan receivables 31 Dec	640 556	648 079
Number of residents	191 664 *	189 669

\* advance information

## Cash flow statement 1 Jan 2018 - 31 Dec 2018

	<b>2018</b>	<b>2017</b>
	1 000 €	1 000 €
<b>Cash flow from operations</b>	<b>-14 546</b>	<b>48 959</b>
Annual margin	6 239	39 074
Extraordinary items	0	23 660
Adjustments to internal financing	-20 786	-13 775
<b>Cash flow from investment</b>	<b>-60 118</b>	<b>15 756</b>
Investment expenses	-81 153	-106 582
Allotments for capital expenditure	1 123	1 199
Proceeds from sale of non-current assets	19 912	121 140
<b>Operating and investment cash flow</b>	<b>-74 664</b>	<b>64 715</b>
<b>Cash flow from from financing</b>		
<b>Change in long-term receivables</b>	<b>7 523</b>	<b>-137 655</b>
Increases in granted loans	-13 952	-144 486
Decreases in granted loans	21 475	6 832
<b>Change in loans</b>	<b>63 768</b>	<b>81 801</b>
Increase in long-term loans	120 000	100 000
Repayments of long-term loans	-70 012	-12
Change in short-term loans	13 780	-18 188
<b>Other changes in liquidity</b>	<b>-5 528</b>	<b>21 423</b>
Change in funds and capital from assignments	537	-263
Change in current assets	-202	412
Change in receivables	4 360	-1 411
Change in interest-free liabilities	-10 222	22 685
<b>Net cash flow from financing</b>	<b>65 763</b>	<b>-34 431</b>
<b>Change in liquid assets</b>	<b>-8 901</b>	<b>30 284</b>
Change in liquid assets	-8 901	30 284
Liquid assets 31 Dec	207 691	216 593
Liquid assets 1 Jan	216 593	186 309

### Cash flow statement ratios

	<b>2018</b>	<b>2017</b>
Cash flow accumulation of operations and investments 5 yr., 1,000€	128 732	206 810
Cash flow financing of investments, %	7,8	37,1
Loan servicing margin	0,1	0,5
Sufficiency of funds, days	50,8	50,8
Number of residents	191 664 *	189 669

<b>CONSOLIDATED INCOME STATEMENT</b>		<b>2018</b>	<b>2017</b>
		1 000 €	1 000 €
<b>Operating revenue</b>		<b>951 668</b>	<b>932 945</b>
Sales proceeds (+)		787 156	768 334
Extraordinary items		72 903	74 621
Subsidies and grants (+)		32 908	32 740
Rental yield (+)		28 751	27 705
Other operating revenue (+)		29 950	29 544
<b>Change in stocks of products</b>		<b>-532</b>	<b>523</b>
<b>Production for own use (+)</b>		<b>9 221</b>	<b>14 170</b>
<b>Operating expenses</b>		<b>-1 898 686</b>	<b>-1 865 832</b>
Personnel expenses			
Salaries and fees (-)		-636 605	-621 593
Social security expenses			
Pension expenses (-)		-117 148	-117 822
Other social security expenses (-)		-44 643	-49 177
Procured services (-)		-544 022	-518 516
Materials, supplies and goods		-309 712	-303 087
Allowances and grants (-)		-88 448	-101 426
Renting expenses (-)		-53 950	-49 810
Other operating expenses (-)		-104 157	-104 402
<b>Share of profit (loss) of associated companies</b>		<b>7 869</b>	<b>12 261</b>
<b>OPERATING MARGIN</b>		<b>-930 460</b>	<b>-905 934</b>
<b>Tax revenue</b>		<b>749 749</b>	<b>744 440</b>
<b>Central government transfers to local government (+)</b>		<b>312 582</b>	<b>311 083</b>
<b>Financial income and expenses</b>		<b>-14 062</b>	<b>-2 010</b>
Interest income (+)		7 773	8 393
Other financing income (+)		7 121	9 927
Interest expenses (-)		-19 524	-19 147
Other financing expenses (-)		-9 432	-1 182
<b>ANNUAL CONTRIBUTION MARGIN</b>		<b>117 810</b>	<b>147 579</b>
<b>Depreciations and reduction in value</b>		<b>-140 700</b>	<b>-135 517</b>
Depreciations according to plan (-)		-140 694	-135 513
Ownership elimination differences		-6	0
Reductions in value		0	-3
<b>Extraordinary items</b>		<b>0</b>	<b>-21</b>
Extraordinary income (+)		0	368
Extraordinary expenses (-)		0	-389
<b>FINANCIAL RESULT FOR THE ACCOUNTING PERIOD</b>		<b>-22 890</b>	<b>12 042</b>
Appropriations		-1 712	14 426
Current tax		-3 805	-4 529
Deferred tax		-3 079	-3 088
Minority interest		-2 178	-3 316
<b>SURPLUS / DEFICIT FOR THE ACCOUNTING PERIOD</b>		<b>-33 665</b>	<b>15 535</b>
<b>Consolidated income statement ratios</b>		<b>2018</b>	<b>2017</b>
Operating revenue / Operating expenses, %		50,4	50,4
Annual contribution margin / Depreciations,%		83,7	108,9
Annual contribution margin, € / resident		615	778
Number of residents		191 664 *	189 669

## CONSOLIDATED BALANCE SHEET

ASSETS	2018	2017
	1 000 €	1 000 €
<b>NON-CURRENT ASSETS</b>	<b>2 590 892</b>	<b>2 503 962</b>
<b>Intangible assets</b>	<b>32 647</b>	<b>28 882</b>
Intangible assets	3 937	4 473
Consolidated goodwill	315	468
Other capitalised long-term expenses	28 283	21 264
Advance payments	112	2 677
<b>Tangible assets</b>	<b>2 320 693</b>	<b>2 239 048</b>
Land and water area	219 417	207 315
Buildings	1 200 013	1 145 021
Fixed structures and installations	563 822	536 156
Machinery and equipment	93 182	86 490
Other tangible assets	119 233	120 194
Advance payments and construction in progress	125 026	143 871
<b>Investments</b>	<b>237 551</b>	<b>236 032</b>
Holdings in associated companies	91 765	91 911
Subscribed capital	50 031	39 252
Bond receivables	990	990
Other loan receivables	94 329	103 432
Other receivables	436	447
<b>FUNDS FROM ASSIGNMENTS</b>	<b>31 966</b>	<b>32 277</b>
State assignments	5 305	4 676
Special margins for donation funds	23 295	24 038
Other reserves from assignments	3 365	3 563
<b>CURRENT ASSETS</b>	<b>450 010</b>	<b>425 280</b>
<b>Current assets</b>	<b>12 619</b>	<b>11 196</b>
Materials and supplies	8 285	7 383
Work in process	4 111	3 528
Finished products/goods	197	250
Other current assets	25	35
Advance payments of current assets	0	1
<b>Receivables</b>	<b>155 007</b>	<b>140 851</b>
Long-term receivables	10 277	6 351
Loan receivables	80	70
Deferred tax receivables	1 513	1 514
Other receivables	2 983	345
Prepayments and accrued income	5 702	4 422
Short-term receivables	144 730	134 500
Sales receivables	87 761	79 908
Loan receivables	319	226
Other receivables	23 719	25 219
Prepayments and accrued income	32 930	29 147
<b>Shares and holdings</b>	<b>130 513</b>	<b>136 701</b>
Shares and other similar rights of ownership	23 130	45 966
Investments in money market instruments	2 500	2 500
Bond receivables	95 948	79 438
Other securities	8 935	8 797
<b>Cash in hands at banks</b>	<b>151 870</b>	<b>136 531</b>
<b>ASSETS IN TOTAL</b>	<b>3 072 867</b>	<b>2 961 519</b>



<b>LIABILITIES</b>	<b>2018</b>	<b>2017</b>
	1 000 €	1 000 €
<b>CAPITAL AND RESERVES</b>	<b>1 018 762</b>	<b>1 021 865</b>
Initial capital	601 956	601 956
Initial capital of foundations	29 003	3
Other internal funds	70 858	69 295
Surplus/deficit from previous accounting periods	350 611	335 075
Surplus/deficit for the accounting period	-33 665	15 535
<b>MINORITY INTEREST</b>	<b>65 247</b>	<b>60 950</b>
<b>MANDATORY PROVISIONS</b>	<b>18 201</b>	<b>18 863</b>
Provisions for pensions	3 385	5 251
Other mandatory provisions	14 816	13 612
<b>CAPITAL FROM ASSIGNMENTS</b>	<b>33 467</b>	<b>33 336</b>
State assignments	5 271	4 642
Capital from donation funds	24 901	25 176
Other capital from assignments	3 295	3 519
<b>LIABILITIES</b>	<b>1 937 189</b>	<b>1 826 504</b>
Long-term liabilities	1 405 299	1 265 074
Debtentures	80 000	130 000
Loans from financial institutions and insurance companies	1 154 885	922 072
Loans from general government	77 629	132 213
Loans from other creditors	25	122
Advances received	3	0
Connection fees and other debts	65 065	54 283
Accrued expenses and deferred income	5 803	5 907
Deferred tax liabilities	21 890	20 478
Short-term liabilities	531 890	561 430
Debtentures	50 000	70 000
Loans from financial institutions and insurance companies	69 535	66 107
Loans from general government	9 017	8 405
Loans from other creditors	55 610	55 006
Advances received	7 355	10 970
Accounts payable	119 072	112 487
Connection fees and other debts	59 090	49 886
Accrued expenses and deferred income	147 860	175 919
Deferred tax liabilities	14 352	12 650
<b>LIABILITIES IN TOTAL</b>	<b>3 072 867</b>	<b>2 961 519</b>

<b>Consolidated balance sheet ratios</b>	<b>2018</b>	<b>2017</b>
Equity ratio, %	35,4	36,7
Relative indebtedness, %	95,8	91,3
Debt and liability rate out of usable income %	117,1	113,7
Accumulated surplus/deficit, 1,000 €	316 945	350 611
Accumulated surplus/deficit, € / resident	1 654	1 849
Loan portfolio 31 Dec, 1,000 €	1 496 700	1 383 924
Loan portfolio 31 Dec, € / resident	7 809	7 297
Loan receivables 31 Dec, 1,000 €	95 319	104 422
Number of residents	191 664 *	189 669

\* advance information

CONSOLIDATED CASH FLOW STATEMENT	2018	2017
	1 000 €	1 000 €
<b>Cash flow from operations</b>		
Annual margin	117 810	147 579
Extraordinary items	0	-21
Current tax	-3 805	-4 529
Adjustments to internal financing	13 051	-23 481
	127 055	119 549
<b>Cash flow from investments</b>		
Investment expenses	-251 081	-230 499
Allotments for capital expenditure	3 797	1 558
Proceeds from sale of non-current assets	30 582	26 502
	-216 702	-202 439
Operating and investment cash flow	-89 647	-82 890
<b>Cash flow from financing</b>		
Change in long-term receivables		
Increase in granted loans	-3 340	-2 556
Decrease in granted loans	12 454	1 102
	9 114	-1 454
Change in loans		
Increase in long-term loans	251 445	165 829
Repayments of long-term loans	-116 428	-45 088
Change in short-term loans	-25 468	-45 098
	109 550	75 644
Change in operating capital		
Change in operating capital	-1 777	1 308
Changes in minority share	2 119	550
	342	1 858
Other changes in liquidity		
Change in funds and capital from assignments	442	-325
Change in current assets	-1 423	76
Change in receivables	-13 760	-13 603
Change in interest-free liabilities	-5 467	35 301
	-20 208	21 449
Net cash flow from financing	98 798	97 496
<b>Change in liquid assets</b>	<b>9 151</b>	<b>14 606</b>
<b>Change in liquid assets</b>	<b>9 151</b>	<b>14 606</b>
Liquid assets, 31 Dec	282 384	273 233
Liquid assets, 1 Jan	273 233	258 627
<b>Consolidated cash flow statement ratios</b>	<b>2018</b>	<b>2017</b>
Cash flow financing of investments, %	47,6	64,5
Loan servicing margin	1,0	2,6
Sufficiency of funds, days	45	46
Cash flow accumulation of operations and investments 5 yr., 1,000€	-166 836	-123 902