



Kyoto Prefecture Financial Profile and Fiscal Reforms (Data)

京都府



October 2017

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FY2017: Overview of Original General Account Budget



FY2017: Basic Budgeting Policy



- The original budget for FY2017 was formulated to carry out 16 key businesses for the purpose of realizing an “inclusive society” on the foundations we have built to satisfy hopes through mutual support among citizens. The budget is also aimed at steadily implementing measures to complete “Kyoto for Tomorrow” revised in FY2014.

Inclusive Society Realization Budget: Key Businesses

①	Business to provide a safe place to children	⑨	Business to revitalize traditional industries
②	Business to provide support for people who are socially withdrawn	⑩	Business to appropriately respond to increasing tourists to Kyoto
③	Business to promote an inclusive society for disabled persons	⑪	Business to reform Kyoto food business
④	Business to break through the barriers against women’s active participation	⑫	Business to promote smart measures against warming
⑤	Business to build a safe society for the elderly	⑬	Business to urgently enhance cultural properties protection
⑥	Business to promote cancer control programs	⑭	“Tea in Kyoto” business
⑦	Business to provide integrated support for employment and scholarship repayment	⑮	Business to promote move-in to Kyoto
⑧	Business to promote cooperation among small and medium-sized manufacturers	⑯	Business to develop a foundation for a cohesive society



Outline of FY2017 Budget (General Account, Revenues, & Expenditures)



(Million yen)

Breakdown of Revenues

Items	FY2017	FY2016	Difference
Prefectural Tax	291,000	301,000	-10,000
Corporate inhabitant/ enterprise taxes	81,808	85,075	-3,267
Other taxes	209,192	215,925	-6,733
Local Allocation Tax	163,500	177,800	-14,300
Special Local Grants	1,031	948	83
Adjustment of Local Consumption Tax	99,400	106,170	-6,770
Local Transfer Tax	43,210	42,040	1,170
National Government Disbursements	71,832	82,574	-10,742
Money transferred	10,575	11,345	-770
Rents and Fees	12,478	12,691	-213
Other Revenues	118,063	117,654	409
Local Bonds	104,281	111,723	-7,442
Extraordinary financial countermeasures bonds	48,500	50,300	-1,800
Total	915,370	963,945	-48,575

(Million yen)

Breakdown of Expenditures

Items	FY2017	FY2016	Difference
Personnel Expenses	220,315	282,361	-62,046
Salaries	200,383	255,096	-54,713
Retirement Allowances	19,932	27,265	-7,333
Supplies Expenses	29,974	30,057	-83
Repairing Expenses	2,144	2,255	-111
Subsidy Expenses, Social Assistance Expenditures	453,729	432,359	21,370
Normal Construction Costs	79,031	83,051	-4,020
Works w/ Govt Assistance	33,767	36,363	-2,596
Works w/o Govt Assistance	45,264	46,688	-1,424
Expenses for Restoration Work from Disasters	1,240	1,416	-176
Debt Servicing	115,242	119,123	-3,881
Transfers to Other Accounts	4,177	4,388	-211
Reserves	9,218	8,635	583
Other	300	300	0
Total	915,370	963,945	-48,575

FY2017 Administrative and Fiscal Reforms



- As part of the “Plan to Maximize Citizen Satisfaction and Gather Strength in Kyoto,” we are implementing administrative reforms that will generate a total of 22.0 billion yen or more in FY2017.
- In addition, we are working to reduce personnel expenses by cutting salaries of special service employees and management employees, etc.

Push through administrative and fiscal reforms exceeding 22.0 billion yen

Cut personnel expenses

-1.1 billion yen

- Effects of cutting salaries of special service employees and management employees, hiring a younger workforce, etc.
*Personnel expenses (excl. retirement costs) accounted for 21.9% of total expenditures (FY2017)

Review operations to meet citizens' needs

-13.1 billion yen

- Focus on a “scrap & build” strategy based on budget screening and assessment (suspend or cut back 369 operations)

Give a high priority on public works

-4.0 billion yen

- Reduce public works expenditures by 4.8% on a year-on-year basis by giving a high priority on the works

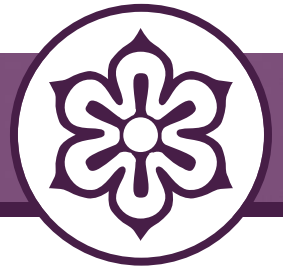
Increase revenues

4.4 billion yen

- Increase prefectural tax collection rate (from 98.5% in FY2015 to 98.6% in FY2017, planned)



Public Sector and Affiliated Organizations

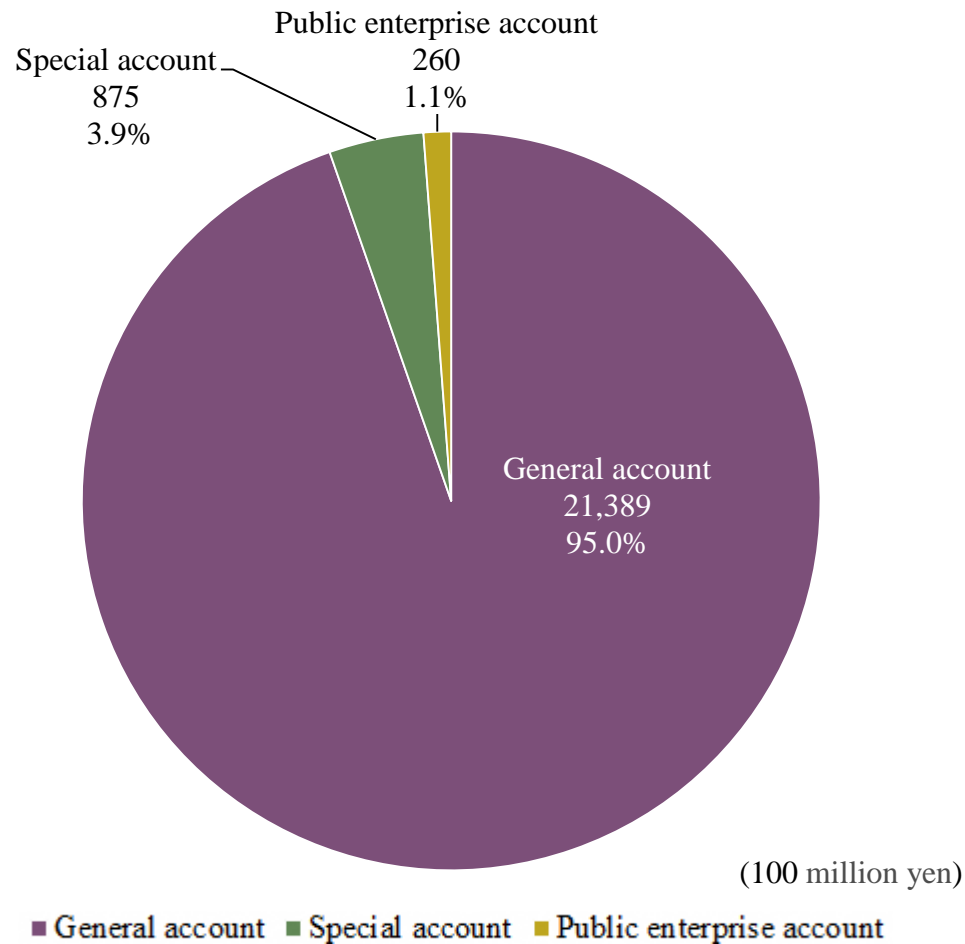


Outstanding Bond Issuances by Account



■ General account accounts for 90% of total outstanding local government debt.

Bond Issuances Outstanding by Account as of the End of FY2016



Public Corporation Account (1)



Hospitals

(Million yen)

Category	Revenue Balance (P/L Account)			Capital Balance (Capital Account)					(Reference)		
	Revenue	Expenses	Difference	Revenue	Corp. Bonds	Expenses	Corp. Bond Redemptions	Difference	Depreciation	Corp. Bonds Outstanding	Surplus (Shortfall)
FY2012	8,309	8,634	-325	1,090	302	1,099	515	-9	522	3,963	-17,350
FY2013	2,405	6,974	-4,569	206	82	256	182	-50	90	725	-21,919
FY2014	2,329	2,492	-163	68	37	171	150	-103	102	612	-21,974
FY2015	2,411	2,556	-145	219	100	220	188	-1	103	524	-22,122
FY2016	2,367	2,470	-103	162	95	164	147	-2	105	473	-22,227

*For hospital accounting, Yosanoumi Hospital became a prefectural medical university hospital as of FY2013.

Electricity Business

(Million yen)

Category	Revenue Balance (P/L Account)			Capital Balance (Capital Account)					(Reference)		
	Revenue	Expenses	Difference	Revenue	Corp. Bonds	Expenses	Corp. Bond Redemptions	Difference	Depreciation	Corp. Bonds Outstanding	Surplus (Shortfall)
FY2012	373	431	-58	0	0	170	65	-170	125	340	-91
FY2013	450	486	-36	0	0	125	66	-125	138	274	-132
FY2014	512	560	-48	0	0	101	67	-101	160	206	-180
FY2015	553	685	-132	0	0	164	68	-164	126	138	-318
FY2016	517	493	24	0	0	76	69	-76	120	69	-295

Public Corporation Account (2)



Water Supply Business

(Million yen)

Category	Revenue Balance (P/L Account)			Capital Balance (Capital Account)					(Reference)		
	Revenue	Expenses	Difference	Revenue	Corp. Bonds	Expenses	Corp. Bond Redemption	Difference	Depreciation	Corp. Bonds Outstanding	Surplus (Shortfall)
FY2012	5,211	5,251	-40	1,607	0	4,013	1,576	-2,406	2,027	26,223	-282
FY2013	5,134	5,172	-38	1,804	981	4,230	1,636	-2,426	1,972	25,569	-442
FY2014	5,794	6,205	-411	1,706	759	4,145	1,708	-2,439	2,582	24,620	-908
FY2015	5,343	5,161	182	4,381	2,780	7,262	1,807	-2,881	2,541	25,592	-1,011
FY2016	5,420	5,155	265	2,933	1,747	5,117	1,913	-2,184	2,597	25,427	-946

Industrial Water Supply Business

(Million yen)

Category	Revenue Balance (P/L Account)			Capital Balance (Capital Account)					(Reference)		
	Revenue	Expenses	Difference	Revenue	Corp. Bonds	Expenses	Corp. Bond Redemption	Difference	Depreciation	Corp. Bonds Outstanding	Surplus (Shortfall)
FY2012	224	209	15	0	0	66	3	-66	63	29	12
FY2013	228	200	28	58	0	273	3	-215	64	26	17
FY2014	310	277	33	44	0	221	3	-177	108	23	664
FY2015	286	257	29	0	0	121	3	-121	100	20	-42
FY2016	290	269	21	0	0	281	3	-281	105	17	-22

Financial Results of Three Local Public Corporations



<As of March 31, 2017>

(Million yen)

Category		Kyoto Pref. Land Development Public Corp.		Kyoto Pref. Roads Corp.		Kyoto Pref. Housing Supply Corp.	
		FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
Capital Injection		20	20	9,471	9,471	10	10
Assets	Current Assets	9,264	8,066	2,220	2,695	893	1,183
	Fixed Assets	25	25	33,674	34,311	1,290	1,252
	Total Assets	9,289	8,091	35,894	37,006	2,183	2,435
Liabilities	Current Liabilities	2,587	2,821	20,020	21,163	134	338
	Fixed Liabilities	5,177	3,892	6,586	7,164	93	93
	Allowances under Special Law	-	-	2,425	2,028	-	-
	Total Liabilities	7,764	6,713	29,031	30,355	227	431
Capital	Capital Stock	20	20	9,471	9,471	10	10
	Capital Surplus	-	-	-2,608	-2,820	1,946	1,994
	Legal Reserve	1,505	1,358	-	-	-	-
	Total Capital	1,525	1,378	6,863	6,651	1,956	2,004
Total Assets and Liabilities		9,289	8,091	35,894	37,006	2,183	2,435
Recurring Profits and Losses	Operating Revenue (a)	2,705	707	7,367	6,795	1,789	1,841
	Operating Expenses (b)	2,533	764	6,690	6,083	1,804	1,868
	General and Administrative Expenses (c)	15	14	305	212	34	31
	Operating Profit (d = a - b - c)	157	-71	372	500	-49	-58
	Non-operating Income (e)	1	6	15	538	2	6
	Non-operating Expenses (f)	11	25	175	234	1	1
	Recurring Profit (g = d + e - f)	147	-90	212	804	-48	-53
Extraordinary Profits and Losses	Extraordinary Profit (h)	-	59	-	-	2	-
	Extraordinary Loss (i)	-	-	-	-	2	-
	Transfer from Specific Reserve (j)	-	-	-	-	-	-
	Transfer to Specific Reserve (k)	-	-	-	-	-	-
	Current Income (g + h - i)	147	-31	212	804	-48	-53
	(g + h - i + j - k)					-48	-53
Debt balance related to debt guaranteed by the local government		3,711	3,696	21,289	22,312	-	-

Financial Results of Major Corporations



(Thousand yen)

Organizations	Capital		FY2016			FY2015		
		Investment from Kyoto	Net Assets	Of which ordinary net assets	Year-on-year change	Net Assets	Of which ordinary net assets	Year-on-year change
Kyoto Prefectural International Center	100,000	(100,000)	136,515	26,325	5,994	179,441	20,331	2,847
Kyoto Culture Foundation	176,800	(56,000)	1,025,155	769,355	21,573	1,003,582	747,782	36,057
Kyoto Prefectural Social Welfare Agency	10,000	(10,000)	689,232	453,035	-2,861	692,143	455,896	-176
Kyoto Prefecture SME Center	4,000	(2,000)	430,565	430,565	20,384	410,181	410,181	22,201
Kyoto Industrial Support Organization 21	210,000	(65,000)	3,117,127	303,735	28,325	2,814,377	275,410	-22,866
Kyoto Prefecture Residents' Exchange Agency	44,000	(25,000)	137,678	93,678	44,309	93,369	49,369	25,076
Kyoto Agriculture Conference & Kyoto Agriculture Comprehensive Support Corp.	13,910	(4,000)	14,413	503	2,098	12,315	-1,595	5
Tango Kingdom, "Shoku-no-Miyako"	20,000	(10,000)	44,191	23,702	159	43,543	23,543	-1,373
Kyoto Prefecture Park Corp	10,000	(10,000)	100,975	90,975	33,933	67,042	57,042	-11,332
Kyoto Prefecture Research Center for Archaeological Properties	10,000	(10,000)	148,308	138,308	7,960	140,348	130,348	3,079

Debt Guarantee and Compensation



- Kyoto local government's debt guarantee and remaining compensation by guarantee totaled 60.1 billion yen, accounting for 3% of outstanding local debt.

(100 million yen)

Guarantee	FY2016 Guarantee Balance	Details
Kyoto Agriculture Conference & Kyoto Agriculture Comprehensive Support Corp.	1	Compensation for loss related to rationalizing agricultural land transactions
Kyoto Pref. Land Development Public Corp.	175	Guarantees of debt related to land procurement
Kyoto Pref. Roads Corp.	425	Guarantees of debt related to toll road facilities
Other	-	
Total	601	

Key Financial Indicators



- Key financial indicators are listed below. Kyoto is ranked relatively high in the Financial Capability Index, which indicates a degree of financial independence, and the Net Bond Cost Ratio, which shows the burden of redemptions.

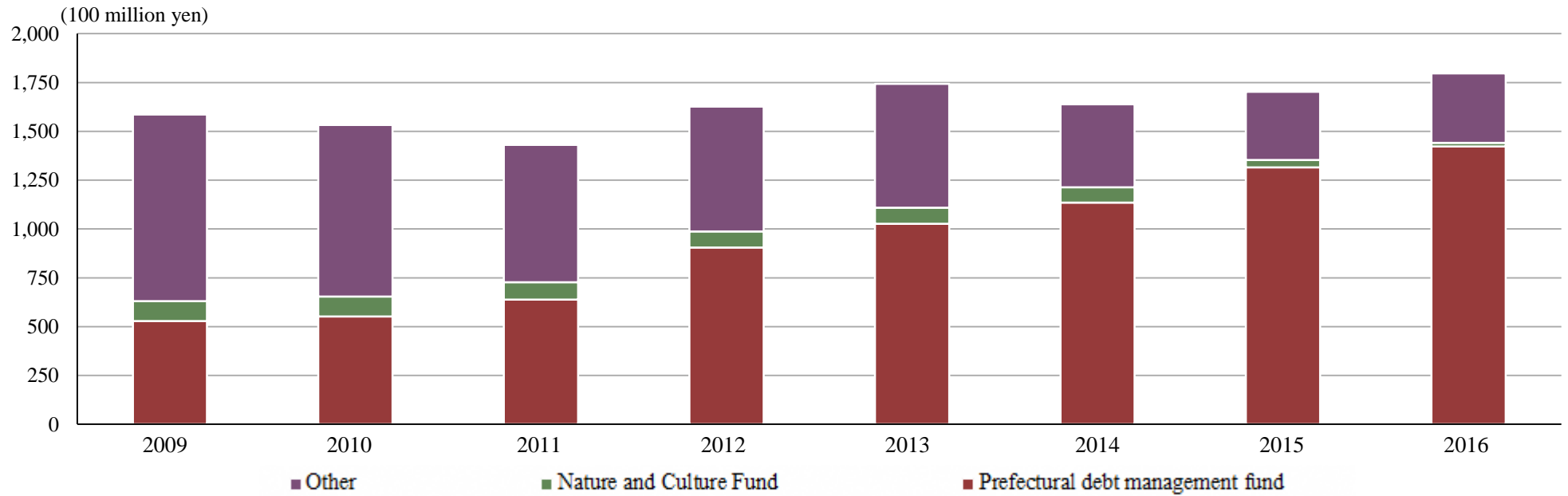
Category		2009	2010	2011	2012	2013	2014	2015	2016
Financial Strength Index	Kyoto	0.63844	0.60998	0.57038	0.55732	0.54959	0.55279	0.56713	0.58423
	Japan	0.51568	0.48985	0.46523	0.45529	0.46370	0.45380	0.49210	0.50540
	Rank	10	9	11	11	15	15	16	16
Recurring Profit Ratio	Kyoto	95.8	93.6	95.4	95.0	94.2	94.3	95.0	94.7
	Japan	95.3	90.9	93.9	94.1	93.0	93.5	94.1	95.4
	Rank	28	38	36	33	33	33	29	15
Net Bond Cost Ratio	Kyoto	11.7	12.8	14.2	14.6	15.4	15.7	16.2	14.9
	Japan	14.4	14.8	15.2	14.8	14.6	14.1	13.6	-
	Rank	9	10	14	20	31	38	41	-
Laspeyres Index	Kyoto	100.0	99.3	99.2	107.6	99.5	98.7	99.6	100.5
	Japan	98.6	98.8	99.3	107.5	101.5	99.7	99.5	100.0
	Rank	20	24	29	28	38	35	27	21

- Financial strength index is a 3-year moving average. Ranked from top to bottom.
- Financial strength index: This is calculated by dividing revenue used in the calculation of local allocation tax by demand; a higher index indicates more resources.
- Recurring Profit Ratio: This is calculated by dividing general resources allocated to recurring expenses by general resources in recurring revenue. Gauges elasticity of fiscal structure.
- Net Bond Cost Ratio: In addition to public debt payments used for calculating “debt service payment ratio used for permission to issue local bonds,” expenditures related to public debt burden (expenditures involved in debt burden correspond to public debt payments) and balance of amortization funds (theoretical shortfall versus balance) are taken into consideration. Bond issuance must be approved if the ratio exceeds 18%.

Fund Balance



■ Kyoto has an adequate debt management fund.



(100 million yen)

Category	2009	2010	2011	2012	2013	2014	2015	2016
Financial adjustment fund	0	0	0	0	0	0	0	0
Prefectural debt management fund	528	552	638	905	1,027	1,135	1,315	1,422
Nature and Culture Fund	102	102	89	82	82	78	38	19
Other	956	878	703	639	634	425	350	356
Total	1,586	1,532	1,430	1,626	1,743	1,638	1,703	1,797

*The figure 0 for the financial adjustment fund indicates a remaining debt of less than 100 million yen.