

FINAL BALANCE SHEETS OF MUNICIPAL GOVERNMENTS

Year 2012

The analysis of Municipal-level final balance certificates and local financing in particular falls within the context of Istat's statistical framework on general governments.

The provisional estimations presented in the following statistical summary are based on information from Ministry of the Interior data banks.

Revenue accounts by economic category

The total revenue assessed by municipal governments during fiscal year 2012 was estimated at 77,385 million euros (Table 1). This general total does not include the *revenue of third-party contractors*.

The total assessed revenue grew up to 78.1 percent current revenues, 14.8 percent capital revenue and the remaining 7.1 percent for revenue derived from the opening of lines of credit.

Relative to the data for 2011, tax assessments remained stable (+0.2 percent) and total tax collection grew by 1.4 percent. Collections in accrual accounts grew from 52,897 million euros in 2011 to 53,484 million euros in 2012 (+1.1 percent), residual accounts raised from 21,060 million euros to 21,520 million euros (+2.2 percent). Tax collection capacity in 2012, as measured by the ratio between taxes collected in accrual accounts and tax assessments, was equal to 69.1 percent (rising from the previous year).

Analyzing the weights of each single entry relative to total tax assessments reveals an increase – with reference to the previous year – only current revenues (+3.7 percentage points), while in both capital revenue and opening of lines of credit fell by 2.9 and 0.8 percentage points, respectively.

In 2012, the total for current revenue assessments was 60,409 million euros, growing relative to the previous fiscal year. This result reflects the growth of tributary revenues (+10.9 percent) and non-tributary revenues (+5.3 percent), while contributions and transfers fell by 11.8 percent.

The collection of current revenues increased (+6.3 percent). Within this category, both the revenues from tributary and non-tributary revenues reflected an increase (+12.0 and +2.2 percent, respectively). Revenues from contributions and transfers dropped off (-5.5 percent).

A total of 11,491 million euros of capital revenues were assessed, down by 15.9 percent relative to 2011. This figure leads to a fall in credit collection, in asset transfers and in transfers (-63.8 percent, -31.7 percent, -4.1 percent, respectively).

Collections of capital revenues reached 10,813 million euros, falling down relative to 2011. This can mostly be attributed to the reductions recorded in credit collection (-57.3 percent), in asset transfers revenues (-28.7 percent) and in transfers-derived (-0.8 percent).

In 2012 the average per capita value of current revenues assessed at the national level (Table 2) was 1,012 euros per inhabitant, which was up 44 euros over the previous year's value. Municipal governments in the whole country registered per capita levels that were below the national average, except for municipalities of Valle d'Aosta-Vallée d'Aoste (2,005 euros), Trentino-Alto Adige/Südtirol (1,552 euros), Lazio (1,347 euros), Liguria (1,299 euros), Friuli-Venezia Giulia (1,257 euros), Sardegna (1,252 euros), Lombardia (1,056 euros) and Toscana (1,030 euros). The values registered in the municipalities of Puglia representing the lowest value (751 euros per inhabitant).

Expenditure account by economic category

In 2012 the overall total for expenditure commitments was estimated to be 75,281 million euros (Table 3).

Total payments amounted to 73,708 million euros, of which 49,163 was accrual accounts with a consequent spending capacity of 65.3 percent. Relative to 2011, commitments presented a decrease (-2.7 percent), payments fell by 1.2 percent, with an increased spending capacity (+1.3 percentage points). Current expenditure commitments totaled to 54,303 million euros, with 38,603 million euros of payments on accrual accounts. Spending capacity, therefore, was equal to 71.1 percent, reflecting a decrease over the previous year. In comparison to 2011, current commitments presented a slight increase by 0.5 percent while current payments dropped off (-1.0 percent).

Commitments in capital accounts amounted to 13,001 million euros, with corresponding accrual payments of 3,407 million euros. This resulted in a spending capacity of 26.2 percent, which is 2.2 percentage points higher than the value reported the previous year. Relative to 2011, commitments and payments on capital accounts dropped by 18.6 percent and 8.1 percent, respectively.

In 2012, current per capita expenditures were 910 euros at the national level (Table 4), stable relative to 2011, reflecting an increase of 44 euros relative to the previous fiscal year. The values recorded for municipal governments in the North, in the Centre and in the South were lower than the national average, with the exception of those in Valle d'Aosta-Vallée d'Aoste, Lazio, Trentino-Alto Adige/Südtirol, Liguria, Friuli-Venezia Giulia, Sardegna and Abruzzo.

In the northern and central regions, the highest levels of per capita expenditures were found in the municipal governments of the autonomous regions with special statutes and the autonomous Provinces – Valle d'Aosta-Vallée d'Aoste (1,703 euros) and Trentino-Alto Adige/Südtirol (1,277 euros). From among the regions with ordinary statutes there were Lazio (1,296 euros) and Liguria (1,148 euros). The per capita values for all southern regions fell below the national average except for the municipal governments of Sardegna and Abruzzo, which registered an average value of 1,122 euros and 912 euros, respectively (which are above the national average). The lowest value (679 euros per inhabitant) was recorded in the municipalities of Puglia.

Expenditure accounts by functional category

Data regarding the final expenditures (including both current and capital account expenditures) of municipal governments were also analyzed in terms of the functional category employed in the final balance sheets (Table 5).

As witnessed in previous fiscal years, 2012 expenditures for the general administration function accounted for the largest proportion of final commitments (29.3 percent), which nevertheless reflects a 0.4 percentage point of increase relative to 2011. When combined with expenditures for territorial and environmental management (22.1 percent), this grouping represents more than half of final municipal government expenditures. As in previous years, significant proportions of expenditures were also designated for the road condition and transport function (13.5 percent), the social sector (13.3 percent) and public education (9.0 percent). The residual 12.8 percent was divided among the other functions that were taken into consideration. As a whole, the final expenditures committed by municipalities exhibited a decrease relative to 2011 (-3.9 percent).

Economic-structural indicators

To facilitate the analysis of results related to the economic-financial management of municipal governments, different economic-structural indicators were disaggregated by region and demographic size class (Table 6).

This involves composition ratios that use economic aggregates that refer to assessments of revenue and expenditure commitments.

For municipal governments in Italy as a whole, the average **degree of taxation autonomy** was 61.3 percent (+3.2 percentage points relative to the previous year).

The **degree of financial autonomy**, equal to 83.1 percent at the national level, showed a growth relative to 2011 (79.9 percent for the 2011 fiscal year).

As for the **degree of tax dependence**, 2012 exhibited a decrease relative to previous fiscal years. On average, 5.9 percent of the current revenues of Italian municipal governments came from state contributions and transfers (-1.4 percentage points relative to 2011).

The **degree of structural rigidity** of municipal expenditures was equal to 38.7 percent on average, which represents a decrease relative to 2011 (40.7 percent).

Lastly, **the incidence of personal expenditures** on current municipal revenue, equal to 25.5 percent at the Italian level, showed a decrease relative to the previous fiscal year.

Table 1 - Assessments, collections (in millions of euros) and collection capacity (percentage) for municipal Governments by item - Years 2011 and 2012 (provisional data; absolute values in millions of euros)

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2011	2012	var %	comp %	2011	2012	var %	comp %	2011	2012
Current revenue	57,464	60,409	5.1	78.1	54,106	57,493	6.3	76.7	72.3	71.7
Tributary revenue	33,393	37,035	10.9	47.9	31,259	35,010	12.0	46.7	76.0	76.8
Revenue from contributions and transfers	11,564	10,205	-11.8	13.2	11,261	10,642	-5.5	14.2	72.7	70.0
Non-tributary revenue	12,507	13,169	5.3	17.0	11,587	11,841	2.2	15.8	61.9	58.8
Capital accounts revenue	13,662	11,491	-15.9	14.8	12,561	10,813	-13.9	14.4	51.7	51.9
Asset transfers	2,166	1,480	-31.7	1.9	2,013	1,435	-28.7	1.9	70.7	70.8
Transfers	9,800	9,398	-4.1	12.1	8,633	8,561	-0.8	11.4	41.1	47.3
Credit collections	1,696	614	-63.8	0.8	1,915	817	-57.3	1.1	88.4	77.6
Opening of lines of credit	6,122	5,485	-10.4	7.1	7,290	6,698	-8.1	8.9	70.3	76.4
TOTAL GENERAL REVENUE	77,249	77,385	0.2	100.0	73,957	75,004	1.4	100.0	68.5	69.1

(a) Includes collections in accrual and residual accounts,

(b) The collection capacity is the percentage ratio between the collections in accrual accounts and assessments,

Table 2 - Current revenue of municipal Governments by category and region, Year 2012 - Assessments (provisional data; absolute values in millions of euros; per capita values in euros)

REGIONS	TRIBUTARY REVENUE		CONTRIBUTIONS AND TRANSFERS		NON-TRIBUTARY REVENUE		TOTAL	
	Absolute	Per capita	Absolute	Per capita	Absolute	Per capita	Absolute	Per capita
	values	values	values	values	values	values	values	values
Piemonte	2,966	678	286	65	898	205	4,149	949
Valle d'Aosta-Vallée d'Aoste	81	630	132	1,035	43	339	256	2,005
Liguria	1,444	922	187	120	402	257	2,033	1,299
Lombardia	6,005	613	857	87	3,478	355	10,340	1,056
Trentino-Alto Adige/Südtirol	311	299	755	726	549	528	1,614	1,552
<i>Bolzano-Bozen</i>	165	324	385	756	327	642	877	1,722
<i>Trento</i>	146	275	369	697	221	418	737	1,390
Veneto	2,656	544	395	81	937	192	3,989	817
Friuli-Venezia Giulia	515	421	717	587	305	249	1,536	1,257
Emilia-Romagna	2,837	648	333	76	1,012	231	4,183	955
Toscana	2,504	678	261	71	1,039	281	3,805	1,030
Umbria	581	655	84	95	165	186	830	936
Marche	957	619	155	100	325	210	1,436	930
Lazio	5,029	905	1,135	204	1,323	238	7,488	1,347
Abruzzo	822	626	268	204	230	175	1,320	1,006
Molise	177	564	64	204	60	191	301	959
Campania	3,733	647	507	88	858	149	5,098	884
Puglia	2,383	588	338	83	320	79	3,041	751
Basilicata	328	570	115	200	78	135	521	905
Calabria	1,084	554	225	115	353	180	1,662	849
Sicilia	1,939	388	2,242	448	574	115	4,756	951
Sardegna	684	417	1,148	700	221	135	2,053	1,252
ITALY	37,035	621	10,205	171	13,169	221	60,409	1,012

Table 3 - Commitments, payments (in millions of euros) and spending capacity (percentage) of municipal Governments by category, Years 2011 and 2012 (provisional data; absolute values in millions of euros)

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2011	2012	var %	comp %	2011	2012	var %	comp %	2011	2012
	Current expenditures	54,056	54,303	0.5	72.1	51,882	51,358	-1.0	69.7	72.4
Personnel	15,994	15,409	-3.7	20.5	15,816	15,229	-3.7	20.7	91.4	91.6
Purchase of goods and services	27,971	28,751	2.8	38.2	26,420	26,869	1.7	36.5	62.5	61.6
Transfers	5,676	5,689	0.2	7.6	5,448	5,155	-5.4	7.0	60.6	57.2
Passive interest and various financial burdens	2,223	2,163	-2.7	2.9	2,193	2,164	-1.3	2.9	97.0	97.7
Other current expenses (c)	2,191	2,291	4.6	3.0	2,006	1,941	-3.2	2.6	65.7	61.3
Capital accounts expenses	15,976	13,001	-18.6	17.3	15,594	14,324	-8.1	19.4	24.0	26.2
Investments in public works	11,927	10,781	-9.6	14.3	11,513	11,676	1.4	15.8	13.1	21.3
Furniture, equipment, etc.	734	432	-41.1	0.6	645	557	-13.7	0.8	17.4	26.7
Capital transfers	1,124	839	-25.4	1.1	1,110	1,024	-7.7	1.4	29.8	38.7
Investments and Conferments	290	208	-28.2	0.3	435	286	-34.2	0.4	54.3	53.0
Other capital accounts expenditures	1,900	741	-61.0	1.0	1,891	781	-58.7	1.1	87.6	75.3
Loan repayment	7,378	7,977	8.1	10.6	7,095	8,026	13.1	10.9	88.4	89.7
TOTAL GENERAL EXPENDITURES (d)	77,409	75,281	-2.7	100.0	74,571	73,708	-1.2	100.0	64.0	65.3

(a) This item includes fee payments on accrual and residual accounts,

(b) Spending capacity is calculated as the percentage ratio between payments on accrual accounts and commitments,

(c) Includes depreciation as well,

(d) As a net of clearing accounts,

Table 4 - Current expenditures of municipal Governments by category and region, Commitments - Year 2012
(provisional data; absolute values in millions of euros; per capita values in euros)

REGIONS	PERSONNEL EXPENDITURES		EXPENDITURES FOR PURCHASE OF GOODS AND SERVICES		OTHER CURRENT EXPENDITURES		TOTAL	
	Absolute	Per capita	Absolute	Per capita	Absolute	Per capita	Absolute	Per capita
	values	values	values	values	values	values	values	values
Piemonte	1,146	262	1,857	425	820	188	3,823	874
Valle d'Aosta-Vallée d'Aoste	60	470	103	805	55	428	218	1,703
Liguria	531	339	974	622	293	187	1,797	1,148
Lombardia	2,230	228	5,132	524	1,484	152	8,846	903
Trentino-Alto Adige/Südtirol	428	411	528	508	373	358	1,329	1,277
<i>Bolzano-Bozen</i>	199	390	231	453	244	478	674	1,321
<i>Trento</i>	229	431	297	561	129	244	655	1,236
Veneto	1,011	207	1,766	362	769	158	3,546	726
Friuli-Venezia Giulia	397	325	660	540	323	264	1,379	1,129
Emilia-Romagna	1,125	257	1,763	403	868	198	3,756	858
Toscana	1,022	277	1,736	470	656	178	3,414	925
Umbria	224	253	420	474	121	136	765	863
Marche	376	244	728	471	227	147	1,332	862
Lazio	1,673	301	4,429	797	1,099	198	7,201	1,296
Abruzzo	291	221	693	528	214	163	1,198	912
Molise	73	234	142	455	62	197	278	886
Campania	1,407	244	2,374	411	792	137	4,573	793
Puglia	698	172	1,598	395	457	113	2,752	679
Basilicata	141	244	251	435	85	147	476	827
Calabria	459	234	754	385	274	140	1,487	759
Sicilia	1,680	336	1,878	376	736	147	4,294	859
Sardegna	440	268	964	588	437	266	1,841	1,122
ITALY	15,409	258	28,751	482	10,143	170	54,303	910

Table 5 - Municipal Government expenditures by geographical area and function, Years 2011 and 2012 - Commitments (provisional data, percentage composition)

FUNCTIONS	NORTH-WEST			NORTH-EAST			CENTER			SOUTH			ISLANDS			ITALY		
	2011	2012	var %	2011	2012	var %	2011	2012	var %	2011	2012	var %	2011	2012	var %	2011	2012	var %
	Administration, management and control (a)	6,233	5,101	-18.2	3,661	3,551	-3.0	3,565	4,524	26.9	4,333	4,080	-5.9	2,480	2,462	-0.7	20,272	19,718
Justice	87	81	-6.3	57	55	-2.1	46	52	13.4	89	98	11.2	57	60	5.7	336	346	3.0
Local police	840	846	0.7	484	475	-1.8	851	815	-4.3	668	667	-0.1	351	340	-3.1	3,194	3,143	-1.6
Public education	1,930	1,852	-4.0	1,479	1,480	0.1	1,494	1,433	-4.1	1,008	903	-10.4	460	418	-9.2	6,371	6,086	-4.5
Culture and cultural goods	592	527	-10.9	586	533	-9.1	527	498	-5.5	240	224	-6.9	190	153	-19.6	2,135	1,935	-9.4
Sports and recreation	357	357	-0.2	451	393	-12.7	201	169	-15.9	230	196	-15.0	115	90	-21.3	1,354	1,205	-11.0
Tourism	119	110	-7.8	96	93	-2.9	80	82	1.5	110	106	-3.9	76	72	-4.8	481	463	-3.9
Movement and transport	3,221	2,665	-17.2	1,663	1,592	-4.3	2,726	2,348	-13.9	1,897	1,787	-5.8	757	671	-11.4	10,264	9,063	-11.7
Territorial and environmental management	3,530	3,387	-4.0	1,874	1,813	-3.2	3,148	3,472	10.3	4,297	4,360	1.5	1,822	1,861	2.2	14,671	14,893	1.5
Social sector	2,600	2,491	-4.2	2,223	2,157	-3.0	2,073	2,010	-3.0	1,380	1,249	-9.5	1,134	1,077	-5.0	9,410	8,984	-4.5
Economic development	134	179	33.8	144	136	-5.5	158	138	-12.9	212	154	-27.6	88	84	-4.7	736	691	-6.1
Manufacturing services	235	145	-38.4	289	304	5.1	138	174	26.7	88	121	36.6	57	33	-43.2	807	777	-3.6
TOTAL (b)	19,878	17,741	-10.7	13,007	12,582	-3.3	15,007	15,715	4.7	14,552	13,945	-4.2	7,587	7,321	-3.5	70,031	67,304	-3.9

(a) The local authorities of Valle d'Aosta-Vallée d'Aoste did not supply a functional disaggregation of final expenditures, For analytical purposes, all expenditures were attributed to the general administration and control functions,

(b) This is different than the total reported in table 3 because it is the net of loan repayment expenditures,

Table 6 - Structural-economic indicators for municipal Governments by region, Years 2011 and 2012 (provisional data; percentage values)

REGIONS	Degree of tax autonomy		Degree of financial autonomy		Degree of tax dependence		Degree of structural rigidity		Incidence of personnel expenses	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Piemonte	66.8	71.5	91.2	93.1	3.1	2.4	44.7	40.0	29.5	27.6
Valle d'Aosta-Vallée d'Aoste	24.7	31.5	42.5	48.4	0.8	0.8	30.0	28.4	24.7	23.4
Liguria	67.4	71.0	88.7	90.8	3.0	2.6	37.1	34.7	29.0	26.1
Lombardia	59.7	58.1	90.5	91.7	2.5	2.8	32.4	29.2	25.2	21.6
Trentino-Alto Adige/Südtirol	14.7	19.3	48.0	53.3	1.1	0.7	38.2	37.3	26.6	26.5
<i>Bolzano-Bozen</i>	13.7	18.8	49.8	56.1	1.1	0.9	37.6	35.3	23.2	22.7
<i>Trento</i>	15.8	19.8	45.9	49.9	1.2	0.4	38.9	39.6	30.5	31.0
Veneto	67.2	66.6	89.6	90.1	2.9	3.2	37.4	37.6	27.0	25.3
Friuli-Venezia Giulia	27.5	33.5	48.3	53.3	1.7	1.4	34.9	34.9	25.6	25.8
Emilia-Romagna	64.4	67.8	91.7	92.0	2.6	3.1	38.7	37.0	29.8	26.9
Toscana	62.2	65.8	91.8	93.1	2.3	1.8	42.1	39.9	30.0	26.9
Umbria	66.6	70.0	88.4	89.9	2.2	2.1	55.0	63.2	28.9	27.0
Marche	64.5	66.6	88.6	89.2	2.7	2.2	46.2	44.1	28.5	26.2
Lazio	62.5	67.2	80.9	84.8	8.7	7.9	33.1	29.6	25.1	22.3
Abruzzo	56.6	62.2	71.3	79.7	24.0	15.5	35.8	36.2	22.0	22.0
Molise	54.6	58.8	77.2	78.7	8.3	5.4	38.7	45.2	26.5	24.4
Campania	71.2	73.2	88.1	90.1	5.5	4.0	50.7	48.1	30.0	27.6
Puglia	76.3	78.4	87.4	88.9	3.8	3.4	41.4	37.9	25.0	22.9
Basilicata	64.3	63.0	78.8	77.9	5.6	4.7	58.8	54.2	30.3	27.0
Calabria	63.0	65.2	83.3	86.5	7.6	5.8	61.2	61.9	29.3	27.6
Sicilia	31.6	40.8	43.0	52.9	31.3	24.9	55.8	58.7	36.1	35.3
Sardegna	28.7	33.3	39.9	44.1	19.4	14.3	25.5	25.7	22.5	21.4
ITALY	58.1	61.3	79.9	83.1	7.3	5.9	40.7	38.7	27.8	25.5

1 - Degree of tax autonomy = tributary revenue / current revenue,

2 - Degree of financial autonomy = (tributary revenue + non-tributary revenue) / current revenue,

3 - Degree of tax dependence = contributions and current state transfers / current revenues,

4 - Degree of structural rigidity = (personnel expenses + loan repayments) / current revenue,

5 - Incidence of personnel expenses = personnel expenses / current revenue,

Informative note

The data source for this statistical summary is the certified balance sheet that all municipal governments are required to publish on an annual basis to certify their primary accounting data for the previous fiscal year, The certification of municipal balance sheets, the structure of which is defined in *Presidential Decree no.194 of 31.01.1996*, details the financial flows of salaries and cash flow for the main economic categories and revenue and expenditure items,

For fiscal year 2012, data for these provisional estimations were available for 7,387 municipal governments, Value estimations for the universe of municipalities were based on resident populations as of 31.12.2012 using coefficients of expansion for each resident population class of each region (Table 7),

Table 7 – Municipal governments and the degree of data collection coverage for final municipal balance sheets, Year 2012

REGIONS	Total no. of municipalities (A)	No. of municipal respondents (B)	Degree of municipal coverage $C=(B/A*100)$	Total Population (D)	Population of municipal respondents (E)	Degree of population coverage $F=(E/D*100)$
Piemonte	1,206	1,163	96.4	4,374,052	4,228,429	96.7
Valle d'Aosta-Vallée d'Aoste	74	69	93.2	127,844	120,946	94.6
Liguria	235	210	89.4	1,565,127	1,511,398	96.6
Lombardia	1,544	1,481	95.9	9,794,525	9,581,215	97.8
Trentino-Alto Adige/Südtirol	333	294	88.3	1,039,934	931,569	89.6
Veneto	581	557	95.9	4,881,756	4,805,374	98.4
Friuli-Venezia Giulia	218	206	94.5	1,221,860	1,208,100	98.9
Emilia-Romagna	348	341	98.0	4,377,487	4,349,597	99.4
Toscana	287	282	98.3	3,692,828	3,667,510	99.3
Umbria	92	91	98.9	886,239	867,422	97.9
Marche	239	235	98.3	1,545,155	1,533,477	99.2
Lazio	378	308	81.5	5,557,276	5,226,558	94.0
Abruzzo	305	265	86.9	1,312,507	1,201,753	91.6
Molise	136	116	85.3	313,341	266,443	85.0
Campania	551	467	84.8	5,769,750	5,158,528	89.4
Puglia	258	224	86.8	4,050,803	3,842,997	94.9
Basilicata	131	118	90.1	576,194	545,451	94.7
Calabria	409	333	81.4	1,958,238	1,644,780	84.0
Sicilia	390	299	76.7	4,999,932	3,938,309	78.8
Sardegna	377	328	87.0	1,640,379	1,535,920	93.6
ITALY	8,092	7,387	91.3	59,685,227	56,165,776	94.1