

Final balance sheets of municipal governments Year 2013

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 2013 was estimated at 83,935 million euros (Table 1). This general total does not include the *revenue of third-party contractors*.

The total assessed revenue fell down to 75.2 percent current revenues, 13.7 percent capital revenue and the remaining 11.1 percent for revenue derived from the opening of lines of credit.

With reference to the data for 2012, total assessments grew up (+8.5 percent) and total collections grew by 3.7 percent. Collections in accrual accounts grew from 53,484 million euros in 2012 to 57,966 million euros in 2013 (+8.4 percent), residual accounts dropped off from 21,520 million euros to 19,833 million euros (-7.8 percent). Collection capacity in 2013, as measured by the ratio between items collected in accrual accounts and items assessments, was equal to 69.1 percent (remaining stable).

Analyzing the weights of each single entry relative to total assessments reveals a decrease – with reference to the previous year – in current revenues (-2.9 percentage points), as well as capital revenue (-1.1 percentage points), while opening of lines of credit grew up by 4.0 percentage points.

In 2013, the total for current revenue assessments was 63,082 million euros, rising compared to the previous fiscal year. This result reflects the growth of contributions and transfers (+30.7 percent), while tributary revenues and non-tributary revenues fell by 1.1 and 0.3 percent, respectively.

The collection of current revenues increased (+0.8 percent). Within this category, both the revenues from contributions and transfers and non-tributary revenues reflected an increase (+23.9 and +3.0 percent, respectively). Revenues from tributary revenues dropped (-6.9 percent).

A total of 11,512 million euros of capital revenues were assessed, up by 0.2 percent compared to 2012. This figure leads to a strong fall in asset transfers (-30.2 percent), while it leads to a growth both in credit collection and in transfers (+18.4 and +3.8 percent, respectively).

Collections of capital revenues reached 9,893 million euros, falling down compared to 2012. This is mainly due to the reductions recorded in asset transfers revenues (-32.1 percent), in transfers-derived (-5.2 percent) and in credit collection (-1.2 percent).

In 2013 the average per capita value of current revenues assessed at the national level (Table 2) was 1,038 euros per inhabitant, which was up 26 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 the municipalities of Valle d'Aosta/Vallée d'Aoste (2,136 euros), Trentino-Alto Adige/Südtirol (1,538 euros), Liguria (1,362 euros), Friuli-Venezia Giulia (1,301 euros), Lazio (1,295 euros), Sardegna (1,236 euros), Toscana (1,170 euros), Abruzzo (1,057 euros) and Emilia-Romagna (1,042 euros). The values registered in the municipalities of Puglia registered the lowest value (768 euros per inhabitant).

Expenditure accounts by economic category

In 2013 the overall total for expenditure commitments was estimated to be 82,320 million euros (Table 3).

Total payments amounted to 77,498 million euros, of which 52,000 was accrual accounts with a consequent spending capacity of 63.2 percent. Relative to 2012, commitments presented an increase (+9.4 percent), payments grew up by 5.1 percent, with a decreased spending capacity (-2.1 percentage points). Current expenditure commitments totaled 57,430 million euros, with 40,725 million euros of payments on accrual accounts. Spending capacity, therefore, was equal to 70.9 percent, reflecting a decrease over the previous year. In comparison to 2012, current commitments presented an increase by 5.8 percent as current payments do (+8.3 percent).

Commitments in capital accounts amounted to 13,231 million euros, with corresponding accrual payments of 3,494 million euros. This resulted in a spending capacity of 26.4 percent, which is a weak increase compared to the value reported the previous year (+0.2 percentage points). Relative to 2012, commitments grew up by 1.8 percent, while payments on capital accounts dropped by 6.3 percent.

In 2013, current per capita expenditures were 944 euros at the national level (Table 4), up relative to 2012, reflecting an increase of 34 euros over the previous fiscal year. The values recorded for municipal governments in the North, in the Centre and in the South areas were lower than the national average, with the exception of those registered in Valle d'Aosta-Vallée d'Aoste, Trentino-Alto Adige/Südtirol, Lazio, Liguria, Friuli-Venezia Giulia, Sardegna, Toscana, Abruzzo and Emilia-Romagna.

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 (1,848 euros) and Trentino-Alto Adige/Südtirol (1,293 euros). Among the regions with ordinary statutes Lazio (1,215 euros) and Liguria (1,201 euros) had the highest values. 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 1,114 euros and 973 euros, respectively. The lowest value (702 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 with reference to the functional category employed in the final balance sheets (Table 5).

As witnessed in previous fiscal years, 2013 expenditures for the general administration function accounted for the largest proportion of final commitments (29.2 percent), which nevertheless reflects a 0.1 percentage point of decrease relative to 2012. When combined with expenditures for territorial and environmental management (23.9 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 maintenance and transport function (13.0 percent), the social sector (12.9 percent) and public education (8.9 percent). The residual 12.1 percent was divided among the other functions that were taken into consideration. As a whole, the final expenditures committed by municipalities showed an increase relative to 2012 (+3.3 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 58.1 percent (-3.2 percentage points relative to the previous year).

The **degree of financial autonomy**, equal to 78.9 percent at the national level, showed a decrease relative to 2012 (83.1 percent for the 2012 fiscal year).

As for the **degree of tax dependence**, 2013 exhibited an increase relative to previous fiscal years. On average, 11.0 percent of the current revenues of Italian municipal governments came from State contributions and transfers (+5.1 percentage points relative to 2012).

The **degree of structural rigidity** of municipal expenditures was equal to 42.3 percent on average, which represents a growth relative to 2012 (38.7 percent).

Lastly, **the incidence of personal expenditures** on current municipal revenue, equal to 23.8 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 2012 and 2013 (provisional data; absolute values in millions of euros)

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2012	2013	var %	comp %	2012	2013	var %	comp %	2012	2013
Current revenue	60,409	63,082	4.4	75.2	57,493	57,966	0.8	74.5	71.7	69.7
Tributary revenue	37,035	36,620	-1.1	43.6	35,010	32,586	-6.9	41.9	76.8	71.8
Revenue from contributions and transfers	10,205	13,335	30.7	15.9	10,642	13,187	23.9	16.9	70.0	76.9
Non-tributary revenue	13,169	13,127	-0.3	15.6	11,841	12,193	3.0	15.7	58.8	56.7
Capital accounts revenue	11,491	11,512	0.2	13.7	10,813	9,893	-8.5	12.7	51.9	48.3
Asset transfers	1,480	1,033	-30.2	1.2	1,435	974	-32.1	1.3	70.8	62.8
Transfers	9,398	9,753	3.8	11.6	8,561	8,112	-5.2	10.4	47.3	44.0
Credit collections	614	726	18.4	0.9	817	807	-1.2	1.0	77.6	85.9
Opening of lines of credit	5,485	9,341	70.3	11.1	6,698	9,940	48.4	12.8	76.4	90.0
TOTAL GENERAL REVENUE	77,385	83,935	8.5	100.0	75,004	77,799	3.7	100.0	69.1	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 2013 - 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	2,818	635	718	162	873	197	4,409	994
Valle d'Aosta-Vallée d'Aoste	104	813	127	985	44	339	275	2,136
Liguria	1,424	894	362	227	382	240	2,168	1,362
Lombardia	5,705	572	1,582	159	2,994	300	10,281	1,031
Trentino-Alto Adige/Südtirol	359	341	692	658	567	539	1,618	1,538
<i>Bolzano-Bozen</i>	159	309	371	720	335	649	865	1,677
<i>Trento</i>	200	373	321	598	232	433	753	1,403
Veneto	2,628	533	736	149	906	184	4,270	867
Friuli-Venezia Giulia	555	451	736	599	308	251	1,599	1,301
Emilia-Romagna	2,823	635	815	183	996	224	4,634	1,042
Toscana	2,742	731	604	161	1,041	277	4,387	1,170
Umbria	576	643	127	142	165	184	868	968
Marche	912	588	236	152	325	209	1,473	949
Lazio	3,924	668	1,609	274	2,069	352	7,602	1,295
Abruzzo	804	604	378	283	227	170	1,409	1,057
Molise	174	551	58	185	61	195	293	931
Campania	3,765	641	811	138	754	128	5,330	908
Puglia	2,213	541	630	154	300	73	3,143	768
Basilicata	322	556	131	226	62	108	515	890
Calabria	1,132	571	258	130	330	167	1,720	869
Sicilia	2,795	549	1,733	340	503	99	5,031	988
Sardegna	846	508	992	596	219	132	2,057	1,236
ITALY	36,620	602	13,335	219	13,127	216	63,082	1,038

Table 3 - Commitments, payments (in millions of euros) and spending capacity (percentage) of municipal Governments by category- Years 2012 and 2013 (provisional data; absolute values in millions of euros)

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2012	2013	var %	comp %	2012	2013	var %	comp %	2012	2013
	Current expenditures	54,303	57,430	5.8	69.8	51,358	55,630	8.3	71.8	71.1
Personnel	15,409	15,034	-2.4	18.3	15,229	14,808	-2.8	19.1	91.6	91.8
Purchase of goods and services	28,751	30,105	4.7	36.6	26,869	29,895	11.3	38.6	61.6	63.5
Transfers	5,689	7,552	32.7	9.2	5,155	6,523	26.5	8.4	57.2	56.2
Passive interest and various financial burdens	2,163	2,004	-7.3	2.4	2,164	2,028	-6.3	2.6	97.7	98.2
Other current expenses (c)	2,291	2,735	19.4	3.3	1,941	2,376	22.4	3.1	61.3	58.2
Capital accounts expenses	13,001	13,231	1.8	16.1	14,324	13,417	-6.3	17.3	26.2	26.4
Investments in public works	10,781	10,733	-0.4	13.0	11,676	10,926	-6.4	14.1	21.3	21.8
Furniture, equipment, etc.	432	429	-0.6	0.5	557	442	-20.7	0.6	26.7	22.2
Capital transfers	839	1,087	29.6	1.3	1,024	976	-4.8	1.3	38.7	27.5
Investments and Conferments	208	80	-61.7	0.1	286	135	-52.8	0.2	53.0	32.8
Other capital accounts expenditures	741	902	21.7	1.2	781	938	20.2	1.1	75.3	80.8
Loan repayment	7,977	11,659	46.2	14.1	8,026	8,451	5.3	10.9	89.7	66.7
TOTAL GENERAL EXPENDITURES (d)	75,281	82,320	9.4	100.0	73,708	77,498	5.1	100.0	65.3	63.2

(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.

(d) As a net of clearing accounts.

Table 4 - Current expenditures of municipal Governments by category and region, Commitments - Year 2013
(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	1,109	250	1,937	437	962	217	4,008	904
Valle d'Aosta-Vallée d'Aoste	59	455	105	814	74	579	238	1,848
Liguria	515	324	988	620	409	257	1,912	1,201
Lombardia	2,204	221	5,356	537	1,698	170	9,258	928
Trentino-Alto Adige/Südtirol	422	401	549	522	389	370	1,360	1,293
<i>Bolzano-Bozen</i>	196	381	239	463	240	466	675	1,310
<i>Trento</i>	226	420	310	578	149	277	685	1,275
Veneto	998	203	1,957	397	921	187	3,876	787
Friuli-Venezia Giulia	392	319	653	531	405	330	1,450	1,180
Emilia-Romagna	1,095	246	2,161	486	998	225	4,254	957
Toscana	997	266	2,071	552	953	254	4,021	1,072
Umbria	221	247	437	487	142	159	800	893
Marche	361	232	743	479	262	168	1,366	879
Lazio	1,636	279	3,946	672	1,551	264	7,133	1,215
Abruzzo	287	215	742	557	269	201	1,298	973
Molise	72	230	146	463	45	144	263	837
Campania	1,332	227	2,597	442	841	143	4,770	812
Puglia	677	166	1,650	403	546	133	2,873	702
Basilicata	138	238	246	425	92	158	476	821
Calabria	440	222	750	379	321	162	1,511	763
Sicilia	1,658	325	2,116	415	936	184	4,710	924
Sardegna	421	253	955	574	477	287	1,853	1,114
ITALY	15,034	247	30,105	495	12,291	202	57,430	944

Table 5 - Municipal Government expenditures by geographical area and function - Years 2012 and 2013 - Commitments (provisional data, percentage composition)

FUNCTIONS	NORTH-WEST			NORTH-EAST			CENTER			SOUTH			ISLANDS			ITALY		
	2012	2013	var %	2012	2013	var %	2012	2013	var %	2012	2013	var %	2012	2013	var %	2012	2013	var %
Administration, management and control (a)	5,101	5,163	1.2	3,551	3,794	6.8	4,524	3,904	-13.7	4,080	4,961	21.6	2,462	2,500	1.5	19,718	20,322	3.1
Justice	81	86	6.3	55	56	0.3	52	49	-6.8	98	131	33.1	60	56	-6.1	346	378	9.3
Local police	846	832	-1.7	475	481	1.3	815	819	0.5	667	657	-1.6	340	335	-1.6	3,143	3,124	-0.6
Public education	1,852	1,872	1.0	1,480	1,526	3.1	1,433	1,382	-3.6	903	966	6.9	418	411	-1.6	6,086	6,157	1.2
Culture and cultural goods	527	500	-5.2	533	513	-3.7	498	537	7.9	224	282	26.2	153	158	3.1	1,935	1,990	2.8
Sports and recreation	357	303	-15.1	393	383	-2.7	169	175	3.1	196	195	-0.2	90	85	-5.4	1,205	1,141	-5.3
Tourism	110	93	-15.0	93	106	14.1	82	85	4.6	106	134	25.9	72	75	3.9	463	493	6.6
Movement and transport	2,665	2,909	9.2	1,592	1,606	0.9	2,348	1,956	-16.7	1,787	1,838	2.9	671	719	7.2	9,063	9,028	-0.4
Territorial and environmental management	3,387	3,429	1.2	1,813	2,525	39.3	3,472	3,597	3.6	4,360	5,115	17.3	1,861	1,925	3.5	14,893	16,591	11.4
Social sector	2,491	2,414	-3.1	2,157	2,112	-2.1	2,010	1,987	-1.1	1,249	1,397	11.8	1,077	1,084	0.6	8,984	8,994	0.1
Economic development	179	136	-23.6	136	126	-7.3	138	134	-2.8	154	160	3.9	84	73	-13.6	691	629	-9.0
Manufacturing services	145	106	-26.9	304	252	-17.1	174	175	0.3	121	139	15.3	33	31	-4.9	777	703	-9.6

TOTAL (b) 17,741 17,843 0.6 12,582 13,480 7.1 15,715 14,800 -5.8 13,945 15,975 14.6 7,321 7,452 1.8 67,304 69,549 3.3

(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 2012 and 2013 (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	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Piemonte	71.5	63.9	93.1	83.7	2.4	12.0	40.0	48.0	27.6	25.2
Valle d'Aosta-Vallée d'Aoste	31.5	38.0	48.4	53.9	0.8	0.7	28.4	27.0	23.4	21.3
Liguria	71.0	65.7	90.8	83.3	2.6	10.1	34.7	33.6	26.1	23.8
Lombardia	58.1	55.5	91.7	84.6	2.8	9.3	29.2	29.0	21.6	21.4
Trentino-Alto Adige/Südtirol	19.3	22.2	53.3	57.2	0.7	0.8	37.3	39.2	26.5	26.1
<i>Bolzano-Bozen</i>	18.8	18.4	56.1	57.1	0.9	1.1	35.3	37.5	22.7	22.7
<i>Trento</i>	19.8	26.6	49.9	57.4	0.4	0.5	39.6	41.1	31.0	29.9
Veneto	66.6	61.5	90.1	82.8	3.2	11.3	37.6	35.4	25.3	23.4
Friuli-Venezia Giulia	33.5	34.7	53.3	54.0	1.4	1.4	34.9	34.3	25.8	24.5
Emilia-Romagna	67.8	60.9	92.0	82.4	3.1	13.0	37.0	33.4	26.9	23.6
Toscana	65.8	62.5	93.1	86.2	1.8	9.3	39.9	40.7	26.9	22.7
Umbria	70.0	66.4	89.9	85.4	2.1	8.2	63.2	69.3	27.0	25.5
Marche	66.6	61.9	89.2	84.0	2.2	8.1	44.1	42.0	26.2	24.5
Lazio	67.2	51.6	84.8	78.8	7.9	16.8	29.6	32.8	22.3	21.5
Abruzzo	62.2	57.1	79.7	73.2	15.5	22.1	36.2	38.5	22.0	20.4
Molise	58.8	59.2	78.7	80.1	5.4	9.8	45.2	49.3	24.4	24.7
Campania	73.2	70.6	90.1	84.8	4.0	9.3	48.1	65.9	27.6	25.0
Puglia	78.4	70.4	88.9	80.0	3.4	11.5	37.9	35.4	22.9	21.5
Basilicata	63.0	62.5	77.9	74.6	4.7	7.7	54.2	59.2	27.0	26.8
Calabria	65.2	65.8	86.5	85.0	5.8	8.3	61.9	79.2	27.6	25.6
Sicilia	40.8	55.5	52.9	65.6	24.9	14.0	58.7	71.1	35.3	32.9
Sardegna	33.3	41.1	44.1	51.8	14.3	8.3	25.7	23.7	21.4	20.5
ITALY	61.3	58.1	83.1	78.9	5.9	11.0	38.7	42.3	25.5	23.8

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 2013, data for these provisional estimations were available for 7,184 municipal governments. Value estimations for the universe of municipalities were based on resident populations as of 31.12.2013 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 2013

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	1,125	93.3	4,436,798	4,321,739	97.4
Valle d'Aosta-Vallée d'Aoste	74	69	93.2	128,591	123,623	96.1
Liguria	235	207	88.1	1,591,939	1,522,218	95.6
Lombardia	1,544	1,462	94.7	9,973,397	9,647,440	96.7
Trentino-Alto Adige/Südtirol	333	282	84.7	1,051,951	966,215	91.9
Veneto	581	553	95.2	4,926,818	4,809,999	97.6
Friuli-Venezia Giulia	218	206	94.5	1,229,363	1,192,221	97.0
Emilia-Romagna	348	329	94.5	4,446,354	4,340,576	97.6
Toscana	287	276	96.2	3,750,511	3,690,468	98.4
Umbria	92	89	96.7	896,742	867,010	96.7
Marche	239	221	92.5	1,553,138	1,444,241	93.0
Lazio	378	299	79.1	5,870,451	5,410,167	92.2
Abruzzo	305	261	85.6	1,333,939	1,222,985	91.7
Molise	136	105	77.2	314,725	237,494	75.5
Campania	551	448	81.3	5,869,965	5,049,024	86.0
Puglia	258	217	84.1	4,090,266	3,677,986	89.9
Basilicata	131	115	87.8	578,391	520,678	90.0
Calabria	409	325	79.5	1,980,533	1,624,148	82.0
Sicilia	390	270	69.2	5,094,937	3,984,279	78.2
Sardegna	377	325	86.2	1,663,859	1,478,897	88.9
ITALY	8,092	7,184	88.8	60,782,668	56,131,408	92.3

For more details please refer to the Italian version

Contact persons:

Roberta Di Stefano (rodistef@istat.it).

Structural economic statistics on enterprise and institutions,
international trade and consumer prices directorate

Istat – National Institute of Statistics

Via Tuscolana, 1776 – Rome 00173 Italy

phone +39 06 4673.6402