

Final balance sheets of municipalities, provinces and metropolitan areas Year 2016

Istat presents the results of financial flow calculations on the final balance sheets of local government (municipalities, provinces and metropolitan cities) for fiscal year 2016.

The provisional estimations presented here are based on information from the data banks of the Ministry of the Interior.

Municipal governments revenue accounts by economic category

The total revenue assessed by municipal governments during fiscal year 2016 was estimated at 81,325 million euros (Table 1). This general total does not include the *revenue of third-party contractors*. The total assessed revenue grew up to 75.5 percent current revenues, 10.6 percent capital revenue, 1.1 percent revenue for the decrease of financial assets and the remaining 12.8 percent for revenue derived from the opening of lines of credit and advances from institute treasurer/cashier. With reference to the data for 2015, total collections decreased by 3.4 percent and total assessments by 6.1 percent. Collection capacity in 2016, as measured by the ratio between items collected in accrual accounts and items assessments, was equal to 73.8 percent.

A total of 8,635 million euros of capital revenues and of 870 million euros of revenue due to the decrease of financial assets were assessed. Collections of capital revenues reached 7,794 million euros and revenue for the decrease of financial assets 620 million euros.

Expenditure accounts by economic category

In 2016 the overall total for expenditure commitments was estimated to be 78,809 million euros (Table 2). Total payments amounted to 75,377 million euros with a spending capacity of 74.8 percent. For the previous year, commitments presented a decrease (-5.6 percent), payments fell down by -3.8 percent, with an increased spending capacity (+2.0 percentage points). Current expenditure commitments totaled 54,200 million euros. Spending capacity, therefore, was equal to 75.2 percent, reflecting an increase over the previous year. In comparison to 2015, current commitments presented a decrease by 1.9 percent as current payments did (-1.5 percent). Commitments in capital accounts amounted to 11,179 million euros (spending capacity was 54.2 percent) and expenditures due to the increase of financial assets amounted to 772 million euros (spending capacity was 91.3 percent). Including expenditures for the increase of financial assets, commitments fell down by 18.7 percent and payments on capital accounts by 11.6 percent.

Provincial governments and metropolitan cities revenue accounts by economic category

In 2016 total assessments as net of clearing accounts were equal to 9,537 million euros, reflecting a decrease over the previous financial year (Table 3). This figure represents a substantial fall both in capital revenue (including revenue for the decrease of financial assets) and in opening of lines of credit (including advances from institute treasurer/cashier). Current revenue grew up. The total assessed revenue grew up to 84.3 percent of current revenues, 9.3 percent of capital revenue, revenue for the decrease of financial assets 1,7 percent and the remaining 4.7 percent for revenue derived from the opening of lines of credit and advances from institute treasurer/cashier.

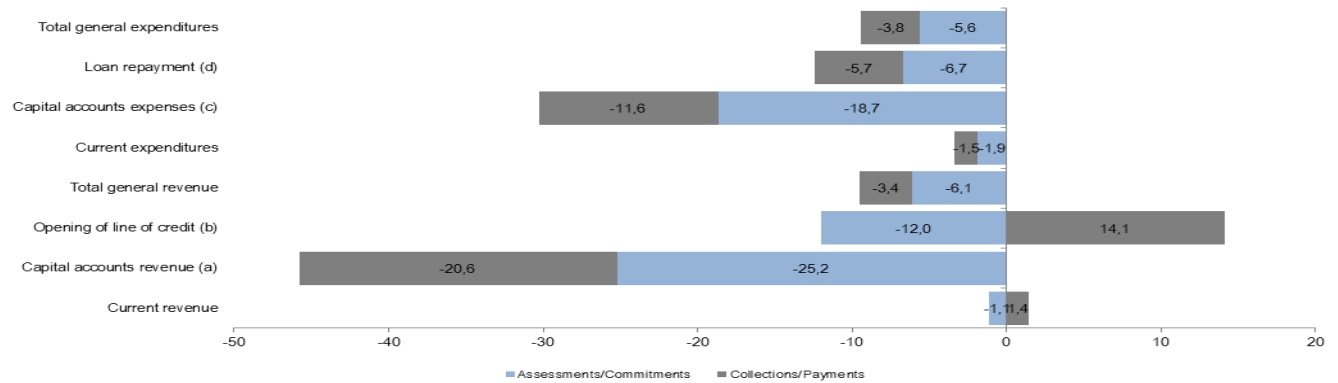
Total collections were equal to 10,052 million euros (+0,2 percent) and total assessments decreased by 3.7 percent. Collections of capital revenues reached 848 million euros and revenue for the decrease of financial assets 219 million euros, a growth compared to 2015. Collection capacity was equal to 74.3 percent.

Expenditure accounts by economic category

Provincial governments and metropolitan cities adopted a total of 10,115 million euros of expenditure commitments during fiscal year 2016 (-1.6 percent compared with the previous year) (Table 4). Commitments for current expenditures grew up by 1.2 percent, increasing from 7,783 to 7,874 million euros. A 13,5 percent decrease relative to the previous year was registered for capital commitments (including expenditures for the

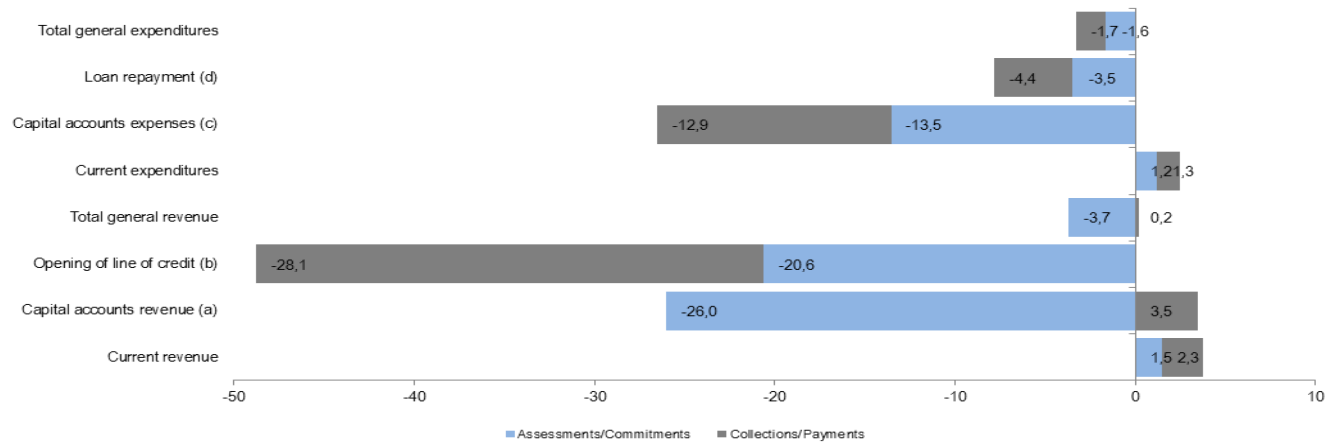
increase of financial assets). As regards to cash management, the total payments amounted to 9,119 million euros (-1.7 percent). The total for current payments was 6,946 million euros (+1.3 percent), expenditures for capital account were 1,282 million euros, for the increase of financial assets 115 million euros, for loan repayment were 399 million euros and for closure advances from treasurer/cashier institute 377 million euros. Spending capacity was 63,0 percent.

TOTAL REVENUE (ASSESSED) AND EXPENDITURE COMMITMENTS (PAID) OF MUNICIPAL GOVERNMENTS. % changes 2016/2015



- (a) Including revenue for decrease of financial assets.
- (b) Including advances from institute treasurer / cashier.
- (c) Including expenditures for the increase of financial assets.
- (d) Including closure advances received from institute treasurer / cashier.

TOTAL REVENUE (ASSESSED) AND EXPENDITURE COMMITMENTS (PAID) OF PROVINCIAL AND METROPOLITAN CITIES GOVERNMENTS. % changes 2016/2015



- (a) Including revenue for decrease of financial assets.
- (b) Including advances from institute treasurer / cashier.
- (c) Including expenditures for the increase of financial assets.
- (d) Including closure advances received from treasurer / cashier Institute.

TABLE 1. ASSESSMENTS, COLLECTIONS (IN MILLIONS OF EUROS) AND COLLECTION CAPACITY (PERCENTAGE) OF MUNICIPAL GOVERNMENTS BY ITEM. Year 2016 (provisional data; absolute values in millions of euros)

ITEMS	ASSESSMENTS		COLLECTIONS (a)		COLLECTION CAPACITY (b)
	2016	comp %	2016	comp %	%
Current revenue	61,363	75.5	56,653	74.8	73.0
Current revenue tax based, contributory and equated	38,538	47.4	35,358	46.7	76.9
Current transfers	9,575	11.8	10,024	13.2	72.8
Non-tributary revenue	13,249	16.3	11,271	14.9	61.8
Capital accounts revenue	8,635	10.6	7,794	10.3	57.2
Investment grants	5,201	6.4	4,636	6.1	44.8
Other capital accounts transfers	773	1.0	736	1.0	49.7
Sales of tangible and intangible capital goods	725	0.9	623	0.8	71.4
Other capital accounts revenue	1,936	2.4	1,800	2.4	88.4
Revenue for decrease of financial assets	870	1.1	620	0.8	46.7
Sale of financial assets	130	0.2	132	0.2	95.2
Credit collections	80	0.1	37	0.0	22.4
Other revenue for decrease of financial assets	660	0.8	451	0.6	40.2
Opening of lines of credit	1,092	1.3	1,351	1.8	54.7
Advances from institute treasurer / cashier	9,366	11.5	9,359	12.4	99.6
TOTAL GENERAL REVENUE (c)	81,325	100.0	75,776	100.0	73.8

(a) Includes collections in accrual and residual accounts.

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

(c) As a net of clearing accounts.

TABLE 2. COMMITMENTS, PAYMENTS (IN MILLIONS OF EUROS) AND SPENDING CAPACITY (PERCENTAGE) OF MUNICIPAL GOVERNMENTS BY ITEM. Years 2016 (provisional data; absolute values in millions of euros)

ITEMS	COMMITMENTS		PAYMENTS (a)		SPENDING CAPACITY (b)
	2016	comp %	2016	comp %	%
Current expenditures	54,200	68.8	51,908	68.9	75.2
Compensation of employees	13,936	17.7	13,769	18.3	95.2
Purchase of goods and services	29,181	37.0	27,678	36.7	67.2
Current transfers	5,898	7.5	5,719	7.6	63.2
Interest expense	1,810	2.3	1,665	2.2	91.0
Other current expenditures	3,376	4.3	3,078	4.1	74.1
Capital accounts expenses	11,179	14.2	10,363	13.7	54.2
Gross fixed capital formation and land purchase	9,924	12.6	9,177	12.2	54.5
Investment grants	642	0.8	607	0.8	52.6
Other capital accounts transfers	135	0.2	158	0.2	45.7
Other capital accounts expenditures	477	0.6	421	0.6	51.5
Expenditures for increase of financial assets	772	1.0	778	1.0	91.3
Acquisitions of financial assets	58	0.1	74	0.1	61.0
Grant of credits	67	0.1	70	0.1	99.6
Other expenditures for increase of financial assets	647	0.8	634	0.8	94.9
Loan repayment	3,077	3.9	2,925	3.9	92.6
Closure advances received from institute treasurer / cashier	9,581	12.2	9,403	12.5	89.9
TOTAL GENERAL EXPENDITURES (c)	78,809	100.0	75,377	100.0	74.8

(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) As a net of clearing accounts.

TABLE 3. ASSESSMENTS, COLLECTIONS (IN MILLIONS OF EUROS) AND COLLECTION CAPACITY (PERCENTAGE) OF PROVINCIAL GOVERNMENTS AND METROPOLITAN CITIES BY ITEM. Year 2016

ITEMS	ASSESSMENTS		COLLECTIONS (a)		COLLECTION CAPACITY (b)
	2016	comp %	2016	comp %	%
Current revenue	8,043	84.3	8,456	84.1	76.4
Current revenue tax based, contributory and equated	4,382	45.9	4,256	42.3	80.3
Current transfers	2,896	30.4	3,592	35.7	74.8
Non-tributary revenue	764	8.0	608	6.0	60.0
Capital accounts revenue	890	9.3	848	8.4	51.9
Investment grants	546	5.7	510	5.1	35.3
Other capital accounts transfers	98	1.0	101	1.0	41.5
Sales of tangible and intangible capital goods	234	2.4	232	2.3	96.6
Other capital accounts revenue	13	0.1	5	0.0	25.7
Revenue for decrease of financial assets	164	1.7	219	2.2	53.3
Sale of financial assets	31	0.3	42	0.4	76.2
Credit collections	63	0.7	26	0.3	15.8
Other revenue for decrease of financial assets	71	0.7	151	1.5	76.6
Opening of lines of credit	61	0.6	149	1.5	18.4
Advances from institute treasurer / cashier	380	4.0	380	3.8	100.0
TOTAL GENERAL REVENUE (c)	9,537	100.0	10,052	100.0	74.3

(a) Includes accrual collections and residual accounts.

(b) Collection capacity is calculated as the percentage ratio between accrual collections and assessments.

(c) As a net of clearing accounts.

TABLE 4. COMMITMENTS, PAYMENTS (IN MILLIONS OF EUROS) AND SPENDING CAPACITY (PERCENTAGE) OF PROVINCIAL GOVERNMENTS AND METROPOLITAN CITIES BY ITEM. Year 2016

ITEMS	COMMITMENTS		PAYMENTS (a)		SPENDING CAPACITY (b)
	2016	comp %	2016	comp %	%
Current expenditures	7,874	77.8	6,946	76.2	61.5
Compensation of employees	1,360	13.4	1,358	14.9	96.5
Purchase of goods and services	2,365	23.4	2,362	25.9	71.1
Current transfers	3,233	32.0	2,414	26.5	41.8
Interest expense	272	2.7	291	3.2	92.0
Other current expenditures	644	6.4	520	5.7	38.7
Capital accounts expenses	1,358	13.4	1,282	14.1	52.5
Gross fixed capital formation and land purchase	1,103	10.9	1,040	11.4	53.1
Investment grants	197	1.9	191	2.1	46.9
Other capital accounts transfers	31	0.3	31	0.3	61.0
Other capital accounts expenditures	27	0.3	19	0.2	58.2
Expenditures for increase of financial assets	107	1.1	115	1.3	99.4
Acquisitions of financial assets	4	0.0	5	0.0	95.8
Grant of credits	61	0.6	68	0.7	100.0
Other expenditures for increase of financial assets	41	0.4	42	0.5	98.9
Loan repayment	413	4.1	399	4.4	92.6
Closure advances received from institute treasurer / cashier	364	3.6	377	4.1	90.1
TOTAL GENERAL EXPENDITURES (c)	10,115	100.0	9,119	100.0	63.0

(a) Includes accrual payments and residual accounts.

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

(c) As a net of clearing accounts.

Methodological note

The data source for this statistical report is the certified balance sheet that all municipal and provincial governments and metropolitan cities are required to publish on an annual basis to certify their primary accounting data for the previous fiscal year. The certification of municipal and provincial balance sheets, the structure of which is defined in *Legislative Decree no.118 of 2011*, modified by *Legislative Decree no.126 of 2014*, shows the financial flows of salaries and cash flow for the main economic categories and revenue and expenditure items.

For fiscal year 2016, data for these provisional estimations were available for 7,026 municipal governments. Value estimations for the universe of municipalities were based on resident populations as of 31.12.2016 using coefficients of expansion for each resident population class of each region (Table 5). The provincial governments and metropolitan cities data published in this note are provisional estimations from calculations on the balance sheet certificates of 107 bodies, which represent this study's universe of observation. The governments of the autonomous provinces of Trento and Bolzano-Bozen were excluded since their financial flows were already incorporated in the summary of regional and Autonomous province final balance sheets. In Valle d'Aosta-Vallée d'Aoste, the regional government has the jurisdiction for functions that are assumed by provincial governments elsewhere.

TABLE 5. MUNICIPAL GOVERNMENTS AND THE DEGREE OF DATA COLLECTION COVERAGE FOR FINAL MUNICIPAL BALANCE SHEETS. Year 2016

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	1,202	1,161	96.6	4,392,526	4,344,945	98.9
Valle d'Aosta/Vallée d'Aoste	74	62	83.8	126,883	105,178	82.9
Liguria	235	220	93.6	1,565,307	1,516,487	96.9
Lombardia	1,527	1,471	96.3	10,019,166	9,716,906	97.0
Trentino-Alto Adige/Südtirol	293	194	66.2	1,062,860	734,902	69.1
Veneto	576	533	92.5	4,907,529	4,692,101	95.6
Friuli-Venezia Giulia	216	153	70.8	1,217,872	800,202	65.7
Emilia-Romagna	334	325	97.3	4,448,841	4,400,331	98.9
Toscana	279	268	96.1	3,742,437	3,618,285	96.7
Umbria	92	81	88.0	888,908	823,093	92.6
Marche	236	169	71.6	1,538,055	1,256,423	81.7
Lazio	378	330	87.3	5,898,124	5,539,010	93.9
Abruzzo	305	271	88.9	1,322,247	1,179,276	89.2
Molise	136	125	91.9	310,449	300,974	96.9
Campania	550	489	88.9	5,839,084	5,458,412	93.5
Puglia	258	231	89.5	4,063,888	3,672,054	90.4
Basilicata	131	130	99.2	570,365	568,647	99.7
Calabria	409	379	92.7	1,965,128	1,825,428	92.9
Sicilia	390	150	38.5	5,056,641	2,043,644	40.4
Sardegna	377	284	75.3	1,653,135	1,280,557	77.5
ITALY	7,998	7,026	87.8	60,589,445	53,876,855	88.9

For more details please refer to the Italian version

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