

## FINAL BALANCE SHEETS OF MUNICIPALITIES, PROVINCES AND METROPOLITAN AREAS | YEAR 2017

# Decreasing revenues in Provinces and metropolitan cities, decreasing expenditures in municipalities

 In 2017 municipalities registered substantial stability of established revenues and ongoing reduction of expenditure commitments.

The decline in gross fixed capital formation explained 50.8% of costs containment.

**Purchase of goods and services** represented the most consistent expenditure item in municipalities (38.3%), **current transfers** (34.3%) in provinces and metropolitan cities.

Collection capacity was equal to 72.7 percent (76.3% in 2016).

# -0.1%

**Total revenue  
assessed by  
Municipalities**

# -3.2%

**Municipalities'  
commitments  
(total expenditure)**

# -5.0%

**Total revenue  
assessed by  
metropolitan cities**

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## Municipalities revenues and collection capacity fell down

The total revenue assessed by municipalities during fiscal year 2017 was estimated at 81,701 million euros. This general total does not include the revenue of third-party contractors. Current revenue assessed was equal to 62.376 million euros (76.3 percent of total assessed revenue).

A total of 8,255 million euros of capital revenues and of 927 million euros of revenue due to the decrease of financial assets were assessed. With reference to the data for 2016, total collections decreased by 0.3 percent and total assessments by 0.1 percent.

Collection capacity in 2017, as measured by the ratio between items collected in accrual accounts and items assessments, was equal to 73.4 percent.

Collections of capital revenues reached 7,647 million euros and revenue for the decrease of financial assets 858 million euros.



## LOCAL GOVERNMENT: KEY NUMBERS

Year 2017

	Current revenues per capita	Current expenditures per capita	Collection capacity	Spending capacity	Autonomy degree		Percentage changes 2017/2016		Incidence of compensation of employees
	euros	euros	%	%	Taxation	Financial	Assessments/ Collections	Commitments/ Payments	%
Municipalities	1,031	888	73.4	76.6	63.1	84.8	-0.1/ -0.3	-3.2/ +0.4	22.0
Provinces and Metropolitan cities	132	123	72.7	61.0	55.0	63.5	-5.0/ -10.7	-9.0/ -4.0	15.5

## Municipalities payments and spending capacity grew up

In 2017 the overall total for expenditure commitments was estimated to be 76,556 million euros. Total payments amounted to 76,030 million euros with a spending capacity of 76.6 percent. For the previous year, commitments presented a decrease (-3.2 percent), payments grew up by +0.4 percent, with an increased spending capacity (+2.0 percentage points).

Current expenditure commitments totaled 53,709 million euros. Spending capacity, therefore, was equal to 76.4 percent, reflecting an increase over the previous year. In comparison to 2016, current commitments presented a decrease by 1.0 percent, while current payments an increase (+2.7 percent).

Commitments in capital accounts amounted to 9,676 million euros (spending capacity was 56.7 percent) and expenditures due to the increase of financial assets amounted to 741 million euros (spending capacity was 87.6 percent). In comparison to 2016, commitments in capital accounts fell down by 13.7 percent and payments by 8.4 percent.

## Municipalities of Puglia with the lowest per capita current expenditure

More than half of current expenditures was devoted to the purchase of goods and services (54.6 percent) and 25.6 percent to compensation of employees. Other current expenditures absorbed the residual part.

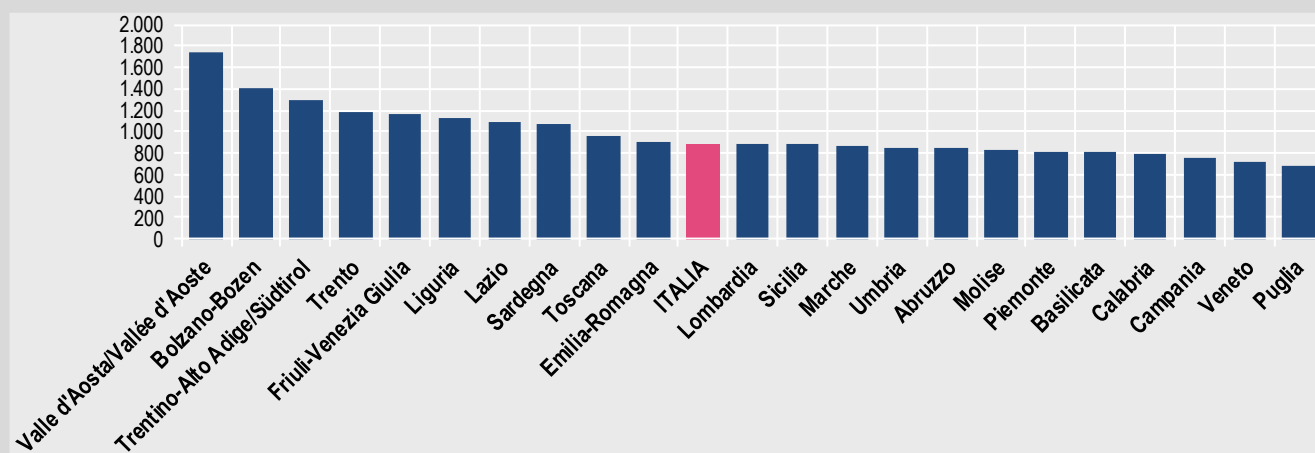
The per capita value of current expenditure was 888 euros at the national level; the highest level was observed in the municipalities of Valle d'Aosta/Vallée d'Aoste (1.737 euros) and the lowest level in Puglia (685 euros).

## Provinces and metropolitan cities revenues and collection capacity fell down

In 2017 total assessments as net of clearing accounts were equal to 9,121 million euros, reflecting a decrease over the previous financial year. This figure represented a substantial fall in capital revenue, advances from institute treasurer / cashier, opening of lines of credit and current revenue. Revenue for decrease of financial assets grew up. Current revenue assessed totaled 7.845 million euros (86.0 percent of total assessed revenue) and capital revenue was equal to 751 million euros (-21.3 percent compared with the previous year).

**FIGURE 1. CURRENT EXPENDITURE OF MUNICIPALITIES BY REGION**

Year 2017, per capita values in euros



Total collections were equal to 8,975 million euros (-10,7 percent) and total assessments decreased by 5.0 percent. Collections of capital revenues reached 737 million euros and revenue for the decrease of financial assets 234 million euros. Collection capacity was equal to 72.7 percent.

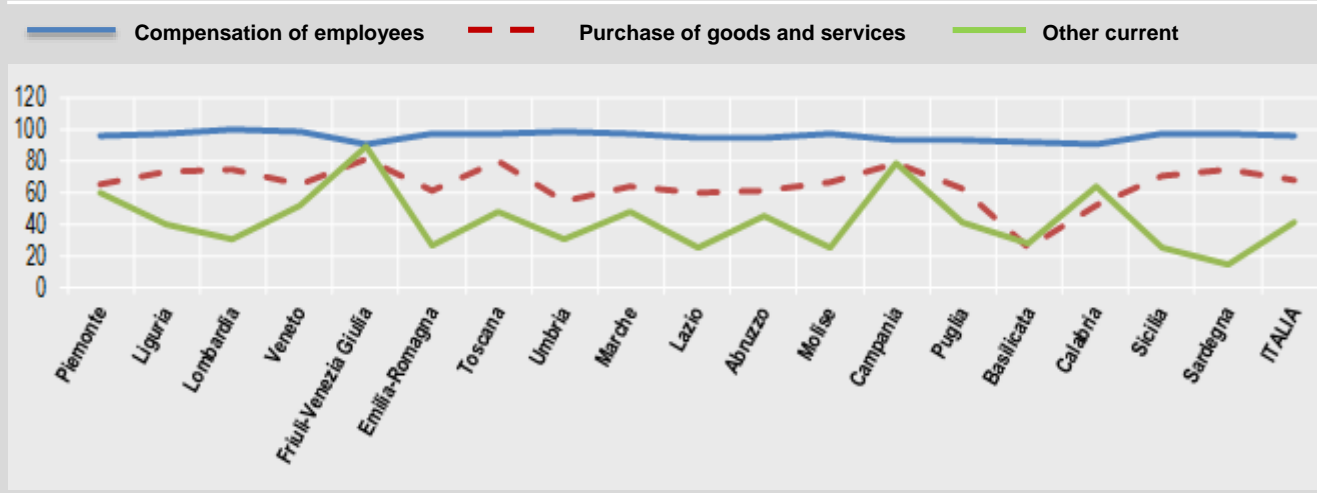
### Provinces and metropolitan cities: spending capacity grew up

Provinces and metropolitan cities adopted a total of 9,199 million euros of expenditure commitments during fiscal year 2017 (-9.0 percent compared with the previous year). Commitments for current expenditures fell down by 8.0 percent, decreasing from 7,944 to 7,312 million euros. A 13,6 percent decrease relative to the previous year was registered for capital commitments while expenditures for the increase of financial assets registered a strong increase (+50,%).

As regards to cash management, the total payments amounted to 8,683 million euros (-4.0 percent). The total for current payments was 6,832 million euros (-1.3 percent), expenditures for capital account were 1,122 million euros (-14.1 percent), for the increase of financial assets 85 million euros (+27.9 percent), for loan repayment were 374 million euros (+7.6 percent) and for closure advances from treasurer/cashier institute 270 million euros (-32.2 percent). Spending capacity was 61.0 percent.

**FIGURE 2. SPENDING CAPACITY OF PROVINCES AND METROPOLITAN CITIES BY ITEM AND REGION.**

Year 2017, percentage values



# Methodological note

The data source for this statistical report is the certified balance sheet that all municipalities, provinces and metropolitan cities are required to publish on an annual basis to certify their primary accounting data for the previous fiscal year. The certified balance sheet, 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 2017, data for these provisional estimations were available for 6,916 municipalities. Value estimations for the universe of municipalities were based on resident populations as of 31.12.2017 using coefficients of expansion for each resident population class of each region (Table 1). The provinces and metropolitan cities data published in this note are provisional estimations from calculations on the balance sheet certificates of 104 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 provinces elsewhere.

**TABLE 1. MUNICIPALITIES AND THE DEGREE OF DATA COLLECTION COVERAGE FOR FINAL MUNICIPAL BALANCE SHEETS. Year 2017**

REGIONS	Total no. of municipalities	No. of municipalities respondents	Degree of municipalities coverage	Total Population	Population of municipalities respondents	Degree of population coverage
	(A)	(B)	$C=(B/A*100)$	(D)	(E)	$F=(E/D*100)$
Piemonte	1,202	1,150	95.7	4,375,865	4,265,818	97.5
Valle d'Aosta/Vallée d'Aoste	74	71	95.9	126,202	122,788	97.3
Liguria	235	225	95.7	1,556,981	1,537,356	98.7
Lombardia	1,523	1,472	96.7	10,036,258	9,869,995	98.3
Trentino-Alto Adige/Südtirol	293	194	66.2	1,067,648	780,799	73.1
Veneto	574	540	94.1	4,903,722	4,771,988	97.3
Friuli-Venezia Giulia	217	176	81.1	1,216,853	1,046,534	86.0
Emilia-Romagna	333	330	99.1	4,452,629	4,439,900	99.7
Toscana	276	266	96.4	3,736,968	3,687,348	98.7
Umbria	92	81	88.0	884,640	722,286	81.6
Marche	229	177	77.3	1,531,753	1,302,545	85.0
Lazio	378	303	80.2	5,896,693	5,303,244	89.9
Abruzzo	305	261	85.6	1,315,196	1,119,518	85.1
Molise	136	125	91.9	308,493	269,468	87.3
Campania	550	476	86.5	5,826,860	5,057,938	86.8
Puglia	258	211	81.8	4,048,242	3,524,010	87.1
Basilicata	131	122	93.1	567,118	533,310	94.0
Calabria	405	359	88.6	1,956,687	1,685,554	86.1
Sicilia	390	94	24.1	5,026,989	748,183	14.9
Sardegna	377	283	75.1	1,648,176	1,293,910	78.5
<b>ITALY</b>	<b>7,978</b>	<b>6,916</b>	<b>86.7</b>	<b>60,483,973</b>	<b>52,082,492</b>	<b>86.1</b>