

FINAL BALANCE SHEETS OF MUNICIPAL GOVERNMENTS

Year 2011

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 2011 was estimated at 77,249 million euros (Table 1). This general total does not include the *revenue of third-party contractors*.

The total assessed revenue breaks down into 74.4 percent current revenues, 17.7 percent capital revenue and the remaining 7.9 percent for revenue derived from the opening of lines of credit.

Relative to the data for 2010, tax assessments decreased by 2.0 percent and total tax collection remained stable. Collections in accrual accounts grew from 52,716 million euros in 2010 to 52,897 million euros in 2011 (+0.3 percent), while residual accounts dropped from 21,429 million euros to 21,060 million euros (-1.7 percent). Tax collection capacity in 2011, as measured by the ratio between taxes collected in accrual accounts and tax assessments, was equal to 68.5 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 (+1.7 percentage points), while in both opening of lines of credit and capital revenue fell by 1.2 and 0.5 percentage points, respectively.

In 2011, the total for current revenue assessments was 57,464 million euros, remaining stable relative to the previous fiscal year. This result reflects the growth of tributary revenues (+52.3 percent) and non-tributary revenues (+4.6 percent), while contributions and transfers fell by 50.6 percent.

The collection of current revenues fell (-0.9 percent). Within this category, both the revenues from tributary and non-tributary revenues reflected an increase (+51.4 and +7.8 percent, respectively). Revenues from contributions and transfers dropped off (-51.4 percent).

A total of 13,662 million euros of capital revenues were assessed, down by 4.6 percent relative to 2010. This figure breaks down into an increase in asset transfers and in credit collection (+23.9 percent and +11.0 percent, respectively), while transfers fell by 11.3 percent.

Collections of capital revenues reached 12,561 million euros, remaining stable relative to 2010. This can mostly be attributed to the reductions recorded in transfers-derived (-7.8 percent), while asset transfers revenues (+32.1 percent) and credit collection (+11.4 percent) grew.

In 2011 the average per capita value of current revenues assessed at the national level (Table 2) was 968 euros per inhabitant, which was up 23 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 (1,957 euros), Trentino-Alto Adige/Südtirol (1,555 euros), Friuli-Venezia Giulia (1,301 euros), Lazio (1,236 euros), Sardegna (1,224 euros), Liguria (1,216 euros), Abruzzo (1,041 euros) and Toscana (973 euros). The values registered in the municipalities of Puglia representing the lowest value (723 euros per inhabitant).

Expenditure account by economic category

In 2011 the overall total for expenditure commitments was estimated to be 77,409 million euros (Table 3).

Total payments amounted to 74,571 million euros, of which 49,504 was accrual accounts with a consequent spending capacity of 64.0 percent. Relative to 2010, commitments presented a decrease (-1.7 percent), while payments grew by 1.1 percent, with an increased spending capacity (+2.7 percentage points). Current expenditure commitments totaled to 54,056 million euros, with 39,140 million euros of payments on accrual accounts. Spending capacity, therefore, was equal to 72.4 percent, reflecting an increase over the previous year. In comparison to 2010, current commitments presented a slight increase by 0.5 percent and current payments grew by 1.2 percent.

Commitments in capital accounts amounted to 15,976 million euros, with corresponding accrual payments of 3,841 million euros. This resulted in a spending capacity of 24.0 percent, which is 4.9 percentage points higher than the value reported the previous year. Relative to 2010, commitments and payments on capital accounts dropped by 12.1 percent and 0.9 percent, respectively.

In 2011, current per capita expenditures were 910 euros at the national level (Table 4), reflecting an increase of 23 euros relative to the previous fiscal year. The values recorded for municipal governments in the North, in the Centre and in the Islands were lower than the national average, with the exception of those in Valle d'Aosta-Vallée d'Aoste, Trentino-Alto Adige/Südtirol, Lazio, Friuli-Venezia Giulia, Liguria, Sardegna e 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 (1,662 euros) and Trentino-Alto Adige/Südtirol (1,292 euros). From among the regions with ordinary statutes there was Lazio (1,240 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 1,108 euros and 959 euros, respectively (which are above the national average). The lowest value (678 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, 2011 expenditures for the general administration function accounted for the largest proportion of final commitments (28.9 percent), which nevertheless reflects a 0.3 percentage point of increase relative to 2010. When combined with expenditures for territorial and environmental management (20.9 percent), this grouping represents nearly the half of the final municipal government expenditures. As in previous years, significant proportions of expenditures were also designated for the road condition and transport function (14.7 percent), the social sector (13.4 percent) and public education (9.1 percent). The residual 13 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 2010 (-2.7 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 (+19.8 percentage points relative to the previous year).

The **degree of financial autonomy**, equal to 79.9 percent at the national level, showed a growth relative to 2010 (59.1 percent for the 2010 fiscal year).

As for the **degree of tax dependence**, 2011 exhibited a decrease relative to previous fiscal years. On average, 7.3 percent of the current revenues of Italian municipal governments came from state contributions and transfers (-20.2 percentage points relative to 2010).

The **degree of structural rigidity** of municipal expenditures was equal to 40.7 percent on average, which represents a slight increase relative to 2010 (40.4 percent).

Lastly, **the incidence of personal expenditures** on current municipal revenue, equal to 27.8 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 2010 and 2011 (provisional data; absolute values in millions of euros)

ITEMS	ASSESSMENTS				COLLECTIONS (a)				COLLECTION CAPACITY (b)	
	2010	2011	var %	comp %	2010	2011	var %	comp %	2010	2011
Current revenue	57,291	57,464	0.3	74.4	54,584	54,106	-0.9	73.2	73.3	72.3
Tributary revenue	21,927	33,393	52.3	43.2	20,649	31,259	51.4	42.3	67.0	76.0
Revenue from contributions and transfers	23,407	11,564	-50.6	15.0	23,182	11,261	-51.4	15.2	84.9	72.7
Non-tributary revenue	11,956	12,507	4.6	16.2	10,753	11,587	7.8	15.7	62.1	61.9
Capital accounts revenue	14,328	13,662	-4.6	17.7	12,604	12,561	-0.3	17.0	47.0	51.7
Asset transfers	1,748	2,166	23.9	2.8	1,524	2,013	32.1	2.7	56.5	70.7
Transfers	11,052	9,800	-11.3	12.7	9,361	8,633	-7.8	11.7	41.5	41.1
Credit collections	1,528	1,696	11.0	2.2	1,719	1,915	11.4	2.6	76.1	88.4
Opening of lines of credit	7,220	6,122	-15.2	7.9	6,957	7,290	4.8	9.9	55.1	70.3
TOTAL GENERAL REVENUE	78,838	77,249	-2.0	100.0	74,145	73,957	-0.3	100.0	66.9	68.5

(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 2011 - 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	2,693	618	355	81	983	225	4,030	925
Valle d'Aosta-Vallée d'Aoste	61	484	142	1,123	44	350	248	1,957
Liguria	1,284	819	216	138	406	259	1,906	1,216
Lombardia	5,499	567	872	90	2,841	293	9,212	950
Trentino-Alto Adige/Südtirol	235	229	833	810	533	517	1,601	1,555
<i>Bolzano-Bozen</i>	117	233	430	853	309	613	857	1,698
<i>Trento</i>	118	225	403	768	223	425	744	1,418
Veneto	2,580	532	400	82	860	177	3,840	791
Friuli-Venezia Giulia	436	358	820	673	329	270	1,584	1,301
Emilia-Romagna	2,543	586	327	75	1,078	248	3,948	909
Toscana	2,221	606	291	79	1,058	288	3,570	973
Umbria	546	619	95	107	179	203	820	929
Marche	880	571	156	101	329	213	1,365	886
Lazio	4,248	772	1,297	236	1,255	228	6,800	1,236
Abruzzo	770	589	390	299	201	154	1,360	1,041
Molise	165	526	69	220	68	217	301	962
Campania	3,565	618	598	104	846	147	5,008	869
Puglia	2,233	551	368	91	325	80	2,927	723
Basilicata	312	540	104	180	70	122	486	842
Calabria	1,017	519	270	138	327	167	1,613	824
Sicilia	1,530	306	2,757	551	553	111	4,840	968
Sardegna	576	352	1,205	736	223	136	2,004	1,224
ITALY	33,393	562	11,564	195	12,507	211	57,464	968

Table 3 - Commitments, payments (in millions of euros) and spending capacity (percentage) of municipal Governments by category, Years 2010 and 2011 (provisional data; absolute values in millions of euros)

ITEMS	COMMITMENTS				PAYMENTS (a)				SPENDING CAPACITY (b)	
	2010	2011	var %	comp %	2010	2011	var %	comp %	2010	2011
Current expenditures	53,789	54,056	0.5	69.8	51,280	51,882	1.2	69.6	71.9	72.4
Personnel	16,373	15,994	-2.3	20.7	16,154	15,816	-2.1	21.2	91.2	91.4
Purchase of goods and services	27,136	27,971	3.1	36.1	25,242	26,420	4.7	35.4	61.6	62.5
Transfers	5,922	5,676	-4.1	7.3	5,708	5,448	-4.5	7.3	58.1	60.6
Passive interest and various financial burdens	2,180	2,223	2.0	2.9	2,162	2,193	1.4	2.9	97.6	97.0
Other current expenses (c)	2,177	2,191	0.7	2.8	2,015	2,006	-0.5	2.7	66.3	65.7
Capital accounts expenses	18,174	15,976	-12.1	20.6	15,740	15,594	-0.9	20.9	19.1	24.0
Investments in public works	14,207	11,927	-16.0	15.4	12,018	11,513	-4.2	15.4	10.8	13.1
Furniture, equipment, etc.	707	734	3.8	0.9	642	645	0.4	0.9	22.2	17.4
Capital transfers	1,182	1,124	-4.9	1.5	1,134	1,110	-2.1	1.5	25.0	29.8
Investments and Conferments	327	290	-11.5	0.4	254	435	71.5	0.6	16.3	54.3
Other capital accounts expenditures	1,750	1,900	8.6	2.5	1,692	1,891	11.7	2.5	81.3	87.6
Loan repayment	6,788	7,378	8.7	9.6	6,722	7,095	5.5	9.5	90.4	88.4
TOTAL GENERAL EXPENDITURES (d)	78,751	77,409	-1.7	100.0	73,742	74,571	1.1	100.0	61.3	64.0

(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 2011
(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	1,190	273	1,836	421	825	189	3,851	884
Valle d'Aosta-Vallée d'Aoste	61	480	104	820	46	362	210	1,662
Liguria	552	352	960	613	269	171	1,781	1,137
Lombardia	2,319	239	4,981	513	1,493	154	8,793	906
Trentino-Alto Adige/Südtirol	426	414	525	509	380	369	1,330	1,292
<i>Bolzano-Bozen</i>	199	393	225	445	245	485	668	1,324
<i>Trento</i>	228	434	300	571	135	257	662	1,262
Veneto	1,035	213	1,732	357	795	164	3,563	734
Friuli-Venezia Giulia	406	333	658	540	340	279	1,403	1,152
Emilia-Romagna	1,176	271	1,685	388	851	196	3,712	855
Toscana	1,070	292	1,607	438	655	179	3,333	909
Umbria	237	268	407	460	127	144	771	873
Marche	389	252	681	442	221	143	1,291	838
Lazio	1,704	310	4,138	752	977	178	6,819	1,240
Abruzzo	300	230	745	570	208	159	1,253	959
Molise	80	257	143	458	58	185	282	899
Campania	1,501	260	2,382	413	786	136	4,669	810
Puglia	730	180	1,519	375	495	122	2,744	678
Basilicata	147	255	227	393	83	143	456	790
Calabria	473	241	740	378	274	140	1,486	759
Sicilia	1,746	349	1,954	391	792	159	4,492	898
Sardegna	450	275	948	579	417	255	1,815	1,108
ITALY	15,994	269	27,971	471	10,091	170	54,056	910

Table 5 - Municipal Government expenditures by geographical area and function, Years 2010 and 2011 - Commitments (provisional data, percentage composition)

FUNCTIONS	NORTH-WEST			NORTH-EAST			CENTER			SOUTH			ISLANDS			ITALY		
	2010	2011	var %	2010	2011	var %	2010	2011	var %	2010	2011	var %	2010	2011	var %	2010	2011	var %
	Administration, management and control (a)	6,249	6,233	-0.3	3,787	3,661	-3.3	3,604	3,565	-1.1	4,398	4,333	-1.5	2,523	2,480	-1.7	20,561	20,272
Justice	82	87	5.8	61	57	-8.0	65	46	-28.9	98	89	-9.7	58	57	-3.0	364	336	-7.7
Local police	849	840	-1.1	501	484	-3.4	845	851	0.8	697	668	-4.0	357	351	-1.6	3,249	3,194	-1.7
Public education	1,970	1,930	-2.0	1,598	1,479	-7.5	1,550	1,494	-3.6	1,040	1,008	-3.1	497	460	-7.5	6,655	6,371	-4.3
Culture and cultural goods	652	592	-9.3	597	586	-1.8	689	527	-23.6	276	240	-13.1	185	190	2.7	2,399	2,135	-11.0
Sports and recreation	399	357	-10.5	485	451	-7.0	243	201	-17.3	226	230	2.1	119	115	-3.3	1,472	1,354	-8.0
Tourism	155	119	-23.0	101	96	-5.6	116	80	-30.8	137	110	-19.1	68	76	11.9	577	481	-16.5
Movement and transport	3,268	3,221	-1.5	1,822	1,663	-8.7	2,438	2,726	11.8	2,100	1,897	-9.6	848	757	-10.7	10,476	10,264	-2.0
Territorial and environmental management	3,538	3,530	-0.2	1,967	1,874	-4.8	2,529	3,148	24.5	4,701	4,297	-8.6	1,817	1,822	0.3	14,552	14,671	0.8
Social sector	2,669	2,600	-2.6	2,322	2,223	-4.3	2,142	2,073	-3.2	1,613	1,380	-14.4	1,214	1,134	-6.6	9,960	9,410	-5.5
Economic development	179	134	-25.3	163	144	-11.8	211	158	-25.1	197	212	7.9	120	88	-26.4	870	736	-15.4
Manufacturing services	175	235	34.7	318	289	-9.1	152	138	-9.8	134	88	-34.3	46	57	24.7	825	807	-2.4
TOTAL (b)	20,185	19,878	-1.5	13,722	13,007	-5.2	14,584	15,007	2.9	15,617	14,552	-6.8	7,852	7,587	-3.4	71,960	70,031	-2.7

(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 2010 and 2011 (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	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Piemonte	42.7	66.8	66.4	91.2	27.1	3.1	40.9	44.7	29.4	29.5
Valle d'Aosta-Vallée d'Aoste	24.3	24.7	42.0	42.5	1.1	0.8	30.0	30.0	25.7	24.7
Liguria	47.0	67.4	67.2	88.7	24.1	3.0	36.3	37.1	28.6	29.0
Lombardia	40.3	59.7	69.9	90.5	23.3	2.5	32.9	32.4	25.9	25.2
Trentino-Alto Adige/Südtirol	14.3	14.7	46.0	48.0	1.1	1.1	38.3	38.2	27.5	26.6
<i>Bolzano-Bozen</i>	13.6	13.7	47.6	49.8	1.0	1.1	37.8	37.6	24.7	23.2
<i>Trento</i>	15.0	15.8	44.3	45.9	1.3	1.2	38.9	38.9	30.6	30.5
Veneto	44.5	67.2	66.0	89.6	26.4	2.9	36.3	37.4	26.7	27.0
Friuli-Venezia Giulia	27.7	27.5	48.2	48.3	1.8	1.7	35.7	34.9	26.8	25.6
Emilia-Romagna	42.1	64.4	68.7	91.7	25.2	2.6	39.6	38.7	30.3	29.8
Toscana	39.2	62.2	68.2	91.8	25.5	2.3	41.4	42.1	30.3	30.0
Umbria	41.3	66.6	60.7	88.4	27.2	2.2	50.5	55.0	28.7	28.9
Marche	42.7	64.5	66.7	88.6	24.3	2.7	42.8	46.2	28.9	28.5
Lazio	35.1	62.5	54.5	80.9	33.3	8.7	35.6	33.1	29.2	25.1
Abruzzo	37.0	56.6	49.9	71.3	46.0	24.0	30.6	35.8	21.9	22.0
Molise	38.7	54.6	55.3	77.2	27.7	8.3	37.8	38.7	27.1	26.5
Campania	40.9	71.2	56.1	88.1	37.3	5.5	48.7	50.7	30.3	30.0
Puglia	46.7	76.3	56.2	87.4	31.7	3.8	35.7	41.4	24.0	25.0
Basilicata	32.7	64.3	48.7	78.8	35.4	5.6	52.8	58.8	29.9	30.3
Calabria	35.7	63.0	54.4	83.3	36.6	7.6	58.2	61.2	30.1	29.3
Sicilia	30.8	31.6	41.1	43.0	33.1	31.3	61.7	55.8	37.0	36.1
Sardegna	25.8	28.7	36.8	39.9	21.2	19.4	24.6	25.5	22.0	22.5
ITALY	38.3	58.1	59.1	79.9	27.5	7.3	40.4	40.7	28.6	27.8

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 2011, data for these provisional estimations were available for 6,992 municipal governments. Value estimations for the universe of municipalities were based on resident populations as of 31.12.2011 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 2011

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	4,357,663	4,138,101	95.0
Valle d'Aosta-Vallée d'Aoste	74	67	90.5	126,620	115,536	91.3
Liguria	235	200	85.1	1,567,339	1,488,489	95.0
Lombardia	1,544	1,444	93.5	9,700,881	9,357,599	96.5
Trentino-Alto Adige/Südtirol	333	281	84.4	1,029,585	890,622	86.5
Veneto	581	546	94.0	4,853,657	4,721,563	97.3
Friuli-Venezia Giulia	218	212	97.2	1,217,780	1,208,230	99.2
Emilia-Romagna	348	325	93.4	4,341,240	4,207,127	96.9
Toscana	287	271	94.4	3,667,780	3,610,280	98.4
Umbria	92	86	93.5	883,215	861,425	97.5
Marche	239	221	92.5	1,540,688	1,447,528	94.0
Lazio	378	233	61.6	5,500,022	4,433,243	80.6
Abruzzo	305	265	86.9	1,306,416	1,214,269	93.0
Molise	136	102	75.0	313,145	232,251	74.2
Campania	551	374	67.9	5,764,424	4,393,024	76.2
Puglia	258	209	81.0	4,050,072	3,490,416	86.2
Basilicata	131	103	78.6	577,562	476,348	82.5
Calabria	409	323	79.0	1,958,418	1,652,232	84.4
Sicilia	390	279	71.5	4,999,854	3,873,888	77.5
Sardegna	377	326	86.5	1,637,846	1,515,288	92.5
ITALY	8,092	6,992	86.1	59,394,207	53,327,459	89.8