Bacau City Hall

Quarterly financial report

at 30.06.2017

Table of contents

- General overview

Part I: Summary of budgetary evolutions

- Balance of revenues and expenditures at Q2 2017, as compared to Q2 2016
- Structure of revenues and expenditures at 30.06.2017

Part II: Budgetary revenues

- The situation of the revenues collected at 30.06.2017
- The dynamics of the revenues collected at Q2 2017, as compared to the level attained at Q2 2016
- Budgetary provisions at Q2 2017: the achievement degree of the revenues at Q2 2017
- Revenues' ratios

Part III: Budgetary expenditures (functional and economic classification)

- The situation of the expenditures performed at 30.06.2017
- The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016
- Budgetary provisions at Q2 2017: the achievement degree of the expenditures at Q2 2017
- Expenditures' ratios

Part IV:

- Balance sheet and overdue payments
- Local Public Debt Service

Glossary of terms

Disclaimer

General overview

General information

The city of Bacau, also named the "city of Bacovia", is the seat of the county with the same name, in Moldavia, Romania. It is situated on the Bistrita River, which also has a hydroelectric plant that covers a part of the local energy consumption. The Municipality of Bacau is located in the North – East region of the country, in the Central – West part of Moldavia, at just 9.6 km upstream from the Siret – Bistrita confluence.

From an administrative point of view, it is adjoining with the Hemeius and Saucesti communes, in North, with the Letea Veche commune, in East and with the Luizi – Calugara, Magura and Margineni communes, in South.

The North – East region is a development region of Romania, created in 1998. As the other development regions, it has no administrative competence, its main functions being the coordination of the regional development projects and the absorption of the funds from the European Union.

The region's economy is based mainly on agriculture (46% out of the total population has the agriculture as main occupation) and on heavy and light industry.

Source: *https://ro.wikipedia.org;*

Territorial administration	North - East Region	Bacau County	Bacau City
Territorial area (km^2)	36,850	6,621	43
Green areas - municipalities/cities (ha)	3,159	789	385
Public sewerage system (km)	3,736	703	213
Population (January 1st, 2017)	**3,937,780**	**745,393**	**197,003**
Gender distribution			
female	1,978,926	376,665	103,195
male	1,958,854	368,728	93,808
Distribution by age categories			
0-19 years	889,292	160,849	36,503
20-44 years	1,492,238	279,745	76,500
45-59 years	764,452	152,773	44,041
60 years and above	791,798	152,026	39,959
Distribution by environment			
urban	1,775,795	351,554	197,003
rural	2,161,985	393,839	-
Work force (th, YE 2015)			
Civil employment	1,149	201	-
Average embloyee number	514	101	58
Unemployment rate (May 2017)	5.6%	5.8%	-

National economy	
GDP - Current prices (YE 2015), mil. RON	181,542
GDP - Current prices (YE 2014), mil. RON	168,181
GDP variation - YE 2015/YE 2014 (real terms)	3.8%

Regional economy	N-E Region	Bacau County
Turnover of local businesses (mil. RON), out of which:	**84,512**	**16,694**
Manufacturing industry	28.6%	24.9%
Constructions	8.7%	9.9%
Commerce	45.1%	50.9%
Transports and storage	5.5%	3.8%
Other services	12.1%	10.5%

Source: *http://www.insse.ro/cms/;*

Infrastructure

European Corridor

The region is crossed by the 9th Pan – European Corridor (its railway network), which ties the North of Europe (Helsinki, Sankt Petersburg) to a series of important capitals in the East of Europe, to Romanian and to the Balkan countries, reaching the shores of the Aegean Sea. In the same time, there are projects for the constructions of a "Moldova" highway, which will follow the route of the Siret Corridor and will tie the 9th Pan – European Corridor to the Targu Mures – Iasi highway, near Targu Neamt.

Railway network

In what regards the railway network, the region is crossed by the most important railway thoroughfare of Moldavia, the line 500. The CFR Bacau station is in the same time a railway junction, as a result of the detachment of secondary line 609 on the Bacau – Bususi – Piatra Neamt – Bicaz route. The railway thoroughfare 500 is included in the European railway network TEN – T.

Roads network

Regarding the roads network, the Bacau County is crossed by 8 national roads, the most important ones intersecting with the European road E 574.

Airline network

The "George Enescu" Airport in Bacau serves not only the Bacau County, but all the central and south part of Moldavia. The aerodrome exists in Bacau from the first decades of the 20th century.

Source: *Development strategy of the Bacau County: period of 2014 - 2020;*

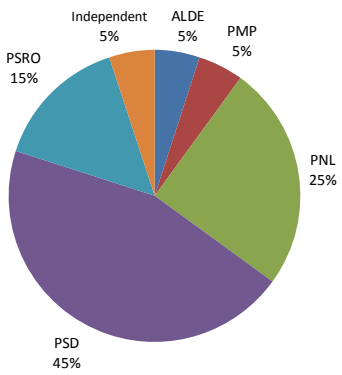
th RON

Ratios 2016	Total region's municipalities	Municipalities - county seats					
		Bacau	Botosani	Iasi	Piatra Neamt	Suceava	Vaslui
Total revenues	**2,544,696**	**347,509**	**207,290**	**682,817**	**187,595**	**239,875**	**135,164**
Own revenues	1,261,655	193,574	96,728	378,521	95,561	129,131	58,745
Own revenues % TR	49.6%	55.7%	46.7%	55.4%	50.9%	53.8%	43.5%
Revenues from the State Budget	1,221,111	147,801	104,911	282,426	91,125	109,526	72,773
Revenues from the State Budget %	48.0%	42.5%	50.6%	41.4%	48.6%	45.7%	53.8%
Sums received from EU - payments performed	45,167	5,319	4,821	20,735	316	603	3,262
Sums received from EU - payments performed %	1.8%	1.5%	2.3%	3.0%	0.2%	0.3%	2.4%
Total expenditures	**1,726,238**	**318,963**	**202,539**	**648,347**	**189,742**	**239,675**	**126,972**
Operational expenditures	1,433,797	266,785	174,930	518,983	152,199	202,021	118,879
Operational expenditures %	83.1%	83.6%	86.4%	80.0%	80.2%	84.3%	93.6%
Investment expenditures	134,022	18,872	11,963	63,948	14,654	17,823	6,763
Local Budget	101,591	8,150	10,737	49,479	14,654	14,990	3,581
Non - refundable external funds	32,010	10,300	1,226	14,468	0	2,833	3,182
Financial expenditures	158,840	33,727	15,645	65,417	22,889	19,831	1,330
Current result (the result of the period)	**818,458**	**28,546**	**4,752**	**34,470**	**-2,147**	**200**	**8,192**

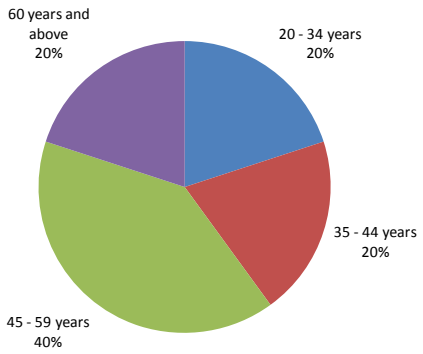
General overview

The Local Council of the Municipality of Bacau at the 30th of June, 2017

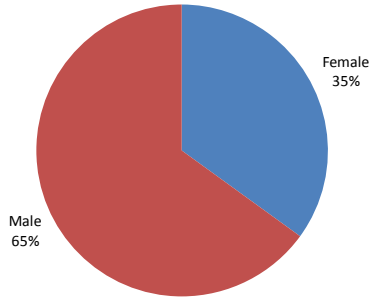
Political structure



Age distribution



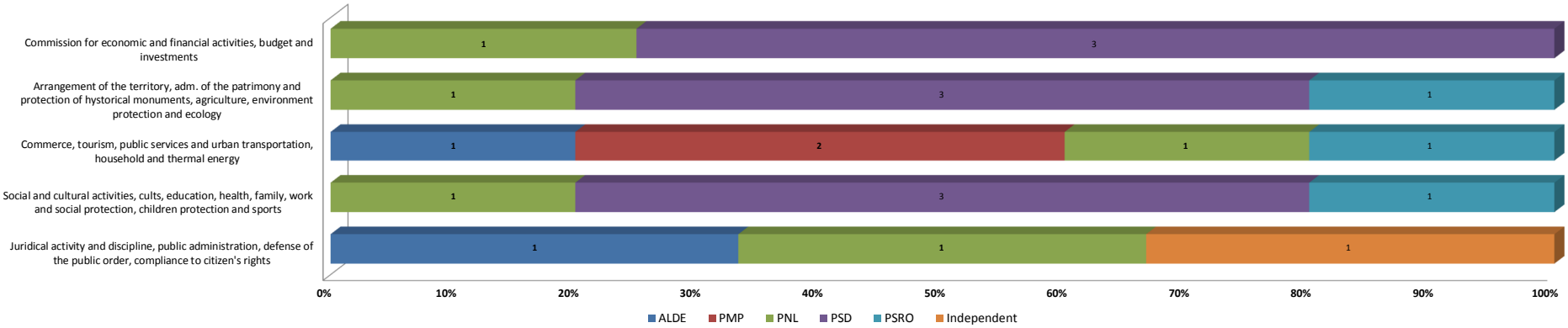
Gender distribution



Structure by political party, profession and age groups

Party	No.	Profession	Agr group
PSD	1	Teacher/Economist	20 - 34 years
PSD	1	Professor	20 - 34 years
PSD	1	Medic/Pulmonologist	35 - 44 years
PSD	1	Pharmacist	35 - 44 years
PSD	2	Economist	45 - 59 years
PSD	1	Teacher	45 - 59 years
PSD	1	Professor	45 - 59 years
PSD	1	Jurist	60 years and above
PNL	1	Architect	20 - 34 years
PNL	1	Engineer	35 - 44 years
PNL	1	Lawyer	35 - 44 years
PNL	1	Engineer	45 - 59 years
PNL	1	Medic	45 - 59 years
PSRO	1	Economist	45 - 59 years
PSRO	1	Technician	60 years and above
PSRO	1	Professor	60 years and above
ALDE	1	Economist	45 - 59 years
PMP	1	Pensioner	60 years and above
Independent	1	Student	20 - 34 years

The Commissions of the Local Council of the Municipality of Bacau and their political structure



- The Mayor of the Municipality of Bacau is Mr. Cosmin Necula, following the result of the local elections from June 2016. Mr. Necula represents the Democratic Social Party, is 38 years old and a jurist by profession.
- The Deputy Mayors functions are held by Mr. Scripat Constantin, respectively by Mr. Stefan Daniel – Dragos. Mr. Scripat is representing the People's Movement Party, is 60 years old and an engineer, whereas Mr. Stefan represents the Alliance of the Liberals and Democrats, is 40 years old and an economist.
- Mr. Popovici Nicolae is the Secretary of the Municipality of Bacau, is 48 years old and a jurist by profession.

General overview

Institutions and directions subordinated to the Local Council of the Bacau Municipality

- ***Bacau City Local Police*** – the current expenditures as well as the investment expenditures are financed from own revenues and subsidies from the Local Budget of Bacau City;
- ***Bacau Local Development Agency*** – the agency's main objective is the realization of the set of measures, programs, professional activities that contribute to the economic and social development of Bacau City;
- ***The Department of Social Work*** assures the social assistance in child protection, family, single persons, elderly, people with disabilities, as well as for any person in need;
- ***The Public Department for People evidence***;
- ***Municipal Sports Club "Stiinta Bacau.***

Source: https://www.google.ro/maps/

Cultural and social environment

Education

The education network, approved for the 2016 – 2017 scholar year in the Municipality of Bacau, covers the entire educational plan, state and private scholar units; thereby a number of 44 kindergartens are functioning, 21 schools (primary and gymnasium), 20 high schools and professional education units and two universities. The undergraduate education financing is performed based on the National Education Law No. 1 from 2011, as amended and completed.

Social assistance

Within the Public Service of Social Assistance of the Municipality of Bacau are organized and functioning the following units: Day Care Centre "O scoala pentru toti", Day Care Centre for the children in difficulty, Day Care Centre for the children with special needs, Day Care Centre "Clubul pensionarilor", Family Care Centre (maternal assistants) and Temporary Accommodation Centre for the homeless. Likewise, in the subordination of the Local Council of Bacau functions the Home for elderly population situated in the Ghioceilor Alley No. 2, with a capacity of 210 places.

Culture and recreation

Out of the cultural landmarks of the Municipality of Bacau, it is to be mentioned: the Assembly of the Royal Court, 15th – 16th centuries, Memorial House George Bacovia, 19th century, Bacovia Municipal Theatre, Animation Theatre, History Museum, Arts Museum, Natural Sciences Museum, Astronomic Observatory, County Library, Internal Cultural Centre "G. Apostu", Philharmonic, and Ceramic Arts Galleries "Anton Ciobanu".

For spending the free time and leisure, there are 374 ha of green areas in Bacau, the most important being Trandafirilor Park, Cancicov Park, Hemeius Arboretum Park and Leisure island (artificial island, created in the middle of a lake formed by the Bistrita River, arranged for recreation).

Health Care

The County Emergency Hospital Bacau ensures the preventive medical assistance, curative and recuperative, primary and secondary for the citizens of the Bacau Municipality and of the nearby communes, accounting for 47% out of the total population of the county.

"Spitalul de Pneumoftiziologie Bacau", medical unit subordinated to the Local Council of the Municipality of Bacau.

Bacau Municipal Hospital – the investments related to the construction and endowment with medical equipment are currently undergoing.

Table of contents Part I

Part I: Summary of budgetary evolutions

- Balance of revenues and expenditures at Q2 2017, as compared to Q2 2016
- Structure of revenues and expenditures at 30.06.2017

Balance of revenues and expenditures

at Q2 2017, as compared to Q2 2016

'000 RON

		Q2 2016	Q2 2017	%
	TOTAL REVENUES	**183,301.2**	**207,977.3**	▲ **13.5%**
	TOTAL EXPENDITURES	**152,740.4**	**184,774.3**	▲ **21.0%**
1	**Operational Revenues**	**179,899.0**	**203,153.6**	▲ **12.9%**
2	**Tax revenues**	**155,665.6**	**179,626.6**	▲ **15.4%**
3	Own tax revenues	**85,076.6**	96,826.6	▲ 13.8%
4	Sums deducted from VAT	**70,589.0**	82,800.0	▲ 17.3%
5	**Non - tax revenues,** out of which:	**24,219.7**	**23,513.2**	▼ **-2.9%**
6	Non - tax own revenues	**13,327.0**	11,926.9	▼ -10.5%
7	Donations and sponsorships	**0.8**	0.5	▼ -45.7%
8	**Current subsidies**	**13.7**	**13.8**	▲ **0.7%**
1	**Operational Expenditures (OPEX),** out of which:	**127,708.0**	**162,391.6**	▲ **27.2%**
2	Staff costs (PEREX)	65,177.3	81,831.6	▲ 25.6%
3	Goods and services*	34,801.1	42,165.0	▲ 21.2%
4	Current transfers	9,640.1	10,160.0	
5	Internal transfers	1,214.7	1,692.3	▲ 39.3%
6	Social assistance	9,528.7	12,331.8	▲ 29.4%
7	Subsidies	5,000.0	12,036.3	▲ 140.7%
8	Other expenditures	2,346.0	2,174.6	▼ -7.3%
	Operational Result	**52,191.1**	**40,762.0**	
	Operational Surplus (% from OPEX)	40.9%	25.1%	
	Operational Deficit (% from Op. revenues)	-	-	
1	**Investment Revenus**	**3,046.9**	**371.5**	▼ **-87.8%**
2	Capital revenues	**310.3**	329.5	▲ 6.2%
3	Capital subsidies	**410.9**	12.7	▼ -96.9%
4	Sums received from the EU	**2,325.7**	29.3	▼ -98.7%
1	**Investment Expenditures (CAPEX):**	**7,643.5**	**7,957.0**	▲ **4.1%**
2	Capital transfers	-	230.0	-
3	Projects with EU financing	5,969.4	3,800.3	▼ -36.3%
4	Capital expenditures	1,674.1	3,926.7	▲ 134.6%
	Result from the investment activity	**- 4,596.6**	**- 7,585.5**	
1	**Financial Revenues**	**355.3**	**4,452.2**	▲ **1153.0%**
2	Financial operations	355.3	4,452.2	▲ 1153.0%
1	**Financial Expenditures**	**17,389.0**	**14,425.7**	▼ **-17.0%**
2	Commissions related to loans	10.7	35.2	▲ 228.6%
3	Interests	2,429.1	1,899.5	▼ -21.8%
4	Reimbursement of loans	14,949.2	12,491.0	▼ -16.4%
	Financial Result	**- 17,033.7**	**- 9,973.5**	
	Result of the period	**30,560.8**	**23,203.0**	▼ **-24.1%**
	Surplus (% from Total Expenditures)	20.0%	12.6%	
	Deficit (% from Total Revenues)	-	-	
	Result of the period (without previous year's surplus)	**30,205.5**	**18,750.7**	▼ **-37.9%**
	Own revenues/Operational revenues (%)	61.1%	61.6%	
	OPEX/Own revenues (%)	116.1%	129.8%	
	(OPEX-PEREX, from Education&Insurance and social assistance)/(O. Rev.-Quotas deducted from the income tax) (%)	117.8%	143.1%	

- At the end of June 2017, the **Operational balance** had a surplus of RON 40,762 th, accounting for 25.1% out of the Operational expenditures, going down by RON 11,429.1 th, as compared to the result of the same period of 2016. The evolution was determined by the increase of the Operational revenues (by RON 23,254.5 th, +12.9%), mainly Tax revenues and of the Operational expenditures (by RON 34,683.6 th, +27.2%), mainly Staff costs, Goods and services and Subsidies.
- After covering the Financial expenditures of the period (composed of capital instalments and interests paid for the banking loans contracted by the municipality) and the deficit from the Investment activity (generated by an increase of the expenditures by 4.1% in comparison to the decrease of the revenues by 87.8%), the surplus generated at Q2 2017 was in the amount of RON 23,203 th (accounting for 12.6% out of the total expenditures). The surplus recorded at Q2 2016 was in the amount of RON 30,560.8 th (respectively 20% out of the total expenditures).

*) **Goods and services** title, highlighted within the Operational Expenditures, does not include the expenditures on **Commissions and other costs related to loans**, being reflected at the level of the Financial Expenditures;

Balance of revenues and expenditures

at Q2 2017, as compared to Q2 2016

'000 RON

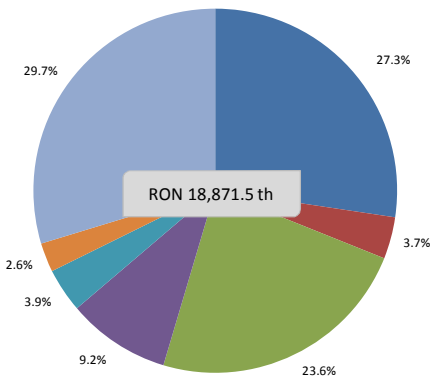
Payments performed at Q2 2017, as compared to Q2 2016 (Variations)

Budgetary chapter	TOTAL EXPENDITURES	Total Operational Expenditures	Operational expenditures, out of which: Staff costs	Goods and services*	Social assistance	Financial Expenditures	Investment Expenditures	Investment expenditures (Revised at Q2 2017)
Public Authorities and external	**9,711.1**	**2,628.7**	**2,127.4**	**621.1**	-	**6,620.2**	**462.2**	4,619.3
Other general public services	**728.7**	**753.2**	**462.6**	**225.0**	-	-	-24.5	152.5
Transactions regarding the public debt and loans	-505.1	-	-	-	-	-505.1	-	-
General Transfers between different levels of administration	-	-	-	-	-	-	-	-
Defense	0.0	0.0	-	0.0	-	-	-	-
Public order and national security	-132.1	-209.6	**35.5**	**39.3**	-	-	**77.5**	435.0
Education	**12,184.1**	**12,336.4**	**10,238.2**	**1,240.1**	**377.9**	-	-152.3	4,244.2
Health	-1,760.1	**435.1**	-	-0.8	-	2,498.1	**302.9**	11,369.2
Culture, recreation and religion	-1,611.4	**245.5**	**313.1**	-342.9	-	-	-1,856.9	5,866.5
Insurance and social assistance	**6,094.0**	**5,557.0**	**2,448.7**	**740.6**	**2,425.2**	-	**537.0**	2,353.6
Housing, public services and	**1,555.2**	**703.7**	**429.4**	**302.3**	-	-	**851.5**	5,271.1
Environment protection	**1,755.3**	**1,701.6**	**398.9**	**1,231.8**	-	201.4	**255.0**	6,642.0
General economic, commercial and working actions	-	-	-	-	-	-	-	-
Fuel and power	**8,167.6**	**11,297.6**	-	**4,265.2**	-	6,153.8	**3,023.9**	35,563.6
Agriculture, Forestry, Fish breeding	-	-	-	-	-	-	-	-
Transport	-4,153.3	-765.6	**200.5**	-957.6	-	-225.0	-3,162.7	14,750.8
Other economic actions	-	-	-	-	-	-	-	-
TOTAL	**32,033.9**	**34,683.6**	**16,654.4**	**7,363.9**	**2,803.1**	-2,963.3	**313.5**	91,268.0

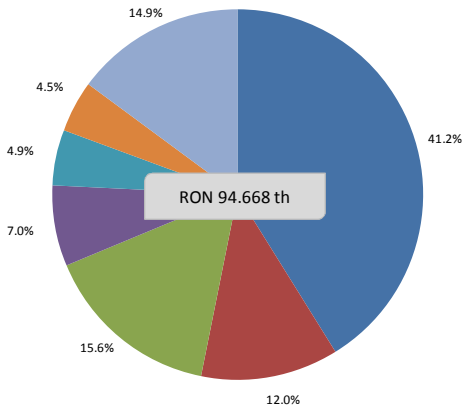
*) **Goods and services** title, highlighted within the Operational Expenditures, does not include the expenditures on **Commissions and other costs related to loans**, being reflected at the level of the Financial Expenditures;

Distribution of the Investment expenditures in 2017 (last rectification), as compared to the distribution of the execution in 2016

Investment expenditures, execution 2016

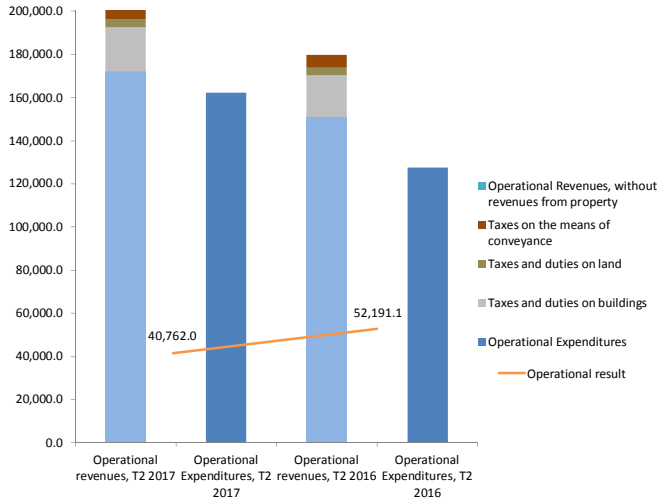


Investment expenditures, revised 2017



- Fuel and Power
- Health
- Tranports
- Environment protection
- Public authorities and external actions
- Education
- Other capital expenditures

Structure of the Operational Result (Q2 2017 vs. Q2 2017)

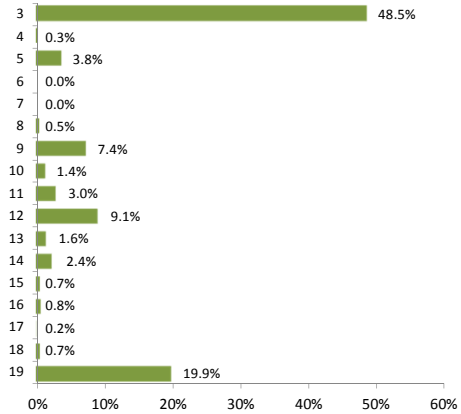


Structure of revenues and expenditures

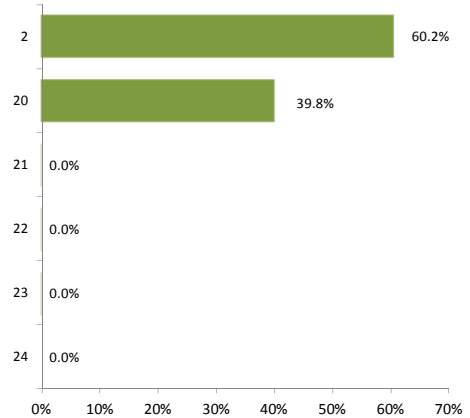
at June 30th, 2017

'000 RON

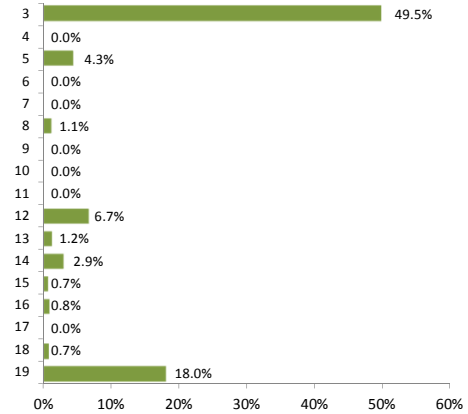
The structure of performed own revenues
125,121.0



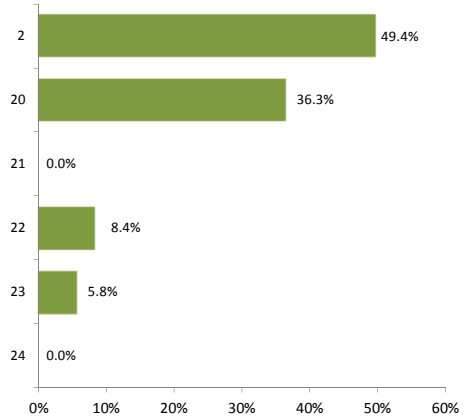
The structure of performed total revenues
207,977.3



The structure of budgeted own revenues
120,256.6



The structure of budgeted total revenues
243,219.2



The structure of performed functional expenditures
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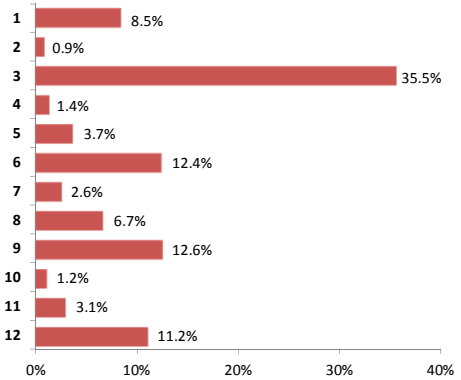
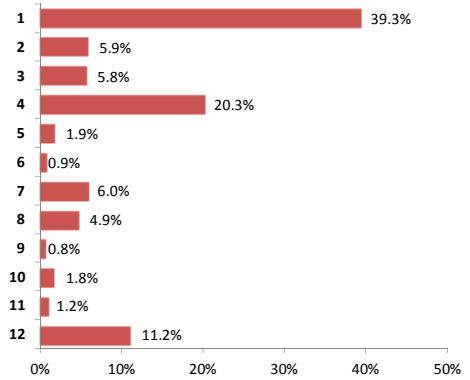
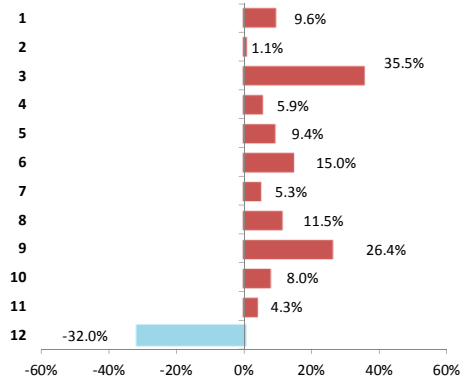


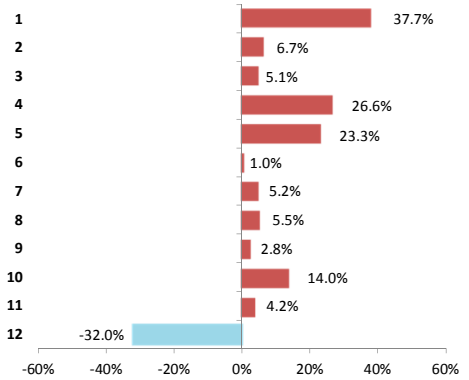
The structure performed economic expenditures
207,977.3



The structure of budgeted functional expenditures
243,219.2



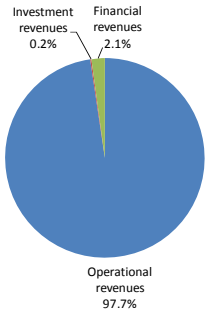
The structure of budgeted economic expenditures
243,219.2



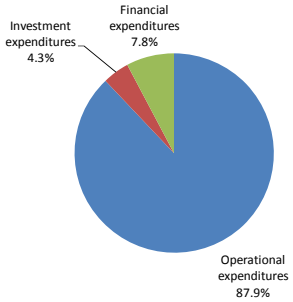
Note: The vertical axis reflects the components of the income/expenses detailed in the revenues/expenditures statement

Planned level - final provisions approved at the end of the reporting period

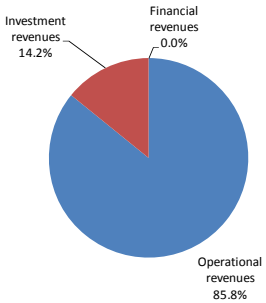
Collected revenues at Q2 2017



Performed expenditures at Q2 2017



Planned revenues at Q2 2017



Planned expenditures at Q2 2017

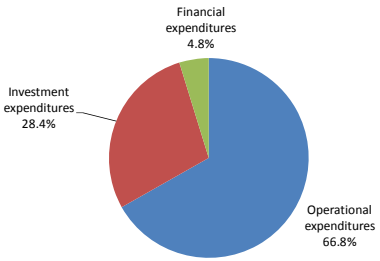


Table of contents Part II

Part II: Budgetary revenues

- The situation of the revenues collected at 30.06.2017
- The dynamics of the revenues collected at Q2 2017, as compared to the level attained at Q2 2016
- Budgetary provisions at Q2 2017: the achievement degree of the revenues at Q2 2017
- Revenues' ratios

The situation of the collected revenues

at June 30th, 2017

'000 RON

Line	Revenues	2017 Planned 2017	% /TRC	Planned at Q2	% /TRC	Rectified at T2	% /TRC	Execution at T2	% /TRC	2016 Planned 2016	% /TRC	Planned at Q2	% /TRC	Rectified at Q2	% /TRC	Execution at Q2	% /TRC
1	**Total revenues (TR)**	**387,928.2**		**242,584.1**		**243,219.2**		**207,977.3**		**355,222.4**		**225,552.5**		**229,379.8**		**183,301.2**	
2	**Own revenues, out of which:**	**201,397.7**	51.9	**116,836.6**	48.2	**120,256.6**	49.4	**125,121.0**	61.5	**178,084.2**	50.1	**100,554.3**	44.6	**100,721.4**	43.9	**109,961.0**	60.1
3	Quotas deducted from the income tax	119,000.0	30.7	59,500.0	24.5	59,500.0	24.5	60,638.3	29.8	94,200.0	26.5	47,100.0	20.9	47,100.0	20.5	50,328.8	27.5
4	Capital revenues	-	-	-	-	-	-	329.5	0.2	-	-	-	-	-	-	259.7	0.1
5	Revenues from concessions and rents	7,200.0	1.9	5,200.0	2.1	5,200.0	2.1	4,693.2	2.3	8,983.0	2.5	4,733.0	2.1	4,733.0	2.1	4,395.1	2.4
6	Payments from net profit of self-governing administration, national societies and companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Revenues from dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Tax on revenues from the transfer of real estate from the private patrimony	2,184.0	0.6	1,330.0	0.5	1,330.0	0.5	683.3	0.3	2,245.0	0.6	1,200.0	0.5	1,200.0	0.5	1,276.1	0.7
9	Tax on buildings from the population	12,508.8	3.2	11,508.8	4.7	11,508.8	4.7	9,210.7	4.5	8,445.0	2.4	7,038.0	3.1	4,350.0	1.9	8,588.1	4.7
10	Tax on land from the population	3,446.7	0.9	1,836.7	0.8	1,836.7	0.8	1,746.3	0.9	1,753.0	0.5	900.0	0.4	1,047.0	0.5	1,614.1	0.9
11	Tax on the means of conveyance owned by the population	5,000.0	1.3	3,000.0	1.2	3,500.0	1.4	3,712.0	1.8	4,186.0	1.2	3,528.0	1.6	3,328.0	1.5	3,590.9	2.0
12	Tax on buildings from the legal entities	11,000.0	2.8	7,000.0	2.9	8,000.0	3.3	11,410.7	5.6	11,512.0	3.2	7,312.0	3.2	10,000.0	4.4	10,559.2	5.8
13	Tax on land from the legal entities	2,000.0	0.5	1,500.0	0.6	1,500.0	0.6	1,969.7	1.0	2,334.0	0.7	1,234.0	0.5	1,000.0	0.4	1,944.1	1.1
14	Tax on the means of conveyance owned by the legal entities	5,022.0	1.3	3,000.0	1.2	3,500.0	1.4	3,019.5	1.5	4,343.0	1.2	2,300.0	1.0	2,500.0	1.1	2,483.1	1.4
15	Fees and charges for the issuance of licences and functioning authorisations	2,117.0	0.5	875.0	0.4	875.0	0.4	829.1	0.4	1,354.0	0.4	754.0	0.3	754.0	0.3	886.4	0.5
16	Stamp duties, for notary work and other stamp duties	1,300.0	0.3	700.0	0.3	1,000.0	0.4	990.7	0.5	1,403.0	0.4	803.0	0.4	803.0	0.4	624.2	0.3
17	Extrajudicial stamp duties	-	-	-	-	-	-	196.9	0.1	1,986.0	0.6	1,200.0	0.5	1,200.0	0.5	805.7	0.4
18	Revenues from fines and other legal sanctions	1,350.0	0.3	900.0	0.4	900.0	0.4	843.1	0.4	1,800.0	0.5	900.0	0.4	900.0	0.4	845.9	0.5
19	Other own revenues	29,269.2	7.5	20,486.1	8.4	21,606.1	8.9	24,847.8	12.2	33,540.2	9.4	21,552.3	9.6	21,806.4	9.5	21,759.5	11.9
20	Sums deducted from the VAT	149,160.0	38.5	88,377.0	36.4	88,377.0	36.3	82,800.0	40.7	120,370.0	33.9	68,230.0	30.3	71,399.0	31.1	70,589.0	38.6
21	Donations and sponsorships	-	-	-	-	-	-	0.5	0.0	-	-	-	-	-	-	0.8	0.0
22	Subsidies received from the State Budget	23,258.8	6.0	23,258.8	9.6	20,473.9	8.4	26.5	0.0	32,519.5	9.2	32,519.5	14.4	33,010.7	14.4	424.6	0.2
23	Sums received from EU for the made payments	14,111.8	3.6	14,111.8	5.8	14,111.8	5.8	29.3	0.0	24,248.7	6.8	24,248.7	10.8	24,248.7	10.6	2,325.7	1.3
24	Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			% /TR		% /TR		% /TR		% /TR		% /TR		% /TR		% /TR		% /TR
	Operational revenues	350,569.0	90.4	205,224.9	84.6	208,644.9	85.8	203,153.6	97.7	298,464.7	84.0	168,794.8	74.8	172,134.2	75.0	179,899.0	98.1
	Investment revenues	37,359.2	9.6	37,359.2	15.4	34,574.3	14.2	371.5	0.18	56,757.7	16.0	56,757.7	25.2	57,245.7	25.0	3,046.9	1.66
	Financial revenues	-	-	-	-	-	-	4,452.2	2.1	-	-	-	-	-	-	355.3	0.2
	Total revenues - operating section	**344,928.2**	88.9	**199,584.1**	82.3	**203,004.1**	83.5	**199,053.6**	95.7	**287,485.9**	80.9	**162,278.5**	71.9	**165,617.8**	72.2	**175,167.0**	95.6
	Total revenues - development section, out of which:	**43,000.1**	11.1	**43,000.1**	17.7	**40,215.1**	16.5	**8,923.7**	4.3	**67,736.5**	19.1	**63,274.0**	28.1	**63,762.0**	27.8	**8,134.2**	4.4
	Previous surplus	-	-	-	-	-	-	**4,452.2**	2.1	-	-	-	-	-	-	**355.3**	0.2
	Total revenues of the period (TRC*=TR - Previous surplus)	**387,928.2**	100.0	**242,584.1**	100.0	**243,219.2**	100.0	**203,525.1**	97.9	**355,222.4**	100.0	**225,552.5**	100.0	**229,379.8**	100.0	**182,945.9**	99.8

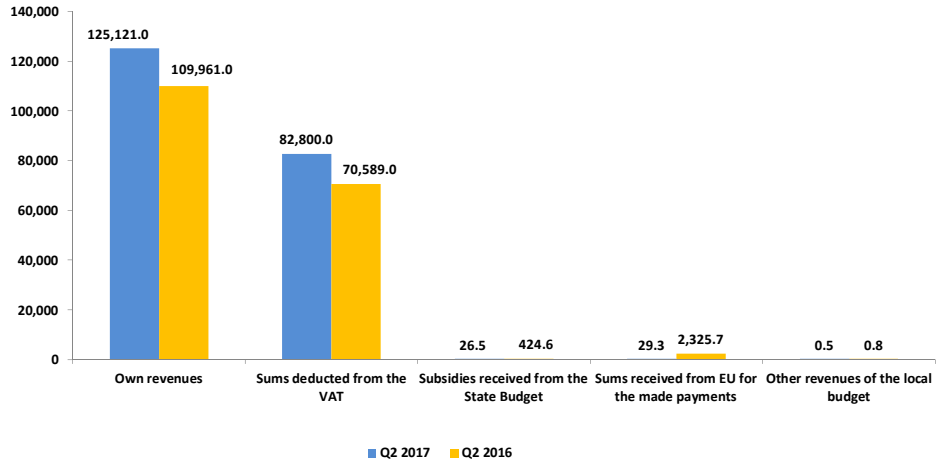
**) %TRC - Represents the weight of each line in Total Revenues Collected (without reserves);*

The dynamics of the revenues collected

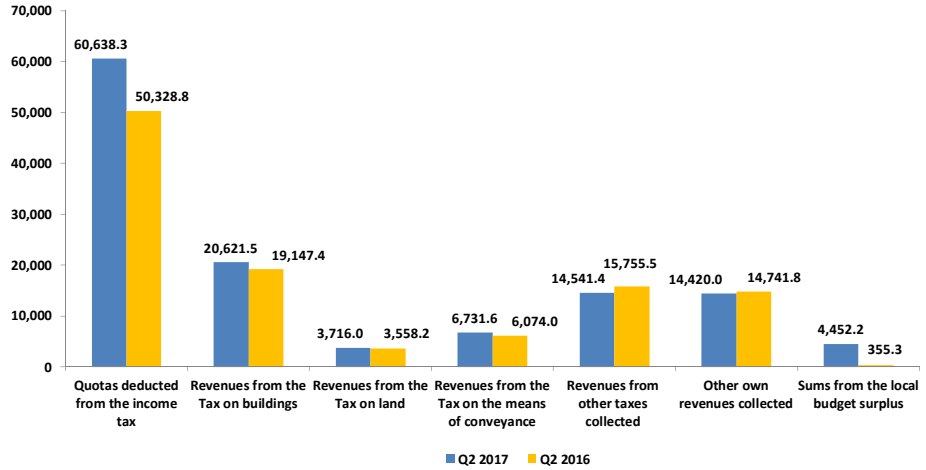
at Q2 2017, as compared to the level recorded at Q2 2016

'000 RON

Total revenues



Own revenues



- The total revenues collected to the local budget in the first six months of 2017 reached the amount of RON 207,977.3 th, going up by RON 24.676 th, as compared to the level attained in the same period of the previous year (+13.5%).
- The revenues from the **Sums deducted from the VAT** went up by RON 12,211 th, as compared to the execution of Q2 2016 (+17.3%). The amounts collected from the Sums deducted from VAT for financing expenditures at the municipalities level were in the amount of RON 81,574 th (+22.5%), whereas the Sums deducted from VAT for balancing the local budget were in the amount of RON 586 th, respectively lower by 83.5% in comparison to Q2 2016.

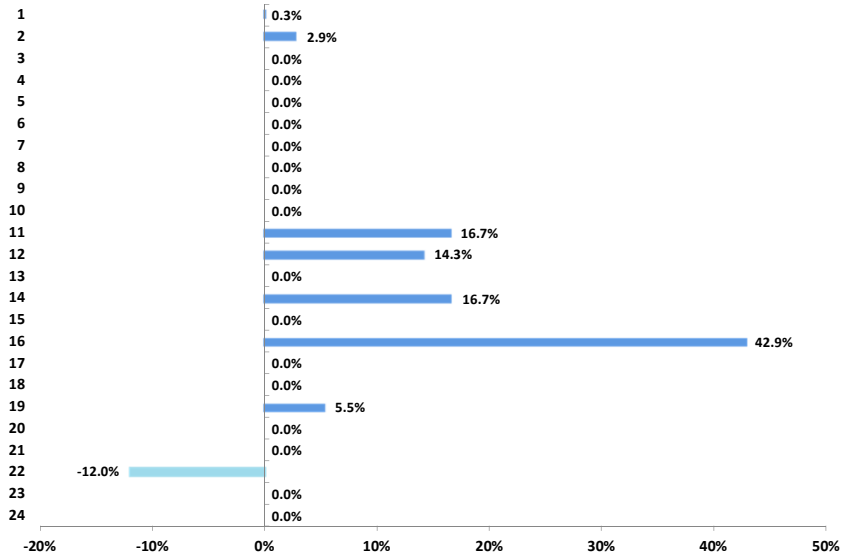
- The Own revenues went up by RON 15,159.9 th in comparison to Q2 2016 (+13.8%), following the variation of the following lines:
  - **Quotas deducted from the income tax**, going up by RON 10,309.5 th (+20.5%);
  - **Taxes and duties on property**, the revenues collected reaching the amount of RON 31,069 th, going up by 8% as compared to the first semester of 2016. Larger revenues were recorded at the level of all the categories of taxes, mainly from Taxes and duties on buildings from legal entities (+ RON 851.5 th, +8.1%) and from the population (+ RON 622.6 th, +7.2%);
  - **Sums from the local budget surplus used for financing the development expenditures**, amounting to RON 4,452.2 th (the level recorded at Q2 2016 being low, of RON 355.3 th);
  - **Revenues from other taxes collected**, going down by RON 1,214.1 th (-7.7%), the decrease being determined, mainly, by Extrajudicial stamp duties (-75.6%, down to the amount of RON 196.9 th), Special taxes (-3.8%, to the amount of RON 10,398.2 th) and by Other taxes and duties (-25.5%, reaching RON 1,130.9 th), corroborated with the increase by 58.7% (up to the amount of RON 990.7 th) of the revenues from Stamp duties, for notary work and other stamp duties;
  - **Other own revenues collected**, going down by RON 321.8 th, as compared to the level attained at Q2 2016 (-2.2%), mainly due to a lower level of revenues from Other fines, penalties and confiscations (- RON 166.4 th, -5.3%) and from Sums allocated from the quotas deducted from income tax to balance the local budgets (- RON 132.5 th, -21.5%).

Budgetary provisions

Achievement degree of the revenues at Q2 2017

'000 RON

Revenues rectification, as compared to the initial budget



- In the final budget, approved by LCD No. 232 from the 29th of June, 2017, the estimated revenues were in the amount of RON 243,219.2 th, going up by 0.3%, as compared to the provisions of the initial budget (+ RON 635.1%).
- The final budgetary provisions of the **Own revenues** went up by RON 3,420 th, as compared to the initial provisions (+2.9%), larger allotments being recorded, mainly, at the level of:
  - The **Taxes and duties on property** (by RON 2,000 th, +7.2%), increases being found for the Taxes and duties on buildings from legal entities (+ RON 1,000 th, +14.3%) and at the level of the Taxes on the means of conveyance (+ RON 1,000 th, +16.7%);
  - The **Stamp duties, for notary work and other stamp duties**, the provisions going up by RON 300 th (+42.9%);
  - **Other own revenues** (by RON 1,120 th, +5.5%), mainly from Special taxes (by RON 1,100 th, +11.6%).
- The budgetary provisions for the **Subsidies received from the State Budget** were decreased by RON 2,785 th, as compared to the initial budget (-12%), exclusively at the level of the Capital subsidies, as follows: Subsidies from the state budget to local budget for supporting the projects financed from post-accession NEF (- RON 3,400 th, -14.6%); amounts were provisioned for the Financing the actions for reducing seismic risk for existing housing establishments (amounting to RON 353 th, without any provisions in the initial budget) and for the Subsidies for the thermal rehabilitation for housing buildings (reaching RON 262.1 th, also without provisions in the initial budget).

The achievement degree, as compared to the final provisions of the period

- The achievement degree of the revenues collected to the local budget at the end of June 2017 was of 85.5%, the revenues being by RON 35,241.9 th below the final provisions.
- The **Operational revenues** were by RON 5,491.3 th below the budgetary provisions (-2.6%) and were distributed as follows:
  - The **Own revenues** (without taking into consideration the Capital revenues and the Sums from the local budget surplus used for financing the development expenditures) were in the amount of RON 120,339.3 th, a similar amount to the one provisioned in the final budget (respectively of RON 120,256.6 th);
    - The **Taxes and duties on property** were by RON 1,223.5 th (+4.1%) above the provisions. Larger revenues were recorded for the Taxes and duties on buildings (by RON 1,112.6 th, +5.7%) and on land (by RON 379.3 th, +11.4%), corroborated with a lower level of revenues from the Taxes on the means of conveyance (by RON 268.4 th, -3.8%);
    - The **Quotas deducted from the income tax**, the revenues collected being by RON 1,138.3 th above the final budget (+1.9%);
    - Other own revenues (without taking into consideration the Sums from the local budget surplus used for financing the development expenditures). The revenues collected were in the amount of RON 20,395.6 th (-5.6% below the final provisions), corroborated with the absence of Other revenues from administrative taxes, licensing (with provisions amounting to RON 1,000 th);
    - The **Revenues from concessions and rents**, provisioned at the amount of RON 5,200 th, had an execution by 9.7% below the budget at Q2 2017.
  - The **Sums deducted from VAT** were by RON 5,577 th below the final budgetary provisions (with an achievement degree of 93.7%), exclusively at the level of the Sums deducted from VAT for financing expenditures at the municipalities level.
- The **Investment revenues** had a relatively low level in comparison to the final provisions, respectively an achievement degree of 1.1%. The evolution was distributed as follows:
  - **Capital subsidies**, the revenues collected being by RON 20,449.8 th (-99.9%) below the final budget, mainly due to the Subsidies from the state budget to local budget for supporting the projects financed from post-accession NEF (with revenues amounting to RON 12.7 th, out of the provisions of RON 19,847.5 th);
  - **Sums received from the EU for the payments performed**, being by RON 14,082.4 th below the estimated value, respectively with an achievement degree of 0.2%, following the absence of the amounts related to the Cohesion fund at Q2 2017;
  - **Capital revenues**, with an executed level of RON 329.5 th at Q2 2017 and without any provisions in the budget. The main influence came from the Special deposits for the construction of residential buildings (+ RON 322.6 th).
- The **Financial revenues** reached the amount of RON 4,452.2 th at Q2 2017, accounting for Sums from the local budget surplus used for financing the development expenditures.

Revenues' ratios

at Q2 2017, as compared to Q2 2016

'000 RON

Ratios	Q2 2017	Q2 2016
Revenues from the tax on property	**31,073.7**	**28,707.8**
Revenues per Capita	157.7 RON	145.8 RON
The revenue weight in the total revenues	14.9%	15.7%
Own tax revenues	**96,826.6**	**85,076.6**
Revenues per Capita	491.5 RON	432.1 RON
The revenue weight in the total revenues	46.6%	46.4%
Total current revenues (autonomous)	**203,139.7**	**179,935.9**
Revenues per Capita	1,031.2 RON	913.9 RON
The revenue weight in the total revenues	97.7%	98.2%
Operational revenues	**203,153.6**	**179,899.0**
Revenues per Capita	1,031.2 RON	913.7 RON
The revenue weight in the total revenues	97.7%	98.1%
Investment revenues	**371.50**	**3,046.9**
Revenues per Capita	1.9 RON	15.5 RON
The revenue weight in the total revenues	0.18%	1.66%
Total revenues per Capita	**1,055.7 RON**	**931.0 RON**
Own revenues per Capita	**635.1 RON**	**558.5 RON**
The level of financing from the own revenues	**60.2%**	**60.0%**
The degree of self-financing	**31.0%**	**32.5%**
The degree of dependency of the local budget to the state budget	**40.1%**	**39.1%**
The degree of decisional autonomy	**60.4%**	**61.9%**
The degree of achievement of the revenues from the initial budget	**85.7%**	**81.3%**
The degree of achievement of the revenues from the final budget	**85.5%**	**79.9%**
The degree of achievement of the own revenues from the initial budget	**107.1%**	**109.4%**
The degree of achievement of the own revenues from the final budget	**104.0%**	**109.2%**
The degree of achievement of the property taxes from the initial budget	**111.5%**	**128.6%**
The degree of achievement of the property taxes from the final budget	**104.0%**	**128.6%**
The annual estimate from the local tax revenues (maximum probability)	**48,908.8**	**49,138.3**
The annual estimate from the local tax revenues (rectified budget)	**48,298.5**	**41,356.0**
The degree of achievement of the annual revenues estimated from the local tax revenues	**98.8%**	**84.2%**
The collection degree from the initial budget of the revenues from:		
Quotas deducted from the income tax	101.9%	106.9%
Tax on buildings from the population	80.0%	122.0%
Tax on land from the population	95.1%	179.3%
Tax on the means of conveyance from the population	123.7%	101.8%
Tax on buildings from legal entities	163.0%	144.4%
Tax on land from legal entities	131.3%	157.5%
Tax on the means of conveyance from legal entities	100.7%	108.0%
Capita,	**197,003**	**196,883**
as of:	01.01.2017	01.01.2016

- The **Revenues from the taxes on property** went up by RON 2,365.9 th, as compared to the level attained at Q2 2016 (+8.2%). The revenues collected from the legal entities were in the amount of RON 16,400 th (+9.4%), larger amounts being recorded at the level of the Taxes and duties on buildings. The revenues collected from the population reached the amount of RON 14,669 th (+6.4%), with larger amounts from the Taxes and duties on buildings.
- The **Own tax revenues** went up by RON 11,750 th (+13.8%), following the evolution of the revenues collected from:
  - The Taxes and duties on property;
  - Quotas deducted from the income tax, going up by RON 10,309.5 th (+20.5%);
  - Stamp duties, for notary work and other stamp duties, increasing by RON 366.6 th (+58.7%);
  - Other taxes and duties, going down by RON 387.9 th (-25.5%);
  - Taxes on the revenues from the transfers of real estate from the private patrimony, decreasing by RON 592.8 th (-46.5%).
- The **Total current revenues (autonomous)** went up by RON 23,203.9 th, as compared to the level attained at Q2 2017 (+12.9%), mainly as a consequence of:
  - The **Tax revenues** (+15.4%, by RON 23,961 th), determined by:
    - The increase of the Own tax revenues;
    - A larger amount of Sums deducted from the VAT by RON 12,211 th (+17.3%).
  - The **Non – tax revenues** (-3.1%, by RON 757.1 th), as a result of:
    - Lower Diverse revenues (by RON 791.3 th, -6.3%), Extrajudicial stamp duties (by RON 608.8 th, -75.6%) and Fines, penalties and confiscations (by RON 169.2 th, -4.2%);
    - An increase of the Revenues from services (by RON 527 th, +26.2%) and of the Revenues from concessions and rents (by RON 298.1 th, +6.8%).
- The **Operational revenues** went up by RON 23,254.5 th (+12.9%), mainly due to the increase of the Current revenues.
- The **Investment revenues** had a low level, being by 87.8% below the execution of Q2 2016, following the level of revenues from the Capital subsidies received from the State Budget (- RON 398.2 th, -96.9%) and from the Sums received from the EU for the payments performed (- RON 2,296.3 th, -98.7%), taking into consideration the ending period of the investment projects financed through ROP 2007 – 2013, the final eligibility date for the expenditures performed by the beneficiaries being the 31st of December, 2015 (GO No. 678/2015).

Table of contents Part III

Part III: Budgetary expenditures (functional classification)

- The situation of the expenditures performed at 30.06.2017
- The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016
- Budgetary provisions at Q2 2017: the achievement degree of the expenditures at Q2 2017

The situation of the expenditures performed

at June 30th, 2017

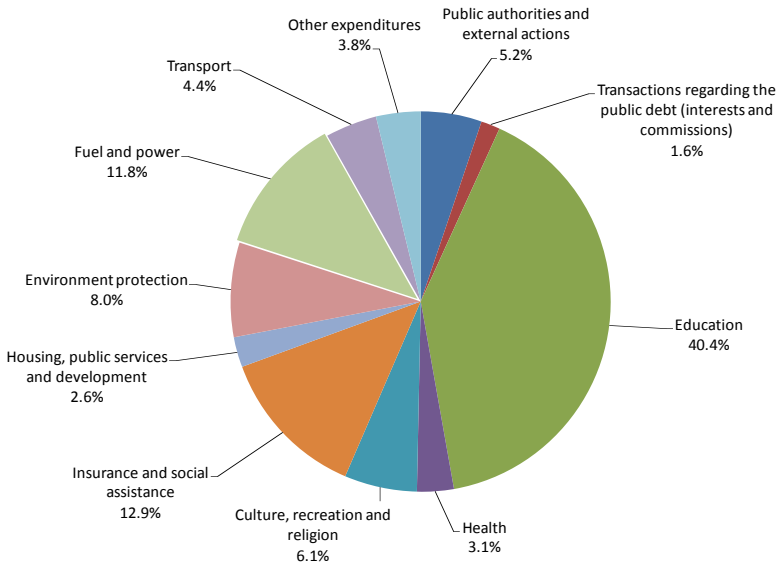
'000 RON

Line	Expenditures	2017 Planned 2017	% /TP	2017 Planned at Q2	% /TP	2017 Rectified at Q2	% /TP	2017 Execution at Q2	% /TP	2016 Planned 2016	% /TP	2016 Planned at Q2	% /TP	2016 Rectified at Q2	% /TP	2016 Execution at Q2	% /TP
Functional classification		**387,928.2**		**242,584.1**		**243,219.2**		**207,977.3**		**355,222.4**		**225,552.5**		**229,379.8**		**183,301.2**	
1	Public authorities and external actions	39,346.1	8.9	23,401.4	7.3	23,401.4	7.3	17,666.9	9.6	21,698.3	5.7	12,165.0	4.6	12,165.0	4.5	7,955.8	5.2
2	Transactions regarding the public debt (interest and fees)	4,700.0	1.1	2,650.0	0.8	2,650.0	0.8	1,934.7	1.0	5,650.0	1.5	3,009.0	1.1	3,009.0	1.1	2,439.8	1.6
3	Education	136,566.7	30.8	86,409.7	27.0	86,409.7	26.9	73,890.9	40.0	110,286.6	28.9	63,651.7	23.9	66,517.7	24.6	61,706.8	40.4
4	Health	17,267.8	3.9	14,417.0	4.5	14,417.0	4.5	3,014.8	1.6	17,479.4	4.6	15,650.4	5.9	15,650.4	5.8	4,774.9	3.1
5	Culture, recreation and religion	31,680.5	7.1	22,846.3	7.1	22,846.3	7.1	7,779.4	4.2	35,307.8	9.2	24,170.4	9.1	24,170.4	9.0	9,390.8	6.1
6	Insurance and social assistance	57,649.8	13.0	36,361.6	11.3	36,381.6	11.3	25,858.6	14.0	35,964.0	9.4	25,774.7	9.7	26,248.0	9.7	19,764.7	12.9
7	Housing, public service and development	14,221.5	3.2	12,255.9	3.8	12,871.0	4.0	5,490.3	3.0	12,839.7	3.4	9,099.3	3.4	9,587.3	3.6	3,935.1	2.6
8	Environment protection	35,788.7	8.1	27,986.0	8.7	27,986.0	8.7	13,985.9	7.6	27,735.7	7.3	17,839.4	6.7	17,839.4	6.6	12,230.6	8.0
9	Fuel and power	67,526.5	15.2	64,126.5	20.0	64,126.5	20.0	26,234.2	14.2	72,933.2	19.1	65,149.2	24.5	65,149.2	24.1	18,066.6	11.8
10	Transport	20,265.8	4.6	19,561.8	6.1	19,561.8	6.1	2,569.2	1.4	27,583.9	7.2	20,670.8	7.8	20,670.8	7.7	6,722.5	4.4
11	Other expenditures	18,262.8	4.1	10,435.7	3.3	10,435.7	3.3	6,349.6	3.4	14,545.4	3.8	8,856.1	3.3	8,856.1	3.3	5,752.9	3.8
12	Reserves, Surplus / Deficit	- 55,348.0		- 77,867.7		- 77,867.7		23,202.9		- 26,801.7		- 40,483.5		- 40,483.5		30,560.8	
Economic classification		**387,928.2**		**242,584.1**		**243,219.2**		**207,977.3**		**355,222.4**		**225,552.5**		**229,379.8**		**183,301.2**	
1	Staff costs, of which:	153,052.0	34.5	91,670.0	28.6	91,707.9	28.6	81,831.6	44.3	121,420.0	31.8	67,603.1	25.4	68,147.2	25.3	65,177.3	42.7
	without those for Education and Insurance and social assistance	20,769.0	4.7	12,977.2	4.0	13,015.1	4.1	11,706.6	6.3	18,509.0	4.8	9,667.1	3.6	9,667.1	3.6	7,739.2	5.1
2	Social assistance	24,894.2	5.6	16,319.2	5.1	16,319.2	5.1	12,331.8	6.7	12,315.5	3.2	10,950.5	4.1	11,256.7	4.2	9,528.7	6.2
3	Subsidies	12,400.0	2.8	9,000.0	2.8	12,400.0	3.9	12,036.3	6.5	6,000.0	1.6	6,000.0	2.3	6,000.0	2.2	5,000.0	3.3
4	Goods and services	85,834.0	19.4	64,396.0	20.1	64,599.7	20.1	42,200.2	22.8	77,066.3	20.2	49,579.8	18.6	51,602.7	19.1	34,811.8	22.8
5	Capital expenditures	56,047.1	12.6	56,047.1	17.5	56,700.7	17.7	3,926.7	2.1	38,915.9	10.2	34,557.5	13.0	35,045.5	13.0	1,674.1	1.1
6	Interest	4,500.0	1.0	2,450.0	0.8	2,450.0	0.8	1,899.5	1.0	5,400.0	1.4	2,759.0	1.0	2,759.0	1.0	2,429.1	1.6
7	Loan reimbursements	23,904.4	5.4	12,657.7	3.9	12,657.7	3.9	12,491.0	6.8	28,521.8	7.5	15,649.0	5.9	15,649.0	5.8	14,949.2	9.8
8	Current transfers	25,724.9	5.8	13,294.3	4.1	13,319.2	4.1	10,160.0	5.5	21,012.4	5.5	11,719.0	4.4	11,719.0	4.3	9,640.1	6.3
9	Internal transfers	7,397.9	1.7	6,795.9	2.1	6,852.3	2.1	1,692.3	0.9	5,723.6	1.5	5,273.6	2.0	5,739.6	2.1	1,214.7	0.8
10	Projects financed from non-reimbursable external funds	37,359.2	8.4	37,359.2	11.7	33,959.2	10.6	3,800.3	2.1	50,439.7	13.2	50,439.7	19.0	50,439.7	18.7	5,969.4	3.9
11	Other expenditures	12,162.4	2.7	10,462.4	3.3	10,121.0	3.2	2,404.6	1.3	15,209.0	4.0	11,505.0	4.3	11,505.0	4.3	2,346.0	1.5
12	Reserves, Surplus / Deficit	- 55,348.0		- 77,867.7		- 77,867.7		23,202.9		- 26,801.7		- 40,483.5		- 40,483.5		30,560.8	
Total payments (TP) *(total expenditures performed without considering the periods' result)*		**443,276.2**		**320,451.9**		**321,086.9**		**184,774.3**		**382,024.1**		**266,036.0**		**269,863.3**		**152,740.4**	
Operational expenditures		320,657.5	72.3	211,129.9	65.9	214,511.2	66.8	162,391.6	87.9	257,887.7	67.5	161,875.9	60.8	165,215.2	61.2	127,708.0	83.6
Investment expenditures		94,014.3	21.2	94,014.3	29.3	91,268.0	28.4	7,957.0	4.3	89,964.6	23.5	85,502.2	32.1	85,990.1	31.9	7,643.5	5.0
Financial expenditures		28,604.4	6.5	15,307.7	4.8	15,307.7	4.8	14,425.7	7.8	34,171.8	8.9	18,658.0	7.0	18,658.0	6.9	17,389.0	11.4
Total of the Operating Section		**344,928.2**	**77.8**	**222,103.8**	**69.3**	**225,523.8**	**70.2**	**176,375.9**	**95.5**	**287,485.9**	**75.3**	**175,960.3**	**66.1**	**179,299.7**	**66.4**	**144,786.1**	**94.8**
Reserves, surplus/deficit for the operating section		-		- 22,519.8		- 22,519.8		22,677.6		-		- 13,681.8		- 13,681.8		30,380.9	
Total of the Development Section		**98,348.0**	**22.2**	**98,348.0**	**30.7**	**95,563.1**	**29.8**	**8,398.4**	**4.5**	**94,538.1**	**24.7**	**90,075.7**	**33.9**	**90,563.7**	**33.6**	**7,954.3**	**5.2**
Reserves, surplus/deficit for the development section		- 55,348.0		- 55,348.0		- 55,348.0		525.3		- 26,801.7		- 26,801.7		- 26,801.7		179.9	

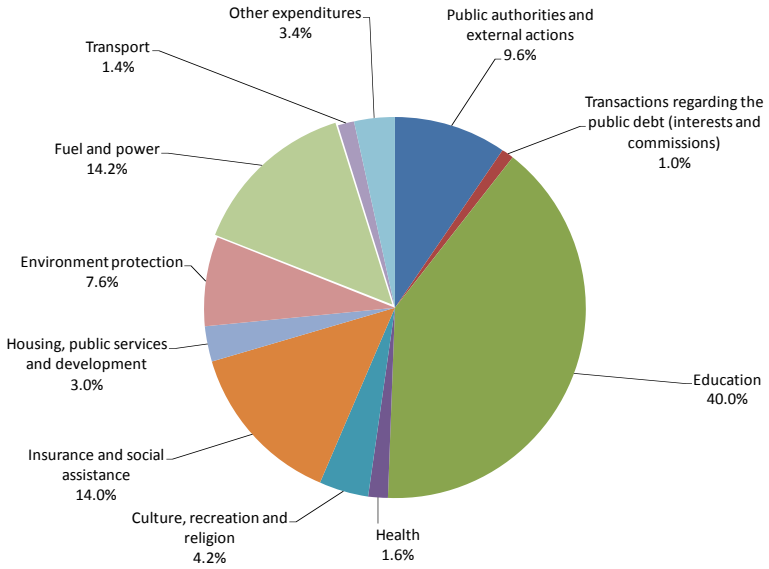
The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016

Functional classification '000 RON

The structure of the payments performed at Q2 2016



The structure of the payments performed at Q2 2017



The total payments performed from the local budget in the first six months of 2017 went up by RON 32,033.9 th, as compared to the level attained at Q2 2016 (+21%).

Larger expenditures were recorded mainly at the level of the following chapters:

+ **Education**, going up by RON 12,184.1 th (+19.7%). Increases of the payments were registered for all the education levels and were distributed as follows: Upper secondary education (+22%, + RON 5,950.9 th), Lower secondary education (+18.4%, + RON 2,227.2 th) and Pre – school education (+20.1%, + RON 2,072.9 th). From the economic classification point of view, the evolution was highlighted, mainly, at the level of the Staff costs (in the amount of RON 61,360.1 th, going up by 20% in comparison to Q2 2016). For the Goods and services chapter, the payments were in the amount of RON 10,013.1 th, going up by 14.1%, mainly for Heating, lighting and driving force (amounting to RON 1,155.6 th), Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements (amounting to RON 1,155.6 th at Q2 2017, without any payments recorded at Q2 2016). In the same time, the Scholarships were in the amount of RON 1,518.3 th, going up by RON 579.7 th, as compared to the level attained at Q2 2016 (+61.8%) and were performed transfers in the amount of RON 640 th for Financing of private or confessional accredited education (in the first six months of 2016 their value amounting to RON 466 th);

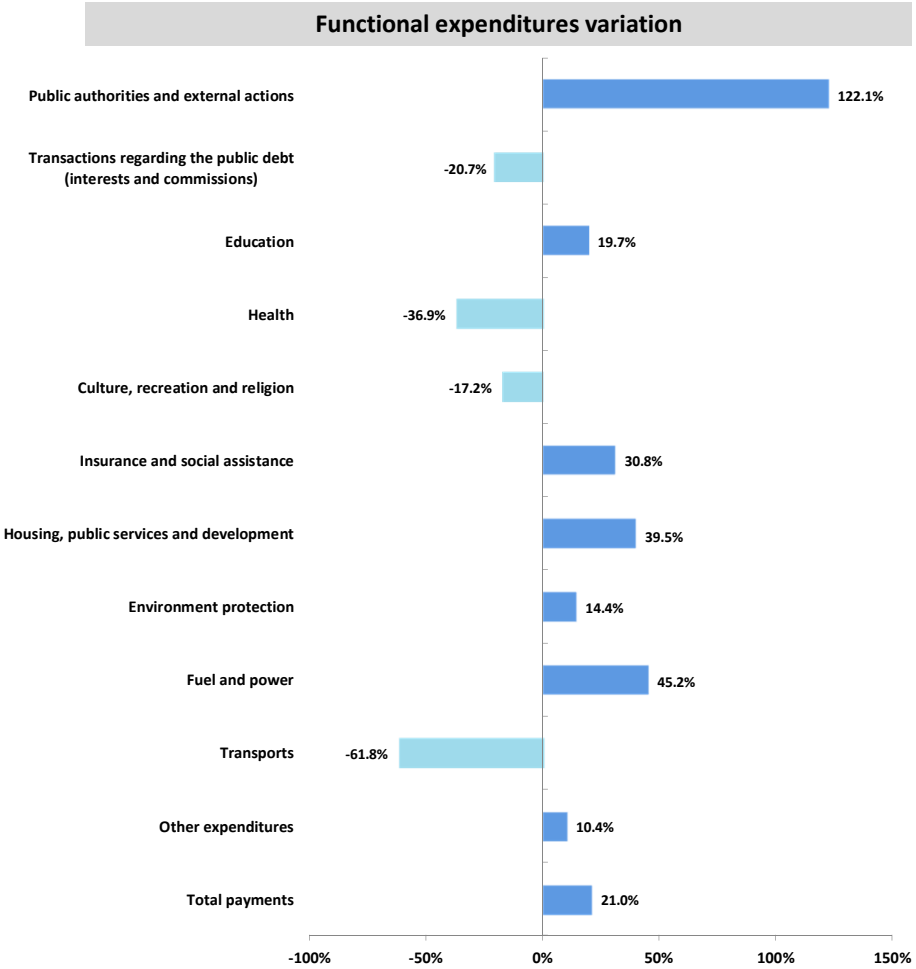
+ **Public authorities and external actions**, increasing by RON 9,711.1 th (+122.1%). The increases was reflected mainly at the level of the Reimbursement of loans, the payments performed at Q2 2017 going up by RON 6,620.2 th (+204.7%), taking into consideration the beginning of the reimbursement period of two on - going investments loans. The Staff costs went up by RON 2,217.4 th (+63%), mainly at the level of the Base salaries;

+ **Fuel and power**, going up by RON 8,167.6 th (+45.2%). At Q2 2017, the payments recorded went up by RON 7,036.3 th for Heating energy, whereas for Other expenditures for fuel and power the payments were by RON 1,131.3 th above the level attained at Q2 2016 (+8.7%). From the point of view of the economic classification, within the Goods and services, were recorded Other expenditures on goods and services in the amount of RON 8,893.3 th (the payments performed to Thermoenergy Group SA accounting for loses from the delivery of public services regarding the production, transport and distribution of the thermal energy), at Q2 2016 being registered payments for Heating, lighting and driving force in the amount of RON 4,628.1 th related to the obligations to C – CAZ & Energy Distributie, overtaken from CET Bacau. In the same time, during the interval were recorded Subsidies for covering the differences on prices and tariffs in the amount of RON 12,036.3 th, these being by RON 7.036,3 th above the level attained at Q2 2016 (following the signing of a short – term contract in Q4 2015 with the Ministry of Public Finances, based on GEO No. 46/2015 for covering the current expenditures for ensuring the distribution of the heating energy in the cold season). The expenditures on the Reimbursement of loans at Q2 2017 were in the amount of RON 1,230.8 th and accounted for the last capital instalment of a short – term loan mentioned, the payments for his loan going down by RON 6,153.8 th, as compared to Q2 2016;

The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016

Functional classification

'000 RON



+ **Insurance and social assistance**, increasing by RON 6,094 th (+30.8%). Larger expenditures were recorded mainly for Other expenditures in the insurance and social assistance field (+40.9%, + RON 2,527.6 th), Social assistance for the disabled (+25.6%, up to the amount of RON 10,414.9 th) and for Assistance for the elderly (+83.2%, by RON 990.9 th). From the economic classification point of view, it is highlighted, mainly, the increase of the expenditures on Social assistance (by RON 2,425.2 th, +25.5%, especially at the level of the Social support in cash), followed by the ones on Staff costs (+38.8%, up to the amount of RON 8,764.9 th) and on Goods and services (+19.6%, amounting to RON 4,526.7 th, mainly for Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements);

+ **Environment protection**, going up by RON 1,755.3 th (+14.4%). Larger payments were performed for Sewerage and treatment of wastewater (by RON 1,337.8 th, +195.5%) and for Sanitation (by RON 1,096.1 th, +31.3%), counterbalanced by the decrease of the expenditures on Collection, treatment and destruction of waste (by RON 678.6 th, -8.4%). From the economic perspective, the increase was reflected mainly at the level of the Goods and services, with larger payments for Water, sanitation and sewerage (+ RON 1,231.8 th, +15.3%) and for Other goods and services for maintenance and functioning. Likewise, the Capital expenditures were in the amount of RON 969.8 th (going up by 35.7%, as compared to Q2 2016). The Staff costs went up by RON 398.9 th (+23.4%), whereas the Reimbursement of loans went down by RON 201.4 th (-12.5%);

+ **Housing, public services and development**, larger by RON 1,555.2 th (+39.5%). Increases of the payments in the first semester of the current year were reflected at the level of Public lighting and rural electrification (+ RON 814.2 th, +34.4%, mainly at the level of the Capital expenditures), Other expenditures in the housing system (+ RON 380.7 th, +94%) and Other services for housing, public services and rural development (+ RON 360.2 th, +31%). From the economic perspective, the Capital expenditures went up by RON 851.5 th, mainly at the level of Other fixed assets (including capital repairs), whereas the Staff costs were increased by RON 429..4 th (+58.2%), followed by the payments for Goods and services (+ RON 302.3 th, +9.9%, mainly at the level of Current repairs).

Lower expenditures, as compared to Q2 2016, were performed mainly within the following chapters:

- **Transports**, by RON 4,153.3 th (-61.8%). The dynamics was determined, on one hand by the decrease by RON 4,587 th (-75.3%) of the payments for Streets and on the other hand, by the increase by RON 433.7 th (+68.8%) of Other expenditures for transport. From the economic classification point of view, it is highlighted the low value of the payments for the projects sustained from Programs from the European Fund for Regional Development, respectively RON 41.1 th in comparison to the level attained at Q2 2016, of RON 3,545.6 th;

- **Health**, going down by RON 1,760.1 th (-36.9%), exclusively at the level of the General hospitals. From the economic perspective point of view, the evolution was reflected at the level of the Reimbursement of loans, without such payments at Q2 2017, whereas the amount recorded at Q2 2016 reached RON 2,498.1 th, in relation to a loan contracted signed in Q2 2013 with the Ministry of Public Finances. The value of the Current transfers (Health actions) was of RON 2,566.2 th (+21.7%, as compared to Q2 2016) and were recorded Transfers for financing the investments on hospitals, in the amount of RON 230 th (without such expenditures at Q2 2016);

- **Culture, recreation and religion**, by RON 1,611.4 th (-17.2%). Lower expenditures were recorded at the level of Maintenance of public gardens, parks, green areas, sports and leisure centres (-35.9%, - RON 1,886.8 th) and of Sports (-5.8%, - RON 144.7 th), whereas an increase was found for Public institutions for shows and concerts (+ RON 267.8 th, +17.1%). From the economic classification point of view, it is highlighted the absence of non – eligible expenditures related to the Programs from the European Fund for Regional Development, amounting to RON 1,677.3 th at Q2 2016. In the same time, the expenditures on Goods and services went down by RON 342.9 th (-15%, mainly for Other goods and services for maintenance and functioning), as compared to Q2 2016, the Staff costs going up by RON 313.1 th (+29.2%, mainly at the level of the Payments in cash).

Functional expenditures rectification, as compared to the initial budget

Following the last budgetary rectification at Q2 2017, the total expenditures were increased by 0.3%, as compared to the provisions of the initial budget.

The amendments of the initial provisions are reflected exclusively at the level of the following chapters:

- **Housing, public services and development** (+ RON 615.1 th, +5%), entirely for Other expenditures in the housing system, mainly for Fixed assets;

- **Insurance and social assistance** (+ RON 20 th, +0.1%), exclusively for Other expenditures in the insurance and social assistance field, within the provisions for Goods and services.

The achievement degree, as compared to the final provisions of the period

At the end of June 2017, the achievement degree of the expenditures incurred was of 57.5% out of the final budgetary provisions, respectively the payments performed (amounting to RON 184,774.3 th) were by RON 136,312.6 th below the budget).

- Within the **Fuel and power** chapter, the achievement degree was of 40.9% out of the final budget, taking into consideration that the payments for Other expenditures for fuel and power were by 72.6% below the provisions (- RON 37,528.6 th). From the economic classification point of view, the provisions for the projects financed through Programs from the Cohesion Fund were in the amount of RON 33,539.2 th (that payments recording an achievement degree of 11.2%), whereas the Capital expenditures had an achievement degree of 0.4% out of the final provisions (- RON 2,016.5 th).

* Within this chapter, the Investment expenditures estimated were in the amount of RON 2,004.4 th from the local budget and of RON 36,939.2 th from programs with non – reimbursable financing (the main objective of these funds being: rehabilitation of the secondary thermal networks in the Bacau Municipality).

- The payments performed for the **Transports** chapter had an achievement degree of 13.1% out of the final budget (being by RON 16,992.6 th below the budget). The execution of these expenditures was reflected mainly at the level of the Streets. From the economic point of view, it is highlighted the low achievement degree of the Capital expenditures (in the amount of RON 356.2 th, accounting for 2.5% out of the provisions) and of the Current repairs (amounting to RON 1,272.5 th, respectively 46.4% out of the budget).

* Within the rectified budget, the estimated Capital expenditures were in the amount of RON 14,390.8 th from the local budget and of RON 360 th from programs with non – reimbursable financing. The objectives were distributed as follows:

- On – going objectives (RON 8,483.7 th): rehabilitation of Aeroportului Street (RON 500 th); construction and modernization of streets (RON 4,342.5 th); Modernization of Moinesti Blvd. – ROP application (RON 2,442.3 th);

- New objectives (RON 1,491.4 th): mainly for the construction of a new street in the Municipality of Bacau;

- Other investment expenditures (RON 4,775.7 th): diverse acquisitions (RON 566 th); studies and expertise (RON 4,209.7 th, mainly for documentation, approvals, technical expertise for rehabilitation and constructions of streets in the Municipality of Bacau).

- For the **Culture, recreation and religion** chapter, the payments performed were by RON 15,066.9 th below the final provisions (with an achievement degree of 34.1%). The dynamics was determined, mainly at the level of Maintenance of public gardens, parks, green areas, sports and leisure centres (with payments amounting to RON 3,367.7 th, by 70.8% below the provisions), Sports (amounting to RON 2,368 th and achievement degree of 46%) and Youth (reaching RON 80.6 th and an achievement degree of 4%). From the economic classification point of view, it is highlighted the low level of the Capital expenditures (with provisions amounting to RON 5,806.5 th and payments of RON 40.7 th), Associations and foundations (in the amount of RON 1,048.5 th, below the budget by 83.9%) and Goods and services (below the budget by 56.7%, at a level of RON 1,940.7 th).

* Within this chapter, the rectified budget estimated Investment expenditures from the following sources: from the local budget – RON 5,806.5 th; from the budget of internal loans – RON 19,423.6 th; from programs with non – reimbursable financing – RON 60 th and a total of RON 25,290.1 th. The amounts were distributed as follows:

- On – going works (RON 19,123.6 th), mainly for the rehabilitation and modernization of Leisure Island – ROP application

- New objectives (RON 1,860 th): rehabilitation and modernization of the “Youth Centre” (RON 900 th); constructions of parking spaces and arrangement of Cathedral’s Park (RON 170 th);

- Other investment expenditures (RON 2,686.7 th): studies and expertise (acquisition of Central Hotel’s building – technical expertise, building valuation, taxes, approvals, etc. – RON 1,130 th).

- The achievement degree of the expenditures incurred within **the Environment protection** chapter was of 50%, respectively the payments were by RON 14,000.1 th below the final budgetary provisions. The expenditures recorded on Sewerage and treatment of wastewater were by RON 4,852.8 th (-70.6%) below the budget, whereas the ones for Collection, treatment and destruction of waste were by RON 4,755.5 th (-39.2%) below the budget. The payments for sanitation were by RON 4,391.8 th (-48.9% below the provisions. The level of the Capital expenditures was low, of RON 969.8 th, accounting for 14.6% out of the provisions, the Goods and services amounted to RON 9,284.9 th, by 41.2% below the budget (lower payments being found for Water, sewerage and sanitation), whereas the Internal transfers for Investments of the economic agents with state capital were low (RON 181.8 th), as compared to the provisions of RON 1,433.9 th.

* For this chapter, the Investment expenditures provisioned with financing from the local budget are in the amount of RON 6,642 th, from internal loans RON 879.2 th and from programs with non – reimbursable financing RON 640.8 th. The amounts were distributed as follows:

- On – going objectives (RON 3,414.1 th): the main objective being overpass Trebes river with water and sewerage pipe (RON 1,596.5 th);

- New objectives (RON 1,152 th): water reserve for the Municipality of Bacau (RON 752 th); closing of cell 1 waste storage (RON 400 th);

- Other investment expenditures (RON 2,955.1 th): diverse acquisitions (RON 2,494 th); studies and expertise (RON 461.1 th, the main objective being: elaboration of “Air quality plan for the Municipality of Bacau”).

- At the level of the **Education** chapter, the payments were by 14.5% below the final provisions, the dynamics being determined within the following lines: Lower secondary education (by RON 4,566.2 th, -24.2%), Upper secondary education (by RON 3,654.9 th, -10%) and Pre – school education (by RON 2,050.3 th, -14.2%). From the economic perspective, the Capital expenditures were in the amount of RON 45.6 th (with provisions amounting to RON 4,244.2 th), whereas the Staff costs were by RON 5,858.9 th (-8.7%) below the provisions.

* Within this chapter, the rectification provisioned Investment expenditures in the amount of RON 4,244.2 th, being distributed as follows:

- On – going objectives (RON 400 th): Consolidation, modernization and arrangement works for sports hall and workshops at Sports High School (RON 300 th);

- New objectives (RON 2,314 th): Rehabilitation of sports hall of Pedagogical College Stefan cel Mare (RON 380 th); Rehabilitation sports hall Mihail Sadoveanu School (RON 380 th); Rehabilitation sports hall N. V. Karpen College (RON 380 th); Rehabilitation sports hall Spiru Haret School (RON 380 th); Modernization workshops Grigore Antipa College (RON 180 th);

- Other investment expenditures (RON 1,530.2 th): diverse acquisitions (RON 324.1 th); studies and expertise (RON 1,206.1 th), out of which: necessary documentation for obtaining the fire security authorisation for kindergartens, schools, high schools (RON 350 th); consolidation, rehabilitation, modernization and expansion of schools – ROP application (RON 400 th).

- Within the **Health** chapter, the payments were by RON 11,402.2 th below the final provisions (with an achievement degree of 20.9%), mainly taking into consideration the low level of the Capital expenditures (the provisions being in the amount of RON 10,976.2 th), mainly related to the continuation of the construction and modernization works at the Municipal Hospital in Bacau. In the same time, the value of the Current transfers (Health actions) was by RON 431.6 th below the budget (-14.4%).

* For this chapter, the rectified budget estimated Investment expenditures from the local budget in the amount of RON 11,369.2 th and from internal credits in the amount of RON 9,934 th, distributed as follows:

- On – going objectives (RON 18,759.2 th): Construction of Bacau Municipal Hospital (RON 18,650.2 th);

- New objectives (RON 220 th): elevator for patients – “Spitalul de Pneumoftiziologie”;

- Other investment expenditures (RON 2,324 th): endowments with machinery and equipment Municipal Hospital (RON 2,000 th).

- At the level of the **Insurance and social assistance** chapter, the expenditures incurred had an achievement degree of 71.7% out of the provisions. The dynamics was determined mainly by Other expenditures in the insurance and social assistance field (with an achievement degree of 65.5%), Nurseries (- RON 2,705.5 th, -60.8%) and Social support (- RON 2,523 th, -47.3%). From the economic classification point of view, a low achievement degree was recorded at the level of the Social assistance, respectively Social support (- RON 3,329.3 th, with an achievement degree of 78.2% out of the final provisions), Staff costs (- RON 2,708.9 th, -23.6%), Goods and services (by 27.8% below the provisions) and Capital expenditures (in the amount of RON 554 th, respectively – RON 1,799.6 th, with an achievement degree of 23.5%).

* For this chapter, the rectified budget estimated Investment expenditures in the amount of RON 2,353.6 th, the value being allotted as follows:

- On – going objectives (RON 1,735 th): safety and intervention elements in the case of fires at the Social Centre for the Care of Elder Population, from Aleea Ghioceilor Street (RON 635 th); arrangement and modernization of spaces for nursery purposes within the Kindergarten No. 27 (RON 600 th);

- New objectives (RON 240 th): rehabilitation of the Centre for children with special needs (RON 190 th);

- Other investment expenditures (RON 378.6 th): studies and expertise (rehabilitation of building from Milcov Street, with the purpose of temporary accommodation of homeless people – RON 193.6 th).

- The payments recorded for the **Housing, public services and development** chapter were accomplished in a proportion of 42.7% out of the final budget, following the low level of Other expenditures in the housing system (by RON 2,642.6 th, with an achievement degree of 22.9%), Other services for housing, public services and rural development (- RON 2,487.2 th, -62.1%) and on Public lighting and rural electrification (- RON 2,250.9 th, -41.4%). From the economic perspective, the dynamics was reflected mainly at the level of the Capital expenditures (the payments performed amounting to RON 1,004.8 th, accounting for an achievement degree of 19.1%) and of the Goods and services (by RON 2,960.6 th, -46.9%, mainly for Heating, lighting and driving force).

* The Investment expenditures estimated in the rectified budget are in the amount of RON 5,271.1 th and are distributed as follows:

- On – going objectives (RON 1,573.7 th): Thermal rehabilitation for residential buildings; consolidation of residential buildings;

- New objectives (RON 1,161.5 th): Thermal rehabilitation of residential buildings (RON 750 th); assembling of underground sewerage and junction room for public lighting in the Bacau Municipality (RON 150 th); modernization of Serbanesti market (RON 100 th);

- Other investment expenditures (RON 2,536 th): diverse acquisition (RON 1,082.1 th, the main objective being: integrated system for the collection, analysis and exploitation of visual content from areas of interest in the Bacau Municipality); studies and expertise (RON 1,453.9 th), the main objectives being; undertaking from EON Distributie of the public lighting system (RON 540 th); systematization, rehabilitation, parking lots – Central Square (RON 100 th).

- In what regards the **Public authorities and external actions** chapter, the expenditures incurred accounted for 75.5% out of the provisions in the final budget (- RON 5,734.5 th), mainly due to the low level of the Capital expenditures (the budgetary provisions amounting to RON 4,619.3 th and the payments performed to RON 629.4 th), whereas the Goods and services were by RON 1,053.7 th (-37%) below the budget).

* Within this chapter, the Investment expenditures were increased by the budgetary rectification up to RON 4,619.3 th, the amounts being distributed as follows:

- Acquisition of fixed assets (RON 194.9 th): creation, design of web page and online petition system (RON 45 th), fire resistant curtain – DITL (RON 32 th), AutoCAD license (RON 17 th);

- Studies and expertise (RON 4,424.4 th): dispatch for the administration of the relation with the citizens and informatics system (RON 2,500 th), Topcadex (RON 600 th).

Table of contents Part III

Part III: Budgetary expenditures (economic classification)

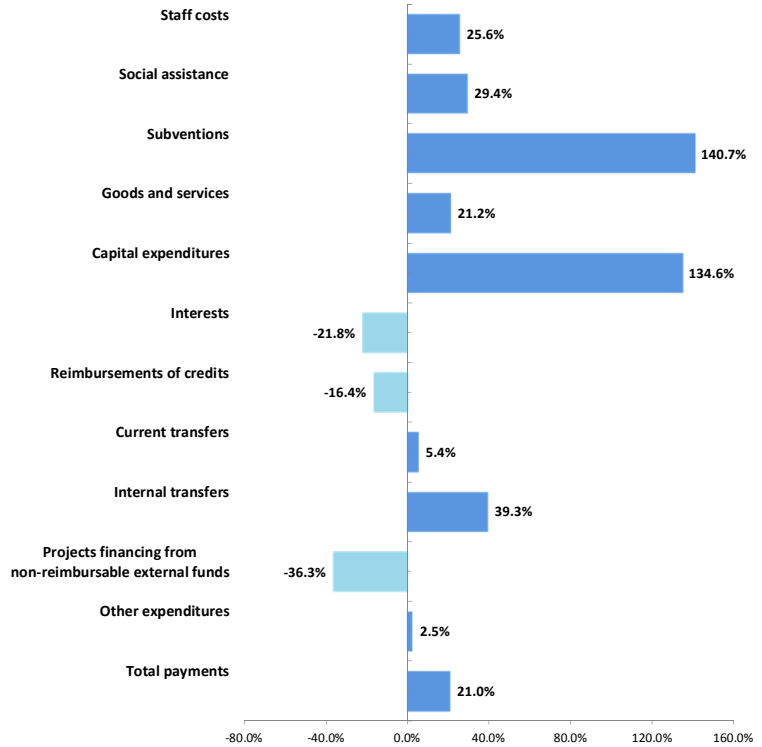
- The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016
- Budgetary provisions at Q2 2017: the achievement degree of the expenditures at Q2 2017
- Expenditures' ratios

The dynamics of the expenditures performed at Q2 2017, as compared to the level attained at Q2 2016

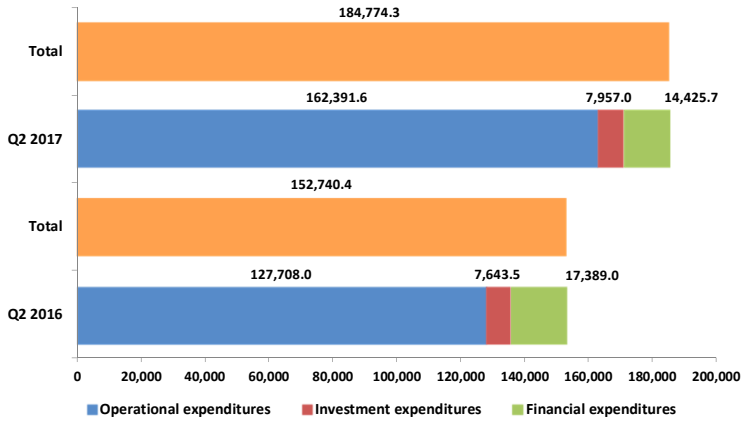
Economic classification

'000 RON

Economic expenditures variation



Structure of payments



-> The **Operational expenditures** performed in the first six months of 2017 went up by RON 34,683.6 th, as compared to Q2 2016 (+27.2%), taking into consideration:

+ The increase of the **Staff costs**, +25.6% (by RON 16,654.4 th), mainly at the level of the Base salaries (+ RON 11,956 th, +24.5%), larger payments being recorded mainly within the Education (+18.8%, by RON 7,100.8 th), Insurance and social assistance (+36.9%, by RON 1,887.7 th) and Public authorities and external actions (+62.7%, by RON 1,587.4 th) chapters;

+ The payments performed for **Goods and services**, without Commissions and other costs related to loans, in the amount of RON 42,165 th, going up by 21.2%, as compared to Q2 2016. Thereby, larger expenditures were recorded, mainly, for Other expenditures on goods and services (by RON 9,743.2 th, for the most part within the Fuel and power chapter), Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements (by RON 1,766.1 th, +69.9%, within the Education and Insurance and social assistance chapters), Water, sewerage and sanitation (by RON 491.6 th, +29.4% within the Environment protection chapter), corroborated with lower payments for Heating, lighting and driving force (by RON 4,152.4 th, -26.9%, mainly within the Fuel and power chapter);

+ The **Subsidies** recorded at Q2 2017 (respectively Subsidies for covering the differences on prices and tariffs within the Fuel and power chapter) were in the amount of RON 12,036.3 th, going up by RON 7,036.3 th, as compared to the level attained at Q2 2016 (+140.7%);

+ In the first half of 2017, the **Current transfers** went up by RON 519.9 th, as compared to the similar period of the previous year, mainly through the increases reocrded as Health actions (+ RON 458.1 th, +21.7%), within the Education chapter.

+ The increase of the **Internal transfers**, by RON 477.6 th (+39.3%). Thereby, transfers were performed for Financing of private or confessional accredited education in the amount of RON 640 th (+ RON 174 th, +37.3%), whereas for the Investments of the economic agents with state capital the payments went up by RON 177,8 th (+57.2%, mainly within the Environment protection chapters);

+ Likewise, the payments performed at Q2 2017 for Scholarships (within the Education chapter) went up by RON 579.7 th (+61.8%), whereas the ones for Science and social-cultural actions were low (- RON 203.4 th, -97.1%), as compared to Q2 2016.

-> The **Investment expenditures** had a low level, increasing by RON 313.5 th (+4.1%), as compared to Q2 2016. The dynamics was determined by the increase of the Capital expenditures (by RON 2,252.7 th, +134.6%, exclusively at the level of the Fixed assets, the increases being found within the Housing, public services and development, Insurance and social assistance and Transports chapters). In the same time, it is highlighted the decrease by RON 2,169.1 th (-36.3%) of the Projects financing from non – reimbursable external funds, distributed as follows: Programs from the European Fund for Regional Development (- RON 5,185.2 th, -99.2%, within the Transports and Culture, recreation and religion chapters) Programs from the Cohesion Fund (+ RON 3,016 th, +405.8 th, entirely within the Fuel and power chapter).

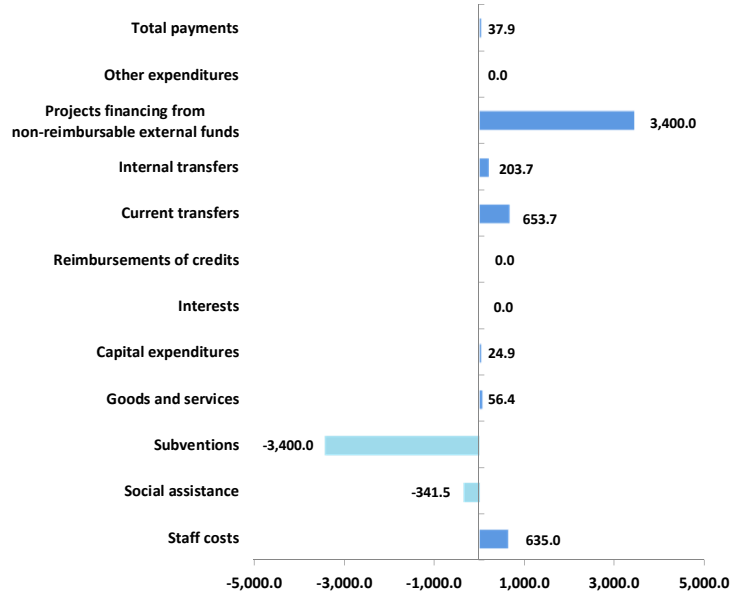
-> The **Financial expenditures** went down by RON 2,963.3 th, as compared to Q2 2016 (-17%), mainly due to the decrease of the Reimbursement of loans (by RON 2,458.2 th, -16.4%) and of the Interests (by RON 529.6 th, -21.8%).

Budgetary provisions

Economic classification

'000 RON

Economic expenditures rectification, as compared to the initial budget



From the economic classification point of view, the budgetary rectification has targeted, mainly, the increase of the provisions for **Operational expenditures**, by RON 3,381.4 th (+1.6%), respectively larger allotments are to be found within the following titles:

+ **Subsidies**, the final allotments being by RON 3,400 th above the initial provisions, the increase being found exclusively at the level of the Subsidies for covering the differences on prices and tariffs within the Fuel and power chapter;

+ **Goods and services**, the final provisions going up by RON 203.7 th (+0.3%), through the allotments for Other expenditures on goods and services (by RON 382.2 th, +2.6%) and for Other goods and services for maintenance and functioning (by RON 152.4 th, +1%) and the decrease of the provisions for Current repairs (by RON 416.3 th, -8.2%).

-> The **Investment expenditures** were rectified in the means of a decrease by RON 2,746.3 th (-2.9%), as follows:

- The allotments for **Projects financing from non – reimbursable external funds** were decreased by RON 3,400 th (-9.1%), entirely at the level of the non – eligible expenditures related to the Programs from the Cohesion Fund, within the Fuel and power chapter;

+ The provisions for the **Capital expenditures** went up by RON 653.7 th (+1.2%), as compared to the initial budget. Larger allotments are to be found for Constructions (by RON 363.6 th, +1%) and Other fixed assets, including capital repairs (by RON 290.1 th, +1.8%). Larger Capital expenditures are highlighted mainly within the Housing, public services and development chapter.

The achievement degree, as compared to the final provisions of the period

-> The **Investment expenditures** had a low achievement degree, of 8.7% out of the final budgetary provisions.

- The **Capital expenditures** were executed by RON 52,774 th below the provisioned level, respectively with an achievement degree of 6.9%. The main decrease is highlighted at the level of the Constructions (- RON 35,202.7 th, -94.7 th, payments below the budget being found within the Health, Transports, Culture, recreation and religion and Environment protection chapter), followed by the decrease of the payments for Other fixed assets (including capital repairs), by RON 15,246.9 th (-91.5%, mainly within the Transports, Public authorities and external actions, Culture, recreation and religion and Housing, public services and development);

- In the first semester of 2017, the payments for **Projects financing from non – reimbursable external funds** were by RON 0,158.9 th below the level of the final budget, reaching an achievement degree of 11.2%. At the level of the Programs from the Cohesion Fund, the payments were by RON 29,780.1 th below the final provisions (entirely within the Fuel and power chapter), taking into consideration the ending period of the investments undertaken from ROP 2007 – 2013, the final eligibility date of the payments performed by the beneficiaries being the 31st of December, 2015 (GO No. 678/2015), the investment projects with financing from the new framework not being started at this point.

-> The **Operational expenditures**, in the amount of RON 162,391.6 th, were by RON 52,119.6 th below the provisions of the final budget (with an achievement degree of 75.7%).

- For **Goods and services**, without Commissions and other costs related to loans, the payments were by RON 22,234.7 th below the budget (-34.7%). Lower expenditures are to be found, mainly, on Other goods and services for maintenance and functioning (by RON 6,992.3 th, -44.4%, especially within the Environment protection chapter), Other expenditures on goods and services (by RON 4,275.7 th, -28.2%, for the most part within the Fuel and power chapter), Current repairs (by RON 2,579.7 th, -55.6%, mainly within the Transports chapter), Heating, lighting and driving force (by RON 2,493.7 th, -18.1%, for the most part within the Housing, public services and development chapter) and Water, sewerage and sanitation (by RON 1,648.7 th, -43.3%, mainly within the Environment protection chapter);

- The **Staff costs** had an achievement degree of 89.2% out of the final budget, the payments performed being by RON 9,876.3 th below the provisions. Lower expenditures being recorded for both the Base salaries (by RON 6,841.7 th, -10.1%) and the Contributions to state social insurance (by RON 1,033.4 th, -8.9%). The evolution was reflected mainly at the level of the Insurance and social assistance, Education and Public authorities and external actions chapters;

- The value of the **Internal transfers** was low, by RON 5,160 th below the budgetary provisions (with an achievement degree of 24.7%), taking into consideration the low level of payments for Investments of the economic agents with state capital (in the amount of RON 488.6 th), the provisions amounting to RON 4,333.7 th (such expenditures being estimated within the Fuel and power, RON 2,899.9 th and Environment protection, RON 1,433.9 th chapters) and respectively Other current internal transfers (the payments amounting to RON 563.7 th, the budgetary allotments reaching RON 1,878.6 th, mainly at the level of Other general public services and Environment protection chapters);

- The expenditures incurred for **Social assistance** were by RON 3,987.4 th below the budget (respectively with an achievement degree of 75.6%), mainly at the level of the Insurance and social assistance chapter. The payments for Gift tickets were by 47% below the final budget (- RON 2,352.2 th), whereas the Social support in ash was in the amount of RON 9,684 th, by RON 14.1% below the budgetary provisions;

- Likewise, at Q2 2017, within the Culture, recreation and religion and Insurance and social assistance chapter, the payments performed for Associations and foundations were in the amount of RON 1,110.8 th (accounting for 14.8% out of the provisions), whereas the expenditures on Scholarships were by RON 612.7 th below the budget (-28.8%);

- The level of the **Current transfers** was by RON 3,159.2 th below the final budget (with an achievement degree of 76.3%), lower allotments being found mainly for Transfers to public institutions (-26.4%), mainly within the Public order and national security (for Local police) and Culture, recreation and religion chapters;

-> In what regards the **Financial expenditures**, the payments performed were by RON 882 th below the provisions (with an achievement degree of 94.2%), mainly determined by the expenditures on Interests.

Expenditures' ratios

at Q2 2017, as compared to Q2 2016

'000 RON

Ratios	Q2 2017	Q2 2016
Total staff costs	**81,831.6**	**65,177.3**
Expenditures per Capita	415.4 RON	331.0 RON
The expenditure weight in the operational expenditures	50.4%	51.0%
Staff costs for Education	**61,360.1**	**51,121.9**
Expenditures per Capita	311.5 RON	259.7 RON
The expenditure weight in the operational expenditures	37.8%	40.0%
Current compulsory expenditures	**106,199.7**	**79,706.0**
Expenditures per Capita	539.1 RON	404.8 RON
The expenditure weight in the operational expenditures	65.4%	62.4%
Operational expenditures	**162,391.6**	**127,708.0**
Expenditures per Capita	824.3 RON	648.6 RON
The expenditure weight in the total expenditures	87.9%	83.6%
Expenditures on debt service financing	**14,425.7**	**17,389.0**
Expenditures per Capita	73.2 RON	88.3 RON
The expenditure weight in the total expenditures	7.8%	11.4%
Total investment expenditures	**7,957.0**	**7,643.5**
Expenditures per Capita	40.4 RON	38.8 RON
The expenditure weight in the total expenditures	4.3%	5.0%
The expenditures' rigidity	44.3%	42.7%
The weight of the payments from the operating section in the total payments	95.5%	94.8%
The weight of the payments from the development section in the total payments	4.5%	5.2%
The deficit/surplus of the operating section	22,677.6	30,380.9
The deficit/surplus of the development section	525.3	179.9
The weight of the local public debt service in the total made payments	7.8%	7.8%
Maximum annual debt	**54,783.2**	**54,573.2**
Net direct debt	**26,332.5**	**21,118.1**
Direct indebtedness level	15.6%	18.4%
Net public debt	**22,097.0**	**18,529.1**
Public indebtedness level	17.9%	19.8%
The total expenditures achievement degree from the initial budget	57.7%	57.4%
The achievement degree from the initial budget of the:		
Operational expenditures	76.9%	78.9%
Staff costs	89.3%	96.4%
Current compulsory expenditures	90.8%	94.3%
Expenditures on debt service financing	94.2%	93.2%
Investment expenditures	8.5%	8.9%
The funds absorption level of the total expenditures	**88.8%**	**83.3%**
Investment expenditures / Operational revenues	1.9%	0.9%
Capita,	**197,003**	**196,883**
as of:	01.01.2017	01.01.2016

-> The **Total staff costs** performed in the first six months of 2017 went up by RON 16,654.4 th, as compared to the level attained in the same period of the previous year (+25.6%), larger expenditures being recorded within the Education (by RON 10,238.2 th, +20%), Insurance and social assistance (by RON 2,448.7 th, +38.8%) and Public authorities and external actions (by RON 2,127.4 th, +63%) chapters.

-> The **Current compulsory expenditures** went up by RON 26,493.8 th (+33.2%), mainly due to:

+ The increase of the Staff costs;

+ The amounts recorded at Q2 2017 as Subsidies for covering the differences on prices and tariffs, reaching RON 12,036.3 th within the Fuel and power chapter (at Q2 2016 being in the amount of RON 5,000 th);

+ The increase of the payments for Social assistance by RON 2,803.1 th (+29.4%).

-> The **Operational expenditures** went up by RON 34,683.6 th (+27.2%), as compared to Q2 2016, the evolution being determined by:

+ The increase of the Current compulsory expenditures;

+ A larger level of payments for Goods and services, without Commissions and other costs related to loans, (by RON 7,363.9 th, +21.2%, mainly at the level of Other expenditures on goods and services, Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements, Other goods and services for maintenance and functioning, corroborated with lower expenditures incurred, mainly, for Heating, lighting and driving force).

-> The **Expenditures on debt service financing** were decreased by RON 2,963.3 th (-17%) at Q2 2017, mainly as a consequence of lower expenditures on the Reimbursement of loans (by RON 2,458.2 th, -16.4%).

-> The **Investment expenditures** went up by RON 313.5 th, as compared to Q2 2016, the evolution being determined by the increase of the Capital expenditures (by 134.6%) and the decrease of the Projects financing from non – reimbursable external funds (by 36.3%).

Table of contents Part IV

Part IV:

- Balance sheet and overdue payments
- Local Public Debt Service

Balance sheet; Overdue payments

at June 30th, 2017

'000 RON

Balance sheet	30.06.2016	31.12.2016	30.06.2017
Current assets	***350,199.2***	***331,882.2***	***387,191.6***
Cash and cash equivalent	62,673.4	60,891.8	82,501.1
Inventories	106,543.0	102,500.9	102,602.9
Receivables	180,982.8	168,489.5	202,051.4
Short term investments	-	-	-
Other current assets	-	-	36.2
Fixed assets	***1,562,348.1***	***2,965,442.7***	***2,972,364.5***
Intangible assets	8,774.0	3,022.2	2,554.1
Tangible assets	1,469,335.0	2,876,181.4	2,883,492.1
Other fixed assets	84,239.1	86,239.1	86,318.3
Total assets	1,912,547.3	3,297,324.9	3,359,556.1
Current liabilities	***27,662.4***	***212,477.9***	***37,749.8***
ST borrowings and CP of LT debt	463.1	-	4,825.7
Accounts payable	14,266.4	198,346.4	6,011.2
Short term provisions	-	-	2,945.0
Other short term debts	12,932.9	14,131.6	23,967.9
Long term debts	***226,243.4***	***223,111.2***	***206,570.6***
Long term loans	214,435.6	208,787.7	195,680.9
Other long term debts	-	-	10.6
Provisions	11,807.8	14,323.5	10,879.1
Equity and reserves	***1,658,641.6***	***2,861,735.7***	***3,115,235.7***
Total liabilities	1,912,547.3	3,297,324.9	3,359,556.1
Current liquidity ratio (Current assets / Current liabilities)	12.7	1.6	10.3
Indebtedness level (Borrowed capital / Total liabilities)	11.2	6.3	5.8

Overdue payments (Code 40)*	30.06.2016	31.12.2016	30.06.2017
Total overdue payments recorded at the end of the reporting period, out of which:	**142.0**	**256.1**	**123.6**
up to 30 days	1.2	147.2	23.9
over 30 days	140.7	108.9	99.7
over 90 days	-	-	-
over 120 days	-	-	-
to suppliers, creditors of commercial operations	142.0	256.1	123.6
towards consolidated general budget	-	-	-
towards employees	-	-	-
loans not paid at maturity	-	-	-
overdue interests	-	-	-
towards other persons / creditors	-	-	-
Overdue payments - The operating section	142.0	256.1	123.6
Overdue payments - The development section	-	-	-

*The overdue payments of the City Hall, altogether with the ones of the subordinated institutions;

- At the end of June 2017, the **Total assets** went up by RON 62,231.3 th (+1.9%), as compared to the level attained at the end of December 2016, following the increase of the Fixed assets (by RON 6,921.8 th, +0.2%) and of the balance of Current assets by RON 55,309.4 th (+16.7%).
- The increase in the balance of the **Current assets** was determined by a larger amount of the Accounts receivables (+ RON 33,561.9 th, +19.9%), cumulated with the increase of the Cash and cash equivalents by RON 21,609.3 th (+35.5%).
- At Q2 2017, the balance of the **Commercial debts** went down by RON 192,335.2 th, as compared to the value recorded at the end of 2016 (-97%).
- The **Long – term liabilities** to banks went down by RON 13,106.8 th (-6.3%), taking into consideration the reimbursements performed in the analyzed period, related to the on – going credit facilities.
- The **Capitals** went up by RON 253,500 th (+8.9%).
- The **Current liquidity** indicator was of 10.3 at the end of June 2017, as compared to 1.6 at the end of December 2016, following the increase of the Current assets (+16.7%) and the decrease of the Short – term liabilities (-82.2%).

Local Public Debt Service

at June 30th, 2017

'000 RON

Debt and liquidity	30.06.2017
New credit drawdowns in the period	1,308.2
Direct debt service	14,432.3
Direct indebtedness rate	7.9%
Public debt service	15,867.9
Public indebtedness rate	8.7%
Public Debt Service as % of Operational Revenues	7.8%
Public Debt Service as % of Operational Expenditures	9.8%
Long term debt % Own Funds	6.3%
Long term debt / Own Revenues (1.x)	1.6

Payout	30.06.2017
Payout 2Y - 2 years	66,672.6
Payout 5Y - 5 years	161,829.5
Payout 10Y - 10 years	290,927.7
Payout 11Y - 11 years	297,438.8
Total Revenues per Capita	1,055.7 RON
Own revenues per Capita	635.1 RON
Public debt service per Capita	80.5 RON
Long term debt per Capita	993.3 RON

	2016 1)	2017 2)	2018 2)	2019 2)	2020 2)
Total revenues	347,508.9	350,984.0	354,493.9	358,038.8	361,619.2
Own revenues 3)	193,740.3	195,677.7	197,634.4	199,610.8	201,606.9
Indebtedness capacity	54,573.2	54,783.2	54,783.2	54,783.2	54,783.2
Public debt service 4)	37,580.2	32,631.3	34,014.7	31,637.1	31,837.1

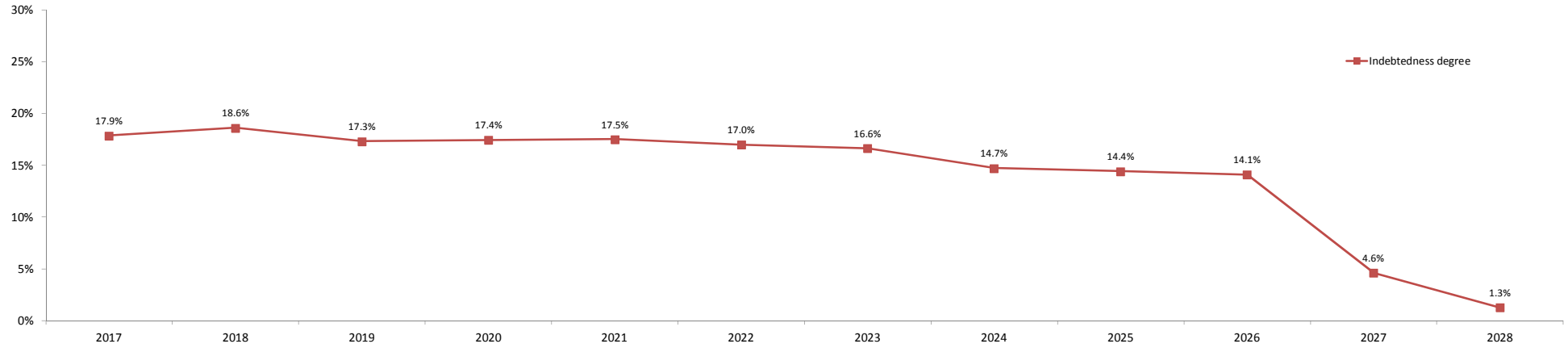
1) Revenues collected as of 31.12.2016

2) Forecasts, revenues growth rate of 1% computed annually

3) As per maximum indebtedness level formula, namely: Own revenues - (Other voluntary transfers + revenues from the sale of goods from the private domain + cash in of loan reinbursements)

4) TUD estimated values for the period of 2017 - 2020, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of June 30th, 2017

Indebtedness level forecasted for the period of 2017 - 2028



- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of June 30th, 2017 and the growth rate of own revenuesof 1% ;
- According to the UGO nr. 46 on 05/23/2007, to complete art. 63 of the Law no. 273/2006 regarding the local public finances,"the loans contracted and/or guaranteed by the territorial-administrative units for providing the pre-financing and/or co-financing of the projects that benefit of the external non-reimbursable funds of pre and post-accession, from the European Union, are excepted from the paragraph (4) provisions" - respectively the framing in the maximum indebtedness limit
- The maximum indebtedness limit represents 30% of the arithmetic mean of the own revenues for the last three years prior to current period (computed as per maximum indebtedness level formula).

Glossary of terms

The operating section	The basic compulsory local budget section, which includes revenues needed to finance current spending in order to achieve competencies established by law, and the related running costs;
The development section	The complementary section of the local buget, including income and capital expenditures related to implementation of the local development policies;
Own revenues*	The average of the Own revenues collected in the last 3 years (Own revenues as stipulated in the art. 5, indent (1) a) Law no. 272/2006 regarding the local public finance, including subsequent amendments and additions, out of which are sustracted the Revenues from goods capitalization stipulated in the art. 29 part of the mentioned law);
Operational revenues	The difference between Total revenues, Investment revenues and Financial Revenues OR The Sum of Current Revenues (00.02) and Current Subsidies (00.20);
Operational Expenditures	Sum of Staff Cost (10), Goods and services (20), excluding Commissions and other costs related to debts (20.24), Subsidies (40), Reserve funds (50), Transfers (51+55, without investments), Social Assistance (57), Other Expenditures (59), Previous years payments recovered during the current year (85.01) OR; The difference between Total Expenditures, Investment Expenditures and Financial Expenditures, excluding Surplus / Deficit;
Investment revenues	Sum of the Capital Revenues (00.15), Subsidies received from the State Budget (00.19), Sums received from EU for the made payments 2007 - 2013 (45.02), Sums received from EU for the made payments 2014 - 2020 (48.02), Payments from the fixed assets depreciation (36.02.07), Income from the repayment of amounts allocated for seismic risk (36.02.22), Thermal rehabilitation tax (36.02.23), Owners' Association's contribution for the thermal rehabilitation works (36.02.31), Amounts from the budgetary financing of the previous years, related to the development section (36.02.32.02);
Investment expenditures	Sum of the Capital expenditures (70), of the Projects financed from post-accession non-reimbursable external funds 2007 - 2013 (56), of the Projects financed from post-accession non-reimbursable external funds 2014 - 2020 (58) and of the Capital transfers (51);
Total payments made	Total expenditures incurred without considering the result of the period;
Taxes supporting the debt	City taxes collected as follows: 01.02.01+03.02.18+04.02.01+05.02.50+06.02.02+07.02+12.02+15.02+16.02+18.02+33.02.24+34.02+35.02;
Financial Expenditures	The sum between the Interests (30), Reimbursement of loans (81) and Commissions and other costs related to loans;
Returned funds from previous years	In accordance to the Ministry of Finance order no. 231646/06.09.2008 previous years payments returned during the current year are reported negatively for 85.01 and are not used for payments; These are invalidated by increasing the budgetary loans for each economic expenditure;
Revenues and expenditures ratios	The ratios are presented on the budgetary execution, stipulated in the Emergency Ordinance no. 63 dated 30.06.2010, whose method of calculation is covered in the Methodology of 11/03/2010;
The revenues/expenditures achievement degree from the initial/revised budget	Collected revenues % of the initial/revised budgetary provisions; Incurred expenditures % of the initial/revised budgetary provisions;
The level of financing from the own revenues	Own revenues % in Total revenues;
The degree of self-financing	(Own revenues-Quotas deducted from the income tax (04.02.01)) % Total collected revenues;
The degree of dependency of the local budget to the state budget	The total amounts received from the State Budget (Sums allocated from the quotas deducted from income tax to balance the local budgets 04.02.04 + Sums deducted from VAT 11.02 + Subsidies received from the State Budget 00.18) % in Total revenues;
The degree of decisional autonomy	(Own revenues + Sums deducted from VAT for balancing the local budget 11.02.06) % in Total revenues;
The expenditures' rigidity	Staff costs % in Total incurred expenditures;
Maximum annual debt	The maximum legal amount allowed for municipal indebtedness, equal to 30% of the average of the own revenues executed in the last 3 years. Represents the maximum of Public Debt Service, according to Government Decision 145/2008;
Net direct debt	Total of amounts representing interests, provisions and installments, according to contracted to be paid by the end of The year, by the municipality;
Net public debt	Total of amounts representing interests, provisions and installments, according to contracted and guaranteed to be paid by the end of The year, by the municipality;
Direct/Public indebtedness level	Direct/Public Debt Service as % of Own revenues*;
Net Direct/ Public indebtedness level	Net public/direct debt as % of Own revenues*;
Direct debt service	Total amounts to be paid by the city hall as capital repyaments, interests and fees for ongoing credit contracts;
Public debt service	Current debt service+amounts related to the granted guarantees (interests, commissions and principal);
Payout n Y - n years	Public debt service for the next "n" years, according to the contractual conditions for the credit facilities and the evolution of ROBID, ROBOR, EURIBOR at June 30th, 2017;
Current financial debt	Total drawdowns related to the credit facilities for the analised period;
Per Capita	For a person that is resident of the municipality; Resident inhabitans as of 1st of January 2017/1st of January 2016;

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TUD’s work on this report could not have been completed without the cooperation of the City Hall employees.

The financial documents which were used in preparing this report are: the execution account for 30.06.2016, as well as the one for 30.06.2017, the Initial budget of 2016 approved by LCD No. 5 from 01.02.2016, the Rectified budget approved by LCD No. 197 from 31.05.2016, the Initial budget for 2017 approved by LCD No. 74 from 31.03.2017 and the Rectified budget approbed by LCD No. 232 from 29.06.2017.

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