Bacau Municipality

Quarterly financial report

as of September 30th, 2019

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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.

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

Territorial administration	North - East Region	Bacau County	Bacau City
Territorial area (km^2)-YE2014	36,850	6,621	43
Green areas - municipalities/cities (ha) -	3,159	789	385
Public sewerage system (km) - YE2015	3,736	703	213
Population (July 1st, 2018)	**3,959,219**	**742,053**	**197,386**
Gender distribution			
female	1,986,119	375,078	103,446
male	1,973,100	366,975	93,940
Distribution by age categories			
0-19 years	876,552	157,329	36,671
20-44 years	1,492,113	275,491	75,324
45-59 years	783,039	153,962	42,815
60 years and above	807,515	155,271	42,576
Distribution by environment			
urban	1,801,000	351,612	197,386
rural	2,158,219	390,441	-
Work force (th, YE 2017)			
Civil employment	1,124	198	-
Average embloyee number	554	106	61
Unemployment rate (January 2018)	4.8%	6.0%	-

National economy

	Q4 2017	Q4 2018
Quarterly GDP - CAEN code Rev. 2 - current prices (mil. ron)	258,703.6	285,595.8

Regional economy (2016)	N-E Region	Bacau County
Turnover of local businesses (mil. RON), out of which:	**89,445**	**17,159**
Manufacturing industry	26.9%	24.4%
Constructions	6.9%	8.3%
Commerce	47.6%	52.7%
Transports and storage	5.8%	4.2%
Other services	12.7%	10.5%

Sursa: *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

Data Source: Bacau County Development Stragegy *Strategia 2014 - 2020;*

th RON

Ratios 2018*	Municipalities - district capitals					
	Bacau	Botosani	Iasi	Piatra Neamt	Suceava	Vaslui
Total revenues	**245,589**	**152,364**	**542,411**	**142,181**	**211,091**	**103,016**
Own revenues	*193,093*	*95,147*	*397,774*	*101,929*	*146,458*	*60,508*
Own revenues % TR	78.6%	62.4%	73.3%	71.7%	69.4%	58.7%
Quotas and sums deducted from the income tax	*99,651*	*49,886*	*229,695*	*47,991*	*63,279*	*32,660*
Sums deducted from VAT	*49,728*	*32,115*	*76,774*	*35,572*	*47,012*	*41,430*
Subsidies	*2,181*	*15,541*	*36,814*	*4,588*	*3,287*	*2,273*
Sums received from EU	*179*	*9,475*	*30,985*	*0*	*14,283*	*-1,299*
Total expenditures	**265,347**	**152,912**	**567,762**	**143,035**	**208,366**	**99,578**
Operational expenditures	*215,224*	*131,571*	*418,927*	*100,450*	*160,278*	*91,045*
Operational expenditures %TE	81.1%	86.0%	73.8%	70.2%	76.9%	91.4%
Investment expenditures, out of which:	*20,562*	*14,526*	*109,249*	*9,972*	*32,906*	*6,997*
Capital expenditure	16,230	13,671	66,273	9,928	18,964	6,225
Non - refundable external funds	3,662	45	37,898	0	13,882	772
*Financial expenditures**	*29,561*	*6,815*	*39,586*	*32,613*	*15,182*	*1,537*
Current result (the result of the period)	**-19,758**	**-547**	**-25,350**	**-854**	**2,725**	**3,437**
Capita, as of 01.07.2018	**197,386**	**120,535**	**376,180**	**113,164**	**124,161**	**117,465**

*) Data source: http://www.transparenta-bugetara.gov.ro/transparenta-bugetara/index.htm

General overview

The Local Council of the Municipality of Bacau at June 30th, 2019

Political structure

Age distribution

Gender distribution

Structure by political party, profession and age groups

Party	No.	Profession	Age group
PSD	1	Economist	35 - 44 years
PSD	1	Jurist	35 - 44 years
PSD	1	Medic	35 - 44 years
PSD	1	Pharmacist	35 - 44 years
PSD	2	Economist	45 - 59 years
PSD	2	Teacher	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 40 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 62 years old and an engineer, whereas Mr. Stefan represents the Alliance of the Liberals and Democrats, is 42 years old and an economist.
- Mr. Popovici Nicolae is the Secretary of the Municipality of Bacau, is 50 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.***
- ***Public Utilities Municipal Service Bacau.***

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

Cultural and social environment

Education

The education network, approved for the 2018 – 2019 scholar year in the Municipality of Bacau (through LCD no. 2/12.01.2018), covers the entire educational plan, state and private scholar units; thereby a number of 31 kindergartens are functioning, 21 schools (primary and gymnasium), 20 high schools and professional education units and two universities. also, in Bacau operates "Palatul Copiilor", "Clubul Spoetic Scolar" and "Centrul Judetean de Excelenta Bacau". The undergraduate education financing is performed based on the National Education Law No. 1 from 2011, as amended and completed.

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.

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 376 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).

Cultural and social environment

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.

Through LCD no. 327/31.08.2018 it was approved the Project "Come to P(revent).A(compain).S(upport).beside us" - project financed by UNICEF in amount of RON 20,000 and the City Hall of Bacau Municipality in amount of RON 10,000. The project aims to offer integrated services for vulnerable children and their families, promoting a healthy lifestyle, prevention of school drop, vaccination a total of 20 children, protection and accommodation of mothers in emergency situations by hosting them in specialized residential centers.

Environment protection

Through LCD no. 430/06.11.2018 it was approved the Project - Creating an infrastructure support business incubation hub for youth -Orizont cinema - having a total value of RON 21,370,616.88, out of which the City Hall of Bacau Municipality participates with RON 11,836,559.18. The main goals are: compliance with emission standards of the large combustion plants in the city of Bacau, modernization, rehabilitation and reorganization of the leisure area Insula -Bacau to become a tourist area, the improvement of the current situation of infrastructure in the urban space, improving living conditions and labor standards, promote social inclusion, fighting poverty and all forms of discrimination, introduction / expansion of systems, tools and processes for quality management and performance, creating local or regional partnership structures, a favorable and sustainable environment for small and medium businesses and for the most innovative ones, stimulating the development potential and sustainability, helping them to grow in the early days when they are most vulnerable.

Local Development

Through LCD no. 424/29.10.2018 it was approved the Project - Implementing an IT platform with back-office and front-office components, as administrative simplification and optimization of service delivery for citizens in the city of Bacau; funded in the amount of RON 2,957,517.57 by the European Unionand co-financed by the City Hall of Bacau Municipality with RON 59,150.16. The main objectives are: compliance with the emission standards of the large combustion plants in the city of Bacau, promoting social inclusion and combating poverty and all forms of discrimination in Bacau, introduction / expansion of systems, tools and processes for quality management and performance, increase administrative efficiency by implementing innovative information systems.

Through LCD no. 430 of 11.06.2018 it was approved the project - Creation of an infrastructure for business support Youth Hub - Horizon cinema - with a total value of 21,370,616.88 lei, out of which the grant is 9,534,057.70 lei. Start date is 05.29.2019, it will be finalized on 23.03.2023. Business Incubator will serve to support early-stage business development activities. The incubator will provide a favorable environment for business development by facilitating networking activities, transfer of know-how and by providing support in developing partnerships. The overall objective of the project is the development of entrepreneurship in the city and in the region by supporting entrepreneurship in the creative development of local economic competitiveness and strengthening the market position of SMEs. Specific objectives are to create and develop a business incubator for stimulating entrepreneurial environment locally and in the region, increasing employment of incubator up to 70% of companies resident until the end of the implementation period, increasing the number of jobs created at least one employee per enterprise incubated and accelerated by the end of project implementation.

On 10.10.2019, Bacau municipality decidesd the implementing of a project in partnership with Local Development Agency Bacau. It consists in the first modern traffic management in Bacau for prioritizing corridors for local public transport and cycling. The total investment is 91,429,550.68 lei, and the execution period of the investment is 36 months, including 24 months for execution. Through this Project will be created and expanded traffic management systems, subsystems and sub-activities consist of the following: CCTV video monitoring systems; Warning systems and adaptive and synchronized traffic lights; The tracking of public transport and urban management; Real-time information systems for passengers; Subsystems software application for real time information for users of the public means of transport, including software for trip planning; Other information systems; Placing sensors to detect vehicles; Equipment of control for traffic management, with specific software and hardware components; Works punctual rehabilitation / modernization of road infrastructure in the intersection; Subsystems for sanctioning violations of traffic rules and street planning through modules and application with specific equipment; Fiber optic network to ensure communications system between points and traffic lights and Order Management Center.

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Section I: Summary of the budgetary dynamics

- Revenue and expenditure balance at Q3 2019 compared to Q3 2018
- Revenue and expenditure structure at 30.09.2019

Revenue and expenditure balance
at Q3 2019 compared to Q3 2018

'000 RON

		Q3 2018	Q3 2019	%
	TOTAL REVENUES	**201,527.7**	**214,968.2**	**6.7%**
	TOTAL EXPENDITURES	**178,613.7**	**210,392.4**	**17.8%**
1	**Operational Revenues**	**189,358.5**	**199,521.0**	**5.4%**
2	**Fiscal revenues**	**154,704.2**	**157,621.9**	**1.9%**
3	Own fiscal revenues	121,245.2	138,406.9	14.2%
4	Sums deducted from the VAT	33,459.0	19,215.0	-42.6%
5	**Non-fiscal revenues, out of which:**	**34,653.8**	**41,895.7**	**20.9%**
6	Non-fiscal own revenues	16,050.9	18,383.6	14.5%
7	Donations and sponsorships	0.3	0.0	-86.5%
8	**Current subsidies**	**0.5**	**3.4**	**613.4%**
1	**Operational Expenditures (OPEX)**	**149,296.4**	**170,023.2**	**13.9%**
2	Staff Costs (PEREX)	37,994.2	48,680.1	28.1%
3	Goods and services*	54,485.5	66,028.8	21.2%
4	Internal and current transfers	23,069.9	35,596.8	54.3%
5	Social assistance	15,727.7	17,038.8	8.3%
6	Subsidies	14,764.3	-	-
7	Other expenditures	3,254.8	2,678.7	-17.7%
	Operational result	**40,062.1**	**29,497.7**	
	Operational Surplus (% from OPEX)	26.8%	17.3%	
	Operational Deficit (% from Operational Revenues)	-	-	
1	**Investment revenues**	**426.7**	**2,556.4**	
2	Capital revenues	343.5	514.8	49.8%
3	Capital subsidies	- 25.9	1,837.1	-7204.9%
4	Sums received from EU for the made payments	109.0	204.6	
1	**Investment expenditures (CAPEX)**	**8,584.5**	**15,206.9**	**77.1%**
2	Capital transfers	31.3	292.2	834.0%
3	Projects financed from non-reimbursable external funds	2,826.0	1,864.0	-34.0%
4	Capital expenditures	5,727.2	13,050.7	127.9%
	The result from the investment activity	**-8,157.8**	**-12,650.5**	
1	**Financial revenues**	**11,742.5**	**12,890.8**	**9.8%**
2	Financial oprations	11,742.5	12,890.8	9.8%
1	**Financial exepnditures**	**20,732.9**	**25,162.3**	**21.4%**
2	Loan related commisions	11.5	83.7	625.6%
3	Interest	4,416.6	6,896.2	56.1%
4	Loan reimbursment	16,304.7	18,182.4	11.5%
	Financial result	**-8,990.3**	**-12,271.4**	
	Final result	**22,914.0**	**4,575.8**	-80.0%
	Surplus (% out of Total expenditures)	12.8%	2.2%	
	Deficit (% out of Total revenues)	-	-	
	Final result (without previous surplus utilisation)	**11,171.4**	**- 8,315.0**	-174.4%
	Own revenues % of Operational revenues	88.7%	97.1%	
	OPEX/Own revenues (%)	88.9%	87.8%	
	(OPEX-PEREX, from Education&Insurance and social assistance)/(O. Rev.-Quotas deducted from the income tax) (%)	73.1%	121.5%	

*) **Goods and services**, within the Operational expenditures, does not include the **Commissions and other costs for debts**, the mentioned amounts being reflected within the Financial expenditures.

On September 30, 2019, the operational result registered a surplus of RON 29,497.7 th, by RON 10,564.3 th below the level recorded at Q3 2018. The dynamics was determined by the increase of the Operational revenues (by RON 10,162.5 th, +5.4%), exclusively at the level of Non-fiscal revenues, in conjunction with the increase of Operational expenditures (by RON 20,726.8 th, +13.9%).

The Result from the investment activity, as of September 30, 2019, marked a deficit of RON 12,650.5 th, as a result of low level of Investment revenues (amounting to RON 2,556.4 th). At the same time, there was an increase of the Investment expenditures by 77.1%, up to the level of RON 15,206.9 th, which led to an increase of the deficit from the investment activity compared to the similar period of the previous year.

The Financial result reflects a deficit of RON 12,271.14 th, higher than the one recorded in the similar period of the previous year, to this situation, contributing: greater use of the amounts from the local budget surplus at Q3 2019 (in amount to RON 12,890.8 th, respectively amounting to RON 11,742.5 th at Q3 2018) and the increased by 21.4% of the Financial expenditures (+RON 4,429.4 th).

The Result of the period was a positive one in both analyzed periods, recorded after covering the deficits from the investment activity and the financial one from the operating surplus, thus: RON 22,914 th in Q3 2018, compared to RON 4,275.8 th at Q3 2019, observing between these results a decrease of 80%. Without taking into account the uses of the previous surplus, in the first three qarters of the current year a negative final result of -RON 8,315 th is registered.

Revenue and expenditure balance
at Q3 2019 compared to Q3 2018

th RON

Payments made at Q3 2019 as compared to Q3 2018 (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 (Annual) (Revised at Q3 2019)
Public Authorities and external actions	**1,249.0**	**1,303.7**	**2,577.2**	- 1,220.4	-	**68.6**	-123.3	5,311.1
Other general public services	**717.0**	**788.7**	**418.6**	- 312.5	-	-	-71.7	237.2
Transactions regarding the public debt and loans	**2,551.7**	-	-	-	-	**2,551.7**	-	-
General Transfers between different levels of administration	-	-	-	-	-	-	-	-
Defense	-	-	-	-	-	-	-	-
Public order and national security	**1,033.7**	**1,051.6**	**36.9**	- 13.4	-	-	-17.9	7.0
Education	**5,457.2**	**4,841.4**	-	**4,766.4**	**42.8**	-	**615.8**	5,423.2
Health	**968.6**	**879.1**	-	-	-	-	**89.5**	9,413.1
Culture, recreation and religion	**4,369.3**	**4,125.5**	**474.1**	**1,492.0**	-	-	**243.8**	10,627.6
Insurance and social assistance	**6,381.6**	**6,367.4**	**5,080.3**	**115.3**	**1,268.3**	-	**14.2**	542.0
Housing, public services and	**1,386.7**	**1,369.5**	**746.3**	**620.7**	-	-	**17.2**	1,410.5
Environment protection	**7,900.6**	**8,112.1**	**1,717.7**	- 57.8	-	-1,175.1	**963.7**	24,064.2
General economic, commercial and working actions	-	-	-	-	-	-	-	-
Fuel and power	-11,147.0	-13,132.5	-	**750.0**	-	**2,984.2**	-998.7	7,922.8
Agriculture, Forestry, Fish breeding	-	-	-	-	-	-	-	-
Transport	**10,910.3**	**5,020.3**	- 365.1	**5,402.8**	-	-	**5,889.9**	21,147.6
Other economic actions	-	-	-	-	-	-	-	-
TOTAL	**31,778.7**	**20,726.8**	**10,685.9**	**11,543.3**	**1,311.1**	**4,429.4**	**6,622.5**	86,106.4

*) **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 2019 (final provisions), as compared to the distribution of the execution in 2018

Operational Result Structure (Q3 2019 vs. Q3 2018)

Revenues and expenditure structure

as of September 30th, 2019

'000 RON

The structure of performed own revenues 193,708.1

The structure of performed total revenues 214,968.2

The structure of provisioned own revenues 219,312.8

The structure of provisioned total revenues 268,503.6

The structure of performed functional expenditure 214,968.2

The structure of performed economic expenditure 214,968.2

The structure of provisioned functional expenditure 268,503.6

The structure of provisioned economic expenditure 268,503.6

Note: The vertical axis reflects the components of the income/expenses detailed in the revenues/expenditures statement; *Provisioned level: final budgetary provisions approved at the end of the reporting period*

Revenues collected at Q3 2019

Expenditures incurred at Q3 2019

Provisioned revenues at Q3 2019

Provisioned expenditure at Q3 2019

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Section II: Budgetary revenues

- The situation of the revenues collected at 30.09.2019
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The situation of the revenues collected

as of September 30th, 2019

'000 RON

Line	Revenues summary	2019 Planned 2019	% /TCR	2019 Planned at Q3	% /TCR	2019 Revised at Q3	% /TCR	2019 Performed at Q3	% /TCR	2018 Planned 2019	% /TCR	2018 Planned at Q3	% /TCR	2018 Revised at Q3	% /TCR	2018 Performed at Q3	% /TCR
1	**Total revenues (TR)**	**310,105.8**		**242,105.8**		**268,503.6**		**214,968.2**		**256,798.8**		**206,222.8**		**236,592.4**		**201,527.7**	
2	**Own revenues, of which:**	**268,405.5**	86.6	**201,435.0**	83.2	**219,312.8**	81.7	**193,708.1**	89.5	**191,504.0**	74.6	**149,021.0**	72.3	**167,071.5**	70.6	**167,984.8**	82.3
3	Quotas deducted from the income tax	128,915.0	41.6	96,687.0	39.9	96,687.0	36.0	92,969.5	46.0	91,787.0	35.7	68,890.0	33.4	76,906.0	32.5	76,906.4	40.5
4	Capital revenues	-	-	-	-	-	-	514.8	0.3	-	-	-	-	-	-	343.5	0.2
5	Revenues from concessions and rents	9,916.0	3.2	8,739.0	3.6	8,739.0	3.3	7,460.3	3.7	9,900.0	3.9	7,200.0	3.5	7,200.0	3.0	7,105.9	3.7
6	Payments from net profit of self-governing administration, national societies and companies	515.0	0.2	415.0	0.2	415.0	0.2	13.1	-	-	-	-	-	32.0	0.0	12.1	-
7	Revenues from dividends	-	-	-	-	-	-	143.3	-	-	-	-	-	-	-	-	-
8	Tax on revenues from the transfer of real estate from the private patrimony	1,203.8	0.4	989.9	0.4	989.9	0.4	229.0	-	2,840.0	1.1	2,630.0	1.3	2,630.0	1.1	424.9	-
9	Tax on buildings from the population	20,257.5	6.5	15,169.5	6.3	15,169.5	5.6	11,399.2	5.6	14,940.0	5.8	12,500.0	6.1	13,668.9	5.8	10,788.2	5.7
10	Tax on land from the population	2,806.0	0.9	2,278.0	0.9	2,278.0	0.8	1,716.6	0.8	3,420.0	1.3	2,360.0	1.1	2,399.6	1.0	1,693.6	0.9
11	Tax on the means of conveyance owned by the population	8,512.0	2.7	7,262.0	3.0	10,524.0	3.9	5,942.9	2.9	5,000.0	1.9	4,000.0	1.9	5,000.0	2.1	5,147.8	2.7
12	Tax on buildings from the legal entities	23,541.8	7.6	17,555.0	7.3	17,555.0	6.5	12,981.9	6.4	12,000.0	4.7	10,000.0	4.8	12,444.1	5.3	13,312.3	7.0
13	Tax on land from the legal entities	4,714.0	1.5	4,079.0	1.7	4,079.0	1.5	2,261.4	1.1	2,000.0	0.8	2,000.0	1.0	2,200.0	0.9	2,414.9	1.3
14	Tax on the means of conveyance owned by the legal entities	5,341.0	1.7	4,341.0	1.8	4,341.0	1.6	4,144.5	2.1	5,022.0	2.0	4,000.0	1.9	4,000.0	1.7	3,687.2	1.9
15	Fees and charges for the issuance of licences and functioning authorisations	1,636.0	0.5	1,301.0	0.5	1,439.5	0.5	1,339.3	0.7	1,478.0	0.6	1,250.0	0.6	1,750.0	0.7	1,254.4	0.7
16	Stamp duties, for notary work and other stamp duties	2,396.0	0.8	1,952.0	0.8	1,952.0	0.7	1,621.3	0.8	1,300.0	0.5	1,100.0	0.5	1,400.0	0.6	1,841.4	1.0
17	Extrajudicial stamp duties	219.0	0.1	184.0	0.1	184.0	0.1	166.0	0.1	1,812.0	0.7	1,400.0	0.7	1,400.0	0.6	173.8	0.1
18	Revenues from fines and other legal sanctions	2,289.0	0.7	1,789.0	0.7	1,789.0	0.7	1,758.5	0.9	1,350.0	0.5	1,350.0	0.7	1,350.0	0.6	1,519.7	0.8
19	Other own revenues	56,143.4	18.1	38,693.6	16.0	53,170.9	19.8	49,046.4	17.9	38,655.0	15.1	30,341.0	14.7	34,690.9	14.7	41,358.7	15.6
20	Sums deducted from the VAT	17,403.5	5.6	16,374.0	6.8	19,401.0	7.2	19,215.0	9.5	39,366.0	15.3	31,273.0	15.2	40,854.0	17.3	33,459.0	17.6
21	Donations and sponsorships	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.3	-
22	Subsidies received from the State Budget	21,291.2	6.9	21,291.2	8.8	21,713.9	8.1	1,840.4	0.9	25,928.8	10.1	25,928.8	12.6	28,374.5	12.0	- 25.4	0.0
23	Sums received from EU for the made payments	3,005.6	1.0	-	-	8,075.9	3.0	204.6	0.1	-	-	-	-	292.4	0.1	109.0	0.1
24	Other revenues	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0
			%/TR		%/TR		%/TR		%/TR		%/TR		%/TR		%/TR		%/TR
	Operational revenues	285,813.0	92.2	217,813.0	90.0	238,717.8	88.9	199,521.0	92.8	230,870.0	89.9	180,294.0	87.4	207,926.0	87.9	189,358.5	94.0
	Investment revenues	24,292.9	7.8	24,292.9	10.0	29,785.8	11.1	2,556.4	1.2	25,928.8	10.1	25,928.8	12.6	28,666.4	12.1	426.7	0.2
	Financial revenues	-	-	-	-	-	-	12,890.8	6.0	-	-	-	-	-	-	11,742.5	5.8
	Total revenues - operating section	**266,316.2**	85.9	**198,316.2**	81.9	**208,945.7**	77.8	**197,625.0**	91.9	**230,125.3**	89.6	**179,549.3**	87.1	**207,177.0**	87.6	**192,691.5**	95.6
	Total revenues - development section	**43,789.7**	14.1	**43,789.7**	18.1	**59,557.9**	22.2	**17,343.2**	8.1	**26,673.5**	10.4	**26,673.5**	12.9	**29,415.4**	12.4	**8,836.3**	4.4
	Previous surplus	-	-	-	-	-	-	**12,890.8**	6.0	-	-	-	-	-	-	**11,742.5**	5.8
	Total collected revenues in the period (TCR = TR - Previous surplus)	**310,105.8**	100%	**242,105.8**	100%	**268,503.6**		**202,077.4**	94.0%	**256,798.8**	100%	**206,222.8**	100%	**236,592.4**	100%	**189,785.2**	94.2%

Revenues variation

collected at Q3 2019 as compared to the level attained at Q3 2018

'000 RON

Total revenues

Own revenues

The total revenues collected at Q3 2019 amounted to RON 214,968.2 th, were by RON 13,440.5 th (+6.7%) over the level achieved in the similar period of 2018. Without taking into account the amounts from the local budget surplus used in 2019 (totaling RON 12,890.8 th, at Q3 2018 amounted to RON 11,742 th), total revenues collected at Q3 2019 are by RON 12,292.2 th over the level recorded in the same period of the previous year (+6.5%).

↑ In the first three qarters of the current year, **Own revenues** were by RON 25,723.3 th over the level recorded at Q3 2018 (+15.3%).

↑ **Subsidies received from the State Budget** amounting to RON 1,840.4 th are registred at Q3 2019, these reflecting a negative value at Q3 2018, respectively RON -25.4 th. Most of the Subsidies are of capital, reflected in the The Financing of the National Program of Local Development (amounting to RON 1,805.7 th at Q3 2019).

↓ The revenues collected from the **Sums deducted from VAT** registered a level with RON 14,244 th below the similar period of 2018 (-42.6%), mainly as a result of recording lower revenues from Sums deducted from VAT for financing the expenditures of villages, communes, towns (RON -17,003 th), counterbalanced by the Sums deducted from VAT for balancing the local budget (amounting to RON 2,841 th, such revenues not being reflected in Q3 2019).

↑ The **Sums received from the EU for the payments made** registered a level of RON 109 th in the first three qarters of 2018, following that at Q3 2019, their value to reach RON 204.6 th, entirely from Sums received from the EU/other donors for the made payments and pre-financing, related to the 2014-2020 financial framework.

The **Own revenues** registered a level of RON 193,708.1 th, being by 15.3% over the value recorded at Q3 2018, as a result of:

↑ Larger receipts from the *Quotas deducted from the income tax* with RON 16,063.2 th (+20.9%);

↑ The revenues collected from *Taxes and duties on property* increased by RON 1,402.5 th, the amounts collected reaching RON 33,446.6 th, mainly due to higher receipts from Tax and duty on buildings (+RON 280.7 th), while, the collections related to Tax on land decreased (-RON 130.6 th). The dynamics was registered, by higher collections from population (+RON 1,429.2 th) and lower revenues collected from legal entities (-RON 26.7 th).

↑ *Other taxes collected from the local budget* increased by RON 2,156.9 th over the level recorded at Q3 2018 (+10.7%), mainly due to higher revenues from Special Taxes by 17.3% (+RON 2,272.4 th), counterbalanced by the decrease of the revenues collected from Other Taxes and duties on property (RON -201 th, -12.6%), but also of those related to Stamp duties for notary work and other stamp duties (RON -220.1 th, -12%);

↑ The *Other own revenues collected*, increased by RON 4,952.5 th over the similar period of the previous year (+22.4%), recording the value of RON 27,098.2 th. Within this group, increased the revenues from Other voluntary transfers (+RON 2,945.1 th), the Revenues from services (+RON 814 th, +16.7%), the revenues from Fines, penalties and confiscations (+RON 374.3 th) as well as those from Other revenues (+RON 247.8 th).

↑ *Larger amounts used at Q3 2019 from the surplus of the local budget to finance the development expenses* in amount of RON 11,570.8 th, compared to the value of RON 8,409.6 th used in the similar period of the previous year. At the same time, in Q3 2019 were registered Sums from the local budget surplus used for financing the operating expenditures amounting to RON 1,320 th, such revenues not being refleted in Q3 2018.

Rectification of revenues, as compared to the initial budget

The budgetary rectification approved by LCD no.342/09.26.2019, provided **total revenues** amounting to RON 268,503.6 th, these being by RON 26,397.8 (+10.9%) over the provisions contained in the initial budget. Within the main revenue chapter, the rectification provided:

Own revenues amounting to RON 219,312.8 th, these being by RON 17,877.8 th (+8.9%) above the level included in the initial budget, as follows:

↑ Were included ***Other voluntary transfers*** amounting to RON 10,275.3 th in the revised budget, such revenues not being reflected within the initial budget;

↑ Were increased the provision related to ***Other taxes and duties*** by RON 2,000 th (+235.3%);

↑ Were increased the provisions for ***Other duties on specific services*** by RON 500 th (+209.2%);

↑ Were provided revenues from ***Tax on shows*** amounting to RON 964 th, being by RON 107.8 th above the level included in the planned budget.

↑ The foreseen revenues from ***Tax on the means of conveyance owned by the population*** increased by RON 3,262 th (+44.9%).

At the level of the **Sums deducted from the VAT**, provisions amounting to RON 19,401 th were included in the final budget, these beeing by RON 3,027 th (+18.5%) above the initial provisions.

Also, within the **Sums received from the EU/other donors for the made payments and pre-financing**, related to the 2014-2020 financial framework, were provided sums amounting to 8,075.9 th (not being included in the initial budget), related to the European Regional Development Fund (ERDF) amounting to RON 5,188.2 th and the European Social Fund (ESF) amounting to RON 2,887.6 th.

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

-> The **operational revenues** registered a level by RON 39,196.8 th below the budgetary provisions (execution degree 83.6%), as follows:

✓ ***Own revenues*** recorded a level of RON 193,708.1 th, respectively lower by RON 25,605 th, than the level provided in the planned budget (88.3% achievement level). Within the Own revenues group, it can be noticed the evolution of the following revenues chapters:

- ***Quotas deducted from the income tax*** estimated in the final budget at the value of RON 96,687 th and collected, in the first three qarter, in the amount of RON 92,969.5 th, thus having an achievement of 96.2% of the total provisions.

- ***Taxes and duties on property***, included in the final budget at a level of RON 53,946.5 th, were by RON 15,499.9 th below the budgetary provisions, with lower receipts being found at the level of Taxes and duties from population (-RON 8,912.7 th), respectively those collected from legal entities (-RON 6,587.2 th).

- ***Tax on revenues from the transfer of real estate from the private patrimony*** were by RON 760.9 th below the definitive provisions (achievement degree 23.1%), the final estimations related to this line being of RON 989.9 th;

- ***Other own revenues*** registered higher incomes by RON 4,124.5 th compared to the final provisions, thus marking a 92.2% achievement level, considering that the Sums from the local budget surplus used for financing the development expenditures amounted to RON 11,570,8 th (not being provisioned in the final budget), offset by lower receipts from Special taxes by RON 4,721.1 th below the forecasted level (execution degree 76.5%) and from Other voluntary transfers (RON -7,049.3 th, execution degree of 31.4%)

-> The **Investments revenues** registered a low level compared to the budgetary provisions, respectively a degree of achievement of 8.6% (lower revenues by RON 27,229.4 th), as follows:

- ***Capital subsidies*** were registered at Q3 2019 in the amount of RON 1,837.1 th, but were provided at the value of RON 21,709.9 th.

- ***Sums received from the EU for the made payments*** registered RON 204.6 th in the first nine months of the current year, but they were provisioned in amount of RON 8,075.9 th.

- The ***Capital revenues*** registered RON 514.8 th at Q3 2019 (mostly related to the Banks for housing build-up), not included in the budgetary provisions.

-> Although the initial budget did not provide **Financial revenues**, they reached RON 12,890.8 th at Q3 2019, fully represented by Sums from the local budget surplus used for financing the development expenditures and the operating expenditures.

Revenues' ratios

at Q3 2019, as compared to Q3 2018

'000 RON

Ratios	Q3 2019	Q3 2018
Revenues from the tax on property	**38,450.4**	**37,048.3**
Revenues per Capita	194.9 RON	187.8 RON
The revenue weight in the total revenues	17.9%	18.4%
Own tax revenues	**138,406.9**	**121,245.2**
Revenues per Capita	701.6 RON	614.6 RON
The revenue weight in the total revenues	64.4%	60.2%
Total current revenues (autonomous)	**199,517.6**	**189,358.0**
Revenues per Capita	1,011.3 RON	959.8 RON
The revenue weight in the total revenues	92.8%	94.0%
Operational revenues	**199,521.0**	**189,358.5**
Revenues per Capita	1,011.3 RON	959.8 RON
The revenue weight in the total revenues	92.8%	94.0%
Investment revenues	**2,556.4**	**426.7**
Revenues per Capita	n/a	2.2 RON
The revenue weight in the total revenues	n/a	0.2%
Total revenues per Capita	**1,089.6 RON**	**1,021.5 RON**
Own revenues per Capita	**981.9 RON**	**851.5 RON**
The level of financing from the own revenues	**90.1%**	**83.4%**
The degree of self-financing	**46.9%**	**45.2%**
The degree of dependency of the local budget to the state budget	**9.8%**	**16.6%**
The degree of decisional autonomy	**91.4%**	**83.4%**
The degree of achievement of the revenues from the initial budget	**88.8%**	**97.7%**
The degree of achievement of the revenues from the final budget	**80.1%**	**85.2%**
The degree of achievement of the own revenues from the initial budget	**96.2%**	**112.7%**
The degree of achievement of the own revenues from the final budget	**88.3%**	**100.5%**
The degree of achievement of the property taxes from the initial budget	**75.9%**	**106.2%**
The degree of achievement of the property taxes from the final budget	**71.3%**	**93.2%**
The annual estimate from the local tax revenues (maximum probability)	**50,485.9**	**50,385.0**
The annual estimate from the local tax revenues (rectified budget)	**80,499.5**	**62,849.0**
The degree of achievement of the annual revenues estimated from the local tax revenues	**159.4%**	**124.7%**
The collection degree from the initial budget of the revenues from:		
Quotas deducted from the income tax	96.2%	111.6%
Tax on buildings from the population	88.9%	86.3%
Tax on land from the population	90.0%	71.8%
Tax on the means of conveyance from the population	97.5%	128.7%
Tax on buildings from legal entities	88.1%	133.1%
Tax on land from legal entities	63.4%	120.7%
Tax on the means of conveyance from legal entities	118.1%	92.2%
Capita,	**197,285**	**197,285**
as of:	01/01/2018	01/01/2018

↑ The ***Revenues from tax on property*** (including the Tax on land outside the built-area) were by RON 1,402.1 th above the level recorded at 3 2018 (+3.8%). The increase is facilitated by higher receipts from population (+RON 1,429.2 th), counterbalanced by the decrease of the collections from legal entities (-RON 26.7 th).

↑ The ***Own tax revenues*** were by RON 17,161.7 th higher (+14.2%), as a result of the evolution of the revenues obtained from:

↑ The *Quotas deducted from the income tax*, increased by 16,043.2 ths RON (+20.9%);

↑ Increased collections from the *Revenues from tax on property*;

↓ The *Stamp duties, for notary work and other stamp duties*, lower revenues at Q3 2019 with RON 220.1 th (-12%), compared to the similar period of the previous year;

↑ The ***Total current revenues (autonomous)*** registered a increase by RON 10,159.6 th compared to the level recorded in the similar period of 2018 (+5.4%), mainly due to:

↑ The *Tax revenues* (+1.9%, with RON 2,917.7 th), determined by:

↑ The increase of the revenues from the *Quotas deducted from the income tax* corroborated with,

↓ the decrease of those from *the Sums deducted from the VAT* (-RON 14,244 th, -42.6%);

↑ The *Non-fiscal revenues* (+20.9%, with RON 7,241.9 th), mainly as a result of:

↑ Higher receipts related to the *Revenues from sales of goods and services* (with RON 6,743.1 th, +24.5%) and *Revenues from fines, penalties and confiscations* (+RON 613.1 th, +10.9%).

↑ The ***Operational revenues*** registered a decrease with RON 10,162.5 th (+5.4%), mainly as a result of the recording of higher amounts at the Current revenues level.

↑ The ***Investment revenues*** registered a level of RON 2,556.4 th compared to the one achieved at Q3 2018, respectively RON 426.7 th, being related to the Capital subsidies, Revenues from goods capitalization and Sums received from the EU/other donors for the made payments and pre-financing, related to the 2014-2020 financial framework.

Table of contents Part III

Section III: Budgetary expenditures (functional classification)

- The situation of the expenditures performed at 30.09.2019
- The variation of the performed expenditures at Q3 2019 vs. Q3 2018
- Budgetary provisions: the achievement degree of the expenditures at Q3 2019

The situation of the expenditures performed

at September 30th, 2019

'000 RON

Line	Expenditures	2019 Planned 2019	% /TP	2019 Planned at Q3	% /TP	2019 Rectified at Q3	% /TP	2019 Execution at Q3	% /TP	2018 Planned 2018	% /TP	2018 Planned at Q3	% /TP	2018 Rectified at Q3	% /TP	2018 Execution at Q3	% /TP
	Functional classification	**310,105.8**		**242,105.8**		**268,503.6**		**214,968.2**		**256,798.8**		**206,222.8**		**236,592.4**		**201,527.7**	
1	Public authorities and external actions	49,105.5	14.3	41,560.7	13.3	39,721.7	11.7	30,453.7	14.5	44,224.1	14.3	35,428.1	12.9	34,752.3	11.5	29,204.6	16.4
2	Transactions regarding the public debt (interest and fees)	9,567.6	2.8	7,329.0	2.3	7,329.0	2.2	6,979.9	3.3	6,022.0	1.9	4,492.0	1.6	4,542.0	1.5	4,428.2	2.5
3	Education	34,120.9	9.9	31,607.7	10.1	33,376.2	9.8	21,836.3	10.4	24,673.9	8.0	19,360.0	7.1	25,332.7	8.4	16,379.1	9.2
4	Health	15,453.1	4.5	15,314.6	4.9	16,642.6	4.9	6,993.2	3.3	15,972.7	5.2	15,909.7	5.8	16,139.7	5.3	6,024.6	3.4
5	Culture, recreation and religion	34,496.6	10.0	32,469.9	10.4	38,907.6	11.5	21,143.1	10.0	29,108.0	9.4	27,136.0	9.9	29,845.9	9.9	16,773.8	9.4
6	Insurance and social assistance	58,459.5	17.0	53,629.0	17.2	53,634.0	15.8	44,349.5	21.1	54,281.0	17.5	47,450.5	17.3	48,075.0	15.9	37,967.8	21.3
7	Housing, public service and development	13,109.5	3.8	12,084.9	3.9	12,637.9	3.7	8,556.4	4.1	11,627.3	3.8	11,021.1	4.0	11,793.0	3.9	7,169.7	4.0
8	Environment protection	61,662.2	18.0	59,499.7	19.0	64,683.2	19.1	31,172.2	14.8	62,737.5	20.3	56,122.7	20.4	59,813.6	19.8	23,271.6	13.0
9	Fuel and power	13,568.5	4.0	12,568.5	4.0	14,664.5	4.3	6,223.0	3.0	19,430.4	6.3	19,430.4	7.1	27,497.2	9.1	17,370.1	9.7
10	Transport	33,945.7	9.9	30,217.2	9.7	41,235.6	12.2	18,611.6	8.8	24,472.7	7.9	24,072.7	8.8	28,163.2	9.3	7,701.3	4.3
11	Other expenditures	19,809.0	5.8	16,205.1	5.2	16,101.1	4.8	14,073.6	6.7	17,200.0	5.6	14,040.8	5.1	15,858.8	5.3	12,322.9	6.9
12	Reserves, Surplus / Deficit	- 33,192.3		- 70,380.5		- 70,429.9		4,575.8		- 52,950.6		- 68,241.1		- 65,221.0		22,914.0	
	Economic classification	**310,105.8**		**242,105.8**		**268,503.6**		**214,968.2**		**256,798.8**		**206,222.8**		**236,592.4**		**201,527.7**	
1	Staff costs, of which:	66,522.0	19.4	55,714.3	17.8	54,614.3	16.1	48,680.1	23.1	56,023.1	18.1	43,771.3	15.9	42,873.3	14.2	37,994.2	21.3
	without those for Insurance and social assistance	35,355.0	10.3	28,070.9	9.0	28,070.9	8.3	26,932.5	12.8	30,712.0	9.9	23,871.0	8.7	23,931.0	7.9	21,326.8	11.9
2	Social assistance	19,053.0	5.5	18,665.0	6.0	19,665.1	5.8	17,038.8	8.1	19,112.0	6.2	18,961.0	6.9	20,188.7	6.7	15,727.7	8.8
3	Subsidies	-	-	-	-	-	-	-	-	14,764.3	4.8	14,764.3	5.4	19,149.4	6.3	14,764.3	8.3
4	Goods and services	100,672.8	29.3	92,765.9	29.7	99,019.8	29.2	66,112.5	31.4	76,711.1	24.8	67,574.2	24.6	87,399.4	29.0	54,497.1	30.5
5	Capital expenditures	61,882.8	18.0	61,882.8	19.8	70,045.6	20.7	13,050.7	6.2	71,583.9	23.1	71,583.9	26.1	67,022.6	22.2	5,727.2	3.2
6	Interest	9,437.6	2.7	7,199.0	2.3	7,199.0	2.1	6,896.2	3.3	5,912.0	1.9	4,412.0	1.6	4,462.0	1.5	4,416.6	2.5
7	Loan reimbursements	24,089.1	7.0	19,188.3	6.1	19,188.3	5.7	18,182.4	8.6	23,916.0	7.7	17,142.0	6.2	17,142.0	5.7	16,304.7	9.1
8	Current transfers	30,547.0	8.9	26,578.6	8.5	30,142.6	8.9	24,993.6	11.9	23,320.5	7.5	19,578.2	7.1	26,381.2	8.7	20,459.7	11.5
9	Internal transfers	15,541.3	4.5	15,121.3	4.8	16,390.6	4.8	10,603.2	5.0	5,018.5	1.6	4,625.5	1.7	5,374.8	1.8	2,610.2	1.5
10	Projects financed from non-reimbursable external funds	7,058.2	2.1	7,058.2	2.3	14,551.1	4.3	1,864.0	0.9	3,669.7	1.2	3,669.7	1.3	4,461.9	1.5	2,826.0	1.6
11	Other expenditures	8,494.4	2.5	8,312.9	2.7	8,117.1	2.4	2,970.9	1.4	9,718.3	3.1	8,381.8	3.1	7,358.1	2.4	3,286.1	1.8
12	Reserves, Surplus / Deficit	- 33,192.3		- 70,380.5		- 70,429.9		4,575.8		- 52,950.6		- 68,241.1		- 65,221.0		22,914.0	
	Total payments (TP) *(total expenditures performed without considering the periods' result)*	**343,298.1**		**312,486.3**		**338,933.4**		**210,392.4**		**309,749.4**		**274,463.8**		**301,813.3**		**178,613.7**	
	Operational expenditures	239,240.8	69.7	215,568.3	69.0	226,309.7	66.8	170,023.2	80.8	204,052.8	65.9	177,071.2	64.5	207,548.9	68.8	149,296.4	83.6
	Investment expenditures	70,400.7	20.5	70,400.7	22.5	86,106.4	25.4	15,206.9	7.2	75,758.6	24.5	75,758.6	27.6	72,580.5	24.0	8,584.5	4.8
	Financial expenditures	33,656.7	9.8	26,517.3	8.5	26,517.3	7.8	25,162.3	12.0	29,938.0	9.7	21,634.0	7.9	21,684.0	7.2	20,732.9	11.6
	Total of the Operating Section	**267,636.2**	**78.0**	**236,824.3**	**75.8**	**247,503.3**	**73.0**	**194,254.9**	**92.3**	**232,625.3**	**75.1**	**197,339.7**	**71.9**	**227,167.4**	**75.3**	**169,995.9**	**95.2**
	Reserves, surplus/deficit for the operating section	- 1,320.0		- 38,508.2		- 38,557.6		3,370.1		- 2,500.0		- 17,790.4		- 19,990.4		22,695.6	
	Total of the Development Section	**75,661.9**	**22.0**	**75,661.9**	**24.2**	**91,430.2**	**27.0**	**16,137.5**	**7.7**	**77,124.1**	**24.9**	**77,124.1**	**28.1**	**74,646.0**	**24.7**	**8,617.8**	**4.8**
	Reserves, surplus/deficit for the development section	- 31,872.3		- 31,872.3		- 31,872.3		1,205.7		- 50,450.6		- 50,450.6		- 45,230.6		218.4	

The variation of the performed expenditures at Q3 2019 vs. Q3 2018

Functional classification

'000 RON

The structure of the payments performed at Q3 2018

The structure of the payments performed at Q3 2019

The level of payments made in the three qarters of the current year amounted to RON 210,392.4 th, with 17.8% above the level recorded in the first nine months of the previous year (+RON 31,778.7 th).

The evolution of the payments made at the level of the main expenditures chapters is presented as follows:

↑ **Transport**, chapter which recorded the main increase of payments as compared to Q3 2018, respectively by RON 10,910.3 th (+141.1%), the dynamics being influenced by the increase of the payments for the Streets paragraph (+RON 11,806.1 th) and the decrease of those for Other expenses for transport (-RON 895.9 th, -48.5%). From the economic point of view it is noticeable the increase of the payments made for Constructions (+RON 5,956.4 th), Current repairs (+RON 1,108.1 th), while, the main decrease is found at the level of the Base salary(-RON 379.8 th, -46.3%).

↑ **Environment protection**, a chapter that registered an increase of payments by RON 7,900.6 th (+33.9%), compared to the level recorded at Q3 2018, as a result of the higher payments made for the paragraph Collection, treatment and destruction of waste (+RON 5,362.6 th, +44.9%), but the payments related to the paragraph Canalization and treatment of wastewater increased (+RON 2,377.7 th, +102.9%). From an economic point of view, we note payments related to Other internal transfers, in the amount of RON 7,061.4 th (such expenses recording the value of RON 600 th at Q3 2018), the increase of the payments for Constructions (+RON 1,808.2 th), while the ones for Reimbursement of debts decreased (-RON 1,175.1 th, -80.3%) and those for Other materials and services for maintenance and functioning (-RON 1,071.2 th, -8.9%).

↑ **Insurance and social assistance**, a chapter for which the payments made during the first nine months of the current year increased by RON 6,381.6 th (+16.8%) above the level recorded in the similar period of the previous year, up to the value of RON 44,349.5 th. Increases can be found for the Social assistance for disabled paragraph (+RON 4,063.5 th, +22.5%) and Assistance for the elderly (+RON 913.3th, +29%). From the economic perspective, the dynamics within this chapter was reflected as follows: the Staff costs increased (+RON 5,080.3 th, +30.5%) as well as the ones made for Social assistance (+RON 1,268.3 th, +8.4%).

↑ **Education**, higher payments by RON 5,457.2 th compared to Q3 2018, mainly at the level of Upper secondary education (by RON 2,662 th, +32%), Pre-school education (by RON 1,325.5 th, +64.8%), respectively Elementary education (+RON 1,185.2 th, +45.2%). From an economic point of view, the evolution was determined mainly by the increase of payments for Goods and services (+RON 4,766.4 th, +38.4%) and of Capital expenditures (+RON 515.7 th, +79.2%).

The variation of the performed expenditures at Q3 2019 vs. Q3 2018

Functional classification

'000 RON

Functional expenditures variation

↑ **Culture, recreation and religion**, higher payments with RON 4,369.3 th (+26%) above the level performed at Q3 2018, mainly due to higher expenses by RON 2,163.5 th (+26.3%) for the paragraph Maintenance of public gardens, parks, green areas, sports and leisure centers, by RON 1,926.5 th (+49.1%) related to the Sport paragraph. From the economic perspective, the expenses with Transfers to public institutions increased by RON 2,599.6 th (+37.6%), and those for Other materials and services for maintenance and functioning by RON 1,748.7 th (+191%) above the level recorded at Q3 2018, while, at the level of Capital expenditures, there was a increase of payments made by RON 480.6 th.

↑ For the chapter **Transactions regarding the public debt and loans**, the payments registered in the first three qarters of 2019 increased by RON 2,551.7 th (+57.6%) above the level achieved at Q3 2018, considering that the payments for the Interests for direct internal public debt were with RON 2,502.1 th (+57%) above the level reached in the Q3 2018. The dynamics is the result of the evolution of the reference interest rates on the internal banking market, as well as the increase of the internal banking exposure, by contracting a new loan in the last quarter of 2018.

↑ For the **Other expenses** group, payments were made at Q3 2019 by RON 1,750.7 th (+14.2%) above the level recorded at Q3 2018, considering that the payments for the Local police increased by RON 1,027.8 th (+12.4%, the increase was found, exclusively at the level of Transfers to public institutions) and for Other general public services, the payments amounted to RON 717 th (+19.6%) above the level recorded in the similar period of the previous year.

↑ **Housing, services and public development**, chapter that marked, in the first three qarters of the current year an increase by RON 1,386.7 th (+19.3%) above the level recorded in the similar period of 2018, the dynamics being recorded by increasing payments at the level: Other services for housing, public services and rural development (+RON 767.8 th, +29.2%), Other expenditures in the housing system (+RON 390.4 th, +41.2%) and Public lighting and rural electrifications (+RON 228.5 th, +6.4%). From the economic point of view, there were recorded higher payments for Base salary (+RON 526.7 th, +28.5%), for Heating, lighting and driving force (+RON 334.2 th, +9.4%) and for Other materials and services for maintenance and functioning (+RON 280.6 th, +44.6%).

↑ **Public authorities and external actions**, higher payments by RON 1,249 th (+4.3%) above the level performed at Q3 2018. The increase was mainly reflected at the Staff costs level (+RON 2,577.2 th, +26.8%), counterbalanced by the decrease of payments made for Goods and services (-RON 1,220.4 th, -28.8%), while the Capital expenditures decreased by RON 247.7 th (-56.2%).

↑ The payments for the **Health** chapter, amounting to RON 6,993.2 th, were by RON 968.6 th (+16.1%) above the level recorded at Q3 2018, the increase being entierly reflected at the level of General hospitals paragraph. From the economic perspective, for Health actions, payments were made by RON 906.5 th above the level recorded at Q3 2018 (+17.3%).

↓ **Fuel and power**, the only chapter in which the payments for Q3 2019 were below the level recorded in the similar period of the previous year (-RON 11,147 th, -64.2%). Thus, lower expenses were incurred for the Heating energy by RON 11,780.1 th, reflected from the economic perspective at the level of the Subsidies, while the payments for Other expenditures for fuels and power increased by RON 633.1 th compared to the level recorded in the first nine months of the previous year, considering that were performed higher payments for Other expenses with materials and services. At the same time, at Q3 2019, the payments for Reimbursements of loans reached RON 2,984.2 th (without such expenses at Q32018), concidering that a new loan was contracted, in 2018, necessary to sustain the payments for heating energy at the municipality level.

Functional expenditures rectification, as compared to the initial budget

By the budgetary rectification for the third qarter of 2019, the expenditures were increased to the level of RON 268,503.6 th, being by RON 26,397.8 th above the planned level through the initial budget (+10.9%). The main expenditures chapters knew, by rectification, the following variation:

↑ within the **Transport** chapter, the final provisions are in amount to RON 41,235.6 th, being by RON 11,018.4 th (+36.5%) above the planned level. The increase is entirely found at the Streets pragraph level, by incerasing the allocation related to Capital expenditures (+RON 10,018.4 th, +90%) and those for Good and servicies (+RON 1,002.2, +5.4%).

↑ The provisions related to the chapter **Culture, recreation and relegion** increased by 19.8% compared with the initial allocations, up to level of RON 38,907.6 th (+RON 6,437.7), the variation being found at the level of the paragraphs: Maintenance of public gardens, parks, green areas, sports and leisure centers (+RON 4,309.2 th) and Sport (+RON 2,026). For the Projects financing from non-refundable external funds, related to the 2014-2020 financial framework, provisions in amount to RON 5,492.9 th were included in the final budget (without such provisions in the initial budget) and were increased by RON 2,286 th (+22.1%) the provisions for Transfers to public institutions.

↑ **Environment protection**, a chapter for which the expenditures amounting to RON 64,683.2 th were provided, these being higher by RON 5,183.5 th (+8.7%) compared to the initial allocations. For the Collection, treatment and destruction of waste, the provisions increased by RON 3,828 th (+21.2%), and for the Canalization and treatment of wastewater by RON 1,505.5 th (+5.4%). Higher provisions are noted in the level of allocations for Goods and servicies (+RON 4,074.4 th, +21.3%) and those for Other transfers (+RON 1,115 th, +11.5%).

↑ For the chapter **Fuel and power**, the final provisions are in amount of RON 14,664.5 th, higher by 16.7% compared with the allocations from the initial budget, the increase being entirely found in the subchapter Other expenditures for fuel and power and being related to Non-eligible expenses from the Programs from Cohesion Fund (CF), increased by RON 2,000 th.

↑ For the **Education** chapter, the rectified provisions, amounting to RON 33,376.2 th were by RON 1,768.5 th (+5.6%) above the level included in the initial budget. For the Secondary education, allocations increased by RON 1,390.2 th (+6.5%), and those for Pre-school and elementary education by RON 376.9 th (+3.7%). Thus, higher previsions were provided for Goods and servicies (+RON 1,110.9 th, +5.2%) and for Capital (+RON 471.6, +10.2%).

↑ The main decrease of the initial allocations by rectification is found within the chapter **Public Authorities and external actions** (-RON 1,839 th, -4.4%), the provisions being decreased up to the level of RON 39,721.7 th. The allocations related to Capital expenditures were reduced by 40.7%, respectively RON by 1,567.5 th.

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

At September 30, 2019, the execution degree of the payments made recorded 62.1% out of the final budget provisions, respectively the payments made (in the amount of RON 210,392.4 th) were at a level by RON 128,541 th below the budgetary provisions. Within the main expenditures chapters, the budgetary execution was reflected as follow:

✓ The execution degree of the expenses performed within the chapter **Environment protection** was 48.2%, respectively the payments made were in amount of RON 31,172.2 th, compared to the provisions of RON 64,683.2 th included in the final budget. The expenses registered for the Canalization and treatment of waste water were by RON 24,759.3 th below the final provisions (achievement degree of 15.9%), those for Collection, treatment and destruction of waste were by lower RON 4,601.6 th below the rectified level (achievement degree of 79%), and those for Sanitation were lower by RON 3,233.9 th, respectively an execution degree of 68.9%. The level of Capital expenditures was reduced, in amount of RON 2,046.1 th, although expenditures amounting to RON 24,064 th (achievement degree of 8.5%), were provisioned. The payments made for Goods and services were by RON 7,472.8 th below the provisions of the initial budget (execution degree of 67.8%), and for Other transfers were made payments representing 65.6% of the estimations (-RON 7,074.5 th).

- Within this chapter, the initial budget provided investment expenses amounting to RON 25,480.5 th, out of which from the local budget were provisioned RON 4.397.9 th, from programs with non-reimbursable financing RON 305 th, respectively from transfers from the state budget RON 20,777.6 th.

- On-going objectives (RON 22,914.5 th):

- Bacau water reserve (RON 20,777.6 th from state budget transfers, RON 155.4 th from the local budget);

- Other investment expenses (RON 1,144.7 th from the local budget).

✓ The expenses incurred within the **Transport** chapter have registered a degree of achievement of 45.1% from the final budget (being by RON 22,624 th below the budgeted level), registering the value of RON 18,611.6 th. The non-fulfillment of the budgetary provisions was mainly reflected for the Streets paragraph (RON -21,807.1 th, execution degree of 44.7%). From the economic point of view, we note a low level of performance of Capital Expenditures (achievement degree 34.7%) and respectively of the expenses for Current repairs (in amount of RON 10,329.1 th, foreseen at the value of RON 18,170 th in the final budget).

- Within the Transport chapter, the final budget provided allocations amounting to RON 21,147.6 th financed from the local budget amounting to RON 12,757.2 th and Transfers from other authorities amounting to RON 10,275.3 th, related to the investment expenses, for:

- On-going objectives (RON 16,837.1 th):

- rehabilitation of the Aeroportului street (RON 9,904.5 th);

- rearrangement works of junction in the roundabout system - bd. Union (RON 2,405.5 th);

- construction of parking and arrangement of the Cathedral Park (RON 1,239.8 th);

- Other investment expenditures (RON 2,490.8 th).

✓ For **Culture, recreation and religion**, the expenses were performed by RON 17,764.5 th below the level of budgetary provisions (54.3% achievement degree). The non-fulfillment of the budgetary provisions was mainly reflected within the paragraph Maintenance of public gardens, parks, green areas, sports and leisure centers, the payments made, representing 45.1% of the final allocations, Sport, the expenses performed being by RON 2,583.4 th below the planned provisions (achievement degree 69.4%), followed by payments below the budget by RON 851.9 th for Public institutions for shows and concerts, but also the non-registration of payments for the paragraph Religious services, which were included in the initial budget at the level of RON 500 th. From the economic point of view, we note the low level of Capital expenditures (achievement degree of 27.2%, RON -3,671.1 th), of those for Goods and services (-RON 3,963.6 th, execution degree of 60.8%), but also for the group Current transfers (-RON 3,143.7 th, 75.1% achievement level).

- Within the chapter Culture, recreation and religion were provisioned, through the initial budget, investment expenses in the amount of RON 26,127.5 th, as follows: RON 15,500 th from internal loans, RON 5,492.2 th from the programs with non-reimbursable financing and RON 4,558.3 th from surplus use, distributed as follows:

- On-going objectives (RON 24,419.5 th):

- rehabilitation and modernization works "Insula de agrement" (RON 15,133.3 th from internal loans, RON 1,289 th from the local budget);

- Playgrounds development - Cancicov Park (RON 520 th from the local budget);

- Creating a support infrastructure for business incubation “Hub for youth”- Horizont Cinema, ROP application (RON 5,492.9 th from programs with non-reimbursable financing);

- Other investment expenses (RON 1,708.1 th).

Within the **Education** chapter, the payments made in the first three qarters of the current year represented 65.4% of the total budgetary provisions for this chapter and amounted to RON 21,836.3 th (payments being below allocations by RON 11,539.8 th). Thus, for Secondary education, payments were made by RON 7,943.4 th below the budgeted ceiling (65.1% achievement level), while for Pre-school and elementary education payments were lower by RON 3,545.7 th (degree 66.2%). From the economic point of view, payments below the provisions were reflected for the following budget lines: Constructions (-RON 2,898 th, achievement level 20.6%), Other registered materials (-RON 1,589.5 th, representing 27.3% of the total final allocations), Scholarships (-RON 1,464.5 th, achievement degree 50.9%), Heating, lighting and driving force (-RON 1,275.6 th, execution degree 87.4%) and Current repairs (-RON 1,095.7 th, execution level 72.8%).

Within The Education chapter were provided investment expenditures amouting to RON 5,423.2 th, out of which RON 314.1 th from non-reimbursable programs, RON 4,223.4 th from the local budget, as follows:

- On-going objectives (RON 3,302 th):

- Consolidation, modernization and arrangement of the sports hall and workshops at the Sports High School (RON 2,000 th);

- New objectives (RON 350 th from the local budget):

- Roof capital repairs School Mihai Eminescu (RON 170 th);

- Other investment expenses (RON 1,771.2 th)

Within the **Health** chapter, payments were made by RON 9,649.4 th below the level of final provisions (the degree of execution being 42%, the dynamics reflected exclusively at the level of the General hospitals paragraph), mainly considering the low level of expenditures for Constructions (achievement level 7.6%, -RON 7,304.6 th). Also, the value of Transfers for financing the investments on hospitals was by RON 1,217.5 th below the budgeted level (execution rate of 19.4%).

For the Health chapter, were provided investment expenses amounting to RON 21,405.5 th, distributed as follows: RON 11,992.4 th from internal loans, RON 55 th from non-reimbursable funds, RON 9.358.1 th from the local budget. These investments are aimed at:

- On-going objectives (RON 18,034.8 th):

- the maintenance of the construction of the Bacau Municipal Hospital (RON 9,992.4 th from internal loans, RON 7,902.4 th from the local budget);

- lift for patients in the Pneumophysiology Hospital (RON 140 th from the local budget);

- New objectives (RON 892 th from the local budget):

- Implementation of the ISU Pavilion TB project (RON 250 th);

- Construction of building for laundry, archive and administrative offices (RON 510 th);

- Other investment expenses (RON 55 th from non-reimbursable programs, RON 373 th from the local budget, RON 2,000 from internal loans).

Within the chapter **Insurance and social assistance**, the execution degree was 82.7% from the final budget, respectively the payments made were by RON 9,284.5 th below the provisions. The payments registered for Social assistance for the illness and disability were by RON 4,377 th (achievement level 83.5%) below the level provided by the final budget, followed by lower payments for Other expenditures in the insurance and social assistance field (-RON 3,109.3 th, achievement degree of 78.5%). From the economic point of view, the level of Staff costs represented 81.9% of the total budgetary allocations (-RON 4,795.8 th), the payments for Social Assistance represented 88% of the total provisions (-RON 2,237.8 th), while the expenditures for Goods and servicies were by RON 1,083.1 th below the provisioned ceiling (execution rate of 84.3%).

Within the chapter Insurance and social assistance were provided investment expenses in amount of RON 542 th:

- On-going objectives (RON 310 th):

- rehabilitation works Aviatorilor street (RON 200 th);

- construction works for the "Mihai Dragan" Budget Center (RON 100 th);

- Other investment expenses (RON 232 th).

✓ The payments made in the first nine months of the current year within the chapter **Public authorities and external actions**, registering an achievement rate of 76.7% and the value of RON 30,453.7 th, were by RON 9,268.1 th below the final provisions. The expenditures with Goods and servicies were in amount of RON 3,017.7 th and represented 50.7% of the final allocations and the payments for Projects financing from non-refundable external funds, related to the 2014-2020 financial framework represented 5.8% of the total allocations (-RON 2,853.9 th), follwed by the payments made for capital amounting to RON 153.2 th, which were by RON 2,089.9 th below the related provisions included In the final budget.

- For the chapter Public authorities and external actions were provided investment expenses in amount of RON 5,311.1 th, out of which RON 3,028.1 th from programs with non-reimbursable financing, RON 2,015.3 th from the local budget:

- On-going objectives (RON 632 th from the local budget):

- Modernization and rehabilitation of the building - Constantei Street (RON 5 th);

- Modernization and rehabilitation of the building (former Civil State Office) (RON 627 th).

- Other investment expenses (RON 3,028.1 th from non-reimbursable programs, RON 1,383.3 th from the local budget): sundry purchases, studies and expertise reports.

✓ Within the chapter **Fuel and power**, the execution degree was 42.4% out of the final budget, the decrease being fully reflected at the level of payments related to Other expenditures for fuel and power. From the economic point of view, by rectification were provided expenses amounting to RON 2,538 th related to Investments of the economic agents with state capital (their value being RON 928.2 th at Q3 2019), while the Capital expenditures recorded RON 63.7 th, but provided in the initial budget, at the value of RON 2,414.9 th. At the same time, for Projects financed from non-reimbursable external funds, allocations amounting to RON 5,507.9 th were included in the final budget, but the payments registered at Q3 2019 reached RON 1,463.4 th (execution degree of 26.6%).

- For the chapter Fuel and power were foreseen investment expenses amounting to RON 10,460.8 th, divided into: RON 15.9 th from the programs financed from non-reimbursable external funds and RON 3,787.2 th from the local budget and RON 6,657.7 th surplus uses mostly allocated for the rehabilitation of secondary thermal networks from Bacau Municipality, together with other investment expenses amounting to RON 506 th.

✓ Within the chapter **Housing, services and public development**, expenses were recorded by RON 4,081.5 th below the budgetary provisions (degree of achievement of 67.7%). The non-fulfillment of the budgetary provisions was mainly reflected at the level of: Other services for housing, public services and rural being by RON 2,017.5 th below the level included by the final budget (62.7% performance degree), Public lighting and rural electrification (-RON 1,111.5 th, execution degree of 77.5%), and payments for Other expenses in the housing system, by RON 952.5 th below the final provisions (58.4% execution degree). From the economic point of view, a low level of payments was made for Goods and services (-RON 2,476.4 th, 69.9% achievement rate), respectively of the Capital expenditures (-RON 1,311.8 th, execution degree 7%).

- For the chapter Housing, services and public development, was provisioned the amount of RON 53,752.9 th as investment expenditures, out of which: RON 42,342.4 th from external loans, RON 1,410.5 th from the local budget:

- On-going objectives (RON 52,739.9 th):

- modernization of a large part of the street lighting system (RON 52,342.4 th from external loans, RON 100 th from the local budget);

- New objectives (RON 55 th from the local budget):

- Electricity supply point Garii Street no. 2 (RON 55 th);

- Other investment expenses (RON 958 th from the local budget).

Table of contents Part III

Section III: Budgetary expenditures (economic classification)

- The variation of the performed expenditures at Q3 2019 vs. Q3 2018
- Budgetary provisions: the achievment degree of the expenditures at Q3 2019
- Expenditures' ratios

The variation of the performed expenditures at Q3 2019 vs. Q3 2018

Economic classification

'000 RON

Economic expenditures variation

Structure of payments

↑ The **Operational expenditures** incurred in the first nine months of 2019 were by RON 20,726.7 th higher compared to the level recorded at Q3 2018 (+13.9%), taking into account:

↑ The payments made for **Goods and services** were by RON 11,615.5 th, (+21.3%) above the level recorded at Q3 2018. Thus, higher payments were registered, mainly, for Current repairs (+RON 7,561.5 th), Heating, lighting and driving force (+RON 2,571.3 th, +19.9%), while for Other expenses with materials and services the payments decreased by RON 796.9 th (-14.7%). From the functional perspective, dynamics was mainly reflected within the following chapters: Transport (+RON 5,402.8 th), Education (+RON 4,766.4 th, +38.4%), Culture, recreation and religion (+RON 1,492 th, +32.1%), Public Authorities and external actions (- RON 1,220.4 th, -28.8%).

↑ Increase of **Staff cost**, +28.1% (+RON 10,685.9 th), especially at the level of the Base salaries line (+RON 5,917.3 th, +16.7%), but unlike Q3 2018, when no such payments were made, at Q3 2019 were registred expenses for Allowances for food amouting to RON 3,205.6 th and for Holiday vouchers amounting to RON 1,728.8 th. From the functional perspective, we can notice the increase of the payments made within the chapters: Insurance and social assistance (+RON 5,080.3 th, +30.5%), Public Authorities and external actions (+RON 2,577.2 th, +26.8%) and Environment protection (+RON 1,717.7 th, +40%).

↑ At Q3 2019, the value of **Internal transfers** reached RON 10,603.2 th, compared with RON 2,610.2 th, reflected at Q3 2018. Thus, for Other current internal transfers, in the first nine months of 2019 were registered payments by RON 7,172.3 th higher compared to the value recorded in the first three qarters of 2018 (the dynamics being reflected, from the functional point of view, within the chapter Environment Protection).

↑ In the first nine months of 2019, the level of **Current transfers** increased by 22.2% compared to the similar period of the previous year, manily considering the increase registered for Transfers to public institutions (+RON 3,627.4 th, +23.8%), especially within the Culture, recreation and religion chapter (+RON 2,599.6 th) and at the level of Health actions (+RON 906.5 th, +17.3%) entirely within the Health chapter.

↑ The payments for **Social assistance** increased by 18.3% (+RON 1,311.1 th), considering that at Q3 2019 the payments made for Gift tickets granted for social expenses were by RON 637 th above the level registered at Q3 2018 (+35%), respectively, the exependitures for Social support in cash increased by RON 699.1 th (+5%). The dynamics was reflected, from the functional perspective, mostly within the chapter Insurance and social assistance.

↓ At Q3 2018, the payments related to **Subsidies** amounted to RON 14,764.3 th (respectively Subsidies for covering the differences on price and tariff in amount of RON 7,280.2 th and Other subsidies worth RON 7,484.1 th within the chapter Fuel and power) such payments not being recorded at Q3 2019.

↑ **Investment expenditures** were by RON 6,622.5 th (+77.1%) higher than the level executed at Q3 2018. The dynamics was generated by the increase of **Capital expenditures** by RON 7,323.6 th (+127.9%), considering higher payments made for Constructions (by RON 8,730.9 th, mainly within Transport chapter) and the decrease of payments for Machines, equipments and means of conveyance (-RON 984.8 th). Besides, it can be noticed the increase by RON 261.6 th of the payments made from **Projects financed from non-reimbursable external funds related to the financial framework 2014-2020**. At the same time, the value of the **Transfers for the financing the investments on hospitals** increased, by RON 260.9 th, during the analyzed period.

↑ The **Financial expenditures** were by RON 4,429.4 th above the level performed at Q3 2018 (+21.4%), mainly due to the increase of the expenses with the **Interests** (by RON 2,479.5 th, +56.1%), corroborated with higher expenses for **Reimbursement of loans** (by RON 1,877.7 th, +11.5%), the dynamics generated by increased payments within the chapter Fuels and power, counterbalanced by the decrease of expenditures within the chapter Environment protection.

Economic expenditures rectification at Q3 2018, as compared to the initial budget

↑ Through the budgetary rectification, the **Operational expenditures** were increased at the level of RON 226,309.7 th (+RON 10,714.4 th, +5%), above the provided by the initial budget. Within these expenditures, the rectification approved:

↑ The increase of the provisions related to **Goods and servicies** by 6.7% (+RON 6,253.9 th); thus, for Other materials and services for maintenance and functioning, the provisons were increased by RON 2,131.7 th (+9.6%), for Water, sewerage and sanitation (+RON 1,908.4 th, +53.9%), for Heating, lighting and driving force (+RON 1,532.8 th, +9.3%). From the functional perspective, the provisions for Goods and servicies registered variantions within the following chapters: Environment protection (+RON 4,074.4 th, +21.3%), Education (+RON 1,110.9 th, +5.2%) and Transport (+RON 1,002.2 th, +5.4%).

↑ The increase of the provisions related to **Current transfers** (+RON 3,564 th, +13.4%) to the level of RON 30,142.6 th. Thus, for Transfers to public institutions, the allocations increased by RON 2,286 th (+11.1%, within the chapter Culture, recreation and religion), and for Health actions, the final provisions increased by RON 1,278 th (+21.5%, within the Health chapter).

↑ **Internal transfers** reflecting rectified provisions amounting to RON 16,390.6 th (+RON 1,269.3 th, +8.4%), mostly at the level of Other current internal transfers (+RON 1,020.8 th, +11.9%, mainly within the chapter Environmental protection).

↑ For **Social assitance**, the rectified budget included allocations by RON 1,000.1 th (+5.4%) above the level included in the initial budget. The increase is found, mainly at the level of Social support in cash, within the chapter Insurance and social assistance.

↓ The final provisions for **Staff costs** decreased by RON 1,100 th (-2%) below the level of the allocations included in the initial budget. There were provided smaller Payments in cash by RON 1,100.4 th within the chapter Insurance and social assistance.

↑ The **Investment expenditures** were increased by the budgetary rectification by 22.3% (+RON 15,705.7 th). Thus, higher allocations were provided for:

↑ **Capital expenditures**, included in the rectified budget amounting to RON 70,045.6 th, are by RON 8,162.8 th (+13.2%) above the level included in the initial budget. Higher provisions were included for Constructions (+RON 10,157.8 th, +20.1) and lower provisions for Other fixed assets, including capital repairs (-RON 2,096.1 th, -19.3%). The variations between the final and the initial allocations can be found at the level of the following chapters: Transport (+RON 10,018.4 th, +90%), Public Authorities and external actions (-RON 1,567.5 th, -40.7%) and Culture, recreation and religion (-RON 993.7 th, -16.5%).

↑ For **Projects financing from non-refundable external funds, related to the 2014-2020 financial framework**, allocations were included through the final budget amounting to RON 8,953.2 th, these being RON 3,460.2 th in the initial budget, the increase of the provisions founding mainly at the level of the Programs from the European Regional Development Fund (ERDF), within the chapter Culture, recreation and religion.

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

-> The **Investment expenditures** registered a low degree of execution, respectively 17.7% out of the final budgetary provisions amounting to RON 86,106.4 th, considering the execution of the following groups of expenses:

✓ The **Capital expenditures** were performed at a level by RON 56,994.8 th below the one provided by the rectified budget, respectively an execution degree of 18.6%. The main decrease of the executed amounts is noted at the level of Constructions (-RON 50,227.6 th, -82.6%, payments below the allocated level being mainly reflected in the Environment protection, Health, Transport chapters), followed by the decrease of payments for Other fixed assets (including capital repairs), by RON 6,309.1 th (-72.1%, in particular, within the chapters Public authorities and external actions, Transport and Culture, recreation and religion).

✓ At Q3 2019 the payments for the **Projects financing from non-refundable external funds** were by RON 12,687.1 th below the level stipulated by the final budget, thus marking a degree of execution of 12.8%.

✓ At the level of the Programs from Cohesion Fund (CF), the payments recorded a level by RON 4,004.5 th below the ceiling provided by the final budget (entirely within the Fuel and power chapter), together with reduced payments by RON 8,641.7 th related to the Projects financing from non-refundable external funds, related to the 2014-2020 financial framework, within the chapters Culture, recreation and religion and Public authorities and external actions.

✓ **Capital transfers**, carried out by RON 1,217.5 th below the final ceiling (execution level of 19.4%), amouting to RON 292.2 th, recorded at the level of Transfers for financing investments on hospitals.

-> The **Operational expenditures**, in amount of RON 170,023.2 th, were by RON 56,286.5 th below the level of the budgetary provisions (the degree of execution being 75.1%).

✓ For **Goods and services**, the payments were made by RON 32,907.2 th below the budgeted level (66.8% achievement level). Lower expenses were recorded mainly for Current repairs (by RON 11,437.2 th, -45.1%, mainly within Transport and Education chapters), Other materials and services for maintenance and functioning (by RON 8,272.6 th, -34%, especially within Environment protection and Culture, recreation and religion cahapters), for Heating, lighting and driving force (by RON 2,477.9 th, -13.8%, mostly at the level of Education and Housing, services and public development chapters), Other expenses with materials and services (-RON 2,146.1 th, -312.8%, decrease mainly found in within the chapters Housing, services and public development and Culture, recreation and religion) and for Water, sewerage and sanitation (by RON 1,174 th, -21.5%, mainly within the chapter Environment protection).

✓ The **Staff costs** registered an execution degree of 89.1% out of the budgetary allocations, the payments made being by RON 5,934.2 th below the provisions. Lower expenses were recorded at the level of Base salaries (by RON 4,407.5 th, -9.6%). The evolution was mainly reflected within the chapter Insurance and social assistance, which recorded payments by 17.8% below the ceiling allocated by the final budget (-RON 3,914.4 th).

✓ The value of the **Internal transfers** was reduced, by RON 5,787.3 th below the budgetary provisions (achievement level of 64.7%), taking into account the payments made for Transfers for Investments on the economic agents with state capital, respectively RON 941.3 th (included in the initial budget in amount of RON 5,332.5 th), such expenses being budgeted, in particular, within Fuel and energy and Environment protection chapters, but also payments by RON 1,256.6 th below the budgetary allocations for Other internal current transfers (-13.1%), mainly within Environment protection chapter.

✓ The **Current transfers** were by RON 5,149 th below the provisions of the revised budget (achievement level of 82.9%), lower payments being mainly made for Transfers to public institutions (-RON 4,060.1 th, -17.7 %), mainly at the level of Culture, recreation and religion and Public order and national security chapters, respectively for Health Actions (by 15.1% below the budgetary provisions, exclusively within the Health chapter).

✓ For the title **Other expenses**, the payments made marked a degree of execution of 36.6% compared to the initial provisions, the evolution being marked, in particular, at the level of payments for Scholarships (-RON 1,464.5 th), Associations and foundations (-RON 1,165.1 th), but also the lack of payments made for the Cults' support (provided in the initial budget at the value of RON 500 th), within the chapter Culture, recreation and religion.

✓ The expenses performed for **Social Assistance** were by RON 2,626.3 th below the budgeted level (registering an achievement degree of 86.6%), mostly at the level of the Insurance and social assistance chapter. Thus, the expenses incurred for Social support in cash were by RON 2,571.8 th, by 15% below the final provisions.

-> Regarding the **Financial expenditures**, the payments made were by RON 1,355 th below the budgeted level (94.9% achievement level), mainly being made lower payments for **Reimbursements of loans** (by RON 1,005.9 th, -5.2%, within the chapter Public authorities and external actions), **Interests** (-RON 302.8 th, 4.2%), while for **Commissions and other costs for debts** the expenditures made represented 64.4% of the total budget allocations (-RON 46.3 th).

Expenditures' ratios

at Q3 2019, as compared to Q3 2018

'000 RON

Ratios	Q3 2019	Q3 2018
Total staff costs	**48,680.1**	**37,994.2**
Expenditures per Capita	246.8 RON	192.6 RON
The expenditure weight in the operational expenditures	28.6%	25.4%
Staff costs for Insurance and social assistance chapter	**21,747.6**	**16,667.3**
Expenditures per Capita	110.2 RON	84.5 RON
The expenditure weight in the operational expenditures	12.8%	11.2%
Current compulsory expenditures	**65,718.9**	**61,002.1**
Expenditures per Capita	333.1 RON	309.2 RON
The expenditure weight in the operational expenditures	38.7%	40.9%
Operational expenditures	**170,023.2**	**149,296.4**
Expenditures per Capita	861.8 RON	756.8 RON
The expenditure weight in the total expenditures	80.8%	83.6%
Expenditures on debt service financing	**25,162.3**	**20,732.9**
Expenditures per Capita	127.5 RON	105.1 RON
The expenditure weight in the total expenditures	12.0%	11.6%
Total investment expenditures	**15,206.9**	**8,584.5**
Expenditures per Capita	77.1 RON	43.5 RON
The expenditure weight in the total expenditures	7.2%	4.8%
The expenditures' rigidity	23.1%	21.3%
The weight of the payments from the operating section in the total payments	92.3%	95.2%
The weight of the payments from the development section in the total payments	7.7%	4.8%
The deficit/surplus of the operating section	3,370.1	22,695.6
The deficit/surplus of the development section	1,205.7	218.4
The weight of the local public debt service in the total made payments	12.0%	11.6%
Maximum annual debt	**60,249.9**	**58,745.8**
Net direct debt	**26,643.3**	**29,493.1**
Direct indebtedness level	16.7%	14.9%
Net public debt	**20,009.6**	**23,420.0**
Public indebtedness level	20.0%	18.0%
The total expenditures achievement degree from the initial budget	67.3%	65.1%
The achievement degree from the initial budget of the:		
Operational expenditures	78.9%	84.3%
Staff costs	87.4%	86.8%
Current compulsory expenditures	88.4%	85.0%
Expenditures on debt service financing	94.9%	95.8%
Investment expenditures	21.6%	11.3%
The funds absorption level of the total expenditures	**97.9%**	**88.6%**
Investment expenditures / Operational revenues	7.6%	4.5%
Numar de locuitori,	**197,285**	**197,285**
la data:	01/01/2018	01/01/2018

↑ Total ***Staff costs*** at Q3 2019 were by RON 10,685.9 th above the level recorded at Q3 2018 (+28.1%), the dynamics being influenced by the recording of higher expenses within the chapter Insurance and social insurance (by RON 5,080.3 th, +30.5%), Public authorities and external actions (by RON 2,577.2 th, +26.8%) and Environment protection (+RON 1,717.7 th, +40%).

↑ The ***Current compulsory expenditures*** were by RON 4,716.8 th above the level recorded at Q3 2018 (+7.7%), mainly due to:

↑ Higher payments made for *Social assistance* by RON 1,311.1 th (+8.3%).

↑ Increase of *Staff costs*, corroborated with,

↓ The lack of payments related to *Subsidies for covering the differences on prices and tariffs*, in amount of RON 7,280.2 th in the first three qarters of the previous year, reflected within the Fuel and energy chapter;

↑ The ***Operational expenditures*** performed registered a level by RON 20,726.8 th (+13.9%) above the one recorded at Q3 2018, the dynamics being determined by:

↑ Increase of *Current cumpulsory expenditures,* and

↑ Increase of expenses for *Goods and services* (by RON 11,615.5 th, +21.3%, taking into account the evolution within the following chapters: Transport, +RON 5,402.8 th, Education, +RON 4,766.4 th, Public authorities and external actions, -RON 1,220.4 th, corroborated with,

↓ The lack of payments related to *Other subsidies* in Q3 2019, their value amouting to RON 7,484.1 th, during the similar period of the previous year, entirely within the chapter Fuel and energy.

↑ The ***Expenditures on debt service financing*** were by RON 4,429.4 th above the level at Q3 2018 (+21.4%), mainly as a result increased payments related to *Interests* by RON 2,479.5 th (+56.1%), corroborated with higher expenses incurred for *Reimbursement of loans* (by RON 1,877.7 th, +11.5%).

↑ The ***Total Investment expenditures*** registered a level by RON 6,622.5 th above the one recorded at Q3 2018 (+77.1%), the evolution being reflected by higher *Capital expenditures* (by RON 7,323.6 th, +127.9%), followed by decreased expenses related to the *Projects financing from non-reimbursable external funds (NEF) post adhesion* (-RON 1,223.5 th).

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Section IV

- Balance sheet at 30.09.2019
- Local Public Debt Service as of 30.09.2019

Balance sheet

at September 30th, 2019

'000 RON

Balance sheet	30/09/2019	31/12/2018	30/09/2019
Current assets	***286,347.1***	***377,155.2***	***265,740.2***
Cash and cash equivalent	35,745.4	65,700.4	- 39,639.5
Inventories	44,929.6	46,796.0	103,449.5
Receivables	205,658.4	264,607.2	201,818.9
Short term investments	-	-	-
Other current assets	13.7	51.6	111.3
Fixed assets	***2,939,109.5***	***2,890,209.6***	***2,835,445.5***
Intangible assets	4,388.0	1,924.7	2,948.2
Tangible assets	2,841,168.5	2,799,954.4	2,746,183.6
Other fixed assets	93,552.9	88,330.6	86,313.7
Total assets	**3,225,456.6**	**3,267,364.8**	**3,101,185.8**
Current liabilities	***49,973.7***	***277,370.6***	***50,485.4***
ST borrowings and CP of LT debt	14,192.3	-	12,432.3
Accounts payable	15,235.2	244,126.5	6,679.6
Short term provisions	721.3	3,444.5	2,793.1
Other short term debts	19,824.9	29,799.6	28,580.4
Long term debts	***185,511.5***	***209,253.9***	***174,709.1***
Long term loans	185,493.7	201,883.9	168,160.3
Other long term debts	4.8	4.8	4.8
Provisions	13.1	7,365.3	6,544.1
Equity and reserves	***2,989,971.4***	***2,780,740.4***	***2,875,991.2***
Total liabilities	**3,225,456.6**	**3,267,364.8**	**3,101,185.8**
Current liquidity ratio (Current assets / Current liabilities)	5.7	1.4	5.3
Indebtedness level (Borrowed capital / Total liabilities)	5.8	6.2	5.4

Overdue payments (code 40*)	30/09/2019	31/12/2018	30/09/2019
Total overdue payments recorded at the end of the reporting period, of which:	***51***	***19.3***	***36.0***
up to 30 days	49.4	13.4	36.0
over 30 days	1.3	-	-
over 90 days	-	-	-
over 120 days	-	-	-
to suppliers, creditors of commercial operations	***50.8***	***19.3***	***36.0***
towards consolidated general budget	-	-	-
towards employees	-	-	-
loans non-paid at maturity	-	-	-
overdue interest	-	-	-
Overdue payments - The operating section	**50.8**	**19.3**	**36.0**
Overdue payments - The development section	-	-	-

* code 40 = total overdue payments

At 30.09.2019, the total assets were by RON 41,908.2 th (-1.3%) lower than the level recorded on 31.12.2018, as a result of the decrease of the Current assets (by RON 90,808.1 th, -24.1%) and the increase of the balance of Fixed assets by RON 48,899.9 th (+1.7%).

The dynamics of Current assets was determined by the decrease by RON 58,948.8 th (-22.3%) of the Accounts receivables, cumulative with the decrease of the Cash and the cash equivalent by RON 29,955.1 th (-45.6%).
As of Q3 2019, the Commercial debts decreased by RON 228,891.3 th (-93.8%) compared to the value recorded at the end of 2018.

The Long-term liabilities to banks went down by RON 23,742.4 th (-11.3%), taking into account the repayments made during the analyzed period related to the loans in progress.

The Capitals registered an increase of 7.5% (+RON 209,231.1 th).

The Current liquidity ratio reached 5.7 at September 30, 2019, compared to 1.4 at December 31, 2018, as a result of the decrease of Current assets by 24.1%, compensated by a higher decrease of Short-term debt by 82%.

Local Public Debt Service

at September 30th, 2019

'000 RON

Debt and liquidity	30/09/2019
New credit drawdowns in the period	2,392.2
Direct debt service	25,173.3
Direct indebtedness rate	12.5%
Public debt service	31,807.0
Public indebtedness rate	15.8%
Public Debt Service as % of Operational Revenues	15.9%
Public Debt Service as % of Operational Expenditures	18.7%
Long term debt % Own Funds	6.2%
Long term debt / Own Revenues (1.x)	95.8%

Payout	30/09/2019
Payout 2Y - 2 years	88,904
Payout 5Y - 5 years	221,988
Payout 10Y - 10 years	343,991
Payout final maturity 2033	364,068
Total revenues per Capita	1,089.1 RON
Own revenues per Capita	981.4 RON
Public debt service per Capita	161.1 RON
Long term debt per Capita	939.8 RON

	2018 1)	2019 2)	2020 2)	2021 2)
Total revenues	245,589.1	337,766.9	341,144.5	344,556.0
Own revenues 3)	193,500.5	287,546.6	290,422.0	293,326.2
Indebtedness capacity	58,745.8	60,249.9	60,249.9	60,249.9
Public debt service 4)	35,607.4	40,243.5	44,824.8	44,612.6

1) Revenues collected as of 31.12.2018

2) Forecasts, revenues growth rate of 1% computed annually, except 2019 when the revenues are the ones provisioned through the revised budget;

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 2018 - 2021, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of September 30th, 2019

Indebtedness level forecasted for the period of 2019 - 2033 4)

- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of September 30tt, 2019 and the growth rate of own revenuesof 1% , execpt the year 2019, when the revenues are the ones provided through the revised budget.
- 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. 273/2006 regarding the local public finance, including
	The difference between Total revenues, Investment revenues and Financial Revenues OR
Operational revenues	The Sum of Current Revenues (00.02) and Current Subsidies (00.20);
	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),
Operational Expenditures	The difference between Total Expenditures, Investment Expenditures and Financial Expenditures, excluding Surplus / Deficit;
Investment revenues	Sum between Capital revenues (00.15), Capital Subsidies received from the State Budget (00.19), Sums received from the EU for the payments performed 2007 - 2013 (45.02) and 2014 -
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-
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;
	In accordance to the Ministry of Finance order no. 231646/06.09.2009 previous years payments returned during the current year are reported negatively for 85.01 and are not used for
Returned funds from previous years	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
The revenues/expenditures achievement	Collected revenues % of the initial/revised budgetary provisions;
The level of financing from the own	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	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 +
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
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*;
Gradul de Indatorare Publica Neta	Ponderea Datoriei Publice Nete in Venituri proprii*;
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 September 30th, 2019;
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 2018;

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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 accounts for 30.09.2019 and for 30.09.2018, the Initial budget for 2018 approved by LCD No. 62 from 19.02.2018, the Initial budget for 2019 approved by LCD No. 158 from 03.05.2019, the Revised budget for 2018 approved by LCD No. 366 dated 28.09.2018 and the Revised budget for 2019 approved by LCD No. 342 dated 26.09.2019, together with the related investment lists.

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