



**BACAU CITY HALL**



## **Quarterly financial report** at 30.09.2020

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## 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 located 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 funds from the European Union.

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

Territorial administration	N-E Region	Bacau County	Bacau City
Territorial area (km <sup>2</sup> ) - YE2014	36,850	6,621	43
Green areas (km <sup>2</sup> ) - YE2018	3,159	789	385
Public sewerage system (km) - YE2018	3,736	703	213

Population (January 1 <sup>st</sup> , 2019)	N-E Region	Bacau County	Bacau City
	3,979,271	741,989	197,736
female	1,994,893	375,264	103,698
male	1,984,378	366,725	94,038

0-19 years	884,438	157,687	37,207
20-59 years	2,283,225	428,199	117,313
60 ani si peste	811,608	156,103	43,216
urban	1,814,488	351,858	197,736
rural	2,164,783	390,131	-

Work force (th persons)	N-E Region	Bacau County	Bacau City
Civil employment (YE2018)	1,124	198	-
Average employee number (YE2018)	554	106	61
Unemployment rate (September 2020)	4.4%	5.1%	-

National economy	2017	RON 772,880 millions
Annually GDP, current prices (seasonally adjusted) CAEN Rev. 2	2018	RON 855,421 millions
	2019	RON 953,453 millions

Regional economy (2018)	N-E Region	Bacau County
Turnover of local businesses (RON), out of which:	111,271	20,995
Commerce	53,081	11,488
Manufacturing industry	28,119	4,947
Constructions	7,975	1,672
Transports and storage	6,967	962

Source: <http://statistici.inse.ro>

### 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 Siret Corridor and will tie the 9th Pan – European Corridor to 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, line 500. 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, 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 Bacau County, but all the central and south part of Moldavia. The aerodrome exists in Bacau from the first decades of the 20<sup>th</sup> century

Source: Bacau County Development Strategy: 2014-2020

	mii RON					
Ratios June 2020*	Bacau	Botosani	Iasi	Piatra Neamt	Suceava	Vaslui
<b>Total revenues</b>	<b>284,690</b>	<b>161,147</b>	<b>641,854</b>	<b>138,026</b>	<b>194,487</b>	<b>124,933</b>
Own revenues	206,999	109,642	483,694	106,193	144,873	68,672
Own revenues % TR	72.7%	68.0%	75.4%	76.9%	74.5%	55.0%
Quotas and sums deducted from the income tax	124,744	64,001	299,269	64,621	82,265	42,534
Sums deducted from VAT	57,335	37,212	63,802	23,692	30,922	51,150
Subsidies from the State Budget	15,476	12,224	29,783	7,846	3,424	3,603
Sums received from EU	1,538	4,063	85,318	1,023	14,574	1,340
<b>Total expenditures</b>	<b>268,372</b>	<b>132,539</b>	<b>548,605</b>	<b>134,817</b>	<b>194,290</b>	<b>91,603</b>
Operational expenditures	210,670	120,732	405,841	87,220	155,728	83,390
Operational expenditures %TE	78.5%	91.1%	74.0%	64.7%	80.2%	91.0%
Investment expenditures, out of which:	33,378	7,307	115,478	20,269	27,057	7,120
Capital expenditure	27,403	5,858	51,503	19,542	9,691	5,273
Non - refundable external funds	4,067	653	61,754	1,048	16,939	1,847
Financial expenditures*	24,324	4,500	27,286	27,328	11,505	1,093
<b>Current result (the result of the period)</b>	<b>16,319</b>	<b>28,608</b>	<b>93,250</b>	<b>3,209</b>	<b>197</b>	<b>33,330</b>
<b>Capita, as of 01.01.2019</b>	<b>197,736</b>	<b>120,153</b>	<b>378,954</b>	<b>112,786</b>	<b>124,589</b>	<b>120,930</b>

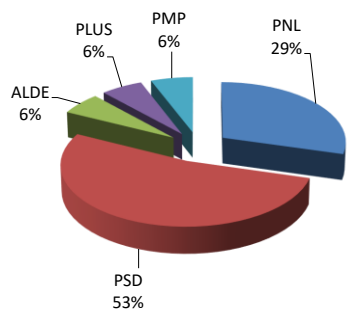
\*source: <http://www.transparenta-bugetara.gov.ro/transparenta-bugetara/index.htm>

## General overview

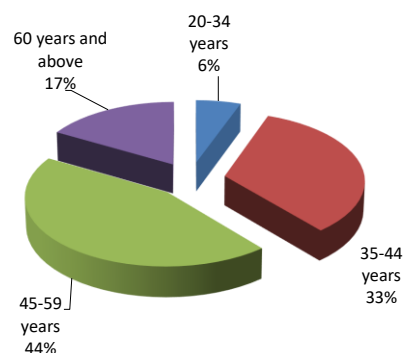
The Local Council of the Municipality of Bacau at December 31<sup>st</sup>, 2019



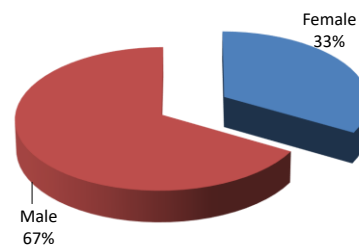
### Political structure



### Age distribution



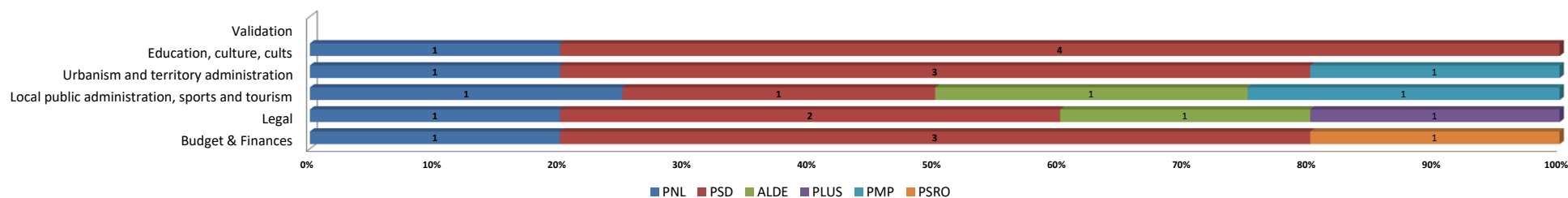
### Gender distribution



### Structure by political party, profession and age groups

Party	No.	Profession	Age group
PSD	1	Professor	35-44 years
PSD	2	Economist	45-59 years
PSD	1	Jurist	35-44 years
PSD	1	Jurist	60 years and above
PSD	1	Medic	35-44 years
PSD	2	Professor	45-59 years
PSD	1	Pharmacist	35-44 years
PNL	2	Engineer	45-59 years
PNL	1	Architect	35-44 years
PNL	1	Medic	45-59 years
PNL	1	Lawyer	35-44 years
ALDE	1	Engineer	45-59 years
PLUS	1	Bachelor's degree in public administration	20-34 years
PMP	1	Pensioner	60 years and above
PSRO	1	Pensioner	60 years and above

### The Commissions of the Local Council of the Municipality of Bacău and their political structure



- Following the local elections in 2016, Mr. Cosmin Necula was elected Mayor of Bacău, representing the Social Democratic Party, having the profession of lawyer.
- The Deputy Mayors functions are held by Mr. Scripat Constantin, People's Movement Party, an engineer by profession and Mr. Stefan Daniel Dragos, representative of the Alliance of Liberals and Democrats Party, an economist by profession.
- Mr. Popovici Nicolae is the Secretary of the Municipality of Bacău, a jurist by profession.



## General overview



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

- **Bacau City Local Police** – current expenditures and investment expenditures are financed from own revenues and subsidies from the Local Budget of Bacau City Hall;
- **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 Bacau;**
- **Public Utilities Municipal Service Bacau.**



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

### Cultural and social environment

#### Education

The education network, approved for the 2019 – 2020 scholar year in the Municipality of Bacau (through LCD no. 8/31.01.2019 modified through by LCD no. 37/19.02.2019), covers the entire educational plan, state and private scholar units; thereby a number of 31 kindergartens, 21 schools (primary and gymnasium) and 19 high schools are functioning. Also, in Bacau operates "Palatul Copiilor" 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, curative, recuperatory, primary and secondary medical assistance 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 construction and endowment with medical equipment are currently undergoing. According to LCD 56/25.03.2020, the amounts provided in the Health chapter will be used in order to start the procedures for purchasing medical equipment ATI category and the emergency arrangement of floors 4 and 5 of the investment objective building "Bacau Municipal Hospital Construction", in order to providing healthcare in the epidemiological context of COVID-19.

#### 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, 19<sup>th</sup> 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 Ghiocilor Alley No. 2, with a capacity of 210 places.

#### *Environment protection*

Sanitation is achieved through delegation contracts concluded with private economic operators, which serve both for waste collection and for landfill management. The operator that manages the landfill of Bacau Municipality is Eco Sud SA and the company that deals with the collection and transport of waste is Romprest Service SA. Bacau is one of the few counties in Romania that has an Integrated Solid Waste Management System. The total investment in this system is about 44 million euro.

#### *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 Bacau Municipality; in the amount of RON 2,814,717.57, out of which RON 2.323.727,93 represents the non-reimbursable eligible value from the European Social Fund, RON 355,393.68 represents the non-reimbursable eligible value from the National Budget, and RON 54.675,96 represents the co-financing component eligible through the beneficiary's contribution. The project runs for a period of 27 months from the date of signing the contract for the financing application. This project aims to: implement information systems to develop and increase the sophistication of online services provided to citizens, including by digitizing the archive at the Bacau City Hall. The general objective of the project is to increase the administrative efficiency of the Bacau City Hall by implementing innovative information systems - as measures to simplify the provision of services to citizens and the business environment. The specific objectives of the project are: optimizing the internal activities of officials, by implementing an integrated platform for managing activities and records, including digitization and electronic management of the archive of Bacau City Hall, implementation of a portal platform for services to be provided online to the citizens, the improvement of the abilities and knowledge of the staff of Bacau Municipality for the use of the computer systems developed through the project and for the management of electronic documents.

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 RON 21,370,616.88, out of which the grant is RON 9,534,057.70. Start date is 05.29.2019, due date being 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 decided the implementation 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 RON 91,429,550.68, and the 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.

## Context: Legislative changes with effect on local budgets - at country level (2019- 2020)



### Changes found at in the level of State Budget allocations; Through annual law of the State Budget

#### For 2019:

##### **I. Quotas and amounts deducted from the income tax: distribution 100%**

1. Quotas deducted from the income tax: change of the allocation percentage, increase to **60%**;
2. Sums allocated from the quotas deducted from income tax for balancing: quota of **17,5%** (increase from 17,25%)

Minimum allocation by type of local public authority, respectively:

County: RON 450/capita, but not more than RON 275 mil/year/county;

Municipality: not less than RON 12 mil/year/municipality;

City: not less than RON 6 mil/year/city;

Commune: not less than RON 2 mil/year/commune.

3. Equally, the fund is available to the County Councils: **8%**
4. The Local Budget of the County: **15%**

##### **II. Value added tax:** level allocated RON 14,792,30.40 mil (vs. RON 13,340.60 mil in 2018).

The administrative-territorial units whose amounts distributed in 2019 from the Tax on revenues and from Sums deducted from VAT for balancing are smaller than the level of the same amounts, excluding the Sums allocated from the quotas deducted from income tax to balance the local budgets allocated from the Reserve Fund available to the Government, approved in the year 2018, is distributed to them Sums deducted from value added tax, for balancing the local budgets, approved with this destination.

#### For 2020:

##### **I. Quotas and amounts deducted from the income tax: distribution 100%**

By derogation from art. 32 and 33 of Law 273/2006 on local public finances, the quotas for the distribution of income tax to Local Budgets is amended, so that the state budget law for 2020 and subsequently by GEO 60/17.04.2020 provides the following:

1. Quotas deducted from the income tax: change of the allocation percentage, increase from 63% to **65%**;
2. Sums allocated from the quotas deducted from income tax for balancing: change of the quota from 14% to **15%**

Allocation: 15%: County; si 85%: Communes, Cities and Municipality.

3. Equally, the fund is available to the County Councils: **6%**
4. The Local Budget of the County: **15%**

5. In a separate account, distributed by Government Decision for the financing of the public institutions of shows and concerts under the subordination of the local public administration from counties, respectively theaters, opera and philharmonics: **3%**

##### **II. Value added tax:** allocated level RON 15,078.40 mil (vs. RON 14,792.30 mil in 2019), of which for balancing RON 8,164.80 mil (criteria: ATU with estimated revenues at I.1 < lei 830/capita/year and respectively lei 1.500 th lei/ATU).



### Section I: Summary of budgetary dynamics

- Revenue and expenditure balance at Q3 2020 vs. Q3 2019
- Revenue and expenditure structure at 30.09.2020



# Balance of revenues and expenditures at Q3 2020, as compared to Q3 2019

000 RON



	Q3 2019	Q3 2020	%
<b>TOTAL REVENUES</b>	<b>214,968.2</b>	<b>286,969.2</b>	<b>▲ 33.5%</b>
<b>TOTAL EXPENDITURES</b>	<b>210,392.4</b>	<b>268,371.6</b>	<b>▲ 27.6%</b>
<b>Operational Revenues</b>	<b>199,521.0</b>	<b>270,320.9</b>	<b>▲ 35.5%</b>
<b>Tax revenues</b>	<b>157,621.9</b>	<b>227,012.4</b>	<b>▲ 44.0%</b>
Own tax revenues	138,406.9	169,677.5	▲ 22.6%
Sums deducted from VAT	19,215.0	57,335.0	▲ 198.4%
<b>Non - tax revenues, out of which:</b>	<b>41,895.7</b>	<b>40,484.1</b>	<b>▼ -3.4%</b>
Non - tax own revenues	18,383.6	17,160.7	▼ -6.7%
Donations and sponsorships	0.0	5.1	▲ 14852.9%
<b>Current subsidies</b>	<b>3.4</b>	<b>2,752.4</b>	
<b>Operational Expenditures (OPEX), out of which:</b>	<b>170,023.2</b>	<b>210,669.9</b>	<b>▲ 23.9%</b>
Staff costs (PEREX)	48,680.1	51,913.6	▲ 6.6%
Goods and services*	66,028.8	73,244.2	▲ 10.9%
Current transfers	35,596.8	36,486.7	▲ 2.5%
Social assistance	17,038.8	16,409.1	▼ -3.7%
Subsidies	-	31,572.0	-
Other expenditures	2,678.7	1,044.4	▼ -61.0%
<b>Operational Result</b>	<b>29,497.7</b>	<b>59,651.0</b>	<b>▲ 102.2%</b>
Operational Surplus (% from OPEX)	17.3%	28.3%	
Operational Deficit (% from Op. revenues)	-	-	
<b>Investment Revenues</b>	<b>2,556.4</b>	<b>14,487.1</b>	<b>▲ 466.7%</b>
Capital revenues	514.8	298.1	▼ -42.1%
Capital subsidies	1,837.1	12,651.2	
Sums received from the EU	204.6	1,537.8	▲ 651.6%
<b>Investment Expenditures (CAPEX), out of which:</b>	<b>15,206.9</b>	<b>33,377.7</b>	<b>▲ 119.5%</b>
Capital transfers	292.2	1,072.2	▲ 267.0%
Projects with EU financing	1,864.0	4,067.3	▲ 118.2%
Capital expenditures	13,050.7	27,402.7	▲ 110.0%
<b>Result from the investment activity</b>	<b>- 12,650.5</b>	<b>- 18,890.6</b>	<b>▲ 49.3%</b>
<b>Financial Revenues</b>	<b>12,890.8</b>	<b>2,161.2</b>	<b>▼ -83.2%</b>
Financial operations	12,890.8	2,161.2	▼ -83.2%
<b>Financial Expenditures</b>	<b>25,162.3</b>	<b>24,324.0</b>	<b>▼ -3.3%</b>
Commissions related to loans	83.7	89.3	▲ 6.6%
Interests	6,896.2	5,812.8	▼ -15.7%
Reimbursement of loans	18,182.4	18,422.0	▲ 1.3%
<b>Financial Result</b>	<b>- 12,271.4</b>	<b>- 22,162.8</b>	<b>▲ 80.6%</b>
<b>Result of the period</b>	<b>4,575.8</b>	<b>18,597.5</b>	<b>▲ 306.4%</b>
Surplus (% from Total Expenditures)	2.2%	6.9%	
Deficit (% from Total Revenues)	-	-	
<b>Result of the period (without previous year's surplus)</b>	<b>- 8,315.0</b>	<b>16,436.3</b>	
Own revenues/Operational revenues (%)	97.1%	78.7%	
OPEX/Own revenues (%)	87.8%	99.1%	
(OPEX-PEREX, from Education&Insurance and social assistance)/(O. Rev.-Quotas deducted from the income tax) (%)	147.2%	212.9%	

\*) 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;

- The **Operational result** records RON 59,651 th in surplus at Q3 2020, going up by RON 30,153.2 th in comparison to Q3 2019 (+102.2%). The dynamics was determined by an increase in Operational revenues (+RON 70,799.9 th, +35.5%), mainly in what regards the Tax revenues (+RON 69,390.5 th), as well as by the increase of Operational expenditures (+RON 40,646.6 th, +23.9%).
- The **Result of the investment activity** has a deficit of RON 18,890.6 th, due to an elevated level of Investment expenditures (amounting to RON 33,377.7 th). In the same time, the Investment revenues went up to RON 14,487.1 th.
- The **Financial result** has a deficit of RON 22,162.8 th, going up by RON 9,891.4 th against the similar period of 2019, with influences from the decrease by 3.3% in Financial expenditures (-RON 838.2 th) and by 83.2% in Financial revenues (-RON 10,729.6 th).
- The **Result of the period** is positive in both analyzed periods, taking into account the compensation of the deficits from the investment and financial activities by the operational result. Therefore, the result amounted to RON 18,597.5 th at Q3 2020 and to RON 4,575.8 th at Q3 2019, with an increase by 306.4% for the current period.
- The **Result of the period** (without sums used from the previous surplus) is positive at Q3 2020, in contrast to the deficit at Q3 2019. Taking into account the operational surplus, the result of the current period amounts to RON 16,436.3 th.

# Balance of revenues and expenditures at Q3 2020, as compared to Q3 2019

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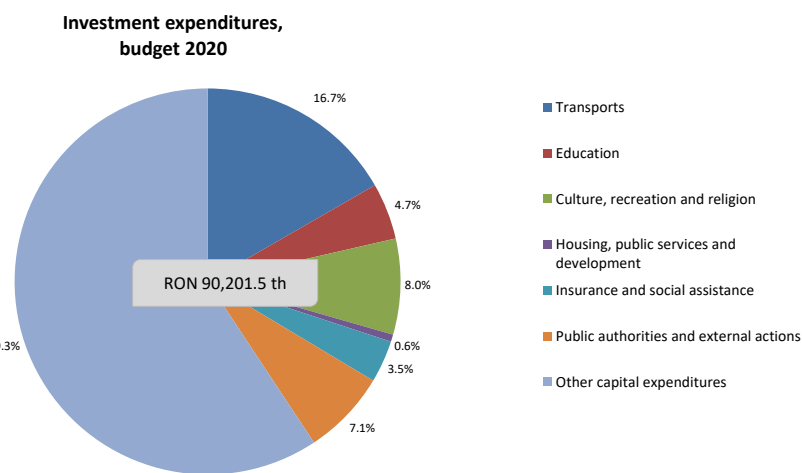
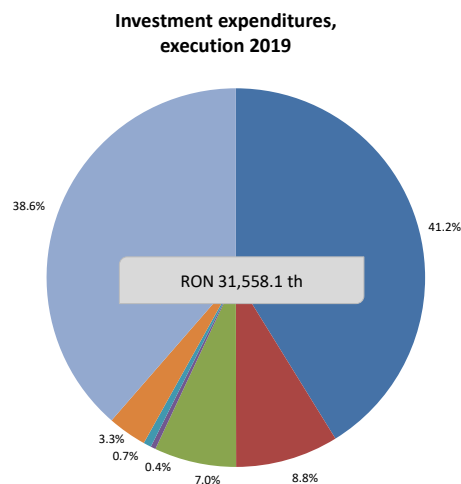
Payments performed at Q3 2020, as compared to Q3 2019 (Variation)

Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:					Financial Expenditures	Investment Expenditures	Investment expenditures YEAR (Revised budget 2020)
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance				
Public Authorities and external actions	4,231.6	774.0	534.5	205.8	-		1,542.9	1,914.7	6,425.8
Other general public services	352.0	387.9	198.5	505.1	-		-	-35.9	144.2
Transactions regarding the public debt and loans	-1,077.8	0.0	-	-	-		-1,077.8	-	-
General Transfers between different levels of administration	-	-	-	-	-		-	-	-
Defense	0.0	0.0	-	0.0	-		-	-	-
Public order and national security	6,635.2	5,264.6	67.5	5,351.5	-		-	1,370.6	1,518.7
Education	852.4	645.6	-	189.8	125.6		-	206.9	4,265.5
Health	4,977.8	461.3	-	0.0	-		-	4,516.5	15,160.4
Culture, recreation and religion	-2,043.2	-1,388.5	438.0	-815.1	-		-	-654.7	7,239.7
Insurance and social assistance	117.7	127.5	1,720.0	-1,033.3	755.4		-	-9.8	3,188.4
Housing, public services and development	842.0	628.1	79.2	561.8	-		-	213.9	542.3
Environment protection	11,512.3	3,677.3	401.7	2,774.3	-		287.5	8,122.5	26,309.2
General economic, commercial and working actions	-	-	-	-	-		-	-	-
Fuel and power	35,716.0	29,896.7	-	750.0	-		1,015.8	6,835.1	10,351.8
Agriculture, Forestry, Fish breeding and	-	-	-	-	-		-	-	-
Transport	-4,136.9	172.0	70.9	225.5	-		0.0	-4,308.9	15,055.6
Other economic actions	-	-	-	-	-		-	-	-
<b>TOTAL</b>	<b>57,979.2</b>	<b>40,646.6</b>	<b>3,233.4</b>	<b>7,215.4</b>	<b>629.7</b>		<b>-838.2</b>	<b>18,170.7</b>	<b>90,201.5</b>

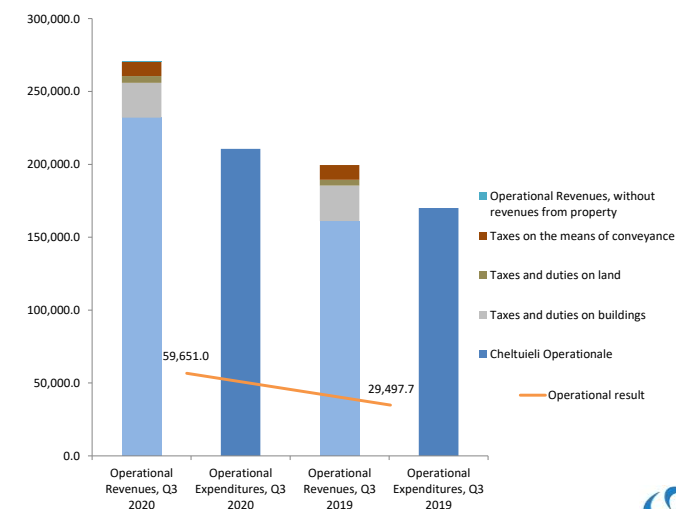
\*) **Goods and services** title, highlighted within the Operational Expenditures, does not include the expenditures on **Commissions and other costs related to loans**, being reflected at the level of the Financial Expenditures;

Distribution of the Investment expenditures in 2020 (according to the revised budget), as compared to the distribution of the execution in 2019

Structure of the Operational Result (Q3 2020 vs. Q3 2019)



TUD professional investment financial services  
www.tudconsult.ro

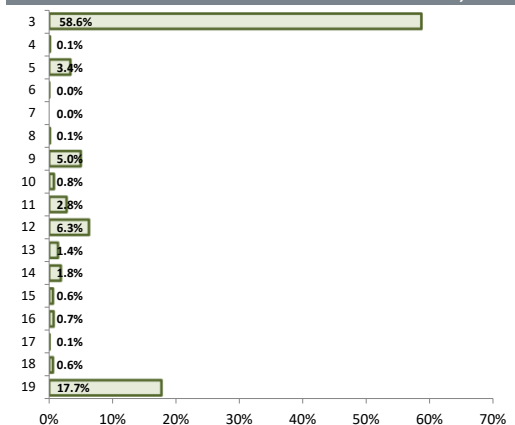


# Revenue and expenditure structure at 30.09.2020

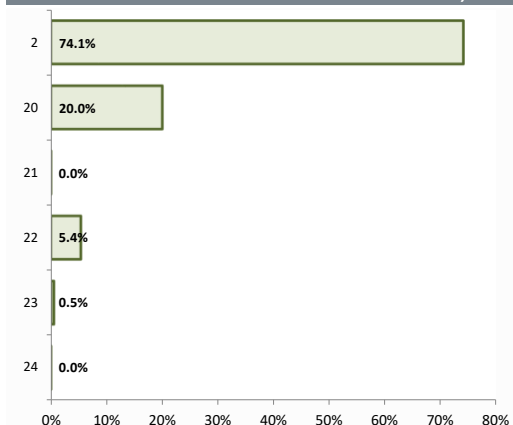
"000 RON



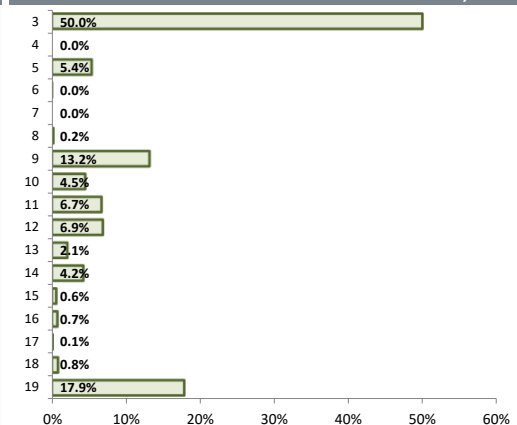
The structure of performed own revenues 212,615.7



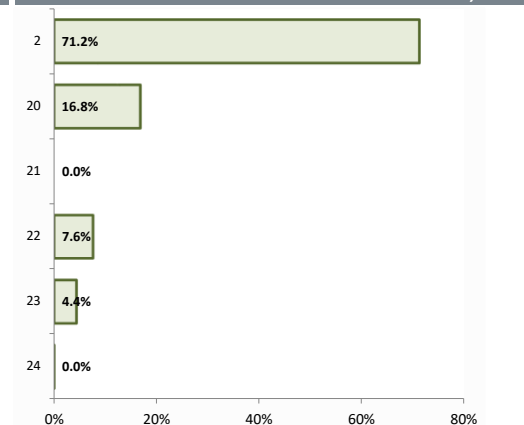
The structure of performed total revenues 286,969.2



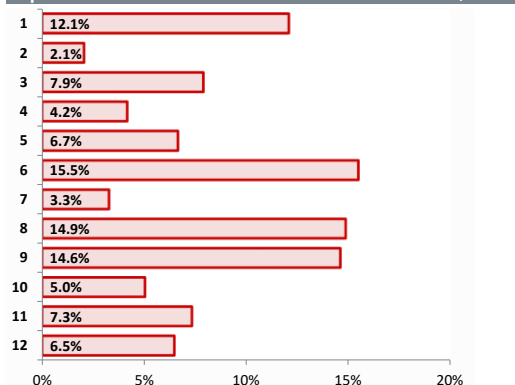
The structure of planned own revenues 245,076.7



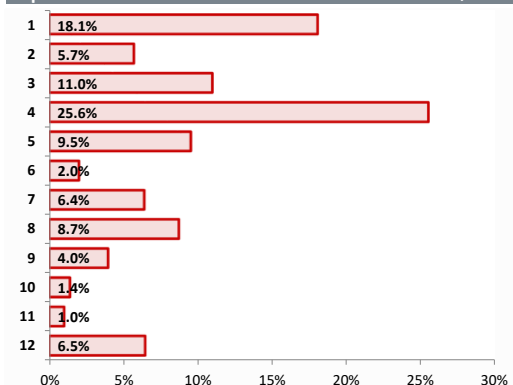
The structure of planned total revenues 344,036.7



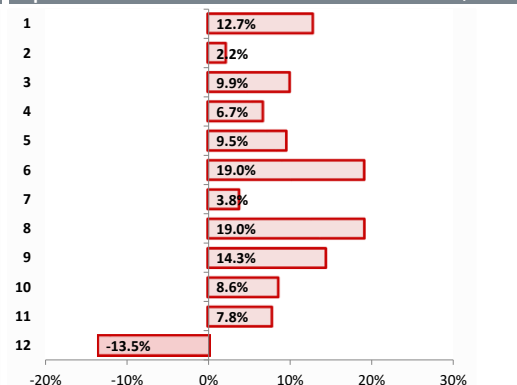
The structure of performed functional expenditures 286,969.2



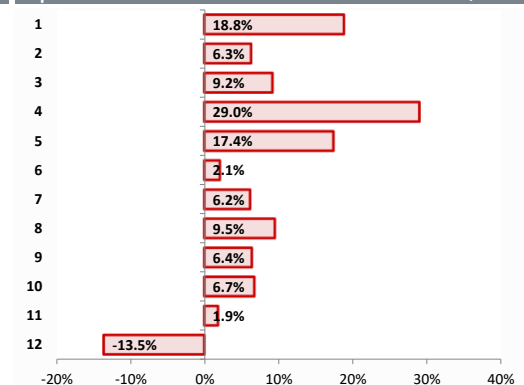
The structure performed economic expenditures 286,969.2



The structure of planned functional expenditures 344,036.7



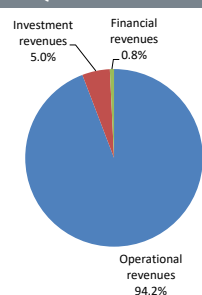
The structure of planned economic expenditures 344,036.7



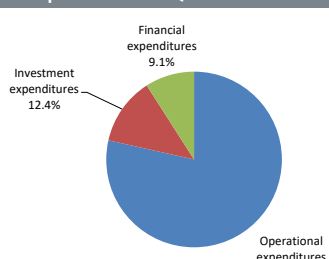
Note: The vertical axis reflects the components of the income/expenses detailed in the revenues/expenses statement;

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

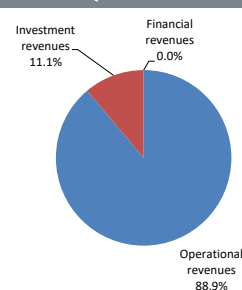
Collected revenues at Q3 2020



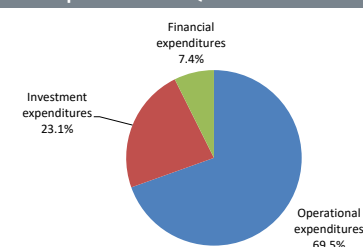
Performed expenditures at Q3 2020



Planned revenues at Q3 2020



Planned expenditures at Q3 2020





### Section II: Budgetary revenues

- The situation of the revenues collected at 30.09.2020
- The variation of the performed revenues at Q3 2020 compared to Q3 2019
- Budgetary provisions: the achievement degree of the revenues at Q3 2020
- Revenues ratios

# The situation of the revenues collected

at 30.09.2020

'000 RON



2020										2019									
Line	Revenues	Planned 2020	% /TRC	Planned at Q3	% /TRC	Rectified at Q3	% /TRC	Execution at Q3	% /TRC	Planned 2019	% /TRC	Planned at Q3	% /TRC	Rectified at Q3	% /TRC	Execution at Q3	% /TRC		
1	Total revenues (TR)	337,866.4		274,220.8		344,036.7		286,969.2		310,105.8		242,105.8		268,503.6		214,968.2			
2	Own revenues, out of which:	273,691.8	81.0	218,128.2	79.5	245,076.7	71.2	212,615.7	74.7	268,405.5	86.6	201,435.0	83.2	219,312.8	81.7	193,708.1	95.9		
3	Quotas deducted from the income tax	163,810.0	48.5	122,859.0	44.8	122,492.0	35.6	124,680.2	43.8	128,915.0	41.6	96,687.0	39.9	96,687.0	36.0	92,969.5	46.0		
4	Capital revenues	-	-	-	-	-	-	298.1	0.1	-	-	-	-	-	-	514.8	0.3		
5	Revenues from concessions and rents	9,978.5	3.0	8,786.5	3.2	13,139.0	3.8	7,142.1	2.5	9,916.0	3.2	8,739.0	3.6	8,739.0	3.3	7,460.3	3.7		
6	Payments from net profit of self-governing	15.0	0.0	15.0	0.0	57.3	0.0	57.3	0.0	515.0	0.2	415.0	0.2	415.0	0.2	13.1	0.0		
7	Revenues from dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143.3	0.1		
8	Tax on revenues from the transfer of real estate from the private patrimony	562.0	0.2	465.0	0.2	465.0	0.1	314.8	0.1	1,203.8	0.4	989.9	0.4	989.9	0.4	229.0	0.1		
9	Tax on buildings from the population	14,223.5	4.2	11,556.0	4.2	15,456.0	4.5	10,621.6	3.7	20,257.5	6.5	15,169.5	6.3	15,169.5	5.6	11,399.2	5.6		
10	Tax on land from the population	6,456.4	1.9	5,928.4	2.2	5,928.4	1.7	1,635.2	0.6	2,806.0	0.9	2,278.0	0.9	2,278.0	0.8	1,716.6	0.8		
11	Tax on the means of conveyance owned by the population	7,112.0	2.1	6,000.0	2.2	6,000.0	1.7	5,870.2	2.1	8,512.0	2.7	7,262.0	3.0	10,524.0	3.9	5,942.9	2.9		
12	Tax on buildings from the legal entities	13,533.0	4.0	13,033.0	4.8	16,819.0	4.9	13,316.3	4.7	23,541.8	7.6	17,555.0	7.3	17,555.0	6.5	12,981.9	6.4		
13	Tax on land from the legal entities	3,181.0	0.9	2,546.0	0.9	5,092.4	1.5	2,966.5	1.0	4,714.0	1.5	4,079.0	1.7	4,079.0	1.5	2,261.4	1.1		
14	Tax on the means of conveyance owned by the legal entities	4,675.0	1.4	4,400.0	1.6	10,400.0	3.0	3,900.5	1.4	5,341.0	1.7	4,341.0	1.8	4,341.0	1.6	4,144.5	2.1		
15	Fees and charges for the issuance of licences and functioning authorisations	1,613.0	0.5	1,478.0	0.5	1,478.0	0.4	1,282.9	0.5	1,636.0	0.5	1,301.0	0.5	1,439.5	0.5	1,339.3	0.7		
16	Stamp duties, for notary work and other stamp	2,245.0	0.7	1,795.0	0.7	1,795.0	0.5	1,504.9	0.5	2,396.0	0.8	1,952.0	0.8	1,952.0	0.7	1,621.3	0.8		
17	Extrajudicial stamp duties	215.0	0.1	180.0	0.1	180.0	0.1	134.7	0.0	219.0	0.1	184.0	0.1	184.0	0.1	166.0	0.1		
18	Revenues from fines and other legal sanctions	2,400.0	0.7	2,000.0	0.7	2,000.0	0.6	1,313.8	0.5	2,289.0	0.7	1,789.0	0.7	1,789.0	0.7	1,758.5	0.9		
19	Other own revenues	43,672.4	12.9	37,086.4	13.5	43,774.6	12.7	37,576.7	13.2	56,143.4	18.1	38,693.6	16.0	53,170.9	19.8	49,046.4	24.3		
20	Sums deducted from the VAT	35,301.0	10.4	27,219.0	9.9	57,830.0	16.8	57,335.0	20.1	17,403.5	5.6	16,374.0	6.8	19,401.0	7.2	19,215.0	9.5		
21	Donations and sponsorships	-	-	-	-	-	-	5.1	0.0	-	-	-	-	-	-	0.0	0.0		
22	Subsidies received from the State Budget	18,556.6	5.5	18,556.6	6.8	26,046.7	7.6	15,403.6	5.4	21,291.2	6.9	21,291.2	8.8	21,713.9	8.1	1,840.4	0.9		
23	Sums received from EU for the made payments	10,317.0	3.1	10,317.0	3.8	15,008.6	4.4	1,537.8	0.5	3,005.6	1.0	-	-	8,075.9	3.0	204.6	0.1		
24	Other revenues	-	-	-	-	74.7	0.0	72.0	0.0	-	-	-	-	-	-	-	-		

	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC	% /TRC
<b>Operational revenues</b>	308,992.8	91.5	245,347.2	89.5	305,783.7	88.9	270,320.9	94.2	285,813.0	92.2	217,813.0	90.0	238,717.8	88.9	199,521.0	92.8	
<b>Investment revenues</b>	28,873.6	8.5	28,873.6	10.5	38,253.0	11.1	14,487.1	5.05	24,292.9	7.8	24,292.9	10.0	29,785.8	11.1	2,556.4	1.19	
<b>Financial revenues</b>	-	-	-	-	-	-	2,161.2	0.8	-	-	-	-	-	-	12,890.8	6.0	
<b>Total revenues - operating section</b>	<b>278,034.9</b>	<b>82.3</b>	<b>214,389.3</b>	<b>78.2</b>	<b>263,731.4</b>	<b>76.7</b>	<b>253,042.8</b>	<b>88.2</b>	<b>266,316.2</b>	<b>85.9</b>	<b>198,316.2</b>	<b>81.9</b>	<b>208,945.7</b>	<b>77.8</b>	<b>197,625.0</b>	<b>91.9</b>	
<b>Total revenues - development section, out of which:</b>	<b>59,831.5</b>	<b>17.7</b>	<b>59,831.5</b>	<b>21.8</b>	<b>80,305.2</b>	<b>23.3</b>	<b>33,926.3</b>	<b>11.8</b>	<b>43,789.7</b>	<b>14.1</b>	<b>43,789.7</b>	<b>18.1</b>	<b>59,557.9</b>	<b>22.2</b>	<b>17,343.2</b>	<b>8.1</b>	
<b>Previous surplus</b>	-	-	-	-	-	-	2,161.2	0.8	-	-	-	-	-	-	12,890.8	6.0	
<b>Total revenues collected (TRC* = TR - Previous surplus)</b>	<b>337,866.4</b>	<b>100.0</b>	<b>274,220.8</b>	<b>100.0</b>	<b>344,036.7</b>	<b>100.0</b>	<b>284,808.0</b>	<b>99.2</b>	<b>310,105.8</b>	<b>100.0</b>	<b>242,105.8</b>	<b>100.0</b>	<b>268,503.6</b>	<b>100.0</b>	<b>202,077.4</b>	<b>94.0</b>	

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

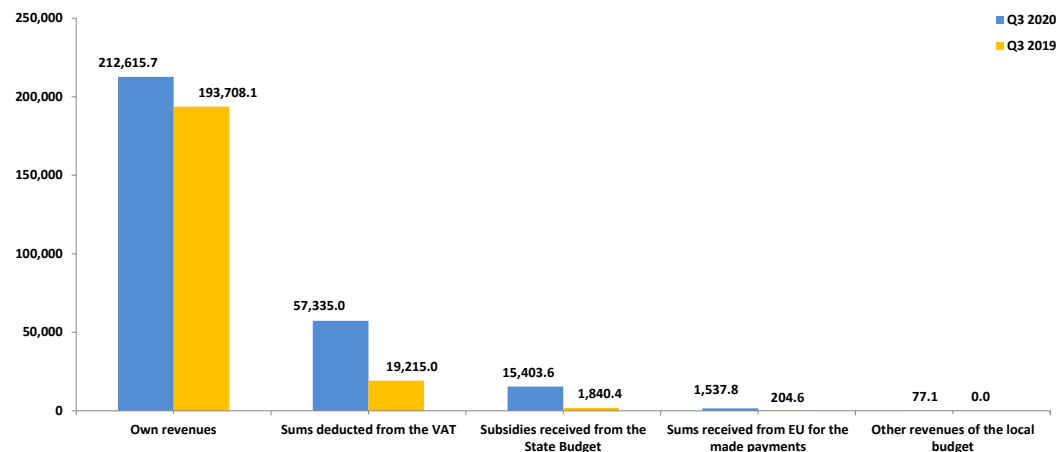
<b>Revenues from the tax on property</b>	49,180.9	14.6	43,463.4	15.8	59,695.7	17.4	38,310.3	13.5	65,172.3	21.0	50,684.5	20.9	53,946.5	20.1	38,446.6	19.0	
9 + 12 Taxes and duties on buildings	27,756.5	8.2	24,589.0	9.0	32,275.0	9.4	23,937.9	8.4	43,799.3	14.1	32,724.5	13.5	32,724.5	12.2	24,381.2	12.1	
10 + 13 Tax and duties on land	9,637.4	2.9	8,474.4	3.1	11,020.7	3.2	4,601.6	1.6	7,520.0	2.4	6,357.0	2.6	6,357.0	2.4	3,978.0	2.0	
11 + 14 Taxes on the means of conveyance	11,787.0	3.5	10,400.0	3.8	16,400.0	4.8	9,770.7	3.4	13,853.0	4.5	11,603.0	4.8	14,865.0	5.5	10,087.4	5.0	

## The variation of the performed revenues at Q3 2020 compared to Q3 2019

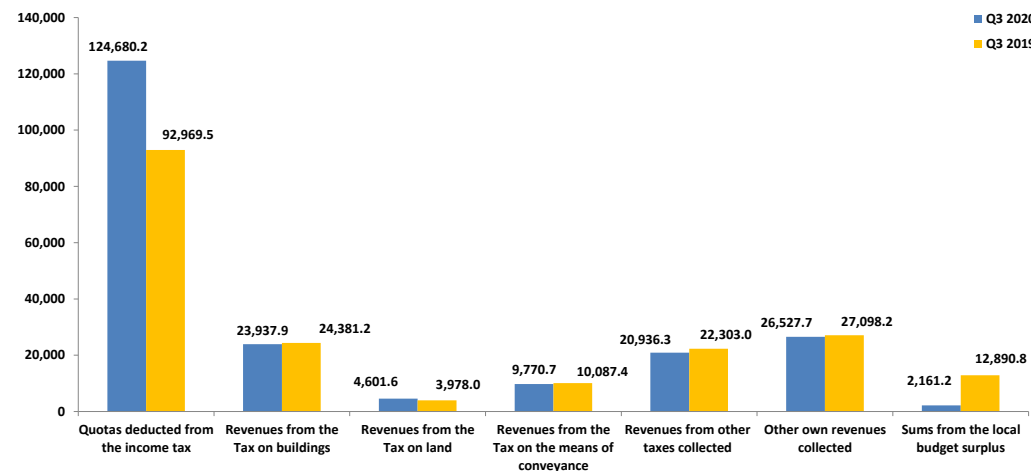
'000 RON



Total revenues variation



Own revenues variation



**Total revenues** collected amounted to RON 286,696.2 th, going up by RON 71,883.1 th (+33.5%). Without considering the Sums from the local budget surplus used for financing the development expenditures (RON 11,570.8 th at Q3 2019 v. RON 2,161.2 th at Q3 2020) and the ones for financing the operating section (RON 1,320 th at Q3 2019), the revenues collected are going up by RON 82,730.6 th (+40.9%).

- The **Sums deducted from VAT** went up by RON 38,120 th (+198.4%), mainly due to larger amounts for balancing the local budgets (+RON 25,037 th) and for financing the expenditures of municipalities (+RON 12,721 th);
- The **Subsidies received from the State Budget** increased by RON 13,563.1 th, mainly due to the capital (+RON 10,814.2 th) and current ones (+RON 2,749 th);
- The **Sums received from the EU for the payments performed** reached RON 1,537.8 th, going up RON 1,333.2 th.

The **Own revenues** amounted to RON 212,615.7 th, going up by 9.8% (+RON 18,907.6 th), due to the following evolutions:

- Increase of **Quotas deducted from the income tax** by RON 31,710.6 th (+34.1%);
- Decrease of **Sums from the local budget surplus used for financing the development expenditures** by RON 9,409.6 th (-81.3%) and absence of the ones for financing the operating section (RON 1,320 th at Q3 2019);
- Decrease of **Other taxes collected to the local budget** by RON 1,366.7 th (-6.1%), mainly at the level of Special taxes and Other taxes and duties;
- Decrease of **Other own revenues collected** by RON 659.6 th (-2.4%), with influences from Other revenues from services and other activities (-RON 286.2 th, -64.4%) and Contribution of parents and legal guardians for the upkeep of children in nurseries (-RON 244.6 th, -65.9%);
- Decrease of **Revenues from fines** by RON 444.7 th (-25.3%);
- Decrease of **Revenues from concessions and rents** by RON 318.2 th (-4.3%);
- Decrease of **Capital revenues** by RON 216.7 th (-42.1%), with influences from lower amounts for Deposits for the construction of houses;
- Decrease of **Taxes and duties on property** by RON 136.3 th, the amounts reaching RON 38,310.3 th, with influences from Taxes and duties on buildings (-RON 443.3 th), on means of conveyance (-RON 316.7 th) and on land (+RON 623.7 th). The dynamics is determined by the decrease in amounts collected from the population (-RON 931.8 th) and by the increase of the ones from legal entities (+RON 795.5 th).

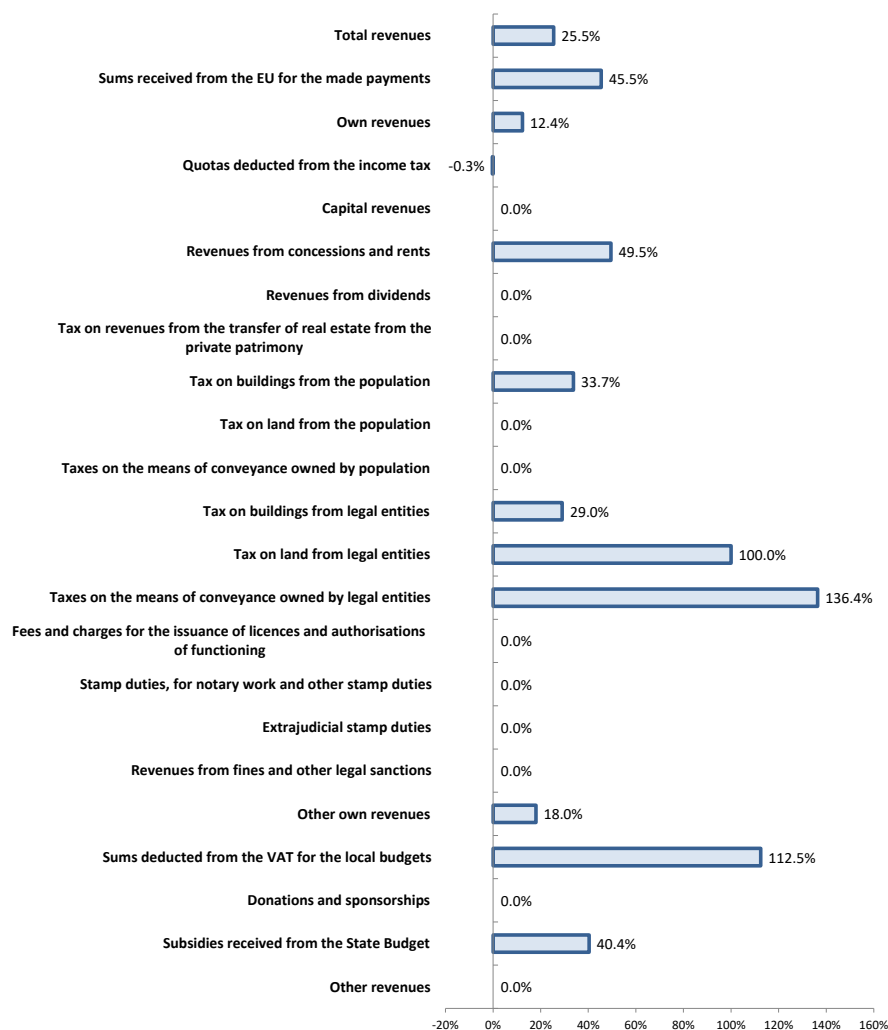
# Budgetary provisions

Achievement degree of the revenues at Q3 2020

'000 RON



## Revenues rectification, as compared to the initial budget



The initial budget of revenues and expenditures was rectification through Mayor's Decision no. 565267 from 30.09.2020, in the means of an increase in revenues by RON 69,815.8 th (+25.5%). Amendments in the structure of revenues was observed for:

- **Sums deducted from VAT**, going up by RON 30,611 th (+112.5%), taking into consideration the estimates for the sums for balancing the local budget (provisions of RON 27,878 th);
- **Taxes and duties on property**, with an increase by RON 16,232.3 th (+37.3%), following larger estimates from legal entities (+RON 12,332.4 th, +61.7%) and from the population (+RON 3,900 th, +16.6%);
- **Subsidies received from the State Budget**, increased by RON 7,490.1 th (+40.4%), up to RON 26,046.7 th, mainly due to the estimates of RON 4,652.8 th for Sums allotted from the state budget for Central Heating Program financing and of RON 2,431.2 th for Subsidies received from the state budget for the settlement of quarantine expenses (without such amounts in the initial budget);
- **Other own revenues**, going up by RON 6,688.2 th (+18%), with influences from Other voluntary transfers (+RON 4,704.6 th, +138.4%) and Other revenues (+RON 1,275.9 th, +39.9%);
- **Sums received from the EU for the payments performed**, with estimates of RON 15,008.6 th, increased by RON 4,691.6 th (+45.5%). The increase is mainly related to the 2014-2020 financial framework (+RON 4,001.1 th, +38.8%);
- **Revenues from concessions and rents**, going up by RON 4,352.6 th (+49.5%);
- **Quotas deducted from the income tax**, decreased by RON 367 th (-0.3%), down to RON 122,492 th.

\*Note: The graphic representation above doesn't include the line of Payments from net profit of self-governing administration (+282.1%)

## Budgetary provisions

Achievement degree of the revenues at Q3 2020

'000 RON



### Revenues rectification, as compared to the budget

The **total expenditures**, in amount of RON 286,969.2 th, accounted for 83.4% out of the estimates of RON 344,036.7 th of the period. Without considering the Sums from the local budget surplus used for financing the development expenditures (RON 2,161.2 th at Q3 2020), the total revenues of the period are amounting to RON 284,808 th and are below the budget by RON 59,228.7 th (achievement degree of 82.8%).

- The **Operational revenues** were below the budget by RON 35,462.9 th (achievement degree of 88.4%), with the following distribution:
  - **Own revenues**, amounting to RON 212,615.7 th, respectively below the budget by RON 32,461 th (achievement degree of 86.8%), the evolution being determined by the following groups of revenues:
    - **Taxes and duties on property**, with estimates of RON 59,695.7 th, were below the budget by RON 21,385.4 th (-35.8%), due to the amounts collected from legal entities (-RON 12,128 th, -37.5%) and from the population (-RON 9,257.4 th, -33.8%);
    - **Other own revenues**, below the provisions by RON 6,197.9 th (-14.3%), taking into account the evolution of Other voluntary transfers (-RON 2,605 th, -32.1%), Other revenues (-RON 1,945.9 th, -43.5%), Revenues from services and other activities (-RON 1,476.4 th, -19.9%) and Other fines, penalties and confiscations (-RON 1,419.6 th, -29.6%);
    - **Revenues from concessions and rents**, below the estimates by RON 5.997 th (-45.6%);
    - **Revenues from fines**, with an execution by RON 686.2 th below the budget (-34.3%);
    - **Quotas deducted from the income tax**, above provisions by RON 2,188.2 th (+1.8%).
  - The **Investment expenditures** had a low achievement degree, respectively of 37.9% (-RON 23,765.9 th), due to the following evolutions:
    - **Sums received from the EU for the payments performed**, in amount of RON 1,537.8 th, in comparison to estimates of RON 15,008.6 th (-RON 13,470.8 th, -89.8%), respectively an achievement degree of 10.2%. Thereby, lower amounts were collected for the 2014-2020 financial framework: European Fund for Regional Development (-RON 10,825.8 th); European Social Fund (-RON 2,656.6 th, -93%);
    - **Capital subsidies**, being below the budget by RON 10,593.1 th (-45.6%), with influences from the Financing of the National Program for Local Development (-RON 8,456 th, -52.3%), Subventions from the state budget to local budget for supporting the projects financed from post-accession NEF for the 2014-2020 financial framework (-RON 2,102.4 th, -94.6%);
    - **Capital revenues**, with the amount of RON 298.1 th collected, for Revenues from goods capitalization and without provisions.
- The **Financial revenues** were not included in the budget, whereas the amounts collected of RON 2,161.2 th are related to the Sums from the local budget surplus used for financing the development expenditures.



## Revenues ratios

at Q3 2020, as compared to Q3 2019

'000 RON



Ratios	Q3 2020	Q3 2019
<b>Revenues from the tax on property</b>	<b>38,313.1</b>	<b>38,450.4</b>
Revenues per Capita	194.3 RON	194.9 RON
The revenue weight in the total revenues	13.4%	17.9%
<b>Own tax revenues</b>	<b>169,677.5</b>	<b>138,406.9</b>
Revenues per Capita	860.6 RON	701.6 RON
The revenue weight in the total revenues	59.1%	64.4%
<b>Total current revenues (autonomous)</b>	<b>267,496.5</b>	<b>199,517.6</b>
Revenues per Capita	1,356.8 RON	1,011.3 RON
The revenue weight in the total revenues	93.2%	92.8%
<b>Operational revenues</b>	<b>270,320.9</b>	<b>199,521.0</b>
Revenues per Capita	1,371.1 RON	1,011.3 RON
The revenue weight in the total revenues	94.2%	92.8%
<b>Investment revenues</b>	<b>14,487.11</b>	<b>2,556.4</b>
Revenues per Capita	73.5 RON	13.0 RON
The revenue weight in the total revenues	5.05%	1.19%
<b>Total revenues per Capita</b>	<b>1,455.6 RON</b>	<b>1,089.6 RON</b>
<b>Own revenues per Capita</b>	<b>1,078.4 RON</b>	<b>981.9 RON</b>
<b>The level of financing from the own revenues</b>	<b>74.1%</b>	<b>90.1%</b>
<b>The degree of self-financing</b>	<b>30.6%</b>	<b>46.9%</b>
<b>The degree of dependency of the local budget to the state budget</b>	<b>25.4%</b>	<b>9.8%</b>
<b>The degree of decisional autonomy</b>	<b>83.8%</b>	<b>91.4%</b>
<b>The degree of achievement of the revenues from the initial budget</b>	<b>104.6%</b>	<b>88.8%</b>
<b>The degree of achievement of the revenues from the final budget</b>	<b>83.4%</b>	<b>80.1%</b>
<b>The degree of achievement of the own revenues from the initial budget</b>	<b>97.5%</b>	<b>96.2%</b>
<b>The degree of achievement of the own revenues from the final budget</b>	<b>86.8%</b>	<b>88.3%</b>
<b>The degree of achievement of the property taxes from the initial budget</b>	<b>88.1%</b>	<b>75.9%</b>
<b>The degree of achievement of the property taxes from the final budget</b>	<b>64.2%</b>	<b>71.3%</b>
<b>The annual estimate from the local tax revenues (maximum probability)</b>	<b>51,647.8</b>	<b>50,485.9</b>
<b>The annual estimate from the local tax revenues (rectified budget)</b>	<b>73,188.3</b>	<b>80,499.5</b>
<b>The degree of achievement of the annual revenues estimated from the local tax revenues</b>	<b>141.7%</b>	<b>159.4%</b>
<b>The collection degree from the initial budget of the revenues from:</b>		
Quotas deducted from the income tax	101.5%	96.2%
Taxes on buildings from the population	111.2%	88.9%
Taxes on land from the population	29.4%	90.0%
Taxes on the means of conveyance from the population	117.4%	97.5%
Taxes on buildings from legal entities	118.8%	88.1%
Taxes on land from legal entities	145.9%	63.4%
Taxes on the means of conveyance from legal entities	111.4%	118.1%
Capita, as of:	<b>197,155</b> 01.01.2019	<b>197,386</b> 01.07.2018

- The **Revenues from taxes on property** (including the Tax on land outside the built-area) went down by RON 137.3 th (-0.4%). The dynamics was reflected at the level of the amounts collected from the population (-RON 931.8 th) and from legal entities (+RON 795.5 th).
- The **Own tax revenues** went up by RON 31,270.6 th (+22.6%), following the evolution of:
  - Quotas and sums deducted from the income tax** (+RON 31,774.3 th, +34.2%);
  - Decrease of **Other taxes and duties** by RON 366.5 th (-16.9%);
  - Revenues from taxes on property**, with a decrease;
  - Decrease of **Stamp duties, for notary work and other stamp duties** by RON 116.4 th (-7.2%).
- The **Total current revenues (autonomous)** went up by RON 67,978.9 th (+34.1%), mainly due to the evolution of:
  - Tax revenues** (+RON 69,390.5 th, +44%), determined by:
    - The increase of *Quotas deducted from the income tax* (+RON 31,710.6 th, +34.1%) and of the *Taxes and duties on goods and services* (+RON 37,620.1 th, +121.8%);
    - The decrease of *Other taxes and duties* (-RON 366.5 th, -16.9%).
  - Non-tax revenues** (-RON 1,411.6 th, -3.4%), mainly as a result of:
    - The decrease of *Sales of goods and services* (-RON 994.3 th, -2.9%);
    - The decrease of *Revenues from property* (-RON 417.3 th, -5.5%).
- The **Operational revenues** went up by RON 70,799.9 th (+35.5%), mainly due to larger amounts recorded as Current revenues.
- The **Investment revenues** reached RON 14,487.1 th, in comparison to RON 2,556.4 th (+RON 11,930.7 th) at Q3 2019, the dynamics being determined by the increase of Capital subsidies (+RON 10,814.2 th) and Sums received from the EU for the payments performed (+RON 1,333.2 th), respectively the decrease of Capital revenues (-RON 216.7 th, -42.1%).



### Section III: Budgetary expenditures (functional classification)

- The situation of the expenditures performed at 30.09.2020
- The variation of the performed expenditures at Q3 2020 vs. Q3 2019
- Budgetary provisions: the achievement degree of the expenditures at Q3 2020

# The situation of the expenditures performed at 30.09.2020

'000 RON



2020										2019									
Line	Expenditures	Planned 2020	% /TP	Planned at Q3	% /TP	Rectified at Q3	% /TP	Execution at Q3	% /TP	Planned 2019	% /TP	Planned at Q3	% /TP	Rectified at Q3	% /TP	Execution at Q3	% /TP		
Functional classification		337,866.4		274,220.8		344,036.7		286,969.2		310,105.8		242,105.8		268,503.6		214,968.2			
1	Public authorities and external actions	51,122.1	14.7	43,040.7	13.5	43,830.9	11.2	34,685.2	12.9	49,105.5	14.3	41,560.7	13.3	39,721.7	11.7	30,453.7	14.5		
2	Transactions regarding the public debt (interest and fees)	9,053.8	2.6	7,522.5	2.4	7,522.5	1.9	5,902.0	2.2	9,567.6	2.8	7,329.0	2.3	7,329.0	2.2	6,979.9	3.3		
3	Education	27,174.3	7.8	24,378.3	7.6	34,226.8	8.8	22,688.8	8.5	34,120.9	9.9	31,607.7	10.1	33,376.2	9.8	21,836.3	10.4		
4	Health	18,543.4	5.3	17,081.7	5.4	22,990.7	5.9	11,971.0	4.5	15,453.1	4.5	15,314.6	4.9	16,642.6	4.9	6,993.2	3.3		
5	Culture, recreation and religion	37,980.6	10.9	32,485.1	10.2	32,824.2	8.4	19,099.9	7.1	34,496.6	10.0	32,469.9	10.4	38,907.6	11.5	21,143.1	10.0		
6	Insurance and social assistance	67,319.6	19.4	64,678.6	20.3	65,315.9	16.7	44,467.2	16.6	58,459.5	17.0	53,629.0	17.2	53,634.0	15.8	44,349.5	21.1		
7	Housing, public service and development	12,958.3	3.7	12,122.3	3.8	13,056.1	3.3	9,398.4	3.5	13,109.5	3.8	12,084.9	3.9	12,637.9	3.7	8,556.4	4.1		
8	Environment protection	67,106.2	19.3	63,632.2	19.9	65,351.7	16.7	42,684.5	15.9	61,662.2	18.0	59,499.7	19.0	64,683.2	19.1	31,172.2	14.8		
9	Fuel and power	12,641.4	3.6	11,641.4	3.6	49,312.8	12.6	41,939.1	15.6	13,568.5	4.0	12,568.5	4.0	14,664.5	4.3	6,223.0	3.0		
10	Transport	27,448.2	7.9	27,304.2	8.6	29,448.6	7.5	14,474.7	5.4	33,945.7	9.9	30,217.2	9.7	41,235.6	12.2	18,611.6	8.8		
11	Other expenditures	16,414.8	4.7	15,354.8	4.8	26,754.3	6.8	21,060.8	7.8	19,809.0	5.8	16,205.1	5.2	16,101.1	4.8	14,073.6	6.7		
12	Reserves, Surplus / Deficit	- 9,896.2		- 45,020.9		- 46,597.9		18,597.5		- 33,192.3		- 70,380.5		- 70,429.9		4,575.8			
Economic classification		337,866.4		274,220.8		344,036.7		286,969.2		310,105.8		242,105.8		268,503.6		214,968.2			
1	Staff costs, of which:	75,897.9	21.8	64,720.2	20.3	64,799.6	16.6	51,913.6	19.3	66,522.0	19.4	55,714.3	17.8	54,614.3	16.1	48,680.1	23.1		
	without those for Education and Insurance	40,914.2	11.8	32,089.5	10.1	32,114.5	8.2	28,446.0	10.6	35,355.0	10.3	28,070.9	9.0	28,070.9	8.3	26,932.5	12.8		
2	Social assistance	19,650.0	5.7	19,622.0	6.1	21,696.2	5.6	16,409.1	6.1	19,053.0	5.5	18,665.0	6.0	19,665.1	5.8	17,038.8	8.1		
3	Subsidies	5,500.0	1.6	5,500.0	1.7	31,572.0	8.1	31,572.0	11.8	-	-	-	-	-	-	-	-		
4	Goods and services	91,264.9	26.2	87,438.5	27.4	99,825.0	25.6	73,333.4	27.3	100,672.8	29.3	92,765.9	29.7	99,019.8	29.2	66,112.5	31.4		
5	Capital expenditures	47,259.8	13.6	47,259.8	14.8	59,901.8	15.3	27,402.7	10.2	61,882.8	18.0	61,882.8	19.8	70,045.6	20.7	13,050.7	6.2		
6	Interest	8,744.6	2.5	7,238.3	2.3	7,238.3	1.9	5,812.8	2.2	9,437.6	2.7	7,199.0	2.3	7,199.0	2.1	6,896.2	3.3		
7	Loan reimbursements	25,975.0	7.5	21,249.6	6.7	21,249.6	5.4	18,422.0	6.9	24,089.1	7.0	19,188.3	6.1	19,188.3	5.7	18,182.4	8.6		
8	Current transfers	33,116.0	9.5	28,034.8	8.8	32,692.1	8.4	25,080.2	9.3	30,547.0	8.9	26,578.6	8.5	30,142.6	8.9	24,993.6	11.9		
9	Internal transfers	16,641.3	4.8	16,155.3	5.1	22,078.9	5.7	11,406.5	4.3	15,541.3	4.5	15,121.3	4.8	16,390.6	4.8	10,603.2	5.0		
10	Projects financed from non-reimbursable external funds	15,200.5	4.4	15,200.5	4.8	23,207.2	5.9	4,067.3	1.5	7,058.2	2.1	7,058.2	2.3	14,551.1	4.3	1,864.0	0.9		
11	Other expenditures	8,512.7	2.4	6,822.8	2.1	6,373.8	1.6	2,952.1	1.1	8,494.4	2.5	8,312.9	2.7	8,117.1	2.4	2,970.9	1.4		
12	Reserves, Surplus / Deficit	- 9,896.2		- 45,020.9		- 46,597.9		18,597.5		- 33,192.3		- 70,380.5		- 70,429.9		4,575.8			
Total payments (TP) <i>(total expenditures performed without considering the periods' result)</i>		347,762.6		319,241.7		390,634.5		268,371.6		343,298.1		312,486.3		338,933.4		210,392.4			
Operational expenditures		243,006.1	69.9	220,741.9	69.1	271,661.0	69.5	210,669.9	78.5	239,240.8	69.7	215,568.3	69.0	226,309.7	66.8	170,023.2	80.8		
Investment expenditures		69,727.7	20.1	69,727.7	21.8	90,201.5	23.1	33,377.7	12.4	70,400.7	20.5	70,400.7	22.5	86,106.4	25.4	15,206.9	7.2		
Financial expenditures		35,028.8	10.1	28,772.1	9.0	28,772.1	7.4	24,324.0	9.1	33,656.7	9.8	26,517.3	8.5	26,517.3	7.8	25,162.3	12.0		
Total of the Operating Section		278,034.9	79.9	249,514.0	78.2	300,433.1	76.9	234,993.9	87.6	267,636.2	78.0	236,824.3	75.8	247,503.3	73.0	194,254.9	92.3		
Reserves, surplus/deficit for the operating section		-		- 35,124.6		- 36,701.6		18,048.9		- 1,320.0		- 38,508.2		- 38,557.6		3,370.1			
Total of the Development Section		69,727.7	20.1	69,727.7	21.8	90,201.5	23.1	33,377.7	12.4	75,661.9	22.0	75,661.9	24.2	91,430.2	27.0	16,137.5	7.7		
Reserves, surplus/deficit for the development section		- 9,896.2		- 9,896.2		- 9,896.2		548.6		- 31,872.3		- 31,872.3		- 31,872.3		1,205.7			

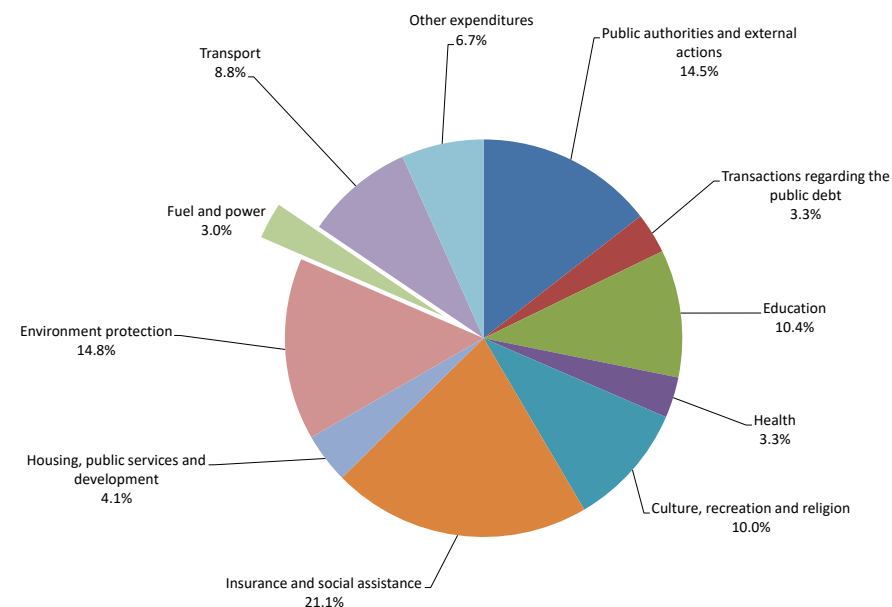
# The variation of the performed expenditures at Q3 2020 vs. Q3 2019

Functional classification

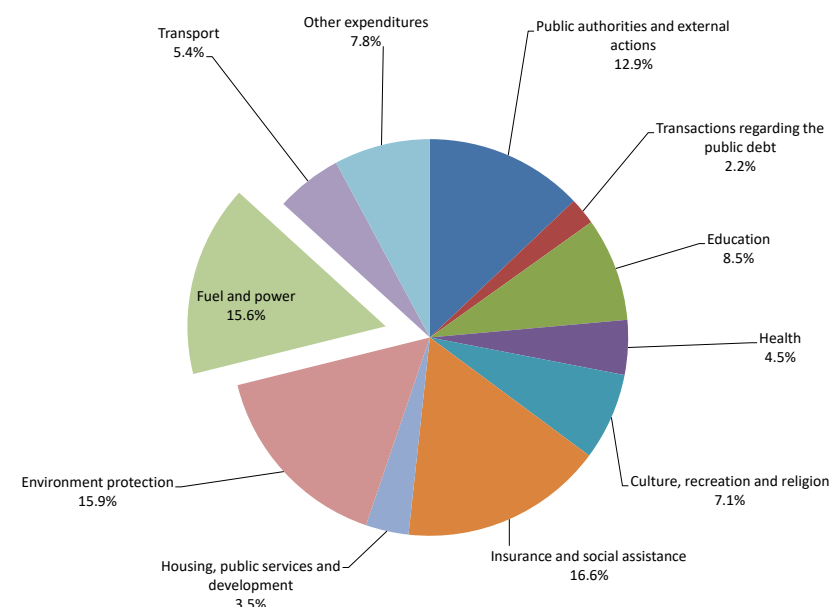
'000 RON



The structure of the payments performed at Q3 2019



The structure of the payments performed at Q3 2020



The total payments amounted to RON 268,371.6 th and went up by 27.6% (+RON 57,979.2 th). The evolution of these payments is presented below, at the level of the main expenditures chapters:

- **Fuel and power**, going up by RON 35.716 th (+573.9%), following larger payments for Heating energy (+RON 30,592.6 th) and Other expenditures for fuel and power (+RON 5,123.4 th). The dynamics is determined, from an economic perspective, by the amounts related to Subsidies (amounting to RON 31,572 th, without payments at Q3 2019), Capital expenditures (+RON 4,264.9 th), Projects financing from non-refundable external funds (+RON 2,319.8 th) and Reimbursement of loans (-RON 1,015.8 th);
- **Environment protection**, going up by RON 11,512.3 th (+36.9%), respectively at the level of Sewerage and treatment of wastewater (+RON 6,460.7 th, +137.8%) and Collection, treatment and destruction of waste (+RON 4,473.9 th, +25.9%);
- **Other expenditures**, going up by RON 6,987.2 th (+49.6%), following increasing in payments for Civil protection and fire protection (+RON 6,654.2 th) and Other general public services (+RON 352 th, +8%). The dynamics is reflected mainly at the level of the expenditures on Goods and services;
- **Health**, amounting to RON 11,971 th and going up by RON 4,977.8 th (+71.2%), with influences entirely for General hospitals. From an economic perspective, increases were found for Capital expenditures (+RON 3,736.4 th, +625%) and Transfers between units of public administrations (+RON 1,208.3 th, +18.8%);
- **Public authorities and external actions**, going up by RON 4,231.6 th (+13.9%), with influences from Capital expenditures (+RON 1,914.4 th) and Reimbursement of loans (+RON 1,542.9 th, +10.3%);

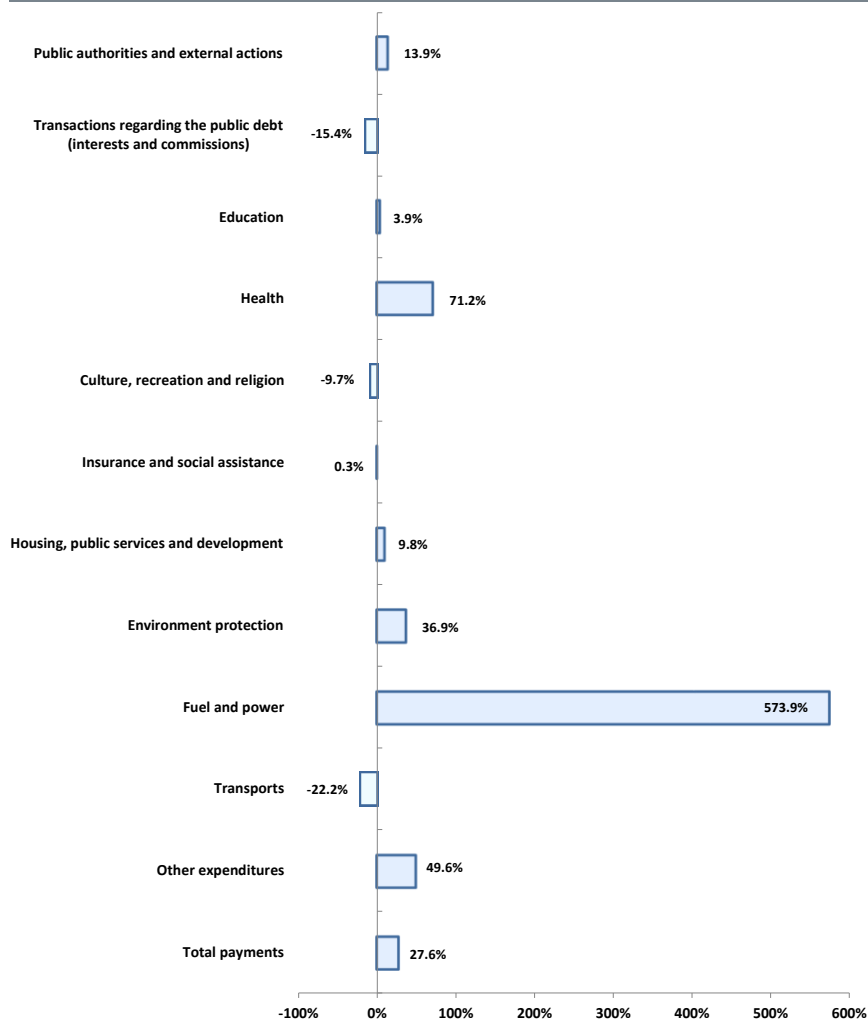
# The variation of the performed expenditures at Q3 2020 vs. Q3 2019

Functional classification

'000 RON



## Functional expenditures variation



- **Education**, going up by RON 852.4 th (+3.9%), mainly at the level of Pre-school and elementary education (+RON 973.4 th, +14%), corroborated with the decrease of Secondary education (-RON 125.8 th, -0.8%). From an economic perspective, the evolutions is determined by Other transfers (+RON 281 th, +21.5%), Capital expenditures (+RON 252.5 th, +21.6%) and Goods and services (+RON 189.7 th, +1.1%);
- **Housing, public services and development**, going up by RON 842 th (+9.8%), taking into account the payments for Public lighting and electrification (+RON 961.1 th, +25.2%) and Other services for housing, public services and community development (-RON 161.2 th, -12.1%). From an economic perspective, the dynamics is reflected at the level of Goods and services (+RON 561.8 th, +9.7%) and Capital expenditures (+RON 231.7 th, +234.9%);
- **Transports**, going down by RON 4,136.9 th (-22.2%), mainly due to the expenditures on Streets (-RON 4,189.9 th, -23.7%). From the economic perspective, decreases were found for Capital expenditures (-RON 4,316.4 th, -58.9%);
- **Culture, recreation and religion**, going down by RON 2,043.2 th (-9.7%), following the payments for Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 1,344.8 th, -12.9%), Sports (-RON 1,274.9 th, -21.8%) and Public institutions for shows and concerts (+RON 525.9 th, +12.8%). From an economic perspective, decreases were found for Goods and services (-RON 815.1 th, -13.3%), Other expenditures (-RON 686.9 th, -63.2%) and Capital expenditures (-RON 571 th, -41.6%);
- **Transactions regarding the public debt and loans**, going down by RON 1,077.8 th (-15.4%), mainly due to the Interests for direct internal public debt (-RON 1,081.1 th, -15.7%).

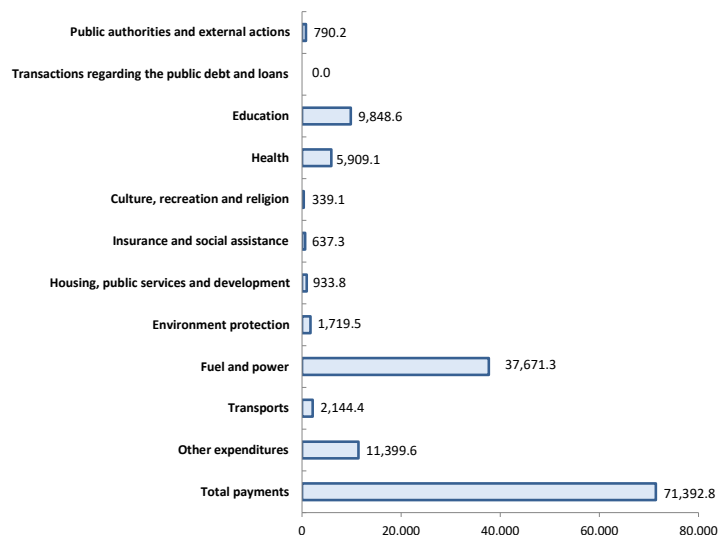
# Budgetary provisions

## Functional classification

'000 RON



### Functional expenditures rectification, as compared to the initial budget



The last rectification in the period provides an increase of estimates by RON 71,392.8 th (+22.4%), up to RON 390,634.5 th, with the following distribution within the expenditures chapters:

- **Fuel and power** (+323.6%, up to RON 49,312.8 th); influences were found at the level of Heating energy (+RON 30,424.5 th) and Other expenditures for fuel and power (+RON 7,246.8 th). From an economic perspective, the evolution is determined by the Subsidies (+RON 26,072 th), Constructions (+RON 4,652.8 th) and Programs from the Cohesion Fund (+RON 2,674.1 th);
- **Other expenditures** (+74.2%, up to RON 26,754.3 th); with increases for Civil protection and fire protection (+RON 7,633.7 th) and Local police (+RON 3,973 th). From an economic perspective, the dynamics is reflected at the level of Goods and services (+RON 6,218.3 th), Transfers between units of public institutions (+RON 3,973 th) and Capital expenditures (+RON 1,468.7 th);
- **Education** (+40.4%, up to RON 34,226.8 th); with increases for the Secondary education (+RON 5,938.2 th, +36.7%) and for the pre-school and elementary one (+RON 3,986 th, +50.1%). From an economic perspective, larger estimates were found for Goods and services (+RON 6,554.4 th, +36.2%) and Capital expenditures (+RON 1,563.9 th, +74.6%);
- **Health** (+34.6%, up to RON 22,990.7 th); total increases of RON 5,909.1 th, mainly for General hospitals (+RON 5,948.1 th, +35.2%). The dynamics is reflected, from an economic perspective, at the level of Constructions (+RON 4,704.6 th, +57.4%) and Health actions (+RON 940 th, +13.6%);

- **Transports** (+7.9%, up to RON 29,448.6 th); with increases for Streets (+RON 2,256.4 th, +8.8%). From an economic perspective, influences are observed from the Programs from the European Fund for Regional Development (+RON 3,582.4 th, +62.5%), in contrast with the decrease of Goods and services (-RON 1,215 th, -8.1%);
- **Environment protection** (+2.7%, up to RON 65,351.7 th); estimates were increased for Collection, treatment and destruction of waste (+RON 6,682.9 th, +34.2%) and decrease for Sanitation (-RON 3,373.4 th, -21.3%) and Sewerage and treatment of wastewater (-RON 1,590 th, -5.6%). From an economic perspective, the increase was reflected for Other current internal transfers (+RON 1,528 th) and Goods and services (+RON 560.7 th, +2.5%);
- **Housing, public services and development** (+7.7%, up to RON 13,056.1 th); with increases of estimates for Public lighting and rural electrification (+RON 900 th, +18.1%), observed from an economic perspective at the level of Goods and services (+RON 937.3 th, +11.1%);
- **Public authorities and external actions** (+1.8%, up to RON 43,830.9 th); increases were found mainly for Projects financing from non-refundable external funds related to the 2014-2020 financial framework (+RON 956.9 th, +38.5%), respectively decreases for Capital expenditures (-RON 183.2 th, -5.8%);
- **Insurance and social assistance** (+1%, up to RON 65,315.9 th); larger estimates were observed for the Social assistance for the disabled (+RON 1,361 th, +4.5%) and Nurseries, whereas decreases were highlighted for Other expenditures in the insurance and social assistance field (-RON 1,500.7 th, -8.6%). From an economic perspective, the dynamics was determined by the estimates for the Social support in cash (+RON 1,362.2 th, +8.5%) and Goods and services (-RON 679.8 th, -7.5%);
- **Culture, recreation and religion** (+1%, up to RON 32,824.2 th); with influences from the Maintenance of public gardens, parks, green areas, sports and leisure centers (+RON 241.4 th, +1.4%) and Other cultural services (+RON 154.7 th, +42.1%). From the economic perspective, the dynamics is reflected mainly for Capital expenditures (+RON 818.4 th, +20.1%) and Goods and services (-RON 411.2 th, -5.6%).



### Investments list related to the 2020 budget

According to the investment list of the budgetary rectification, the Investment expenditures amounted to RON 157,543.5 th, out of which: RON 52,342.4 th from external loans; RON 30,821.2 th from the local budget; RON 23,610.8 th from non-refundable external funds; RON 21,363.6 th from transfers from the State Budget; RON 21,311.7 th from internal loans; RON 8,094 th from transfers from other authorities. The main objectives are highlighted below:

- **Housing, public services and development** (RON 52,886.4 th):
  - On-going objectives (RON 52,358.4 th): modernization of a large part of the street public lighting network (RON 52,342.4 th from external loans);
  - Other investment expenditures (RON 528 th from the local budget).
- **Health** (RON 27,142.8 th):
  - On-going objectives (RON 23,144.5 th):
    - continuation of the Bacau Municipal Hospital construction (RON 8,892.4 th from internal loans; RON 8,202.4 th from the local budget; RON 4,694.6 th from transfers from other authorities);
    - construction of washhouse, archive and administrative offices (RON 789.7 th from the local budget);
    - modernization, endowment and expansion of Ambulatory of the Pneumoftiziologie Hospital Bacau buildings (RON 353.3 th from non-refundable funds);
  - Other investment expenditures (RON 3,100 th from internal loans; RON 798.1 th from the local budget; RON 100.2 th from programs with non-refundable financing).
- **Environment protection** (RON 21,812.8 th):
  - On-going objectives (RON 20,497.2 th):
    - water reserve for the Bacau Municipality (RON 17,018.4 th from transfers from the state budget; RON 1,371.5 th from the local budget);
    - social houses Izvoare Street – water and sewer networks, as well as restoration of access road (RON 878.3 th from the local budget);
    - modernization of the equipment for leachate eputation – storage for household waste (RON 529 th from the local budget);
    - closing cell 1 – waste storage (RON 500 th from the local budget);
  - New objectives (RON 125 th from the local budget, out of which RON 100 th for land systematization for the purpose of construction of a housing assembly for the youth);
  - Other investment expenditures (RON 1,190.7 th from the local budget).
- **Culture, recreation and religion** (RON 16,559 th):
  - On-going objectives (RON 15,805.8 th):
    - rehabilitation and modernization works for “Leisure island” (RON 9,294.3 th from internal loans; RON 2,220.7 th from the local budget);
    - development of a support network serving as businesses incubator “Hub for the youth” – Orizont Cinema (RON 2,263.3 th from non-refundable funds);
    - improving the life quality through land arrangement in the Fagaras area (RON 1,284 th from the local budget);
  - Other investment expenditures (RON 641 th from the local budget; RON 87.2 th from non-refundable funds; RON 25 th from internal loans).
- **Transports** (RON 14,130.2 th):
  - On-going objectives (RON 11,871.9 th):
    - construction of routes and corridors for non-motorized travel (RON 3,809.4 th from non-refundable funds);
    - traffic management system for prioritizing local public transport corridors and cycling (RON 2,747.8 th from non-refundable funds);
    - rehabilitation of Aeroportului Street (RON 1,866.7 th from transfers from other authorities; RON 120.6 th from the local budget);
    - construction of a hospital parking lot (RON 1,532.7 th from transfers from other authorities; RON 277.2 th from the local budget);
    - modernization of public transport stations (RON 1,232.3 th from non-refundable funds);
  - Other investment expenditures (RON 1,522.3 th from non-refundable funds; RON 735.9 th from the local budget).

## Budgetary provisions

### Functional classification

'000 RON



### List of investments related to the 2020 budget

- **Fuel and power** (RON 9,469.8 th):
  - On-going objectives (RON 8,703.4 th):
    - modernization of thermal energy distribution network SACET Bacau - closure of Sofert/Cornisa thoroughfare (RON 4,304.2 th from transfers from the state budget; RON 50 th from the local budget);
    - rehabilitation of secondary thermal distribution networks in Bacau Municipality (RON 4,279.1 th from non-refundable external funds);
  - New objectives (RON 577.5 th entirely from the local budget for the development of the thermal energy market – stage III – connection to SACET of Bacau County Hospital);
  - Other investment expenditures (RON 189 th from non-refundable funds).
- **Public authorities and external actions** (RON 6,425.8 th):
  - On-going objectives (RON 600 th from the local budget for the modernization and rehabilitation of a building (former Civil Status);
  - Other investment expenditures (RON 3,439.9 th from programs with non-refundable financing; RON 2,386 th from the local budget).
- **Education** (RON 4,265.5 th):
  - On-going objectives (RON 1,909.4 th):
    - consolidation, modernization and arrangement works for sports hall and workshops at Sports High School (RON 910 th from the local budget);
    - modernization and rehabilitation of Grigore Antipa College (RON 255.9 th from non-refundable external funds);
    - construction of a new building and modernization of existing building at Kindergarten no. 18 (RON 250 th from the local budget);
    - water supply networks – N. V. Karpen Technical College (RON 210 th from the local budget);
  - New objectives (RON 50 th from the local budget for implementing the ISU measures for obtaining the fire security authorization for A and L buildings – N. V. Technical College);
  - Other investment expenditures (RON 1,956.2 th from the local budget; RON 349.9 th from programs with non-refundable financing).
- **Insurance and social assistance** (RON 3,188.4 th):
  - On-going objectives (RON 2,934.1 th): modernization and rehabilitation nurseries (RON 2,713.1 th from non-refundable funds);
  - Other investment expenditures (RON 174.3 th from the local budget; RON 80 th from non-refundable funds).
- **Public order and national security** (RON 1,518.7 th from the local budget, mainly for Other investment expenditures – RON 1,468.7 th).



## Budgetary provisions

### Functional classification

'000 RON



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

The achievement degree of the payments attained 68.7%, respectively amounting to RON 268,371.6 th and being below the budget by RON 122,262.9 th, with the following influences:

- **Environment protection**, with an achievement degree of 65.3%, respectively payments below the budget by RON 22,667.2 th, influences by Sewerage and treatment of wastewater (-RON 15,491.9 th, -58.2%), Collection, treatment and destruction of waste (-RON 4,466.8 th, -17%) and Sanitation (-RON 2,708.5 th, -21.7%). From an economic perspective, the dynamics is observed at the level of Capital expenditures (-RON 12,247.2 th, -56.1%), Internal transfers (-RON 5,092.1 th, -37.4%) and Goods and services (-RON 4,124.3 th, -18.2%);
- **Public authorities and external actions**, with an achievement degree of 68.1%, respectively the payments being below provisions by RON 20,848.8 th and in connection to the Social assistance for the disabled (-RON 7,360.4 th, -23.4%), Other expenditures in the insurance and social assistance field (-RON 7,102.2 th, -44.3%) and Nurseries (-RON 5,384.8 th, -59.7%). From an economic perspective, the dynamics is observed at the level of Staff costs (-RON 9,217.5 th, -28.2%), Social assistance (-RON 4,701.8 th, -23.1%), Goods and services (-RON 3,578.3 th, -42.8%) and Projects financing from non-refundable external funds related to the 2014-2020 financial framework (-RON 2,788.3 th, -99.8%);
- **Transports**, with an achievement degree of 49.2% and the payments reaching RON 14,474.7 th (-RON 14,973.9 th, -50.8%). The evolution of expenditures was reflected mainly at the level of Streets (-RON 14,485.9 th, -51.8%), respectively for Projects financing from non-refundable external funds related to the 2014-2020 financial framework (-RON 9,304.5 th, -99.9%), Goods and services (-RON 2,815.4 th, -20.4%) and Capital expenditures (-RON 2,727 th, -47.5%);
- **Culture, recreation and religion**, with an achievement degree of 58.2% and payments below the budget by RON 13,724.3 th, reflected at the level of Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 8,774.4 th, -49.2%) and Sports (-RON 2,757.7 th, -37.6%). From an economic perspective, are observed the evolutions of Capital expenditures (-RON 4,086.7 th, -83.6%), Current transfers (-RON 2,661.3 th, -22.6%), Projects financing from non-refundable external funds related to the 2014-2020 financial framework (-RON 2,344.3 th, -99.7%), Other expenditures (-RON 2,042.3 th, -83.6%), Goods and services (-RON 1,639 th, -23.5%) and Staff costs (-RON 950.7 th, -21.6%);
- **Education**, with an achievement degree of 66.3%, below provisions by RON 11,538.1 th and influences from the Secondary education (-RON 7,405.2 th, -33.5%) and the pre-school and elementary one (-RON 4,028 th, -33.7%). From an economic perspective, the dynamics is reflected mainly at the level of payments for Goods and services (-RON 7,315 th, -29.7%) and Capital expenditures (-RON 2,240.2 th, -61.2%);
- **Health**, with an achievement degree of 52.1%, respectively payments below the budget by RON 11,019.7 th and dynamics determined by General hospitals (-RON 10,880.7 th, -47.6%), considering a low level of Capital expenditures (-RON 8,711.8 th, -66.8%) and of Transfers between units of public administration (-RON 1,905.3 th, -20%);
- **Public authorities and external actions**, with an achievement degree of 79.1% and payments below provisions by RON 9,145.7 th, respectively influences from Projects financing from non-refundable external funds (-RON 3,265.3 th, -94.9%), Goods and services (-RON 2,278.6 th, -41.4%), Reimbursement of loans (-RON 1,796 th, -9.8%), Staff costs (-RON 918.5 th, -6.7%) and Capital expenditures (-RON 878.4 th, -29.4%);
- **Fuel and power**, with an achievement degree of 85%, reaching RON 41,939.1 th (-RON 7,373.7 th, -15%), respectively influences from Heating energy (-RON 5,384.2 th, -13.8%) and Other expenditures for fuel and power (-RON 1,989.5 th, -19.2%). From an economic perspective, the dynamics is determined by Internal transfers (-RON 4,984.2 th, -94.5%), Reimbursement of loans (-RON 1,031.6 th, -34.4%) and Capital expenditures (-RON 951.6 th);
- **Other expenditures**, with an achievement degree of 78.7% and the payments being below provisions by RON 5,693.6 th, respectively for Local police (-RON 3,742.4 th, -28.6%) and Civil protection and fire protection (-RON 1,094.3 th, -13.5%). From an economic perspective, notable evolutions are observed for Transfers to public institutions (-RON 3,689.1 th, -28.2%) and Goods and services (-RON 942 th, -14.6%);
- **Housing, public services and development**, with an achievement degree of 72%, respectively below estimates by RON 3,657.7 th. Notable executions were highlighted for Other services for housing, public services and community development (-RON 2,077.1 th, -37.6%) and Public lighting and electrification (-RON 1,090.3 th, -18.6%). From an economic perspective, the dynamics is determined by the evolution of Goods and services (-RON 3,061.2 th, -32.6%);
- **Transactions regarding the public debt and loans**, with an achievement degree of 78.5%, respectively being below estimates by RON 1,620.5 th, with influences from the Interests for direct internal public debt (-RON 1,248.5 th, -17.7%) and Commissions and other costs related to external loans (-RON 190.8 th).



### Section III: Budgetary expenditures (economic classification)

- The variation of the performed expenditures at Q3 2020 vs. Q3 2019
- Budgetary provisions: the achievement degree of the expenditures at Q3 2020
- Expenditures ratios

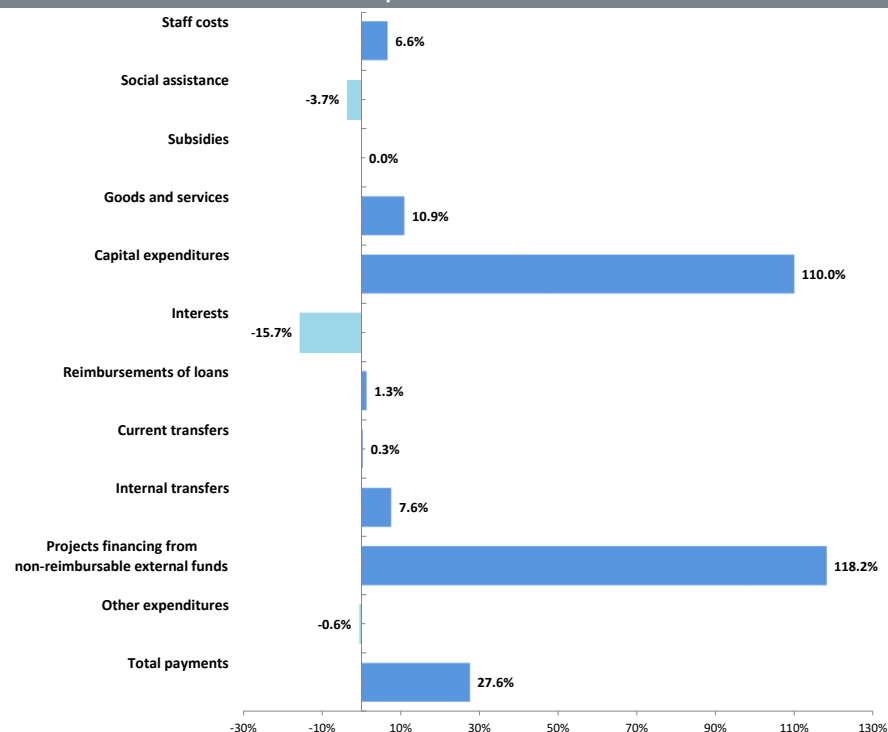
# The variation of the performed expenditures at Q3 2020 vs. Q3 2019

Economic classification

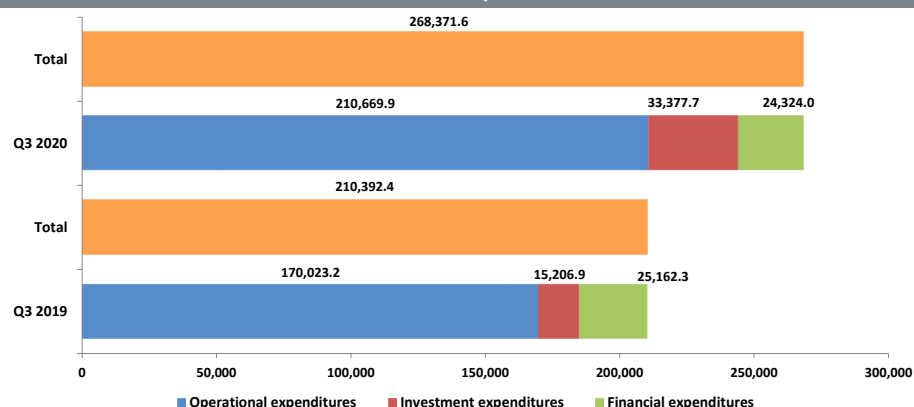
'000 RON



## Economic expenditures variation



## Structure of expenditures



- The **Operational expenditures** went up by RON 40,646.6 th (+23.9%), with the increase being determined by the following evolutions:

- Subsidies**, going up by RON 31,572 th (respectively for Subsidies for covering the differences on prices and tariffs and Other subsidies within the Fuel and power chapter), without payments at Q3 2019;
- Goods and services**, going up by RON 7,220.9 th (+10.9%), respectively for Other expenditures on goods and services (+RON 5,340.6 th, +115.9%), Other goods and services for maintenance and functioning (+RON 2,116.1 th, +13.2%), Registered materials (+RON 1,446.9 th, +154.7%), whereas decreases were found for Water, sewerage and sanitation (-RON 1,582.7 th, -37%) and for Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements (-RON 1,556.9 th, -25.1%). From a functional perspective, the dynamics was reflected mainly for Public order and national security (+RON 5,351.5 th), Environment protection (+RON 2,774.3 th, +17.7%) and Insurance and social assistance (-RON 1,033.3 th, -17.7%) chapters;
- Staff costs**, going up by RON 3,233.4 th (+6.6%), mainly at the level of Base salaries (+RON 2,716.3 th, +6.6%) and Allowances for food (+RON 368 th, +11.5%). The dynamics is reflected, from a functional perspective, at the level of Insurance and social assistance (+RON 1,720 th, +7.9%) and Public authorities and external actions (+RON 534.5 th, +4.4%) chapters;
- Internal transfers**, going up by RON 803.2 th (+7.6%), following larger payments for Other current internal transfers (+RON 608.7 th, +7.3%), mainly for the Environment protection chapters and for Financing of private or confessional accredited education (+RON 281 th, +21.5%), entirely for the Education chapter;
- Social assistance**, going down by RON 629.7 th (-3.7%), taking into consideration the evolution of the Social support in cash (-RON 1,063.3 th, -7.3%) and of Gift tickets granted for social expenditures (+RON 425.3 th, +17.3%). The dynamics is reflected, from a functional perspective, mainly within the Insurance and social assistance chapter.

- The **Investment expenditures** went up by RON 18,170.7 th (+119.5%), the dynamics being determined by the Capital expenditures (+RON 14,351.9 th, +110%), Projects financing from non-refundable external funds (+RON 2,203.2 th, +118.2%, mainly related to the 2007-2013 financial framework) and by the Transfers for financing the investments of hospitals (+RON 780.1 th, +267%). From a functional perspective, it was observed the evolution of the Environment protection, Fuel and power, Health, Public authorities and external actions, Public order and national security and Transports chapters.

- The **Financial expenditures** went down by RON 838.2 th (-3.3%), mainly following a lower amount of payments for Interests (-RON 1,083.4 th, -15.7%, at the level of the Transactions regarding the public debt and loans chapter) and an increase in the Reimbursement of loans (+RON 239.6 th, +1.3%, at the level of the following chapters: Public authorities and external actions (+RON 1,542.9 th); Fuel and power (-RON 1,015.8 th); Environment protection (-RON -287.5 th).



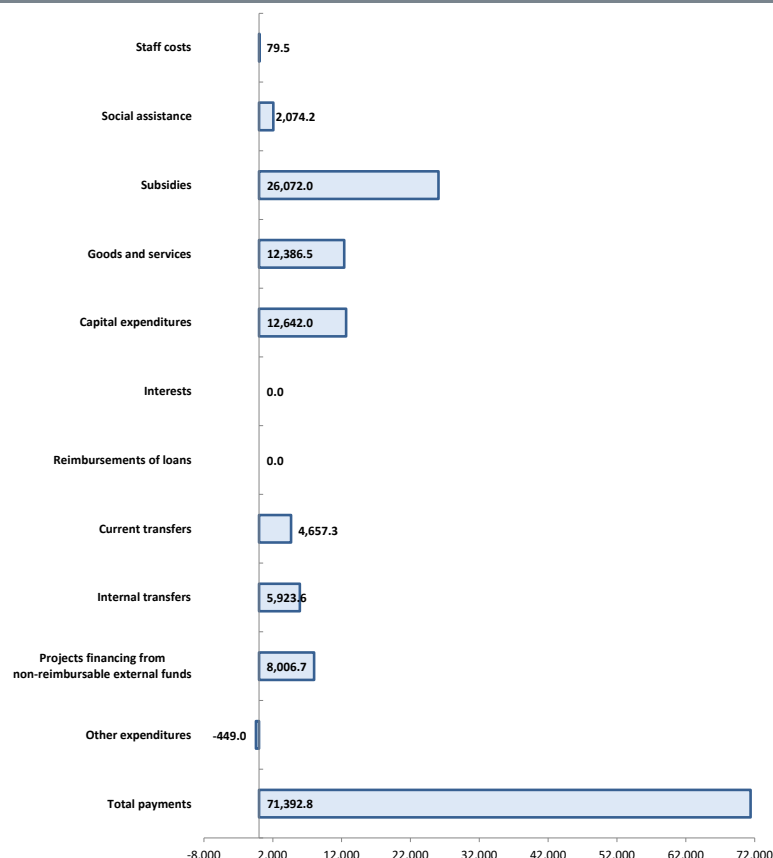
# Budgetary provisions

## Economic classification

'000 RON



### Economic expenditures rectification, compared to initial budget



The budgetary rectification, approved by Mayor's Decision no. 565267 from 30.09.2020, provided the following changes of estimates:

- The **Operational expenditures** were estimates at RON 271,661 th, going up by RON 50,919.1 th (+23.1%), based on the following aspects:
  - **Goods and services**, going up to RON 99,825 th (+RON 12,386.5 th, +14.2%), mainly due to increases of Other expenditures on goods and services (+RON 5,937 th, +92.6%), Other goods and services for maintenance and functioning (+RON 2,602.1 th, +11.7%), Registered materials (+RON 1,501.4 th, +74.9%), Current repairs (+RON 1,199.7 th, +6.9%) and the decrease of Water, sewerage and sanitation (-RON 1,442.7 th, -28.7%). From a functional perspective, the estimates were reevaluated within the following chapters: Education (+RON 6,554.4 th); Public order and national security (+RON 6,218.3 th); Transports (-RON 1,215 th);
  - **Internal transfers**, going up to RON 22,078.9 th (+RON 5,923.6 th, +36.7%), mainly due to Other internal current transfers within the Fuel and power (+RON 4,352.6 th) and Environment protection (+RON 1,528 th) chapters;
  - **Current transfers**, going up to RON 32,692.1 th (+RON 4,657.3 th, +16.6%), as a consequence of Transfers to public institutions (+RON 3,717.3 th, +17.6%), reflected mainly within the Public order and national security chapter and of Health actions (+RON 940 th, +13.6%), reflected within the Health chapter;
  - **Social assistance**, going up to RON 21,696.2 th (+RON 2,074.2 th, +10.6%), with highlights at the level of the Social support in cash within the Insurance and social assistance (+RON 1,362.2 th, +7.2%) and Education (+RON 712 th, +122.3%) chapters.
- The **Investment expenditures** were provided at the amount of RON 90,201.5 th, going up by RON 20,473.7 th (+29.4%), with the following distribution:
  - **Capital expenditures**, going up to RON 59,901.8 th (+RON 12,642 th, +26.8%), taking into consideration the increase for Constructions (+RON 10,065.4 th, +25%) and for Furniture, office equipment and other tangible assets (+RON 1,613.5 th). The dynamics is observed, from a functional perspective, at the level of the following chapters: Health; Fuel and power; Education; Public order and national security;
  - **Projects financing from non-refundable external funds**, going up to RON 23,207.2 th (+RON 8,006.7 th, +52.7%). The dynamics is related to the 2014-2020 financial framework (+RON 5,322.7 th, +39%), respectively to the 2007-2013 one (+RON 2,674.1 th, +176.4%). From a functional perspective, the increase of estimates was found for Transports, Fuel and power and Public authorities and external actions.



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

- The **Operational expenditures**, amounting to RON 210,371.6 th, were below provisions by RON 60,991.1 th (achievement degree of 77.5%), with the following distribution:
  - **Goods and services**, being below estimates by RON 26,491.6 th (achievement degree of 73.5%), with influences from Other goods and services for maintenance and functioning (-RON 6,581 th, -26.6%), Current repairs (-RON 4,502.3 th, -24.2%), Heating, lighting and driving force (-RON 3,456.1 th, -18.1%), Other expenditures on goods and services (-RON 2,399.3 th, -19.4%), Contributions of local public administrations to the achievement of some public local services, based on partnership and association agreements (-RON 1,962.8 th, -29.7%) and Registered materials (-RON 1,123.8 th, -32.1%). Decreases were found mainly within the following chapters: Education; Environment protection, Insurance and social assistance; Housing, public services and development; Transports; Public authorities and external actions; Culture, recreation and religion;
  - **Staff costs**, with an achievement degree of 80.1%, the payments being below the budget by RON 12,886.1 th. Lower expenditures were found for Base salaries (-RON 10,362.1 th, -19%) and Allowances for food (-RON 1,054.2 th, -22.8%). The evolution was reflected mainly within the Insurance and social assistance, Environment protection, Culture, recreation and religion and Public authorities and external actions chapters;
  - **Internal transfers** (related to the operating section) were below estimates by RON 6,147.4 th (achievement degree of 63.2%). Thereby, influences were observed from Other internal current transfers (-RON 5,617.9 th, -38.5%). The dynamics was determined, from a functional perspective, at the level of Fuel and power and Environment protection chapters;
  - **Current transfers**, being below estimates by RON 7,611.9 th (achievement degree of 76.7%), mainly due to lower Transfers to public institutions (-RON 6,350.3 th, -25.5%, within the Public order and national security and Culture, recreation and religion chapters) and Health actions (-RON 1,261.6 th, -16.1%, within the Health chapter);
  - **Social assistance**, with an execution below estimates by RON 5,287.1 th (achievement degree of 75.6%) and influences from the Social support in cash (-RON 5,165.9 th, -27.7%), mainly within the Insurance and social assistance chapter;
  - **Other expenditures**, with an achievement degree of 51% (-RON 2,660.7 th), the evolution being determined mainly by the payments for Associations and foundations (-RON 1,870.8 th, -91.1%), found mainly within the Culture, recreation and religion chapter.
- The **Investment expenditures** had an achievement degree of 37%, being below provisions by RON 56,823.8 th, taking into consideration the execution of:
  - **Capital expenditures**, below estimates by RON 32,499.1 th (achievement degree of 45.7%), with influences from Constructions (-RON 27,294.4 th, -54.2%), Other fixed assets (-RON 3,677 th, -46.4%) and Furniture, office equipment and other tangible assets (-RON 1,527.7 th, -94.1%). Thereby, the dynamics of payments is determined within the Environment protection, Health, Culture, recreation and religion, Transports and Education chapters;
  - **Projects financing from non-refundable external funds** were below estimates by RON 19,140 th (achievement degree of 17.5%). These sums were related to the 2014-2020 financial framework (-RON 18,733.6 th, -98.5%). The Programs from the European Fund for Regional Development were below estimates by RON 15,307.2 th (mainly within the Transports, Insurance and social assistance and Culture, recreation and religion chapters), together within the ones from the European Social Fund (mainly within the Public authorities and external actions);
  - The **Investments of the economic agents with state capital** were below the provisions by RON 4,525 th (achievement degree of 15.9%), with influences from the Environment protection chapter (-RON 3,893.4 th, -86.6%).
- The **Financial expenditures** were below the budget by RON 4,448.1 th (achievement degree of 84.5%), mainly determined by the Reimbursement of loans (-RON 2,827.6 th, achievement degree of 86.7%, within the Public authorities and external actions and Fuel and power chapters) and by Interests (-RON 1,425.5 th, achievement degree of 80.3%, within the Transactions regarding the public debt and loans chapter).

## Expenditures ratios at Q3 2020, as compared to Q3 2019

'000 RON



Ratios	Q3 2020	Q3 2019
<b>Total staff costs</b>	<b>51,913.6</b>	<b>48,680.1</b>
Expenditures per Capita	263.3 RON	246.8 RON
The expenditure weight in the operational expenditures	24.6%	28.6%
<b>Staff costs for insurance and social assistance</b>	<b>23,467.6</b>	<b>21,747.6</b>
Expenditures per Capita	119.0 RON	110.2 RON
The expenditure weight in the operational expenditures	11.1%	12.8%
<b>Current compulsory expenditures</b>	<b>88,848.9</b>	<b>65,718.9</b>
Expenditures per Capita	450.7 RON	333.1 RON
The expenditure weight in the operational expenditures	42.2%	38.7%
<b>Operational expenditures</b>	<b>210,669.9</b>	<b>170,023.2</b>
Expenditures per Capita	1,068.5 RON	861.8 RON
The expenditure weight in the total expenditures	78.5%	80.8%
<b>Expenditures on debt service financing</b>	<b>24,324.0</b>	<b>25,162.3</b>
Expenditures per Capita	123.4 RON	127.5 RON
The expenditure weight in the total expenditures	9.1%	12.0%
<b>Total investment expenditures</b>	<b>33,377.7</b>	<b>15,206.9</b>
Expenditures per Capita	169.3 RON	77.1 RON
The expenditure weight in the total expenditures	12.4%	7.2%
<b>The expenditures' rigidity</b>	<b>19.3%</b>	<b>23.1%</b>
<b>The weight of the payments from the operating section in the total payments</b>	<b>87.6%</b>	<b>92.3%</b>
<b>The weight of the payments from the development section in the total payments</b>	<b>12.4%</b>	<b>7.7%</b>
<b>The deficit/surplus of the operating section</b>	<b>18,048.9</b>	<b>3,370.1</b>
<b>The deficit/surplus of the development section</b>	<b>548.6</b>	<b>1,205.7</b>
<b>The weight of the local public debt service in the total made payments</b>	<b>9.1%</b>	<b>12.0%</b>
<b>Maximum annual debt</b>	<b>64,683.2</b>	<b>60,249.9</b>
Net direct debt	31,483.1	26,643.3
Direct indebtedness level	15.4%	16.7%
Net public debt	23,724.0	20,009.6
Public indebtedness level	19.0%	20.0%
<b>The total expenditures achievement degree from the initial budget</b>	<b>84.1%</b>	<b>67.3%</b>
The achievement degree from the initial budget of the:		
Operational expenditures	95.4%	78.9%
Staff costs	80.2%	87.4%
Current compulsory expenditures	98.9%	88.4%
Expenditures on debt service financing	84.5%	94.9%
Investment expenditures	47.9%	21.6%
<b>The funds absorption level of the total expenditures</b>	<b>93.5%</b>	<b>97.9%</b>
Investment expenditures / Operational revenues	10.1%	6.5%

Capita, 197,155 197,386  
as of: 01.01.2019 01.07.2018

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- The **Total staff costs** went up by RON 3,233.4 th (+6.6%), the dynamics being determined by the expenditures incurred within the Insurance and social assistance (+RON 1,720 th, +7.9%) and Public authorities and external actions (+RON 534.5 th, +4.4%) chapters.
- The **Current compulsory expenditures** went up by RON 23,129.9 th (+35.2%), as a consequence of the following evolutions:
  - Subsidies for covering the differences on prices and tariffs, amounting to RON 20,526.2 th (without such amounts at Q3 2019), within the Fuel and power chapter;
  - Social assistance, going down by RON 629.7 th (-3.7%);
  - Staff costs going up.
- The **Operational expenditures** went up by RON 40,646.6 th (+23.9%), the dynamics being determined by:
  - Current compulsory expenditures going up;
  - Other subsidies amounting to RON 11,045.8 th within the Fuel and power chapter;
  - Goods and services, going up by RON 7,220.9 th (+10.9%), taking into consideration the evolution of the following chapters: Public order and national security (+RON 5,351.5 th); Environment protection (+RON 2,774.3 th, +17.7%); Insurance and social assistance (-RON 1,033.3 th, -17.7%);
  - Internal transfers, going up by RON 803.2 th (+7.6%), mostly within the Environment protection and Education chapters.
- The **Expenditures on debt service financing** went down by RON 838.2 th (-3.3%), mainly due to a decrease in Interests (-RON 1,083.4 th, -15.7%) and the increase of the Reimbursement of loans (+RON 239.6 th, +1.3%).
- The **Total investment expenditures** went up by RON 18,170.7 th (+119.5%), the evolution being determined by the increase of Capital expenditures (+RON 14,351.9 th, +110%), followed by the Projects financing from non-refundable external funds related to the 2007-2013 financial framework (+RON 2,230.7 th, +143.7%) and by the Transfers for financing the investments on hospitals (+RON 780.1 th, +267%).

## Table of contents Part IV



### Section IV

- Balance Sheet and Overdue payments
- Local Public Debt Service

# Balance Sheet and Overdue payments

at 30.09.2020

'000 RON



Balance sheet	30.09.2019	31.12.2019	30.09.2020
<b>Current assets</b>	<b>286,347.1</b>	<b>352,755.5</b>	<b>290,574.3</b>
Cash and cash equivalent	35,745.4	29,105.4	43,659.1
Inventories	44,929.6	46,372.0	48,618.2
Receivables	205,658.4	277,261.0	198,283.9
Short term investments	-	-	-
Other current assets	13.7	17.1	13.1
<b>Fixed assets</b>	<b>2,939,109.5</b>	<b>2,935,412.6</b>	<b>3,440,152.4</b>
Intangible assets	4,388.0	2,880.4	1,393.5
Tangible assets	2,841,168.5	2,861,098.2	3,367,394.8
Other fixed assets	93,552.9	71,433.9	71,364.1
<b>Total assets</b>	<b>3,225,456.6</b>	<b>3,288,168.0</b>	<b>3,730,726.7</b>
<b>Current liabilities</b>	<b>49,973.7</b>	<b>121,030.9</b>	<b>44,627.6</b>
ST borrowings and CP of LT debt	14,192.3	-	2,647.2
Accounts payable	15,235.2	103,514.5	14,741.6
Short term provisions	721.3	721.3	554.5
Other short term debts	19,824.9	16,795.1	26,684.2
<b>Long term debts</b>	<b>185,511.5</b>	<b>192,577.3</b>	<b>180,732.8</b>
Long term loans	185,493.7	192,559.5	180,444.0
Other long term debts	4.8	4.8	288.8
Provisions	13.1	13.1	-
<b>Equity and reserves</b>	<b>2,989,971.4</b>	<b>2,974,559.8</b>	<b>3,505,366.3</b>
<b>Total liabilities</b>	<b>3,225,456.6</b>	<b>3,288,168.0</b>	<b>3,730,726.7</b>
Current liquidity ratio (Current assets / Current liabilities)	5.7	2.9	6.5
Indebtedness level (Borrowed capital / Total liabilities)	5.8	5.9	4.8

Overdue payments (Code 40)*	30.09.2019	31.12.2019	30.09.2020
<b>Total overdue payments recorded at the end of the reporting period, out of which:</b>	<b>50.8</b>	<b>158.3</b>	<b>39.5</b>
up to 30 days	49.4	52.0	39.5
over 30 days	1.3	106.3	-
over 90 days	-	-	-
over 120 days	-	-	-
to suppliers, creditors of commercial operations	50.8	158.3	39.5
towards consolidated general budget	-	-	-
towards employees	-	-	-
loans not paid at maturity	-	-	-
overdue interests	-	-	-
towards other persons / creditors	-	-	-
Overdue payments - The operating section	50.8	158.3	39.5
Overdue payments - The development section	-	-	-

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

- At 30.09.2020, **Total asstes** were by RON 442,558.7 th (+13.5%) higher than the level attained at 31.12.2019, following the increase of Fixed assets by RON 504,739.8 th (+17.2%) and the decrease of Current assets by RON 62,181.1 th (-17.6%).
- The dynamics of **Fixed assets** was determined by the increase by RON 506,296.6 th (+17.7%) of the balance of Tangible fixed assets and the decrease by RON 1,486.9 th (-51.7%) of the balance of Intangible assets. The dynamics of **Current asstes** was determined by the decrease of the balance of Accounts receivables by RON 78,977.1 th (-28.5%) together with the increase of the balance of Cash and cash equivalent by RON 14,553.7 th (+50%) and of the balance of Inventories by RON 2,246.2 th (+4.8%).
- At Q3 2020, the balance of **Commercial debts** decreased by RON 76,403.3 th (-63.1%) compared to the level recorded at the end of 2019.
- The balance of **Long-term liabilities to banks** went down by RON 11,844.5 th (-6.2%), taking into account the repayments made during the analyzed period related to loans in progress.
- The **Capitals** registered an increase by 17.8% (+RON 530,806.5 th).
- The **Current liquidity ratio** reached 6.5 at 30.09.2020, compared to 2.9 at 31.12.2019, as a result of the decrease of Current asstes by 17.6%, compensated by a higher decrease of Short-term liabilities by 63.1%.



## Local Public Debt Service at 30.09.2020

'000 RON



Debt and liquidity	30.09.2020
New credit withdrawals in the period	6,306.5
Direct debt service	24,341.4
Direct indebtedness rate	11.3%
Public debt service	32,100.4
Public indebtedness rate	14.9%

Public Debt Service as % of Operational Revenues	11.9%
Public Debt Service as % of Operational Expenditures	15.2%
Long term debt % Own Funds	5.1%
Long term debt / Own Revenues (1.x)	0.8

Payout	30.09.2020
Payout 2Y - 2 years	89,014.2
Payout 5Y - 5 years	216,103.9
Payout 10Y - 10 years	304,640.4
Payout final maturity 2033	320,569.8

Total revenues per capita	1,455.6 RON
Own revenues per capita	1,078.4 RON
Public Debt Service per capita	162.8 RON
Long-term loans per capita	915.2 RON

	2019 <sup>1)</sup>	2020 <sup>2)</sup>	2021 <sup>3)</sup>	2022 <sup>3)</sup>	2023 <sup>3)</sup>
Total revenues	287,664.8	355,405.1	358,959.1	362,548.7	366,174.2
Own revenues <sup>4)</sup>	238,073.9	279,119.5	281,910.7	284,729.8	287,577.1
Indebtedness capacity	60,249.9	64,683.2	71,069.4	79,910.4	84,576.0
Public debt service <sup>5)</sup>	39,995.5	40,959.2	44,056.6	46,757.6	45,394.6

1) Revenues collected as of 31.12.2019

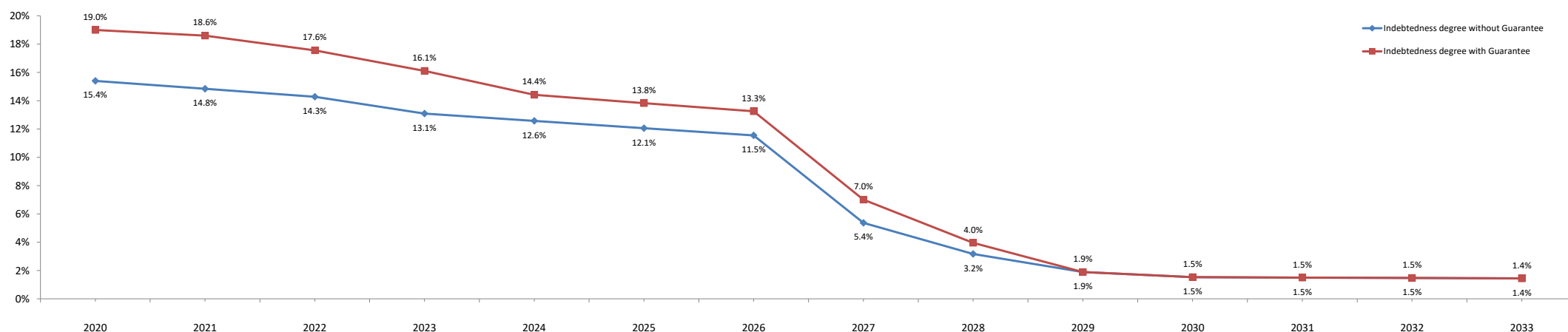
2) Revenues planned in the budget for 2020 (LCD no. 106/24.06.2020)

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

4) 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 reimbursements)

5) TUD estimated values for the period of 2020 - 2023, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of 30.09.2020

### Indebtedness level forecasted for the period of 2020 - 2033



- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of 30.09.2020, the estimated withdraws from the signed financing contracts and the growth rate of own revenues of 1%.
- According to the UGO nr. 46 on 05/23/2007, to complete art. 63 of the Law no. 273/2006 regarding the local public finances, "the loans contracted and/or guaranteed by the territorial-administrative units for providing the pre-financing and/or co-financing of the projects that benefit of the external non-reimbursable funds of pre and post-accession, from the European Union, are excepted from the paragraph (4) provisions" - respectively the framing in the maximum indebtedness limit
- The maximum indebtedness limit represents 30% of the arithmetic mean of the own revenues for the last three years prior to current period.

## Glossary of terms



<b>The operating section</b>	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;
<b>The development section</b>	The complementary section of the local budget, including income and capital expenditures related to implementation of the local development policies;
<b>Own revenues*</b>	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 subsequent amendments and additions, out of which are subtracted the Revenues from goods capitalization stipulated in the art. 29 part of the mentioned law);
<b>Operational revenues</b>	The difference between Total revenues, Investment revenues and Financial Revenues OR The Sum of Current Revenues (00.02) and Current Subsidies (00.20);
<b>Operational Expenditures</b>	Sum of Staff Cost (10), Goods and services (20), excluding Commissions and other costs related to debts (20.24), Subsidies (40), Reserve funds (50), Transfers (51+55, without investments), Social Assistance (57), Other Expenditures (59), Previous years payments recovered during the current year (85.01) OR; The difference between Total Expenditures, Investment Expenditures and Financial Expenditures, excluding Surplus / Deficit;
<b>Investment revenues</b>	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 - 2020 (48.02), Tax for the thermal rehabilitation (36.02.23), Contribution of the Owners' Association for the thermal rehabilitation works (36.02.31) and Sums related to the budgetary financing of the previous years, from the development section (36.02.32.02);
<b>Investment expenditures</b>	Sum of the Capital expenditures (70), of the Projects financed from post-accession non-reimbursable external funds 2007 - 2013 (56), of the Projects financed from post-accession non-reimbursable external funds 2014 -
<b>Total payments made</b>	Total expenditures incurred without considering the result of the period;
<b>Taxes supporting the debt</b>	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;
<b>Financial Expenditures</b>	The sum between the Interests (30), Reimbursement of loans (81) and Commissions and other costs related to loans;
<b>Returned funds from previous years</b>	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 payments; These are invalidated by increasing the budgetary loans for each economic expenditure;
<b>Revenues and expenditures ratios</b>	The ratios are presented on the budgetary execution, stipulated in the Emergency Ordinance no. 63 dated 30.06.2010, whose method of calculation is covered in the Methodology of 11/03/2010;
<b>The revenues/expenditures achievement degree from the initial/revised budget</b>	Collected revenues % of the initial/revised budgetary provisions; Incurred expenditures % of the initial/revised budgetary provisions;
<b>The level of financing from the own</b>	Own revenues % in Total revenues;
<b>The degree of self-financing</b>	(Own revenues-Quotas deducted from the income tax (04.02.01)) % Total collected revenues;
<b>The degree of dependency of the local budget to the state budget</b>	The total amounts received from the State Budget (Sums allocated from the quotas deducted from income tax to balance the local budgets 04.02.04 + Sums deducted from VAT 11.02 + Subsidies received from the State Budget 00.18) % in Total revenues;
<b>The degree of decisional autonomy</b>	(Own revenues + Sums deducted from VAT for balancing the local budget 11.02.06) % in Total revenues;
<b>The expenditures' rigidity</b>	Staff costs % in Total incurred expenditures;
<b>Maximum annual debt</b>	The maximum legal amount allowed for municipal indebtedness, equal to 30% of the average of the own revenues executed in the last 3 years. Represents the maximum of Public Debt Service, according to Government Decision 145/2008;
<b>Net direct debt</b>	Total of amounts representing interests, provisions and installments, according to contracted to be paid by the end of The year, by the municipality;
<b>Net public debt</b>	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;
<b>Direct/Public indebtedness level</b>	Direct/Public Debt Service as % of Own revenues*;
<b>Net Direct/ Public indebtedness level</b>	Net public/direct debt as % of Own revenues*;
<b>Direct debt service</b>	Total amounts to be paid by the city hall as capital repayments, interests and fees for ongoing credit contracts;
<b>Public debt service</b>	Current debt service+amounts related to the granted guarantees (interests, commissions and principal);
<b>Payout n Y - n years</b>	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 30.09.2020;
<b>Current financial debt</b>	Total drawdowns related to the credit facilities for the analysed period;
<b>Per Capita</b>	For a person that is resident of the municipality; Resident inhabitants as of 1 <sup>st</sup> of January 2019/1 <sup>st</sup> of July 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 financial documents of the years 2019 and 2020, execution accounts for 30.09.2020 and for 30.09.2019, Initial budget for 2020 approved by LCD No. 20 from 19.02.2020, Initial budget for 2019 approved by LCD No. 158 from 03.05.2019, Rectified budget for Q3 2020 approved by MD No. 565267 from 30.09.2020, Rectified budget for Q3 2019 approved by LCD No. 342 from 26.09.2019 together with related investment lists.

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