



# BACAU CITY HALL



**Annual financial report**  
as of December 31<sup>st</sup> 2021



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## General overview

### General information

The city of Bacău, also named the “city of Bacovia”, is the seat of the county with the same name, in Moldavia, Romania. It is situated on the Bistrita River, which also has a hydroelectric plant that covers a part of the local energy consumption. The Municipality of Bacău 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 Sucești communes, in North, with the Letea Veche commune, in East, with the Luizi – Calugara and Nicolae Balcescu communes, in South and with Magura and Margineni communes, in West.

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

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

Source: <https://ro.wikipedia.org>;

Territorial administration	N-E Region	Bacău County	Bacău City
Territorial area (km2) - YE2014	36,850	6,621	43
Green areas (km2) - YE2020	3,560	928	550
Public sewerage system (km) - YE2020	5,305	1,097	357

Population (1st January, 2020)	N-E Region	Bacău County	Bacău City
	3,999,777	738,454	197,475
female	2,003,392	373,656	103,600
male	1,996,385	364,798	93,875
0-19 years	880,194	155,385	37,379
20-59 years	2,298,791	424,961	115,377
60 years and above	820,792	158,108	44,719
urban	1,833,216	350,567	197,475
rural	2,166,561	387,887	-

Work Force (th persons)	N-E Region	Bacău County	Bacău City
Civil employment (YE2020)	1,137	204	-
Average employee number (YE2020)	567	112	65
Unemployment rate (YE 2021)	4.6%	3.2%	-

### National economy

Annual GDP, current prices (seasonally adjusted) CAEN CODE Rev. 2	2018	RON 855,421 mil.
	2019	RON 953,453 mil.
	2020	RON 957,424 mil.
	2021	RON 1,175,777 mil

Regional economy (2020)	N-E Region	Bacău County
Turnover of local businesses (mil. RON), out of	123,303	26,057
Trade	57,793	12,564
Manufacturing industry	26,722	5,101
Constructions	14,624	4,762
Transport and storage	7,641	1,018

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

### Infrastructure

#### European Corridor

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

#### Railway network

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

#### Roads network

Regarding the roads network, the Bacău County is crossed by 8 national roads, the most important ones intersecting with the European roads E85 and E574.

#### Airline network

The “George Enescu” Airport in Bacău serves not only the Bacău County, but all the central and south part of Moldavia. The aerodrome exists in Bacău from the first decades of the 20<sup>th</sup> century

Source: Bacău County Development Strategy: period 2014 - 2020;

Ratios 2021*	th RON					
	Bacău	Botosani	Iasi	Piatra Neamt	Suceava	Vaslui
<b>TOTAL REVENUES (TR)</b>	<b>460,426</b>	<b>236,141</b>	<b>1,110,722</b>	<b>214,605</b>	<b>350,794</b>	<b>186,312</b>
Own revenues	298,516	156,499	721,804	148,160	218,425	101,951
Own revenues/TR	64.8%	66.3%	65.0%	69.0%	62.3%	54.7%
Quotas and sums deducted from the income tax	190,690	98,208	449,257	92,512	129,990	65,554
Sums deducted from VAT	150,137	58,623	176,057	42,658	76,434	72,333
Subsidies	9,037	15,231	64,642	11,923	14,756	5,903
Sums received from EU	2,662	5,777	148,215	11,840	40,769	6,114
<b>TOTAL EXPENDITURES (TE)</b>	<b>417,506</b>	<b>225,087</b>	<b>1,109,424</b>	<b>196,006</b>	<b>350,689</b>	<b>161,590</b>
Operational expenditures	335,771	185,805	794,421	120,316	258,503	120,438
Operational expenditures/TE	80.4%	82.5%	71.6%	61.4%	73.7%	74.5%
Investment expenditures, out of which	47,880	28,093	280,378	34,371	72,346	39,822
Capital expenditures	21,467	19,976	82,261	14,440	20,213	28,412
Non-refundable external funds	4,986	6,357	173,832	19,985	51,017	11,282
Financial expenditures	33,855	11,188	34,625	41,319	19,839	1,330
<b>CURRENT RESULT (the result of the period)</b>	<b>42,920</b>	<b>11,054</b>	<b>1,298</b>	<b>18,599</b>	<b>106</b>	<b>24,722</b>
<b>Capita, as of 01.01. 2020</b>	<b>197,222</b>	<b>119,521</b>	<b>387,103</b>	<b>112,186</b>	<b>125,191</b>	<b>130,622</b>

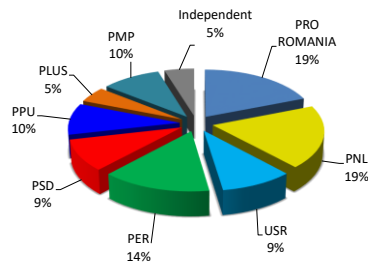
Source: <https://forexpublic.mfinante.gov.ro/web/transparența-bugetară/rapoarte-entități-publice>



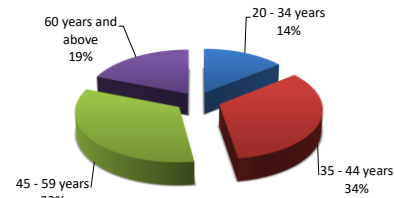
## General overview

The Local Council of the Municipality of Bacau at December 31<sup>st</sup>, 2021

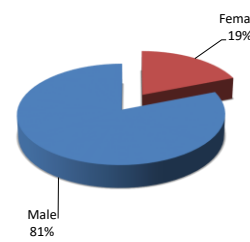
### Political structure



### Age distribution



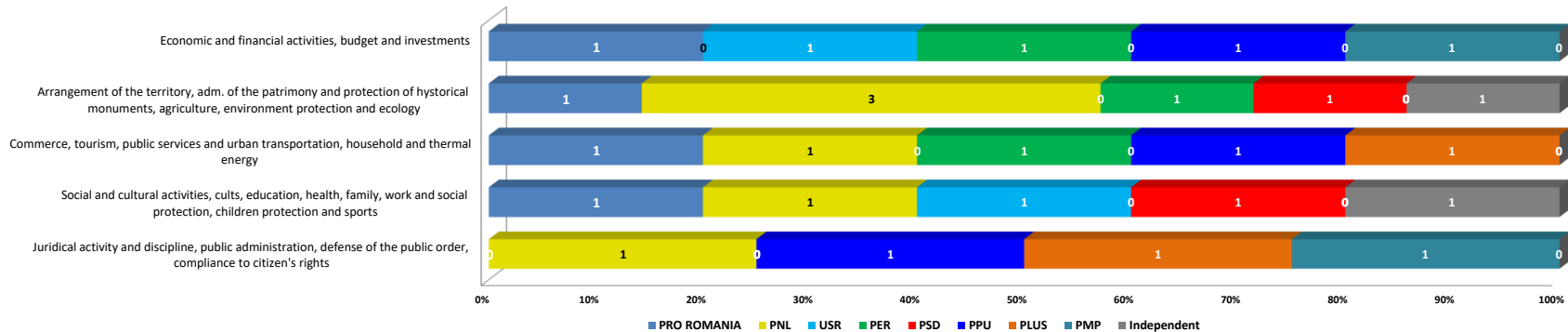
### Gender distribution



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

Party	No.	Profession	Age group
INDEPENDENT	1	Computer network administrator	35 - 44 years
PER	1	Economist	45 - 59 years
PER	1	Economist	60 years and above
PER	1	Engineer	20 - 34 years
PLUS	1	Political scientist	45 - 59 years
PMP	1	Pharmacy assistant	45 - 59 years
PMP	1	Economist	45 - 59 years
PNL	1	Engineer	35 - 44 years
PNL	1	Architect	35 - 44 years
PNL	1	Economist	35 - 44 years
PNL	1	Professor	45 - 59 years
PPU	2	Jurist	45 - 59 years
PRO ROMANIA	1	Engineer	20 - 34 years
PRO ROMANIA	1	Engineer	60 years and above
PRO ROMANIA	1	Professor	35 - 44 years
PRO ROMANIA	1	Technician	60 years and above
PSD	1	Jurist	35 - 44 years
PSD	1	Doctor	35 - 44 years
USR	1	Engineer	60 years and above
USR	1	Jurist	20 - 34 years

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



- ▶ Following the local elections from 2020, Mr. Lucian-Daniel Stanciu-Viziteu was elected as Mayor of the Bacau Municipality, representing USR-Uniunea Salvati Romania and being an engineer.
- ▶ The Deputy Mayors functions are held by Mr. Miroseanu Liviu-Alexandru, representing the National Liberal Party, being an engineer and Mr. Ghinghies Cristian, representing PLUS-Partidului Libertate, Unitate si Solidaritate, manager of public organizations and services.
- ▶ Mr. Popovici Nicolae is the Secretary of the Municipality of Bacau, being a jurist.

# General overview



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

### Financed from local budget:

- **Bacău 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 Bacău City;
- **Bacău Social Assistance Department** – assures the social assistance in child protection, family, single persons, elderly, people with disabilities, as well as for any person in need;
- **Bacău Nursery Budget Center;**

### Activities financed from own revenues

- **Home for the elderly Bacău;**

### Financed from own revenues

- **Bacău Pneumoftiziologie Hospital;**

### Financed from own revenues and subsidies from the Local Budget

- **Bacău City Local Police** – the current expenditures as well as the investment expenditures are financed from own revenues and subsidies from the Local Budget of Bacău City;
- **Bacăovia Municipal Theater Bacău;**
- **Bacău Municipal Sports Club.**



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

## Cultural and social environment

### Education

The education network, approved for the school year 2021 - 2022 in Bacău (by LCD no. 173/18.06.2021), covers the entire educational plan, state and special school units; thus, a number of 33 kindergartens, 24 schools (primary and secondary schools), 18 high school units operate. Also, in the city operate the Children's Palace and the Bacău County Center of Excellence. The financing of pre-university education is carried out based on the National Education Law no. 1/2011 with subsequent amendments.

Through LCD no. 232/02.11.2020, the expenses regarding the project "Digital education in pre-university education in Bacău Municipality" are approved, in order to finance it within the Competitiveness Operational Program. The total value of the project, according to LCD 307/30.08.2021, is 18,597,152.6 lei (including VAT).

Through LCD no. 239/10.11.2020, the expenses for the investment objective are approved: Modernization and rehabilitation of the TECHNICAL COMMUNICATIONS COLLEGE "N.V.KARPEN". The total value of the project is in the amount of 8,827,136.01 lei (including VAT).

Through LCD no. 393/26.11.2021 is approved the updated of the budget of the financing request "Increasing the management capacity of the sanitary crisis COVID-19 in Bacău Municipality" within the call for projects POIM / 881/9/1 / "Strengthening the capacity of state education units for management the pandemic situation caused by the SARS-COV-2 virus". The total approved value of the project is in the amount of 2,327,040.61 lei (including VAT).

### Health

The Bacău County Emergency Hospital provides preventive, curative and rehabilitative medical care, primary and secondary for the inhabitants of Bacău and its communes, representing over 47% of the county's population.

Bacău Pneumoftiziologie Hospital is a medical unit subordinated to the Local Council of Bacău Municipality. Within the ROP 2014-2020/8/1/A - "Increasing the accessibility of the health services, community and of the second level, especially for poor and isolated areas - Ambulatory", the project "Modernization, equipment and expansion of the buildings of the Bacău Pneumoftiziologie Hospital Ambulatory" was submitted, the investment being in amount of 11,753,772.31 lei approved through the LCD no. 118/29.04.2021.

Bacău Municipal Hospital - the investments related to the construction and endowment with medical equipment are in progress. According to LCD no. 56/25.03.2020, the amounts provided in the Health chapter will be used in order to start the procedures for purchasing medical equipment from the ATI category and the emergency arrangement of floors 4 and 5 of the investment objective building "Bacău Municipal Hospital Construction", in order to provide assistance medical in the epidemiological context COVID-19. The total value of the investment is in the amount of 15,818,434.51 lei (with VAT).

Through the LCD 423/26.11.2021 the technical-economic indicators were approved for "Emergency arrangement of the ground floor and the basement (partially) of the investment objective "Sfanta Maria" Hospital Bacău, to ensure the functioning of the Emergency Reception Unit of the Bacău County Emergency Hospital, for taking over the patients infected with the Sars-CoV-2 virus, respectively to ensure the functioning of a pathological anatomy section destined for the deceased with Sars-CoV-2". The total value of the investment is 21,881,568.71 lei (with VAT), the financing of the works being ensured in proportion of 50% by the Municipality of Bacău, and the difference by the Bacău County Council, the latter fully financing the endowment with the specific medical equipment for the operation of the Emergency Reception Unit of the Bacău County Emergency Hospital, for taking over the patients infected with the Sars-CoV-2 virus.



### Cultural and social environment

#### **Culture and recreation**

Among the cultural landmarks of Bacau we mention: The Royal Court Ensemble, 15th-16th century, George Bacovia Memorial House, 19th century, "Bacovia" Municipal Theater, Animation Theater, History Museum, Art Museum, Museum of Natural Sciences, Astronomical Observatory, County Library, "G. Apostu" International Cultural Center, Philharmonic, "Anton Ciobanu" Ceramic Art Galleries.

For leisure and recreation, in Bacau there are 376 ha of green spaces, the most important parks being Rose Park, Cancicov Park, Hemeius Dendrological Park and Recreation Island (an artificial island, created in the middle of a lake formed by the river Bistrita, arranged for recreation). Also, through LCD no. 397/26.11.2021, the technical project for the investment objective "Construction of Street Workout for Bacau" was approved, a sports complex that will be built in Cancicov Park.

#### **Social assistance**

Within the Public Social Assistance Service of Bacau Municipality are organized and operate the Day Center "A school for all", the Day Center for the Child in Difficulty, the Day Center for the Child with Special Needs, the Day Center "Pensioners' Club", Family care center (foster cares) and temporary accommodation center for homeless people. Also, subordinated to the Bacau Local Council is the Home for the elderly located in Aleea Ghiocilor Street no. 2, with a capacity of 210 seats.

#### **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 euros.

#### **Development**

LCD no. 424/29.10.2018 approves the Project - Implementation of an IT platform with back-office and front-office components as a measure of administrative simplification and optimization of service provision for citizens in Bacau Municipality, financed in the amount of 2,814,717.57 lei, from which 2,323,727.93 lei represents the eligible non-reimbursable value from the European Social Fund, 355,993.68 lei represents the eligible non-reimbursable value from the national budget, and the amount of 54,675.96 lei 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 complexity of online services provided to citizens, including by digitizing the archive at the City Hall of Bacau. The general objective of the project is to increase the administrative efficiency of the City Hall of Bacau 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 registrations, 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 personnel of Bacau municipality for the use of the computer systems developed through the project and for the management of the electronic documents.

LCD no. 430/06.11.2018, approved the Project - Creation of a support infrastructure for incubating the business Hub for youth - Orizont Cinema. According to LCD no. 435/17.12.2021, the total value of the project is 21,847,604.82 lei, out of which the value of the non-reimbursable financing is 9,485,954.9 lei. The start date of the project is May 29, 2019, and it will be completed on March 23, 2023. The business incubator will have the role of supporting the development of the businesses at the beginning of the activity. The incubator will provide a favorable environment for business development, by facilitating networking activities, the transfer of know-how and by providing support in the development of partnerships. The general objective of the project is the development of the entrepreneurial environment in the municipality and in the region by supporting the entrepreneurial initiatives in the creative field, the development of the local economic competitiveness and the consolidation of the market position of the small and medium enterprises. The specific objectives of the project are: creation and development of a business incubator to stimulate the entrepreneurial environment locally and in the region, increase the occupancy of the incubator up to 70% with resident companies in the incubation period, until the end of the implementation period, increasing the number of jobs created with at least one employee for each incubated or accelerated enterprise, until the end of the project implementation.

On 10.10.2019, Bacau Municipality decides to carry out a project in partnership with the Bacau Local Development Agency. It consists in the realization of the first modern traffic management system in Bacau for the prioritization of local public transport corridors and bicycle trips. The total value of the investment is 91,429,550.68 lei, and the duration of the investment is 36 months, of which 24 months the execution. Through this project, traffic management systems will be created and expanded, composed of the following subsystems and sub-activities: CCTV video monitoring systems; Adaptive and synchronized signaling and traffic light systems; Location systems for urban public transport and management; Real time passenger information systems; Software application subsystems for real-time information to users on the transit program, including travel planning software applications; Other information systems; Location of vehicle detection sensors; Equipping the command center for traffic management, with specific software and hardware components; Occasional works for rehabilitation / modernization of road infrastructure in the area of intersections; Subsystems intended to sanction deviations from traffic and street arrangement rules through specific application modules and equipment; Fiber optic network, to ensure the communication system between the traffic lights and the Management and Command Center.

LCD no. 221/19.10.2020, approved the project budget and the expenses necessary for the investment objective "Corridor for non-motorized trips for leisure: Center-Leisure Island", in order to finance it within the Regional Operational Program 2014-2020. The total approved value of the project is in the amount of 4,405,092.55 lei (including VAT).

By LCD no. 243/10.11.2020, the list of priority investments within the Regional Project for the development of water and wastewater infrastructure in Bacau County is approved, in the period 2014-2020. The value of the investments related to Bacau Municipality is in the amount of RON 339,357,455.6 th (excluding VAT).



## Context: Legislative changes with an impact on the budget and / or the general framework:

### 1. Quotas and amounts deducted from the income tax: VARIATION (2006-2022): national

	2022, 2021, 2020, 2019, 2018- by exception from 273 (Art. 32 & 33)							Law 273/2006			
	Law of the State Budget 317/2021	Rectification of the State Budget GEO 3/09.2021	Law of the State Budget 15/2021	Rectification of the Law of the State Budget EGO 50/2020	Law of the State Budget 5/2020	Law of the State Budget 50/2019	Law of the State Budget 2/2018	By Low 286/12.12.2020	02.12.2012	01-01-11	18-07-06
<b>AT COUNTRY LEVEL</b>											
Local Budgets: to the local budgets of the communes, cities and municipalities on whose territory the income tax payers are working	63%	63%	63%	65%	63%	60%	43%	65%	41.75%	44%	47%
The Local Budget of the County in a separate account to the County Residence	15%	15%	15%	14%	14%	15%	11.25%	15%	11.25%	12%	13%
Municipality Treasury, for balancing the budgets	14%	14%	14%	15%	14%	17.5%	17.25%	14%	18.5%	21%	22%
Equally to the counties distributed by CC decision (for local development, infrastructure programs, operating expenditures) Within 5 days from the date of publication of the budget in the OM, CC request written requests from ATU	6%	6%	6%	6%	6%	7.5%		6%			
	within the limit of lei 32,994 th	within the limit of lei 13,566 th	within the limit of lei 13,566 th	within the limit of lei 27,316 th		within the limit of lei 28,492 th					
In a separate account, opened on the account of the regional general directions of public finances/county administrations of public finances, which are fully 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.	2%	2%	2%		3%						
Reserve Fund											
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>71.5%</b>	<b>100.0%</b>	<b>71.5%</b>	<b>77%</b>	<b>82%</b>

### 2. General framework

2017: GEO no. 2/06.01.2017; Law 153/2017; GD 846/2017: increase staff costs

2018: GEO 79/2017:

- decrease of the income tax from 16%, the level until December 2017, to 10%, from January 1, 2018;
  - amending the fiscal framework regarding the transfer of contributions from employer to employee; possible changes regarding the alignment no. of posts;
  - on certain fiscal-budgetary measures, amending and adding certain normative acts and extending some deadlines: "Starting with 2018, from the state budget, through the budget of the Ministry of National Education, it is ensured, for the state pre-university education units, the financing of the expenses with salaries, bonuses, indemnities and other salary rights in money, established by law".
- Until 2018, these expenditures were reflected in local budgets, provided by Sums deducted from VAT for financing the expenditures

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### **Part I: Summary of budgetary evolutions**

- Balance of revenues and expenditures in the period of 2018 - 2021
- Structure of revenues and expenditures in 2021



# Balance of revenues and expenditures in the period of 2018 - 2021

'000 RON



	2018	2019	%	2020	%	2021	%
<b>TOTAL REVENUES</b>	<b>245,589.1</b>	<b>287,664.8</b>	<b>▲ 17.1%</b>	<b>364,948.5</b>	<b>▲ 26.9%</b>	<b>460,426.4</b>	<b>▲ 26.2%</b>
<b>TOTAL EXPENDITURES</b>	<b>265,347.4</b>	<b>310,960.8</b>	<b>▲ 17.2%</b>	<b>355,986.1</b>	<b>▲ 14.5%</b>	<b>417,506.3</b>	<b>▲ 17.3%</b>
<b>Operational Revenues</b>	<b>242,766.1</b>	<b>290,713.6</b>	<b>▲ 19.8%</b>	<b>350,179.3</b>	<b>▲ 20.5%</b>	<b>448,243.8</b>	<b>▲ 28.0%</b>
<b>Tax revenues</b>	<b>199,122.5</b>	<b>234,369.6</b>	<b>▲ 17.7%</b>	<b>297,658.8</b>	<b>▲ 27.0%</b>	<b>399,276.4</b>	<b>▲ 34.1%</b>
Own tax revenues	149,394.2	181,111.3	▲ 21.2%	216,261.2	▲ 19.4%	249,139.2	▲ 15.2%
Sums deducted from VAT	49,728.3	53,258.3	▲ 7.1%	81,397.7	▲ 52.8%	150,137.2	▲ 84.4%
<b>Non - tax revenues, out of which:</b>	<b>43,643.1</b>	<b>56,337.1</b>	<b>▲ 29.1%</b>	<b>49,693.9</b>	<b>▲ -11.8%</b>	<b>48,771.5</b>	<b>▲ -1.9%</b>
Non - tax own revenues	18,947.8	21,055.4	▲ 11.1%	19,525.3	▲ -7.3%	19,356.8	▲ -0.9%
Donations and sponsorships	0.3	0.0	▼ -86.5%	5.1	▲ 14852.9%	1.2	▼ -76.2%
<b>Current subsidies</b>	<b>0.5</b>	<b>6.9</b>	<b>▲ 1352.9%</b>	<b>2,754.6</b>	<b>▲ 39729.0%</b>	<b>195.8</b>	<b>▼ -92.9%</b>
<b>Operational Expenditures (OPEX), out of which:</b>	<b>215,221.8</b>	<b>245,956.1</b>	<b>▲ 14.3%</b>	<b>280,448.1</b>	<b>▲ 14.0%</b>	<b>335,771.3</b>	<b>▲ 19.7%</b>
Staff costs (PEREX)	50,896.3	64,431.0	▲ 26.6%	69,004.5	▲ 7.1%	65,223.9	▼ -5.5%
Goods and services*	80,386.7	102,096.3	▲ 27.0%	94,209.8	▼ -7.7%	113,357.7	▲ 20.3%
Current transfers	33,046.6	48,028.3	▲ 45.3%	49,843.5	▲ 3.8%	60,113.9	▲ 20.6%
Social assistance	22,412.1	23,452.4	▲ 4.6%	22,721.1	▼ -3.1%	21,774.4	▼ -4.2%
Subsidies	21,149.4	4,000.0	▼ -81.1%	43,232.4	▲ 980.8%	75,687.8	▲ 75.1%
Other expenditures	7,330.8	3,948.1	▼ -46.1%	1,436.9	▼ -63.6%	386.4	▼ -126.9%
<b>Operational Result</b>	<b>27,544.3</b>	<b>44,757.5</b>	<b>▲ 62.5%</b>	<b>69,731.2</b>	<b>▲ 55.8%</b>	<b>112,472.5</b>	<b>▲ 61.3%</b>
Operational Surplus (% from OPEX)	12.8%	18.2%		24.9%		33.5%	
Operational Deficit (% from Op. revenues)	-	-		-		-	
<b>Investment Revenues</b>	<b>2,822.9</b>	<b>3,048.8</b>	<b>▼ -208.0%</b>	<b>14,769.1</b>	<b>▼ -584.4%</b>	<b>12,182.7</b>	<b>▼ -17.5%</b>
Capital revenues	463.6	625.6	▲ 34.9%	455.6	▼ -27.2%	679.4	▲ 49.1%
Capital subsidies	2,180.4	843.1	▼ -61.3%	12,667.8	▲ 1402.6%	8,841.0	▼ -30.2%
Sums received from the EU	178.9	4,517.5	▼ -2624.8%	1,645.8	▲ -136.4%	2,662.3	▲ 61.8%
<b>Investment Expenditures (CAPEX), out of which:</b>	<b>20,561.7</b>	<b>31,558.1</b>	<b>▲ 53.5%</b>	<b>42,540.7</b>	<b>▲ 34.8%</b>	<b>47,880.3</b>	<b>▲ 12.6%</b>
Capital transfers	670.1	584.1	▼ -12.8%	1,696.9	▲ 190.5%	3,890.5	▲ 129.3%
Projects with EU financing	3,661.7	3,257.4	▼ -11.0%	8,803.0	▲ 170.2%	4,985.8	▼ -43.4%
Capital expenditures	16,229.9	26,390.8	▲ 62.6%	30,894.7	▲ 17.1%	21,467.2	▼ -30.5%
<b>Result from the investment activity</b>	<b>- 17,738.7</b>	<b>- 34,607.0</b>	<b>▲ 95.1%</b>	<b>- 27,771.6</b>	<b>▼ -19.8%</b>	<b>- 35,697.7</b>	<b>▲ 28.5%</b>
<b>Financial Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial operations	-	-	-	-	-	-	-
<b>Financial Expenditures</b>	<b>29,563.9</b>	<b>33,446.6</b>	<b>▲ 13.1%</b>	<b>32,997.3</b>	<b>▼ -1.3%</b>	<b>33,854.6</b>	<b>▲ 2.6%</b>
Commissions related to loans	583.5	154.8	▼ -73.5%	238.6	▲ 54.1%	332.6	▲ 39.4%
Interests	6,285.0	9,069.1	▲ 44.3%	7,638.8	▼ -15.8%	6,259.7	▼ -18.1%
Reimbursement of loans	22,695.4	24,222.7	▲ 6.7%	25,119.9	▲ 3.7%	27,262.3	▲ 8.5%
<b>Financial Result</b>	<b>- 29,563.9</b>	<b>- 33,446.6</b>	<b>▲ 13.1%</b>	<b>- 32,997.3</b>	<b>▼ -1.3%</b>	<b>- 33,854.6</b>	<b>▲ 2.6%</b>
<b>Result of the period</b>	<b>- 19,758.4</b>	<b>- 23,296.1</b>	<b>▲ 17.9%</b>	<b>8,962.3</b>	<b>▼ -138.5%</b>	<b>42,920.2</b>	<b>▲ 378.9%</b>
Surplus (% from Total Expenditures)	-	-		2.5%		10.3%	
Deficit (% from Total Revenues)	8.0%	8.1%		-		-	
Previous result	52,950.6	33,192.3	▼ -37.3%	9,896.2	▼ -70.2%	18,858.5	▲ 90.6%
Current result (Previous result + Result of the period)	<b>33,192.3</b>	<b>9,896.2</b>	<b>▼ -70.2%</b>	<b>18,858.5</b>	<b>▲ 90.6%</b>	<b>61,778.7</b>	<b>▲ 227.6%</b>
Own revenues/Operational revenues (%)	79.7%	81.9%		76.1%		66.6%	
OPEX/Own revenues (%)	111.2%	103.3%		105.3%		112.5%	
(OPEX-PEREX, from Education&Insurance and social assistance)/(O. Rev.-Quotas deducted from the income tax) (%)	205.4%	198.5%		246.2%		274.2%	

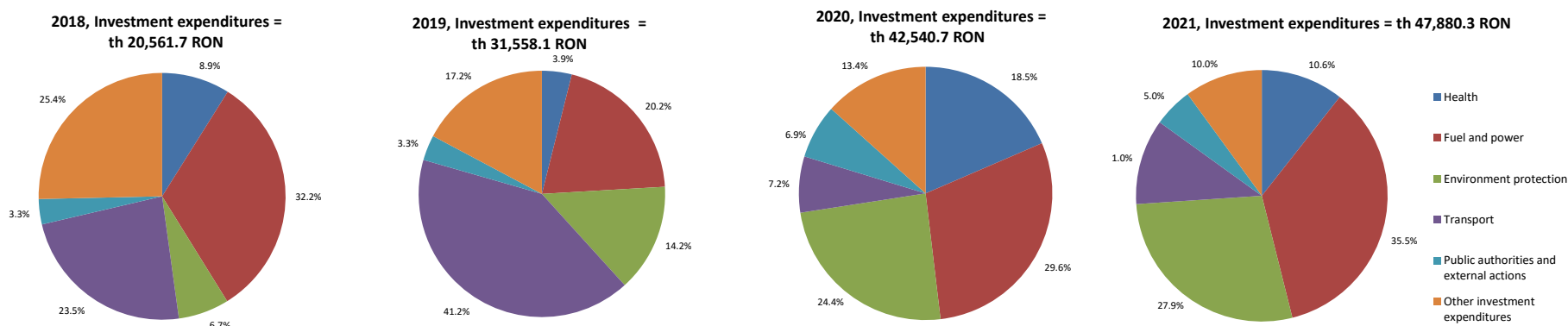
\*) **Goods and services** title, highlighted within the Operational Expenditures, does not include the expenditures on **Commissions and other costs related to loans**, being reflected at the level of the Financial Expenditures;

## Balance of revenues and expenditures in the period of 2018 - 2021

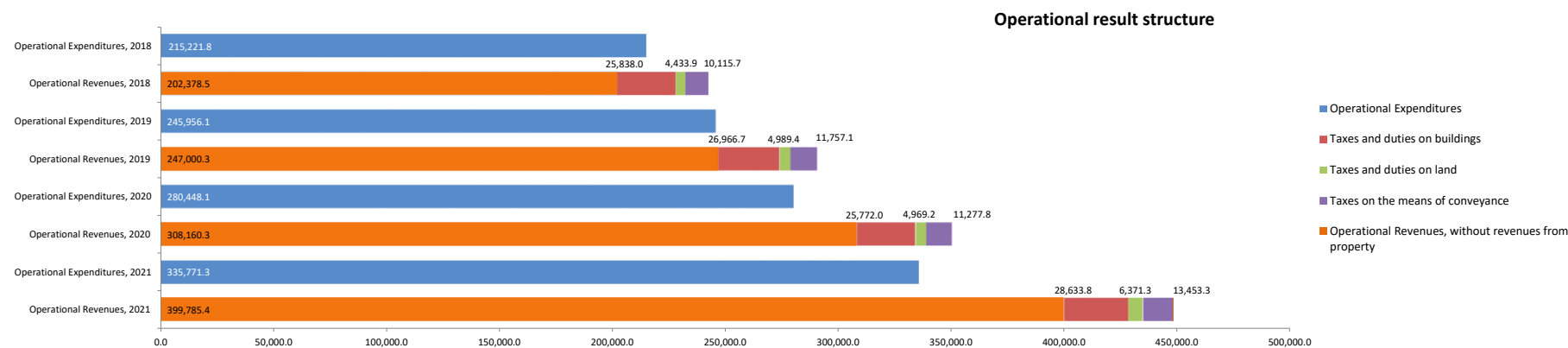
'000 RON



- In the analysed interval, the result of the period was positive in the last two years, the rest of the budgetary years ended with deficit, the dynamics being generated, as a general rule, by the positive operational results and of negative investment and financial activities results with an oscillating trend from one year to another.
- The result of the investment activities** was negative at the end of each year, the lowest value being registered at the end of 2018 (RON -17,738.7 th). The most pronounced deficit was recorded in 2021, respectively by RON 35,697.7 th, due to the decrease by 17.5% of the Investment revenues, compared with the increase by 12.6% of the related expenditures.



- The Financial Expenditures** marked an oscillating trend in 2018-2021 period. In 2019, the payments were worth RON 33,446.6 th, increasing by 13.1%, mainly considering the reimbursements made for CEC loans and bonds. 2020 ends with a deficit in amount of RON 32,997.3 th, due to the increase of Loan reimbursements (+3.7%) and the decrease of Interests (-15.8%). In 2021, the highest financial expenditures were recorded, in value of RON 33.854,6 th. The deficit recorded in each year from the analyzed period is fully represented by financial expenditures (no financial revenues was recorded in the analyzed interval).
- The operational result** marked an upward evolution during the 2018-2021, starting from the value of RON 27,544.3 th in 2018 up to RON 112,472.5 th in the current year. The upward trend was due to the faster increase of operating revenues (+19.8%, +20.5%, respectively 28%) compared with the increased of the related expenditures (+14.3%, +14% and 19.7%).

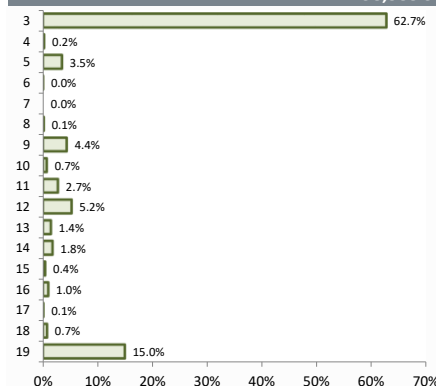


# Structure of revenues and expenditures at December 31<sup>st</sup> 2021

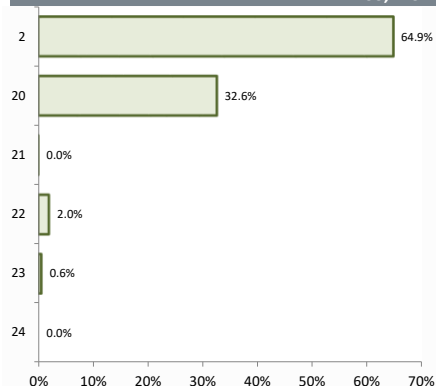
'000 RON



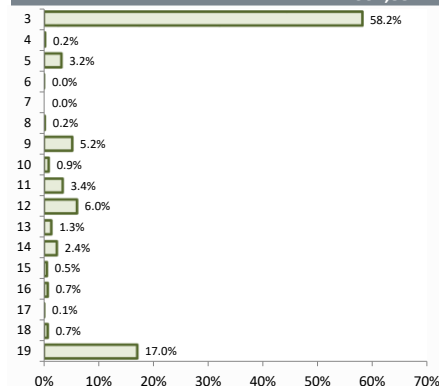
The structure of performed own revenues  
298,588.9



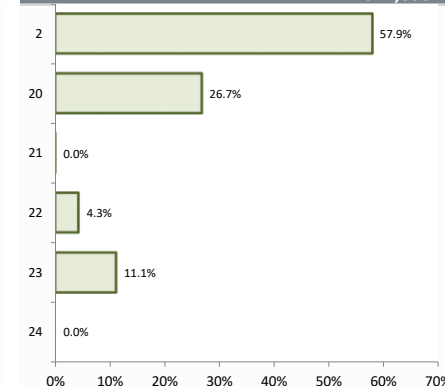
The structure of performed total revenues  
460,426.4



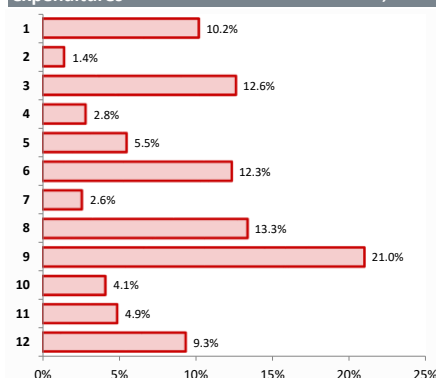
The structure of the rectified own revenues  
331,554.1



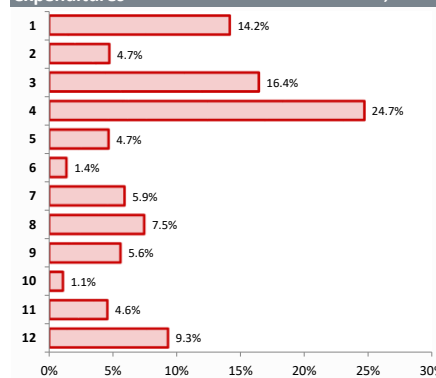
The structure of the rectified total revenues  
572,638.1



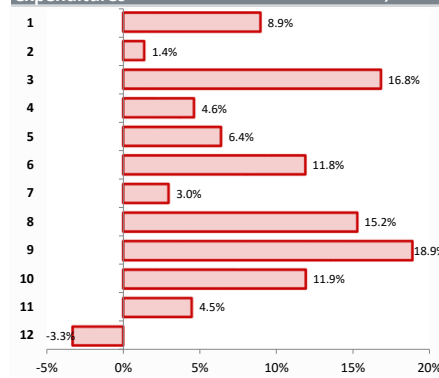
The structure of the performed functional expenditures  
460,426.4



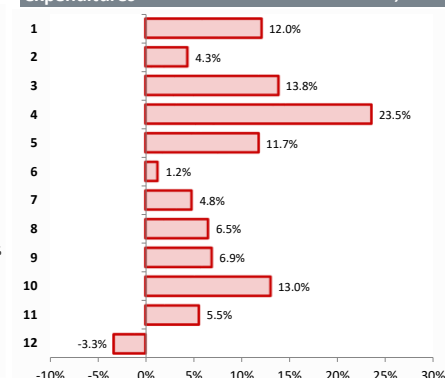
The structure of the performed economic expenditures  
460,426.4



The structure of the rectified functional expenditures  
572,638.1

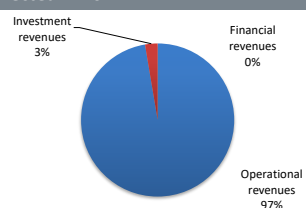


The structure of the rectified economic expenditures  
572,638.1

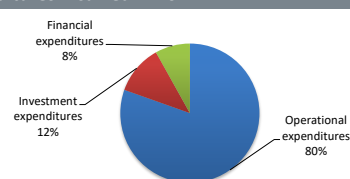


Note: The vertical axis reflects the components of the Revenues/Expenditures, which are detailed in the Revenues/Expenditures situation

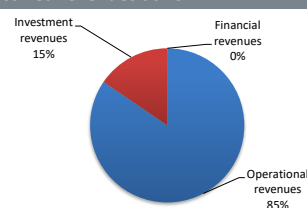
Revenues collected in 2021



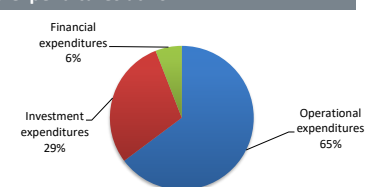
Expenditures incurred in 2021



Rectified revenues at 2021YE



Rectified expenditures at 2021YE



## Table of contents Part II



### Part II: Budgetary revenues

- The situation of the revenues collected in the period of 2018 - 2021
- The dynamics of the revenues collected in the period of 2018 - 2021
- The dynamics of the revenues collected in 2021, as compared to the level attained in 2020
- Budgetary provisions: the achievement degree of the revenues collected in 2021
- Revenues ratios
- Budgetary provisions for 2022

# The situation of the collected revenues for the period 2018 - 2021

'000 RON



		The budgetary execution for												2021				2022			
Line	Revenues summary	Evolution for the period*	2018	% /TRC	2019	% /TRC	y/y	2020	% /TRC	y/y	2021	% /TRC	y/y	Planned	% /TRC	Revised	% /TRC	Planned	% /TRC		
1	Total revenues	23.3	245,589.1		287,664.8		17.1	364,948.5		26.9	460,426.4		26.2	448,628.6		572,638.1		691,862.2			
2	Own revenues, out of which	15.6	193,500.7	78.8	238,073.9	82.8	23.0	266,405.5	73.0	11.9	298,588.9	64.9	12.1	304,967.9	68.0	331,554.1	57.9	400,507.4	57.9		
3	Quotas deducted from the income tax	23.4	99,651.4	40.6	128,715.9	44.7	29.2	165,182.3	45.3	28.3	187,320.5	40.7	13.4	175,894.0	39.2	192,810.0	33.7	219,351.0	31.7		
4	Capital revenues	13.6	463.6	0.2	625.6	0.2	34.9	455.6	0.1	-27.2	679.4	0.1	49.1	631.0	0.1	781.0	0.1	600.0	0.1		
5	Revenues from concessions and rents	4.5	9,066.0	3.7	9,645.2	3.4	6.4	9,382.1	2.6	-2.7	10,337.8	2.2	10.2	10,569.0	2.4	10,569.0	1.8	10,814.0	1.6		
6	Payments from net profit of self-governing administration, national societies and companies	59.11	12.1	0.0	13.1	0.0	8.4	57.3	0.0	336.6	48.8	0.0	-14.9	49.0	0.0	49.0	0.0	-	-		
7	Revenues from dividends	-100.0	365.1	0.1	143.3	0.0	-60.7	-	-	-	-	-	-	-	-	-	-	-	-		
8	Tax on revenues from the transfer of real estate from the private	-7.7	563.6	0.2	536.9	0.2	-4.7	386.3	0.1	-28.0	443.3	0.1	14.7	562.0	0.1	562.0	0.1	562.0	0.1		
9	Tax on buildings from the population	3.5	11,744.9	4.8	12,558.6	4.4	6.9	11,725.6	3.2	-6.6	13,008.6	2.8	10.9	16,045.0	3.6	17,178.4	3.0	13,607.0	2.0		
10	Tax on land from the population	3.2	1,872.0	0.8	1,943.7	0.7	3.8	1,853.0	0.5	-4.7	2,055.9	0.4	10.9	2,840.0	0.6	2,840.0	0.5	2,151.0	0.3		
11	Tax on the means of conveyance owned by the population	11.3	5,944.4	2.4	6,930.2	2.4	16.6	6,831.7	1.9	-1.4	8,198.0	1.8	20.0	9,111.0	2.0	11,394.4	2.0	8,575.0	1.2		
12	Tax on buildings from the legal entities	3.5	14,093.0	5.7	14,408.1	5.0	2.2	14,046.4	3.8	-2.5	15,625.1	3.4	11.2	22,779.0	5.1	20,015.0	3.5	16,344.0	2.4		
13	Tax on land from the legal entities	19.0	2,561.9	1.0	3,045.7	1.1	18.9	3,116.2	0.9	2.3	4,315.5	0.9	38.5	4,465.0	1.0	4,465.0	0.8	4,513.0	0.7		
14	Tax on the means of conveyance owned by the legal entities	8.0	4,171.2	1.7	4,827.0	1.7	15.7	4,446.0	1.2	-7.9	5,255.3	1.1	18.2	4,969.0	1.1	7,849.0	1.4	5,497.0	0.8		
15	Fees and charges for the issuance of licences and functioning authorisations	-8.6	1,630.3	0.7	1,765.0	0.6	8.3	1,606.8	0.4	-9.0	1,245.0	0.3	-22.5	1,813.0	0.4	1,813.0	0.3	1,302.0	0.2		
16	Stamp duties, for notary work and other stamp duties	7.1	2,355.2	1.0	2,212.6	0.8	-6.1	2,291.0	0.6	3.5	2,891.3	0.6	26.2	2,285.0	0.5	2,285.0	0.4	3,024.0	0.4		
17	Extrajudicial stamp duties	1.2	219.0	0.1	210.5	0.1	-3.9	193.9	0.1	-7.9	226.8	0.0	17.0	215.0	0.0	215.0	0.0	237.0	0.0		
18	Revenues from fines and other legal sanctions	2.1	2,070.2	0.8	2,353.3	0.8	13.7	1,743.7	0.5	-25.9	2,203.6	0.5	26.4	2,300.0	0.5	2,300.0	0.4	2,305.0	0.3		
19	Other own revenues	6.8	36,716.7	15.0	48,139.3	16.7	31.1	43,087.4	11.8	-10.5	44,734.0	9.7	3.8	50,440.9	11.2	56,428.2	9.9	111,625.4	16.1		
20	Sums deducted from the VAT	44.5	49,728.3	20.2	53,258.3	18.5	7.1	81,397.7	22.3	52.8	150,137.2	32.6	84.4	77,317.0	17.2	153,101.0	26.7	81,438.0	11.8		
21	Donations and sponsorships	68.7	0.3	0.0	0.0	0.0	-86.5	5.1	0.0	14852.9	1.2	0.0	-76.2	-	-	1.2	0.0	-	-		
22	Subsidies received from the State Budget	60.6	2,180.9	0.9	850.0	0.3	-61.0	15,422.3	4.2	1714.5	9,036.8	2.0	-41.4	18,926.4	4.2	24,385.0	4.3	37,348.9	5.4		
23	Sums received from EU for the made payments	146.0	178.9	0.1	-	4,517.5	-1.6	-2624.8	1,645.8	0.5	-136.4	2,662.3	0.6	61.8	47,417.3	10.6	63,596.8	11.1	164,821.0	23.8	
24	Other revenues	-	-	-	-	-	-	72.0	0.0	-	-	-	-	-	-	-	-	7,747.0	1.1		
			%/TR		%/TR			%/TR			%/TR			%/TR		%/TR		%/TR			
	Operational revenues	22.7	242,766.1	98.9	290,713.6	101.1	19.8	350,179.3	96.0	20.5	448,243.8	97.4	28.0	381,654.9	85.1	484,014.3	84.5	499,170.6	72.1		
	Investment revenues	-	2,822.9	1.1	-	3,048.8	-1.1	-208.0	14,769.1	4.0	-584.4	12,182.7	2.6	-	66,973.7	14.9	88,623.9	15.5	192,691.7	27.9	
	Financial revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total revenues - operating section	19.3	242,766.1	98.9	280,261.5	97.4	15.4	324,133.2	88.8	15.7	412,381.2	89.6	27.2	311,935.5	69.5	418,378.1	73.1	451,687.3	65.3		
	Total revenues - development section	157.2	2,822.9	1.1	7,403.3	2.6	162.3	40,815.3	11.2	451.3	48,045.3	10.4	17.7	136,693.1	30.5	154,260.0	26.9	240,175.0	34.7		
	Previous surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total collected revenues in the period		245,589.1		287,664.8			364,948.5			460,426.4			448,628.6		572,638.1		691,862.2			
	(TCR = TR - Previous surplus)																				

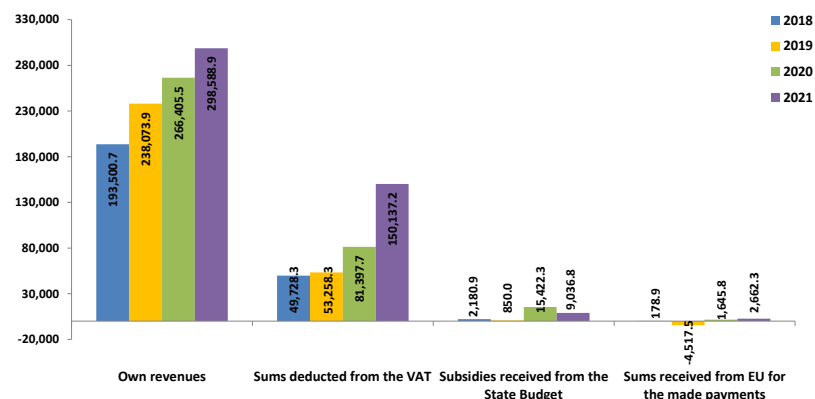
\* Evolution for the period -represents the Revenue Compound annual growth rate for the analyzed period 2018-2021

# The dynamics of the revenues collected for the period 2018 - 2021

'000 RON

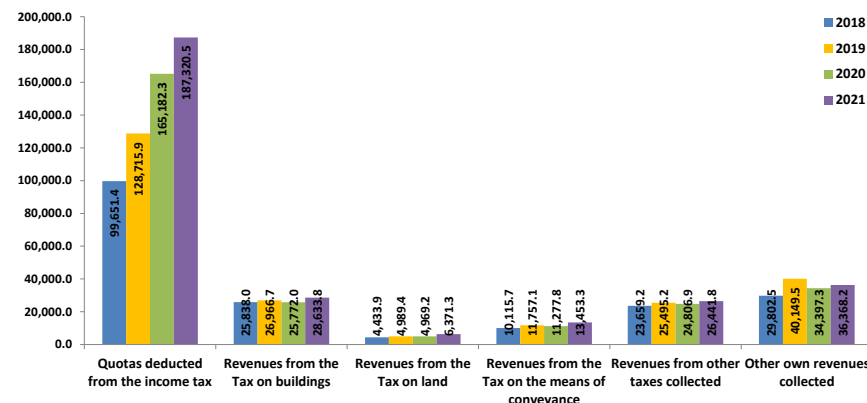


Total revenues for the period 2018 - 2021



Note: Other revenues collected to the local budget recorded insignificant values in the analysed period and were not reflected in the above graph.

Own revenues for the period 2018 - 2021



- The revenues collected to the local budget increased with a compound annual rate of 23.3% up to RON 460,426.4 th, after consecutive increases of RON 42,075.7 th (+17.1%) in 2019, by RON 77,283.7 th (+26.9%) in 2020, respectively by RON 95,478 th (+26.2%) in 2021.
- The Own revenues, accounting for the main source contributing to the local budget of the institution (weights in between 64.9% and 82.8% observed in the analyzed interval), went up with a compound annual rate of 15.6%, reaching RON 298,588.9 th following increases of RON 44,573.2 th (+23%) in 2019, RON 28,331.6 th (+11.9%) in 2020 and RON 32,183.5 th (+12.1%) in 2021.
- The Sums deducted from VAT reached the maximum of RON 150,137.2 th in 2021 starting to RON 49,728.3 th in 2018. The upward trend was determined by Sums deducted from VAT for balancing the local budget, in the first year, by Sums for financing the expenditures of municipalities in 2020, these two lines being responsible for the increase in 2021, by RON 68,739.5 th (+84.4%).
- The Subsidies received from the State Budget registered an oscillating evolution in the 2018-2021 period. Thus, these decrease by RON 1,330.9 th (-61%) in 2019 being recorded a negative value for Subventions from the state budget to local budget for supporting the projects financed from post-accession NEF, followed by an increase of RON 14,572.4 th in 2020 (mainly at the level of The Financing of the National Program of Local Development and Central Heating Program). Subsequently, in 2021, the Subsidies decreased by RON 6,385.5 th (-41.4%).
- In the analyzed interval, the revenues from Sums received from the EU for the made payments reached a high level amounting to RON 2,662.3 th in 2021, increasing by RON 1,016.4 th (+61.8%) compared to the previous year, being responsible the Amounts received for the payments related to the 2014-2020 financial framework. In 2019 were recorded negative values of RON 4,517.5 th.

Own revenues registered an upward trend in 2018-2021 period, mainly due to the evolution of revenues from Quotas deducted from the income tax.

- Revenues from Quotas deducted from the income tax represented the main revenues chapter within Own revenues, having an important contribution to their evolution, with an average compound growth by 23.4% in 2018–2021 period. The maximum level is noticed in the current year, valued at RON 187,320.5 th (+13.4% compared to 2020).
- Revenues from tax on property marked an oscillating trend with an average compound growth by 0.1% and a maximum of RON 48,458.4 th reached in 2021 by RON 6,439.4 th (+15.3%) higher than 2020. In 2018, the level of revenues was of RON 40,387.6 th, and in 2019 these were of RON 43,713.2 th.
- Other own revenues collected recorded an oscillating trend during the analyzed period. In 2018, the own revenues collected registered a value of RON 29,802.5 th, increased by RON 34.7% in 2019 (mainly due to Other voluntary transfers), reaching thus a maximum level of RON 40,149.5 th. Subsequently, decreased by RON 5,752.2 th (-14.3%) in 2020, followed by an increase by RON 1,970.8 th (+5.7%) in 2021.
- Revenues from other taxes collected marked a minimum level of RON 23,659.2 th, following an increase by 7.8% in 2019 up to RON 25,495.2 th. In 2020 were decreased to the value of RON 24,806.9 th (-2.7%), subsequently registering an increase of RON 1,634.9 th (+ 6.6%) up to the maximum level of RON 26,441.8 th in the current year. Significant influences were observed mainly for Special taxes, Stamp duties, for notary work and other stamp duties, Fees and charges for the issuance of licences and authorisations of functioning , Other taxes and duties on property and Other taxes and duties.

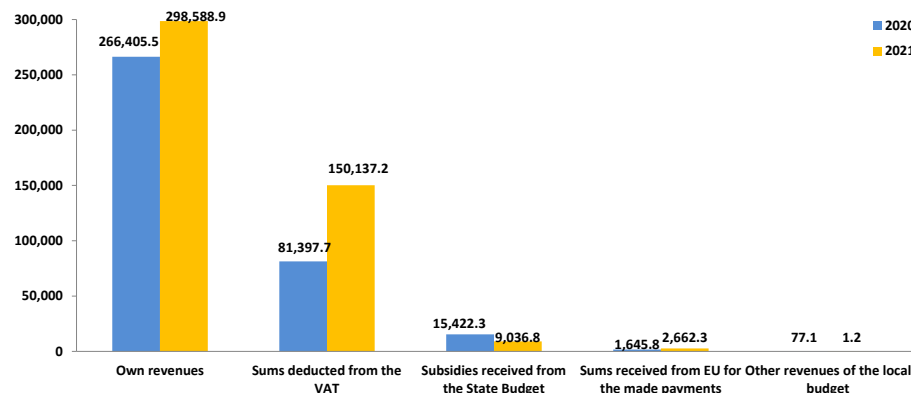
# The dynamics of the collected revenues

In 2021 as compared to the level attained in 2020

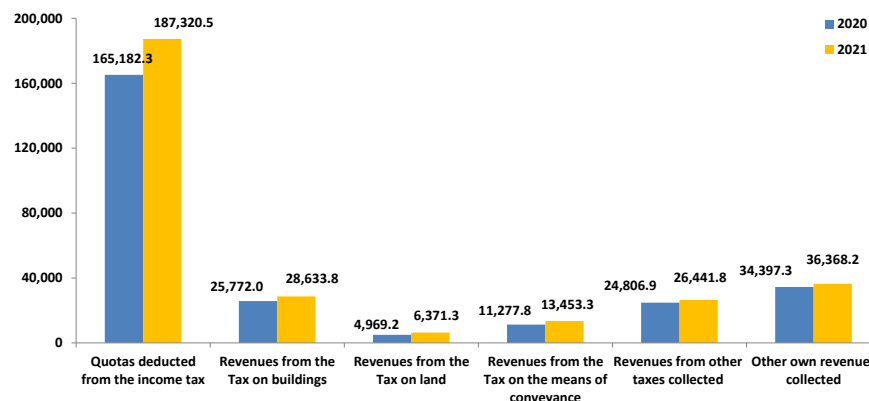
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## Total revenues



## Own revenues



The **Total revenues** collected in 2021 amounted to RON 460,426.4 th, by RON 95,478 th (+26.2%) above the level achieved in 2020, the evolution being mainly determined by the increase of the Own revenues, Sums received from EU for the made payments, Sums deducted from VAT and Subsidies received from the State Budget.

- The revenues from **Sums deducted from VAT** registered a higher level by RON 68,739.5 th compared to the previous year (+84.4%). Revenues collected from Sums deducted from VAT for balancing the local budget amounted to RON 79,796 th (+RON 36,318.6 th, +83.5%), and the Sums deducted from VAT for financing the expenditures of municipalities achieved the level of RON 67,164.1 th (+RON 31,848.9 th, +90.2%).
- **Sums received from the EU for the made payments** recorded a level of RON 2,662.3 th in 2021, compared to RON 1,645.8 RON in 2020, respectively by 61.8% higher (mainly at the level of European Social Fund).
- **Subsidies received from the State Budget** decreased by RON 6,385.5 th, compared to 2020, respectively collections amounting to RON 9,036.8 th in the current year. This decrease was influenced by the sums collected from Capital subsidies wich decreased by RON 3,826.8 th, mainly at the level of the Central Heating Program (in amount of RON 4,652.8 th in 2020, without such amounts in the current year), revenues from The Financing of the National Program of Local Development (-RON 2,179.2 th, -28.2%), and collecting in 2021 of Subsidies from the State Budget to the local budgets to finance the medical equipment and the communication equipment in emergency in health field in value of RON 2,899.4 th, attendant with the decrease of Current subsidies by RON 2,558.7 th (mainly at the level of Subsidies received from the state budget for the settlement of quarantine expenses in amount of RON 2,431.2 th in 2020, without such amounts in the current year).

- The **Own revenues** recorded a level by RON 32,183.5 th (+12.1%) above that recorded in 2020, as a result of:

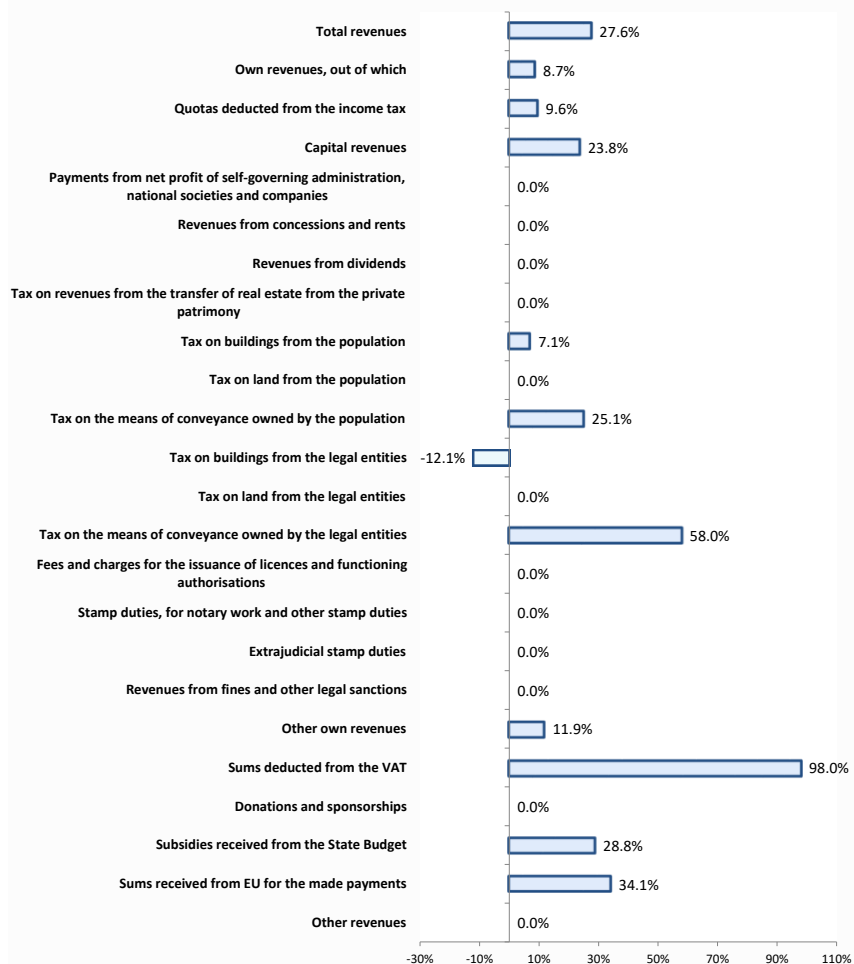
- Higher income from Quotas deducted from the income tax (+RON 22,138.3 th, +13.4%);
- Increase by RON 6,439.4 th (+15.3%) of Revenues from tax on property, mainly, as a result of higher collections from *Taxes and duties on buildings* (+RON 2,861.7 th, +11.1%), followed by those from *din Taxes on the means of conveyance* (+RON 2,175.6 th, +19.3%);
- Other own revenues, increased by RON 1,970.8 th (+5.7%), mainly, as a result of collections in 2021 of *Sums distributed for the financing of shows and concerts institutions* (RON 3,369.8 th), an increase of *Revenues from services* (+RON 3,097.6 th, +42.2%), and lower collections from *Other voluntary transfers* (-RON 6,694.6 th, -98.9%);
- The Other taxes collected by RON 1,634.9 th above the level recorded in 2020 (+6.6%), mainly, as a result of higher revenues from Other taxes and duties (+RON 657.4 th, +28.4%), Stamp duties, for notary work and other stamp duties (+RON 600.3 th, +26.2%) and Special taxes (+RON 576.5 th, +3.6%), and lower revenues from Fees and charges for the issuance of licences and authorisations of functioning (-RON 361.8 th, -22.5%).

# Budgetary provisions in 2021

'000 RON



## Revised budget at Q4 2021 as compared to the planned budget



The last budgetary rectification of the year was approved by Local Council's Decision no. 429 from 17.12.2021 and aims to increase the provisions by RON 124,009.5 th.

- The final provisions related to the **Sums deducted from VAT** increased by RON 75,784 th, respectively to RON 153,101 th. The influences come mainly from those amounts for balancing the local budget (+RON 55,473 th, +228.1%) and for financing expenditures of municipalities (+RON 20,081 th, +40.1%).
- The final budgetary provision related to the **Own revenues** were by RON 26,586.2 th above de initial provisions (+8,7%), higher collections being mainly provided from:
  - Quotas deducted from the income tax**, increased by RON 16,916 th (+9.6%) compared to the initial provisions;
  - Other own revenues**, recorded an increase by 11.9% (+RON 5,987.3 th), mainly due to the increase by RON 9,858.9 th of Other revenues, of Sums distributed for the financing of shows and concerts institutions by RON 3.369,8 th (without such provisions included in the initial budget) and a decrease of Special taxes by RON 7,240.3 th;
- Within the final budget were provided **Sums received from the EU for the made payments** amounting to RON 63,596.8 th, by 34.1% above the initial level (+RON 16,179.5 th), the increase of the provisions being mainly found at the level of European Fund for Regional Development (ERDF).
- Subsidies received from the State Budget** were provided by RON 5,458.6 th above the initial budget level (+28.8%), the increase being mainly found at the level of Capital subsidies.





## The revenues achievement degree from the revised budget in 2021

The achievement degree of the revenues collected to the local budget in 2021 was by 80.4%, respectively by RON 112,211.7 th below the final provisions.

- The **Operational revenues** recorded a level by RON 35,770.5 th below the budgetary provisions (achievement degree of 92.6%), thus:
  - **Own revenues** recorded a level by RON 298,588.9 th, respectively by RON 32,965.1 th below the level provided in the final planning (-9.9%);
    - ✓ **Tax on property**, by RON 15,283.4 th below the budgetary provisions level (-24%). Lower collections from Tax on buildings (RON -8,559.7 th, -23%), from Taxes on the means of conveyance (RON -5,790.1 th, -30.1%) and from Tax on land (-RON 933.7 th, -12.8%);
    - ✓ **Other own revenues** decreased by RON 11,694.2 th compared to the final planning (-20.7%), the evolution being mainly reflected at the level of Other revenues (-RON 8,500.4 th, -77.6%), Special Taxes (-RON 5,692.7 th, -25.5%), and Revenues from services by RON 2.321,6 th (+28.6%) above the final budget;
    - ✓ **Quotas deducted from the income tax** by RON 5,489.5 th below the final provisions (-2.8%);
  - **Revenues from Sums deducted from VAT** recorded a level by RON 2,963.9 th below the final budgetary provisions (respectively an achievement degree of 98.1%), only at the level of Sums deducted from VAT for financing the expenditures of municipalities.
- The **Investment revenues** registered a level amounted to RON 12,182.7 th, being included in the rectified budget amounting to RON 88,623.9 th (-RON 76,441.2 th, -86.3%), the influence coming from the following revenues chapters:
  - **Sums received from the EU for the made payments** recorded at the end of 2021 a level by RON 60,934.6 th below the budgetary provisions level, only at the level of Sums received for the made payments related to the 2014-2020 financial framework, from the European Regional Development Fund (RON - 57,310.3 th, -98.9%) and from the European Social Fund (-RON 3,624.3 th, -64.3%);
  - **The Capital subsidies** recorded a level of RON 8,841 th (compared to the budgeted total value of RON 24,246 th), mainly as a result of the collections below the final budget for the Subsidies received from the state budget to local budgets necessary for the development of projects financed from non-reimbursable external funds (NEF) post-accession related to the 2014-2020 financial framework (-RON 9,803.1 th, -96.1%), of the amounts within The Financing of the National Program of Local Development (-RON 3,757.4 th, -40.4%). Related to the Central Heating Program, were provided RON 1,800 th, no sums being collected for it.
  - **The Capital revenues** recorded collections amounting to RON 679.4 th in 2021, by RON 101.6 th (-13%) below the rectified budget. The major influence came from the Revenues from the sale of houses build from state funds (- RON 153.3 th).
- **The Financial revenues** were null in both in the final provisions and also were not even executed.

## Revenues Ratios

in 2021 as compared to the level attained in 2020

'000 RON



Ratios	2021	2020
<b>Revenues from the tax on property</b>	<b>48,462.1</b>	<b>42,022.8</b>
Revenues per Capita	245.7 RON	213.1 RON
The revenue weight in the total revenues	10.5%	11.5%
<b>Own tax revenues</b>	<b>249,139.2</b>	<b>216,261.2</b>
Revenues per Capita	1,263.2 RON	1,096.9 RON
The revenue weight in the total revenues	54.1%	59.3%
<b>Total current revenues (autonomous)</b>	<b>448,047.9</b>	<b>347,352.7</b>
Revenues per Capita	2,271.8 RON	1,761.8 RON
The revenue weight in the total revenues	97.3%	95.2%
<b>Operational revenues</b>	<b>448,243.8</b>	<b>350,179.3</b>
Revenues per Capita	2,272.8 RON	1,776.2 RON
The revenue weight in the total revenues	97.4%	96.0%
<b>Investment revenues</b>	<b>12,182.7</b>	<b>14,769.1</b>
Revenues per Capita	61.8	74.9 RON
The revenue weight in the total revenues	0.0	4.0%
<b>Total revenues per Capita</b>	<b>2,334.6 RON</b>	<b>1,851.1 RON</b>
<b>Own revenues per Capita</b>	<b>1,514.0 RON</b>	<b>1,351.2 RON</b>
<b>The level of financing from the own revenues</b>	<b>64.9%</b>	<b>73.0%</b>
<b>The degree of self-financing</b>	<b>24.2%</b>	<b>27.7%</b>
<b>The dependency degree of the local budget to the state budget</b>	<b>34.6%</b>	<b>26.6%</b>
<b>The degree of decisional autonomy</b>	<b>82.2%</b>	<b>84.9%</b>
<b>The achievement degree of the revenues from the initial budget</b>	<b>102.6%</b>	<b>108.0%</b>
<b>The achievement degree of the revenues from the final budget</b>	<b>80.4%</b>	<b>83.7%</b>
<b>The achievement degree of the own revenues from the initial budget</b>	<b>97.9%</b>	<b>97.3%</b>
<b>The achievement degree of the own revenues from the final budget</b>	<b>90.1%</b>	<b>85.2%</b>
<b>The achievement degree of the property taxes from the initial budget</b>	<b>80.5%</b>	<b>85.4%</b>
<b>The achievement degree of the property taxes from the final budget</b>	<b>76.0%</b>	<b>66.9%</b>
<b>The annual estimate from the local tax revenues (maximum probability)</b>	<b>58,448.9</b>	<b>50,927.2</b>
<b>The annual estimate from the local tax revenues (rectified budget)</b>	<b>73,084.9</b>	<b>71,649.0</b>
<b>The achievement degree of the annual revenues estimated from the local tax revenues</b>	<b>125.0%</b>	<b>140.7%</b>
<b>The collection degree from the initial budget of the revenues from:</b>		
Quotas deducted from the income tax	106.5%	100.8%
Tax on buildings from the population	81.1%	82.4%
Tax on land from the population	72.4%	28.7%
Tax on the means of conveyance owned by the population	90.0%	96.1%
Tax on buildings from the legal entities	68.6%	103.8%
Tax on land from the legal entities	96.7%	98.0%
Tax on the means of conveyance owned by the legal entities	105.8%	95.1%
Capita, as of	<b>197,222</b> 01-01-20	<b>197,155</b> 01-01-19

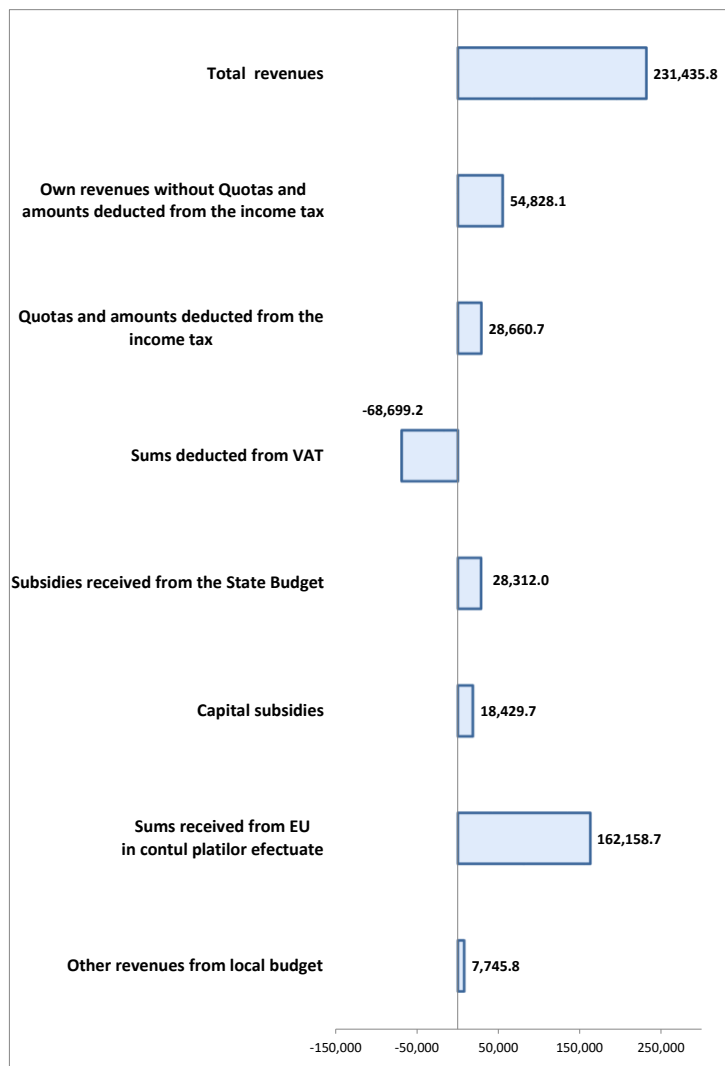
- The **revenues from Tax on property** were by RON 6,439.3 th above the level recorded in 2020 (+15.3%). From population, revenues were collected in amount of RON 23,262.5 th (+RON 2,852.2 th, +14%). The revenues collected from taxes from legal entities were in amount of RON 25,195.9 th (+RON 3,587.2 th, +16.6%), higher collections being mainly made from Tax on buildings (+RON 1,578.7 th) and on land (+RON 1,199.3 th).
- The **Tax own revenues** were higher by RON 32,878.1 th (+15.2%), as a result of the evolution of the revenues from:
  - **Quotas deducted from the income tax**, by RON 22,138.3 th (+13.4%);
  - **Sums distributed for the financing of shows and concerts institutions** in amount of RON 3,369.8 th in 2021, no sums being registered in the previous year;
  - **Tax on buildings**, by RON 2,861.7 th (+11.1%);
  - **Taxes on the means of conveyance**, by RON 2,175.6 th (+19.3%);
- The **Total current revenues (autonomous)** increased by RON 100,695.2 th compared to the level recorded in the similar period of 2020 (+29%), mainly as a result of:
  - **Tax revenues** (RON +101,617.6 th, +34.1%), determined by:
    - ✓ the increase of **Quotas and amounts deducted from the income tax** by RON 68,739.5 th (+84.4%) and
    - ✓ **Quotas and amounts deducted from the income tax** by RON 25,356.3 th (+15.3%).
  - **Non-fiscal revenues** (-RON 992.3 th, -1.9%), mainly as a result of:
    - ✓ lower collections from **Other voluntary transfers** (-RON 6,694.6 th, -98.9%);
    - ✓ the increase of **Revenues from services** (+ RON 3,097.6 th, +42.2%);
    - ✓ the increase of **Revenues from concessions and rents** (+RON 955.6 th, +10.2%).
- The **Operational revenues** increased by RON 98,064.5 th (+28%), mainly as a result of the increase of Current revenues (+RON 100,695.2 th, +29%) and the decrease of Current subsidies (-RON 2,588.7 th, -92.9%).
- The **Investment revenues** decreased by RON 2,586.5 th (-17.5%) as a result of the decrease of Capital subsidies by RON 3,826.8 th (-30.2%) partly compensated by the increase of Sums received from the EU for the made payments by RON 1,016.4 th (+61.8%). In 2021, the Investment revenues reached the level of RON 12,182.7 th, mainly from Capital subsidies (respectively in amount of RON 8,841 th).

## Budgetary provisions for 2022

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### Budgetary provisions for 2022 versus the attained level in 2021



- The initial budget of 2022 was approved by the Decision of the Local Council no. 43 of February 7, 2022, with the revenues amounting of RON 691,862.2 th representing an increase of budgetary provisions by RON 231,435.8 th (+ 50.3%) compared to the previous year's execution.
- The most significant increase of the initial budget provisions for 2022 is found at the level of **Sums received from the EU for the payments performed**, which were established at the level of RON 164,821 th, compared to 2021, when it registered the value of RON 2,662.3 th. Thus, related to the 2014-2020 financial framework are provided amounts to be collected in 2022 in the amount of RON 161,832.9 th for the European Fund for Regional Development programs.
- The provisions related to **Own revenues** are above the sums collected in the previous year by RON 101,918.5 th (+34.1%), being in the amount of RON 400.507,4 th. Without taking into account the Quotas and amounts deducted from the income tax, the Own revenues are estimated at RON 153,885.7 th in 2022. The provisions of this category are influenced by the following lines:
  - ✓ **Other revenues** established by RON 67,371.6 th above the level registered in 2021;
  - ✓ **Quotas and amounts deducted from the income tax**, the estimates going up by RON 28,660.7 th (+15%), respectively up to RON 219,351 th;
  - ✓ **Revenues from the tax on property**, with the provisions going up by RON 2,228.6 th (+4.6%) to the amount of RON 50,687 th;
  - ✓ **Revenues from concessions and rents**, the provisions having increased by RON 476.2 th (+4.6%), respectively up to RON 10,814 th;
- The **Sums deducted from VAT** were included in the budget of 2022 at the value of RON 81,438 th, decreasing by 45.8% (-RON 68,699.2 th) compared to the execution of the previous year. This decrease is due to the Sums allocated from the quotas deducted from income tax to balance the local budgets for which are not exist estimations of the initial budget (the new budget does not provide amounts for these, RON 79,796 th in the execution level), and an increase of Sums deducted from VAT for financing the expenditures of municipalities by 10.789,9 th (+16.1%) above the level registered in 2021.
- The **Subsidies received from the state budget** are estimated at the value of RON 37,348.9 th in the 2022 budget, registering an increase by 313.3% compared to the budgetary execution of the previous year. This variation is mainly related to the Subventions from the state budget to local budget for supporting the projects financed from post-accession NEF, related to the 2014-2020 period, by RON 26,870 th above the 2021 execution.



## Table of contents Part III



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

- The situation of the expenditures performed in the period of 2018 - 2021
- The dynamics of the expenditures performed in the period of 2018 - 2021
- The dynamics of the expenditures performed in 2021, as compared to the level attained in 2020
- Budgetary provisions for 2022

# The situation of expenditures incurred for the period 2018 - 2021

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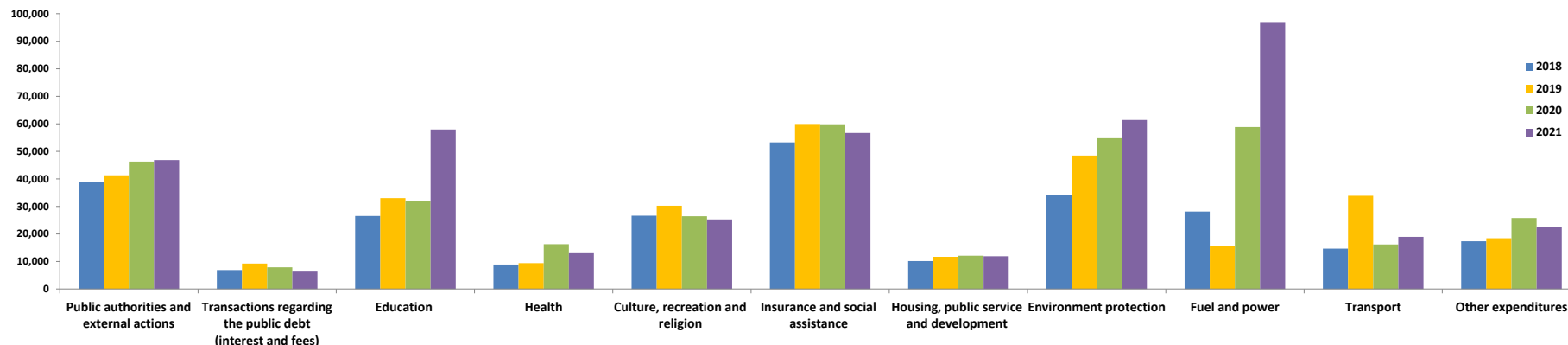
The budgetary execution for													2021			2022			
Line	Expenditures	Evolution for the period*	2018	% /TP	2019	% /TP	y/y	2020	% /TP	y/y	2021	% /TP	y/y	Planned	% /TP	Revised	% /TP	Planned	% /TP
	Functional classification	23.3	245,589.1		287,664.8		17.1	364,948.5		26.9	460,426.4		17.3	448,628.6		572,638.1		691,862.2	
1	Public authorities and external actions	6.4	38,824.6	14.6	41,274.8	13.3	6.3	46,276.1	13.0	12.1	46,825.0	11.2	1.2	51,776.7	11.1	51,142.0	8.6	66,458.9	8.8
2	Transactions regarding the public debt (interest and fees)	-1.3	6,865.8	2.6	9,223.9	3.0	34.3	7,877.5	2.2	-14.6	6,592.3	1.6	-16.3	7,416.0	1.6	7,806.0	1.3	6,727.0	0.9
3	Education	29.7	26,524.4	10.0	32,987.8	10.6	24.4	31,786.9	8.9	-3.6	57,924.7	13.9	82.2	62,139.9	13.3	96,156.5	16.3	113,135.1	15.0
4	Health	13.6	8,874.8	3.3	9,374.7	3.0	5.6	16,237.8	4.6	73.2	13,007.2	3.1	-19.9	26,363.2	5.6	26,400.3	4.5	41,509.7	5.5
5	Culture, recreation and religion	-1.8	26,623.2	10.0	30,225.2	9.7	13.5	26,416.2	7.4	-12.6	25,240.3	6.0	-4.5	39,140.8	8.4	36,448.3	6.2	61,243.3	8.1
6	Insurance and social assistance	2.1	53,228.9	20.1	59,927.7	19.3	12.6	59,821.6	16.8	-0.2	56,684.1	13.6	-5.2	70,082.3	15.0	67,845.5	11.5	76,972.6	10.2
7	Housing, public service and development	5.4	10,140.6	3.8	11,673.1	3.8	15.1	12,086.1	3.4	3.5	11,879.4	2.8	-1.7	16,237.5	3.5	16,898.5	2.9	33,944.6	4.5
8	Environment protection	21.5	34,183.0	12.9	48,477.7	15.6	41.8	54,763.2	15.4	13.0	61,385.8	14.7	12.1	83,632.6	17.9	87,287.4	14.8	82,583.0	11.0
9	Fuel and power	50.9	28,120.8	10.6	15,535.7	5.0	-44.8	58,812.7	16.5	278.6	96,642.5	23.1	64.3	33,139.6	7.1	107,946.9	18.2	50,759.7	6.7
10	Transport	8.9	14,645.2	5.5	33,822.4	10.9	130.9	16,171.5	4.5	-52.2	18,916.9	4.5	17.0	56,686.7	12.1	68,047.6	11.5	188,399.8	25.0
11	Other expenditures	9.0	17,316.0	6.5	18,437.7	5.9	6.5	25,736.5	7.2	39.6	22,408.1	5.4	-12.9	20,872.0	4.5	25,517.8	4.3	31,907.3	4.2
12	Reserves, Surplus / Deficit	-229.5	- 19,758.4	0.0	- 23,296.1	0.0	17.9	8,962.3			42,920.2	0.0	378.9	- 18,858.5	0.0	- 18,858.6	0.0	- 61,778.7	0.0
	Economic classification	23.3	245,589.1		287,664.8		17.1	364,948.5		26.9	460,426.4		17.3	448,628.6		572,638.1		691,862.2	
1	Staff costs, of which:	8.6	50,896.3	19.2	64,431.0	20.7	26.6	69,004.5	19.4	7.1	65,223.9	15.6	-5.5	78,314.2	16.8	68,938.9	11.7	91,216.1	12.1
	without those for: Education, Insurance and social assistance	6.7	28,450.4	10.7	35,536.7	11.4	24.9	37,775.3	10.6	6.3	34,572.4	8.3	-8.5	44,525.1	9.5	36,839.1	6.2	47,423.4	6.3
2	Social assistance	-1.0	22,412.1	8.4	23,452.4	7.5	4.6	22,721.1	6.4	-3.1	21,774.4	5.2	-4.2	22,702.6	4.9	24,868.3	4.2	20,142.2	2.7
3	Subsidies	53.0	21,149.4	8.0	4,000.0	1.3	-81.1	43,232.4	12.1	980.8	75,687.8	18.1	75.1	5,000.0	1.1	78,943.3	13.3	40,015.0	5.3
4	Goods and services	12.0	80,970.2	30.5	102,251.1	32.9	26.3	94,448.4	26.5	-7.6	113,690.3	27.2	20.4	109,891.9	23.5	134,714.6	22.8	186,715.9	24.8
5	Capital expenditures	9.8	16,229.9	6.1	26,390.8	8.5	62.6	30,894.7	8.7	17.1	21,467.2	5.1	-30.5	87,974.8	18.8	67,185.8	11.4	95,593.9	12.7
6	Interest	-0.1	6,285.0	2.4	9,069.1	2.9	44.3	7,638.8	2.1	-15.8	6,259.7	1.5	-18.1	6,845.0	1.5	7,127.0	1.2	6,114.0	0.8
7	Loan reimbursements	6.3	22,695.4	8.6	24,222.7	7.8	6.7	25,119.9	7.1	3.7	27,262.3	6.5	8.5	27,317.0	5.8	27,327.0	4.6	31,033.0	4.1
8	Current transfers	6.0	28,798.2	10.9	34,082.1	11.0	18.3	33,664.0	9.5	-1.2	34,335.7	8.2	2.0	35,027.0	7.5	37,099.9	6.3	40,299.9	5.3
9	Internal transfers	82.7	4,225.1	1.6	13,946.2	4.5	230.1	16,179.5	4.5	16.0	25,778.2	6.2	59.3	20,859.8	4.5	39,307.9	6.6	20,559.1	2.7
10	Projects financed from non-reimbursable external funds	10.8	3,661.7	1.4	3,257.4	1.0	-11.0	8,803.0	2.5	170.2	4,985.8	1.2	-43.4	55,344.8	11.8	74,285.7	12.6	192,534.7	25.5
11	Other expenditures	37.9	8,024.1	3.0	5,858.1	1.9	-27.0	4,280.0	1.2	-26.9	21,040.9	5.0	391.6	18,210.0	3.9	31,698.4	5.4	29,417.3	3.9
12	Reserves, Surplus / Deficit	-229.5	- 19,758.4		- 23,296.1		17.9	8,962.3		-138.5	42,920.2		378.9	- 18,858.5		- 18,858.6		- 61,778.7	
	Total payments made (TP) (total expenditures made without considering the periods result)	16.3	265,347.4		310,960.8		17.2	355,986.1		14.5	417,506.3		17.3	467,487.2		591,496.7		753,641.0	
	Operational expenditures	16.0	215,221.8	81.1	245,956.1	79.1	14.3	280,448.1	78.8	14.0	335,771.3	80.4	19.7	277,202.5	59.3	383,245.1	64.8	413,927.3	54.9
	Investment expenditures	32.5	20,561.7	7.7	31,558.1	10.1	53.5	42,540.7	12.0	34.8	47,880.3	11.5	12.6	155,551.7	33.3	173,118.6	29.3	301,953.7	40.1
	Financial expenditures	4.6	29,563.9	11.1	33,446.6	10.8	13.1	32,997.3	9.3	-1.3	33,854.6	8.1	2.6	34,733.0	7.4	35,133.0	5.9	37,760.0	5.0
	Total of the Operating Section	14.8	244,475.9	92.1	279,402.7	89.9	14.3	313,445.4	88.0	12.2	369,625.9	88.5	17.9	311,935.5	66.7	418,378.1	70.7	451,687.3	59.9
	Reserves, surplus/deficit for the operating section		1,709.8		858.8			10,687.7			42,755.3			-		-		-	
	Total of the Development Section	31.9	20,871.6	7.9	31,558.1	10.1	51.2	42,540.7	12.0	34.8	47,880.3	11.5	12.6	155,551.7	33.3	173,118.6	29.3	301,953.7	40.1
	Reserves, surplus/deficit for the development section		18,048.6		24,154.8			1,725.4			164.9			- 18,858.6		- 18,858.6		- 61,778.7	
	Reserves		52,950.6		33,192.3			9,896.2			18,858.5			18,858.5		18,858.5		61,778.7	
	Current year Surplus/ Deficit		- 19,758.4		- 23,296.1			8,962.3			42,920.2			-		-		- 61,778.7	
	Cummulated surplus		33,192.3		9,896.2			18,858.5			61,778.7			-		-		-	

\*) Evolution for the period - represents the Expenditures' Compound annual growth rate for the analysed period 2018-2021

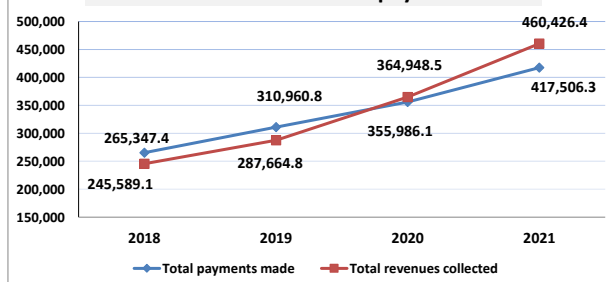
## The dynamics of the expenditures incurred for the period 2018 - 2021

Functional classification

'000 RON



### Total revenues collected and payments made



- In the 2018-2021 period, the total payments had an upward trend, recording an average compound increase by 16.3%, the maximum of the interval being at the level of RON 417,506.3 th in 2021, while 2018 marked a total of RON 265,347.4 th, being the minimum of the period.
- The expenditures for **Education**, had an oscillating trend in the analyzed period, starting from RON 26,524.4 th in 2018 (due to GEO 90/2017, the Staff Costs related to the Education chapter are no longer financed through the local budget, but through the Ministry of National Education) reached to RON 57,924.7 th in the current year with an average compound by 29.7%. After an increase by 24.4% in the first year, there was a decrease of the Education expenditures by 3.6%, marking an increase with 82.2% in the last year of the analyzed period, the dynamics being reflected mainly at the level of Upper secondary education.

- Within the **Fuel and power** chapter, the payments made recorded an oscillating evolution in the 2018-2021 period, respectively a decrease by RON 12,585 th (-44.8%) in the first year, followed by significant increases in the next two years: by 278.6% in 2020 (+RON 43,276.9 th), respectively by 64.3% in 2021 (+RON 37,829.9 th), mainly at the level of the expenditures with Heating energy. This chapter recorded an average compound increase by 50.9%.
- Within the **Insurance and social assistance** chapter, the expenditures made recorded an oscillating trend in the analyzed period (+RON 6,698.7 th, +12.6% in 2019), decreased by RON 106 th (-0.2%) in 2020, respectively in 2021 by RON 3,137.5 th (-5.2%). Within the chapter, a significant weight is held by the expenditures for Social assistance for the disabled, these recording an upward trend during the analyzed period (+22% in 2019 to the level of RON 29,654.8 th, +8.1% in 2020 to the level of RON 32,060.1 th and 0.2% in 2021 to the level of RON 32,139.1 th) and the paragraph Other expenditures in the insurance and social assistance (marking a downward evolution, respectively -0.3% in 2019 to the value of RON 14,461.6 th, -21.3% in 2020 to the value of RON 11,376.4 th and -20.6% in the current year to the level of RON 9,031.5 th).

## The dynamics of the expenditures incurred for the period 2018 - 2021

Functional classification

'000 RON

- The expenditures from the **Public authorities and external actions** chapter recorded an upward trend during the analyzed period, with a maximum recorded in the base year 2021 amounting to RON 46,825 th and a minimum level amounting to RON 38,824.6 th in 2018. In 2020, was recorded the most significant increase amounting to RON 5,001.4 th (+12.1%).
- The expenditures related to the **Environment protection** chapter marked a compound average growth of 21.5%, following an upward trend during the analyzed period (+41.8% in 2019, 13% in 2020 and 12.1% in 2021). The most significant weight of the made payments was related to the Sanitation and waste management chapter, these marking an similar trend and recording a significant increase by 20.9%, following to register a maximum level RON 51,287.8 th in 2021. The expenditures for Canalization and treatment of wastewater recorded significant increases in the first two years: +RON 4,623 th in 2019 (+140.1%), respectively +RON 4,422.8 th in 2020 (+55.8%), following a decrease by RON 2,246.6 th (-18.2%) in the current year.
- The expenditures for **Culture, recreation and religion** marked an increase in the first year by RON 3,602 th (+13.5%), being the maximum level of the analyzed period. Subsequently, the expenditures decreased by 12.6% to the value of RON 26,416.2 th in 2020, respectively by 4.5% to RON 25,240.3 th in the base year. In 2019, the expenditures made for Maintenance of public gardens, parks, green areas, sports and leisure centers recorded the highest level from the analyzed period, of RON 14,563.8 th (+11.4%), followed by successive decreases (-15.1% in 2020, respectively -19.8% in 2021) to the minimum level recorded in 2021, by RON 9,914.5 th. The expenditures for Sport recorded an oscillating trend in the analyzed period, having a level of RON 7,029.6 th in 2018 and reaching a maximum level of RON 8,821.5 th in 2021. In 2019, the expenditures within this chapter increased by 21.9%, 2020 recorded the minimum of the period by RON 6,605.6 th.
- The **Other expenditures** group followed an upward trend during the 2018-2020 period, thus: +6.5% in 2019 to the value of RON 18,437.7 th and 39.6% in 2020, reaching the maximum level of RON 25,736.5 th, following to decrease in 2021 (by -RON 3,328.3 th, -12.9%). The expenditures were mainly made for Other general public services, respectively Community public services for persons evidence and Local police.
- The expenditures related to **Transport** increased in 2019, reaching the maximum level of RON 33,822.4 th (+130.9%). The expenditures marked a decrease in 2020, of RON 17,650.9 th (-52.2%), following the increase by RON 2,745.4 th (+ 17%) in the base year. The dynamics of this chapter is mainly represented by expenditures related to Streets, recording an increase by 166.8% in 2019 (+RON 20,444.6 th), a decrease by -54.2% in 2020 (-RON 17,741.3 th), and an increase by RON 2,790.6 th (+18.7%) in the current year.
- The expenditures from the **Housing, public services and development** chapter recorded an upward trend in the 2018-2020 period, with a maximum of RON 12,086.1 th achieved in 2020 (+3.5%). The expenditures for Public lighting and electrification recorded a maximum level of RON 6,713.8 th in the last year of analysis (+8.9% vs 2020) and a minimum level of RON 5,027.9 th in 2018. The expenditures for Other services for housing, public services and rural development marked an oscillating evolution in the analyzed period, respectively +31% in 2019 to a level of RON 4,560 th, being the maximum recorded in the analyzed period, following to decrease in the next two years by 2.6%, respectively 10.6% to the minimum of the period, RON 3,968.3 th.
- The expenditures for **Health** recorded an upward trend in the 2018-2020 period, in 2018 the value of these expenditures being of RON 8,874.8 th, increasing by 5.6%, respectively 73.2% to the maximum level of the analyzed period, RON 16,237.8 th in 2020. In 2021, these expenditures marked a decrease, reaching of RON 13,007.2 th (-19.9%). The expenditures were exclusively made for the General hospitals subchapter during the all analyzed period.
- Within the **Transactions regarding the public debt** chapter, the expenditures recorded an increase in 2019 (+34.3%) reaching the maximum level of the analyzed period in amount of RON 9,223.9 th. Subsequently, the expenditures within this chapter decreased successively (-14.6% in 2020, -16.3% in 2021) to the value of RON 6,592.3 th.

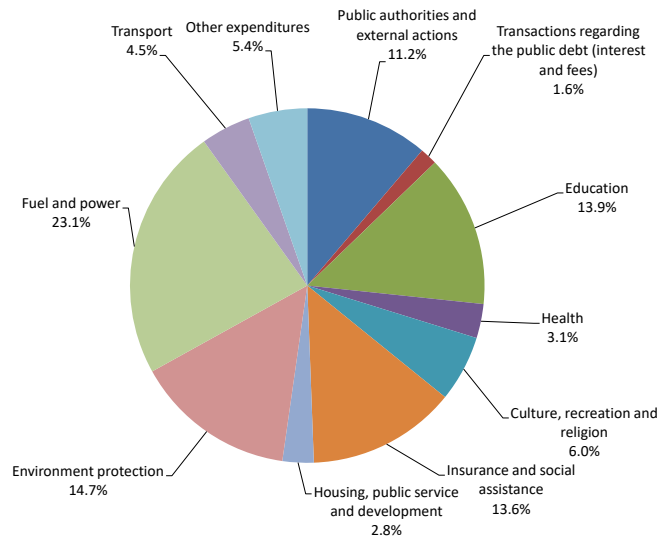
# The evolution of expenditures incurred for the period 2020 - 2021

Functional classification

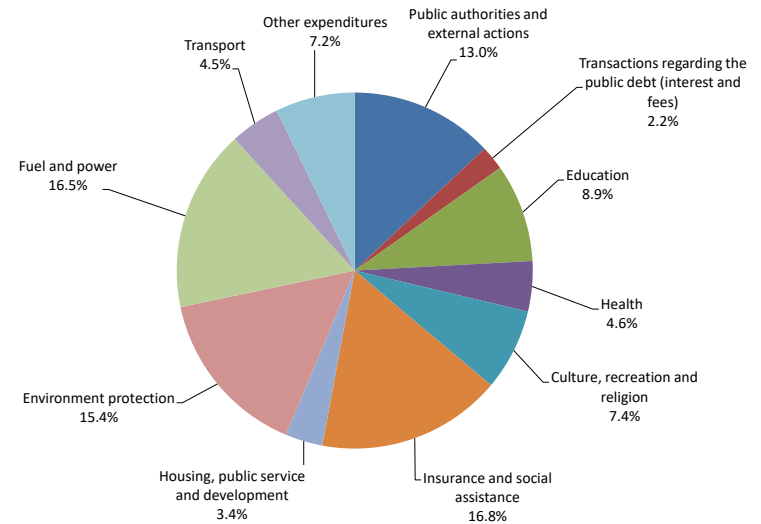
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The structure of payments made in 2021



The structure of payments made in 2020



- The expenditures in 2021 had an upward evolution, recording a higher value by RON 61,520.1 th (+17.3%) compared to the previous year.
- The expenditures made within the **Fuel and power** chapter were by RON 37,829.9 th above the level recorded in 2020 (+64.3%). From the point of view of the functional clasification, this increase is mainly found at the level of the expenditures with Heating energy (+RON 33,444.1 th). Also, Other expenditures for fuel and power increased by 34.8% (+RON 4,385.7 th).
- The **Education** chapter went up by RON 26,137.8 th (+82.2%) above the expenditures executed in 2020. This increase due to higher payments for Secondary education, mainly at the level of Upper secondary education (+RON 18,699.4 th, +121.9%) and of Lower secondary education (+RON 7,044.1 th, +157.7%).
- The expenditures made within the **Environment protection** chapter increased by RON 6,622.6 th (+12.1%). Thus, the main increase is found at the level of Sanitation by RON 4,921.6 th (+39.2%) and of Collection, treatment and destruction of waste by RON 3,947.5 th (+13.2%), also by decreasing the payments made for Canalization and treatment of wastewater by RON 2,246.6 th (-18.2%).
- Within the **Transport** chapter, the made payments recorded an increase by RON 2,745.4 th (+17%) compared to the previous year. At the level of Transport on roads subchapter was recorded an increase by RON 2,790.6 th (+18.7%), exclusively reflected at the level of expenditures for Streets.
- Within the **Public authorities and external actions** chapter, the made payments increased by RON 548.8 th (+1.2%) compared to the previous year.
- The **Other expenditures** group went down by RON 3,328.3 th (-12.9%) below the expenditures executed in 2020, the main decrease being found at the Civil protection and fire protection (nonmilitary civil protection) (-RON 1,964.4 th, -27.9%).

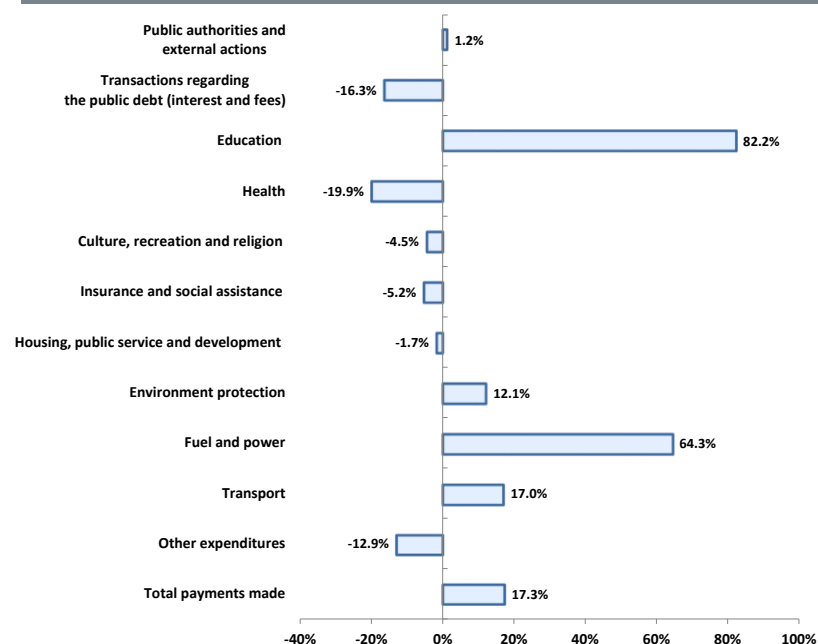


# The evolution of expenditures incurred for the period 2020 - 2021

Functional classification

'000 RON

## Functional expenditures variation



- The expenditures for **Health** decreased by RON 3,230.6 th (-19.9%) compared to the previous year, exclusively at the level of General hospitals paragraph.
- The expenditures related to **Insurance and social assistance** chapter decreased by RON 3,137.5 th compared to the previous year (-5.2%). The dynamics is mainly found at the level of Other expenditures in the social assistance field, decreased by RON 2,344.9 th (-20.6%) and of Social support expenditures by RON 767.3 th (-15%).
- The expenditures related to **Culture, recreation and religion** chapter recorded a level by RON 1,175.9 th (-4.5%) below that recorded in the similar period of the previous year. This dynamics was mainly due to the the paragraph Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 2,444.4 th, -19.8%), followed by Other services in the field of culture, recreation and religion (-RON 375 th, without such payments recorded in the previous year) and by Religious services (-RON 269.6 th, -75%), counterbalanced by the increase of Sport expenditures (+RON 2,215.9 th, +33.5%).
- The **Transactions regarding the public debt** chapter recorded a decrease by RON 1,285.1 th (-16.3%).
- The expenditures related to the **Housing, public services and development** chapter decreased by RON 206.8 th (-1.7%) compared to the previous year, mainly as a result of lower payments for Other services for housing, public services and communal development (-RON 472.9 th, -10.6%) and for Other expenditures in the housing system (-RON 284.5 th, -19.2%), corroborated with an increase of the payments for Public lighting and electrification (+RON 550.6 th, +8.9%).

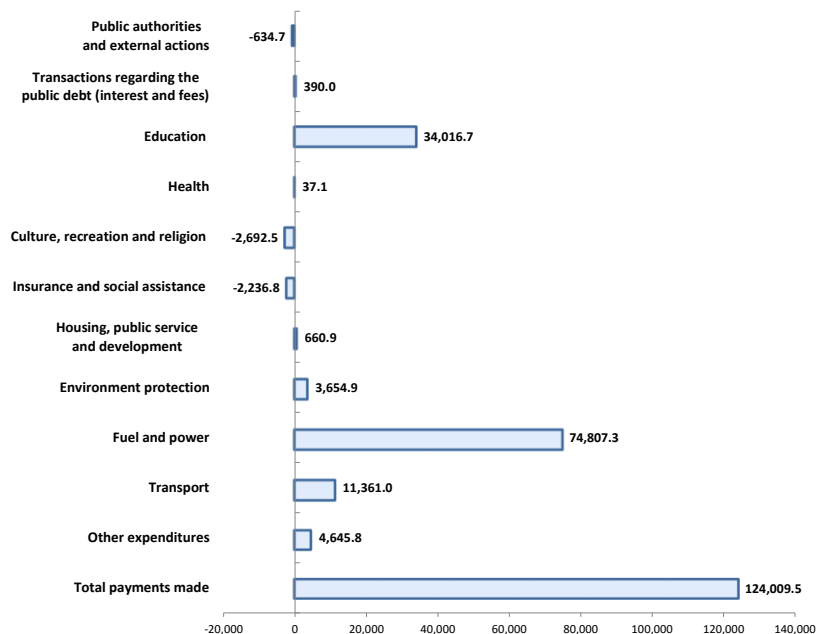
# Budgetary provisions in 2021

## Functional classification

'000 RON



### Revised budget at Q4 2021 as compared to the planned budget



Following the budget revision, provisions were increased by 26.5% (+RON 124,009.5 th) compared to the initial budget. The dynamics of the rectified expenditures was reflected in the main chapters as follows:

- The **Fuel and power** chapter recorded, after the rectification, an increase by 225.7% (up to the value RON 107,946.9 th), as a result of higher allocations by RON 73,943.3 th at the level of Heating energy.
  - The investment expenditures for **Fuel and power** chapter were in amount of RON 3,272.7 th, out of which RON 2,120 th allocated from Local Budget and from Transfers from the State Budget for the ongoing project "The thermal energy market development - stage III - Connection to SACET of the Bacău County Hospital".
- At the level of **Education** chapter, the budgetary allocations increased by 54.7% (up to the value of RON 96,156.5 th) compared with the initial ones, mainly within the Secondary education subchapter (+RON 45,926.3 th, +127.3%) and by Other expenditures for education (-RON 12,318.1 th, -97%).
  - The investment objectives related to **Education** chapter include funds in amount of RON 27,635.5 th, being remarkable the objective "Digital education in pre-university education in Bacău - Mobile IT equipment and other electronic equipment / devices designed to facilitate the development of teaching activities in the online environment - procurement consulting service, Operational Program Competitiveness" in amount of RON 20,952.1 th, out of which RON 2,048.7 th allocated from local budget and RON 18,903.3 th from non-refundable funds.

- **Transport** chapter recorded, after rectification, an increase by 20% (up to the value of RON 68,047.6 th), as a result of higher allocations by RON 11,361 th (+20.6%) at the level of Streets.
  - The investment plan for 2021, for **Transport** chapter was in amount of RON 52,952.6 th, thus:
    - ✓ RON 36,511.1 th from non-refundable funds, of which RON 12,202.3 th for Modernization of public transport stations, RON 9,474 th for the ongoing project Traffic management system for prioritizing local public transport corridors and cycling, RON 6,749.7 th for ongoing works related to non-motorized movements;
    - ✓ RON 9,323 th from Transfers from another authorities, mainly for ongoing works: Construction of Siretului, Salciei and Prelungirea Bradului streets (RON 8,273 th);
    - ✓ RON 7,148.5 th from Local budget, from which RON 4,406.7 th for Other investment expenditures.

## Budgetary provisions in 2021

### Functional classification

'000 RON



- The provision from **Other expenditures** group increased by 22.3% (up to the value of RON 25,517.8 th), mainly due to higher provisions at the level of Public order and national security chapter, respectively provisions by RON 3,139.9 th above the initial budget for Civil protection and fire protection (nonmilitary civil protection) and by RON 579.9 th for Local police.
- **Environment protection**, rectified budgetary provisions in the means of an increase by 4.4% (up to the value of RON 87,287.4 th), reflected, within the increase of planned provisions for the Sanitation (+RON 3,506.5 th, +15.2%) and for the Collection, treatment and destruction of waste (+RON 3,092.9 th, +9.4%), while the final provisions for Canalization and treatment of wastewater decreased by RON 1,766.9 th (-6.7%).
  - Within the investment objectives list for 2021, for the **Environment protection** chapter, funds were allocated in amount of RON 24,079.7 th, of which RON 9,298.2 th from transfers from the State Budget related to the works for the Water reserve of Bacau Municipality and RON 8,065.5 th from the local budget mainly for Other investment expenditures (RON 6,137.5 th).
- **Culture, recreation and religion**, chapter which recorded a decrease by 6.9% after rectification (up to the value of RON 36,448.3 th), as a result of the decrease by RON 1,677.5 th (-7.9%) of the provisions within Maintenance of public gardens, parks, green areas, sports and leisure centers, by RON 680.1 th for Public institutions for shows and concerts and by RON 500 th for Religious services.
  - Within the investment list related the budgetary rectification of 2021, for the **Culture, recreation and religion** chapter, funds were allocated in amount of RON 7,426.9 th, as follows: RON 4,292.5 th from the local budget mainly for Other investment expenditures (RON 3,624.3 th) and RON 3,134.4 th from non-refundable external funds, mainly at the ongoing objective Creation of a support infrastructure for incubating the "Hub for young people" business - Orizont Cinema (RON 3,059.2 th).
- **Insurance and social assistance**, chapter who was rectified by the decrease of the initial budgetary provisions by 3.2% (up to the value of RON 67,845.5 th). The dynamics is reflected at the level of the provisions for Social aid canteens (-RON 5,000 th, amount that was not included in the final budget), for Other expenditures in the insurance and social assistance field (-RON 1,247.8 th, -10.1%), corroborated with provision above the planned budget for Social support (+RON 2,118.1 th, +84%) and for Social assistance for the disabled (+RON 1,710 th, +5.5%).
  - Within the investment objectives list of 2021, for the **Insurance and social assistance** chapter, funds were allocated in amount of RON 8,391.3 th, from which RON 7,230.4 th from non-refundable external funds, mainly for ongoing works related to modernization and rehabilitation of nurseries no. 3 and no. 9 (RON 4,150.4 th) and RON 1,161 th from the Local Budget.



#### Expenditures achievement degree from the revised budget at Q4 2021

The budgetary expenditures recorded in 2021 were amounting RON 417,506.3 th, by RON 173,990.4 th below the final provisions of the period, having an achievement degree of 70.6%.

- Within the **Transport** chapter, compared to the final budget, was recorded an achievement degree of 27.8%. A decrease by RON 48,719.9 th (execution degree of 26.7%) is noticed at the level of Transport on roads subchapter, exclusively at the level of Streets paragraph. Also, Other expenditures for transport were below the final provisions by RON 410.8 th (-73.9%).
- **Education**, with an execution degree of 60.2%, the total made payments were by RON 38,231.9 th (-39.8%) below the final provisions. All of the components of this chapter were below the final provisions, so that the Secondary education recorded an execution degree of 56.4% (-RON 35,778.3 th, mainly at the level of Lower secondary education), Pre-school and elementary education 84.8% (-RON 2,067.8 th);
- Within the **Environment protection** chapter, compared to the final budget, was recorded an achievement degree of 70.3%, lower payments were registered for: Canalization and treatment of wastewater (achievement degree of 40.8%, -RON 14,603.3 th), Sanitation (achievement degree of 65.7%, -RON 9,128 th) and Collection, treatment and destruction of waste (achievement degree of 94%, -RON 2,143.3 th);
- **Health**, the expenditures marked an execution degree of 49.3%, being by RON 13,393.1 th below the final provisions this impact being mostly reflected at the level of General hospitals (-RON 13,171.6 th, -50.3%);
- The expenditures within the **Fuel and power** chapter marked an execution degree by 89.5% compared to the final budget, payments below the budgetary provisions being found at the level of Heating energy line (-RON 7,577.7 th, -8.7%) and Other expenditures for fuel and power (-RON 3,726.7 th, -18%);
- The expenditures within the **Culture, recreation and religion** chapter recorded an execution degree of 69.2% compared to the final provisions (-RON 11,208 th). Thus, at the level of Sports' services subchapter was recorded an execution degree of 65.2%, respectively a decrease by RON 10,051.9 th, mainly for Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 9,579.8 th, -49.1%) and Sports (-RON 433.5 th, -4.7%);
- **Insurance and social assistance**, within this chapter the execution degree compared to the rectified budget reached of 83.5%, respectively the expenditures volume was by RON 11,161.4 th below the final budget. The dynamics was mainly supported by Nurseries paragraph (-RON 8,004.8 th, -60.4%) and Other expenditures in the insurance and social assistance field (-RON 2,044.6 th, -18.5%);
- In the **Housing, public services and development** chapter, compared to final provisions, was recorded an execution degree of 70.3%, the payments being by RON 5,019.1 th below the provided level. The dynamics was mainly supported by payments for Public lighting and rural electrification (-RON 2,302.4 th, -25.5%) and by Other services for housing, public services and rural development (-RON 2,154.7 th, -35.2%);
- **Public authorities and external actions**, this chapter recorded an achievement degree of 91.6%, being by RON 4,317 th below the provided level;
- **Other expenditures** were executed by RON 3,109.7 th (-12.2%) below the final budget, being mainly remarkable the provisions for the Local police (-RON 1,187.2 th, -8.9%) and for the Community public services for persons evidence (-RON 873.1 th, -26.3%).

## Table of contents Part III



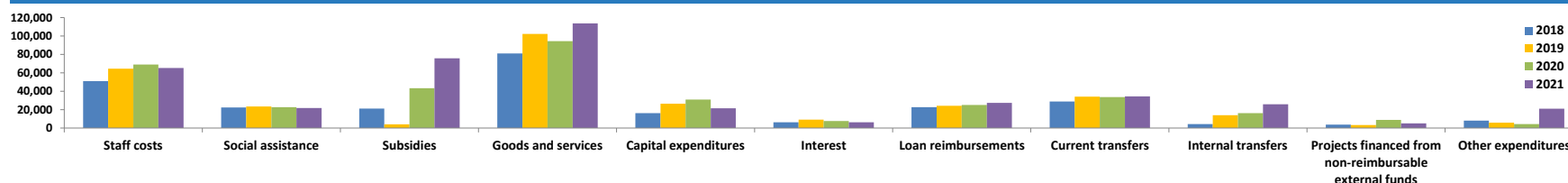
### Part III: Budgetary expenditures (economic classification)

- The dynamics of the expenditures performed in the period of 2018 - 2021
- The variation of the expenditures performed in 2021, as compared to the level attained in 2020
- Budgetary provisions in 2021
- Expenditures ratios
- Expenditures - budgetary execution 2021 - The structure of the executed Expenditures and Revenues in 2021 from the local budget in the context of preventing and combating COVID
- Budgetary provisions for 2022

# The dynamics of the expenditures incurred for the period 2018 - 2021

Economic classification

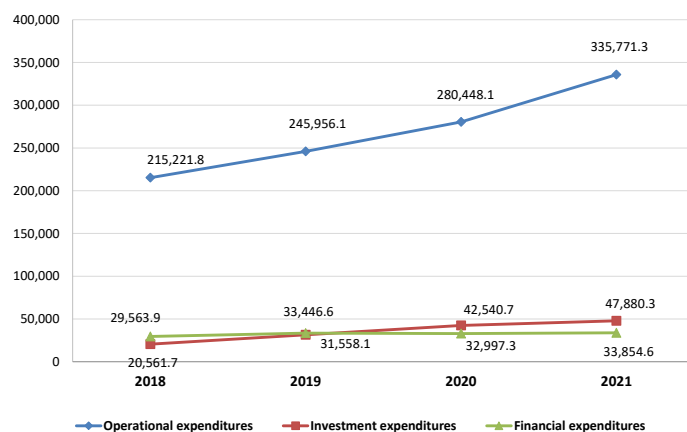
'000 RON



The **Operational expenditures** reached a maxim in amount of RON 335,771.3 th in the current year with an upward trend in the following analyzed period increasing by 30,734.3 th (+14.3%) in 2019, by 34,492 th (+14%) in 2020, respectively by RON 55,323.2 (+19.7%) in 2021.

- **Staff costs** recorded an upward trend in the 2018-2020 period, in 2019 registering the highest increase in the analyzed interval, of 26.6%, by RON 13,534.7 th, increasing to the level of RON 69,004.5 th (+RON 4,573.5 th, +7.1%) in 2020. The only decrease of these expenditures is marked in 2021 (-RON 3,780.5 th, -5.5%). In 2019, the increases of the Base salary within the functional chapters were highlighted: Insurance and social assistance (+RON 3,196 th), Public authorities and external actions (+RON 2,461.6 th), Environment protection (+RON 1,278.6 th) and Housing, public services and development (+RON 682.3 th), and in 2020 at the level of the chapters: Insurance and social assistance (+RON 1,770.9 th), Public authorities and external actions (+RON 564.8 th), Culture, recreation and religion (+RON 462.3 th) and Environment protection (+RON 461 th). The decrease registered in 2021 was mainly reflected in the functional chapter Environment protection, the Staff costs being reduced by RON 2,650 th.

## Total payments made



- The payments made for **Goods and services**, excluding commissions and other costs for debts, had an oscillating evolution, with an increase in 2019 by 27% (+RON 21,709.6 th). In 2020 the expenditures amounting to RON 94,209.8 th were by 7.7% above the 2019 level, thus marking the only decrease in the interval, and in 2021 reaching the maximum level of 113,357.7 th (by 20.3% higher compared to the previous year). The dynamics of 2018-2020 period was reflected by the expenditures with the Current repairs at the level of the functional chapters Transports and Education, while the increasing from 2021 has been mainly supported by Other materials and services for maintenance and functioning in the functional chapter Environment protection.
- **Subsidies** are entirely reflected within the Fuel and power chapter. The only decrease from the analyzed period is registered in 2019, reaching the minimum level of RON 4,000 th (-RON 17,149.4 th, -81.1% compared to 2018), due to Other subsidies (lower by 64.1%) and Subsidies for covering the differences on prices and tariffs (null in 2019). The next two years recorded increases by RON 39,232.4 th (+980.8%) in 2020 (mainly as a result of the recorded a value of RON 22,092.7 th related to Subsidies for covering the differences on prices and tariffs, without sums in the previous year and by RON 32,455.4 th (+75.1%) in 2021 (+RON 19,733.8 th for Other subsidies and +RON 12,721.6 th for Subsidies for covering the differences on prices and tariffs ) when the maximum of the period was recorded.

## The dynamics of the expenditures incurred for the period 2018 - 2021

Economic classification

'000 RON

- Within the **Internal Transfers**, is remarkable the dynamics of Other current internal transfers (mainly within the chapter Environment protection) with a significant increase in 2019 (+8,601.4 th RON, + 406.5%), followed by the increase by RON 1,691.6 th (+ 15.8%) in 2020. In the base year, these expenditures decreased by RON 8,097.6 th (-65.3%).
- **Current transfers** recorded an oscillating trend in the 2018-2021 period, going up to +18.3% in 2019 (+RON 5,283.9 th), following that in 2020 to decrease by 1.2% (-RON 418.1 th). In 2021 recorded a small increase by 2% (+RON 671.7 th), the dynamics of the entire chapter being mainly highlighted at the level of the Transfers to public institutions related to functional chapters: Culture, recreation and religion and Public order and national security, respectively Local police.
- The evolution of the title **Other expenditures** oscillated, decreasing in the first two years of the analyzed period, by RON 1,850.8 th (-23.4%), respectively by RON 2,374 th (-39.2%), mainly at the level of the payments for Scholarships (within the Education chapter) and of the Associations and foundations (within Insurance and social assistance chapter). In 2021, these expenditures marked an increase by RON 16,155.2 th, mainly at the level of Scholarships.

The **Investment expenditures** recorded an upward trend during the analyzed period, starting from a value of RON 20,561.7 th in 2018, followed by a significant increase by 53.5% in 2019 (+RON 10,996.5 th). In 2020 the expenditures increased by 34.8% (+RON 10,982.6 th), and the maximum level of RON 47,880.3 th (+RON 5,339.6 th, +12.6%) was reached in 2021.

- **Capital expenditures** marked an oscillating trend in the analyzed period, with an average compound average growth of 9.8%. The increase of RON 10,160.9 th (+62.6%) registered in the first analyzed year was mainly reflected at the level of the expenditures for Constructions within the chapters Transports (+RON 8,250.2 th) and Environment protection (+RON 3,912.4 th). In the next year, the maximum of the period was also registered, of RON 30,894.7 th, after an increase of RON 4,503.9 th (+ 17.1%) due mainly to the dynamics of the expenditures for Constructions within the chapters Environment protection (+RON 5,555.3 th), Health (+RON 5,390.7 th), Fuels and power (+RON 1,920 th) and Transports (-RON 9,020.9 th). The base year marked the only decrease of RON 9,427.5 th (-30.5%), mainly in the functional chapters Health, Fuels and power and Environment Protection.
- The **Projects financed from non-reimbursable external funds** recorded an oscillating trend, more investment programs with non-refundable european funds were developed during the analyzed period, mainly within the Fuel and power chapter (from Cohesion Fund). The amounts allocated for ongoing projects from Cohesion Fund recorded a value of RON 2,621.8 th in 2019, decreased by RON 484.2 th (-15.6%) compared to the previous year, followed by an increase by RON 5,291.2 th (+201.8%). In 2021, the sums from Cohesion Fund decreased by 99% (-RON 7,831 th), being counterbalanced by the increase of Programs from the European Regional Development Fund (ERDF) (+RON 2,055.1 th, +388.7%), mainly at the Transports chapter.

The **Financial expenditures** recorded an oscillating evolution in the analyzed period. 2019 is ending with an increase by 13.1% of these expenditures, respectively by RON 3,882.6 th, in 2020 is recorded a decrease by 1.3% compared to the previous year (-RON 449.2 th), followed by an increase by 2.6% in the base year (+RON 857.3 th). The Financial expenditures are mainly related to Public authorities and external actions and Fuel and power chapters.

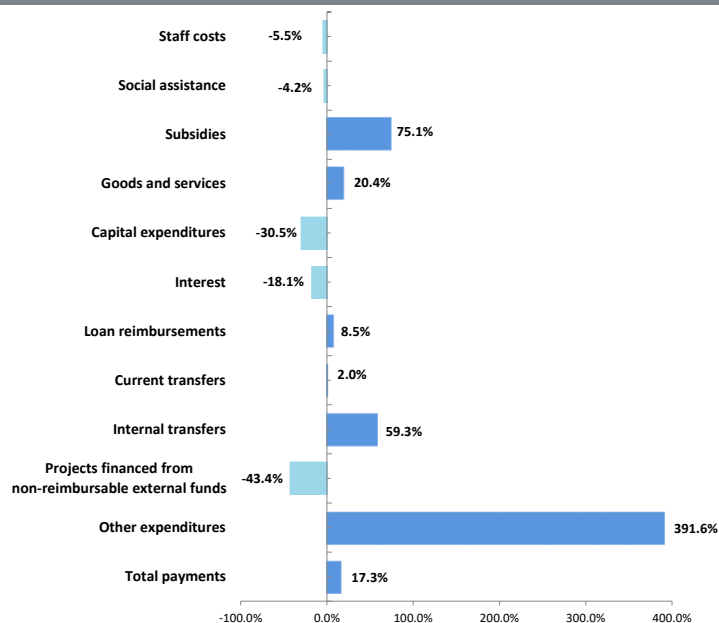
# The dynamics of the expenditures incurred for the period 2020 - 2021

Economic classification

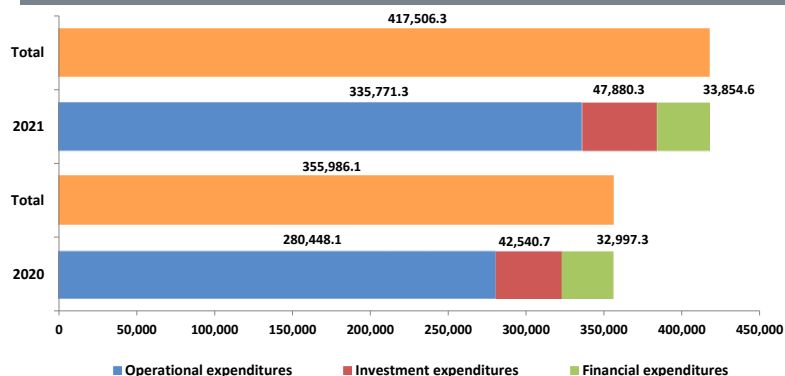
'000 RON



## Economic expenditures variation



## The structure of the made payments



At the level of the **Operational expenditures**, from the economic perspective, an increase is noticed by 19.7% compared to the previous year (+RON 55,323.2 th), mainly reflected at the level of the following expenditures types:

- **Subsidies** - higher by RON 32,455.4 th (+75.1%), respectively the increase of Other subsidies (+RON 19,733.8 th, +93.3%) and of Subsidies for covering the differences on prices and tariffs (+RON 12,721.6 th, +57.6%);
- **Goods and services** - increased by RON 19,241.9 th (+20.4%) mainly at the level of Other materials and services for maintenance and functioning (+RON 16,849.2 th, +67.3%), of Heating, lighting and driving force (+RON 5,420.1 th, +27.9%), while Other expenses with materials and services changes decreased by RON 3,339.5 th (-29.6%);
- **Other expenditures** - by RON 16,761 th (+391.6%) above the values recorded in 2020, reflected by the increase of the payments for Scholarships (RON 16,520.3 th);
- **Current transfers** - by RON 671.7 th below the payments level made in the same period of the previous year, at the level of Transfers to public institutions (+RON 1,170.9 th, +4.6%), while the amounts for Health actions decreased by 499.2 th (-6%);
- **Internal transfers** - within this chapter is notice the decrease by Other current internal transfers (-RON 8,097.6 th, -65.3%), corroborated with an increase of sums for Financing of private or confessional accredited education (+RON 572 th, +22%);
- **Staff costs** - decreased by 3,780.5 th (-5.5%) at the level of Base salary (-RON 1,879.3 th, -3.2%), and Payments in nature were not recorded in the current year (RON 1,835.2 th in 2020);
- **Social assistance** - decreased by RON 946.7 th (-4.2%), mainly at the level of Gift tickets granted for social expenditures (RON -707 th, -14.8%) and Social support in cash (-RON 307.9 th, -1.7%).

The **investment expenditures** recorded an increase by RON 5,339.6 th (+12.6%), as a result of:

- **Internal transfers** within which is noticed an upward evolution for Investments of the economic agents with state capital by RON 17,124.3 th;
- **Capital transfers** increased by 2,193.6 th (+129.3%) above the level recorded in the previous year, as a result of higher payments for Transfers for financing the investments on hospitals (+RON 2,154.3 th);
- **Capital expenditures** by RON 9,427.5 th below the level achieved in 2020 (-30.5%), exclusively as a result of the payments evolution of Fixed assets. The dynamics is reflected at the level of Constructions (-RON 11,868.7 th, -45.2%), Other fixed assets (including capital repairs) (-RON 2,383.4 th, -54.5%), and Machines, equipments and means of conveyance for which payments amounting to RON 5,008.2 th were made in the current year, without such payments made in the previous year;
- The amounts for **Projects financed from non-reimbursable external funds** decreased by RON 3,817.2 th (-43.4%), mainly at the level of Programs from Cohesion Fund (-RON 7,831 th, -99%), partly compensated by the increase of Programs from the European Regional Development Fund (ERDF) (+RON 2,055.1 th, +388.7%) and of Programs from the European Social Fund (ESF) (+RON 1,958.8 th, +542.1%).

The **Financial expenditures** increased by RON 857.3 th (+2.6%), as a result of higher expenditures for Loans reimbursements (+RON 2,142.4 th, +8.5%), exclusively the internal ones and for Commissions and other costs for debts (+RON 93.9 th, +39.4%), corroborated with the decrease of expenditures for Interest (-RON 1,379.1 th, -18.1%).



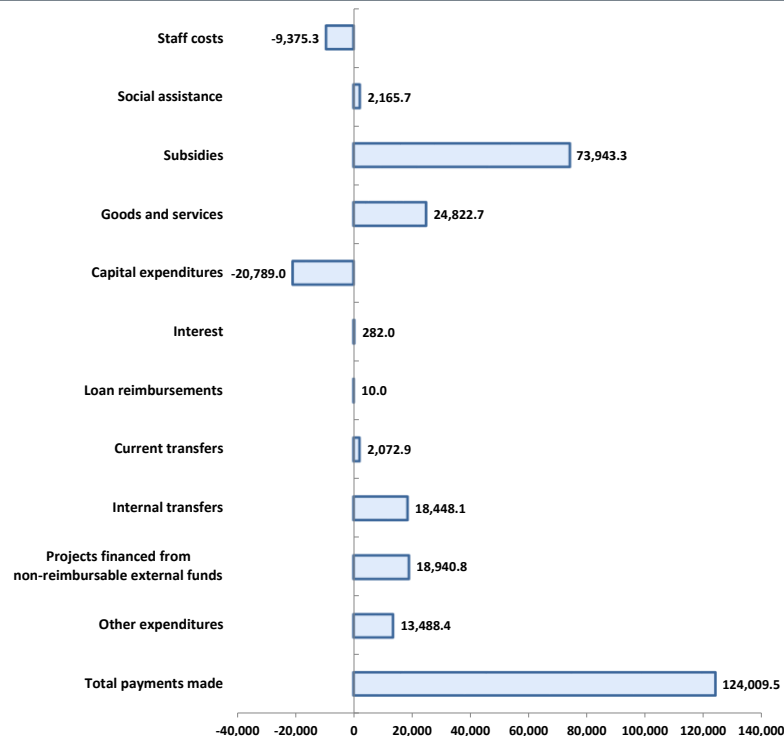
# Budgetary provisions in 2021

Economic classification

'000 RON



## Revised budget at Q4 2021 as compared to the planned budget



From the economic point of view, the budgetary rectification mainly provided:

- An increase at the level of **Operational expenditures** up to the value of RON 106,042.6 th compared to the initial budget (+26.5%), taking into consideration that:
  - Subsidies** were provided in amount of RON 5,000 th in the initial budget and were rectified at the value of RON 78,943.3 th (+RON 73,943.3 th), the dynamics being reflected at the level of Other subsidies (+RON 42,399.6 th, without such amounts planned) and of Subsidies for covering the differences on prices and tariffs (+RON 31,543.7 th);
  - The rectified expenditures related to **Goods and services** increased by RON 24,822.7 th, +22.6% as a result of higher provisions for Other materials and services for maintenance and functioning by RON 8,509.4th (+21.3%), Other expenses with materials and services by RON 6,906.9 th (+272.9%), and Current repairs by RON 6,076.1 th (+41.7%);
  - Other expenditures** for which the final provisions were increased by RON 13,488.4 th (+74.1%), mainly reflected at the level of Scholarships;
  - Social assistance** rectified in the means of an increase by RON 2,165.7 th (+9.5%), compared to the initial budget, mainly at the level of Social support in cash (+RON 3,116.6 th, +17.9%), while the amounts for Gift tickets granted for social expenditures decreased by RON 999.9 th (-18.9%);
  - Current transfers**, higher provisions compared to the initial budget (+RON 2,072.9 th, +5.9%), reflected at the level of Transfers to public institutions (+RON 1,934.9 th, +7.4%);
  - Staff costs** rectified in the means of a decrease by RON 9,375.3 th (-12%) compared to the initial budget, lower provisions mainly being for Base salaries (-RON 8,562.2 th, -12.6%);

- Investment expenditures** increased by RON 17,566.9 th (+11.3%) compared to the initial budget, taking into consideration:
  - The expenditures for **Projects financed from non-reimbursable external funds** increased by RON 18,940.8 th (+34.2%) compared to the initial provisions, mainly found at the level of projects related to the 2014-2020 financial framework, respectively Programs from the European Regional Development Fund (+RON 18,752.8 th, +38.6%);
  - within the **Internal transfers** chapter, higher expenditures were provided for Investments of the economic agents with state capital by RON 17,146.2 th, +165.4%);
  - Capital expenditures** decreased by RON 20,789 th compared to the initial budget (-23.6%), the dynamics being generated by the decrease of Constructions (-RON 21,853.9 th, -34.1%) and Other fixed assets (-RON 3,151 th, -17.1 %), corroborated with an increase of sums for Furniture, office equipment and other tangible assets (+RON 4,215.8 th, +76.9%).
- At the level of the **Financial expenditures**, there is an increase by RON 400 th (+1.2%) compared to the initial provisions, mainly reflected at the level of Interests for external credits contracted by the credit coordinators (+RON 289 th, +277.9%).

## Budgetary provisions in 2021

Economic classification

'000 RON



### Expenditures achievement degree from the revised budget at Q4 2021

- The **Investment expenditures** recorded an achievement degree of 27.7%, being by RON 125,238.2 th below the final budgetary provisions, considering the execution of the following expenditures groups:
  - The payments for **Projects financed from non-reimbursable external funds** were by RON 69,299.8 th below the level provided by final budget, marking an achievement degree of 6.7%. These amounts were mainly related to the 2014-2020 financial framework (-RON 68,888.8 th, -93.4%). At the level of Programs from the European Regional Development Fund (ERDF), the payments were executed by RON 64,777.1 th (-96.2%) below the ceiling provided by the final budget and lower payments by RON 4,111.6 th (-63.9%) related to the Programs from the European Social Fund (ESF).
  - **Capital expenditures** were executed at a level by RON 45,718.6 th below the one provided by the rectified budget, respectively an achievement degree of 32%. The decrease is mainly reflected at the level of payments for Constructions (-RON 27,765 th, -65.8%), Other fixed assets (-RON 13,242.3 th, -87%) and Machines, equipments and means of conveyance (-RON 4,686.8 th, -48.3%).
  - **Investments of the economic agents with state capital** recorded lower payments by RON 9,224.3 th compared to the rectified budget level, marking an achievement degree of 66.5%.
- **Operational expenditures**, amounting to RON 335,771.3 th, were by RON 47,473.8 th below the budgetary provisions level (achievement degree of 87.6%).
  - For **Goods and services**, payments were made by RON 21,024.3 th below the budgeted level (achievement degree of 84.4%). Lower expenditures were mainly recorded for Other materials and services for maintenance and functioning (-RON 6,625.3 th, -13.7%), Current repairs (-RON 2,825.3 th, -13.7%), Heating, lighting and driving force (-RON 2,821.6 th, -10.2%), Other expenses with materials and services (-RON 1,505.5 th, -16%).
  - Within the **Internal transfers**, the expenditures of Other current internal transfers were executed by RON 4,305.5 th below the final budget, marking an achievement degree of 50%.
  - For **Other expenditures**, the payments marked an achievement degree of 67.5% compared to the final provisions (-RON 9,533.8 th), the evolution being especially marked by the decrease of payments for Scholarships (-RON 8,806.6 th, -32.8%).
  - **Staff costs** recorded an achievement degree of 94.6% from budgetary allocations, the payments being by RON 3,715 th below the provisions level. Lower expenditures were recorded at the level of Base salaries (-RON 2,561.2 th, -4.3%) and Other remuneration rights paid in cash (-RON 340.6 th, -20.6%).
  - **Subsidies** were by RON 3,255.5 th (-4.1%) below the budgeted level, due to lower Subsidies for covering the differences on prices and tariffs by RON 1,729.4 th (-4.7%) and Other subsidies by RON 1,526.1 th (-3.6%) in the final budget.
  - The expenditures made for **Social assistance** were by RON 3,093.9 th below the budgeted level (recording an achievement degree of 87.6%). Thus, the expenditures made Social support in cash were lower by RON 2,847.5 th (-13.9%) compared to the budgetary provisions, and those for Gift tickets granted for social expenditures decreased by RON 246 th (-5.7%).
  - **Current transfers** were by RON 2,764.2 th below the rectified budget level (achievement degree of 92.5%), mainly due to lower payments related to Transfers to public institutions (-RON 1,678.1 th, -6%) and Health actions (-RON 1,086 th, -12.1%).
- Regarding the **Financial expenditures**, the payments were by RON 1,278.4 th below the budgeted level (achievement degree of 96.4%), mainly payments below the budgeted level recorded at the level of **Interests** (-RON 867.3 th, achievement degree of 87.8%) and of **Loans reimbursements** (-RON 64.7 th, achievement degree of 99.8%).

## Expenditures ratios in 2021 as compared to 2020

'000 RON



Ratios	2021	2020
<b>Total staff costs</b>	<b>65,223.9</b>	<b>69,004.5</b>
Expenditures per Capita	330.7 RON	350.0 RON
The expenditure weight in the operational expenditures	19.4%	24.6%
<b>Staff costs within the Insurance and social assistance chapter</b>	<b>30,651.5</b>	<b>31,229.2</b>
Expenditures per Capita	155.4 RON	158.4 RON
The expenditure weight in the operational expenditures	9.1%	11.1%
<b>Current compulsory expenditures</b>	<b>121,812.6</b>	<b>113,818.2</b>
Expenditures per Capita	617.6 RON	577.3 RON
The expenditure weight in the operational expenditures	36.3%	40.6%
<b>Operational expenditures</b>	<b>335,771.3</b>	<b>280,448.1</b>
Expenditures per Capita	1,702.5 RON	1,422.5 RON
The expenditure weight in the total expenditures	80.4%	78.8%
<b>Expenditures on debt service financing</b>	<b>33,854.6</b>	<b>32,997.3</b>
Expenditures per Capita	171.7 RON	167.4 RON
The expenditure weight in the total expenditures	8.1%	9.3%
<b>Total expenditures on investments</b>	<b>47,880.3</b>	<b>42,540.7</b>
Expenditures per Capita	242.8 RON	215.8 RON
The expenditure weight in the total expenditures	11.5%	12.0%
<b>The expenditures' rigidity</b>	<b>15.6%</b>	<b>19.4%</b>
<b>The weight of the payments from the operating section in the total payments</b>	<b>88.5%</b>	<b>88.0%</b>
<b>The weight of the payments from the development section in the total payments</b>	<b>11.5%</b>	<b>12.0%</b>
<b>The deficit/the surplus of the operating section</b>	<b>42,755.3</b>	<b>10,687.7</b>
<b>The deficit/the surplus of the development section</b>	<b>164.9</b>	<b>-1,725.4</b>
<b>The weight of the local public debt service in the total made payments</b>	<b>8.1%</b>	<b>9.3%</b>
<b>Maximum annual debt</b>	<b>69,798.0</b>	<b>64,683.2</b>
Net direct debt	<b>35,949.9</b>	<b>31,671.4</b>
Direct indebtedness level	14.5%	15.3%
Net public debt	<b>27,091.8</b>	<b>23,912.4</b>
Public indebtedness level	18.4%	18.9%
<b>The total expenditures achievement degree from the initial budget</b>	<b>89.3%</b>	<b>102.4%</b>
The achievement degree from the initial budget of the:		
Operational expenditures	121.1%	115.4%
Staff costs	83.3%	90.9%
Current compulsory expenditures	114.9%	112.6%
Expenditures on debt service financing	97.5%	94.2%
Investment expenditures	30.8%	61.0%
<b>The funds absorption level of the total expenditures</b>	<b>90.7%</b>	<b>97.5%</b>
Investment expenditures / Operational revenues	10.7%	12.1%

Capita, as of  
as of

<b>197,222</b>	<b>197,155</b>
01-01-20	01-01-19

- The **Total staff costs** performed in 2021 recorded a decrease by RON 3,780.5 th (-5.5%) below the level achieved in 2020 due to the decrease of Staff costs from the following chapters: Environment protection (-RON 2,650 th, -31.3%), Insurance and social assistance (-RON 577.7 th, -1.8%), Housing, public service and development (-RON 492.7 th, -13.5%) and Culture, recreation and religion (-RON 404.5 th, -8.9%);
- The **Current compulsory expenditures** were by RON 7,994.4 th (+7%) above the level recorded in 2020 due to the increase of Subsidies for covering the differences on prices and tariffs (+RON 12,721.6 th, +57.6%), corroborated with a decrease of Staff costs (-RON 3,780 th) and Social assistance (-RON 946.7 th, -4.2%);
- The **Operational expenditures** recorded higher payments by 55,323.2 th (+19.7%) compared to the previous year, considering:
  - higher expenditures of **Subsidies** (+RON 32,455.4 th, +75.1%), **Goods and services** (+RON 19,241.9 th, +20.4%) and **Scholarships** (+RON 16,520.3 th);
  - decrease of **Other current internal transfers** (-RON 8,097.6 th, -65.3%) and **Staff costs**;
- The **Expenditures on debt service financing** marked an increase by RON 857.3 th (+2.6%) compared to the level recorded in the previous year, this being highlighted by the Loans reimbursements (+RON 2,142.4 th, +8.5%) and Interests which decreased by RON 1,379.1 th (-18.1%);
- The **Total investments expenditures** recorded an increase by RON 5,339.6 th compared to 2020 (+12.6%), higher amounts for Investments of the economic agents with state by RON 17,124.3 th, for Programs from the European Regional Development Fund (ERDF) related to the 2014-2020 financial framework by RON 4,013.8 th (+451%) and for Transfers for financing the investments on hospitals (+RON 2,154.3 th), followed by a decrease of Capital expenditures by RON 9,427.5 th (-30.5%) and the amounts allocated for Projects financed from non-reimbursable external funds post-accession by RON 7,831 th (-99%).

## Expenditures - budgetary execution 2021

### Functional/Economic classification



Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:						Financial expenditures	Investment expenditures
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance	Current transfers	Other expenditures		
Public authorities and external actions	46,825.0	21,090.6	17,237.8	3,858.3	0.0	0.0	134.1	23,325.5	2,408.9
Other general public services	5,151.1	5,134.3	3,238.6	504.0	0.0	0.0	25.4	0.0	16.8
Transactions regarding the public debt and loans	6,592.3	0.0	0.0	0.0	0.0	0.0	0.0	6,592.3	0.0
General Transfers between different levels of administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Defense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public order and national security	17,257.0	17,257.0	234.9	4,845.6	0.0	12,195.1	2.7	0.0	0.0
Education	57,924.7	54,504.2	0.0	31,969.1	1,273.0	0.0	18,100.8	0.0	3,420.4
Health	13,007.2	7,918.1	0.0	0.0	0.0	7,867.0	0.0	0.0	5,089.1
Culture, recreation and religion	25,240.3	24,551.2	4,139.4	5,205.2	0.0	14,273.6	952.7	0.0	689.1
Insurance and social assistance	56,684.1	55,999.8	30,651.5	4,922.0	20,501.4	0.0	468.8	0.0	684.3
Housing, public service and development	11,879.4	11,885.2	3,161.1	8,965.3	0.0	0.0	42.0	0.0	-5.9
Environment protection	61,385.8	48,048.1	5,810.9	40,193.7	0.0	0.0	107.0	0.0	13,337.7
General economic, commercial and working actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel and power	96,642.5	75,728.8	0.0	0.0	0.0	0.0	0.0	3,936.8	16,976.9
Agriculture, Forestry and Hunting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transports	18,916.9	13,653.9	749.8	12,894.1	0.0	0.0	9.8	0.0	5,263.0
Other economic actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>417,506.25</b>	<b>335,771.32</b>	<b>65,223.93</b>	<b>113,357.73</b>	<b>21,774.40</b>	<b>34,335.72</b>	<b>19,843.24</b>	<b>33,854.6</b>	<b>47,880.3</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;

### Structure of Expenditures executed in 2021 from the local budget in the context of preventing and combating COVID 19 infection

Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:						Financial expenditures	Investment expenditures
		Total Operational Expenditures	Staff costs	Goods and services	Social assistance	Current transfers	Other expenditures		
Public authorities and external actions	331.8	331.8	329.4	2.4	0.0	0.0	0.0	0.0	0.0
Public order and national security	4,692.5	4,692.5	0.0	4,692.5	0.0	0.0	0.0	0.0	0.0
Education	477.8	477.8	0.0	477.8	0.0	0.0	0.0	0.0	0.0
Health	460.4	173.5	0.0	0.0	0.0	173.5	0.0	0.0	286.9
Culture, recreation and religion	56.3	56.3	43.1	0.0	0.0	13.2	0.0	0.0	0.0
Insurance and social assistance	173.7	173.7	14.9	158.8	0.0	0.0	0.0	0.0	0.0
Other general public services	52.4	52.4	50.6	1.8	0.0	0.0	0.0	0.0	0.0
Housing, public service and development	52.3	52.3	38.6	13.7	0.0	0.0	0.0	0.0	0.0
Environment protection	19.0	19.0	18.9	0.1	0.0	0.0	0.0	0.0	0.0
Transports	15.6	15.6	15.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>6,331.8</b>	<b>6,045.0</b>	<b>511.1</b>	<b>5,347.2</b>	<b>0.0</b>	<b>186.7</b>	<b>0.0</b>	<b>0.0</b>	<b>286.9</b>
Expenditures from the Budget of the Institutions financed from own revenues and subsidies	<b>2,505.3</b>								
Health	2,470.5	2,460.6	1,469.8	982.6	0.0	0.0	8.2	0.0	9.8
Culture, recreation and religion	13.2	13.2	0.0	13.2	0.0	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public order and national security	21.7	21.7	0.0	21.7	0.0	0.0	0.0	0.0	0.0
Local Budget Revenues	<b>3,929.3</b>								
Revenues from the Budget of the Institutions financed from own revenues and subsidies	<b>2,505.3</b>								

## Budgetary provisions

### Functional/economic classification

'000 RON



### Budgetary provisions for 2022, as compared to the execution in 2021 (Variations)

Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:				Financial Expenditures	Investment Expenditures	Investment expenditures (Total provisions 2022)
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance			
Public Authorities and external	▲ 19,633.9	▲ 14,504.4	11,762.2	2,486.7	-	▲ 7.5	▲ 5,122.0	7,530.9
Other general public services	▲ 4,503.8	▲ 4,151.6	1,221.8	2,084.5	-	▲ 0.0	▲ 352.2	369.0
Transactions regarding the public debt and loans	▲ 134.7	0.0	-	-	-	▲ 134.7	0.0	-
General Transfers between different levels of administration	0.0	0.0	-	-	-	0.0	0.0	-
Defense	0.0	0.0	-	-	-	0.0	0.0	-
Public order and national security	▲ 4,995.4	▲ 4,875.4	369.1	1,754.4	-	0.0	▲ 120.0	120.0
Education	▲ 55,210.4	▲ 18,067.9	-	9,728.0	2,378.0	0.0	▲ 37,142.5	40,562.9
Health	▲ 28,502.5	▲ 859.9	-	-	-	0.0	▲ 27,642.6	32,731.7
Culture, recreation and religion	▲ 36,003.0	▲ 14,291.8	3,186.6	8,124.8	-	0.0	▲ 21,711.2	22,400.3
Insurance and social assistance	▲ 20,288.5	▲ 13,377.9	13,141.2	3,217.9	-4,010.2	0.0	▲ 6,910.6	7,594.9
Housing, public services and development	▲ 22,065.2	▲ 13,705.2	207.9	13,218.1	-	▲ 3,700.0	▲ 4,660.0	4,654.2
Environment protection	▲ 21,197.2	▲ 12,049.8	5,810.9	19,304.2	-	0.0	▲ 9,147.5	22,485.2
General economic, commercial and working actions	0.0	0.0	-	-	-	0.0	0.0	-
Fuel and power	▼ -45,882.8	▼ -32,497.0	-	-	-	▲ 63.2	▼ -13,449.0	3,527.9
Agriculture, Forestry, Fish	0.0	0.0	-	-	-	0.0	0.0	-
Transport	▲ 169,482.9	▲ 14,769.1	1,914.2	12,826.7	-	0.0	▲ 154,713.8	159,976.8
Other economic actions	0.0	0.0	-	-	-	0.0	0.0	-
<b>TOTAL</b>	▲ 336,134.7	▲ 78,155.9	25,992.1	72,745.2	-1,632.2	▲ 3,905.4	▲ 254,073.4	301,953.7

\*) **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 initial budget for 2022 is by 80.5% above the level of payments made at the end of the previous year, respectively by RON 336,134.7 th.

• The **Operational expenditures** were forecasted in the planned budget with RON 78,155.9 mii RON above the recorded expenditures in 2021 (+23.3%), the provisions being allotted as follows:

- ✓ The expenditures for **Goods and services**, being by RON 73,025.6 th (+64.2%) above the recorded expenditures in the previous year, variations found mainly at the level of *Other materials and services for maintenance and functioning* and *Current repairs* within the chapters: Environment protection, Housing, public service and development, Transports and Culture, recreation and religion, but also at Heating, lighting and driving force line within the Education chapter.
- ✓ **Staff costs**, by RON 25,992.1 th above the executed level of 2021 (+39.9%), mainly regarding the Base salaries by RON 20,172 th (+35.5%), within the chapters: Public Authorities and external actions (+RON 9,909.3 th), Insurance and social assistance (+RON 9,711.2 th), Culture, recreation and religion (+RON 2,650.4 th) and Environment protection (-RON 4,985.2 th).
- ✓ **Current transfers** were provisioned within the initial budget of 2022 of RON 40,299.9 th, the allocations being by RON 5,964.2 th (+ 17.4%) above the level registered in the previous year.
- ✓ Within the initial budget, values related to the **Subsidies** were allocated by RON 35,672.8 th below the recorded level of the previous year (-47.1%), exclusively within the chapter Fuels and power. Thus, lower amounts were planned for *Other subsidies* (-RON 24,673.5 th, -60.5%) and for *Subsidies for covering the differences on prices and tariffs* (-RON 21,014.3 th, -60.4%), while for the *Subsidies for the compensation of not foreseen increases of fuel prices* was allotted the amount of RON 10,015 th (null in 2021);
- ✓ For **Social assistance** were provisioned payments amounting of RON 20,142.2 th, lower by RON 1,632.2 th (-7.5%) compared to the executed payments in 2021. Thus, the dynamics is mainly reflected in the level of *Social support in cash* within the chapters Insurance and social assistance (-RON 5,355.6 th) and Education (+RON 2,414.6th).





**Budgetary provisions for 2022, as compared to the execution in 2021 (Variations)**

- The **Investment expenditures** were planned at the total value of RON 301,953.7 th, higher by RON 254,073.4 th compared to the recorded level of 2021 (+530.6%), considering higher allocations related to:
  - ✓ **Projects financed from non-reimbursable external funds** (+RON 187,548.9 th), mainly at the level of Programs from European Fund for Regional Development within Transports (+RON 130,153.5 th);
  - ✓ **Capital expenditures**, by RON 74,126.7 th, +345.3% reaching a provided total of RON 95,593.9 th. The increase is mainly distributed to the chapters: Transports (+RON 24,910.3 th), Health (+RON 21,927.2 th), Culture, recreation and religion (+RON 7,773.1 th), Public authorities and external actions (+RON 6,362.9 th), Education (+RON 5,879.3 th);
  - ✓ **Investments of the economic agents with state capital** are planned by RON 6,731.5 th below the executed level of the prior year (-36.8%).

According to the Investment List included in the initial budget for 2022, the **Capital expenditures** are planned at the level of RON 95,593.9 th and the **Projects financed from non-reimbursable external funds** of RON 192,534.7 th, the main investment objectives being reflected at:

- The **Transports** chapter, within were forecasted in the planned budget the biggest investment expenditures, in amount of RON 159,976.8 th, mainly for the ongoing of works related to projects with non-reimbursable financing:
  - Traffic management system for prioritizing local public transport corridors and cycling (RON 34,036 th);
  - construction of a corridor for non-motorized trips Cancicov Park-Stadium-Swimming Pool-Vasile Alecsandri University (RON 23,301.5 th);
  - construction of a corridor for non-motorized trips Center-Serbanesti - ROP application (RON 18,010.9 th);
  - construction of a route for non-motorized trips South (RON 17,817.6 th);
  - redevelopment of Prieteniei street from Miorita neighborhood on the residential area model (RON 9,154.8 th);
  - modernization of public transport stations (RON 8,793.8 th);
  - construction of a corridor for unmonitored travel Center - Bacau Railway station - CFR District - Polyvalent hall CAEX/Industrial Park (CFR) (RON 8,787.9 th).

Also, within the chapter are two parking projects instead of stage I garage batteries that will be financed from the local budget (RON 11,709.4 th);

- The **Housing, public services and development** chapter, was allotted the amount of RON 45,408.7 th, of wich: RON 40,754.6 th from external loans and RON 4,654.2 th from local budget mainly aimed to ongoing works for the modernization of a large part of the public street lighting system;





**Budgetary provisions for 2022, as compared to the execution in 2021 (Variations)**

- The **Education**, chapter for which were allotted investment expenditures amounting RON 40,562.9 th, out of which RON 31,353.9 th from the projects with non-reimbursable financing and RON 9,209 th from the local budget, as follows:
  - On-going investment objectives (RON 16,461.3 th):
    - ✓ Modernization and rehabilitation Nicolae Vasilescu Karpen Technical Communication College (RON 6,900 th from non-reimbursable funds);
    - ✓ Modernization and rehabilitation Grigore Antipa College (RON 5,704.5 th from non-reimbursable funds);
  - Other investment expenditures (RON 22,426.6 th):
    - ✓ "Digital education in the pre-university education in Bacau City – Mobile IT equipment and other electronic equipment/devices meant to facilitate the educational activities in the online environment – procurement consulting service, Competitiveness Operational Programme" (RON 18,597.2 th from the projects with non-reimbursable financing).
- **Health**, for this chapter were provisioned investment expenditures amounting RON 37,753.6 th, mainly aimed to ongoing works for Construction of the Bacau City Hospital (RON 9,702.4 th from the local budget, RON 7,600 th from other transfers from other authorities and RON 5,021.9 th from internal loans) and for Modernization, equipment and extension of the buildings of the Ambulator of the Bacau Pneumophysiology Hospital (RON 7,354th from non-reimbursable funds).
- **Culture, recreation and religion**, were allotted investment expenditures from the initial budget amounting of RON 26,145.3 th, being remarkable the ongoing works related to Creation of a support infrastructure for incubating the "Hub for young people" business - Orizont Cinema (RON 9,604.5 th from non-reimbursable funds) and for rehabilitation and modernization "Leisure Island" (RON 3,735 th from internal loans, RON 150 th from local budget). Also, within the chapter were provisioned Other investment expenditures amounting RON 12,399.8 th, of which: RON 7,834.4 th from local budget, RON 3,959.5 th from non-reimbursable funds.
- **Environment protection**, were allotted investment expenditures in value of RON 22,485.1 th, divided into a part of the local budget (RON 12,480.8 th) and one of the transfers to other subordinated institutions (RON 10,004.3 th). The chapter highlights the ongoing works for Reinforcement/improvement and securing area of the pipe of the Bacau Uzului Valley, Masolea area, Ardeani commune (RON 4,804.5 th) and the procurement and installation of a 6 KV electricity generator group to supply the Moinesti pumping station (RON 2.594 th) from transfers to other subordinated institutions. Other investment expenditures (RON 10,972.3 th) are mainly directed to the various procurements.
- **Insurance and social assistance**, expenditures amounting of RON 7,594.9 th, mainly to modernization and rehabilitation of nurseries (RON 1,315.3 th for Nursery no. 3 and RON 1,748 th for Nursery no. 9 from non-reimbursable funds). Within other investment expenditures are remarkable non-reimbursable funds (POCU applications) for financing investment objectives "Pre-primary development through education" (RON 1,500th) and "First steps toward education" (RON 1,500 th).
- The **Financial expenditures** provisioned within the initial budget of the current year are by RON 3,905.4 th above the level recorded in the previous year, considering that were allotted RON 31,033 th for Loan reimbursements (+13.8%) and RON 6,114 th for Interests (-2.3%).

# Graphic representation: the variation of the budgetary provisions of 2022 compared to the level achieved in 2021

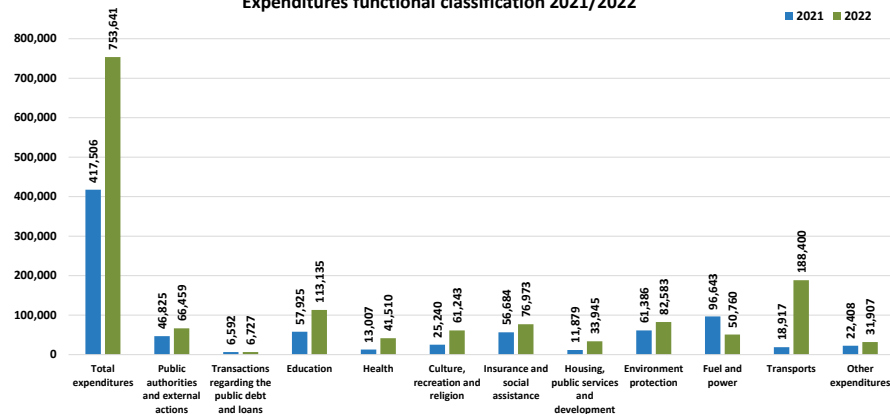
Functional/economic classification

'000 RON

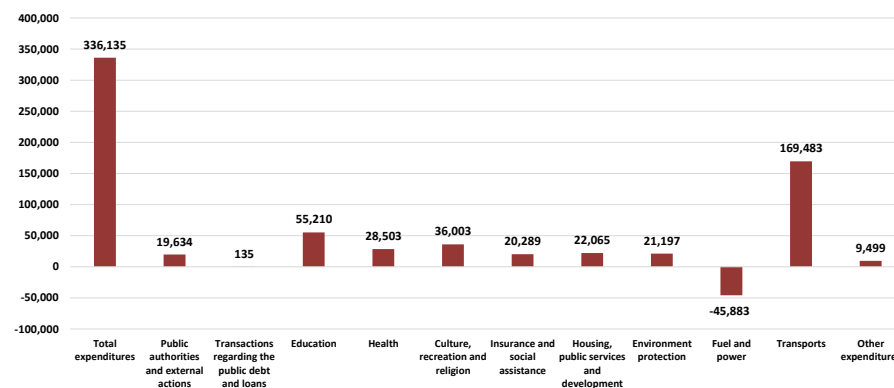


## Budgetary provisions for 2022, as compared to the execution in 2021 (Variations)

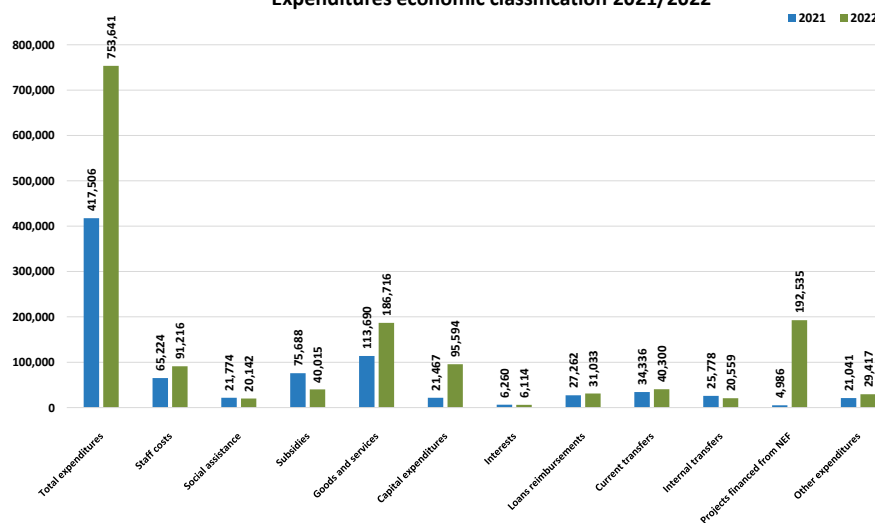
Expenditures functional classification 2021/2022



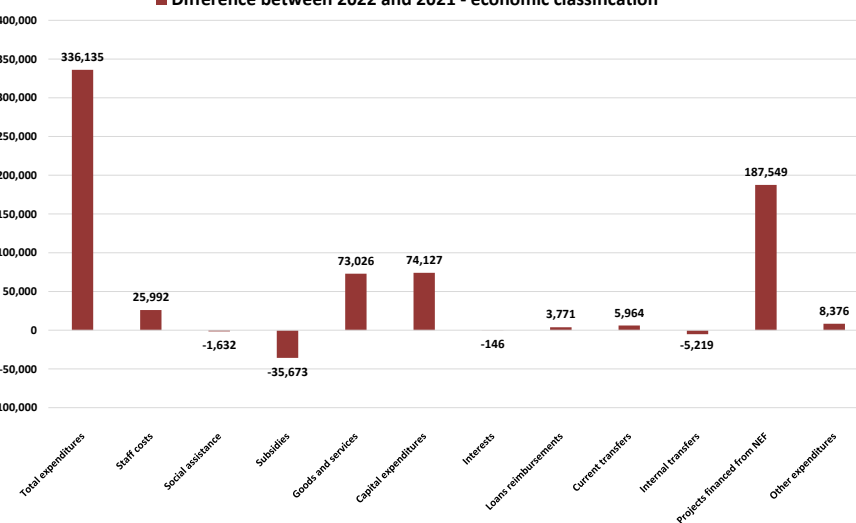
Difference between 2022 and 2021 - functional classification



Expenditures economic classification 2021/2022



Difference between 2022 and 2021 - economic classification





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### Part IV:

- Balance sheet in the period of 2018 - 2021
- Local Public Debt Service

## Balance sheet for the period 2018 - 2021

'000 RON



Balance sheet	2018			2019			2020			2021		
<b>Current assets</b>	377,155.2	11.5%		352,755.5	10.7%		369,574.3	9.7%		459,022.3	11.6%	
Cash and cash equivalent	65,700.4	17.4%	2.0%	29,105.4	8.3%	0.9%	41,268.1	11.2%	1.1%	83,441.9	18.2%	2.1%
Inventories	46,796.0	12.4%	1.4%	46,372.0	13.1%	1.4%	49,824.3	13.5%	1.3%	53,915.6	11.7%	1.4%
Receivables	264,607.2	70.2%	8.1%	277,261.0	78.6%	8.4%	278,460.3	75.3%	7.3%	321,627.1	70.1%	8.1%
Short term investments	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	51.6	0.0%	0.0%	17.1	0.0%	0.0%	21.6	0.0%	0.0%	37.7	0.0%	0.0%
<b>Fixed assets</b>	2,890,209.6	88.5%		2,935,412.6	89.3%		3,432,578.1	90.3%		3,491,995.4	88.4%	
Intangible assets	1,924.7	0.1%	0.1%	2,880.4	0.1%	0.1%	1,332.0	0.0%	0.0%	1,378.2	0.0%	0.0%
Tangible assets	2,799,954.4	96.9%	85.7%	2,861,098.2	97.5%	87.0%	3,362,684.0	98.0%	88.4%	3,440,459.5	98.5%	87.1%
Other fixed assets	88,330.6	3.1%	2.7%	71,433.9	2.4%	2.2%	68,562.1	2.0%	1.8%	50,157.6	1.4%	1.3%
<b>Total assets</b>	<b>3,267,364.8</b>	100.0%		<b>3,288,168.0</b>	100.0%		<b>3,802,152.4</b>	100.0%		<b>3,951,017.6</b>	100.0%	
<b>Current liabilities</b>	277,370.6	8.5%		121,030.9	3.7%		140,708.0	3.7%		153,295.5	3.9%	
ST borrowings and CP of LT debt	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	244,126.5	88.0%	7.5%	103,514.5	85.5%	3.1%	111,607.4	79.3%	2.9%	124,800.1	81.4%	3.2%
Short term provisions	3,444.5	1.2%	0.1%	721.3	0.6%	0.0%	554.5	0.4%	0.0%	394.9	0.3%	0.0%
Other short term debts	29,799.6	10.7%	0.9%	16,795.1	13.9%	0.5%	28,546.1	20.3%	0.8%	28,100.4	18.3%	0.7%
<b>Long term debts</b>	209,253.9	6.4%		192,577.3	5.9%		179,658.5	4.7%		152,440.1	3.9%	
Long term loans	201,883.9	96.5%	6.2%	192,559.5	100.0%	5.9%	179,432.8	100%	4.7%	152,170.5	100%	3.9%
Other long term debts	4.8	0.0%	0.0%	4.8	0.0%	0.0%	225.8	0.1%	0.0%	158.4	0.1%	0.0%
Provisions	7,365.3	3.5%	0.2%	13.1	0.0%	0.0%	-	0.0%	0.0%	111.2	-	-
<b>Equity and reserves</b>	2,780,740.4	85.1%		2,974,559.8	90.5%		3,481,785.9	91.6%		3,645,282.1	92.3%	
<b>Total liabilities</b>	<b>3,267,364.8</b>	100.0%		<b>3,288,168.0</b>	100.0%		<b>3,802,152.4</b>	100.0%		<b>3,951,017.6</b>	100.0%	
Current liquidity ratio (Current assets / Current liabilities)	<b>1.4</b>			<b>2.9</b>			<b>2.6</b>			<b>3.0</b>		
Indebtedness level (Borrowed capital /Total liabilities)	<b>6.2</b>			<b>5.9</b>			<b>4.7</b>			<b>3.9</b>		

- The **balance sheet asset** registered an upward trend during 2018-2021 period, the evolution being determined mainly by **Tangible assets** (+2.2% in 2019, +17.5% in 2020, respectively +2.3% in 2021). Another significant influence is represented by **Current assets (mainly Receivables and Inventories)**, with a maximum achieved in 2021 of RON 459,022.3 th as a result of an increase by RON 43,166.8 th (+15.5%) of Receivables and by RON 42,173.8 th (+102,2%) for Cash and cash equivalent.
- In the **balance sheet liabilities**, the variations were identified, in particular, at the level of Accounts payable, Long term loans and Equity, as follows:
  - Accounts payable**, recorded a decrease by RON 140,612 th (-57.6%) in 2019, following an upward trend in 2019-2021 period up to the level of RON 124,800.1 th in 2021;
  - Long term loans**, had a downward evolution, starting to RON 201,883.9 th in 2018, reaching RON 152,170.5 th this year when the largest decrease in the analyzed period was registered (-15.2%);
  - Equity**, with a majority share in Total liabilities, marked the lowest level in 2018, respectively a total value of RON 2,780,740.4 th. Year 2019 reflected an increase by 7% up to RON 2,974,559.8 th, followed by an increase of 17.1% recorded in (up to the level of RON 3,481,785.9 th). The dynamics was positive throughout the analyzed period, reaching in 2021 the maximum level of RON 3,645,282.1 th.
- Current liquidity ratio** witnessed an improvement in 2019 up to the level of 2.9, due to the decrease in Current liabilities (-56.4%), compared to 2018 when the value of the indicator was 1.4, thus being the smallest of the analyzed period. After a decrease in 2020 to 2.6, it increased in 2021 to a maximum of 3 in the analyzed period.
- The **indebtedness ratio** follows, in the 2018/2021 timeframe, a downward trend, recording in 2021 the ratio of 3.9, as a result of lower bank loans balance (considering the scheduled principal repayments), corroborated with an accentuate increase of the total liabilities.

## Local public debt service

at December 31<sup>st</sup> 2021

'000 RON



### Debt and liquidity

	In 2021
Total drawdowns from credit facilities in 2021	-
Direct debt service	33,848.1
Direct indebtedness rate	14.5%
Public debt service	42,706.2
Public indebtedness rate	18.4%
Public Debt Service as % of Operational Revenues	9.5%
Public Debt Service as % of Operational Expenditures	12.7%
Long term debt % Own Funds	4.2%
Long term debt / Own Revenues (1.x)	0.5

### at 31.12.2021

Payout	
Payout 2Y - 2 years	92,900
Payout 5Y - 5 years	213,484
Payout 10Y - 10 years	262,138
Final maturity (2033)	271,519
Total revenues per Capita	2,334.6 RON
Own revenues per Capita	1,514.0 RON
Public debt service per Capita	216.5 RON
Long term debt per Capita	771.6 RON

	2021 <sup>1)</sup>	2022 <sup>3)</sup>	2023 <sup>3)</sup>	2024 <sup>3)</sup>
Total revenues	460,426.4	691,862.2	698,780.9	705,768.7
Own revenues <sup>2)</sup>	298,588.9	400,507.4	404,512.5	408,557.6
Indebtedness capacity	69,798.0	80,306.8	96,550.2	110,360.9
Public debt service <sup>4)</sup>	42,706.2	46,828.1	46,072.3	41,577.0

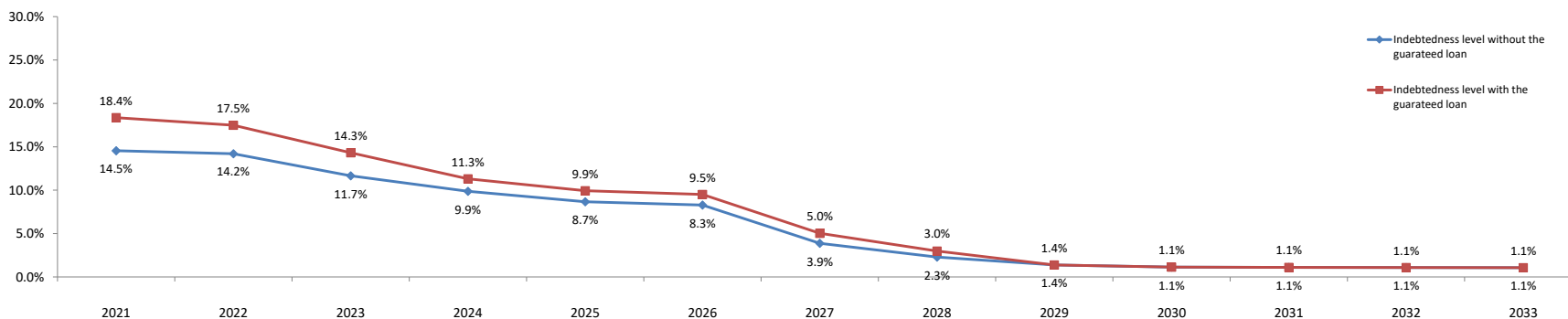
1) Revenues collected as of 31.12.2021;

2) 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);

3) Growth rate of 1% for Total revenues and Own revenues for the period 2022-2033; for 2022, the revenues are the ones provisioned through the initial budget;

4) TUD estimates for the period 2021 - 2033, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of December 31st, 2021.

### Indebtedness level forecast for the period 2021-2033 <sup>4)</sup>



- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of December 31st, 2021 and the growth rate of own revenues of 1%;
- According to the GEO no. 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 average of the own revenues for the last three years prior to current period (computed as per maximum indebtedness level formula).

## Glossary of terms



The operating section	- The basic compulsory local budget section, which includes revenues needed to finance current spending in order to achieve competencies established by law, and the related running costs
The development section	- The complementary section of the local budget, including income and capital expenditures related to implementation of the local development policies
Own revenues*	- The average of the Own revenues collected in the last 3 years (Own revenues as stipulated in the art. 5, indent (1) a) Law no. 272/2006 regarding the local public finance, including subsequent amendments and additions, out of which are subtracted the Revenues from goods capitalization stipulated in the art. 29 part of the mentioned law)
Operational revenues	- The difference between Total revenues, Investment revenues and Financial Revenues OR - The Sum of Current Revenues (00.02) and Current Subsidies (00.20)
Operational Expenditures	- Sum of Staff Cost (10), Goods and services (20), excluding Commissions and other costs related to debts (20.24), Subsidies (40), Reserve funds (50), Transfers (51+55, without investments), Social Assistance (57), Other Expenditures (59), Previous years payments recovered during the current year (85.01) OR - The difference between Total Expenditures, Investment Expenditures and Financial Expenditures, excluding Surplus / Deficit
Investment revenues	- Sum of the Capital Revenues (00.15), Subsidies received from the State Budget (00.19), Sums received from EU for the made payments 2007 - 2013 (45.02), Sums received from EU for the made payments 2014 - 2020 (48.02), Payments from the fixed assets depreciation (36.02.07), Income from the repayment of amounts allocated for seismic risk (36.02.22), Thermal rehabilitation tax (36.02.23), Owners' Association's contribution for the thermal rehabilitation works (36.02.31), Amounts from the budgetary financing of the previous years, related to the development section (36.02.32.02)
Investment expenditures	- Sum of the Capital expenditures (70), of the Projects financed from post-accession non-reimbursable external funds 2007 - 2013 (56), of the Projects financed from post-accession
Financial expenditures	- Sum of Interests (30), Loans reimbursements (81) and Commissions and other costs for debts (20.24)
Total payments made	- Total expenditures incurred without considering the result of the period
Revenues from other taxes collected	- City taxes collected as follows: 07.02.03+07.02.50+12.02+15.02+16.02.03+16.02.50+18.02.50+33.02.24+34.02.02+34.02.50+36.02.06+ 36.02.23
Returned funds from previous years	- In accordance to the Ministry of Finance order no. 231646/06.09.2008 previous years payments returned during the current year are reported negatively for 85.01 and are not used for payments. These are invalidated by increasing the budgetary loans for each economic expenditure.
Revenues and expenditures ratios	- The ratios are presented on the budgetary execution, stipulated in the Emergency Ordinance no. 63 dated 30.06.2010, whose method of calculation is covered in the Methodology of 11/03/2010
The revenues / expenditures achievement degree from the initial / revised budget	- Collected revenues % of the initial/ revised budgetary provisions; - Incurred expenditures % of the initial / revised budgetary provisions.
The level of financing from the own	- Own revenues % in Total revenues
The degree of self-financing	- (Own revenues- Quotas deducted from the income tax (04.02.01)) % Total collected revenues
The degree of dependency of the local budget to the state budget	- The total amounts received from the State Budget (Sums allocated from the quotas deducted from income tax to balance the local budgets 04.02.04 + Sums deducted from VAT 11.02 + Subsidies received from the State Budget 42.02) % in Total revenues
The degree of decisional autonomy	- (Own revenues + Sums deducted from VAT for balancing the local budget 11.02.06) % in Total revenues
The expenditures' rigidity	- Staff costs % in Total incurred expenditures
Maximum annual debt	- The maximum legal amount allowed for municipal indebtedness, equal to 30% of the average of the own revenues executed in the last 3 years. Represents the maximum of Public Debt Service, according to Government Decision 145/2008
Net direct debt	- Total of amounts representing interests, provisions and installments, according to contracted to be paid by The end of The year, by The municipality
Net public debt	- Total of amounts representing interests, provisions and installments, according to contracted and guaranteed to be paid by The end of The year, by The municipality
Direct/ Public indebtedness level	- Direct/Public Debt Service as % of Own revenues*
Net Direct/ Public indebtedness level	- Net public/direct debt as % of Own revenues*
Direct debt service	- Total amounts to be paid by the city hall as capital repayments, interests and fees for ongoing credit contracts
Public debt service	- Current debt service+amounts related to the granted guarantees (interests, commissions and principal)
Payout n Y - n years	- Public debt service for the next "n" years, considering the provisions of the ongoing credit contracts and the money market conditions at the report date
Current financial debt	- Total drawdowns related to the credit facilities for the analysed period
Per capita	- For a person that is resident of the municipality; Resident inhabitants



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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 that were used in preparing this report are: the financial documents of the years 2018, 2019, 2020 and 2021, the initial budget of 2021 approved through LCD no. 111 from 20.04.2021, revised budget at the end of 2021 through LCD no. 429 from 17.12.2021, the initial budget of 2022 approved through LCD no. 43 from 07.02.2022 including also the lists of related investments.

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