



District 6 of the Bucharest Municipality



Annual financial report
at 31.12.2020



Content

- General overview
- Context: Legislative changes with effect on local budgets - Bucharest (2017 - 2021)

Section I: Summary of budgetary dynamics

- Revenue and expenditure balance for the period 2017 - 2020
- Revenue and expenditure structure in 2020

Section II: Budgetary revenues

- The situation of the revenues collected for the period 2017 - 2020
- The dynamics of the revenues collected for the period 2017 - 2020
- The variation of the performed revenues in 2020 compared to 2019
- Budgetary provisions in 2020
- Revenues ratios
- Budgetary provisions for 2021

Section III: Budgetary expenditures (functional and economic classification)

- The situation of the expenditures incurred for the period 2017 - 2020
- The dynamics of the expenditures incurred for the period 2017 - 2020
- The variation of the performed expenditures in 2020 compared to 2019
- Budgetary provisions in 2020
- Expenditures ratios
- Budgetary provisions for 2021

Section IV:

- The balance sheet for the period 2017 - 2020
- Local public debt service

Glossary of terms

Disclaimer

General overview



General information

Bucharest – Ilfov is one of the eight development regions of Romania, composed of the Bucharest Municipality and Ilfov County. This region has an area of 1,821 km², out of which 13.4% represents the territorial – administrative area of Bucharest Municipality and 86.6% of the Ilfov County.

The city of Bucharest is located in the south – east of Romania, in between the city of Ploiesti at North and Giurgiu at South. The city is located in Vlasiei Plain, which is part of the Romanian Plain, West from Baragan, East from Gavanu Burdea Plain and North from Burnazului Plain. The city has a total area of 238 km², containing six districts, each being under the administration of a City Hall. The districts are radially disposed (clockwise numbered), so that each district has in administration a part of Bucharest's centre.

District 6 is the second largest district within the Municipality of Bucharest. The main communities of the district are: Taberei Avenue, Militari, Giulesti and Crangasi.

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

Territorial administration and public utilities	Bucharest	B-IF Region
Land fund surface (2018)	240 km ²	1,804 km ²
Green areas surface in municipalities/cities (2019)	45 km ²	48 km ²
Length of city roads (2019)	3,399 km	4,357 km
Distribution simple network for drinking water (2019)	2,513 km	3,884 km
Simple length of sewer pipes (2019)	3,657 km	4,733 km
Total gas distribution network length (2019)	2,124 km	4,340 km
Distributed thermal energy (2019)	2,653,480 Gcal	2,662,470 Gcal

Population (01.01.2019)	District 6	Bucharest	B-IF Region
Total	394,097	2,131,034	2,571,442
Gender distribution			
female	211,327	1,135,320	1,361,647
male	182,770	995,714	1,209,795
Distribution by age categories			
0-19 years	66,264	367,023	465,540
20-44 years	150,518	806,562	984,068
45-59 years	76,430	432,585	518,079
60 years and above	100,885	524,864	603,755
Distribution by environment			
urban	394,097	2,131,034	2,333,349
rural	-	-	238,093

Workforce	Bucharest	B-IF Region
Work resources - people (2019)	1,246 th	1,576 th
Work resources occupancy rate (2019)	97.7%	90.4%
Number of employees - people (2019)	1,058 th	1,222 th
Unemployment rate (December 2020)	1.2%	1.2%

National economy	2017	2018	2019	2020
Annual GDP, current prices	RON 772,880 million	RON 855,421 million	RON 953,453 million	RON 957,424 million
(seasonally adjusted) CAEN Rev. 2				

Turnover of local units	Bucharest	B-IF Region
Total (2019, RON million), out of which:	485,022	588,009
Manufacturing industry	38,884	55,212
Constructions	32,680	39,340
Commerce	224,238	285,415
Energy production and supply	36,827	36,962
Real estate transactions	61,199	66,825
Information and communication	40,954	42,488
Transports and storage	22,392	29,708

Source: <http://www.inssse.ro/cms/>; Last information available at the date of this report;

Infrastructure

Current infrastructure

The Bucharest – Ilfov region accounts for the most important national and international road – railway – aerial network of the country. It is characterized by a high level of accessibility, being located on two multimodal European corridors: European Priority Axis No. 7 and European Priority Axis Giurgiu – Albita, as well as in the proximity of the Danube (European Priority Axis No. 18).

The Bucharest – Ilfov region has the highest density of railways at 1,000 km² of area (165.3 km/100 km²), which is four times higher than the national average. The city of Bucharest is the starting point of the 8 railway throughout fares with connections to the other regions of the country.

The aerial and multimodal accessibility is secured by two international airports: “Henri Coanda” (Otopeni), accounting for the largest international airport in Romania (70% out of the total aerial passenger transportation in Romania) and “Aurel Vlaicu” (Baneasa).

Sustainable Urban Mobility Plan 2016 – 2030

The Sustainable Urban Mobility Plan (SUMP) for the Bucharest – Ilfov region was proposed for public debate in 2017. The plan aims to develop an efficient, integrated, sustainable and secure transportation system, which will support the economic, social and territorial development and provide a better quality of life.

The investment plan is proposing the following objectives: 123 km of new underground railway, new ecological public means of conveyance, 350 km of rehabilitated county roads, 52 km of rehabilitated beltways, a minimum of 3,400 parking lots and bicycle rental networks.

Besides the information already presented, the SUMP is conditionality for accessing European funds in the period of 2014 – 2020, through the Regional Operational Program and the Large Infrastructure Operational Program.

Source: <http://www.mdrl.ro/>; <http://www.pmb.ro/>; <http://pmd.ro/>;

Ratios 31.12.2020 (RON th)	PMB	District 1	District 2	District 3	District 4	District 5	District 6
Total revenues, w/o sums used from previous surplus	4,464,987	1,206,397	1,028,303	1,157,991	860,019	626,764	982,456
Own revenues, w/o sums used from previous surplus	3,717,547	1,070,428	894,182	925,844	660,154	545,356	807,677
Own revenues % TR	83.3%	88.7%	87.0%	80.0%	76.8%	87.0%	82.2%
Quotas and sums deducted from the income tax	3,484,493	694,734	614,374	688,470	476,693	429,709	580,512
Sums deducted from VAT	399,069	125,010	128,691	154,545	133,567	78,003	144,068
Subsidies	293,252	9,774	2,503	19,930	25,280	708	13,751
Sums received from EU	52,676	1,167	2,920	57,672	41,017	2,696	16,960
Total expenditures	4,418,645	1,296,393	1,070,608	1,157,443	859,838	649,364	999,411
Operational expenditures	3,519,770	1,006,818	836,050	701,774	588,967	483,663	748,672
Operational expenditures %	79.7%	77.7%	78.1%	60.6%	68.5%	74.5%	74.9%
Investment expenditures	650,657	208,762	189,326	237,224	213,512	103,332	157,069
Capital expenditures	576,654	207,777	108,497	229,004	208,033	97,208	155,369
Non - refundable external funds	88,108	989	6,898	1,348	5,488	1,937	2,267
Financial expenditures	248,218	80,813	45,233	218,446	57,358	62,369	93,670
Result of the period, w/o sums used from previous surplus	46,342	-89,996	-42,305	548	181	-22,601	-16,955
Sums used from previous surplus	-	-	-	-	-	-	-
Population (01.01.2019)	2,131,034	254,074	372,032	478,214	329,472	303,145	394,097

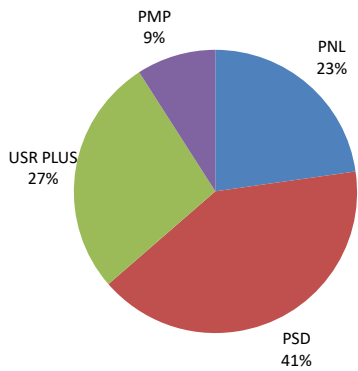
Source: <https://forexpublic.mfinante.gov.ro/web/transparenta-bugetara/rapoarte-entitati-publice/>;

General overview

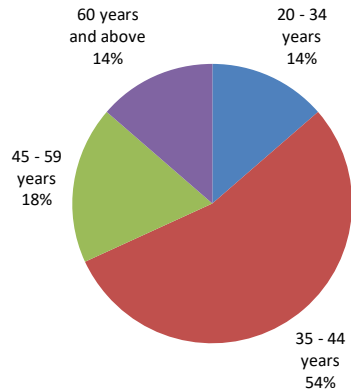
The Local Council of District 6 of the Municipality of Bucharest at 31.12.2020



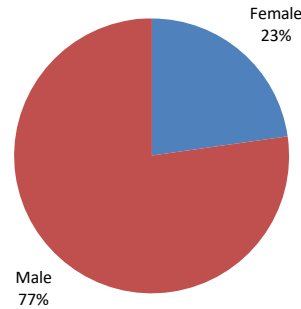
Political structure



Age distribution



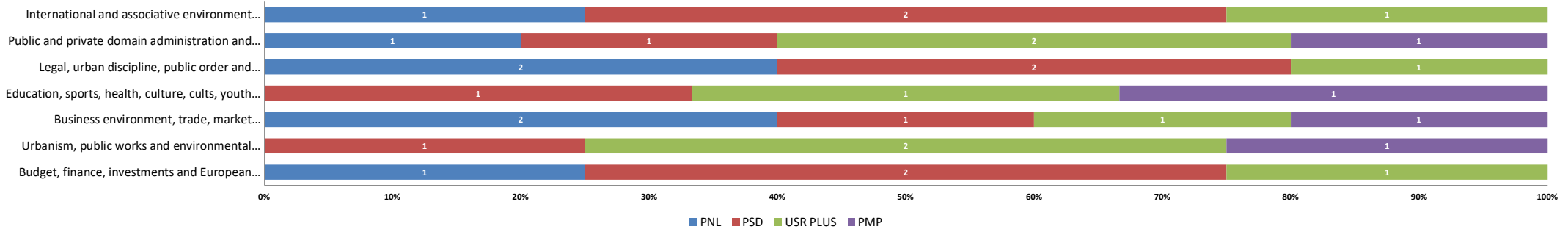
Gender distribution



Structure by political party, profession and age groups

Party	No.	Profession	Age group
PSD	1	Carpenter	60 years and above
PSD	1	Journalist	35-44 years
PSD	1	Economist	20-34 years
PSD	3	Economist	35-44 years
PSD	1	Engineer	45-59 years
PSD	1	Lawyer	60 years and above
PSD	1	Professor	35-44 years
USR PLUS	1	Calculation equipment technician	20-34 years
USR PLUS	1	Journalist	35-44 years
USR PLUS	1	Economist	45-59 years
USR PLUS	1	Engineer	60 years and above
USR PLUS	2	Lawyer	35-44 years
PNL	1	Economist	20-34 years
PNL	1	Economist	35-44 years
PNL	2	Engineer	35-44 years
PNL	1	Engineer	45-59 years
PMP	1	Economist	45-59 years
PMP	1	Lawyer	35-44 years

District 6 Local Council Commissions and their political structure

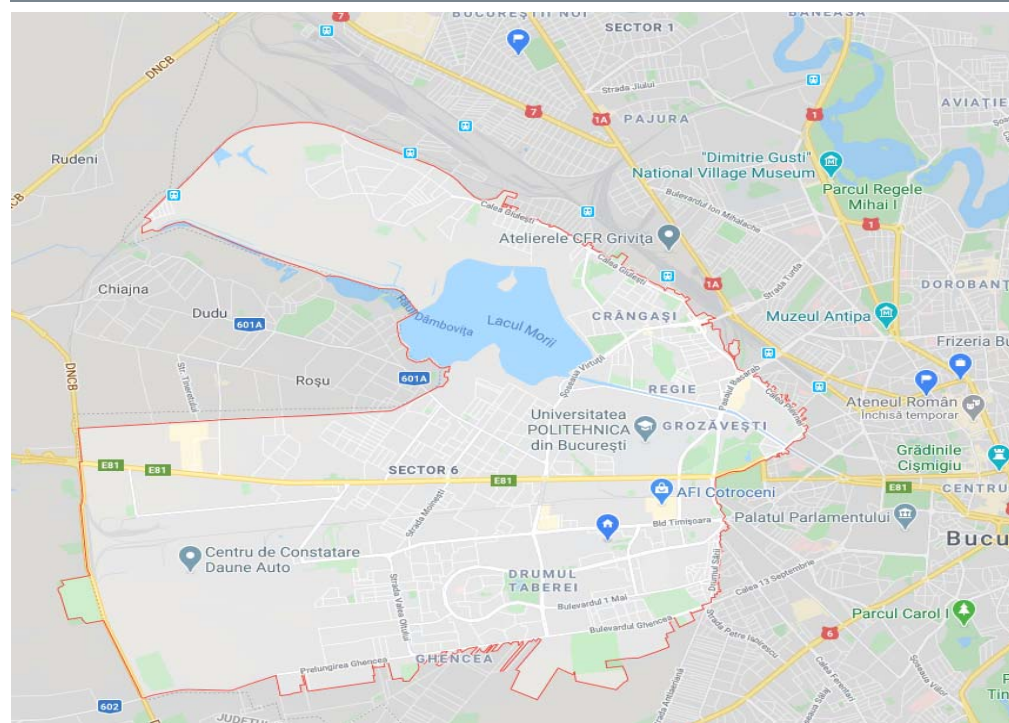


- The position of Mayor of District 6 of the Bucharest Municipality is occupied by Mr. Ciprian Ciucu, as a result of the local elections in September 2020. He is a representative of the National Liberal Party, being a journalist by profession and 43 years old.
- The position of Deputy Mayor is held by Mr. Gadiuta Alexandru Vasile, representative of the USR PLUS alliance, by profession geographer and 30 years and by Mrs. Stefan Mihaela-Ana-Maria, representative of the USR PLUS alliance, by profession shopping analyst and 34 years old.
- Mr. Spiridon Demirel is the Secretary of Sector 6 of Bucharest, a lawyer by profession and 53 years old.

Institutions and directions subordinated to the Local Council of District 6

- **District 6 of the Bucharest Municipality (Specialized body within the Mayor's office)**
- **Market Administration District 6**
- **Public Domain Administration and Urban Development District 6**
- **General Directorate of Local Taxes and Duties District 6**
- **Schools Administration District 6**
- **Education units**
- **General Directorate of Social Assistance and Child Protection**
- **General Directorate of Local Police District 6**
- **Local Directorate of Population Evidence District 6**
- **European Cultural Center District 6**
- **Housing Fund Administration Directorate District 6**
- **Multifunctional Health Center "Sfantul Nectarie"**

Geographic positioning in Bucharest Municipality



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

Cultural and social environment

Commerce and utilities

In District 6 there are over 10 major shopping centers, of which the most important are: Metro, Carrefour, Bricostore, AFI Mall, Plaza Romania, Cora, Expo Construct Militari, Dedeman, Sir Commercial Complex and approximately 1,200 shops carrying on commercial activities. Agro-food markets are concentrated in Drumul Taberei, Militari and Crangasi and are financed entirely from own revenues (extra-budgetary institutions). One source of revenue is the direct exploitation of markets Chilia Veche, Valea Ialomitei, Drumul Taberei II and Giulesti II through the payment of flat-rate charges for the market stalls and the second source of revenue is derived from contracts of association and renting of the remained markets (Gorjului, Veteranilor, Drumul Taberei I and Crangasi).

The utilities in District 6 are provided as follows: water supply by APA NOVA, thermal energy supply by RADET, the supply of natural gas by ENGIE and electricity supply by ENEL.

Culture, recreation and religion

The most important objectives and attractions in the District 6 are: the Cotroceni National Museum (since 1861), the Chiajna Monastery (since 1774), the Polytechnic Institute, the Pasteur Institute, the Botanical Institute and the National Aerospace Research Institute Emil Carafolli, as well as Masca Theater and Children Comic Opera.

The area benefits from many green spaces, the main parks being: Crangasi Park, Giulesti Park and Drumul Taberei Park (the largest park in the district, modernized and reopened in June 2015), as well as the Botanical Garden (with a surface of approximately 17.5 ha).

Environment protection

LCD 286 from 23.11.2017 - Convention of Mayors on Climate and Energy - Following the adoption in 2008 of the EU Climate and Energy Package for 2020, the European Commission has launched the " Convention of Mayors on Climate and Energy", which brings together local and regional authorities and voluntarily undertakes to implement the EU's climate and energy objectives on their territory. Thus, by acceding to this Convention, the signatory authorities undertake to support the achievement of the EU target of reducing greenhouse gases by 40% by 2030 and the adoption of a common approach to integrating climate change mitigation and adaptation strategies.

To turn these commitments into reality, it is necessary to address the following steps:

- conducting a baseline emission inventory and an assessment of climate change risks and vulnerabilities;
- presentation of an action plan on sustainable energy and climate within two years from the date of the decision of the Local Council;
- elaboration of a report on the progress registered, at least once every two years starting with the date of presentation of the Action Plan on sustainable energy and climate, for the purpose of evaluation, monitoring and verification.

LCD 82 from 08.05.2020 modified LCD 99 from 24.05.2018 regarding the approval of the Multiannual Local Investment Program for the urban regeneration of District 6 in the period 2018-2020, amounting to RON 185,000,000. The financing of the expenses related to the project is ensured from internal or external reimbursable funds contracted by ADPDU District 6, the budget of ADPDU District 6 and/or other legally constituted sources. Within this project, modernizations and landscaping are targeted.

Education

LCD 7 from 30.01.2020 organized the state and private pre-university education units for the year 2020-2021 as follows: 27 state kindergartens and 23 private kindergartens, 25 state gymnasium schools and 5 private schools (primary and gymnasium cycle), 14 state high schools and 6 private high school education units (of which 3 post-secondary schools), 2 institutions within special education, 1 independent scholar sports club and 1 children's club.

The financing of pre-university education is carried out based on the National Education Law no. 1 from 2011, with the subsequent amendments. At the level of higher education, among the universities based in District 6, we mention: Bucharest Polytechnic University, National Academy of Physical Education and Sports, Pentecostal Theological Institute and Ecological University.

LCD 122 from 30.07.2020 approved the project "Modernization of the Costin C. Kiritescu Economic College" was approved, amounting to RON 15,077,536.96 (including VAT), of which RON 2,318,645.92 from the local budget.

LCD 123 from 30.07.2020 approved the project "Modernization of the Constantin Paunescu Special Gymnasium School", amounting to RON 10,237,427.43 (including VAT), of which RON 5,217,900.24 from the local budget.

LCD 125 from 30.07.2020, approved the project "Modernization of the Petru Maior Technical College", amounting to RON 19,065,931.68 (including VAT), of which RON 3,406,125.86 from the local budget.

LCD 127 from 30.07.2020, approved the project "Modernization of the educational unit Sfantul Calinic Gymnasium School from Cernica (former Gymnasium School no. 164)", amounting to RON 13,870,517.91 (including VAT), of which RON 2,741,058.32 from the local budget.

LCD 129 from 30.07.2020 approved the development and financing amounting to RON 16,000,000 from the local budget, in the school year 2020-2021, of the project "School after school", carried out by the School Administration of District 6, targeting 7,000 students from pre-university education units in District 6, who will benefit from a hot meal.

Social assistance

LCD no. 12 from 30.01.2020 approved the development and financing amounting to RON 627,585 from the local budget of District 6 of the project "Counseling and Support Center for Young People at Risk", carried out by the General Directorate of Social Assistance and Child Protection District 6, in partnership with the Metropolis Philanthropic Foundation. The aim of the project is social inclusion and the emphasis is on finding a home, a job, building different social and interpersonal relationships.

LCD no. 13 from 30.01.2020 approved the development and financing amounting to RON 415,380 in 2020 from the local budget of the project of local interest "Day center for children and parents" developed by the General Directorate of Social Assistance and Child Protection District 6, in partnership with the Metropolis Philanthropic Foundation. Through this project, families at risk will be offered services of: social counseling, legal counseling, information about rights and obligations, psychological counseling for children and families, education, occupational therapy, socialization and leisure, school guidance, preparing and serving food, providing a supplement for home.

LCD no. 15 from 30.01.2020 approved the development and financing amounting to RON 412,420 from the schools' 2020 budget of District 6 of the project "Sheltered housing for adults with mental problems", carried out by the General Directorate of Social Assistance and Child Protection District 6, in partnership with the Estuar Foundation. This project consists of three ordinary apartments that provide a living space for people with mental health problems who need a supportive environment with specialized assistance throughout the day by a team of specially trained workers.

LCD no. 20 from 30.01.2020 approved the development and financing amounting to RON 1,389,018 from the local budget of District 6 of the project "Placement Center St. Marcellin Champagnat" carried out by the General Directorate of Social Assistance and Child Protection District 6 in partnership with Association "Marist Brothers of Romanian Schools". This program aims to reduce the percentage of children who are part of the circle of marginalization, giving them the opportunity to become independent, dignified and responsible people.



Bucharest (2017-2021)

Provisions through changes found in the level of allocations from the State Budget; Through annual law of the State Budget

For 2018:

I. Quotas and amounts deducted from the income tax: (distribution 90%)

1. Municipality of Bucharest: increase of the allocation percentage: **55%**
2. Districts of the Municipality of Bucharest: increase of the allocation percentage: **30%**
3. In an opened account with the Municipality of Bucharest Treasury: decreases of the allocation percentage: **5%**

For 2019:

I. Quotas and amounts deducted from the income tax: (distribution 100%)

1. Municipality of Bucharest: increase of the allocation percentage: **50%**
2. Districts of the Municipality of Bucharest: increase of the allocation percentage: **50%**

The allocation is made in 2 steps:

- a) Provide the minimum operating budget of lei 1.250/capita/year, in addition to own revenues
- b) The difference is distributed directly proportional with the estimated tax to be realized in each district range.

For 2020:

I. Quotas and amounts deducted from the income tax: (distribution 100%)

1. Municipality of Bucharest: increase of the allocation percentage: **50%**
2. Districts of the Municipality of Bucharest: increase of the allocation percentage: **50%**

The allocation is made in 2 steps:

- a) allocation lei 1.000/capita/year
- b) The difference is distributed directly proportional with the estimated tax to be realized in each district range.

For 2021:

I. Quotas and amounts deducted from the income tax: (distribution 100%)

1. Municipality of Bucharest: increase of the allocation percentage: **50%**
2. Districts of the Municipality of Bucharest: increase of the allocation percentage: **50%**

The allocation is made in 2 steps:

- a) allocation lei 1.150/capita/year
- b) The difference is distributed directly proportional with the estimated tax to be realized in each district range.

Table of contents Section I



Section I: Summary of budgetary dynamics

- Revenue and expenditure balance for the period 2017 - 2020
- Revenue and expenditure structure in 2020

Revenue and expenditure balance for the period 2017 - 2020

'000 RON



	2017	2018	%	2019	%	2020	%
TOTAL REVENUES	785,985.1	782,636.2	▼ -0.4%	858,987.9	▲ 9.8%	982,455.7	▲ 14.4%
TOTAL EXPENDITURES	787,338.9	779,686.0	▼ -1.0%	823,732.9	▲ 5.6%	999,410.6	▲ 21.3%
Operational Revenues	788,979.3	775,005.9	▼ -1.8%	823,303.4	▲ 6.2%	952,876.3	▲ 15.7%
Fiscal revenues	723,781.6	704,121.2	▼ -2.7%	801,978.0	▲ 13.9%	935,619.4	▲ 16.7%
Own fiscal revenues	467,492.5	498,896.7	▲ 6.7%	675,519.0	▲ 35.4%	791,551.4	▲ 17.2%
Sums deducted from the VAT	256,289.1	205,224.5	▼ -19.9%	126,459.0	▼ -38.4%	144,068.0	▲ 13.9%
Non-fiscal revenues, out of which:	28,358.2	19,056.5	▼ -32.8%	20,598.4	▲ 8.1%	16,117.8	▼ -21.8%
Non-fiscal own revenues	13,072.9	2,506.7	▼ -80.8%	2,626.4	▲ 4.8%	2,214.9	▼ -15.7%
Donations and sponsorships	-	-	-	-	-	-	-
Current subsidies	36,839.5	50,479.7	▲ 37.0%	727.0	▼ -98.6%	1,139.1	▲ 56.7%
Operational Expenditures (OPEX), out of which:	715,378.9	680,291.8	▼ -4.9%	680,033.5	▼ 0.0%	748,671.7	▲ 10.1%
Staff Costs (PEREX)	298,996.0	160,705.6	▼ -46.3%	176,532.2	▲ 9.8%	185,613.5	▲ 5.1%
Goods and services*	238,364.0	305,283.1	▲ 28.1%	336,920.5	▲ 10.4%	383,545.9	▲ 13.8%
Internal and current transfers	52,034.5	60,187.1	▲ 15.7%	60,263.0	▲ 0.1%	60,790.5	▲ 0.9%
Social assistance	79,973.6	101,227.5	▲ 26.6%	65,127.5	▼ -35.7%	69,495.8	▲ 6.7%
Subsidies	5,600.0	6,500.0	▲ 16.1%	5,170.0	▼ -20.5%	4,421.0	▼ -14.5%
Other expenditures	33,766.4	34,242.0	▲ 1.4%	18,858.6	▼ -44.9%	23,038.9	▲ 22.2%
Operational result	73,600.4	94,714.1		143,270.0		204,204.6	
Operational Surplus (% from OPEX)	10.3%	13.9%		21.1%		27.3%	
Operational Deficit (% from Op. Revenues)	-	-		-		-	
Investment revenues	- 2,994.2	7,797.7	▼ -360.4%	35,684.4	▲ 357.6%	29,579.5	▼ -17.1%
Capital revenues	41.4	46.8	▲ 13.1%	29.2	▼ -37.7%	7.6	▼ -74.0%
Capital subsidies	-	1,154.3	-	9,763.5	▲ 745.9%	12,611.9	▲ 29.2%
Sums received from EU for the made payments	- 3,035.6	4,800.4	▼ -258.1%	25,891.8	▲ 439.4%	16,959.9	▼ -34.5%
Investment expenditures (CAPEX), out of which:	18,881.4	41,081.1	▲ 117.6%	82,309.0	▲ 100.4%	157,068.8	▲ 90.8%
Capital transfers	-	-	-	-	-	-	-
Projects financed from non-reimbursable external funds	3,256.3	513.6	▼ -84.2%	1,377.4	▲ 168.2%	2,266.8	▲ 64.6%
Capital expenditures	15,625.1	40,567.5	▲ 159.6%	80,931.5	▲ 99.5%	155,369.5	▲ 92.0%
The result from the investment activity	- 21,875.6	- 33,283.4		- 46,624.5		- 127,489.4	
Financial revenues	-	- 167.4		-		-	
Financial operations	-	- 167.4	-	-	-	-	-
Financial expenditures	53,078.7	58,313.1	▲ 9.9%	61,390.5	▲ 5.3%	93,670.1	▲ 52.6%
Loan related commissions	12.4	9.5	▼ -23.1%	-	-	-	-
Interest	12,062.3	17,748.4	▲ 47.1%	22,866.6	▲ 28.8%	29,389.8	▲ 28.5%
Loan reimbursement	41,004.0	40,555.1	▼ -1.1%	38,523.9	▼ -5.0%	64,280.3	▲ 66.9%
Financial result	- 53,078.7	- 58,480.5		- 61,390.5		- 93,670.1	
Period's result	- 1,353.9	2,950.2		35,255.0		- 16,954.9	
Surplus (% out of Total expenditures)	-	0.4%		4.3%		-	
Deficit (% out of Total revenues)	0.2%	-		-		1.7%	
Reserves	8,131.9	6,778.0		9,728.2		44,983.2	
Current result (Cumulated reserves+Period's result)	6,778.0	9,728.2		44,983.2		28,028.3	
Own revenues % of Operational revenues	62.9%	67.0%		84.6%		84.8%	
OPEX/Own revenues (%)	144.3%	130.9%		97.7%		92.7%	
(Operational expenditures -Staff costs, excluding Education and Social assistance) % of (Own revenues - Quotas deducted from the income tax)	146.4%	214.1%		85.8%		76.7%	

*) **Goods and services**, within the Operational expenditures, does not include the **Commissions and other costs related to loans**, the mentioned amounts being reflected within the Financial expenditures

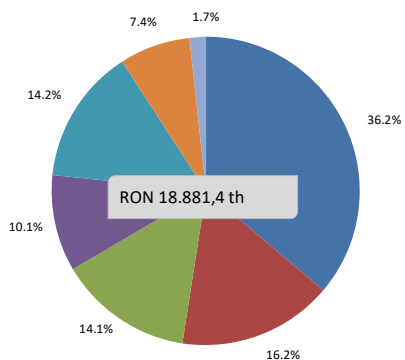
Revenue and expenditure balance for the period 2017 - 2020

'000 RON

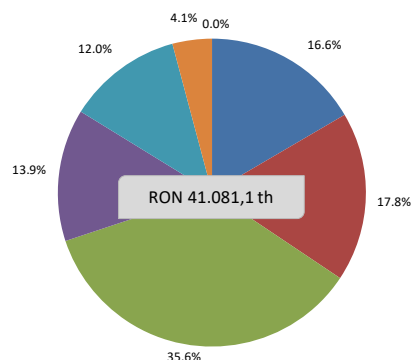


- The result of the periods was positive in 2018 and 2019, the operational surplus managing to cover the entire deficit from the investment activity and resulted from the Financial expenditures. Therefore, deficits of the periods were recorded in 2017 and 2020, which were sustained by the cumulated result of previous years.
- The largest deficit of the investment activity was observed in 2020 (amounting to RON 127,489.4 th), mainly as a result of the increase of Capital expenditures incurred from the local budget of the institution (+92%), whereas the Investment revenues registered a slight decrease (-17.1%).
- The structure of the Investment expenditures is presented in the graphs below, by financing destinations:

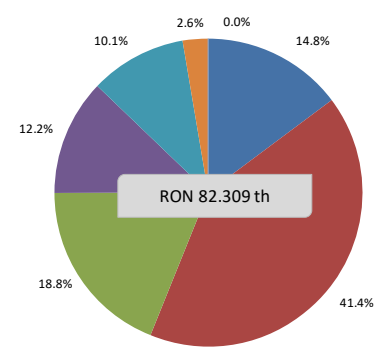
Investment expenditures, 2017



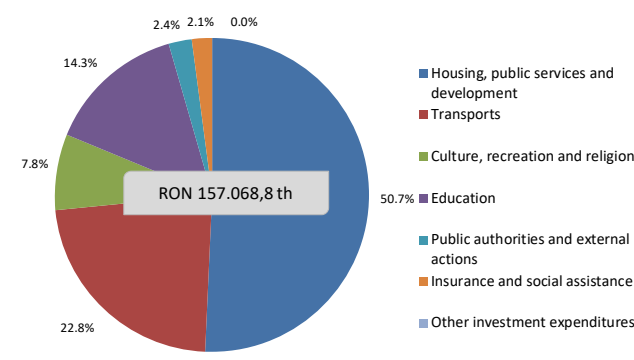
Investment expenditures, 2018



Investment expenditures, 2019

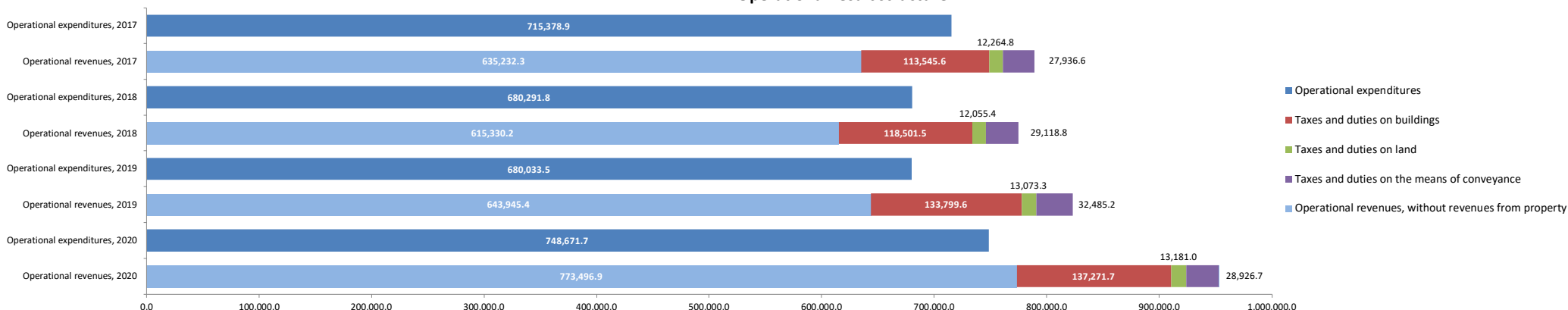


Investment expenditures, 2020



- The operational result was positive in every year, the evolution being determined by an accelerated increase of the Operational revenues in 2019 (+6.2%) and in 2020 (+ 5.7%), in contrast to the one of the Operational expenditures.
- Taking into consideration the cumulate result of the previous years, the current result reached RON 28,028.3 th at the end of 2020, down by RON 16,954.9 th (-37.7%) compared to the one of the previous year, but increasing by RON 21,250.3 th (+ 313.5%) compared to the first period of the analyzed interval.

Operational result structure

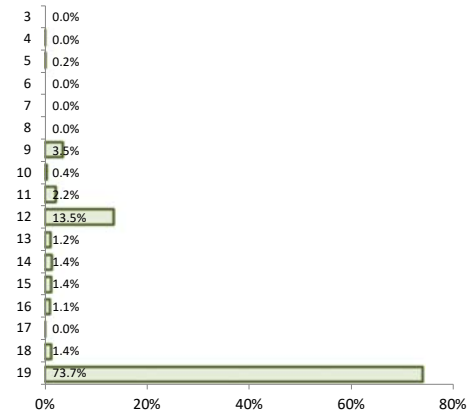


Revenues and expenditure structure at 31.12.2020

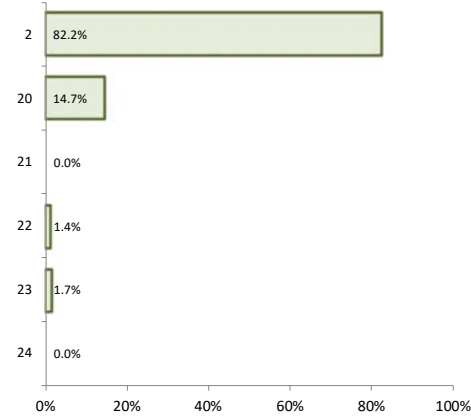
'000 RON



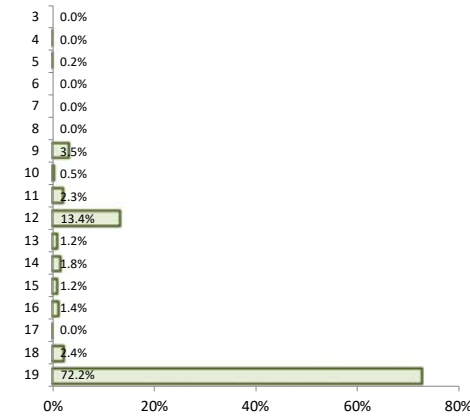
The structure of performed own revenues
807,676.8



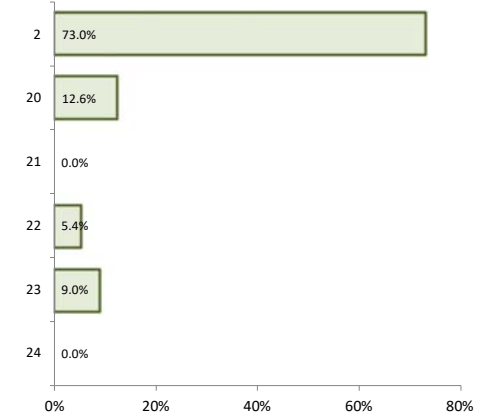
The structure of performed total revenues
982,455.7



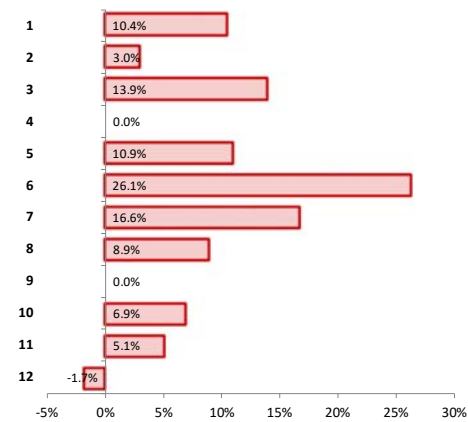
The structure of rectified own revenues
837,637.0



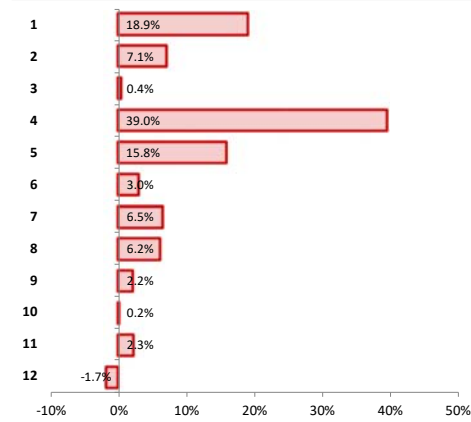
The structure of rectified total revenues
1,147,683.0



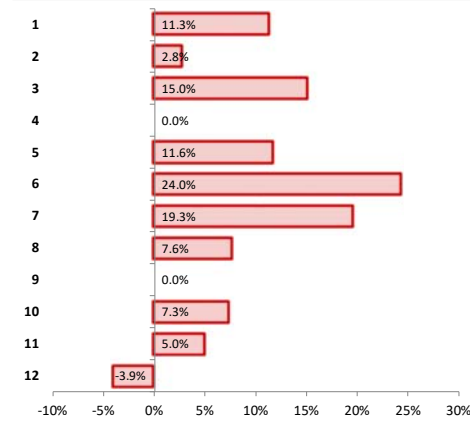
The structure of performed functional expenditure
982,455.7



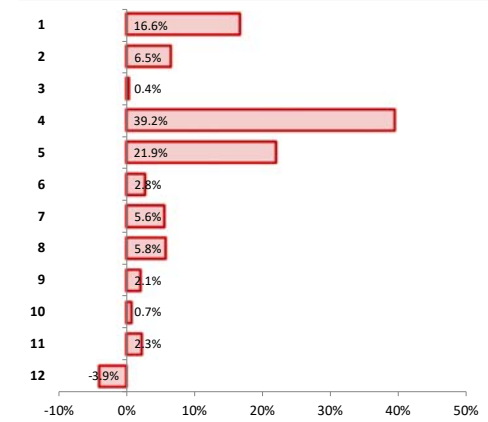
The structure performed economic expenditure
982,455.7



The structure of rectified functional expenditure
1,147,683.0

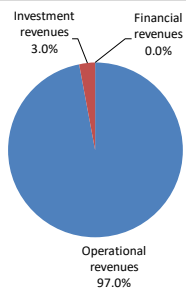


The structure of rectified economic expenditure
1,147,683.0

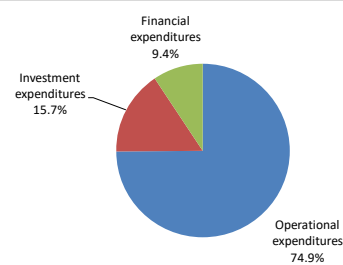


Note: The vertical axis reflects the components of the income/expenses detailed in the revenues/expenses statement;

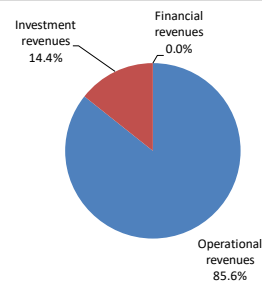
Collected revenues at Q4 2020



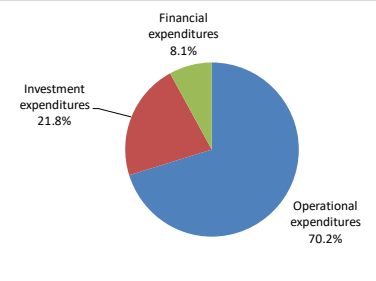
Performed expenditures at Q4 2020



Planned revenues at Q4 2020



Planned expenditures at Q4 2020





Section II: Budgetary Revenues

- The situation of the revenues collected for the period 2017 - 2020
- The dynamics of the revenues collected for the period 2017 - 2020
- The variation of the performed revenues in 2020 compared to 2019
- Budgetary provisions in 2020
- Revenues ratios
- Budgetary provisions for 2021

The situation of the revenues collected for the period 2017 - 2020

'000 RON



Line	Revenues	evolution in the period**	2017		2018			2019			2020			2021						
			Execution	% /TRC	Execution	% /TRC	y/y	Execution	% /TRC	y/y	Planned	% /TRC	Rectified	% /TRC	Execution	% /TRC	y/y	Planned	% /TRC	
1	Total revenues (TR)	7.7	785,985.1		782,636.2		-0.4	858,987.9		9.8	1,039,915.0		1,147,683.0		982,455.7		14.4	1,249,668.2		
2	Own revenues, out of which:	17.7	495,892.1	63.1	519,628.8	66.4	4.8	696,146.6	81.0	34.0	835,267.0	80.3	837,637.0	73.0	807,676.8	82.2	16.0	791,751.2	63.4	
3	Quotas deducted from the income tax	-100.0	180,352.8	22.9	252,991.3	32.3	40.3	42,218.4	4.9	-83.3	-	-	-	-	-	-	-	44,785.5	3.6	
4	Capital revenues	-43.2	41.4	0.0	46.8	0.0	13.1	29.2	0.0	-37.7	40.0	0.0	40.0	0.0	7.6	0.0	-74.0	20.0	0.0	
5	Revenues from concessions and rents	-14.2	2,473.8	0.3	1,863.8	0.2	-24.7	1,564.3	0.2	-16.1	1,700.0	0.2	1,700.0	0.1	1,562.9	0.2	-0.1	1,700.0	0.1	
6	Payments from net profit of self-governing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Revenues from dividends	-	-	-	-	-	-	56.1	0.0	-	-	-	-	-	-	-	-	-	-	
8	Tax on revenues from the transfer of real estate from the private patrimony	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Tax on buildings from the population	1.0	27,712.0	3.5	28,461.9	3.6	2.7	28,802.0	3.4	1.2	29,000.0	2.8	29,000.0	2.5	28,590.5	2.9	-0.7	29,000.0	2.3	
10	Tax on land from the population	-2.1	3,727.3	0.5	3,771.5	0.5	1.2	3,755.7	0.4	-0.4	4,100.0	0.4	4,100.0	0.4	3,492.5	0.4	-7.0	4,100.0	0.3	
11	Tax on the means of conveyance owned by the population	4.2	15,494.3	2.0	17,301.2	2.2	11.7	18,831.5	2.2	8.8	19,000.0	1.8	19,000.0	1.7	17,523.5	1.8	-6.9	18,500.0	1.5	
12	Tax on buildings from the legal entities	8.2	85,833.7	10.9	90,039.6	11.5	4.9	104,997.6	12.2	16.6	112,000.0	10.8	112,000.0	9.8	108,681.2	11.1	3.5	112,000.0	9.0	
13	Tax on land from the legal entities	4.3	8,537.5	1.1	8,283.9	1.1	-3.0	9,317.6	1.1	12.5	9,700.0	0.9	9,700.0	0.8	9,688.5	1.0	4.0	9,700.0	0.8	
14	Tax on the means of conveyance owned by the legal entities	-2.9	12,442.3	1.6	11,817.7	1.5	-5.0	13,653.7	1.6	15.5	14,800.0	1.4	14,800.0	1.3	11,403.2	1.2	-16.5	14,800.0	1.2	
15	Fees and charges for the issuance of licences and functioning authorisations	-1.5	11,623.6	1.5	14,580.4	1.9	25.4	9,167.6	1.1	-37.1	10,200.0	1.0	10,200.0	0.9	11,104.7	1.1	21.1	10,700.0	0.9	
16	Stamp duties, for notary work and other	13.6	5,918.2	0.8	8,357.8	1.1	41.2	10,139.2	1.2	21.3	12,000.0	1.2	12,000.0	1.0	8,681.5	0.9	-14.4	10,000.0	0.8	
17	Extrajudicial stamp duties	-44.1	141.9	0.0	21.6	0.0	-84.8	22.0	0.0	1.8	25.0	0.0	25.0	0.0	24.7	0.0	12.5	25.0	0.0	
18	Revenues from fines and other legal	-4.1	12,807.3	1.6	14,384.7	1.8	12.3	16,407.3	1.9	14.1	20,000.0	1.9	20,000.0	1.7	11,306.5	1.2	-31.1	15,000.0	1.2	
19	Other own revenues	66.6	128,786.1	16.4	67,706.7	8.7	-47.4	437,184.4	50.9	545.7	602,702.0	58.0	605,072.0	52.7	595,609.4	60.6	36.2	521,420.7	41.7	
20	Sums deducted from the VAT	-17.5	256,289.1	32.6	205,224.5	26.2	-19.9	126,459.0	14.7	-38.4	97,086.0	9.3	144,068.0	12.6	144,068.0	14.7	13.9	176,695.0	14.1	
21	Donations and sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Subsidies received from the State Budget	-28.0	36,839.5	4.7	51,634.0	6.6	40.2	10,490.5	1.2	-79.7	104,226.0	10.0	62,383.0	5.4	13,751.0	1.4	31.1	17,978.0	1.4	
23	Sums received from EU for the made payments	-277.4	- 3,035.6	-0.4	4,800.4	0.6	-258.1	25,891.8	3.0	-	3,336.0	0.3	103,595.0	9.0	16,959.9	1.7	-	263,244.0	21.1	
24	Other revenues	-	-	-	1,348.5	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
			% /TR		% /TR			% /TR			% /TR			% /TR			% /TR			
Operational revenues			6.5	788,979.3	100.4	775,005.9	99.0	-1.8	823,303.4	95.8	6.2	932,313.0	89.7	982,901.0	85.6	952,876.3	97.0	15.7	969,614.2	77.6
Investment revenues			-314.6	- 2,994.2	-0.4	7,797.7	1.0	-360.4	35,684.4	4.2	357.6	107,602.0	10.3	164,782.0	14.4	29,579.5	3.0	-	280,054.0	22.4
Financial revenues			-	- 0.0	-	- 167.4	0.0	-	- 0.0	-	-	- 0.0	-	- 0.0	-	- 0.0	-	-	- 0.0	
Total revenues - operating section			3.6	774,939.8	98.6	746,412.3	95.4	-3.7	749,522.1	87.3	0.4	772,508.0	74.3	932,842.0	81.3	860,848.4	87.6	14.9	884,025.2	70.7
Total revenues - development section, out of which:			122.5	11,045.3	1.4	36,223.8	4.6	228.0	109,465.8	12.7	-	267,407.0	25.7	214,841.0	18.7	121,607.3	12.4	0.1	365,643.0	29.3
Previous surplus			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues collected (TRC* = TR - Previous surplus)				785,985.1	100.0	782,636.2	100.0	-0.4	858,987.9	100.0	9.8	1,039,915.0	100.0	1,147,683.0	100.0	982,455.7	100.0	14.4	1,249,668.2	100.0

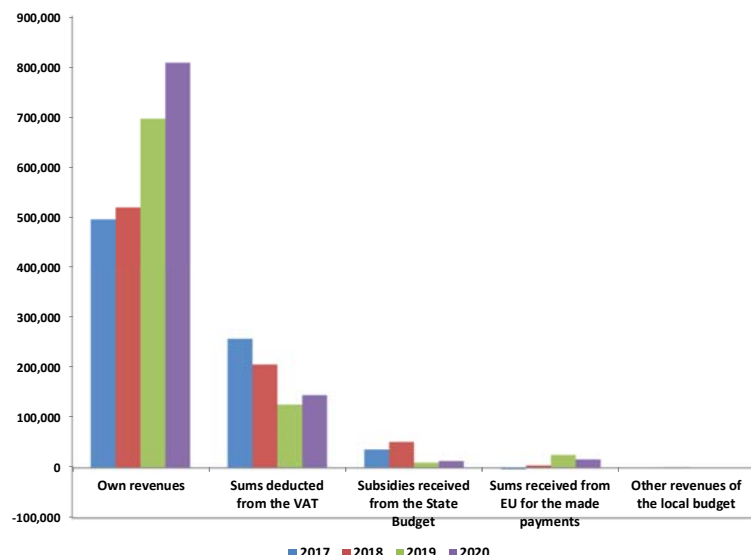
*) %TRC - Represents the weight of each line in Total Revenues Collected (without reserves);

**) Evolution in the period - represents the compound annual growth rate (CAGR) of the revenues for the period 2017-2020;

Revenues from the tax on property	3.9	153,747.0	19.6	159,675.7	20.4	3.9	179,358.1	20.9	12.3	188,600.0	18.1	188,600.0	16.4	179,379.4	18.3	0.0	188,100.0	15.1
9 + 12 Taxes and duties on buildings	4.9	113,545.6	14.4	118,501.5	15.1	4.4	133,799.6	15.6	12.9	141,000.0	13.6	141,000.0	12.3	137,271.7	14.0	2.6	141,000.0	11.3
10 + 13 Taxes and duties on land	1.8	12,264.8	1.6	12,055.4	1.5	-1.7	13,073.3	1.5	8.4	13,800.0	1.3	13,800.0	1.2	13,181.0	1.3	0.8	13,800.0	1.1
11 + 14 Taxes on the means of conveyance	0.9	27,936.6	3.6	29,118.8	3.7	4.2	32,485.2	3.8	11.6	33,800.0	3.3	33,800.0	2.9	28,926.7	2.9	-11.0	33,300.0	2.7

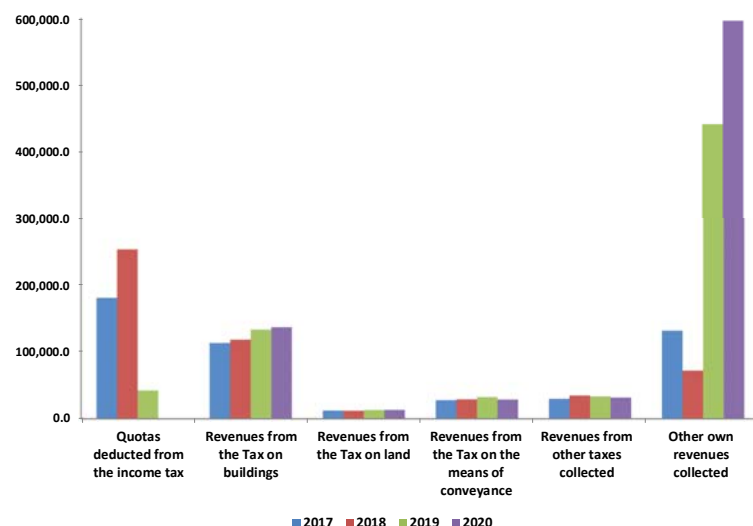


Dynamics of the total revenues collected in the period 2017 - 2020



- The revenues collected to the local budget increased with a compound annual rate of 7.7% up to RON 982,455.7 th, after consecutive increases of RON 76,351.7 th (+9.8%) in 2019 and RON 123,467.9 th (+14.4%) in 2020. In 2018 was recorded a decrease of RON 3,348.9 th (-0.4%).
- The **Own revenues**, accounting for the main source contributing to the local budget of the institution (weights in between 63.1% and 82.2% observed in the analyzed interval), went up with a compound annual rate of 17.7% reaching RON 807,676.8 th, following increases of RON 23,736.7 th (+4.8%) in 2018, RON 176,517.8 th (+34%) in 2019 and RON 111,530.2 th (+16%) in 2020.
- The **Sums received from the EU for the payments performed** reached RON 16,959.9 th after an oscillating evolution. Thereby, these revenues went up by RON 7,836 th in 2018 from a negative value of RON 3,035.6 th following adjustments recorded in 2017. Subsequently, it was observed an increase of RON 21,091.4 th (+439.4%) in 2019 followed by a decrease of RON 8,931.9 th (-34.5%) in 2020. These amounts were targeted at the programs from the European Fund for Regional Development and from the European Social Fund.
- The **Sums deducted from the VAT** went down at a compound annual rate of 17.5% down to RON 144,068 th, following the decreases of RON 51,064.6 th (-19.9%) in 2018 and of RON 78,765.5 th (-38.4%) in 2019. In contrast, the revenues went up by RON 17,609 th (+13.9%) in 2020. The variation of said amounts was observed entirely for the financing of expenditures at the level of districts, for balancing of local budgets and for the financing of the private and confessional education.
- The **Subsidies received from the State Budget** were decreased at a compound annual rate of 28% down to RON 13,751 th. Significant influences were observed in 2019, the amounts being decreased by RON 41,143.5 th (-79.7%). The impact of the decrease was diminished by increases in subsidies by RON 14,794.5 th (+40.2%) in 2018 and by RON 3,260.5 th (+31.1%) in 2020. Specifically, these evolutions determined, in the analyzed interval, a decrease of the Current subsidies that was partially compensated by the increase of the capital ones.
- The dynamics of **Own revenues** was determined mainly by the following groups:
 - **Other own revenues collected**, reaching RON 596,578.7 th after an increase at a compound annual rate of 65.3%. Significant increases were observed in 2019 (+RON 369,117 th, +511.8%) and in 2020 (+RON 155,334.4 th, +35.2%), at once with the legislative changes occurred on the Sums allocated from the quotas deducted from the income tax (including distribution percentages). Also, a decrease of these revenues was observed in 2018 (-RON 59,937.7 th, -45.4%);
 - **Revenues from the tax on property**, for which it was recorded the amount of RON 179,379.4 th, after an increase at a compound annual rate of 5.3%. The contributing increases were observed in 2018 (+RON 5,928.7 th, +3.9%) and in 2019 (+RON 19,682.3 th, +12.3%). Larger collections in the interval came from legal entities;
 - **Revenues from other taxes collected**, which reached a value of RON 31,718.7 th after an increase at a compound annual rate of 2.2%. The increase influencing this evolution was recorded in 2018 (+RON 5,107.2 th, +17.2%) and it was followed by successive decreases in 2019 (-RON 1,508.8 th, -4.3%) and in 2020 (-RON 1,607.1 th, -4.8%). Significant influences were observed mainly for Stamp duties, for notary work and other stamp duties, Fees and charges for the issuance of licenses and authorizations of functioning, as well as for Extrajudicial stamp duties;
 - **Quotas deducted from the income tax** have not been recorded during 2020, after an increases of RON 72,638.5 th (+40.3%) in 2018 and a decrease of RON 210,772.8 th (-83.3%) in 2019. This group was subject to legislative changes in relation to the Sums allocated from the quotas deducted from the income tax previously presented.

Dynamics of the own revenues collected in the period 2017 - 2020

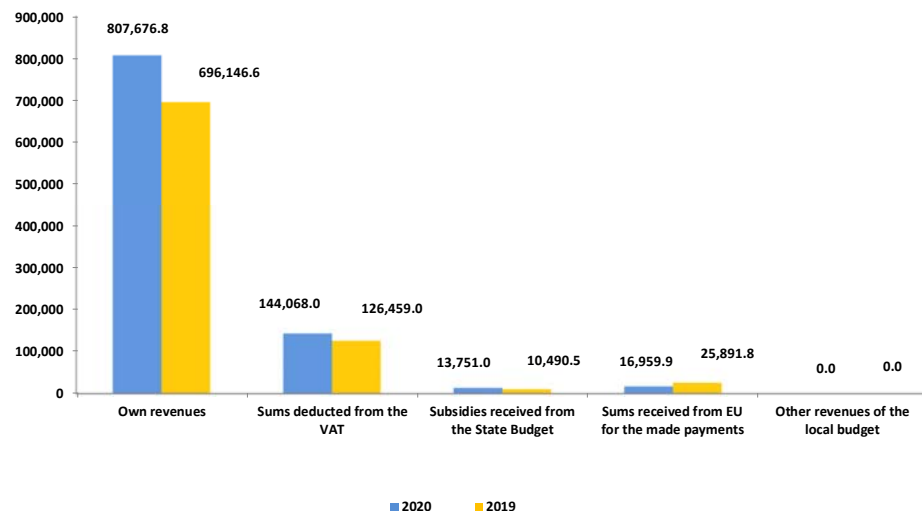


The variation of the performed revenues at Q4 2020 compared to Q4 2019

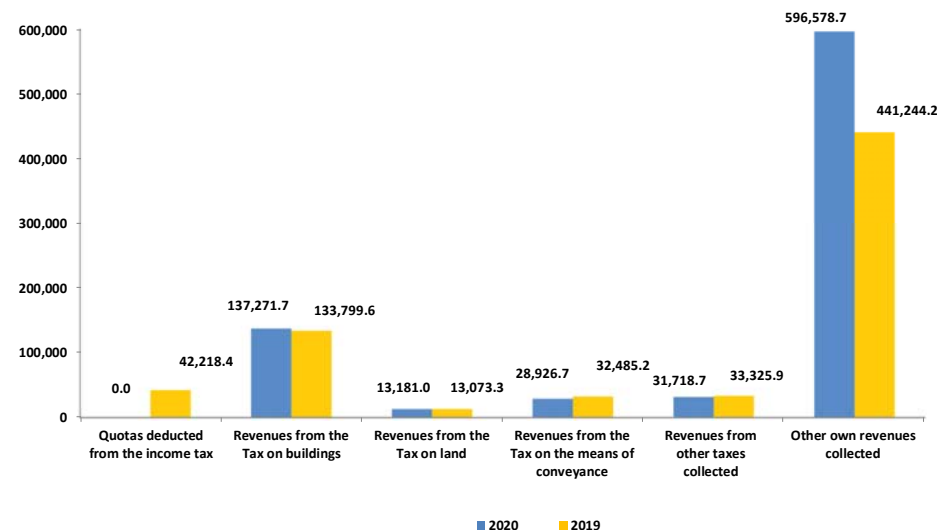
'000 RON



Total revenues



Own revenues



- The revenues collected to the local budget are going up by RON 14.4%, respectively by RON 123,467.9 th.
- The **Own revenues**, with an 82.2% weight in the year's total revenues, are up RON 111,530.2 th (+16%).
- The **Sums deducted from VAT** are recording an increase of 13.9% up to RON 144,068 th. The increase is influenced by those amounts for financing the expenditures at the level of districts (+RON 63,186 th, +199%) and the private and confessional education (+RON 6,027 th, +34%) and is counterbalanced by the ones for balancing the local budgets (-RON 51,604 th, -67%).
- The **Subsidies received from the State Budget** are up RON 3,260.5 th, the influences being observed mainly at the level of the capital ones, respectively because of the amounts recorded for financing the social houses (reaching RON 4,999.3 th) and the necessary ones for the development of projects financed from non-reimbursable external funds (NEF) post-accession, related to the 2014-2020 financial framework (-RON 2,123.6 th, -34.3%). Also, at the level of the Current subsidies, amounts were registered for the settlement of quarantine expenses (at the level of RON 595.7 th).
- The **Sums received from the EU for the payments performed** are recording a decrease of RON 8,931.9 th to the amount of RON 16,959.9 th (entirely related to the 2014-2020 financial framework), mainly at the level of the programs from the European Fund for Regional Development (-RON 8,490 th, -34.4%) and of Other amounts received from funds from the European Union for the operational programs financed from the 2014-2040 financial framework (-RON 589.9 th, -93.9%).

- The **Own revenues** reach the value of RON 807,676.8 th during the reporting period, the most important influences determining the increase of the group being found at the level of the following income categories:
 - **Other own revenues collected**, going up by RON 155,334.4 th (+35.2%), with a major influence coming from the Sums deducted from the income tax for balancing the local budget (with a value attained of RON 580,512.3 th) and from the Revenues from fines and other legal sanctions (-RON 5,100.8 th, -31.1%);
 - **Revenues from the tax on property**, with a value attained of RON 179,379.4 th (without significant variations in the interval), recorded an increase of the sums collected from legal entities (+RON 1,803.9 th, +1.4%) and a decrease of the ones from the population (-RON 1,782.5 th, -3.5%);
 - **Quotas deducted from the income tax**, with an absence in the budgetary execution of 2020, as compared to RON 42,218.4 th in 2019. The influence comes from the State Budget Law no. 5/2020, art. 6. (3) which, by derogation from the provisions of art. 32 and 33 of Law no. 273/2006 with the subsequent modifications and completions, stipulates the different allocation of the quotas from the income tax, as well as the modification of the allocated percentage. Thus, unlike in 2019, at the level of the Bucharest Municipality districts, the quotas collected decrease from 51% to a total allocated level of 50%. The amounts to be collected will be reflected in the local budget at the level of the Sums allocated from the quotas deducted from income tax to balance the local budgets;
 - **Revenues from other taxes collected**, with a deficit of RON 1,607.1 th (-4.8%) determined by Other taxes and duties (-RON 1,572.1 th, -14.7%), Stamp duties, for notary work and other stamp duties (-RON 1,457.7 th, -14.4%) and Taxes on shows (-RON 603.4 th, -66.4%). The decreases were counterbalanced by the Fees and charges for the issuance of licenses and authorizations of functioning (+RON 1,937.1 th, +21.1%).



Revenues rectification, as compared to the initial budget

- The last budgetary rectification of the year was approved by Local Council's Decision no. 179 from 17.12.2020 and aims to increase the provisions by RON 107,768 th.
- The provisions regarding the **Sums received from the EU for the payments performed** were increased by RON 100,259 th, respectively up to RON 103,595 th. Additional allotments were observed for the programs related to the European Fund for Regional Development (RON 99,589 th) and for Other amounts received from funds from the European Union for the operational programs financed from the 2014-2020 financial framework (RON 643 th), programs for which no amounts were provided in the initial budget.
- The allotments for **Sums deducted from the VAT** were increased by RON 46,982 th, respectively up to RON 144,068 th. The influences were highlighted mainly at the level of allotments for those amounts for balancing the local budgets (RON 25,398 th) and the increase of the ones for the financing of expenditures at the level of districts (+RON 20,856 th, +28.2%).
- The estimates for **Revenues from services and other activities** were increased by RON 2,370 th, up to the amount of RON 2,431 th, with influences from the Contribution for the upkeep of assisted persons (allotments of RON 1,410 th) and of parents and legal guardians for the upkeep of children in nurseries (allotments of RON 960 th).
- The estimates for **Subsidies received from the State Budget** were decreased by RON 41,843 th, down to RON 62,383 th. The influences came mainly from the Capital subsidies, respectively through the absence of provisions for financing of programs of national interest for the development section of the local budget (RON 95,463 th in the initial budget), the allotment of provisions for the financing of social houses (RON 6,000 th) and the increase of the ones for the development of projects financed from non-reimbursable external funds (NEF) post-accession, related to the 2014-2020 financial framework (+RON 19,565 th, +864,6%) and for the financing of the National Program for Local Development (+RON 26,819 th, +412.6%). Within the Current subsidies, it was observed the allocation of amounts for financing the rights of the disabled (RON 643 th) and for the settlement of quarantine expenses (RON 593 th).

Budgetary provisions

Achievement degree of the revenues at Q4 2020

'000 RON



Achievement degree compared to the final provisions

- The total revenues collected to the local budget at the end of the year were below the estimates by RON 165,227.3 th, thereby recording an achievement degree of 85.6%.
- The **Investment revenues** were below the budget by RON 135,202.5 th, with an achievement degree of 18%. Significant influences on the low level of execution were observed in the following categories:
 - The **Sums received from the EU for the payments performed**, below provisions by RON 86,635.1 th (-83.6%), through a reduced execution at the level of the European Fund for Regional Development (-RON 83,411.1 th, -83.8%), Other amounts received from funds from the European Union for the operational programs financed from the 2014-2020 financial framework (-RON 604.4 th, -94%) and the European Social Fund (-RON 107.6 th, -14.6%);
 - The **Capital subsidies**, which were by RON 48,535.1 th (-79.4%) below the estimated value, with lower executions for the Financing of the National Program for Local Development (-RON 29,766.9 th, -89.3%), the amounts necessary for the development of projects financed from non-reimbursable external funds (NEF) post-accession, related to the 2014-2020 financial framework (-RON 17,767.5 th, -81.4%) and for the Subsidies for the financing of social houses (-RON 1,000.7 th, -16.7%).
- The **Operational revenues** were below the estimates by RON 30,024.7 th, with an achievement degree of 96.9%. The budgetary execution's structure was influenced by the following categories:
 - **Other own revenues**, lower by RON 9,462.6 th (-1.6%) than the budget estimates and influenced mainly by the Sums allocated from the quotas deducted from income tax to balance the local budgets (-RON 4,554.8 th, -0.8%), Other taxes and duties (-RON 2,362.6 th, -20.5%), Revenues from services and other activities (-RON 1,397.9 th, -57.5%) and Taxes on shows (-RON 695.2 th, -69.5%);
 - **Revenues from the tax on property**, below the budgetary estimates by RON 9,220.6 th (-4.9%), with a dynamic determined by the amounts collected from legal entities (-RON 6,727.2 th, -4.9%) and from the population (-RON 2,493.4 th, -4.8%). Specifically, significant deviations from the provisions were observed at the level of the amounts collected in connection with the means of conveyance and buildings;
 - **Revenues from fines and other legal sanctions**, with a collected amount below the budget by RON 8,693.5 th (-43.4%);
 - **Stamp duties, for notary work and other stamp duties**, down RON 3,318.5 th (-27.7%) from the estimates;
 - **Fees and charges for the issuance of licenses and authorizations of functioning**, above the budget by RON 904.7 th (+8.9%).

Revenues ratios at Q4 2020, as compared to Q4 2019

'000 RON

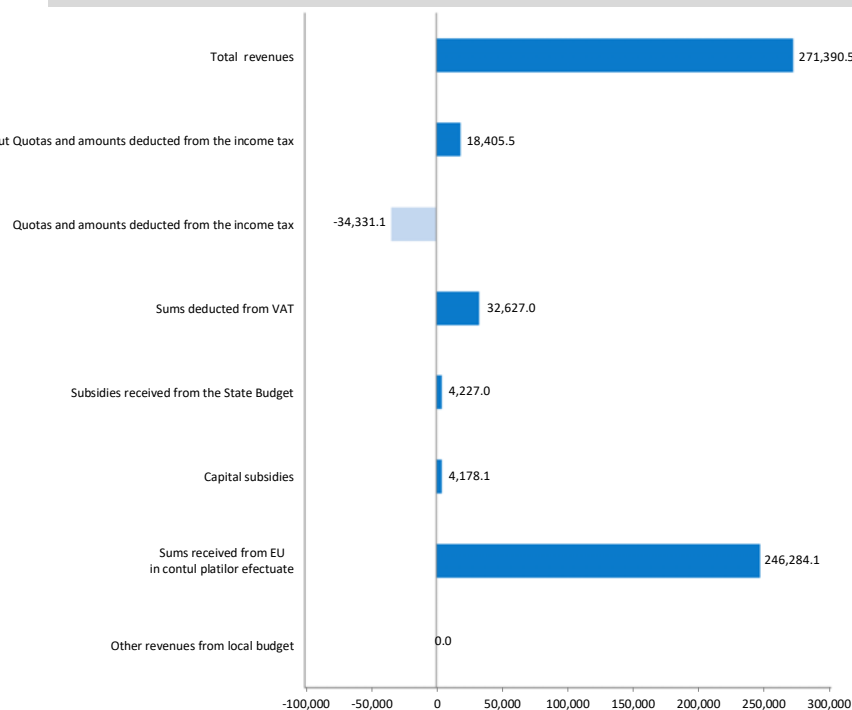


Ratios	2020	2019
Revenues from the tax on property	179,379.5	179,358.1
Revenues per Capita	455.2 RON	458.7 RON
The revenue weight in the total revenues	18.3%	20.9%
Own tax revenues	791,551.4	675,519.0
Revenues per Capita	2,008.5 RON	1,727.4 RON
The revenue weight in the total revenues	80.6%	78.6%
Total current revenues (autonomous)	951,737.2	822,576.4
Revenues per Capita	2,415.0 RON	2,103.5 RON
The revenue weight in the total revenues	96.9%	95.8%
Operational revenues	952,876.3	823,303.4
Revenues per Capita	2,417.9 RON	2,105.4 RON
The revenue weight in the total revenues	97.0%	95.8%
Investment revenues	29,579.5	35,684.4
Revenues per Capita	75.1 RON	91.3 RON
The revenue weight in the total revenues	3.0%	4.2%
Total revenues per Capita	2,492.9 RON	2,196.6 RON
Own revenues per Capita	2,049.4 RON	1,780.2 RON
The level of financing from the own revenues	82.2%	81.0%
The degree of self-financing	82.2%	76.1%
The degree of dependency of the local budget to the state budget	75.2%	64.9%
The degree of decisional autonomy	84.8%	90.0%
The degree of achievement of the revenues from the initial budget	94.5%	98.4%
The degree of achievement of the revenues from the final budget	85.6%	90.5%
The degree of achievement of the own revenues from the initial budget	96.7%	90.5%
The degree of achievement of the own revenues from the final budget	96.4%	92.5%
The degree of achievement of the property taxes from the initial budget	95.1%	107.4%
The degree of achievement of the property taxes from the final budget	95.1%	100.0%
The annual estimate from the local tax revenues (maximum probability)	211,039.2	212,617.8
The annual estimate from the local tax revenues (rectified budget)	225,769.0	212,078.0
The degree of achievement of the annual revenues estimated from the local tax revenues	107.0%	99.7%
The collection degree from the initial budget of the revenues from:		
Quotas deducted from the income tax	-	96.8%
Taxes on buildings from the population	98.6%	90.0%
Taxes on land from the population	85.2%	93.9%
Taxes on the means of conveyance from the population	92.2%	104.6%
Taxes on buildings from legal entities	97.0%	116.7%
Taxes on land from legal entities	99.9%	103.5%
Taxes on the means of conveyance from legal entities	77.0%	97.5%
Capital:	394,097	391,050
as of:	01.01.2019	01.01.2018

- The **Revenues from the tax on property** registered a slight increase of RON 21.4 th, determined by the sums collected from legal entities (+RON 1,803.9 th, +1.4%), whereas the amounts collected from the population went down (-RON 1,782.5 th, -3.5%). Therefore, it was observed the increase of the taxes on buildings (+RON 3,472.1 th, +2.6%) and on land (+RON 107.7 th, +0.8%) and the decrease of the ones on the means of conveyance (-RON 3,558.5 th, -11%).
- The **Own tax revenues** went up by RON 116,032.4 th (+17.2%) mainly as a consequence of:
 - The increase of Quotas and sums deducted from the income tax (+RON 117,611 th, +25.4%). The influence comes from the State Budget Law no. 5/2020, art. 6. (3) which, by derogation from the provisions of art. 32 and 33 of Law no. 273/2006 with the subsequent modifications and completions, stipulates the different allocation of the quotas from the income tax, as well as the modification of the allocated percentage. Thus, unlike in 2019, at the level of the Bucharest Municipality districts, the quotas collected decrease from 51% to a total allocated level of 50%. The amounts to be collected will be reflected in the local budget at the level of the Sums allocated from the quotas deducted from income tax to balance the local budgets;
 - The increase of Fees and charges for the issuance of licenses and authorizations of functioning (+RON 1,937.1 th, +21.1%);
 - The increase of the Revenues from the tax on property;
 - The decrease of Other taxes and duties (-RON 1,572.1 th, -14.7%);
 - The decrease of the Stamp duties, for notary work and other stamp duties (-RON 1,457.7 th, -14.4%).
- The **Total current (autonomous) revenues** went up by RON 129,160,8 th (+15.7%), with influences from the:
 - Tax revenues, going up by RON 133,641.4 th (+16.7%), as a consequence of the increase of Own tax revenues and Sums deducted from VAT (+RON 17,609 th, +13.9%);
 - Non-tax revenues, going down by RON 4,480.6 th (-21.8%), mainly due to the decrease of the Sale of goods and services (-RON 4,423.1 th, -23.3%).
- The **Operational revenues** collected in the analyzed interval went up by RON 129,572.9 th, the evolution being determined by an increase in Current revenues and Current subsidies (+RON 412.1 th, +56.7%).
- The **Investment revenues** went down by RON 6,105 th (-17.1%). These revenues are related to the Sums received from the EU for the payments performed (-RON 8,931.9 th, -34.5%) and to the Capital subsidies (+RON 2,848.5 th, +29.2%).



Budgetary provisions for 2021 versus the attained level in 2020



- The initial budget for 2021 was approved by Local Council's Decision no. 63 from 15.04.2021, with the revenues amounting to RON 1,249,668.2 th, accounting for an increase of budgetary provisions by 27.2%, as compared to the previous year's execution.
- The provisions related to **Own revenues** are below the sums collected in the previous year by RON 15,925.6 th (-2%), being in the amount of RON 791,751.2 th. Without taking into account the Quotas and amounts deducted from the income tax, the Own revenues are estimated at RON 245,570 th in 2021. The provisions of this category are influenced by the following lines:
 - **Quotas and amounts deducted from the income tax**, the estimates going down by RON 34,331.1 th (-5.9%), respectively to RON 546,181.2 th. State budget law no. 15/2021, art. 6 (2), by derogation from the provisions of art. 32 and 33 of Law no. 273/2006 with the subsequent amendments and completions, stipulates a different allocation of the quotas from the income tax in 2021. Thus, the income tax estimated to be collected to the state budget, at the level of Bucharest Municipality, is distributed 50% to the local budget of the Bucharest Municipality and 50% to the local budget of districts (RON 1,150/inhabitant/year; the difference will be distributed directly proportional to the estimated income tax to be collected within each district). This derogation shall take effect after the end of the first quarter of the year;
 - **Revenues from the tax on property**, with the provisions going up by RON 8,720.6 th (+4.9%) to the amount of RON 188,100 th. The main contribution within these estimates is brought by the revenues collected from legal entities, especially the taxes and duties on buildings and on the means of conveyance;
 - **Revenues from fines and other legal sanctions**, the provisions being increased by RON 3,693.5 th (+32.7%), respectively up to RON 15,000 th;
 - **Stamp duties, for notary work and other stamp duties**, going up by RON 1,318.5 th (+15.2%) to the amount of RON 10,000 th.
- The **Sums received from the EU for the payments performed** are, within the budget for 2021, amounting to RON 263,244 th, after a significant increase of the provisions compared to the execution of 2020. These amounts are entirely related to the 2014-2020 financial framework and are concentrated mainly around the European Fund for Regional Development. A smaller share of the provisions is distributed to the European Social Fund and Other amounts received from funds from the European Union for the operational programs.
- The **Sums deducted from VAT** were included in the budget of 2021 at the value of RON 176,695 th, after an increase of the provisions by 22.6% compared to the execution of the previous year. In the breakdown of the provisions, it is observed the increase of those for the financing the expenditures of districts and of those for the financing of private and confessional education. At the same time, the new budget does not provide amounts for balancing the local budget (compared to the previously collected level of RON 25,398 th).
- The **Subsidies received from the state budget** are estimated at the value of RON 17,978 th in the budget of 2021, respectively registering an increase of 30.7% compared to the budgetary execution of the previous year. This variation is mainly related to the Capital subsidies by doubling the estimates in relation to those amounts received for the financing of social housing.



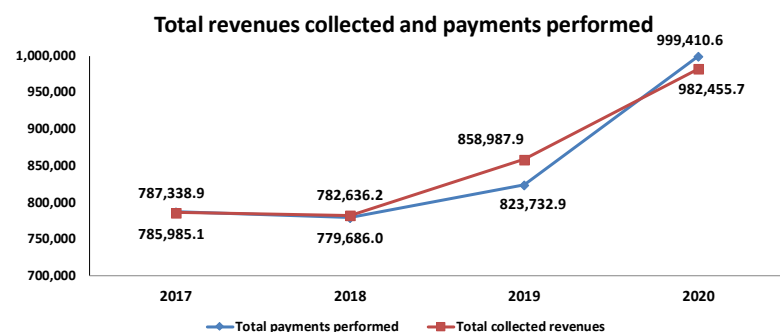
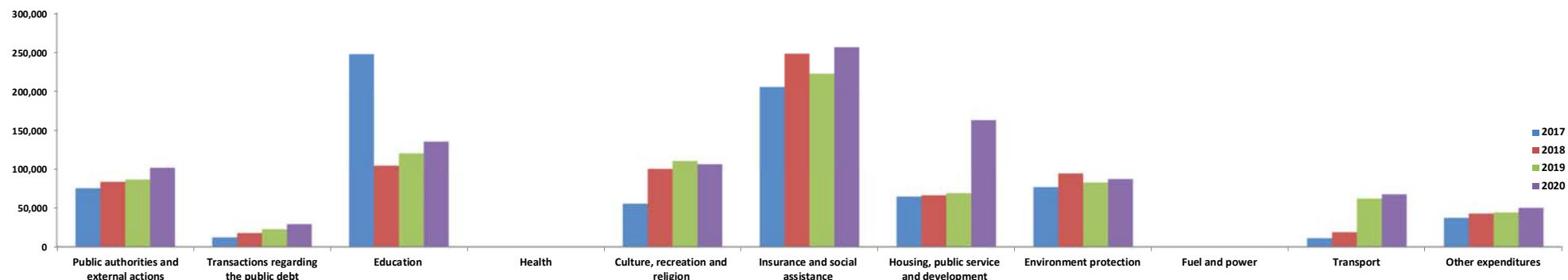
Section III: Budgetary expenditures (functional classification)

- The situation of the expenditures incurred for the period 2017 - 2020
- The dynamics of the expenditures incurred for the period 2017 - 2020
- The variation of the performed expenditures in 2020 compared to 2019
- Budgetary provisions in 2021

The dynamics of the expenditures incurred for the period 2017 - 2020

Functional classification

'000 RON



- The payments performed from the local budget went up at compound annual rate of 8.3% up to RON 999,410.6 th, level attained after successive increases of RON 44,046.9 th (+5.6%) in 2019 and of RON 175,677.7 th (+21.3%) in 2020. In 2018, there was a decrease of payments by RON 7,652.9 th (-1%).
- The payments related to the **Housing, public services and development** chapter reached RON 163,182.5 th, after an increase at a compound annual rate of 36.1%. The evolution of this chapter was mainly determined by a significant increase, respectively by RON 94,277.2 th (+136.6%), recorded in 2020. In the same interval, the payments went up by RON 1,633.4 th (+2.5%) in 2018 and by RON 2,629.5 th (+4%) in 2019. The payments in relation to this chapter were mainly oriented towards Houses and Other services for housing, public services and community development.

- The expenses within the **Transports** chapter reached RON 67,535.5 th after an increase at a compound annual rate of 82.1%. A significant influence was observed in 2019, when the payments increased by RON 43,093.8 th (+227.1%). Additionally, the payments went up by RON 7,795.4 th (+69.7%) in 2018 and by RON 5,469.1 th (+8.8%) in 2020. The variation of these expenditures was focused entirely around the Streets paragraph.
- The payments obligations financed from the **Culture, recreation and religion** chapter went up at a compound annual rate of 24.6% up to RON 107,047 th. Although the year 2020 registered a decrease of payments by RON 4,282.9 th (-3.8%), increases were observed in 2018 (+RON 45,840.7 th, +82.8%) and in 2019 (+RON 10,151.6 th, +10%). A significant majority of payments had as their main objective the Maintenance of public gardens, parks, green areas, sports and leisure centers paragraph.
- The expenses related to the **Insurance and social assistance** chapter reached RON 256,167.3 th, respectively going up at a compound annual rate of 7.5%. The evolution of this chapter was determined by the increases by RON 42,629.7 th (+20.7%) in 2018 and by RON 32,973.7 th (+14.8%) in 2020. The payments went down by RON 25,525.9 th (-10.3%) in 2019. The amounts paid were focused around Other expenditures in the insurance and social assistance field, Units for medical and social assistance, Social assistance for family and children, Nurseries, Assistance for the elderly and Social support.
- The payments recorded for the **Public authorities and external actions** reached RON 102,566.1 th after an increase at a compound annual rate of 10.8%. A significant influence was observed in 2020, when the expenditures went up by RON 15,834 th (+18.3%). The rest of the periods registered increases of RON 8,312.4 th (+11%) in 2018 and of RON 2,997.9 th (+3.6%) in 2019.

The dynamics of the expenditures incurred for the period 2017 - 2020

Functional classification

'000 RON



- Regarding the **Transactions regarding the public debt**, chapter through which are performed payments mainly in connection with the debt service (in this case interest and commissions), reached RON 29,389.8 th after an increase at a compound annual rate of 34.5%. The increases in the interval were constant in terms of value, respectively by RON 5,683.3 th (+47.1%) in 2018, by RON 5,108.7 th (+28.8%) in 2019 and by RON 6,523.2 th (+28.5%) in 2020. The main influences of these evolutions come from the increase of the investment program in the district, for which co-financing was attracted from internal and external banks, but also from changes in monetary policies that bring, as the case may be, increases or decreases in financing costs.
- The group of chapters included in **Other expenditures** reached a level of RON 49,955.6 th after increasing at a compound annual rate of 10%. Therefore, the expenses of these chapters increased by RON 5,652.4 th (+15.1%) in 2018, by RON 1,459.9 th (+3.4%) in 2019 and by RON 5,302.3 th (+11.9%) in 2020. With a weight of 81.9% in the group's expenditures, the Public order and national security chapter is mainly responsible for the increases registered in the interval. Within this chapter, the payments were focused around the Local police paragraph.
- The expenses related to the **Environment protection** chapter reached RON 87,404.4 th, respectively going up at a compound annual rate of 4.4%. The evolution of this chapter was mainly determined by the increase of RON 17,643.7 th (+22.9%) from 2018, followed by a higher level by RON 4,483.2 th (+5.4%) in 2020. In contrast, this chapter registered a decrease of RON 11,641 th (-12.3%) in 2019. The payments were focused around the Sanitation chapter.
- The **Education** chapter is the only one, in the analyzed interval, which registered a decrease that could not be counterbalanced by the increases recorded in the rest of the financial exercises. Thereby, the payments went down at compound annual rate of 18.1%. Specifically, the decrease of RON 142,843.8 th (-57.6%) recorded in 2018 was determined by legislative amendments (GEO no. 90/2017) which provided that, starting with 2018, the financing of expenses with salaries, bonuses, allowances and other salary rights in cash established by law for state pre-university education units is provided from the state budget through the budget of the Ministry of Education and Research. Subsequent increases in payments were constant in terms of value, respectively by RON 15,772.5 th (+15%) in 2019 and by RON 15,147.9 th (+12.5%) in 2020. The local budget of the institution finances expenditures on the Pre-school and elementary, secondary, post-secondary and special education, as well as for Other expenditures in the field of education.

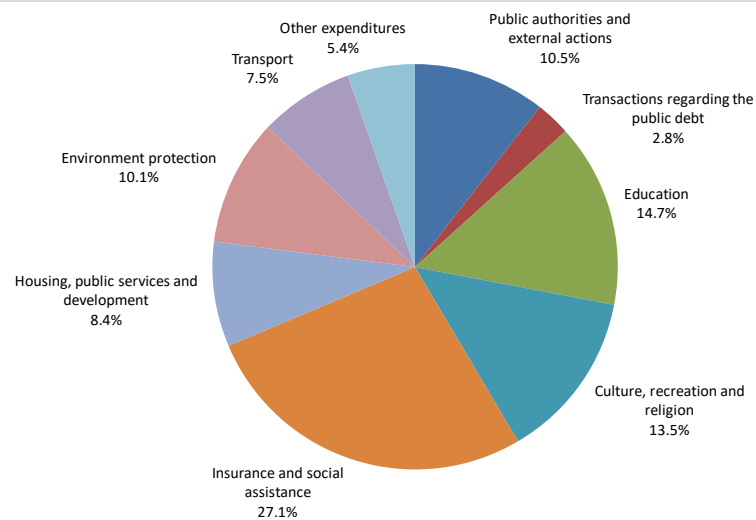
The variation of the performed expenditures at Q4 2020 vs. Q4 2019

Functional classification

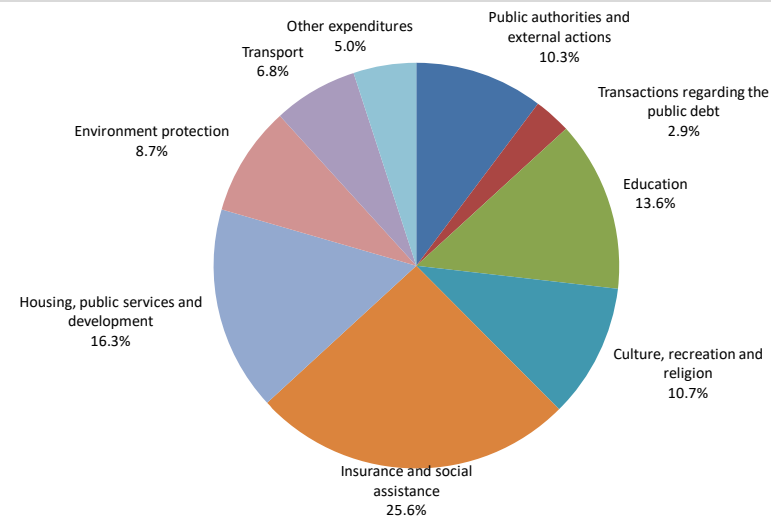
'000 RON



The structure of the payments performed at Q4 2019



The structure of the payments performed at Q4 2020



- The payments performed during 2020 went up by RON 175,677.7 th (+21.3%) in comparison to the budgetary execution of the previous year of reference.
- The **Housing, public services and development** chapter stood out through a significant increase, compared to the rest of the financing destinations, by of RON 94,227.2 th (+136.6%) determined mainly by the payments for Houses (+RON 66,941.1 th, +552.7%) and for Other services for housing, public services and community development (+RON 27,289.5 th, +48%). Specifically, the increases were focused towards the Capital expenditures related to the co-financing of the programs to improve the energy efficiency of residential buildings and the Reimbursement of loans.
- The second increase in terms of significance was registered at the level of the **Insurance and social assistance** chapter, for which the payments were increased by RON 32,973.7 th (+14.8%), the influences coming from Other expenditures in the insurance and social assistance field (+RON 19,726.1 th, +30.1%), Social assistance for the disabled (+RON 7,508.7 th, +10.1%), Nurseries (+RON 3,077.3 th, +13.3%), Assistance for the elderly (+RON 2,159.4 th, +16.2%) and from Units for medical and social assistance (+RON 849.2 th, +10.1%). To the same extent, these increases are related to Goods and services, Staff costs, Social assistance and Capital expenditures.
- Another significant increase of payments was observed for the **Public authorities and external actions** chapter, respectively by RON 15,834 th (+18.3%). A considerable weight of the increase was concentrated at the level of Goods and services, while slightly more pronounced increases were found also for Other current transfers in foreign countries and Staff costs. Likewise, these values were counterbalanced by decreases recorded for Other loans, Capital expenditures and Other expenditures.
- Similar increases to those of the previous chapter, in terms of value, were found also within the **Education** chapter, respectively by RON 15,147.9 th (+12.5%). The influences came from the Secondary education (+RON 11,399.7 th, +29.2%), Other expenditures in the field of education (+RON 4,604.5 th, +26.8%), Pre-school and elementary education (+RON 3,021.1 th, +6.2%), Special education (+RON 1,094.2 th, +54.8%) and the School after school program (-RON 4,933 th, -35.9%). Specifically, these variations were related to the Capital expenditures, Scholarships, Financing of private or confessional accredited education, Goods and services, Staff costs and Social assistance.
- The payments recorded for **Transactions regarding the public debt** went up by RON 6,523.2 th (+28.5%), entirely as a consequence of the variation in Interests, mainly the internal ones (+RON 6,645.4 th, +36.5%). The main influences of these evolutions come from the increase of the investment program in the district, for which co-financing was attracted from internal and external banks, but also from changes in monetary policies that bring, as the case may be, increases or decreases in financing costs.

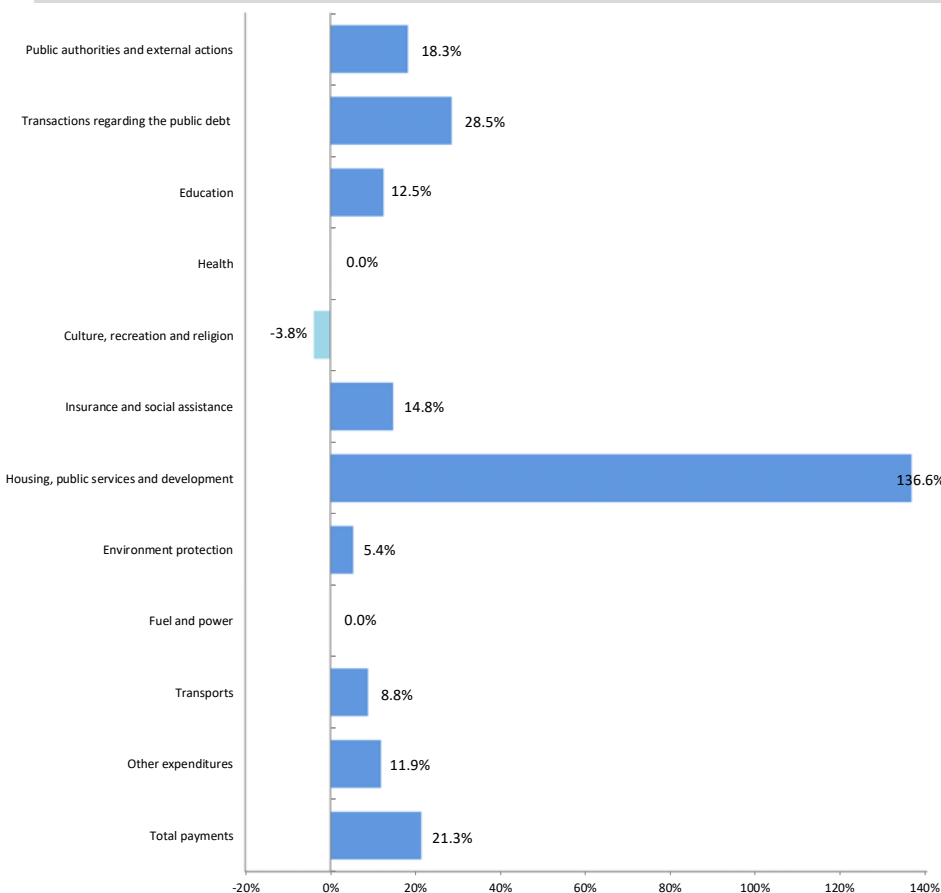
The variation of the performed expenditures at Q4 2020 vs. Q4 2019

Functional classification

'000 RON



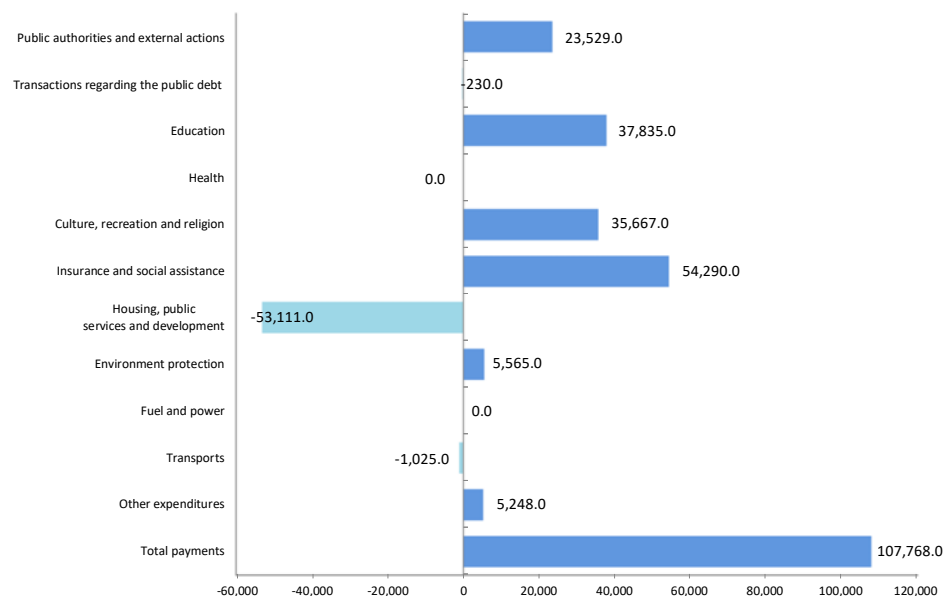
Functional expenditures variation



- The payments for the **Transports** chapter went up by RON 5,469.1 th (+8.8%), entirely at the level of the Streets paragraph, with influences from Goods and services and Capital expenditures.
- The group of **Other expenditures** had increases of RON 5,302.3 th (+11.9%) determined by the evolution of Public order and national security (+RON 2,722.6 th, +7.1%, mainly Civil and fire protection and Local police) and Other general public services (+RON 2,572.3 th, +41.9%) chapters.
- The **Environment protection** chapter had an increase in payments by RON 4,483.2 th (+5.4%), whereas the dynamics was determined by larger expenditures on Sanitation, respectively Materials and services with functional character.
- The only decrease in the interval was recorded within the **Culture, recreation and religion** chapter, respectively by RON 4,282.9 th (-3.8%). The influences came mainly from the Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 2,539.6 th, -2.6%) and Other services in the field of culture, recreation and religion (-RON 1,318.3 th, -13.7%). Significant variations that contributed to the decrease were recorded at the level of Capital expenditures and Transfers to public institutions. In contrast, slight increases were recorded for Goods and services and Staff costs.



Functional expenditures rectification, as compared to the initial budget



- The last budgetary rectification provides an increase of payments by RON 107,768 th (+9.9%) in comparison to the initial budget, respectively up to RON 1,192,666 th.
- The most consistent increase of the provisions was registered at the level the **Insurance and social assistance** chapter, respectively by RON 54,290 th (+24.5%), up to RON 275,913 th. The influences are coming from Other expenditures in the insurance and social assistance field (+RON 21,636 th, +32.4%), Social assistance for the disabled (+RON 15,700 th, +22.6%), Nurseries (+RON 10,976 th, +42.9%), Social assistance for the elderly (+RON 3,546 th, +27.2%) and Units for medical and social assistance (-RON 1,160 th, -10.4%). At the same time, the increase of the provisions related to the functional paragraphs was observed at the level Goods and services, Social assistance, Staff costs and capital expenditures.
 - The investment list of the last budgetary rectification provides works amounting to RON 12,968 th, entirely with financing from the local budget, which aim at social objectives (nurseries and social programs), studies and independent endowments.
- The **Education** chapter records an increase of estimates by RON 37,835 th (+28.3%), up to RON 171,741 th, with influences coming from the Secondary education (+RON 21,992 th, +56.1%), Pre-school and elementary education (+RON 17,810 th, +32.8%), Special education (+RON 2,361 th, +122.6%) and from the School after school program (-RON 5,056 th, -32.8%). These variations were determined by the adjustments to Goods and services, Capital expenditures, Scholarships and Staff costs.

- According to the investment list of the budgetary rectification, the estimated investments are amounting to RON 150,562 th, respectively RON 32,713 th from the local budget, RON 2,224 th from non-refundable external funds, RON 10,985 th from internal loans and RON 104,640 th from external loans. The main objectives include construction of schools, design works, studies/expertise and independent endowments.
- The expenditures estimated from the **Culture, recreation and religion** chapter are going up by RON 35,667 th in comparison to the initial budget, up to RON 133,298 th. Larger provisions are observed mainly for Maintenance of public gardens, parks, green areas, sports and leisure centers (+RON 35,556 th, +41%) with impact over Goods and services and Capital expenditures titles.
 - In 2020, the investment list of the rectification provides investments amounting to RON 127,918 th, respectively RON 17,071 th from the local budget and RON 110,847 th from internal loans. The investments are focused around infrastructure works, modernization of cultural objectives, studies and independent endowments.
- The provisions for the **Public authorities and external actions** chapter were increased by RON 23,529 th (+22.3%), up to RON 129,115 th. The influences were observed at the level of Goods and services, Other foreign current transfers, Projects with financing from non-refundable external funds related to the 2014-2020 financial framework, Capital expenditures and Staff costs.
 - The investment list of the budgetary rectification provides investments amounting to RON 8,935 th, respectively RON 5,453 th from the local budget and RON 3,482 th from non-refundable external funds. The objectives are related mainly to modernization of one school, implementation of a digital platform and independent facilities.
- The **Environment protection** chapter had its initial provisions increased by RON 5,565 th (+6.8%) up to RON 87,725 th, entirely for the Sanitation paragraph, respectively Materials and services with functional character.
- The provisions of the group of chapters **Other expenditures** were increased by RON 5,248 th (+10.1%), up to RON 57,320 th. The main influence came from the Public order and national security chapter (+RON 6,128 th, +15.2%), respectively Civil and fire protection (+RON 5,448 th) and Local police (+RON 680 th, +1.7%). At the same time the estimates for Other general public services chapter went down by RON 880 th (-7.7%).

Budgetary provisions

Functional classification

'000 RON



- The estimates were decreased for the **Housing, public services and development** chapter by RON 53,111 th (-19.3%), down to RON 221,933 th. Changes in estimates were observed for the Houses (-RON 53,700 th, -28.2%) and Other services for housing, public services and community development (+RON 589 th, +0.7%). Likewise, from an economic perspective, the main decrease of provisions was recorded for the Capital expenditures.
 - According to the investment list which accompanies the budget rectification, the works planned in 2020 are amounting to RON 447,302 th, respectively RON 136,355 th from the local budget, RON 1,156 th from non-refundable external funds, RON 143,793 th from internal loans and RON 165,998 th from external loans. The main objective financed in this chapter refers to the thermal rehabilitation of residential blocks in order to increase energy efficiency. Additional expenditures are added in relation to studies/projects.
- The budgetary provisions for the **Transports** chapter are going down by RON 1,025 th (-1.2%) in comparison to the initial budget, reaching RON 83,981 th, entirely at the level of the Streets paragraph. From an economic perspective, decreases were observed for Goods and services, whereas increases were found for Capital expenditures.
 - The investment list of the last budgetary rectification provides investments amounting to RON 46,741 th, entirely with financing from the local budget. Specifically, the investment list aims the improvement of the infrastructure at the level of streets, alleys and parking lots, including studies and projects.



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

- The payments performed during 2020 amounted to RON 999,410.6 th, respectively below the budgetary provisions by RON 193,255.4 th (with an achievement degree of 83.8%).
- The expenditures incurred for the **Housing, public services and development** chapter were below the budget by RON 58,750.5 th, recording an achievement degree of 73.5%. Thereby, it was observed the execution of the payments for Houses (-RON 57,760.9 th, -42.2%) and Other services for housing, public services and community development (-RON 931.3 th, -1.1%). The achievement degree was determined mainly by the Capital expenditures.
- For the **Education** chapter, the payments were below the estimates by RON 35,578.7 th, respectively recording an achievement degree of 79.3% determined by lower payments for Pre-school and elementary education (-RON 20,244.8 th, -28.1%), Secondary education (-RON 10,758.9 th, -17.6%), Other expenditures in the field of education (-RON 1,961.9 th, -8.3%), School after school program (-RON 1,433.4 th, -13.9%) and Special education (-RON 1,195.3 th, -27.9%). From an economic perspective, it was observed the execution of the following titles: Goods and services; Capital expenditures; Social assistance; Other transfers.
- The expenditures related to the **Public authorities and external actions** chapter were below the budgetary provisions by RON 26,548.9 th, recording an achievement degree of 79.4%. The largest deviations from the provisions were recorded mainly at the level of Goods and services, Projects financing from non-refundable external funds related to the 2014-2020 financial framework, Capital expenditures and Staff costs.
- The payments performed from the **Culture, recreation and religion** chapter were below the budgetary provisions by RON 26,251 th, with a related achievement degree of 80.3% determined by the expenditures on the Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 25,334.7 th, -20.7%) and Other services in the field of culture, recreation and religion (-RON 916.3 th, -9.9%). From an economic perspective, it was observed the evolution of Goods and services, Capital expenditures and Transfers to public institutions.
- The payments related to the **Insurance and social assistance** chapter were below estimates by RON 19,745.7 th, recording an achievement degree of 92.8%, determined by lower payments for Nurseries (-RON 10,292.6 th, -28.2%), Other expenditures in the insurance and social assistance field (-RON 3,059.9 th, -3.5%), Social assistance for the disabled (-RON 3,015 th, -3.5%), for family and children (-RON 1,257.5 th, -3.5%), for the elderly (-RON 1,121.1 th, -6.8%) and Units for medical and social assistance (-RON 722.1 th, -7.2%). From an economic perspective, lower executions were highlighted at the level of Capital expenditures, Goods and services, Social assistance and Staff costs.
- The payments performed from the **Transports** chapter were below estimates by RON 16,445.5 th, respectively an achievement degree of 80.4% determined by lower expenditures on the Street paragraph, namely Capital expenditures and Goods and services.
- The group of chapters **Other expenditures** registered an execution with RON 7,364.4 th below the estimated level in the budget, respectively an achievement degree of 87.2%. The difference from the estimated amounts was determined by lower expenditures mainly from the Public order and national security chapter (-RON 5,474 th, -11.8%), entirely for Local police (-RON 4,206.8 th, -10.3%) and Civil and fire protection (-RON 1,267.2 th, -22.8%). Likewise, the payments from Other public general services chapter were below the budget by RON 1,824.7 th (-17.3%).
- The payments performed from the **Transactions regarding the public debt** chapter were below the estimated budget by RON 2,250.2 th, respectively with an achievement degree of 92.9% determined by a lower amount of Interests (mainly for internal loans).



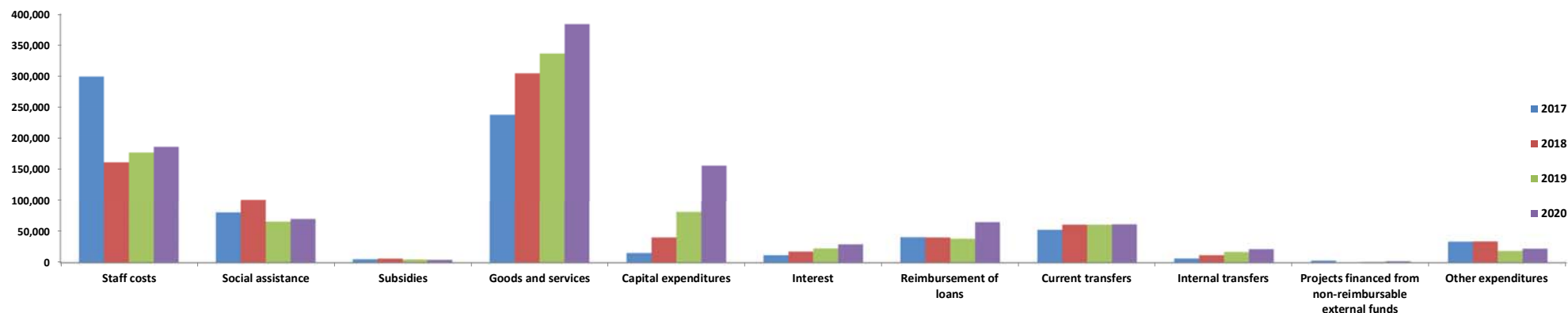
Section III: Budgetary expenditures (economic classification)

- The dynamics of the expenditures incurred for the period 2017 - 2020
- The variation of the performed expenditures in 2020 compared to 2019
- Budgetary provisions in 2020
- Expenditures ratios
- Budgetary provisions for 2021

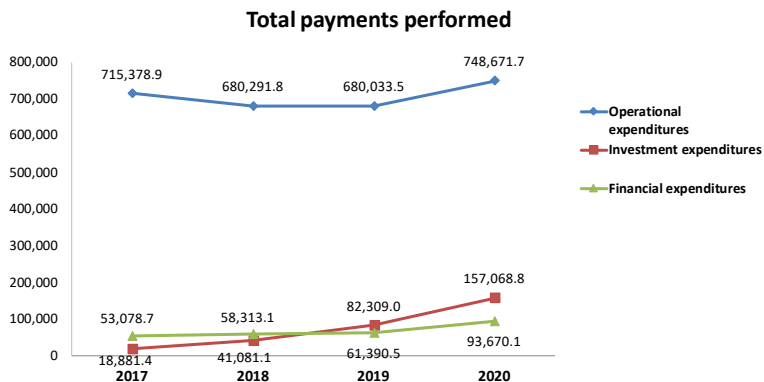
The dynamics of the expenditures incurred for the period 2017 - 2020

Economic classification

'000 RON



- The payments made from the local budget increased at a compound annual rate of 8.3% to RON 999,410.6 th, a level reached after consecutive increases of RON 44,046.9 th (+5.6%) in 2019 and of RON 175,677.7 th (+21.3%) in 2020. In 2018, there was a decrease of payments by RON 7,652.9 th (-1%).
- The largest variation in the interval was registered at the level of **Investment expenditures**, increasing at a compound annual rate of 102.6% up to the value of RON 157,068.8 th. Sustained increases were recorded in each period, respectively of RON 22,199.7 th (+117.6%) in 2018, of RON 41,227.9 th (+100.4%) in 2019 and of RON 74,759.9 th (+90.8%) in 2020. Influences on these variations came from the following titles:
 - **Capital expenditures**, going up at a compound annual rate of 115% and reaching RON 155,369.5 th, the evolution from year to year being similar to that of the group to which it belongs. Thus, within this title were observed the payments for Constructions, Furniture, office equipment and other tangible assets and Machines, equipment and means of conveyance;
 - **Projects financing from non-refundable external funds**, going down at a compound annual rate of 11.4% determined mainly by a decrease of RON 2,742.7 th (-84.2%) recorded in 2018. The payments for this title went up by RON 863.8 th (+168.2%) in 2019 and by RON 889.4 th (+64.6%) in 2020. The expenditures were focused towards the programs from the European Fund for Regional Development and from the European Social Fund.



- The total of **Financial expenditures** increased at a compound annual rate of 20.8% up to RON 93,670.1 th. A significant increase of RON 32,279.6 th (+52.6%) of these expenditures was recorded in 2020, whereas the payments went up at a lower pace in 2018 and 2019, respectively by RON 5,234.4 th (+9.9%) and by RON 3,077.4 th (+5.3%). Significant influences of these evolutions come from the increase of the investment program in the district, for which co-financing was attracted from internal and external banks, but also from changes in monetary policies that bring, as the case may be, increases or decreases in financing costs and due to the end of the grace period or the increase of principal rates during the period, according to the repayment schedules. Thus, the evolution of the following titles was observed:
 - **Reimbursement of loans**, which went up at a compound annual rate of 16.2% up to RON 64,280.3 th, mainly at the level of the reimbursement for the internal loans;
 - **Interests**, which went up at a compound annual rate of 34.6% up to RON 29,389.8 th, mainly at the level of the internal loans.

The dynamics of the expenditures incurred for the period 2017 - 2020

Economic classification

'000 RON



- The **Operational expenditures** increased at a compound annual rate of 1.5% and attained a level of RON 748,671.7 th. The payments in the analyzed period increased by RON 68,638.2 th (+10.1%) in 2020 and were offset by the decrease by RON 35,087.1 th (-4.9%) in 2018. The variation in 2019 is insignificant in terms of value (-RON 258.4 th). Thus, the following titles contributed, during the period, to the evolution of the group:
 - **Goods and services**, without taking into consideration Commissions and other costs related to loans, which went up at a compound annual rate of 17.2% up to RON 383,545.9 th. This title registered constant increases in the entire analyzed interval, respectively of RON 66,919 th (+28.1%) in 2018, RON 31,637.4 th +10.4%) in 2019 and RON 46,625.4 th (+13.8%) in 2020. The main lines contributing to the evolution were Other goods and services for maintenance and functioning and Current repairs;
 - **Internal transfers**, which increased at a compound annual rate of 48.5% up to the amount of RON 21,766.1 th. In terms of value, the increases from one period to another were similar, respectively of RON 5,502.2 th (+82.8%) in 2018, RON 5,015.1 th (+41.3%) in 2019 and RON 4,604.5 th (+26.8%) in 2020. The evolution was entirely related to the Financing of private or confessional accredited education;
 - **Current transfers**, which went up at a compound annual rate of 5.3% up to RON 60,790.5 th. The rate was determined mainly by the increase of these transfers by RON 8,152.6 th (+15.7%) in 2018, the other two periods of the interval having no significant variations. The evolution was entirely determined by the Transfers to public institutions;
 - **Staff costs**, which decreased at a compound annual rate of 14.7% down to RON 185,613.5 th. The variation was determined mainly by the decrease of RON 138,290.5 th (-46.3%) recorded in 2018. In contrast, the payments went up by RON 15,826.6 th (+9.8%) in 2019 and by RON 9,081.3 th (+5.1%) in 2020. The main decreases in the interval came from the Base salaries, Contributions to state social insurance, for health and the Fund for payments by the hour;
 - The **Other expenditures** group of titles, which went down at a compound annual rate of 12.7% to RON 22,471.4 th, mainly as a consequence of a decrease of RON 15,383.4 th (-44.9%) recorded in 2019, whereas an increase of RON 3,612.8 th (+19.2%) was registered in 2020. Also, the increase in 2018 is insignificant in terms of value. This group was influenced mainly by the variation of Scholarships;
 - **Social assistance**, which went down at a compound annual rate of 4.6% to RON 69,495.8 th. The decrease of RON 36,100 th (-35.7%) recorded in 2019 was partially counterbalanced by the increases of RON 21,253.9 th (+26.6%) in 2018 and of RON 4,368.3 th (+6.7%) in 2020. The variations were determined by the Social support in cash and in kind;
 - **Subsidies**, which decreased at a compound annual rate of 7.6% down to RON 4,421 th. The total in the current period was reached after consecutive decreases of RON 1,330 th (-20.5%) in 2019 and of RON 749 th (-14.5%) in 2020. In contrast, the payments increased by RON 900 th (+16.1%) in 2018.

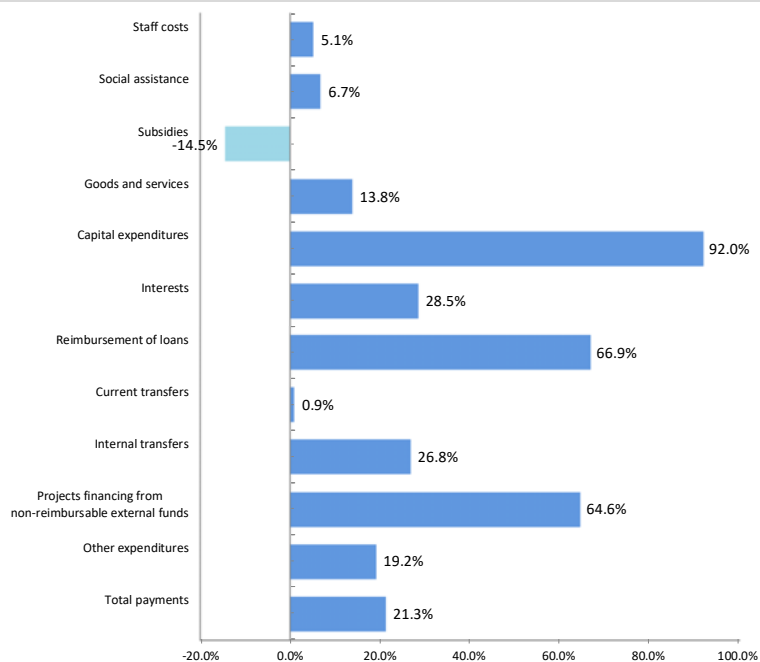
The variation of the performed expenditures at Q4 2020 vs. Q4 2019

Economic classification

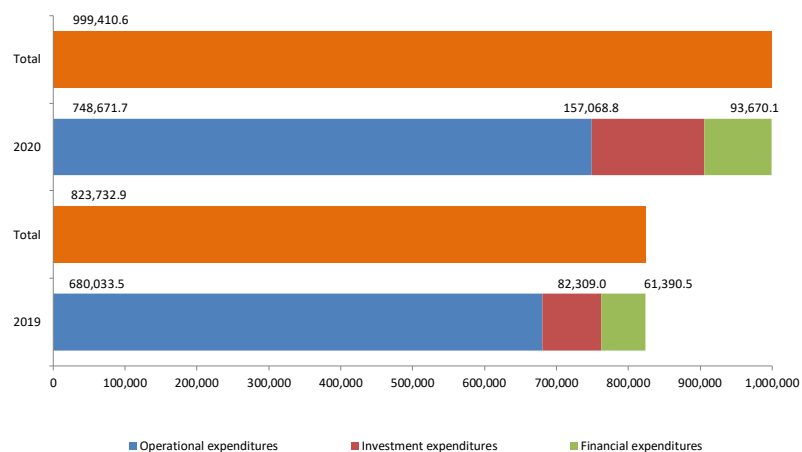
'000 RON



Economic expenditures variation



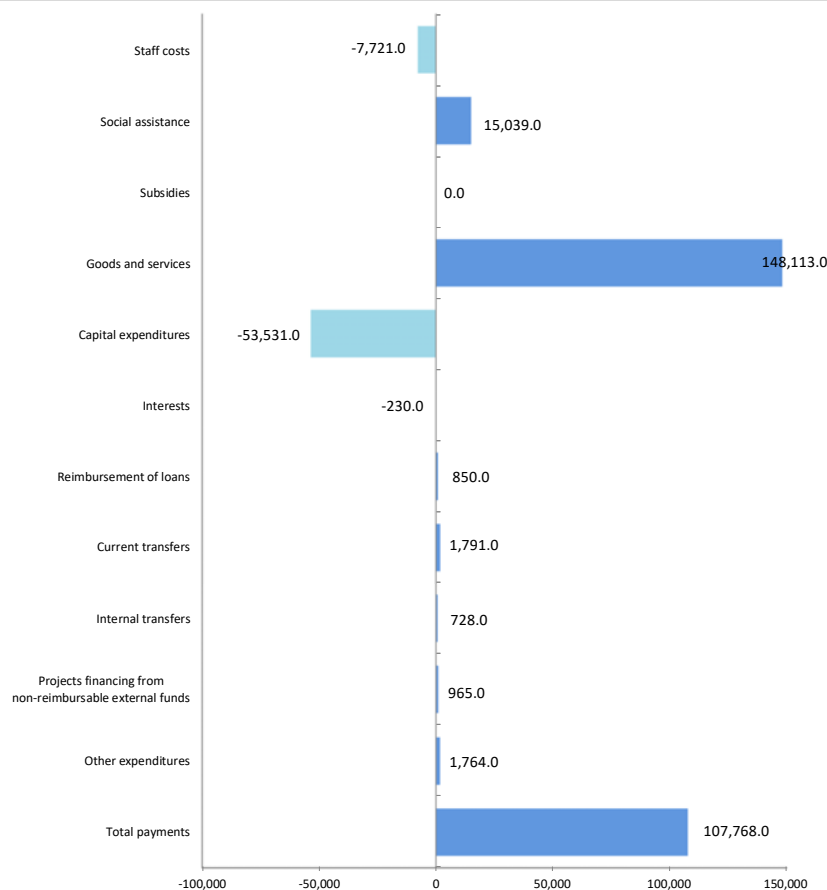
Structure of expenditures



- The **Investment expenditures** went up by RON 74,759.9 th (+90.8%) in comparison to the execution in the previous year. Thereby, these payments are represented by:
 - Capital expenditures** (+RON 74,437.9 th, +92%), with influences from the payments for Constructions (+RON 79,907.3 th, +131%), Furniture, office equipment and other tangible assets (+RON 1,829.4 th, +70.1%), Machines, equipment and means of conveyance (+RON 1,106.5 th, +48.2%) and Other fixed assets (-RON 8,194.4 th, -55.3%);
 - Projects financing from non-refundable external funds** (+RON +889.4 th, +64.6%), respectively by registering payments amounting to RON 857.6 th at the level of the Programs from the European Fund for Regional Development and by the increase of the ones from the European Social Fund (+RON 181.4 th, +23.9%). At the same time, the payments went down for Other community programs financed in the period of 2014 – 2020 (-RON 149.7 th, -24.2%).
- The **Operational expenditures** went up by RON 68,628.2 th (+10.1%) in comparison to the level attained in the previous year, following:
 - The increase of **Goods and services** by RON 46,625.4 th (+13.8%). The evolution was highlighted mainly at the level of Current repairs (+RON 20,159.9 th, +39%), Other goods and services for maintenance and functioning (+RON 13,461.3 th, +10.9%), Materials and services with functional character (+RON 3,606.7 th, +3.8%), Consultancy and expertise (+RON 3,566.4 th, +198.1%) and Other expenditures (+RON 3,363.7 th, +34.1%);
 - The increase of **Staff costs** by RON 9,081.3 th (+5.1%), mainly for Payments in cash (+RON 9,025.7 th, +5.3%), respectively Base salaries, Other remuneration rights in cash and the Fund for payments by the hour;
 - Internal transfers** recorded at RON 21,766.2 th (+RON 4,604.5 th, +26.8%), entirely at the level of the Financing of private or confessional accredited education;
 - A larger amount of payments for **Social assistance** by RON 4,368.3 th (+6.7%) determined by the value of the Social support in cash (+RON 8,663.1 th, +15.8%) and in kind (-RON 4,294.8 th, -41.5%);
 - The increase in the value of **Other expenditures** group of titles by RON 3,612.8 th (+19.2%) determined mainly by a larger amount of Scholarships (+RON 11,924.9 th, +115.9%), the absence of Other loans (amounting to RON 4,990.1 th in 2019) and by the sums recorded as payments performed during the previous years and recovered during the current year (recorded with a negative value of RON 4,587.4 th in 2020).
- The **Financial expenditures** went up by RON 32,279.6 th (+52.6%) in comparison to the value attained in 2019. The dynamics is determined by the following payment typologies: Reimbursement of loans (+RON 25,756.4 th, +66.9%); Interests (+RON 6,523.2 th, +28.5%).



Economic expenditures rectification, compared to initial budget



- From the point of view of the economic classification, the budget of the institution experienced a positive rectification, in the sense of increasing the provisions up to RON 1,192,666 th, respectively by 9.9%.
- The **Operational expenditures** recorded an increase of estimates by RON 159,714 th (+23.6%), up to RON 836,802 th, with influences from the following titles:
 - **Goods and services**, the provisions being increased by RON 148,113 th (+49%), reaching the value of RON 450,415 th, mainly at the level of Other goods and services for maintenance and functioning (+RON 73,419 th, +83.6%), Current repairs (+RON 36,886 th, +64.6%), Registered materials (+RON 7,248 th, +94.3%), Materials and services with functional character (+RON 7,078 th, +7.6%) and Other expenditures (+RON 6,556 th, +69%);
 - **Social assistance**, the provisions of the final budget going up by RON 15,039 th (+25.3%) to a total of RON 74,382 th. The increase is determined entirely by the Social support in cash (+RON 17,414 th, +35.5%) and in kind (-RON 2,375 th, -23%);
 - **Current transfers**, the provisions being increased by RON 1,791 th (+2.8%) up to RON 66,544 th, respectively at the level of the ones to public institutions;
 - The **Other expenditures** group of titles had its provisions increased by RON 1,764 th (+7.3%) up to RON 26,084 th. The variation is mainly reflected by the provisions for Scholarships (+RON 3,000 th, +15%) and Payments performed in the previous years and recovered during the current year (estimates being increased to the negative value of RON 1,929 th);
 - **Staff costs**, with the provisions going down by RON 7,721 th (-3.9%) to the amount of RON 190,649 th, respectively the influences coming mainly from the Fund for payments by the hour (-RON 5,009 th, -62.2%), Allowances paid for persons outside the unit (-RON 2,030 th, -60%), Bonuses for working conditions (-RON 620 th, -10.3%) and Base salaries (+RON 1,007 th, +0.7%).
- The **Financial expenditures** are going up in terms of estimates by RON 620 th (+0.6%), up to the amount of RON 96,040 th, with influences from the Reimbursement of loans (+RON 850 th, +1.3%) and Interests (-RON 230 th, -0.7%).
- The **Investment expenditures** had the provisions decreased by RON 52,566 th (-16.8%), down to RON 259,824 th, respectively at the level of the Capital expenditures (-RON 53,531 th, -17.6%) and Project financing from non-refundable external funds (+RON 965 th, +13%).



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

- The expenditures incurred during 2020 experienced an achievement degree of 83.8% against the budgetary provisions, the dynamics of the main groups being presented in the paragraphs below.
- The **Investment expenditures** were below the budget by RON 102,755.2 th (achievement degree of 60.5%), with the following distribution:
 - The **Capital expenditures** were below the budgetary estimates by RON 96,091.5 th (-38.2%), the main variation coming from Constructions (-RON 87,354.4 th, -38.3%), Other fixed assets (-RON 3,208.5 th, -32.6%), Furniture, office equipment and other tangible assets (-RON 2,936.9 th, -39.8%) and Machines, equipment and means of conveyance (-RON 2,584.7 th, -43.2%);
 - The **Projects financing from non-refundable external funds** were below the estimates by RON 6,096.2 th (-72.9%), with influences being observed at the level of the Programs from the European Social Fund (-RON 2,676.3 th, -74%), Other community programs financed in the period of 2014 – 2020 (-RON 2,156.5 th, -82.2%) and Programs from the European Fund for Regional Development (-RON 1,263.4 th, -59.6%).
- The **Operational expenditures** were below provisions by RON 88,130.3 th, with an achievement degree of 89.5%. Lower expenditures were reflected on the following titles:
 - **Goods and services**, the payments being below provisions by RON 66,869.1 th (-14.8%). The dynamics was determined by the execution for Other goods and services for maintenance and functioning (-RON 24,106.5 th, -14.9%), Current repairs (-RON 22,161 th, -23.6%), Registered materials (-RON 4,551.6 th, -30.5%), Heating, lighting and driving force (-RON 3,762.6 th, -17.6%) and Other expenditures (-RON 2,842.4 th, -17.7%);
 - **Current transfers**, being below estimates by RON 5,753.5 th (-8.6%), respectively at the level of the ones to public institutions;
 - **Staff costs**, with the payments being below estimates by RON 5,035.5 th (-2.6%) and the dynamics determined mainly by Base salaries (-RON 2,510.5 th, -1.6%), Bonuses for working conditions (-RON 750.2 th, -13.8%), Allowances for food (-RON 606.8 th, -6.8%) and Precautionary contribution for work (-RON 447.9 th, -10.5%);
 - **Social assistance**, the payments recorded being below the estimated value by RON 4,886.2 th (-6.6%), due to a lower level of payments for the Social support in cash (-RON 2,988.5 th, -4.5%) and in kind (-RON 1,897.7 th, -23.9%);
 - The **Other expenditures** group of titles had an execution below estimates by RON 3,612.6 th (-13.8%) and influences mainly from the Payments performed during the previous years and recovered in the current year (registered with negative value, but lower by RON 2,658.4 th) and from Scholarships (-RON 781.9 th, -3.4%);
 - **Internal transfers**, the registered amounts being below estimates by RON 1,961.9 th (-8.3%), respectively for Financing of private or confessional accredited education.
- The **Financial expenditures** were below estimates by RON 2,369.9 th (achievement degree of 97.5%), the influences coming from Interests (-RON 2,250.2 th, -7.1%) and Reimbursement of loans (-RON 119.7 th, -0.2%).

Expenditures ratios at Q4 2020, as compared to Q4 2019

'000 RON



Ratios	2020	2019
Total staff costs	185,613.5	176,532.2
Expenditures per Capita	471.0 RON	451.4 RON
The expenditure weight in the operational expenditures	24.8%	26.0%
Staff costs for insurance and social assistance	120,723.0	111,317.1
Expenditures per Capita	306.3 RON	284.7 RON
The expenditure weight in the operational expenditures	16.1%	16.4%
Current compulsory expenditures	255,109.3	241,659.7
Expenditures per Capita	647.3 RON	618.0 RON
The expenditure weight in the operational expenditures	34.1%	35.5%
Operational expenditures	748,671.7	680,033.5
Expenditures per Capita	1,899.7 RON	1,739.0 RON
The expenditure weight in the total expenditures	74.9%	82.6%
Expenditures on debt service financing	93,670.1	61,390.5
Expenditures per Capita	237.7 RON	157.0 RON
The expenditure weight in the total expenditures	9.4%	7.5%
Total investment expenditures	157,068.8	82,309.0
Expenditures per Capita	398.6 RON	210.5 RON
The expenditure weight in the total expenditures	15.7%	10.0%
The expenditures' rigidity	18.6%	21.4%
The weight of the payments from the operating section in the total payments	84.3%	90.0%
The weight of the payments from the development section in the total payments	15.7%	10.0%
The deficit/surplus of the operating section	18,506.6	7,768.9
The deficit/surplus of the development section	-35,461.5	27,486.0
The weight of the local public debt service in the total made payments	9.4%	7.5%
Maximum annual debt	171,183.5	148,761.5
Net direct debt	83,935.6	88,265.8
Direct indebtedness level	15.3%	12.2%
Net public debt	79,572.3	87,655.9
Public indebtedness level	16.1%	12.3%
The total expenditures achievement degree from the initial budget	92.1%	93.3%
The achievement degree from the initial budget of the:		
Operational expenditures	110.6%	106.9%
Staff costs	93.6%	104.2%
Current compulsory expenditures	99.0%	106.0%
Expenditures on debt service financing	98.2%	89.0%
Investment expenditures	50.3%	46.4%
The funds absorption level of the total expenditures	101.7%	95.9%
Investment expenditures / Operational revenues	16.3%	9.8%
Capita, as of:	394,097 01.01.2019	391,050 01.01.2018

- The **Total staff costs** incurred in 2020 went up by RON 9,081.3 th (+5.1%), in comparison to the previous year, the dynamics being determined mainly by the Payments in cash (+RON 9,025.7 th, +5.3%), respectively Base salaries, Other remuneration rights in cash and the Fund for payments by the hour.
- The **Current compulsory expenditures** went up by RON 13,449.6 th (+5.6%), compared to the level attained in 2019, following:
 - The increase of the Total staff costs;
 - The increase of the payments for Social assistance (+RON 4,368.3 th, +6.7%).
- The **Operational expenditures** were increased by RON 68,638.2 th (+10.1%) in comparison to the execution of the previous year, the evolution being determined by:
 - A larger amount of payments for Goods and services by RON 46,625.4 th (+13.8%);
 - The increase of the Total Staff costs;
 - The Internal transfers recorded at RON 21,766.2 th (+RON 4,604.5 th, +26.8%);
 - An increase of payments for Social assistance;
 - The increase of Other expenditures group of titles by RON 3,612.8 th (+19.2%).
- The **Expenditures on debt service financing** went up by RON 32,279.6 th (+52.6%), as compared to the previous year, taking into consideration the evolution of the Reimbursement of loans (+RON 25,756.4 th, +66.9%) and of the Interests (+RON 6,523.2 th, +28.5%).
- The **Total investment expenditures** performed during 2020 went up by RON 74,759.9 th (+90.8%) and were represented by the Capital expenditures (+RON 74,437.9 th, +92%) and by The Projects financing from non-refundable external funds (+RON 889.4 th, +64.6%).

Expenditures - budgetary execution 2020

Functional/Economic classification

'000 RON



Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:				Financial Expenditures	Investment expenditures
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance		
Public authorities and external actions	102,566.1	98,784.3	39,464.2	57,319.2	0.0	0.0	3,781.7
Other general public services	8,715.3	8,715.3	668.4	913.1	0.0	0.0	0.0
Transactions regarding the public debt and loans	29,389.8	0.0	0.0	0.0	0.0	29,389.8	0.0
General Transfers between different levels of administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Defense	334.4	334.4	0.0	334.4	0.0	0.0	0.0
Public order and national security	40,906.0	40,906.0	0.0	4,280.8	0.0	0.0	0.0
Education	136,162.3	113,716.0	5,178.9	59,161.8	5,621.6	0.0	22,446.3
Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Culture, recreation and religion	107,047.0	94,830.9	10,897.8	74,165.2	0.0	0.0	12,216.0
Insurance and social assistance	256,167.3	252,931.6	120,723.0	65,373.4	63,874.2	0.0	3,235.8
Housing, public service and development	163,182.5	19,297.2	7,095.7	4,266.0	0.0	64,280.3	79,605.0
Environment protection	87,404.4	87,404.4	0.0	87,565.0	0.0	0.0	0.0
General economic, commercial and working actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel and power	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agriculture, Forestry and Hunting	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trasnsports	67,535.5	31,751.6	1,585.6	30,167.0	0.0	0.0	35,783.9
Other economic actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	999,410.61	748,671.70	185,613.52	383,545.88	69,495.82	93,670.1	157,068.8

*) **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 2020 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		
Public authorities and external actions	1,036.3	979.2	0.0	979.2	0.0	0.0	57.1
Public order and national security	4,263.3	4,263.3	0.0	4,263.3	0.0	0.0	0.0
Education	5,498.3	4,229.8	0.0	4,229.8	0.0	0.0	1,268.5
Culture, recreation and religion	2,263.1	2,263.1	0.0	2,263.1	0.0	0.0	0.0
Insurance and social assistance	14,623.8	14,623.8	236.9	14,386.9	0.0	0.0	0.0
Housing, public service and development	59.4	13.7	0.0	13.7	0.0	0.0	45.7
TOTAL	27,744.3	26,372.9	236.9	26,136.0	0.0	0.0	1,371.4
Expenditures from the Budget of the Institutions financed from own revenues and subsidies	1,280.1						
Housing, public service and development	596.8	527.1	0.0	527.1	0.0	0.0	69.6
Public order and national security	454.4	454.4	0.0	454.4	0.0	0.0	0.0
Other general public services	208.0	208.0	0.0	208.0	0.0	0.0	0.0
Education	12.6	12.6	0.0	12.6	0.0	0.0	0.0
Culture, recreation and religion	8.3	8.3	0.0	8.3	0.0	0.0	0.0
Local Budget Revenues - Subsidies received from the state budget for the settlement of quarantine expenses	595.7						

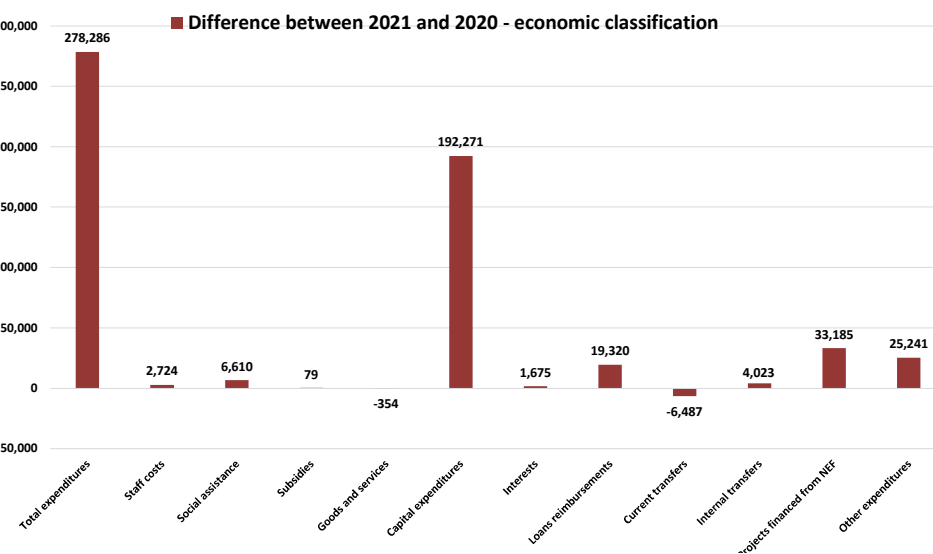
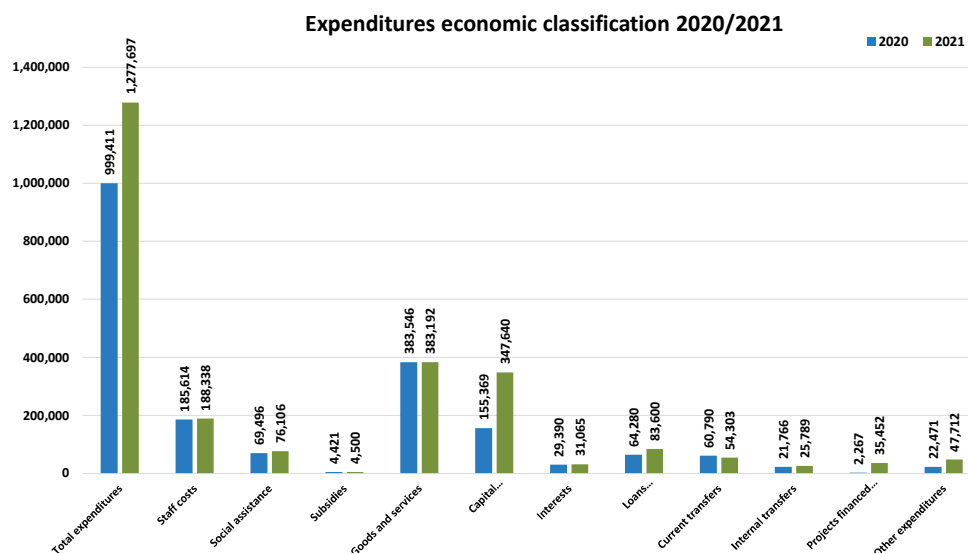
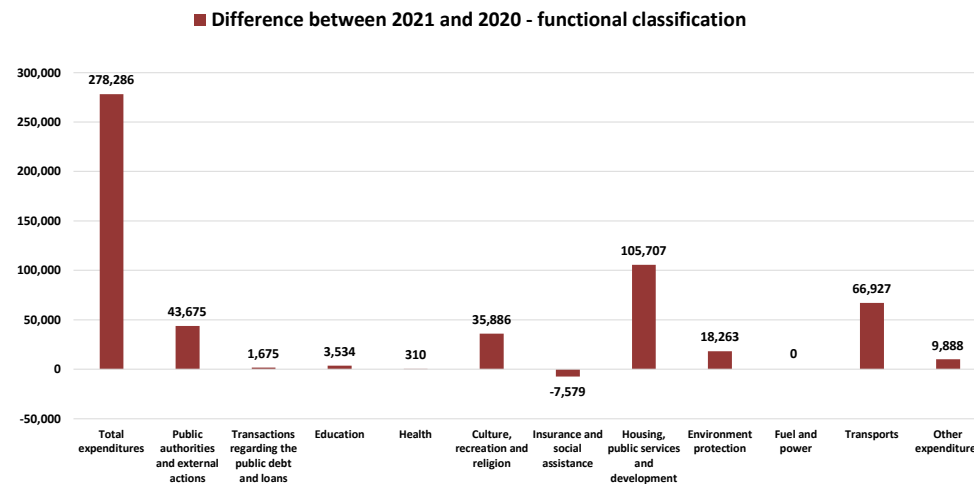
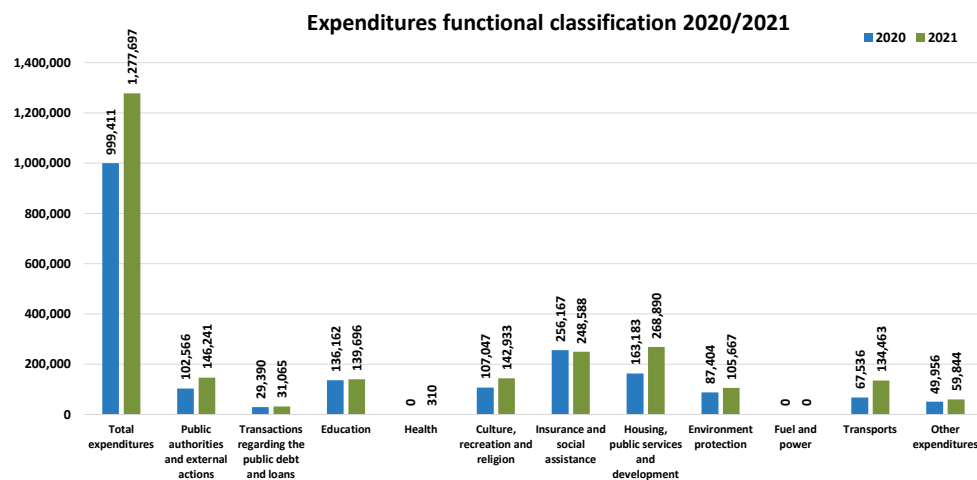
Graphic representation: the variation of the budgetary provisions of 2021 compared to the level achieved in 2020

Functional/economic classification

'000 RON



Budgetary provisions for 2021, as compared to the execution in 2020 (Variations)



Budgetary provisions

Functional/economic classification

'000 RON



Budgetary provisions for 2021, as compared to the execution in 2020 (Variations)

Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:					Financial Expenditures	Investment Expenditures	Investment expenditures (Total provisions 2021)
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance				
Public Authorities and external	▲ 43,674.9	▲ 11,037.7	▲ 4,989.9	▲ 4,172.8	0.0	0.0	▲ 32,637.3	36,419.0	
Other general public services	▲ 8,627.7	▲ 8,482.7	-668.4	-913.1	0.0	0.0	▲ 145.0	145.0	
Transactions regarding the public debt and loans	▲ 1,675.2	0.0	0.0	0.0	0.0	▲ 1,675.2	0.0	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	
Defense	▲ 65.6	▲ 65.6	0.0	65.6	0.0	0.0	0.0	0.0	
Public order and national security	▲ 1,195.0	▲ 1,160.0	0.0	-3,280.8	0.0	0.0	▲ 35.0	35.0	
Education	▲ 3,533.7	▲ 5,367.0	-1,856.9	838.2	1,350.4	0.0	▼ -1,833.3	20,613.0	
Health	▲ 310.0	0.0	0.0	0.0	0.0	0.0	▲ 310.0	310.0	
Culture, recreation and religion	▲ 35,886.0	▲ 5,932.1	353.2	8,757.8	0.0	▲ 2,535.0	▲ 27,419.0	39,635.0	
Insurance and social assistance	▼ -7,579.3	▼ -19,608.6	-1,827.0	-23,086.4	5,259.8	0.0	▲ 12,029.2	15,265.0	
Housing, public services and development	▲ 105,707.5	▼ -3,147.2	1,573.3	2,015.0	0.0	▲ 16,819.7	▲ 92,035.0	171,640.0	
Environment protection	▲ 18,262.6	▲ 15,595.6	0.0	15,435.0	0.0	0.0	▲ 2,667.0	2,667.0	
General economic, commercial and working actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Fuel and power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Agriculture, Forestry, Fish breeding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Transport	▲ 66,927.5	▼ -4,231.6	160.4	-4,393.0	0.0	0.0	▲ 71,159.1	106,943.0	
Other economic actions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	▲ 278,286.4	▲ 20,653.3	2,724.5	-388.9	6,610.2	▲ 21,029.9	▲ 236,603.2	393,672.0	

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

- As a result of the approval of the initial budget for 2021, the payments provisions are amounting to RON 1,277,697 th, by 27.8% above the level of payments made at the end of the previous year.
- The provisions related to the **Housing, public services and development** chapter are at the level of RON 268,890 th (by 64.8% over the execution of the previous year). Thus, the estimates were mainly increased by RON 90,461.9 th (+114.4%) for the Houses paragraph and by RON 14,273.3 th (+17%) for Other services for housing, public services and community development paragraph.
 - According to the list of investments that accompanies the initial budget, the works related to 2021 are worth RON 309,640 th, respectively RON 171,340 th from the local budget, RON 300 th from non-reimbursable external funds and RON 138,000 th from external loans. The main objective financed in this chapter refers to the thermal rehabilitation of residential buildings in order to increase energy efficiency. To these works are added expenses related to studies/projects.
- The estimates related to the **Transports** chapter reach the value of RON 134,463 th (by 99.1% over the payments of 2020) and are fully reflected in the Streets paragraph.
 - The investments list related to the initial budget provides objectives amounting to RON 107,343 th, fully financed from the local budget. Specifically, the list of investments aims at works to improve the infrastructure at the level of streets and parking lots, including studies and projects.
- For the **Public authorities and external actions** chapter, a level of payments of RON 146,241 th (by 42.6% over the execution of the previous year) is provided.
 - The investment list related to the initial budget provides for investments amounting to RON 34,701 th at the level of the year, respectively RON 15,813 th from the local budget and RON 18,888 th from non-reimbursable external funds.
- Within the **Culture, recreation and religion** chapter are estimated payments in total value of RON 142,933 th (by 33.5% over the execution of 2020). Thus, there are larger provisions for the Maintenance of public gardens, parks, green areas, sports and leisure centres (+39,271.7 th RON, + 40.5%) and reduced amounts for Other services in the field of culture, recreation and religion (-3,085.7 th RON, -37.1%).
 - During 2021, the list investments list related to the initial budget provides for investments in the total amount of RON 79,846 th, respectively RON 39,235 th from the local budget and RON 40,611 th from internal loans. The investments are oriented towards infrastructure works, modernization of cultural objectives, studies and independent endowments.

Budgetary provisions

Functional/economic classification

'000 RON



- The provisions related to the **Environment protection** chapter are estimated at the level of RON 105,667 th (by 20.9% over the previous year's execution), entirely by increasing the provisions for Sanitation and waste management (RON +17,595.6 th, + 20.1%) and by new allocations for Sewerage and wastewater treatment (amounting to RON 667 th).
 - The investments list for 2021 provides for investments amounting to RON 2,667 th within this chapter, fully financed from the local budget. The main objectives refer to the elaboration of studies and projects in order to the implementation of points/stations of waste collection.
- The estimates related to **Other general public services** chapter reach the value of RON 17,343 th (by 99% above the level executed in 2020), mainly for the new allocations related to the Emergency fund for local authorities (in the amount of RON 10,000 th).
- The provisions for the **Education** chapter amount to RON 139,696 th during 2021 (by 2.6% over the previous year's payments), through a higher level of allocations for Other expenditures for education (+4,022.9 th RON, +18,5%), Secondary education (+2,556.9 th th, 5.1%), Special education (+RON 2,381.3 th, +77%) and Pre-school and elementary education (+RON 843.8 th, +1.6%). At the same time, the provisions for the School after school program are diminished (-RON 6,348.6 th, -71.2%).
 - According to the investments list related to the initial budget, the planned investments are worth RON 214,823 th, respectively RON 17,225 th from the local budget, RON 18,156 th from non-reimbursable external funds, RON 3,147 th from internal loans and RON 176,295 th from external loans. The main objectives include school constructions, design works, studies/expertise and independent endowments.
- The provisions of the **Transactions regarding the public debt and loans** chapter, through which are performed payments for interest and commissions in connection with the debt service, are increased up to the total of RON 31,065 th (respectively by 5.7%).
- The provisions of the **Public order and national security** chapter amount to RON 42,101 th (by 2.9% above the level of payments during the previous year), entirely through a higher level of estimates for the Local police (+4,475.8 th RON, +12.2%) and a decrease of those for Civil and fire protection (RON -3,280.8 th, -76.6%).
- The estimates related to the **Insurance and social assistance** chapter reach the level of RON 248,588 th (by 3% below the payments registered in 2020) by decreasing the provisions for Other expenditures in the insurance and social assistance field (RON -18,911.1 th, -22.2%), Social assistance for family and children (-2,210.5 th RON, -6.3%) and the one for the elderly (-709.9 th RON, -4.6%). At the same time, the provisions are increased for Nurseries (RON +7,136.6 th, +27.2%) and Social Assistance in case of disability (RON +6,864 th, +8.4%).
 - The investments list related to the initial budget estimates works amounting to RON 13,413 th, respectively RON 3,707 th from the local budget and RON 9,706 th from non-reimbursable external funds, which aim at social objectives (nurseries and social programs), studies and independent endowments.

Table of contents Section IV



Partea IV:

- The balance sheet for the period 2017 - 2020
- Local public debt service

Balance sheet for the period 2017 - 2020

'000 RON



Balance sheet	2017			2018			2019			2020		
Current assets	960,903.0	12.5%		1,027,694.7	12.6%		1,025,318.6	11.4%		1,144,313.0	11.9%	
Cash and cash equivalent	28,078.3	2.9%	0.4%	164,153.1	16.0%	2.0%	212,445.4	20.7%	2.4%	222,127.5	19.4%	2.3%
Inventories	93,164.8	9.7%	1.2%	101,646.4	9.9%	1.2%	105,354.7	10.3%	1.2%	117,748.5	10.3%	1.2%
Receivables	839,659.9	87.4%	10.9%	761,895.2	74.1%	9.3%	707,517.1	69.0%	7.9%	804,436.2	70.3%	8.4%
Short term investments	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	1.4	0.0%	0.0%	0.8	0.0%	0.0%
Fixed assets	6,749,963.8	87.5%		7,137,830.2	87.4%		7,932,824.4	88.6%		8,468,634.7	88.1%	
Intangible assets	4,947.5	0.1%	0.1%	4,782.3	0.1%	0.1%	5,210.5	0.1%	0.1%	4,160.0	0.0%	0.0%
Tangible assets	6,740,800.7	99.9%	87.4%	7,127,949.5	99.9%	87.3%	7,922,702.7	99.9%	88.4%	8,457,963.4	99.9%	88.0%
Other fixed assets	4,215.6	0.1%	0.1%	5,098.5	0.1%	0.1%	4,911.2	0.1%	0.1%	6,511.3	0.1%	0.1%
Total assets	7,710,866.8			8,165,525.0			8,958,143.0			9,612,947.7		
Current liabilities	624,740.0	8.1%		684,496.3	8.4%		433,427.3	4.8%		527,073.5	5.5%	
ST borrowings and CP of LT debt	9,039.4	1.4%	0.1%	-	-	-	-	-	-	-	-	-
Accounts payable	563,442.7	90.2%	7.3%	627,769.6	91.7%	7.7%	395,639.8	91.3%	4.4%	489,561.1	92.9%	5.1%
Short term provisions	2,149.8	0.3%	0.0%	3,402.7	0.5%	0.0%	30.5	0.0%	0.0%	30.5	0.0%	0.0%
Other short term debts	50,108.2	8.0%	0.6%	53,324.0	7.8%	0.7%	37,757.1	8.7%	0.4%	37,481.9	7.1%	0.4%
Long term debts	676,084.1	8.8%		783,572.0	114.5%	9.6%	1,065,205.9	11.9%		1,397,035.6	14.5%	
Long term loans	661,332.0	97.8%	8.6%	770,423.7	112.6%	9.4%	1,049,033.8	98.5%	11.7%	1,381,726.5	98.9%	14.4%
Other long term debts	155.4	0.0%	0.0%	159.4	0.0%	0.0%	15,981.0	1.5%	0.2%	15,118.0	1.1%	0.2%
Provisions	14,596.7	2.2%	0.2%	12,989.0	1.9%	0.2%	191.1	0.0%	0.0%	191.1	0.0%	0.0%
Equity and reserves	6,410,042.7	83.1%		6,697,456.7	82.0%		7,459,509.7	83.3%		7,688,838.5	80.0%	
Total liabilities	7,710,866.8			8,165,525.0			8,958,143.0			9,612,947.7		
Current liquidity ratio (Current assets / Current liabilities)	1.5			1.5			2.4			2.2		
Indebtedness level (Borrowed capital / Total liabilities)	8.6			9.4			11.7			14.4		

- The **Total assets** registered a constant increase in the analyzed interval, reaching RON 9,612,947.7 th, after increases of RON 454,658.2 th (+5.9%) in 2018, RON 792,618 th (+9.7%) in 2019 and RON 654,804.7 th (+7.3%) in 2020.
- The balance of **Fixed assets** had a similar evolution to the one of Total assets in the analyzed interval, being also the main component that led to the increase of assets. Therefore, the tangible assets reached RON 8,457,963.4 th at the end of 2020.
- The **Current assets** reached RON 1,144,313 th after increases of RON 66,791.7 th (+7%) in 2018 and RON 118,994.4 th (+11.6%) in 2020. In contrast, the balance of this group went down by RON 2,376.1 th (-0.2%) in 2019. The evolution of these assets was influenced by the Cash and cash equivalents, Stocks and Accounts receivables.
- The **Short-term liabilities** registered a lower value in 2020 compared to the level at the beginning of the analyzed interval, with influences from the decrease by RON 251,068.9 th (-36.7%) from 2019. The other two reports recorded increases in the debt balance. Specifically, the largest weight in this category is held by the Commercial debt.
- The **Long-term liabilities** had a constant increase in the analyzed interval, reaching the value of RON 1,397,035.6 th. The main influences come from the Debt to banks, being related to the balance of the loans contracted from internal and external markets. The increase of this balance is in line with the development of the investment plan that benefits from co-financing from bank loans.
- The **Capitals** recorded an increase of RON 287,414 th (+4.5%) in 2018, followed by increases of RON 762,053.1 th in 2019 (+11.4%) and RON 229,328.8 th in 2020 (+3.1%).
- The **Current liquidity ratio** improved in the analyzed interval, reaching an optimal level of 2.2 in 2020. The evolution of this ratio is influenced directly by a more accelerated increase of the Current assets in contrast with the one of the Short-term liabilities.

Local Public Debt Service at 31.12.2020

'000 RON



Debt and liquidity	31.12.2020
New credit withdrawals in the period	389,893.4
Direct debt service	87,250.9
Direct indebtedness rate	15.3%
Public debt service	91,614.2
Public indebtedness rate	16.1%
Public Debt Service as % of Operational Revenues	9.6%
Public Debt Service as % of Operational Expenditures	12.2%
Long term debt % Own Funds	18.0%
Long term debt / Own Revenues (1.x)	1.7

Payout	31.12.2020
Payout 2Y - 2 years	251,438.4
Payout 5Y - 5 years	694,614.2
Payout 10Y - 10 years	1,358,098.8
Payout 15Y - 15 years	1,559,527.8
Payout 20Y - 20 years	1,710,692.3
Total revenues per capita	2,492.9 RON
Own revenues per capita	2,049.4 RON
Public Debt Service per capita	232.5 RON
Long-term loans per capita	3,506.1 RON

	2020 ¹⁾	2021 ²⁾	2022 ²⁾	2023 ²⁾	2024 ²⁾
Total revenues	982,455.7	1,249,668.2	1,262,164.9	1,274,786.5	1,287,534.4
Own revenues ⁴⁾	807,676.8	791,751.2	799,668.7	807,665.4	815,742.0
Indebtedness capacity	171,183.5	202,362.0	229,557.5	239,909.7	239,908.5
Public debt service ⁵⁾	91,614.2	112,909.8	138,528.6	144,346.4	147,908.7

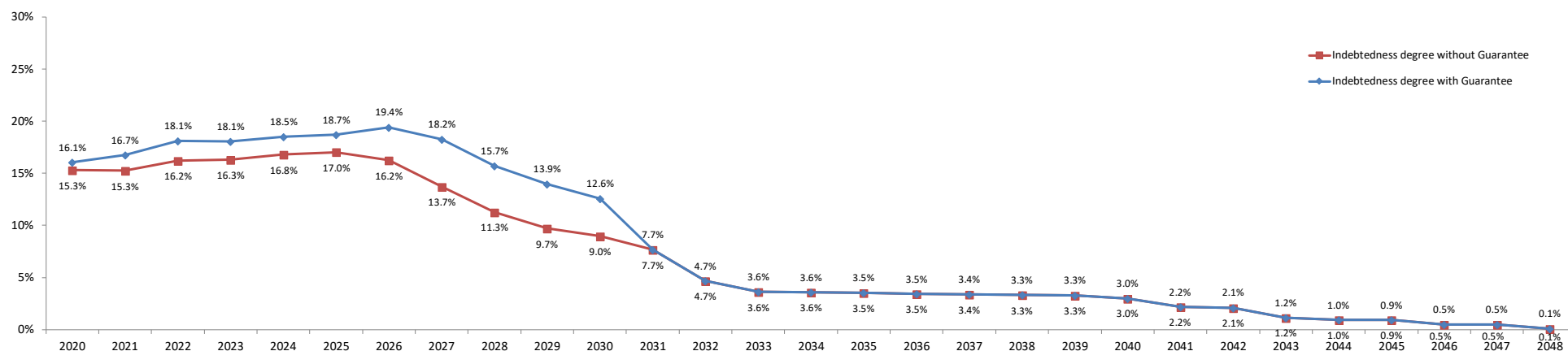
1) Revenues collected as of 31.12.2020

2) 2021: Initial budget; Forecast, revenues growth rate of 1% computed annually;

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

4) TUD estimated values for the period of 2021 - 2024, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of 31.12.2020

Indebtedness level forecast for the period of 2020 - 2048



- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of 31.12.2020, the estimated withdraws from the signed financing contracts and the growth rate of own revenues of 1%;
- According to the UGO nr. 46 on 05/23/2007, to complete art. 63 of the Law no. 273/2006 regarding the local public finances, "the loans contracted and/or guaranteed by the territorial-administrative units for providing the pre-financing and/or co-financing of the projects that benefit of the external non-reimbursable funds of pre and post-accession, from the European Union, are excepted from the paragraph (4) provisions" - respectively the framing in the maximum indebtedness limit;
- The maximum indebtedness limit represents 30% of the arithmetic mean of the own revenues for the last three years prior to current period.

Glossary of terms



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. 273/2006 regarding the local public finance, including subsequent amendments and additions, out of which are subtracted the Revenues from goods capitalization stipulated in the art. 29 part of the mentioned law);
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 between Capital revenues (00.15), Capital Subsidies received from the State Budget (00.19), Sums received from the EU for the payments performed 2007 - 2013 (45.02) and 2014 - 2020 (48.02), Tax for the thermal rehabilitation (36.02.23), Contribution of the Owners' Association for the thermal rehabilitation works (36.02.31) and Sums related to the budgetary financing of the previous years, from the development section (36.02.32.02);
Investment expenditures	Sum of the Capital expenditures (70), of the Projects financed from post-accession non-reimbursable external funds 2007 - 2013 (56), of the Projects financed from post-accession non-
Total payments made	Total expenditures incurred without considering the result of the period;
Taxes supporting the debt	City taxes collected as follows: 01.02.01+03.02.18+04.02.01+05.02.50+06.02.02+07.02+12.02+15.02+16.02+18.02+33.02.24+34.02+35.02;
Financial Expenditures	The sum between the Interests (30), Reimbursement of loans (81) and Commissions and other costs related to loans; In accordance to the Ministry of Finance order no. 231646/06.09.2009 previous years payments returned during the current year are reported negatively for 85.01 and are not used for payments;
Returned funds from previous years	These are invalidated by increasing the budgetary loans for each economic expenditure; 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;
Revenues and expenditures ratios	Collected revenues % of the initial/revised budgetary provisions;
The revenues/expenditures achievement degree from the initial/revised budget	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 00.18) % in Total revenues;
The degree of decisional autonomy	(Own revenues + Sums deducted from VAT for balancing the local budget 11.02.06) % in Total revenues;
The expenditures' rigidity	Staff costs % in Total incurred expenditures;
Maximum annual debt	The maximum legal amount allowed for municipal indebtedness, equal to 30% of the average of the own revenues executed in the last 3 years. Represents the maximum of Public Debt Service, according to Government Decision 145/2008;
Net direct debt	Total of amounts representing interests, provisions and installments, according to contracted to be paid by the end of The year, by the municipality;
Net public debt	Total of amounts representing interests, provisions and installments, according to contracted and guaranteed to be paid by the end of The year, by the municipality;
Direct/Public indebtedness level	Direct/Public Debt Service as % of Own revenues*;
Net Direct/ Public indebtedness level	Net public/direct debt as % of Own revenues*;
Direct debt service	Total amounts to be paid by the city hall as capital 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, according to the contractual conditions for the credit facilities and the evolution of RO BID, RO BOR, EURIBOR at 31.12.2020;
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 as of 1 st of January 2019/1 st of January 2018;

Disclaimer



© TUD 2021. This is a public report. This report may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without the prior written permission of TUD or District 6 of the Municipality of Bucharest.

However, the format and the structure of this report represent intellectual property rights of TUD and cannot be multiplied, copied or used for commercial purposes or in any other purposes, different than the one mentioned.

TUD shall not in any circumstances be under any liability whatsoever to any other person for any loss or damage arising in any way as a result of reliance on this publication.

TUD warrants that reasonable skill and care has been used in preparing this report. Notwithstanding this warranty TUD shall not be under liability for any loss of profit, business, revenues or any special indirect or consequential damage of any nature whatsoever or loss of anticipated saving or for any increased costs sustained by the client or his or her servants or agents arising in any way whether directly or indirectly as a result of reliance on this publication or of any error or defect in this publication.

TUD makes no warranty, either express or implied, as to the accuracy of any data used by TUD in preparing this report nor as to any projections contained in this report which are necessarily of a subjective nature and subject to uncertainty and which constitute only TUD's opinion as to likely future trends or events based on information known to TUD at the date of this publication.

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

The financial documents which were used in preparing this report are: execution accounts for 2017, 2018, 2019 and 2020, Initial budget for 2020 approved by LCD no. 25 from 21.02.2020 and for 2021 approved by LCD no. 63 from 15.04.2021 and the Rectified budget approved by LCD no. 179 from 17.12.2020, together with the related investment lists.

This report is made available to you subject to TUD's conditions of supply to which your attention is hereby drawn. The use, in any form, of the information contained in this publication falls within the scope of these terms, brought to your attention herein. The user, by taking over, publishing or using the information from this publication in any other form, assumes the acknowledgement of these terms, as well as the compliance to the them.