



## District 6 of the Bucharest Municipality



**Quarterly financial report**  
at 30.06.2020

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## 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 km<sup>2</sup>, 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 km<sup>2</sup>, 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 (2014)	238 km <sup>2</sup>	1,821 km <sup>2</sup>
Green areas surface in municipalities/cities (2018)	45 km <sup>2</sup>	48 km <sup>2</sup>
Length of city roads (2018)	3,399 km	4,338 km
Distribution simple network for drinking water (2018)	2,513 km	3,783 km
Simple length of sewer pipes (2018)	3,637 km	4,696 km
Total gas distribution network length (2018)	2,118 km	4,314 km
Distributed thermal energy (2018)	3,633,142 Gcal	3,642,000 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 (2018)	1,207 th	1,535 th
Work resources occupancy rate (2018)	97.2%	89.4%
Number of employees - people (2018)	1,035 th	1,194 th
Unemployment rate (March 2020)	1.3%	1.1%

### National economy

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

### Turnover of local units

	Bucharest	B-IF Region
Total (2018, RON millions), out of which:	411,621	506,013
Manufacturing industry	32,097	47,032
Constructions	26,494	32,216
Commerce	201,527	257,616
Energy production and supply	21,624	21,855
Real estate transactions	51,569	57,529
Information and communication	35,297	36,613
Transports and storage	19,234	25,779

Source: <http://www.inss.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 km<sup>2</sup> of area (165.3 km/100 km<sup>2</sup>), 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://pmud.ro/>;

Ratios 30.06.2020 (RON th)	PMB	District 1	District 2	District 3	District 4	District 5	District 6
<b>Total revenues, w/o sums used from previous surplus</b>	<b>1,940,019</b>	<b>642,109</b>	<b>565,102</b>	<b>573,842</b>	<b>409,422</b>	<b>302,786</b>	<b>484,790</b>
Own revenues, w/o sums used from previous surplus	1,819,454	594,612	487,156	489,954	342,446	279,054	431,254
Own revenues % TR	93.8%	92.6%	86.2%	85.4%	83.6%	92.2%	89.0%
Quotas and sums deducted from the income tax	1,666,966	332,358	293,913	329,361	228,048	205,571	277,714
Sums deducted from VAT	16,883	47,115	46,720	54,578	34,977	22,588	49,436
Subsidies	60,913	365	401	7,716	13,035	286	3,807
Sums received from EU	42,762	-	821	21,593	18,963	858	293
<b>Total expenditures</b>	<b>1,914,310</b>	<b>578,506</b>	<b>478,095</b>	<b>418,837</b>	<b>385,212</b>	<b>283,018</b>	<b>449,619</b>
Operational expenditures	1,441,426	472,624	397,114	279,406	253,171	202,974	346,193
Operational expenditures %	75.3%	81.7%	83.1%	66.7%	65.7%	71.7%	77.0%
Investment expenditures	314,061	64,403	58,719	50,837	103,044	48,318	56,493
Capital expenditures	283,105	63,968	15,024	50,389	101,193	41,995	55,295
Non - refundable external funds	66,797	436	916	477	1,851	876	1,213
Financial expenditures	158,823	41,478	22,262	88,594	28,996	31,726	46,933
<b>Result of the period, w/o sums used from previous surplus</b>	<b>25,710</b>	<b>63,604</b>	<b>87,007</b>	<b>155,004</b>	<b>24,210</b>	<b>19,767</b>	<b>35,171</b>
<b>Sums used from previous surplus</b>	<b>6,915</b>	<b>146,808</b>	<b>120,000</b>	-	<b>2,307</b>	<b>40,500</b>	<b>44,983</b>
Population (01.01.2019)	2,131,034	254,074	372,032	478,214	329,472	303,145	394,097

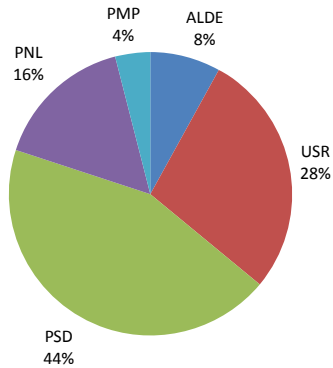
Source: <http://www.transparenta-bugetara.gov.ro/transparenta-bugetara/index.htm>;

# General overview

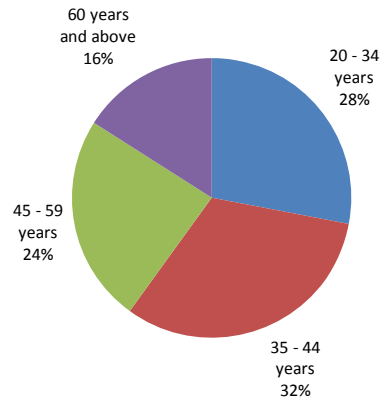
The Local Council of District 6 of the Municipality of Bucharest at 31.12.2019



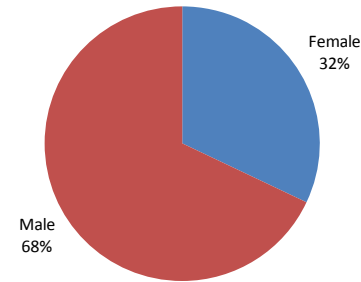
## Political structure



## Age distribution



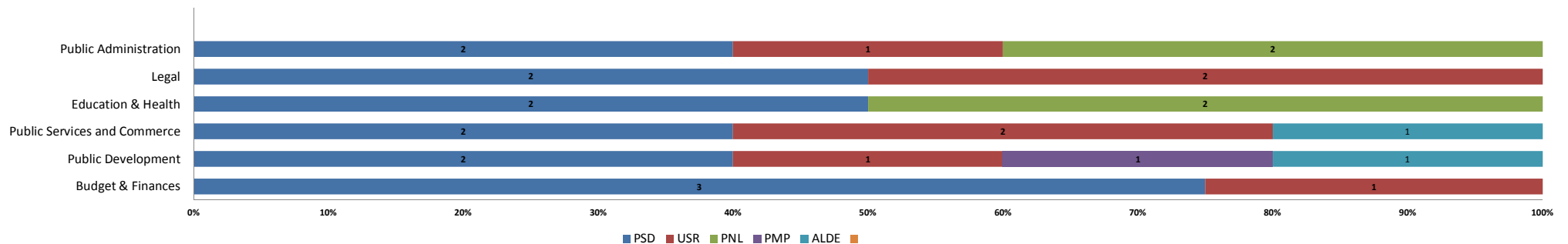
## Gender distribution



## Structure by political party, profession and age groups

Party	No.	Profession	Age group
PSD	1	Furniture technician	60 years and above
PSD	1	Journalist	35-44 years
PSD	1	Economist	20-34 years
PSD	1	Engineer-economist	60 years and above
PSD	1	Professor	35-44 years
PSD	1	Electronic technician	35-44 years
PSD	1	Engineer	35-44 years
PSD	2	Economist	35-44 years
PSD	1	Economist	45-59 years
PSD	1	Jurist	45-59 years
USR	1	Doctor	20-34 years
USR	1	Economist	20-34 years
USR	1	Legal adviser	60 years and above
USR	1	Programmer	20-34 years
USR	1	Engineer	45-59 years
USR	1	Journalist	35-44 years
USR	1	Architect	35-44 years
PNL	1	Economist	35-44 years
PNL	3	Professor	45-59 years
PMP	1	Engineer	45-59 years
ALDE	1	Engineer	35-44 years
ALDE	1	Administration specialist	20-34 years

## District 6 Local Council Commissions and their political structure



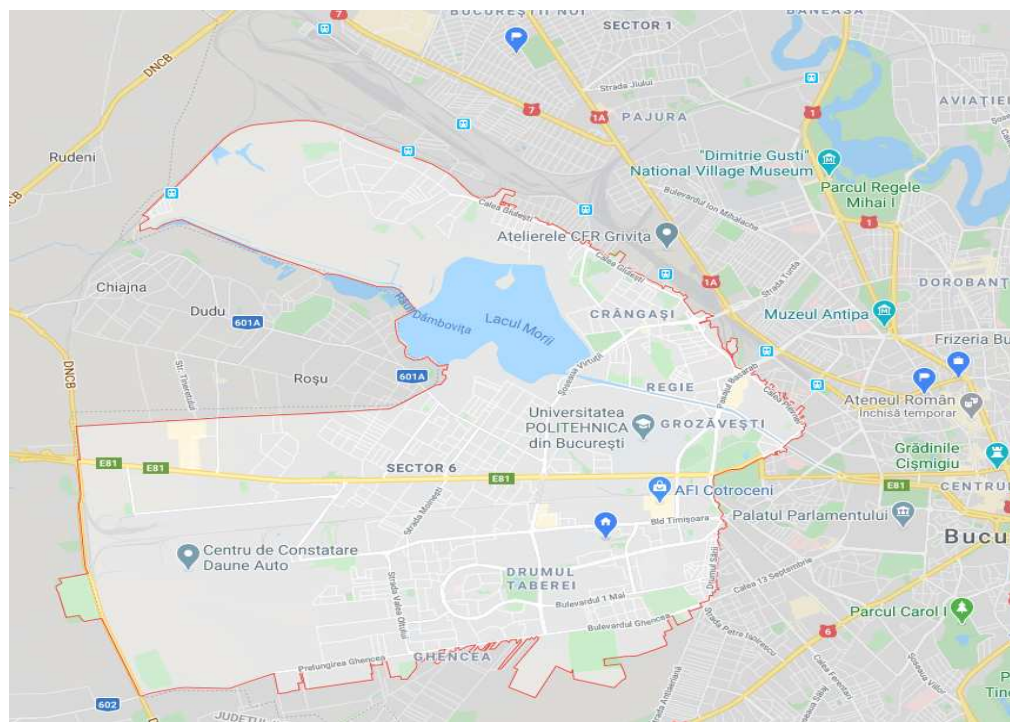
- The Mayor of District 6 of the Bucharest Municipality is Mr. Gabriel Mutu, following the result of the local elections from June 2016. Mr. Mutu represents the political alliance Democratic Social Party – National Union for the Progress of Romania, is 50 years old and a jurist by profession.
- The Deputy Mayor is Mr. Constantin Tomescu. Mr. Trocan represents the political alliance Democratic Social Party – National Union for the Progress of Romania, is 42 years old and an economist by profession.
- The Secretary of District 6 of the Bucharest Municipality is Mr. Demirel Spiridon. He is 52 years old and a jurist by profession.



## Institutions and directions subordinated to the Local Council of District 6

- **Specialized Body within the Mayor's Office;**
- **Schools Administration;**
- **Markets Administration** – entirely financed from own revenues, with a total number of 17 markets in this district;
- **Public Domain and Urban Development Administration;**
- **Directorate of Local Taxes and Duties;**
- **General Directorate for Social Assistance and Children Protection;**
- **Local Directorate for People Evidence;**
- **Directorate for the Administration of Real Estate;**
- **Inspectorate for Emergency Situations;**
- **European Cultural Center;**
- **Military Center;**
- **Multifunctional Health Center "Sf. 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, Praktiker, 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 si 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 Theater Masca 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 sector, modernized and reopened in June 2015), as well as the Botanical Garden (with a surface of approximately 17.5 ha).

### **Environment protection**

Amended by LCD No. 286 /23.11.2017 - Climate and Energy Mayors Convention - Following the adoption of the EU Climate and Energy Package for 2020, the European Commission launched the "Covenant of Mayors on Climate and Energy", bringing together local and regional authorities volunteers to implement the EU climate and energy objectives on their territory. By signing this Convention, the signatory authorities are committed to helping achieve the EU's 40% greenhouse gas reduction target by 2030 and to take a joint approach to integrate climate change mitigation and adaptation strategies to them.

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

- making an emission reference inventory and assessing risks and vulnerabilities linked to climate change;
- submitting an Action Plan on Sustainable Energy and Climate within two years from the date of the decision of the Local Council;
- Developing a progress report at least once every two years from the date of the Sustainable Energy and Climate Action Plan presentation for assessment, monitoring and verification.

By LCD No. 99/24.05.2018 the Local Multiannual Investment Program for Urban Regeneration of Sector 6 was approved in the period 2018-2020 in the amount of RON 150.000 th. The financing of the expenses related to the project implementation is ensured by internal or external reimbursable funds contracted by to ADPDU Sector 6, the ADPDU Sector 6 budget and/or other legally constituted sources. This project involves modernization and landscaping.

### **Education**

Through LCD No. 72/28.02.2018 the state and private pre-university education units were organized for the year 2019-2020: 27 state kindergartens and 25 private kindergartens, 25 state gymnasium schools and 5 private schools (primary and secondary school) , 14 state high schools and 7 private lyceum schools (of which 3 post-secondary schools), 2 institutions in the special education, 1 independent sports club and 1 club of children. The financing of the pre-university education is carried out on the basis of the National Education Law no. 1 of 2011, as amended. At the level of higher education, among the universities that have their headquarters in the 6th District, we mention: Polytechnic University of Bucharest, National Academy of Physical Education and Sports, Pentecostal Theological Institute and Ecological University.

By LCD No. 232/10.09.2019 approved the development and financing in the school year 2019-2020, from the local budget of Sector 6 of the City of Bucharest in the amount of 14.000.000 lei, the project "School after school" developed by the School Administration Sector 6, being targeted up to 6,000 students from the pre-university education units in the 6th District, who will benefit from a warm meal.

Through HCL no. 331 of 12.12.2019 was approved the educational project "Learning at kindergarten" for the year 2019-2020, which is addressed to all the preschoolers from the radius of Sector 6 of the Municipality of Bucharest. The purpose is to keep children in the educational system, with the help of formal and non-formal education. The fund allocated from the local budget amounts to a total of RON 769,300.

### **Social assistance**

By LCD no. 9 of 31.01.2019 was approved to carry out and financing in 2019 an amount of RON 777,200 from the local budget of the project of local interest "Home care for elderly persons dependent on the area of sector 6" carried out by the General Directorate of Social Assistance and Protection Child Sector 6. The aim of the project is to continue the development of alternative social services to institutionalization, respectively to provide home care services to elderly persons with legal domicile in sector 6, following the increase of their quality of life.

By LCD no. 24 of 31.01.2019 was approved to carry out and to finance within the amount of RON 909,148 from the local budget of Sector 6, in 2019, of the project "Ghencea Community Center" carried out by the General Directorate of Social Assistance and Child Protection Sector 6 in partnership with the Association Saint Archdeacon Stefan. Through this project it is proposed to address the problems caused by poverty and social marginalization, covering both the biological needs (shelter, food), as well as those of the psycho-social and educational nature of the poor families, thus generating an improvement in the standard of living. The Center provides the following social services: The Program for the Prevention of School Abandonment, which is addressed to children between the ages of 6 and 15 years who face school, educational, material difficulties; Social canteen, where a hot lunch is provided for 140 persons / day, from Monday to Friday, the beneficiaries of this program are elderly with limited financial possibilities, persons who are on the threshold of social marginalization.

By LCD no. 26 of 31.01.2019 was approved the development and financing from the local budget of Sector 6 in the amount of RON 1,291,561, in 2019, of the project "St. Marcellin Champagnat Residential Center" carried out by the General Directorate of Social Assistance and Child Protection Sector 6 in partnership with the Association "Marist Brothers of the Romanian Schools". This program aims to reduce the percentage of children who are part of the marginalization circle, giving them the opportunity to become independent, demilitarized and responsible persons.

By LCD no. 97 of 11.03.2019 was approved to carry out and to finance within the amount of RON 2,294,750 from the school budget of Sector 6, in 2019, of the project "Child protection center "Home" carried out by the General Directorate of Social Assistance and Child Protection Sector 6 in partnership with the Metropolis Philanthropic Foundation. The capacity of the center is 45 places, having as general objectives the social reintegration of children temporarily or permanently separated from their family, social assistance for children in difficulty, vocational orientation and cultivation of natural talents, preparing the child for reintegration into the educational system, etc.



### Bucharest (2019-2020)

#### Changes in allotments from the State Budget

For 2019

- Quotas allotment:
  - Quotas and amounts deducted from the income tax: 100% distribution;
  - Municipality of Bucharest: decrease of the allocation percentage at 49% from 55% in the previous year;
  - Districts of the Municipality of Bucharest: increase of the allocation percentage at 51% from 30% in the previous year.
- The allocation is made in two steps:
  - Provide the minimum operating budget of lei 1.250/capita/year, in addition to own revenues;
  - The difference is distributed directly proportional with the estimated tax to be realized in each district range.

For 2020

- Quotas allotment:
  - Quotas and amounts deducted from the income tax: 100% distribution;
  - Municipality of Bucharest: increase of the allocation percentage at 50%;
  - Districts of the Municipality of Bucharest: decrease of the allocation percentage at 50%.
- The allocation is made in two steps:
  - Provide the minimum operating budget of lei 1.000/capita/year, in addition to own revenues;
  - The difference is distributed directly proportional with the estimated tax to be realized in each district range.

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### Section I: Summary of budgetary dynamics

- Revenue and expenditure balance at Q2 2020 vs. Q2 2019
- Revenue and expenditure structure



# Balance of revenues and expenditures at Q2 2020, as compared to Q2 2019

'000 RON



	Q2 2019	Q2 2020	%
<b>TOTAL REVENUES</b>	<b>389,403.8</b>	<b>529,772.9</b>	<b>▲ 36.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>372,178.4</b>	<b>449,634.1</b>	<b>▲ 20.8%</b>
<b>Operational Revenues</b>	<b>379,392.1</b>	<b>480,902.4</b>	<b>▲ 26.8%</b>
<b>Tax revenues</b>	<b>369,000.3</b>	<b>473,238.3</b>	<b>▲ 28.2%</b>
Own tax revenues	319,507.0	423,802.3	▲ 32.6%
Sums deducted from VAT	49,493.2	49,436.0	▼ -0.1%
<b>Non - tax revenues, out of which:</b>	<b>10,193.8</b>	<b>7,447.7</b>	<b>▼ -26.9%</b>
Non - tax own revenues	1,036.0	963.5	▼ -7.0%
Donations and sponsorships	-	-	-
<b>Current subsidies</b>	<b>198.0</b>	<b>216.4</b>	<b>▲ 9.3%</b>
<b>Operational Expenditures (OPEX), out of which:</b>	<b>318,106.8</b>	<b>346,192.8</b>	<b>▲ 8.8%</b>
Staff costs (PEREX)	89,485.7	89,749.9	▲ 0.3%
Goods and services*	148,697.2	173,888.2	▲ 16.9%
Current transfers	29,920.5	32,179.1	▲ 7.5%
Social assistance	31,368.6	34,526.6	▲ 10.1%
Subsidies	2,950.0	1,799.5	▼ -39.0%
Other expenditures	10,424.9	4,708.7	▼ -54.8%
<b>Operational Result</b>	<b>61,285.3</b>	<b>134,709.6</b>	
Operational Surplus (% from OPEX)	19.3%	38.9%	
Operational Deficit (% from Op. revenues)	-	-	
<b>Investment Revenue</b>	<b>283.5</b>	<b>3,887.3</b>	<b>▲ 1271.3%</b>
Capital revenues	17.7	3.7	▼ -79.4%
Capital subsidies	213.2	3,590.2	▲ 1584.1%
Sums received from the EU	52.6	293.5	▲ 458.4%
<b>Investment Expenditures (CAPEX), out of which:</b>	<b>24,099.3</b>	<b>56,507.9</b>	<b>▲ 134.5%</b>
Capital transfers	-	-	-
Projects with EU financing	587.3	1,212.8	▲ 106.5%
Capital expenditures	23,512.0	55,295.1	▲ 135.2%
<b>Result from the investment activity</b>	<b>- 23,815.8</b>	<b>- 52,620.6</b>	
<b>Financial Revenues</b>	<b>9,728.2</b>	<b>44,983.2</b>	<b>▲ 362.4%</b>
Financial operations	9,728.2	44,983.2	▲ 362.4%
<b>Financial Expenditures</b>	<b>29,972.4</b>	<b>46,933.4</b>	<b>▲ 56.6%</b>
Commissions related to loans	-	-	-
Interests	10,816.7	15,147.6	▲ 40.0%
Reimbursement of loans	19,155.7	31,785.7	▲ 65.9%
<b>Financial Result</b>	<b>- 20,244.2</b>	<b>- 1,950.2</b>	
<b>Result of the period</b>	<b>17,225.4</b>	<b>80,138.8</b>	<b>▲ 365.2%</b>
Surplus (% from Total Expenditures)	4.6%	17.8%	
Deficit (% from Total Revenues)	-	-	
<b>Result of the period (without previous year's surplus)</b>	<b>7,497.2</b>	<b>35,155.6</b>	<b>▲ 368.9%</b>
Own revenues/Operational revenues (%)	89.5%	99.0%	
OPEX/Own revenues (%)	93.7%	72.7%	
(OPEX-PEREX, from Education&Insurance and social assistance)/(O. Rev.-Quotas deducted from the income tax) (%)	86.7%	60.0%	

- At the end of Q2 2020, the **Operational result** records a surplus amounting to RON 134,709.6 th, accounting to 38.9% out of Operational expenditures, going up by RON 73,424.3 th (+119.8%) in comparison to the surplus of Q2 2019. The evolution is determined by a more accelerated increase in Operational revenues (+RON 101,510.3 th, +26.8%) than the one of Operational expenditures (+RON 28,086 th, +8.8%).
- The **Result from the investment activity** records a deficit amounting to RON 52,620.6 th at Q2 2020, due to the amount of RON 56,507.9 th recorded as Investment expenditures (mainly Capital expenditures), whereas the Investment revenues are amounting to RON 3,887.3 th.
- The **Financial result** records a deficit amounting to RON 1,950.2 th, going down by RON 18,294 th (-90.4%) in comparison to the one of Q2 2019. This result was attained following the increase in Financial revenues (+RON 35,255 th, +362.4%, entirely Sums from the local budget surplus used for financing the development expenditures), whereas the Financial expenditures went up by RON 16,961 th (+56.6%).
- The **Result of the period** (without sums used from the surplus of previous years) is positive in both the analyzed periods. Thereby, taking into consideration the operational surplus, the result of this reporting period amounts to RON 35,155.6 th.

\*) **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;

# Revenues and expenditures balance at Q2 2020, as compared to Q2 2019

'000 RON



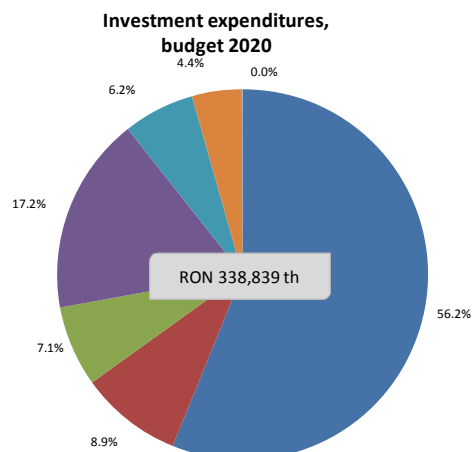
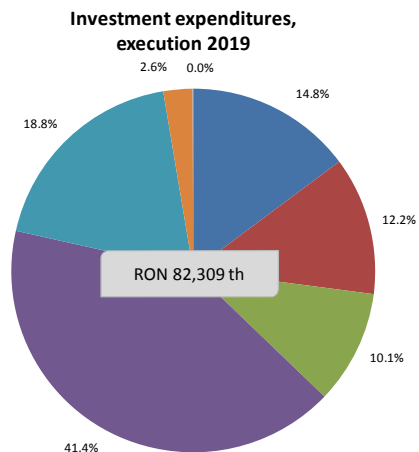
Payments performed at Q2 2020, as compared to Q2 2019 (Variation)

Budgetary chapter	TOTAL EXPENDITURES	Operational expenditures, out of which:					Investment Expenditures	Investment expenditures (Budget 2020)
		Total Operational Expenditures	Staff costs	Goods and services*	Social assistance	Financial Expenditures		
Public Authorities and external	▲ 3,857.9	▲ 5,681.7	363.2	11,383.7	-	0.0	▼ -1,823.8	23,960.0
Other general public services	▲ 128.2	▲ 128.2	-	0.0	-	-	0.0	-
Transactions regarding the public debt and loans	▲ 4,331.0	0.0	-	-	-	▲ 4,331.0	-	-
General Transfers between different levels of administration	-	-	-	-	-	-	-	-
Defense	▲ 42.5	▲ 42.5	-	42.5	-	-	-	-
Public order and national security	▲ 3,347.5	▲ 3,347.5	-	3,425.8	-	-	0.0	-
Education	▲ 7,846.0	▼ -860.8	1,002.0	-2,761.6	1,334.7	-	▲ 8,706.8	30,134.0
Health	0.0	0.0	-	0.0	-	-	0.0	-
Culture, recreation and religion	▼ -4,526.6	▼ -5,260.5	-171.9	-6,183.1	-	-	▲ 733.9	21,120.0
Insurance and social assistance	▲ 14,141.3	▲ 14,205.1	987.6	9,869.1	4,492.7	-	▼ -63.8	14,821.0
Housing, public services and	▲ 39,360.2	▲ 947.2	110.4	446.3	-	▲ 12,630.0	▲ 25,783.0	190,363.0
Environment protection	▲ 3,666.3	▲ 3,674.3	-	3,674.3	-	-	▼ 8.0	160.0
General economic, commercial and working actions	-	-	-	-	-	-	-	-
Fuel and power	-	-	-	-	-	-	-	-
Agriculture, Forestry, Fish breeding	-	-	-	-	-	-	-	-
Transport	▲ 5,246.4	▲ 6,165.9	23.0	6,186.5	-	0.0	▼ -919.5	58,281.0
Other economic actions	-	-	-	-	-	-	-	-
<b>TOTAL</b>	▲ 77,440.7	▲ 28,071.1	264.2	25,191.0	3,158.0	▲ 16,961.0	▲ 32,408.7	338,839.0

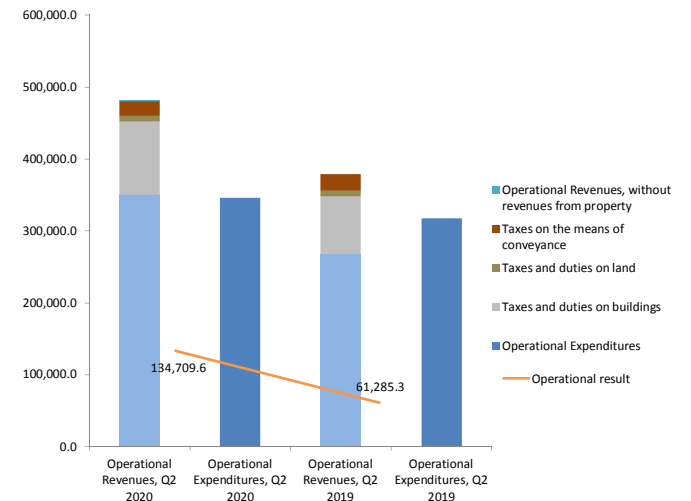
\* Goods and services title, highlighted within the Operational Expenditures, does not include the expenditures on Commissions and other costs related to loans, being reflected at the level of the Financial Expenditures;

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

Structure of the Operational Result (Q2 2020 vs. Q2 2019)



- Housing, public services and development
- Education
- Public authorities and external actions
- Transports
- Culture, recreation and religion
- Insurance and social assistance
- Other capital expenditures



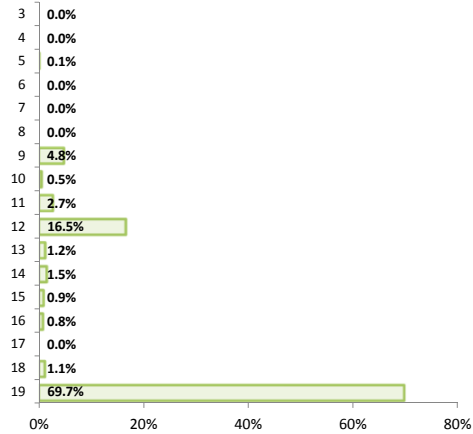
# Revenue and expenditure structure

at 30.06.2020

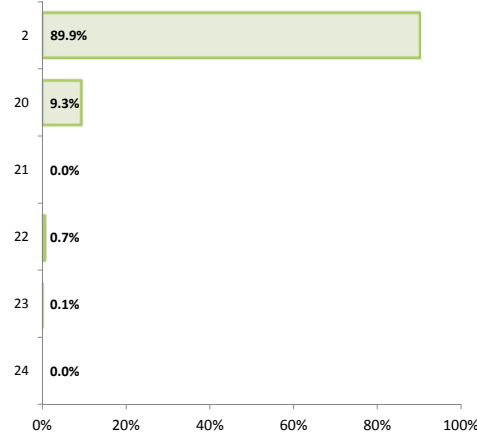
'000 RON



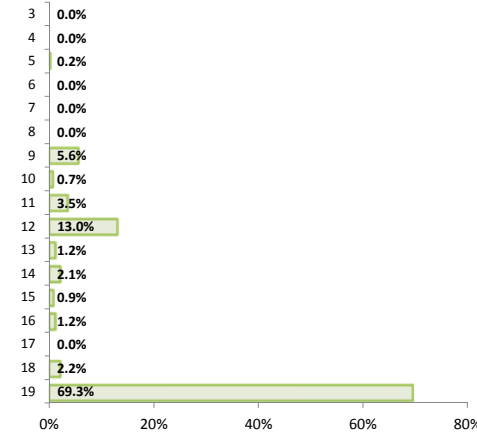
The structure of performed own revenues  
529,772.9



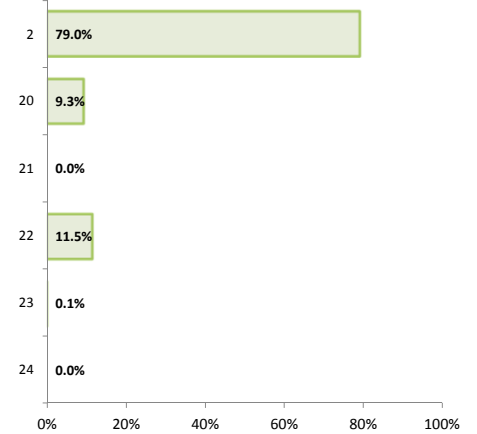
The structure of performed total revenues  
529,772.9



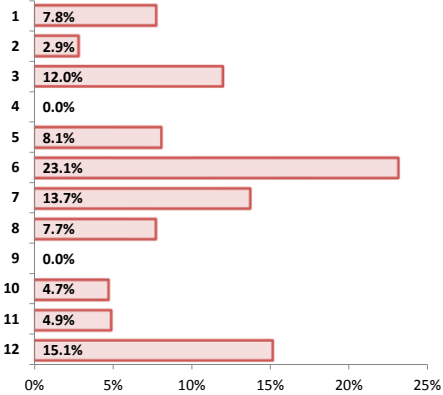
The structure of planned own revenues  
554,360.0



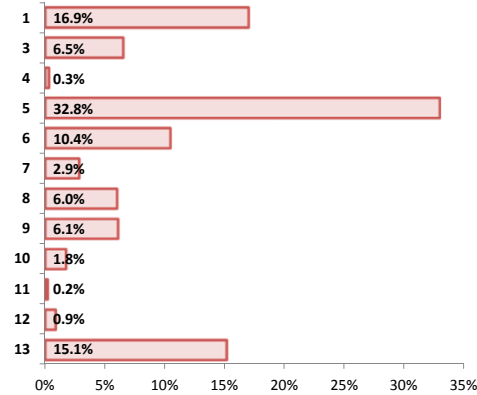
The structure of planned total revenues  
554,360.0



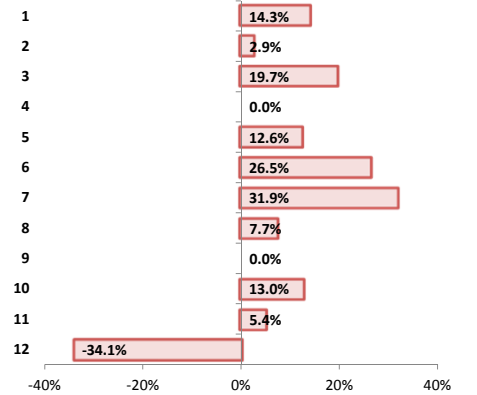
The structure of performed functional expenditures  
529,772.9



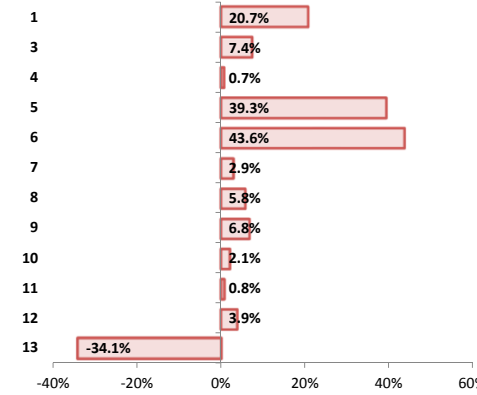
The structure performed economic expenditures  
529,772.9



The structure of planned functional expenditures  
554,360.0



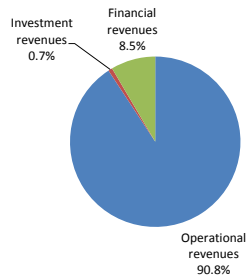
The structure of planned economic expenditures  
554,360.0



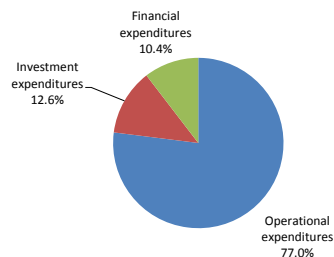
Note: The vertical axis reflects the components of the income/expenses detailed in the revenues/expenses statement;

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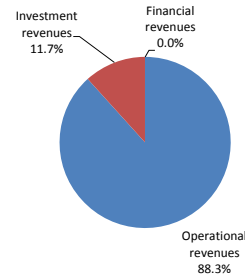
Collected revenues at Q2 2020



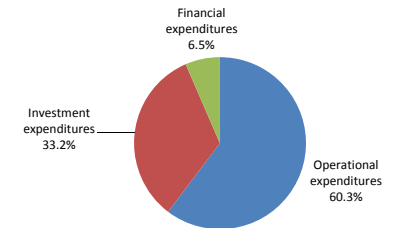
Performed expenditures at Q2 2020



Planned revenues at Q2 2020



Planned expenditures at Q2 2020





### Section II: Budgetary revenues

- The situation of the revenues collected at 30.06.2020
- The variation of the performed revenues at Q2 2020 compared to Q2 2019
- Budgetary provisions: the achievement degree of the revenues at Q2 2020
- Revenues ratios

# The situation of the revenues collected at 30.06.2020



'000 RON

		2020				2019											
Line	Revenues	Planned 2020	% /TRC	Planned at Q2	% /TRC	Rectified at Q2	% /TRC	Execution at Q2	% /TRC	Planned 2019	% /TRC	Planned at Q2	% /TRC	Rectified at Q2	% /TRC	Execution at Q2	% /TRC
1	<b>Total revenues (TR)</b>	<b>1,039,915.0</b>		<b>554,360.0</b>		<b>602,450.0</b>		<b>529,772.9</b>		<b>872,873.0</b>		<b>404,442.0</b>		<b>412,863.0</b>		<b>389,403.8</b>	
2	<b>Own revenues, out of which:</b>	<b>835,267.0</b>	80.3	<b>438,123.0</b>	79.0	<b>439,643.0</b>	73.0	<b>476,236.8</b>	98.2	<b>769,372.0</b>	88.1	<b>348,242.0</b>	86.1	<b>356,663.0</b>	86.4	<b>339,446.8</b>	89.4
3	Quotas deducted from the income tax	-	0.0	-	-	-	-	-	-	42,219.0	4.8	42,219.0	10.4	42,219.0	10.2	42,218.4	11.1
4	Capital revenues	40.0	0.0	20.0	0.0	20.0	0.0	3.7	0.0	40.0	0.0	20.0	0.0	16.0	0.0	17.7	0.0
5	Revenues from concessions and rents	1,700.0	0.2	950.0	0.2	950.0	0.2	693.9	0.1	1,900.0	0.2	900.0	0.2	867.0	0.2	870.3	0.2
6	Payments from net profit of self-governing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Revenues from dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Tax on revenues from the transfer of real estate from the private patrimony	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Tax on buildings from the population	29,000.0	2.8	24,500.0	4.4	24,500.0	4.1	22,668.2	4.7	32,000.0	3.7	25,000.0	6.2	25,246.0	6.1	23,758.3	6.3
10	Tax on land from the population	4,100.0	0.4	3,100.0	0.6	3,100.0	0.5	2,603.9	0.5	4,000.0	0.5	3,100.0	0.8	3,215.0	0.8	3,040.2	0.8
11	Tax on the means of conveyance owned by the population	19,000.0	1.8	15,500.0	2.8	15,500.0	2.6	12,981.1	2.7	18,000.0	2.1	14,000.0	3.5	14,691.0	3.6	14,604.0	3.8
12	Tax on buildings from the legal entities	112,000.0	10.8	57,000.0	10.3	57,000.0	9.5	78,647.0	16.2	90,000.0	10.3	50,000.0	12.4	59,415.0	14.4	55,772.5	14.7
13	Tax on land from the legal entities	9,700.0	0.9	5,300.0	1.0	5,300.0	0.9	5,812.3	1.2	9,000.0	1.0	5,000.0	1.2	5,958.0	1.4	5,232.3	1.4
14	Tax on the means of conveyance owned by the legal entities	14,800.0	1.4	9,400.0	1.7	9,400.0	1.6	7,378.4	1.5	14,000.0	1.6	9,000.0	2.2	9,354.0	2.3	8,840.1	2.3
15	Fees and charges for the issuance of licences and functioning authorisations	10,200.0	1.0	3,800.0	0.7	3,800.0	0.6	4,355.3	0.9	15,000.0	1.7	8,000.0	2.0	5,578.0	1.4	3,459.9	0.9
16	Stamp duties, for notary work and other stamp	12,000.0	1.2	5,400.0	1.0	5,400.0	0.9	3,681.9	0.8	9,500.0	1.1	4,800.0	1.2	4,640.0	1.1	4,470.3	1.2
17	Extrajudicial stamp duties	25.0	0.0	11.0	0.0	11.0	0.0	5.7	0.0	23.0	0.0	10.0	0.0	9.0	0.0	8.3	0.0
18	Revenues from fines and other legal sanctions	20,000.0	1.9	9,500.0	1.7	9,500.0	1.6	5,436.4	1.1	21,500.0	2.5	11,000.0	2.7	10,736.0	2.6	8,270.3	2.2
19	Other own revenues	602,702.0	58.0	303,642.0	54.8	305,162.0	50.7	331,969.0	68.5	512,190.0	58.7	175,193.0	43.3	174,719.0	42.3	168,884.2	44.5
20	Sums deducted from the VAT	97,086.0	9.3	51,592.0	9.3	49,487.0	8.2	49,436.0	10.2	42,243.0	4.8	35,991.0	8.9	35,991.0	8.7	49,493.2	13.0
21	Donations and sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Subsidies received from the State Budget	104,226.0	10.0	63,899.0	11.5	36,354.0	6.0	3,806.6	0.8	59,643.0	6.8	19,343.0	4.8	19,343.0	4.7	411.2	0.1
23	Sums received from EU for the made payments	3,336.0	0.3	746.0	0.1	76,966.0	12.8	293.5	0.1	1,615.0	0.2	866.0	0.2	866.0	0.2	52.6	0.0
24	Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			% /TR		% /TR		% /TR		% /TR		% /TR		% /TR		% /TR		% /TR
<b>Operational revenues</b>		932,313.0	89.7	489,695.0	88.3	489,110.0	81.2	480,902.4	90.8	812,668.0	93.1	384,806.0	95.1	393,231.0	95.2	379,392.1	97.4
<b>Investment revenues</b>		107,602.0	10.3	64,665.0	11.7	113,340.0	18.8	3,887.3	0.73	60,205.0	6.9	19,636.0	4.9	19,632.0	4.8	283.5	0.07
<b>Financial revenues</b>		-	-	-	-	-	-	44,983.2	8.5	-	-	-	-	-	-	9,728.2	2.5
<b>Total revenues - operating section</b>		<b>772,508.0</b>	74.3	<b>409,973.0</b>	74.0	<b>466,306.0</b>	77.4	<b>449,747.0</b>	84.9	<b>705,026.0</b>	80.8	<b>344,960.0</b>	85.3	<b>353,385.0</b>	85.6	<b>360,237.3</b>	92.5
<b>Total revenues - development section, out of which:</b>		<b>267,407.0</b>	25.7	<b>144,387.0</b>	26.0	<b>136,144.0</b>	22.6	<b>80,025.9</b>	15.1	<b>167,847.0</b>	19.2	<b>59,482.0</b>	14.7	<b>59,478.0</b>	14.4	<b>29,166.5</b>	7.5
<b>Previous surplus</b>		-	-	-	-	-	-	44,983.2	8.5	-	-	-	-	-	-	9,728.2	2.5
<b>Total revenues collected (TRC* = TR - Previous surplus)</b>		<b>1,039,915.0</b>	100.0	<b>554,360.0</b>	100.0	<b>602,450.0</b>	100.0	<b>484,789.7</b>	91.5	<b>872,873.0</b>	100.0	<b>404,442.0</b>	100.0	<b>412,863.0</b>	100.0	<b>379,675.6</b>	97.5

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

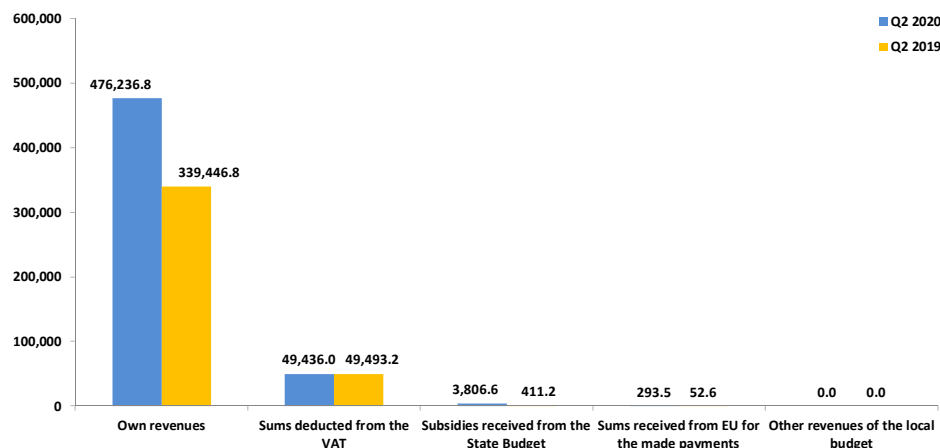
<b>Revenues from the tax on property</b>																	
9 + 12	Taxes and duties on buildings	141,000.0	13.6	81,500.0	14.7	81,500.0	13.5	101,315.1	20.9	122,000.0	14.0	75,000.0	18.5	84,661.0	20.5	79,530.8	20.9
10 + 13	Tax and duties on land	13,800.0	1.3	8,400.0	1.5	8,400.0	1.4	8,416.2	1.7	13,000.0	1.5	8,100.0	2.0	9,173.0	2.2	8,272.5	2.2
11 + 14	Taxes on the means of conveyance	33,800.0	3.3	24,900.0	4.5	24,900.0	4.1	20,359.5	4.2	32,000.0	3.7	23,000.0	5.7	24,045.0	5.8	23,444.0	6.2

# The variation of the performed revenues at Q2 2020 compared to Q2 2019

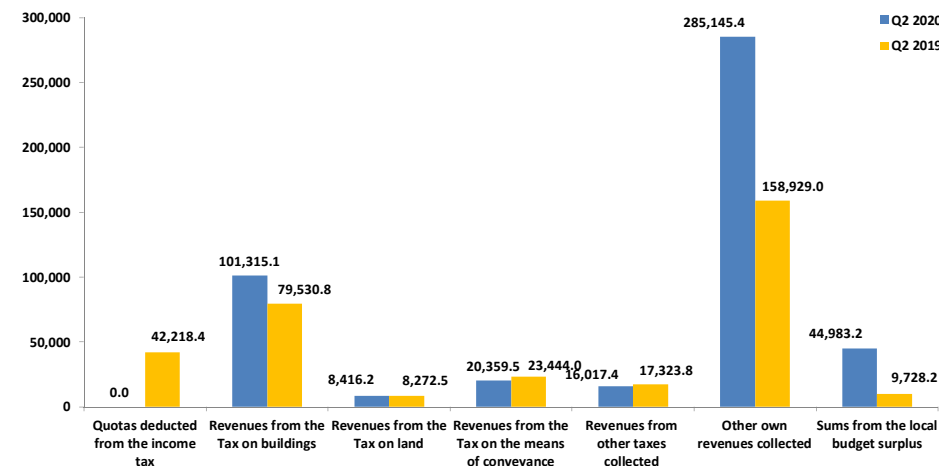
'000 RON



Total revenues



Own revenues



- Revenues collected to local budget during the first half of 2020 are going up by 36%, respectively by RON 140,369.1 th. Without taking into consideration Sums from the local budget surplus used for financing the development expenditures, it is observed an increase of revenues by 27.7% in the period, respectively by RON 105,114.1 th.
- Own revenues**, accounting for 89.9% out of total revenues in the reporting period, are increasing by RON 136,790.1 th (+40.3%).
- Subsidies received from the State Budget** are going up by RON 3,395.4 th, due to influences from the capital ones, respectively the amounts recorded for Financing the National Program for Local Development (reaching RON 3,552.1 th).
- Sums received from the EU for payments performed** are recoding an increase by RON 240.9 th, up to RON 293.5 th (entirely related to the 2014-2020 financial framework), at the level of Other community programs (RON 113.1 th in revenues), European Social Fund (+RON 89.2 th) and Other amounts received from funds from the European Union for the operational programs (RON 38.6 th in revenues).
- Sums deducted from VAT**, with a recorded amount similar to the one at Q2 2019, are decreasing by 0.1%, down to RON 49.436 th. Influences are coming from those sums for financing the expenditures of districts (-RON 3,029.2 th, -7%) and the private or accredited confessional education (+RON 2,972 th, +46.6%).

- Own revenues** are recording RON 476,236.9 th at the end of Q2 2020, the most significant influences coming from the following categories:
  - Other own revenues collected**, going up by RON 126,216.4 th (+79.4%), with major contributions from Sums allocated from the quotas deducted from income tax to balance the local budgets (reaching RON 277,714.4 th) and from Revenues from fines (-RON 2,833.9 th, -34.3%);
  - Sums from the local budget surplus** used for financing the development expenditures, going up by RON 35,255 th (+362.4%) in comparison to Q2 2019;
  - Revenues from taxes on property**, increasing by RON 18,843.5 th (+16.9%) in comparison to Q2 2019, mainly due to the amounts from legal entities (+RON 21,992.7 th, +31.5%). This increase is directly impacted by the decision of the Ministry of Public Finance, in support of taxpayers, regarding the postponement of the first tax payment deadline until the end of June 2020, in the context of the risk of spreading the COVID-19 epidemic. Therefore, in contrast to the decrease of said taxes recorded at Q1 2020, the second quarter records an increase of the amounts collected from legal entities;

## The variation of the performed revenues

at Q2 2020 compared to Q2 2019

'000 RON



### Own revenues

- **Quotas deducted from income tax**, with an absence of the amounts from the budget execution, compared to the value of RON 42,218.4 th registered in the previous year. 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% and the Quotas and amounts deducted from the income tax increase by RON 86,748 th. 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;
- **Other taxes collected to the local budget**, with a deficit of RON 1,306.3 th (-7.5%) in comparison to the first half of 2019, due to Other taxes and duties (-RON 1,206.8 th, -17%), Stamp duties, for notary work and other stamp duties (-RON 788.3 th, -17.6%) and Fees and charges for the issuance of licenses and authorizations of functioning (+RON 895.5 th, +25.9%).

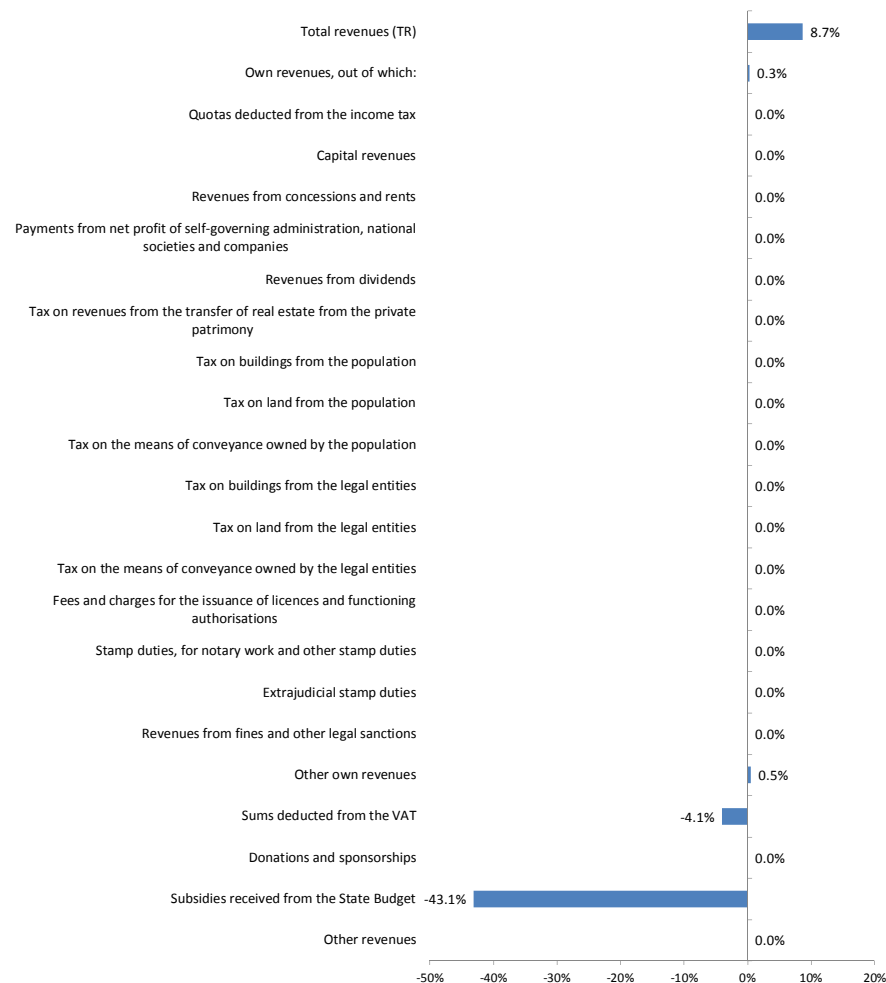
# Budgetary provisions

## achievement degree of the revenues at Q2 2020

'000 RON



### Revenues rectification, as compared to the initial budget



Note: The graphical representation above does not include Sums received from the EU for payments performed (+10,217.2%);

- Last budgetary rectification in the reference interval is approved by Local Council's Decision no. 101 from 25.06.2020 and targets an increase in provisions by RON 48,090 th (+8.7%).
- Changes in the structure of revenues are observed for the following estimates:
  - **Sums received from the EU for payments performed** (+RON 76,220, up to RON 76,966 th), respectively allotments of RON 75,898 th for the European Fund for Regional Development and of RON 322 th for Other amounts received from funds from the European Union for the operational programs. Specified provisions are related entirely to the 2014-2020 financial framework;
  - **Revenues from services and other activities** (+RON 1,520 th, up to RON 1,550 th), with influences from the Contribution for the upkeep of assisted persons (RON 860 th in allotments) and the ones of parents and legal guardians for the upkeep of children in nurseries (estimates of RON 660 th);
  - **Subsidies received from the State Budget** (-RON 27,545 th, -43.1%, down to RON 36,354 th), entirely at the level of capital ones, respectively the absence of estimates for the financing of some programs of national interest for the development section of the local budget (RON 59,517 th in the initial budget) and the increase of provisions for Financing the National Program for Local Development (+RON 22,297 th, +686.1%) and for the ones necessary for the development of projects financed from non-reimbursable external funds (NEF) post-accession, related to the 2014-2020 financial framework (+RON 9,675 th, +854.7%);
  - **Sums deducted from VAT** (-RON 2,105 th, -4.1%, down to RON 49,487 th), with influences mainly from the financing of the private or accredited confessional education (-RON 2,156 th, -18.7%).



## Budgetary provisions

achievement degree of the revenues at Q2 2020

'000 RON



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

- Total revenues collected to local budget at the end of Q2 2020 are below the final budget by RON 72,677.1 th, thereby recording an achievement degree of 87.9%.
- **Investment revenues** are below the estimates by RON 109,452.7 th, with an achievement degree of 3.4%, significant influences coming from the following categories:
  - **Sums received from the EU for payments performed**, below provisions by RON 76,672.5 th, due to the absence of revenues for the European Fund for Regional Development (RON 75,898 th in final estimates) and the decrease of Other amounts received from funds from the European Union for the operational programs. Specified provisions are related entirely to the 2014-2020 financial framework (-RON 283.4 th, -88%) and of the European Social Fund (-RON 214.2 th, -60.2%);
  - **Capital subsidies**, below the estimates by RON 32,763.8 th (-90.1%), due to lower executions for the Financing of the National Program for Local Development (-RON 21,994.9 th, -86.1%) and Subsidies received from the state budget to local budgets necessary for the development of projects financed from non-reimbursable external funds (NEF) post-accession, related to the 2014-2020 financial framework (-RON 10,768.9 th, -99.6%).
- **Operational revenues** are below the final rectification by RON 8,207.6 th, with an achievement degree of 98.3%. The budgetary execution structure is influenced by the following categories of revenues:
  - **Other own revenues**, without taking into consideration amounts used from previous years, below estimates by RON 18,176.1 th (-6%) due to evolutions of Sums allocated from the quotas deducted from income tax to balance the local budgets (-RON 14,819.6 th, -5.1%), Other taxes and duties (-RON 1,511.2 th, -20.4%), Revenues from services and other activities (-RON 1,196.5 th, -77.2%) and Diverse revenues (-RON 276.9 th, -22.7%);
  - **Revenues from fines**, the amounts collected being below estimates by RON 4,063.6 th (-42.8%);
  - **Stamp duties, for notary work and other stamp duties**, being below the provisions by RON 1,718.1 th (-31.8%);
  - **Revenues from taxes on property**, with the execution being above provisions by RON 15,290.9 th, respectively a dynamic determined by taxes from legal entities (+RON 20,137.6 th, +28.1%), especially Taxes and duties on buildings;
  - **Fees and charges for the issuance of licenses and authorizations of functioning**, above estimates by RON 555.3 th (+14.6%).

## Revenues ratios at Q2 2020, as compared to Q2 2019

'000 RON



Ratios	Q2 2020	Q2 2019
<b>Revenues from the tax on property</b>	<b>130,090.9</b>	<b>111,247.4</b>
Revenues per Capita	330.1 RON	284.5 RON
The revenue weight in the total revenues	24.6%	28.6%
<b>Own tax revenues</b>	<b>423,802.3</b>	<b>319,507.0</b>
Revenues per Capita	1,075.4 RON	817.0 RON
The revenue weight in the total revenues	80.0%	82.1%
<b>Total current revenues (autonomous)</b>	<b>480,686.0</b>	<b>379,194.1</b>
Revenues per Capita	1,219.7 RON	969.7 RON
The revenue weight in the total revenues	90.7%	97.4%
<b>Operational revenues</b>	<b>480,902.4</b>	<b>379,392.1</b>
Revenues per Capita	1,220.3 RON	970.2 RON
The revenue weight in the total revenues	90.8%	97.4%
<b>Investment revenues</b>	<b>3,887.31</b>	<b>283.5</b>
Revenues per Capita	9.9 RON	0.7 RON
The revenue weight in the total revenues	0.73%	0.07%
<b>Total revenues per Capita</b>	<b>1,344.3 RON</b>	<b>995.8 RON</b>
<b>Own revenues per Capita</b>	<b>1,208.4 RON</b>	<b>868.0 RON</b>
<b>The level of financing from the own revenues</b>	<b>89.9%</b>	<b>87.2%</b>
<b>The degree of self-financing</b>	<b>89.9%</b>	<b>76.3%</b>
<b>The degree of dependency of the local budget to the state budget</b>	<b>62.5%</b>	<b>51.0%</b>
<b>The degree of decisional autonomy</b>	<b>89.9%</b>	<b>87.2%</b>
<b>The degree of achievement of the revenues from the initial budget</b>	<b>95.6%</b>	<b>96.3%</b>
<b>The degree of achievement of the revenues from the final budget</b>	<b>87.9%</b>	<b>94.3%</b>
<b>The degree of achievement of the own revenues from the initial budget</b>	<b>108.7%</b>	<b>97.5%</b>
<b>The degree of achievement of the own revenues from the final budget</b>	<b>108.3%</b>	<b>95.2%</b>
<b>The degree of achievement of the property taxes from the initial budget</b>	<b>113.3%</b>	<b>104.9%</b>
<b>The degree of achievement of the property taxes from the final budget</b>	<b>113.3%</b>	<b>94.4%</b>
<b>The annual estimate from the local tax revenues (maximum probability)</b>	<b>239,488.4</b>	<b>210,722.3</b>
<b>The annual estimate from the local tax revenues (rectified budget)</b>	<b>225,754.0</b>	<b>207,276.0</b>
<b>The degree of achievement of the annual revenues estimated from the local tax revenues</b>	<b>94.3%</b>	<b>98.4%</b>
<b>The collection degree from the initial budget of the revenues from:</b>		
Quotas deducted from the income tax	-	100.0%
Taxes on buildings from the population	92.5%	95.0%
Taxes on land from the population	84.0%	98.1%
Taxes on the means of conveyance from the population	83.7%	104.3%
Taxes on buildings from legal entities	138.0%	111.5%
Taxes on land from legal entities	109.7%	104.6%
Taxes on the means of conveyance from legal entities	78.5%	98.2%
Capita, as of:	<b>394,097</b> 1/1/2019	<b>391,050</b> 1/1/2018

- **Revenues from taxes on property** are going up by RON 18,843.5 th (+16.9%), mainly due to the amounts collected from Taxes and duties on buildings (+RON 21,784.3 th, +27.4%) and on the means of conveyance (-RON 3,084.5 th, -13.2%). This increase is directly impacted by the decision of the Ministry of Public Finance, in support of taxpayers, regarding the postponement of the first tax payment deadline until the end of June 2020, in the context of the risk of spreading the COVID-19 epidemic. Therefore, in contrast to the decrease of said taxes recorded at Q1 2020, the second quarter records an increase of the amounts collected from legal entities.
- **Own tax revenues** are increasing by RON 104,295.3 th (+32.6%), mainly due to:
  - Increase of Quotas and sums deducted from the income tax (+RON 86,748 th, +45.4%). 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;
  - Increase of Revenues from taxes on property;
  - Increase of Fees and charges for the issuance of licenses and authorizations of functioning (+RON 895.5 th, +25.9%);
  - Decrease of Stamp duties, for notary work and other stamp duties (-RON 788.3 th, -17.6%).
- **Total current revenues (autonomous)** are going up by RON 101,491.9 th (+26.8%), following the evolution of:
  - Tax revenues, increasing by RON 104,238.1 th (+28.2%) due to influences from Own tax revenues;
  - Non-tax revenues, going down by RON 2,746.1 th (-26.9%), mainly due to decreases of sums from the Sale of goods and services (-RON 2,569.7 th, -27.6%).
- **Operational revenues** collected up to the end of Q2 2020 are increasing by RON 101,510.3 th, the evolution being determined by increases in Current revenues (+RON 101,491.9 th, +26.8%) and Current subsidies (+RON 18.4 th, +9.3%).
- **Investment revenues** are going up by RON 3,603.8 th. These amounts are related to Capital subsidies (+RON 3,377 th), respectively to Financing the National Program for Local Development.

## Table of contents Section III



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

- The situation of the expenditures performed at 30.06.2020
- The variation of the performed expenditures at Q2 2020 vs. Q2 2019
- Budgetary provisions: the achievement degree of the expenditures at Q2 2020

# The situation of the expenditures performed at 30.06.2020

'000 RON



		2020				2019											
Line	Expenditures	Planned 2020	% /TP	Planned at Q2	% /TP	Rectified at Q2	% /TP	Execution at Q2	% /TP	Planned 2020	% /TP	Planned at Q2	% /TP	Rectified at Q2	% /TP	Execution at Q2	% /TP
<b>Functional classification</b>		<b>1,039,915.0</b>		<b>554,360.0</b>		<b>602,450.0</b>		<b>529,772.9</b>		<b>872,873.0</b>		<b>404,442.0</b>		<b>412,863.0</b>		<b>389,403.8</b>	
1	Public authorities and external actions	105,586.0	9.7	79,224.0	10.7	88,229.0	10.5	41,140.8	9.2	87,086.0	9.9	62,961.0	10.1	56,716.0	11.7	37,282.9	10.0
2	Transactions regarding the public debt (interest and fees)	31,870.0	2.9	16,277.0	2.2	16,392.0	2.0	15,147.6	3.4	30,501.0	3.5	13,947.0	2.2	13,947.0	2.9	10,816.7	2.9
3	Education	133,906.0	12.3	109,432.0	14.7	125,320.0	15.0	63,388.8	14.1	127,235.0	14.4	112,908.0	18.1	89,160.0	18.4	55,542.8	14.9
4	Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Culture, recreation and religion	97,631.0	9.0	70,102.0	9.4	78,917.0	9.4	42,845.3	9.5	102,178.0	11.6	70,250.0	11.3	55,296.0	11.4	47,371.9	12.7
6	Insurance and social assistance	221,623.0	20.4	146,645.0	19.7	181,350.0	21.7	122,320.3	27.2	205,000.0	23.2	134,779.0	21.7	135,285.0	27.9	108,179.0	29.1
7	Housing, public service and development	275,044.0	25.4	176,958.0	23.8	176,606.0	21.1	72,652.7	16.2	94,750.0	10.7	71,527.0	11.5	37,997.0	7.8	33,292.5	8.9
8	Environment protection	82,160.0	7.6	42,555.0	5.7	47,555.0	5.7	40,993.8	9.1	95,119.0	10.8	43,350.0	7.0	43,246.0	8.9	37,327.6	10.0
9	Fuel and power	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Transport	85,006.0	7.8	71,978.0	9.7	85,048.0	10.2	25,092.7	5.6	95,132.0	10.8	82,360.0	13.2	27,404.0	5.7	19,846.3	5.3
11	Other expenditures	52,072.0	4.8	30,014.0	4.0	37,040.0	4.4	26,037.0	5.8	45,600.0	5.2	30,221.0	4.9	25,065.0	5.2	22,518.8	6.1
12	Reserves, Surplus / Deficit	- 44,983.0		- 188,825.0		- 234,007.0		80,153.7		- 9,728.0		- 217,861.0		- 71,253.0		17,225.4	
<b>Economic classification</b>		<b>1,039,915.0</b>		<b>554,360.0</b>		<b>602,450.0</b>		<b>529,772.9</b>		<b>872,873.0</b>		<b>404,442.0</b>		<b>412,863.0</b>		<b>389,403.8</b>	
1	Staff costs, of which:	198,370.0	18.3	114,755.0	15.4	113,689.0	13.6	89,749.9	20.0	169,350.0	19.2	101,131.0	16.3	98,933.0	20.4	89,485.7	24.0
	without those for Education and Insurance and social assistance	67,247.0	6.2	38,701.0	5.2	38,186.0	4.6	29,414.3	6.5	58,375.0	6.6	32,892.0	5.3	32,599.0	6.7	29,135.6	7.8
2	Social assistance	59,343.0	5.5	40,783.0	5.5	41,669.0	5.0	34,526.6	7.7	58,631.0	6.6	37,133.0	6.0	37,269.0	7.7	31,368.6	8.4
3	Subsidies	5,000.0	0.5	4,000.0	0.5	4,000.0	0.5	1,799.5	0.4	5,000.0	0.6	4,475.0	0.7	4,475.0	0.9	2,950.0	0.8
4	Goods and services	302,302.0	27.9	218,064.0	29.3	285,647.0	34.1	173,888.2	38.7	307,606.0	34.9	208,954.0	33.6	201,187.0	41.6	148,697.2	40.0
5	Capital expenditures	304,992.0	28.1	241,890.0	32.5	267,369.0	32.0	55,295.1	12.3	173,960.0	19.7	166,477.0	26.8	48,092.0	9.9	23,512.0	6.3
6	Interest	31,870.0	2.9	16,277.0	2.2	16,392.0	2.0	15,147.6	3.4	30,501.0	3.5	13,947.0	2.2	13,947.0	2.9	10,816.7	2.9
7	Loan reimbursements	63,550.0	5.9	32,010.0	4.3	32,265.0	3.9	31,785.7	7.1	38,500.0	4.4	21,531.0	3.5	19,167.0	4.0	19,155.7	5.1
8	Current transfers	64,753.0	6.0	37,658.0	5.1	38,734.0	4.6	32,179.1	7.2	56,000.0	6.3	37,045.0	6.0	33,115.0	6.8	29,920.5	8.0
9	Internal transfers	23,000.0	2.1	11,500.0	1.5	9,344.0	1.1	9,341.0	2.1	12,624.0	1.4	6,312.0	1.0	6,327.0	1.3	5,260.0	1.4
10	Projects financed from non-reimbursable external funds	7,398.0	0.7	4,688.0	0.6	4,688.0	0.6	1,212.8	0.3	3,615.0	0.4	1,542.0	0.2	1,542.0	0.3	587.3	0.2
11	Other expenditures	24,320.0	2.2	21,560.0	2.9	22,660.0	2.7	4,693.8	1.0	26,814.0	3.0	23,756.0	3.8	20,062.0	4.1	10,424.9	2.8
12	Reserves, Surplus / Deficit	- 44,983.0		- 188,825.0		- 234,007.0		80,153.7		- 9,728.0		- 217,861.0		- 71,253.0		17,225.4	
<b>Total payments (TP)</b> <i>(total expenditures performed without considering the periods' result)</i>		<b>1,084,898.0</b>		<b>743,185.0</b>		<b>836,457.0</b>		<b>449,619.2</b>		<b>882,601.0</b>		<b>622,303.0</b>		<b>484,116.0</b>		<b>372,178.4</b>	
<b>Operational expenditures</b>		677,088.0	62.4	448,320.0	60.3	515,743.0	61.7	346,192.8	77.0	636,025.0	72.1	418,806.0	67.3	401,368.0	82.9	318,106.8	85.5
<b>Investment expenditures</b>		312,390.0	28.8	246,578.0	33.2	272,057.0	32.5	56,493.0	12.6	177,575.0	20.1	168,019.0	27.0	49,634.0	10.3	24,099.3	6.5
<b>Financial expenditures</b>		95,420.0	8.8	48,287.0	6.5	48,657.0	5.8	46,933.4	10.4	69,001.0	7.8	35,478.0	5.7	33,114.0	6.8	29,972.4	8.1
<b>Total of the Operating Section</b>		<b>772,508.0</b>	<b>71.2</b>	<b>496,607.0</b>	<b>66.8</b>	<b>564,400.0</b>	<b>67.5</b>	<b>393,126.2</b>	<b>87.4</b>	<b>705,026.0</b>	<b>79.9</b>	<b>454,284.0</b>	<b>73.0</b>	<b>434,482.0</b>	<b>89.7</b>	<b>348,079.2</b>	<b>93.5</b>
Reserves, surplus/deficit for the operating section		-		- 86,634.0		- 98,094.0		56,620.8		-		- 109,324.0		- 81,097.0		12,158.2	
<b>Total of the Development Section</b>		<b>312,390.0</b>	<b>28.8</b>	<b>246,578.0</b>	<b>33.2</b>	<b>272,057.0</b>	<b>32.5</b>	<b>56,493.0</b>	<b>12.6</b>	<b>177,575.0</b>	<b>20.1</b>	<b>168,019.0</b>	<b>27.0</b>	<b>49,634.0</b>	<b>10.3</b>	<b>24,099.3</b>	<b>6.5</b>
Reserves, surplus/deficit for the development section		- 44,983.0		- 102,191.0		- 135,913.0		23,532.9		- 9,728.0		- 108,537.0		9,844.0		5,067.2	

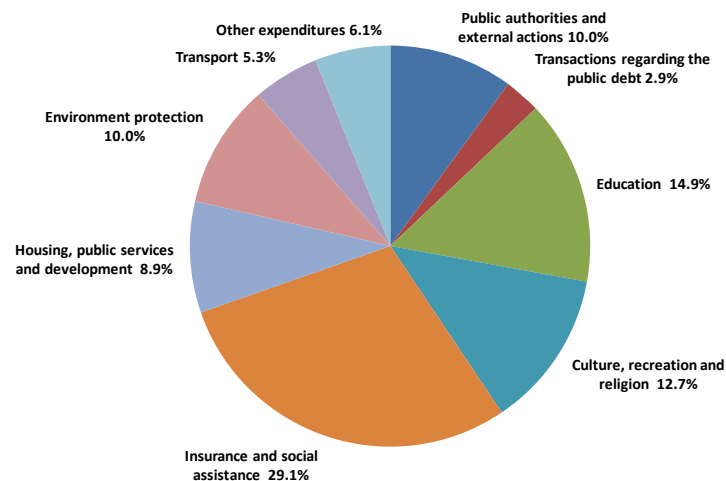
# The variation of the performed expenditures at Q2 2020 vs. Q2 2019

Functional classification

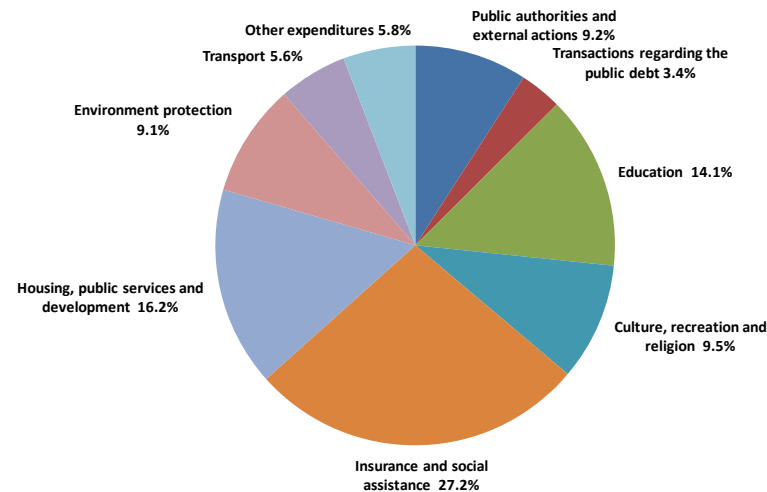
'000 RON



The structure of the payments performed at Q2 2019



The structure of the payments performed at Q2 2020



- Total payments at the end of Q2 2020 is increasing by RON 77,440.7 th (+20.8%) in comparison to the execution in the previous period.
- Considering the statement above, the increase is determined by the evolutions of following chapters of expenditures:
  - **Housing, public services and development**, recorded expenditures going up by RON 39,360.2 th (+118.2%), mainly due to increases of Other expenditures in the housing system (+RON 24,357.2 th, +439.8%) and Other services for housing, public services and rural development (+RON 14,022 th, +50.5%), whereas payments amounting to RON 986.1 th were performed for Development of housing system (in contrast to their absence at Q2 2019). From an economic perspective, increases in payments are observed for Capital expenditures (+RON 25,319.6 th, +452.3%), Reimbursement of loans (+RON 12,630 th, +65.9%) and Transfers to public institutions (+RON 1,283.4 th, +45.8%);
  - **Insurance and social assistance**, payments going up by RON 14,141.3 th (+13.1%) and with influences from Other expenditures in the insurance and social assistance field (+RON 6,548.2 th, +20.4%), Social assistance for the disabled (+RON 5,870.8 th, +16.6%), for the elderly (+RON 2,469.2 th, +44.1%), for family and children (-RON 556.6 th, -3.1%) and Social support (-RON 344 th, -20.4%). From the point of view of economic classification, the dynamics is reflected for Goods and services (+RON 9,869.1 th, +46.3%), Social assistance (+RON 4,492.7 th, +16.5%), Staff costs (+RON 987.6 th, +1.8%) and Other subsidies (-RON 1,150.5 th, -39%);
  - **Education**, recording increasing payments by RON 7,846 th (+14.1%). Larger amounts for Pre-school and elementary education (+RON 5,592.3 th, +24.7%) and Other expenditures for education (+RON 4,081 th, +77.6%; these amounts are entirely related to Financing of private or confessional accredited education), whereas decreases are observed for Secondary education (-RON 1,160.3 th, -6.1%) and School after school (-RON 509.8 th). From the economic perspective, increases in payments are highlighted for Capital expenditures (+RON 8,695.4 th, +620.7%) and decreases for Goods and services (-RON 2,761.6 th, -7.5%), Social assistance (-RON 1,334.7 th, -31.8%) and Staff costs (-RON 1,002 th, -23.7%);
  - **Transports**, payments being increased by RON 5,246.4 th (+26.4%), whereas the dynamics is determined by larger expenditures on Streets, respectively Goods and services (+RON 6,186.5 th, +56.5%) and Capital expenditures (-RON 919.5 th, -11.4%);

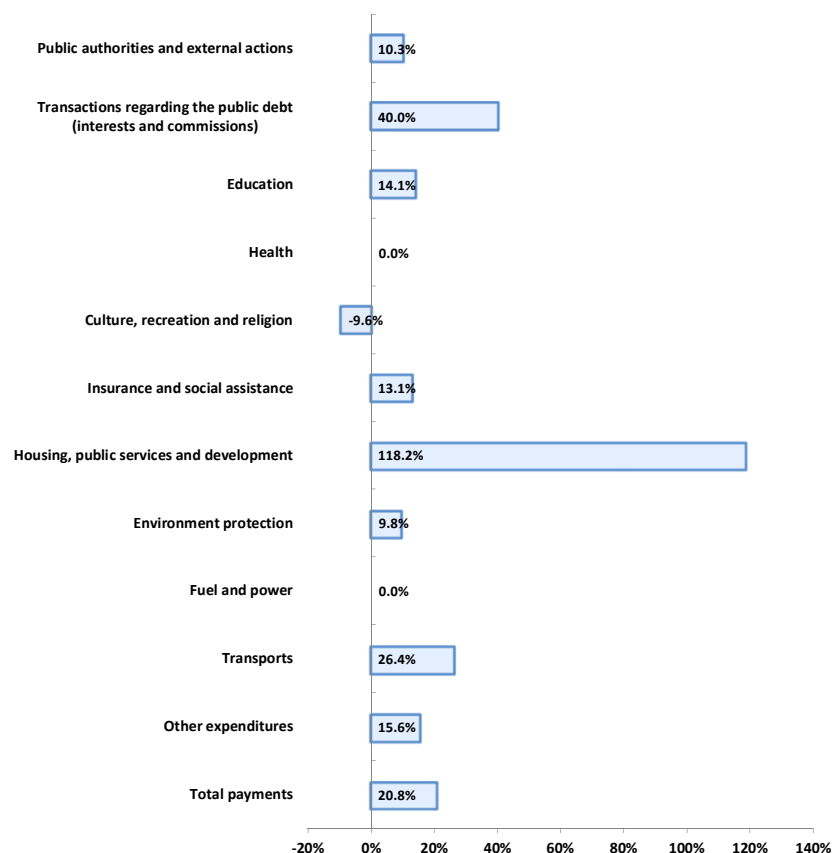
# The variation of the performed expenditures at Q2 2020 vs. Q2 2019

## Functional classification

'000 RON



### Functional expenditures variation



- **Transactions regarding the public debt and loans**, with an increase in payments by RON 4,331 th (+40%) observed at the level of Interests, mainly the ones related to internal direct public debt (+RON 4,497.7 th, +53.5%), taking into consideration additional withdrawals and approvals related to investment loans, as well as the evolution of interests on the banking market;
- **Public authorities and external actions**, with increases of RON 3,857.9 th (+10.3%) in payments, influences coming from the expenditures on Goods and services (+RON 11,383.7 th, +132.6%), Staff costs (+RON 363.2 th, +1.9%), Other loans (without payments at Q2 2020, in comparison to RON 4,990.1 th at Q2 2019), Capital expenditures (-RON 1,898.2 th, -71.3%) and Other foreign current transfers (without payments at Q2 2020, in comparison to 762.1 th at Q2 2019);
- **Environment protection**, the payments going up by RON 3,666.3 th (+9.8%) and the dynamics being determined by the expenditures on Sanitation, respectively Materials and services with functional character;
- **Other expenditures**, increasing by RON 3,518.2 th (+15.6%) at the level of Public order and national security (+RON 3,347.5 th, +17.6%, mainly Civil protection and fire protection) and Other general public services (+RON 128.2 th, +3.9%, respectively Community public services for persons evidence) chapters;
- **Culture, recreation and religion**, the payments going down by RON 4,526.6 th (-9.6%) due to evolution of expenditures on Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 5,676.1 th, -13.5%), Other services in the field of culture, recreation and religion (+RON 924.5 th, +19.5%) and Religious services (+RON 225 th, +39.1%, entirely Cults' support). From an economic perspective, highlights are observed for Goods and services (-RON 6,183.1 th, -19.8%), Transfers to public institutions (+RON 924.5 th, +19.5%) and Capital expenditures (+RON 733.9 th, +14%).

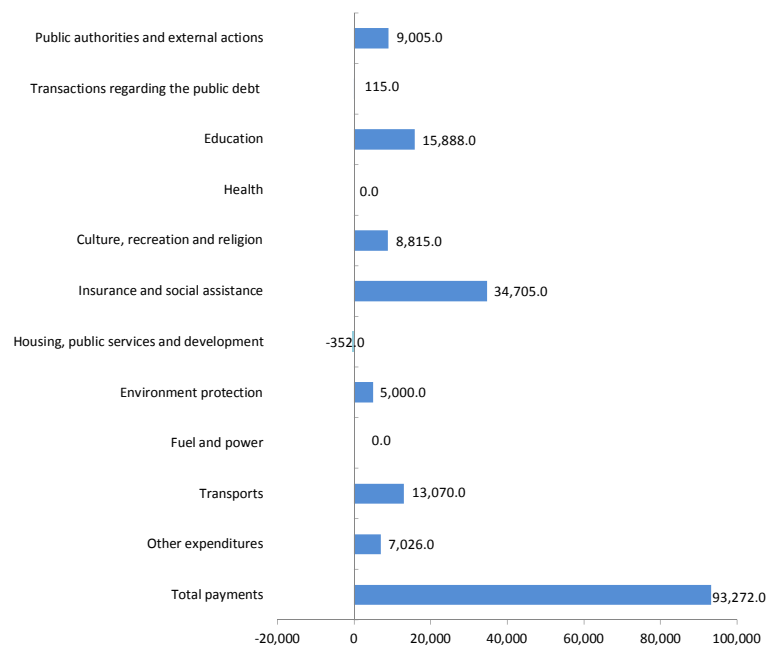
# Budgetary provisions

## Functional classification

'000 RON



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



- Last budgetary rectification in the first half of 2020 provides an increase of payments by RON 93,272 th (+12.6%) in comparison to the initial budget for the period of reference, respectively up to RON 836,457 th.
- **Insurance and social assistance** chapter records an increase by RON 34,705 th (+23.7%), up to RON 181,350 th. Influences are coming from Nurseries (+RON 14,390 th, +85%), Other expenditures in the insurance and social assistance field (+RON 12,358 th, +28.8%), Social assistance for the elderly (+RON 4,330 th, +44.8%), for family and children (+RON 3,700 th, +16.4%), Social support (+RON 500 th, +25%, entirely for Social assistance) and from Units for medical and social assistance (-RON 573 th, -10.3%). The dynamics is determined, from an economic perspective, at the level of payments for Goods and services (+RON 24,254 th, +71.8%) and Capital expenditures (+RON 10,220 th, +319.5%).
  - The investment objectives for this chapter are distributed as following:
    - On-going works: food bank (RON 1,000 th from local budget); extension of accommodation space for the homeless (RON 300 th from local budget);
    - New works: construction of “Ingerasii” nursery (RON 8,500 th from local budget); land planning and playground construction for three nurseries (RON 500 th from local budget);
    - Other investment expenditures: endowments for “Ingerasii” nursery (RON 1,200 th from local budget).

- **Education** chapter has an increase of estimates by RON 15,888 th (+14.5%), up to RON 125,320 th, influences coming from Pre-school and elementary education (+RON 9,736 th, +20.5%), Secondary education (+RON 4,802 th, +13.1%), School after school (+RON 2,178 th, +17.6%), Special education (+RON 1,328 th, +91.2%) and Other expenditures for education (-RON 2,156 th, -18.7%, entirely for Financing of private or confessional accredited education). From the economic perspective, increases in provisions are highlighted for Goods and services (+RON 13,190 th, +30.3%), Capital expenditures (+RON 3,650 th, +15.5%), Scholarships (+RON 1,100 th, +5.8%), Social assistance (+RON 386 th, +8.8%), whereas the Staff costs are decreasing (-RON 282 th, -4%).
  - The most significant investment objectives within this chapter are distributed as follows:
    - On-going works: planning and execution for “Albina” Kindergarten, including consultancy and isc quotas (RON 11,124 th from local budget); land planning for playgrounds in kindergartens (RON 300 th from local budget); modernization of “Sfanta Treime” Secondary School (RON 4,583 th from internal loans);
    - New works: energy consumption efficiency for a number of units, construction of kindergarten/secondary school/after-school, including consultancy and isc quotas, as well as acquisition of metal container modular assembly for education units (RON 7,722 th from local budget); modernization of 169 Secondary School (RON 417 th from internal loans); energy consumption efficiency for a number of units (RON 104,640 th from external loans);
    - Other investment expenditures: independent endowments (RON 7,133 th from local budget).





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

- **Transports** chapter registers an increase by RON 13,070 th (+18.2%) in provisions, up to RON 85,048 th, entirely at the level of payments for Streets, respectively Capital expenditures (+RON 12,000 th, +27%) and Goods and services (+RON 1,070 th, +4%).
  - The investment objectives planned for this chapter are distributed as follows:
    - On-going works: roads network modernization and rehabilitation (RON 20,243 th from local budget); land planning and systematization for parking areas/public lighting system in Aleea Romancierilor no. 8 area (RON 1,164 th from local budget);
    - New works: roads network modernization and rehabilitation/repair work for streets (RON 33,600 th from local budget); Giulesti passage rehabilitation (RON 1,620 th from local budget); land planning for household waste temporary collection and storage areas (RON 550 th from local budget);
    - Other investment expenditures: drafting prefeasibility and feasibility studies, technical projects and other studies (RON 990 th from local budget).
- **Public authorities and external actions** chapter records an increase of estimates by RON 9,005 th (+11.4%), up to RON 88,229 th. Influences are coming from the estimates for Goods and services (+RON 9,361 th, +31.9%) and Staff costs (-RON 515 th, -2.1%).
  - The most significant investment objectives are distributed as follows:
    - On-going works: modernization works for "Sfanta Treime" Secondary School (RON 5,940 th from local budget);
    - Other investment expenditures: acquisition of land in Ghencea Extension, including consultancy and notary fees (RON 10,000 th from local budget); acquisition of land in Dealul Tugulea Street, including consultancy and notary fees (RON 1,550 th from local budget); integrated surveillance/monitoring video system (RON 1,000 th from local budget); services for optimizing the financial liquidity (RON 900 th).
- **Culture, recreation and religion** has estimates increasing by RON 8,815 th (+12.6%), in comparison to the initial amount, up to RON 78,917 th. Larger allotments are observed for Maintenance of public gardens, parks, green areas, sports and leisure centers, respectively Goods and services (+RON 8,615 th, +22.3%) and Capital expenditures (+RON 200 th, +1.1%).
  - The following investment objectives are planned within this chapter:
    - On-going works: consolidation, extension and modernization for "Favorit" cinema, including consultancy (RON 12,000 th from local budget); modernization and landscaping/establishing of park on no. 10-12 Timisoara Blvd. (RON 66,159 th from internal loans);
    - New-works: improvement of "Giulesti" cinema (RON 1,000 th from local budget); establishment of park/playground in Prelungirea Ghencea Blvd. (RON 450 th from local budget); construction of artesian fountain Basarab (RON 535 th from local budget); architectural lighting Basarab (RON 500 th from local budget); greenhouse arrangement (RON 845 th from local budget); video surveillance and database system (RON 535 th from local budget); wi-fi internet transmission (RON 415 th from local budget); electricity supply (RON 500 th from local budget); modernization and landscaping (RON 44,531 th from internal loans);
    - Other investment expenditures: prefeasibility and feasibility studies, technical projects and other studies (RON 680 th from local budget); feasibility study for landscaping (RON 320 th from local budget).
- Provisions for the group of **Other expenditures** are increased by RON 7,026 th (+23.4%), mainly for Public order and national security chapter (+RON 6,992 th, +32%), respectively Civil protection and fire protection (+RON 6,000 th) and Local police (+RON 992 th, +4.5%).
- **Environment protection** chapter has its provisions increased by RON 5,000 th (+11.7%), entirely for Sanitation, respectively Materials and services with functional character.
  - The investment objectives for this chapter are related to new works, with a majority weight from the acquisition of goods and other investment expenditures, respectively household waste collection area (RON 150 th from local budget).
- The investment objectives for **Housing, public services and development** chapter are distributed as follows:
  - On-going works: thermal rehabilitation of residential buildings, including consultancy and quotas (RON 177,844 th from local budget; RON 139,082 th from internal loans; RON 165,998 th from external loans); construction of social residential buildings on Alexandru Ivasiuc Street, including consultancy (RON 8,000 th)
  - Other investment expenditures: prefeasibility and feasibility studies, technical projects and other studies (RON 2,771 th from local budget).





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

- The payments performed during the first half of 2020 are amounting to RON 449,619.2 th, respectively below estimates by RON 386,837.8 th (with an achievement degree of 53.8%).
- **Housing, public services and development** chapter records expenditures below the final provisions by RON 103,953.3 th, respectively an achievement degree of 41.1%. Thereby, it can be observed the evolution of Other expenditures in the housing system (-RON 93,760.9 th, -75.8%), Development of housing system (-RON 7,026.9 th, -87.7%) and Other services for housing, public services and rural development (-RON 3,107.5 th, -6.9%). From an economic perspective, the variation is observed for Capital expenditures (-RON 100,440.1 th, -76.5%), Goods and services (-RON 1,221.2 th, -39.5%), Transfers to public institutions (-RON 743.6 th, -15.4%), Reimbursement of loans (-RON 479.3 th, -1.5%) and Staff costs (-RON 373.8 th, -9.6%).
- **Education** chapter has payments below estimates by RON 61,931.2 th, respectively an achievement degree of 50.6% determined by lower expenditures on Pre-school and elementary education (-RON 28,894.7 th, -50.6%), Secondary education (-RON 23,517.4 th, -56.7%), School after school (-RON 7,593.9 th, -52.1%) and Special education (-RON 1,885.5 th, -67.7%). From an economic perspective, highlights are to be noted for Goods and services (-RON 22,666.5 th, -39.9%), Capital expenditures (-RON 17,145.6 th, -62.9%), Scholarships (-RON 16,492.4 th, -82.3%), Staff costs (-RON 3,597.1 th, -52.7%) and Social assistance (-RON 1,907 th, -40%).
- **Transports** chapter records payments below the final budget by RON 59,955.3 th and an achievement degree of 29.5% determined by lower expenditures on Streets, respectively Capital expenditures (-RON 49,299.2 th, -87.3%) and Goods and services (-RON 10,459.3 th, -37.9%).
- **Insurance and social assistance** chapter registers payments below provisions by RON 59,029.7 th and an achievement degree of 67.4% determined by lower expenditures on Nurseries (-RON 19,547.8 th, -62.4%), Other expenditures in the insurance and social assistance field (-RON 16,581.3 th, -30%), Social assistance for family and children (-RON 9,074.8 th, -34.6%), for the elderly (-RON 5,930.1 th, -42.4%), for the disabled (-RON 5,807.6 th, -12.3%), Social support (-RON 1,160.8 th, -46.4%) and Units for medical and social assistance (-RON 927.2 th, -18.5%). From an economic perspective, it is observed the execution payments for Goods and services (-RON 26,876.2 th, -46.3%), Capital expenditures (-RON 13,058 th, -97.3%), Staff costs (-RON 11,570.3 th, -16.8%), Social assistance (-RON 5,235.4 th, -14.2%) and Other subsidies (-RON 2,200.5 th, -55%).
- **Public authorities and external actions** chapter has payments below estimates by RON 47,088.2 th and an achievement degree of 46.6%. Thereby, the most significant differences are recorded for Capital expenditures (-RON 20,198.7 th, -96.3%), Goods and services (-RON 18,716.4 th, -48.4%) and Staff costs (-RON 4,771.3 th, -19.4%).
- **Culture, recreation and religion** chapter registers payments below provisions by RON 36,071.7 th, respectively an achievement degree of 54.3% determined by the payments on Maintenance of public gardens, parks, green areas, sports and leisure centers (-RON 34,721.7 th, -48.8%) and Other services in the field of culture, recreation and religion (-RON 1,300 th, -18.6%, entirely related to Transfers to public institutions). From an economic perspective, it is observed the execution of Goods and services (-RON 22,172.1 th, -47%), Capital expenditures (-RON 11,777.2 th, -66.3%) and Staff costs (-RON 680.8 th, -11.4%).
- **Other expenditures** group has an execution below the budget by RON 11,003 th, respectively an achievement degree of 70.3% determined by lower payments for Public order and national security (-RON 6,454.5 th, -22.4%, entirely Local police and Civil protection and fire protection) and Other general public services (-RON 4,498.9 th, -56.7%) chapters.
- **Environment protection** chapter has payments below the estimates by RON 6,561.2 th and an achievement degree of 86.2% with significant influences from Sanitation (-RON 6,406.2 th, -13.5%). From an economic perspective, lower payments are highlighted for Materials and services with functional character.
- **Transactions regarding the public debt and loans** chapter has an execution below the provisions by RON 1,244.4 th, respectively an achievement degree of 92.4%. The evolution is determined by the payments on Interests, with significant influences from the internal direct ones (-RON 966.4 th, -7%).



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

- The variation of the performed expenditures at Q2 2020 vs. Q2 2019
- Budgetary provisions: the achievement degree of the expenditures at Q2 2020
- Expenditures ratios

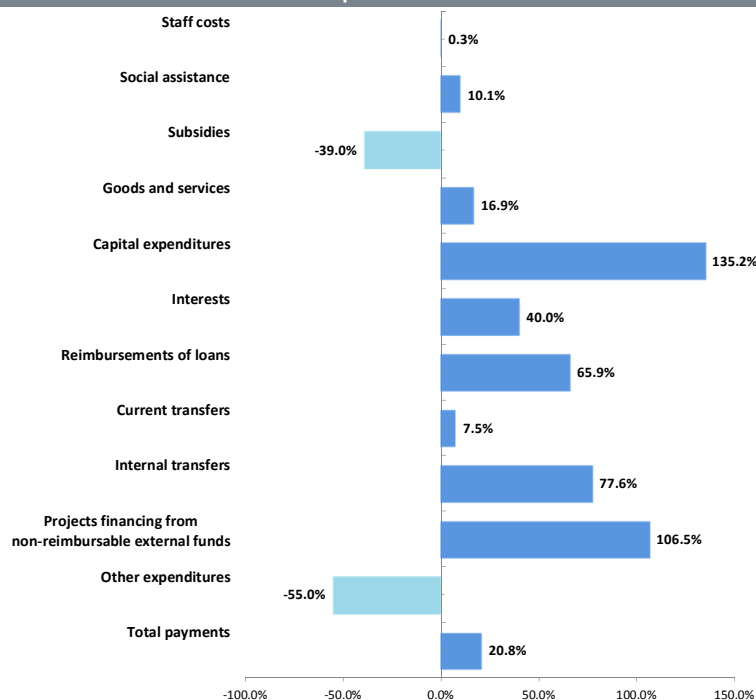
# The variation of the performed expenditures at Q2 2020 vs. Q2 2019

Economic classification

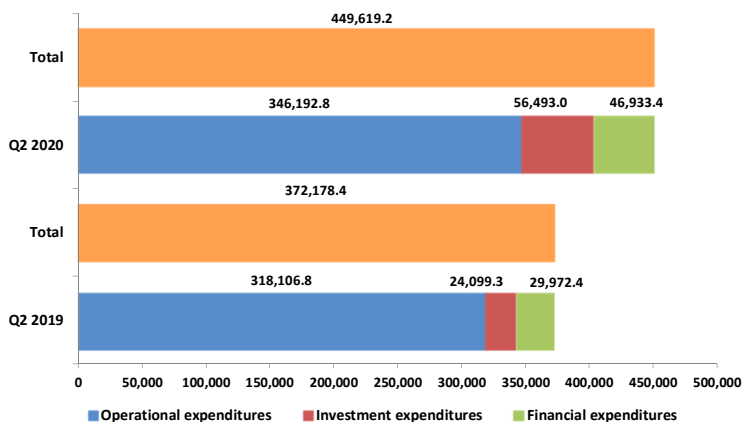
'000 RON



## Economic expenditures variation



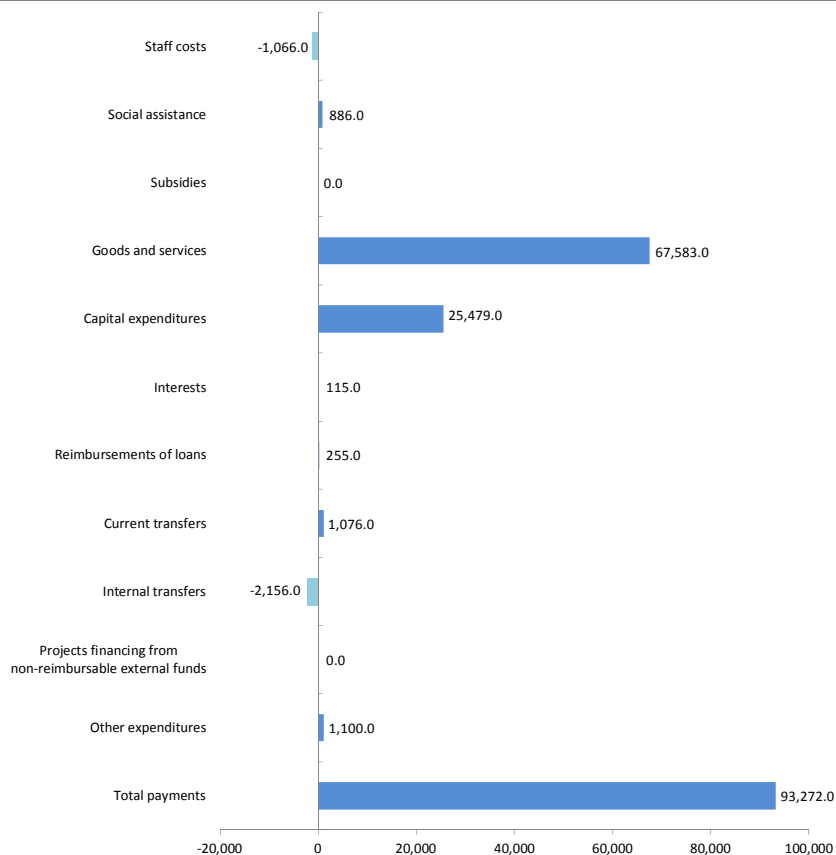
## Structure of expenditures



- At the end of this reporting period, **Investment expenditures** went up by RON 32,393.7 th (+134.4%) in comparison to Q2 2019. Thereby, these payments are represented by:
  - Capital expenditures** (+RON 31,783.1 th, +135.2%), with influences from Constructions (+RON 35,950.7 th, +243.9%) and Other fixed assets (-RON 3,971.5 th, -55.8%);
  - Projects financing from non-refundable external funds** (+RON 625.5 th, +106.5%), respectively with payments amounting to RON 463.5 th for Programs from the European Fund for Regional Development and the increase of those for the European Social Fund (+RON 150.7 th, +42.5%) and for Other community programs financed in the period of 2014-2020 (+RON 11.4 th, +4.9%).
- Operational expenditures** are going up by RON 28,086 th (+8.8%) in comparison to the level attained at Q2 2019 and are represented by:
  - Goods and services**, going up by RON 25,191 th (+16.9%). The evolution of this title is determined by the payments for Current repairs (+RON 13,575.6 th, +87.5%), Materials and services with functional character (+RON 3,946.1 th, +9.4%), Other expenditures (+RON 2,452.1 th, +52.1%), Consultancy and expertise (+RON 1,891.7 th, +504.4%), Other goods and services for maintenance and functioning (+RON 1,283.6 th, +2.2%), Registered materials (+RON 1,074.2 th, +33.1%), Cleaning materials (+RON 811.6 th, +59.8%) and Water, sewerage and sanitation (-RON 762.9 th, -26%);
  - Internal transfers**, amounting to RON 9,341 th (+RON 4,081 th, +77.6%), entirely for Financing of private or confessional accredited education within the Education chapter;
  - Social assistance**, increasing by RON 3,158 th (+10.1%) due to executions of the Social support in cash (+RON 4,725.9 th, +18.3%, mainly within the Insurance and social assistance chapter) and in kind (-RON 1,567.8 th, -28.3%, mainly within the Education chapter);
  - Current transfers**, going up by RON 2,258.6 th (+7.5%), respectively the ones to public institutions within the Culture, recreation and religion and Housing, public services and development chapters;
  - Other expenditures**, going down by RON 5,731.2 th (-55%), mainly due to the absence payments for Other loans (amounting to RON 4,990.1 th at Q2 2019) and for Other foreign transfers (RON 762.1 th at Q2 2019);
  - Subsidies**, decreasing by RON 1,150.5 th (-39%), respectively at the level of Other subsidies within the Insurance and social assistance chapter.
- Financial expenditures** are increasing by RON 16,961 th (+56.6%), in comparison to the first half of 2019. The dynamics is determined by the following payments: Reimbursement of loans (+RON 12,630 th, +65.9%) and Interests (+RON 4,331 th, +40%).



### Economic expenditures rectification, compared to initial budget



- From an economic perspective, the institution's budget is positively rectified at Q2 2020, in the means of increasing the estimates by RON 836,457 th, respectively by 12.6%.
- **Operational expenditures** are going up by RON 67,423 th (+15%), up to RON 515,743 th, with influences from the following titles:
  - **Goods and services**, the estimates being increased by RON 67,583 th (+31%), up to RON 285,647 th, mainly at the level of Other goods and services for maintenance and functioning (+RON 35,570 th, +51.5%), Current repairs (+RON 9,467 th, +19.2%), Other expenditures (+RON 6,122 th, +99.2%), Materials and services with functional character (+RON 5,441 th, +10.7%), Registered materials (+RON 3,311 th, +52.9%), Food (+RON 1,878 th, +72.5%), Cleaning materials (+RON 1,730 th, +55.3%), Heating, lighting and driving force (+RON 1,714 th, +13.1%) and Consultancy and expertise (+RON 1,200 th, +57.6%);
  - **Other expenditures**, the provisions being increased by RON 1,100 th (+5.1%) and reaching RON 22,660 th. The increase is entirely related to Scholarships within the Education chapter;
  - **Current transfers**, the estimates going up by RON 1,076 th (+2.9%), up to RON 38,734 th, respectively the ones to public institutions within the Public order and national security and Housing, public services and development chapters;
  - **Social assistance**, the provisions being increased by RON 886 th (+2.2%), up to RON 41,669 th. Additional funds are related entirely to the Social support in cash within the Insurance and social assistance and Education chapters;
  - **Internal transfers**, with estimates decreasing by RON 2,156 th (-18.7%), down to RON 9,344 th, respectively Financing of private or confessional accredited education within the Education chapter;
  - **Staff costs**, with the provisions being decrease by RON 1,066 th (-0.9%), down to RON 113,689 th and influences from Base salaries (-RON 621 th, -0.7%), Fund for payments by the hour (-RON 294 th, -4.6%) and Bonuses for working conditions (-RON 105 th, -3.3%).
- **Investment expenditures** are going up by RON 25,479 th (+10.3%), up to RON 272,057 th, respectively at the level of Capital expenditures (mainly Constructions and Furniture, office equipment and other tangible assets).



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

- The payments performed during the first half of 2020 have an achievement degree of 53.8% in comparison to final budgetary provisions. The dynamics of main groups is influenced, from an economic perspective, as follows:
  - **Investment expenditures** have payments below estimates by RON 215,564 th (achievement degree of 20.8%) and the following distribution:
    - **Capital expenditures** are below provisions by RON 212,073.9 th, the main variation coming from payments for Constructions (-RON 183,983.8 th, -78.4%), Other fixed assets (-RON 17,488.5 th, -84.8%), Machines, equipment and means of conveyance (-RON 6,624.5 th, -93.8%) and Furniture, office equipment and other tangible assets (-RON 3,970.1 th, -79.5%);
    - **Projects financing from non-refundable external funds** have payments below estimates by RON 3,475.2 th (-74.1%), influences coming from Programs from the European Social Fund (-RON 2,636.5 th, -83.9%), the European Fund for Regional Development (-RON 692.5 th, -59.9%) and from Other community programs financed in the period of 2014 – 2020 (-RON 146.2 th, -37.5%).
  - **Operational expenditures** record values below provisions by RON 169,550.2 th, with an achievement degree of 67.1%. Lower payments are observed for the following titles:
    - **Goods and services**, with expenditures below estimated amount by RON 111,758.8 th (-39.1%). The dynamics is reflected mainly for Other goods and services for maintenance and functioning (-RON 45,287.2 th, -43.3%), Current repairs (-RON 29,587.9 th, -50.4%), Materials and services with functional character (-RON 10,148.7 th, -18%), Registered materials (-RON 5,252.3 th, -54.9%), Other expenditures (-RON 5,136.6 th, -41.8%), Cleaning materials (-RON 2,692.6 th, -55.4%), Water, sewerage and sanitation (-RON 2,420.2 th, -52.7%), Heating, lighting and driving force (-RON 2,192.4 th, -14.8%), Desk furniture (-RON 2,083.2 th, -61.1%), Food (-RON 1,709.7 th, -38.2%), Medicines and sanitary materials (-RON 1,072.4 th, -54.3%), Consultancy and expertise (-RON 1,016.3 th, -31%) and Fuels and additives (-RON 1,009.5 th, -43.7%);
    - **Staff costs**, the amounts recorded being below the budget by RON 23,939.1 th (-21.1%), whereas the dynamics is determined by Payments in cash (-RON 19,737.3 th, -18.4%), in kind (-RON 3,537.9 th, -97.1%) and by Contributions (-RON 664 th, -25.7%);
    - **Other expenditures**, with the execution being under provisions by RON 17,966.2 th (-79.3%) and influences coming from Scholarships (-RON 16,462.4 th, -82.3%), Other foreign current transfers (absence of payments, in comparison to RON 550 th in the budget) and Budgetary reserve fund at the disposal of local authorities (without payments, in comparison to RON 500 th in the budget);
    - **Social assistance**, payments recorded being below estimates by RON 7,142.4 th (-17.1%), due to a lower level of the Social support in cash (-RON 4,211.7 th, -12.1%) and in kind (-RON 2,930.7 th, -42.5%);
    - **Current transfers**, being below provisions by RON 6,554.9 th (-16.9%), respectively at the level of those to public institutions;
    - **Subsidies**, the amounts recorded being below the budget by RON 2,200.5 th (-55%), respectively for Other subsidies.
  - **Financial expenditures** are below estimates by RON 1,723.6 th (achievement degree of 96.5%), the influences coming from Interests (-RON 1,244.4 th, -7.6%) and Reimbursement of loans (-RON 479.3 th, -1.5%).

## Expenditures ratios at Q2 2020, as compared to Q2 2019

'000 RON



Ratios	Q2 2020	Q2 2019
<b>Total staff costs</b>	<b>89,749.9</b>	<b>89,485.7</b>
Expenditures per Capita	227.7 RON	228.8 RON
The expenditure weight in the operational expenditures	25.9%	28.1%
<b>Staff costs for insurance and social assistance</b>	<b>57,110.7</b>	<b>56,123.1</b>
Expenditures per Capita	144.9 RON	143.5 RON
The expenditure weight in the operational expenditures	16.5%	17.6%
<b>Current compulsory expenditures</b>	<b>124,276.4</b>	<b>120,854.2</b>
Expenditures per Capita	315.3 RON	309.1 RON
The expenditure weight in the operational expenditures	35.9%	38.0%
<b>Operational expenditures</b>	<b>346,192.8</b>	<b>318,106.8</b>
Expenditures per Capita	878.4 RON	813.5 RON
The expenditure weight in the total expenditures	77.0%	85.5%
<b>Expenditures on debt service financing</b>	<b>46,933.4</b>	<b>29,972.4</b>
Expenditures per Capita	119.1 RON	76.6 RON
The expenditure weight in the total expenditures	10.4%	8.1%
<b>Total investment expenditures</b>	<b>56,493.0</b>	<b>24,099.3</b>
Expenditures per Capita	143.3 RON	61.6 RON
The expenditure weight in the total expenditures	12.6%	6.5%
<b>The expenditures' rigidity</b>	<b>20.0%</b>	<b>24.0%</b>
<b>The weight of the payments from the operating section in the total payments</b>	<b>87.4%</b>	<b>93.5%</b>
<b>The weight of the payments from the development section in the total payments</b>	<b>12.6%</b>	<b>6.5%</b>
<b>The deficit/surplus of the operating section</b>	<b>56,620.8</b>	<b>12,158.2</b>
<b>The deficit/surplus of the development section</b>	<b>23,532.9</b>	<b>5,067.2</b>
<b>The weight of the local public debt service in the total made payments</b>	<b>10.4%</b>	<b>8.1%</b>
<b>Maximum annual debt</b>	<b>171,183.5</b>	<b>148,761.5</b>
Net direct debt	<b>83,222.2</b>	<b>87,935.9</b>
Direct indebtedness level	15.4%	12.3%
Net public debt	<b>78,325.2</b>	<b>86,184.8</b>
Public indebtedness level	16.3%	12.6%
<b>The total expenditures achievement degree from the initial budget</b>	<b>60.5%</b>	<b>59.8%</b>
The achievement degree from the initial budget of the:		
Operational expenditures	77.2%	76.0%
Staff costs	78.2%	88.5%
Current compulsory expenditures	79.9%	-
Expenditures on debt service financing	97.2%	84.5%
Investment expenditures	22.9%	14.3%
<b>The funds absorption level of the total expenditures</b>	<b>84.9%</b>	<b>95.6%</b>
Investment expenditures / Operational revenues	11.5%	6.2%
Capita, as of:	<b>394,097</b> 1/1/2019	<b>391,050</b> 1/1/2018

- **Total staff costs** are going up by RON 264.2 th (+0.3%) in comparison to Q2 2019, the dynamics being determined mainly by Base salaries (+RON 1,971.5 th, +2.6%), Food indemnities (+RON 683.8 th, +19.1%), Other remuneration rights in cash (+RON 645 th, +146.5%), Holiday vouchers (-RON 2,110.6 th, -95.3%) and Fund for payments by the hour (-RON 992.6 th, -25.6%).
- **Current compulsory expenditures** are increasing by RON 3,422.2 th (+2.8%) in comparison to Q2 2019, following:
  - The increase in payments for Social assistance (+RON 3,158 th, +10.1%);
  - The increase of Staff costs.
- **Operational expenditures** are going up by RON 28,086 th (+8.8%) in comparison to the previous execution, the evolution being determined by:
  - A larger amount of payments for Goods and services by RON 25,191 th (+16.9%);
  - The amounts recorded as Internal transfers at RON 9,341 th (+RON 4,081 th, +77.6%);
  - An increase in payments for Social assistance;
  - The increase of Current transfers by RON 2,258.6 th (+7.5%);
  - A decrease of Other expenditures by RON 5,731.2 th (-55%);
  - A lower amount of Subsidies by RON 1,150.5 th (-39%).
- **Expenditures on debt service financing** are going up by RON 16,961 th (+56.6%) in comparison to the level attained at Q2 2019, taking into consideration the evolution of Reimbursement of loans (+RON 12,630 th, +65.9%) and Interests (+RON 4,331 th, +40%).
- **Total investment expenditures** are amounting to RON 56,493 th and are represented by Capital expenditures (+RON 31,783.1 th, +135.2%) and Projects financing from non-refundable external funds (+RON 625.5 th, +106.5%).

## Table of contents Part IV



### Section IV

- Balance Sheet
- Local Public Debt Service

# Balance Sheet

at 30.06.2020

'000 RON



Balance sheet	6/30/2019	12/31/2019	6/30/2020
<b>Current assets</b>	<b>713,781.7</b>	<b>1,025,318.6</b>	<b>715,445.6</b>
Cash and cash equivalent	181,059.8	212,445.4	124,206.2
Inventories	99,077.0	105,354.7	110,786.2
Receivables	433,644.2	707,517.1	480,452.5
Short term investments	-	-	-
Other current assets	0.8	1.4	0.8
<b>Fixed assets</b>	<b>7,265,900.3</b>	<b>7,932,824.4</b>	<b>8,213,954.4</b>
Intangible assets	4,656.7	5,210.5	4,407.8
Tangible assets	7,256,254.6	7,922,702.7	8,204,336.8
Other fixed assets	4,989.0	4,911.2	5,209.7
<b>Total assets</b>	<b>7,979,682.0</b>	<b>8,958,143.0</b>	<b>8,929,400.0</b>
<b>Current liabilities</b>	<b>108,400.8</b>	<b>433,427.3</b>	<b>146,145.6</b>
ST borrowings and CP of LT debt	13,633.8	-	46,417.2
Accounts payable	64,129.7	395,639.8	70,403.7
Short term provisions	30.5	30.5	30.5
Other short term debts	30,606.9	37,757.1	29,294.3
<b>Long term debts</b>	<b>832,716.0</b>	<b>1,065,205.9</b>	<b>1,130,979.7</b>
Long term loans	831,683.4	1,049,033.8	1,077,662.3
Other long term debts	771.9	15,981.0	53,126.2
Provisions	260.6	191.1	191.1
<b>Equity and reserves</b>	<b>7,038,565.2</b>	<b>7,459,509.7</b>	<b>7,652,274.7</b>
<b>Total liabilities</b>	<b>7,979,682.0</b>	<b>8,958,143.0</b>	<b>8,929,400.0</b>
Current liquidity ratio (Current assets / Current liabilities)	6.6	2.4	4.9
Indebtedness level (Borrowed capital / Total liabilities)	10.4	11.7	12.1

- At the end of this reporting period, **Total assets** are going down by RON 28,743 th (-0.3%) in comparison to the level attained at Q4 2019, following a decrease in Current assets (-RON 309,872.9 th, -30.2%) and an increase in Fixed assets (+RON 281,130 th, +3.5%).
- Within **Current assets** the decrease is determined mainly by a lower amount of Accounts receivables (-RON 227,064.6 th, -32.1%) and of Cash and cash equivalents (-RON 88,239.2 th, -41.5%), whereas Stocks are going up (+RON 5,431.5 th, +5.2%).
- The increase in **Fixed assets** is determined mainly by a larger amount of the tangible ones (+RON 281,634.1 th, +3.6%).
- At the end of Q2 2020, **Short-term liabilities** are going down by RON 287,281.7 th (-66.3%), mainly at the level of Commercial debts and Other debts.
- Long-term liabilities** are increasing by RON 65,773.8 th (+6.2%), taking into consideration the balance of Other long-term liabilities (+RON 37,145.3 th, +232.4%) and Debts to banks (+RON 28,628.5 th, +2.7%).
- The **Capitals** are going up by RON 192,765 th (+2.6%).
- The **Current liquidity ratios** has a value of 4.9 at Q2 2019, in comparison to 2.4 at the end of 2019, following a more accelerated decrease of Short-term liabilities (-66.3%), in contrast to the one of Current assets (-30.2%).



# Local Public Debt Service

at 30.06.2020

'000 RON



Debt and liquidity	6/30/2020	Payout	6/30/2020
New credit withdrawals in the period	55,303.5	Payout 2Y - 2 years	223,092.6
Direct debt service	43,730.1	Payout 5Y - 5 years	653,777.0
Direct indebtedness rate	7.7%	Payout 10Y - 10 years	1,361,198.6
Public debt service	45,722.6	Payout 15Y - 15 years	1,633,929.6
Public indebtedness rate	8.0%	Payout 20Y - 20 years	1,825,917.8
Public Debt Service as % of Operational Revenues	9.5%	Total revenues per capita	1,344.3 RON
Public Debt Service as % of Operational Expenditures	13.2%	Own revenues per capita	1,208.4 RON
Long term debt % Own Funds	14.1%	Public Debt Service per capita	116.0 RON
Long term debt / Own Revenues (1.x)	2.3	Long-term loans per capita	2,734.5 RON

	2019 <sup>1)</sup>	2020 <sup>2)</sup>	2021 <sup>3)</sup>	2022 <sup>3)</sup>	2023 <sup>3)</sup>
Total revenues	858,987.9	1,178,672.0	1,190,458.7	1,202,363.3	1,214,386.9
Own revenues <sup>4)</sup>	696,146.6	837,637.0	846,013.4	854,473.5	863,018.2
Indebtedness capacity	148,761.5	171,183.5	205,358.0	237,979.7	253,812.4
Public debt service <sup>5)</sup>	61,105.5	92,858.3	111,933.5	136,605.9	139,413.1

1) Revenues collected as of 31.12.2019

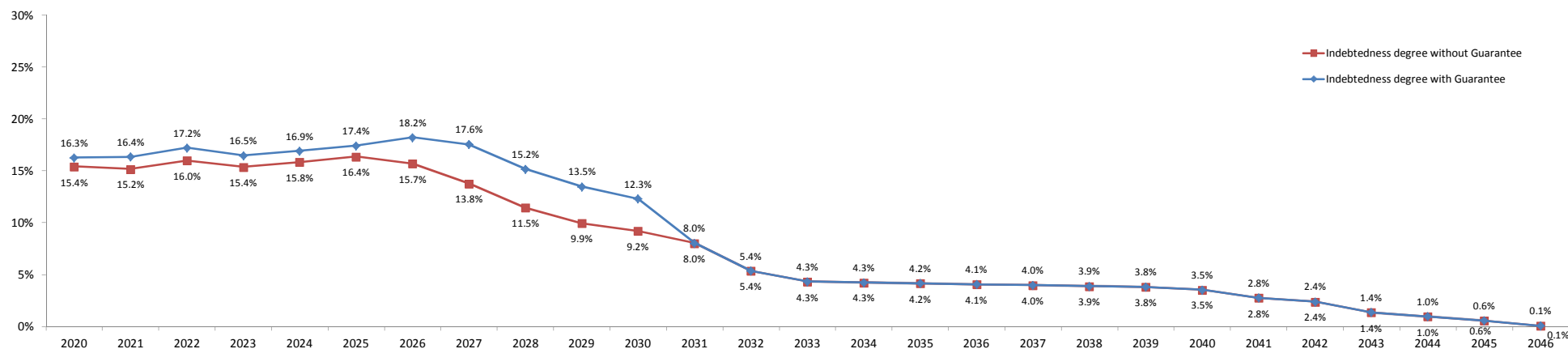
2) Revenues planned in the budget for 2020

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

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

5) TUD estimated values for the period of 2020 - 2023, based on the ongoing credit contracts provisions, money market conditions and legal regulations as of 30.06.2020

## Indebtedness level forecasted for the period of 2020 - 2046



- The indebtedness level was forecasted considering the provisions of the ongoing credit contracts, the money market conditions as of 30.06.2020, the estimated withdraws from the signed financing contracts and the growth rate of own revenues of 1%;
- According to the UGO nr. 46 on 05/23/2007, to complete art. 63 of the Law no. 273/2006 regarding the local public finances, "the loans contracted and/or guaranteed by the territorial-administrative units for providing the pre-financing and/or co-financing of the projects that benefit of the external non-reimbursable funds of pre and post-accession, from the European Union, are excepted from the paragraph (4) provisions" - respectively the framing in the maximum indebtedness limit;
- The maximum indebtedness limit represents 30% of the arithmetic mean of the own revenues for the last three years prior to current period.

# Glossary of terms



<b>The operating section</b>	The basic compulsory local budget section, which includes revenues needed to finance current spending in order to achieve competencies established by law, and the related running costs;
<b>The development section</b>	The complementary section of the local budget, including income and capital expenditures related to implementation of the local development policies;
<b>Own revenues*</b>	The average of the Own revenues collected in the last 3 years (Own revenues as stipulated in the art. 5, indent (1) a) Law no. 273/2006 regarding the local public finance, including subsequent amendments and additions, out of which are subtracted the Revenues from goods capitalization stipulated in the art. 29 part of the mentioned law);
<b>Operational revenues</b>	The difference between Total revenues, Investment revenues and Financial Revenues OR The Sum of Current Revenues (00.02) and Current Subsidies (00.20);
<b>Operational Expenditures</b>	Sum of Staff Cost (10), Goods and services (20), excluding Commissions and other costs related to debts (20.24), Subsidies (40), Reserve funds (50), Transfers (51+55, without investments), Social Assistance (57), Other Expenditures (59), Previous years payments recovered during the current year (85.01) OR; The difference between Total Expenditures, Investment Expenditures and Financial Expenditures, excluding Surplus / Deficit;
<b>Investment revenues</b>	Sum between Capital revenues (00.15), Capital Subsidies received from the State Budget (00.19), Sums received from the EU for the payments performed 2007 - 2013 (45.02) and 2014 - 2020 (48.02), Tax for the thermal rehabilitation (36.02.23), Contribution of the Owners' Association for the thermal rehabilitation works (36.02.31) and Sums related to the budgetary financing of the previous years, from the development section (36.02.32.02);
<b>Investment expenditures</b>	Sum of the Capital expenditures (70), of the Projects financed from post-accession non-reimbursable external funds 2007 - 2013 (56), of the Projects financed from post-accession non-
<b>Total payments made</b>	Total expenditures incurred without considering the result of the period;
<b>Taxes supporting the debt</b>	City taxes collected as follows: 01.02.01+03.02.18+04.02.01+05.02.50+06.02.02+07.02+12.02+15.02+16.02+18.02+33.02.24+34.02+35.02;
<b>Financial Expenditures</b>	The sum between the Interests (30), Reimbursement of loans (81) and Commissions and other costs related to loans; 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;
<b>Returned funds from previous years</b>	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;
<b>Revenues and expenditures ratios</b>	
<b>The revenues/expenditures achievement degree from the initial/revised budget</b>	Collected revenues % of the initial/revised budgetary provisions; Incurred expenditures % of the initial/revised budgetary provisions;
<b>The level of financing from the own</b>	Own revenues % in Total revenues;
<b>The degree of self-financing</b>	(Own revenues-Quotas deducted from the income tax (04.02.01)) % Total collected revenues;
<b>The degree of dependency of the local budget to the state budget</b>	The total amounts received from the State Budget (Sums allocated from the quotas deducted from income tax to balance the local budgets 04.02.04 + Sums deducted from VAT 11.02 + Subsidies received from the State Budget 00.18) % in Total revenues;
<b>The degree of decisional autonomy</b>	(Own revenues + Sums deducted from VAT for balancing the local budget 11.02.06) % in Total revenues;
<b>The expenditures' rigidity</b>	Staff costs % in Total incurred expenditures;
<b>Maximum annual debt</b>	The maximum legal amount allowed for municipal indebtedness, equal to 30% of the average of the own revenues executed in the last 3 years. Represents the maximum of Public Debt Service, according to Government Decision 145/2008;
<b>Net direct debt</b>	Total of amounts representing interests, provisions and installments, according to contracted to be paid by the end of The year, by the municipality;
<b>Net public debt</b>	Total of amounts representing interests, provisions and installments, according to contracted and guaranteed to be paid by the end of The year, by the municipality;
<b>Direct/Public indebtedness level</b>	Direct/Public Debt Service as % of Own revenues*;
<b>Net Direct/ Public indebtedness level</b>	Net public/direct debt as % of Own revenues*;
<b>Direct debt service</b>	Total amounts to be paid by the city hall as capital repayments, interests and fees for ongoing credit contracts;
<b>Public debt service</b>	Current debt service+amounts related to the granted guarantees (interests, commissions and principal);
<b>Payout n Y - n years</b>	Public debt service for the next "n" years, according to the contractual conditions for the credit facilities and the evolution of ROBID, ROBOR, EURIBOR at 30.06.2020;
<b>Current financial debt</b>	Total drawdowns related to the credit facilities for the analysed period;
<b>Per Capita</b>	For a person that is resident of the municipality; Resident inhabitants as of 1 <sup>st</sup> of January 2019/1 <sup>st</sup> of January 2018;

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The financial documents which were used in preparing this report are: execution accounts for 30.06.2020 and for 30.06.2019, Initial budget for 2020 approved by LCD No. 25 from 21.02.2020, Rectified budget for 2020 approved by LCD No. 101 from 25.06.2020, Initial budget for 2019 approved by LCD No. 110 from 18.04.2019 and Rectified budget for 2019 approved by LCD No. 167 from 20.06.2019, together with related investment lists.

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