

# **ISSUER'S ANNUAL REPORT 2010**



**The Capital City of Warsaw**

**The Mayor of the Capital City of Warsaw**

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29 April 2011

<b>I.</b>	<b>INTRODUCTION</b>	<b>4</b>
<b>I.1.</b>	<b>Statements by the Mayor of the Capital City of Warsaw</b>	<b>4</b>
<b>II.</b>	<b>MAJOR ACHIEVEMENTS / FAILURES OF THE ISSUER IN 2010 AND PROSPECTS FOR DEVELOPMENT</b>	<b>5</b>
<b>III.</b>	<b>THE FINANCIAL SITUATION OF THE ISSUER</b>	<b>8</b>
<b>III.1.</b>	<b>Selected financial data</b>	<b>8</b>
<b>III.1.1.</b>	<b>General data (million PLN/EUR<sup>1</sup>)</b>	<b>8</b>
<b>III.1.2.</b>	<b>Current revenue (million PLN/EUR<sup>1</sup>)</b>	<b>8</b>
<b>III.1.3.</b>	<b>Current expenditure by type (million PLN/EUR<sup>1</sup>)</b>	<b>9</b>
<b>III.1.4.</b>	<b>Capital revenue (million PLN/EUR)</b>	<b>9</b>
<b>III.2.</b>	<b>Debt</b>	<b>10</b>
<b>III.2.1.</b>	<b>Summary table (million PLN/EUR<sup>1</sup>)</b>	<b>10</b>
<b>III.2.2.</b>	<b>Debt ratio (%)</b>	<b>11</b>
<b>III.2.3.</b>	<b>Debt forecast for 2011-2014 (million PLN)</b>	<b>11</b>
<b>III.3.</b>	<b>International rating</b>	<b>12</b>
<b>III.4.</b>	<b>National scale rating</b>	<b>12</b>
<b>IV.</b>	<b>ANNUAL FINANCIAL STATEMENT</b>	<b>13</b>
<b>IV.1.</b>	<b>Balance sheet on the implementation of the City's budget</b>	<b>13</b>
<b>IV.2.</b>	<b>The combined balance of local government budget entities</b>	<b>14</b>
<b>IV.3.</b>	<b>Combined profit and loss account of local government budget entities</b>	<b>15</b>
<b>IV.4.</b>	<b>A combined statement of changes in fund balances of local government budgetary entities</b>	<b>16</b>
<b>IV.5.</b>	<b>A combined balance sheet of local government budgetary enterprises</b>	<b>17</b>
<b>IV.6.</b>	<b>A combined profit and loss account of local government budgetary enterprises</b>	<b>18</b>
<b>IV.7.</b>	<b>A combined statement of changes in fund balances of local government budgetary enterprises</b>	<b>19</b>
<b>IV.8.</b>	<b>A combined balance sheet of auxiliary units of local government</b>	<b>20</b>
<b>IV.9.</b>	<b>A combined profit and loss account of auxiliary units of local government</b>	<b>21</b>
<b>IV.10.</b>	<b>A combined statement of changes in fund balances of auxiliary units of local government</b>	<b>22</b>
<b>IV.11.</b>	<b>Combined balance sheet, including data from the balance sheets of the City's budgetary entities and budgetary enterprises</b>	<b>23</b>

<b>IV.12. Combined profit and loss account, including data from the profit and loss accounts of the City's budgetary entities and budgetary enterprises</b>	<b>25</b>
<b>IV.13. Combined statement of changes in fund balance, including data from the statements of changes in fund balance of the City's budgetary entities and budgetary enterprises</b>	<b>26</b>
<b>V. REPORT ON THE ACTIVITIES OF THE ISSUER</b>	<b>27</b>
<b>V.1. Basic economic and financial values declared in the annual financial statement, including factors and events having significant impact on the budget result in 2010</b>	<b>27</b>
<b>V.2. Significant risk factors and threats</b>	<b>28</b>
<b>V.3. Contracts significant for the issuer's activities, including contracts concluded between shareholders (partners), insurance, partnership and cooperation contracts</b>	<b>29</b>
<b>V.4. The assessment of financial resources management and the specification of possible threats and actions that the issuer has undertaken or intends to undertake to counteract such threats</b>	<b>29</b>
<b>V.5. The assessment of abilities to achieve investment targets, including capital investments, in comparison to the funds held, taking into account possible changes in the financial structure of this activity</b>	<b>30</b>
<b>V.6. The assessment of factors and atypical events having an impact on the budget result for 2010, with the degree of the influence of these factors and atypical events on the achieved results specified</b>	<b>30</b>
<b>Detailed factors having an impact on the level of revenue and expenditure implementation are discussed in point V.1 of this report.</b>	<b>30</b>
<b>V.7. Information on the date of a contract for the audit and review of the financial statement and consolidated financial statements concluded by the issuer with an entity authorised to audit financial statements, as well as on the period for which the contract is concluded</b>	<b>30</b>
<b>V.8. Information on remunerating an entity responsible for auditing financial statements, paid or due for the financial year</b>	<b>31</b>
<b>V.9. Changes in the rules and scope of managing the Issuer's entity</b>	<b>31</b>
<b>V.10. Significant changes in the area of affiliation to administrative structures and in basic demographic data</b>	<b>33</b>
<b>V.10.1. General information</b>	<b>33</b>
<b>V.10.2. Demographic data</b>	<b>33</b>
<b>V.11. Significant changes in the unit's organisational relations with other entities</b>	<b>34</b>
<b>V.12. Significant changes in the volume of assets</b>	<b>35</b>
<b>V.13. Tasks carried out by the issuer</b>	<b>36</b>
<b>V.14. Changes in the organisation of municipal services provision</b>	<b>36</b>
<b>V.15. Expenditure on the implementation of individual tasks</b>	<b>36</b>
<b>V.16. The issuer's total revenue</b>	<b>37</b>
<b>V.17. Revenue generation effectiveness</b>	<b>37</b>

<b>V.18. A description of the mode and effectiveness of budgetary planning and the implementation of the unit's budget</b>	<b>39</b>
<b>V.19. A projection of the repayment of the issuer's liabilities</b>	<b>40</b>
<b>V.20. The effectiveness of municipal services and plans for their development</b>	<b>40</b>
<b>V.20.1. Local public transportation and transportation services</b>	<b>40</b>
<b>V.20.2. Public roads</b>	<b>40</b>
<b>V.20.3. Technical infrastructure</b>	<b>41</b>
<b>V.20.4. Residential management</b>	<b>42</b>
<b>VI. ASSESSMENT BY THE REGIONAL CHAMBER OF AUDIT</b>	<b>43</b>
<b>VI.1. Resolution of the Adjudication Panel of the Regional Chamber of Audit in Warsaw on the assessment of the submitted budget implementation report for 2010</b>	<b>43</b>
<b>VI.2. Resolution of the Adjudication Panel of the Regional Chamber of Audit in Warsaw on the assessment of the possibility of the redemption of bonds</b>	<b>46</b>

## **I. INTRODUCTION**

The Capital City of Warsaw, as the issuer of bonds admitted for trading on the regulated domestic market and the market regulated in Luxembourg, is obliged to fulfil its disclosure obligations in the manner specified by:

- the Act of 29 July 2005 on Trading in Financial Instruments (as amended) and the Act of 29 July 2005 on public offers and the conditions for introducing financial instruments to the organised trading system and on public companies (as amended).
- the Regulation of the Minister of Finance from 19 February 2009 on current and periodic information disclosed by issuers of securities and the recognition of information required by the law of a non-member State (as amended).
- the Luxembourg Stock Exchange (LSE) regulations and the regulations applicable to the parallel stock exchange operated by Warsaw Stock Exchange (WSE) in Warsaw and the over-the-counter market operated by BondSpot S.A.

### **I.1. Statements by the Mayor of the Capital City of Warsaw**

The Capital City Warsaw ("the Issuer") ensures that to the best of its knowledge (after making an effort to verify this assurance) the annual financial statements and comparative figures have been prepared in accordance with current accounting principles and reflect in a true and fair manner the financial position of the Issuer and its financial performance. The report on the Issuer's activities provides a true picture of the development, achievements and situation of the Issuer, including a description of the main threats and risks.

In addition, the Issuer ensures that the entity authorised to inspect financial statements, which audited the annual financial statements, was chosen in accordance with the law, and the entity and the auditors who inspected the financial statements fulfilled the conditions for expressing an objective and independent opinion on the audited annual financial statements, in accordance with current regulations and professional standards.

All references herein to "PLN" stand for the currency of the Polish Republic. Any reference in the Annual Report to the law should be interpreted as a reference to the content of that regulation with every single amendment, or, if it had been repealed or had expired, to the regulation which it repealed, or that it regulates essentially the same matter as the repealed law.

This Annual Report for the year 2010 should be read along with: (i) the separate report on the implementation of the budget of the Capital City of Warsaw for the years 2009, 2010 (ii) periodic reports (if they were written and made accessible), (iii) information and documents published on the Capital City of Warsaw's website [www.bip.warszawa.pl](http://www.bip.warszawa.pl) or presented in another way to the public.

## **II. MAJOR ACHIEVEMENTS / FAILURES OF THE ISSUER IN 2010 AND PROSPECTS FOR DEVELOPMENT**

The total revenue for the Capital City of Warsaw in 2010 amounted PLN 10,446.9 million and accounted for 102.2% of the plan. The total expenditure amounted to PLN 12,100.7 million and in relation to the plan accounted for 93.4%. For current tasks PLN 9,509.2 million was spent, and the rate of plan realisation was 95.5%. The amount of capital expenditure was PLN 2,591.5 million, and the level of plan realisation was 86.5%. In comparison with 2009, capital expenditure was higher by as much as 23%, i.e. in the amount of PLN 489.9 million. Debt in 2010 amounted to PLN 5,289.1 million that constituted 99.4% of the plan. Debt as at 31 December 2010 represented 50.6% of total revenue and was lower than the statutory limit of 60% of revenue and the internally-imposed limit of 55% of revenue written in the long-term debt policy of the Capital City of Warsaw.

In 2010, Warsaw maintained a high level of investment, whose aggregated amount was PLN 2,591.5 million. For the third year in a row, the limit was exceeded by PLN 2 billion earmarked for investment. The biggest tasks for 2010 included:

- the construction of the Copernicus Science Centre: the plan PLN 170.7 million, PLN 161 million implemented,
- the construction of the Trasa Mostu Północnego route: the plan PLN 500.8 million, PLN 500.7 million implemented,
- development of recreation sports land at Łazienkowska Street: the plan PLN 207.3 million, PLN 185 million implemented,
- the design and construction of the second underground line: the plan PLN 120.4 million, PLN 120 million implemented,
- the modernisation of Jerozolimskie Avenue on the section from Rondo Zesłańców Syberyjskich – Łopuszańska, the construction of Łopuszańska - Kleszczowa interchange: the plan PLN 100 million, PLN 99 million implemented,
- the construction of the streets: 17-go Stycznia - Cybernetyki: the plan PLN 67.9 million, PLN 64.3 million implemented,
- the redevelopment of Andersa Street: the plan PLN 61.5 million, PLN 61.5 million implemented,
- the construction and modernization of the multifunctional centre for people with Alzheimer's disease : the plan PLN 25 million, PLN 12.5 million implemented.

In the past year, substantial funding was also paid to the following investments in order to meet the needs of residents, improve their standard of living and the functioning of the City:

- in the field of transport and communication: the construction of a second carriageway on Wilanowska Avenue on the section of Sobieskiego Street and Dolina Służewiecka Street, the construction of Rzeczpospolita Avenue from Wilanowska Avenue to Płaskowicka Street, the reconstruction of Francuska and Paryska Streets, the construction of a roundabout at the intersection of Patriotów and Izbińska Streets, the modernisation of the bridge over the PKP railway along Powązkowska Street, and the reconstruction of Deotymy Street on the section of Obozowa and Górczewska Streets, as well as other investments discussed in detail in the subsequent sections of this report.
- in the field of culture and the protection of cultural heritage: the reconstruction and adaptation of Fort Sokołnicki to the needs of cultural institutions, the reconstruction of the Teatr Powszechny building, the renovation and adaptation of Warsaw's old town cellars for cultural purposes due to entry onto the UNESCO World Heritage List and the construction of the Museum of the History of Polish Jews.
- in the field of sport and recreation: the expansion of the football stadium on Łazienkowska Street, the modernisation of tennis courts on Myśliwiecka Street, the construction of a swimming pool and a sports hall on Wiertnicza Street, the construction of a sports and recreation centre "Okęcie" on Gładka Street, the construction of a swimming pool in Wawer, the construction of

security systems in the stadium on Konwiktorska Street and the construction of a multipurpose sports and recreation centre on Namysłowska Street.

- in the field of healthcare and social assistance: the expansion and modernisation of the Holy Family Hospital, the reconstruction and expansion the Praski Hospital, the expansion and modernisation of the Warsaw SPZLO Ursynow Clinic, the modernisation and expansion of the "Inflancka" Hospital and Warsaw Children's Hospital, and the construction of the Welfare and Education Centre Gocław.
- in the field of education (the development of an educational base): the modernisation of the following facilities: the Primary School No. 206 and the Special School on Barłuczna Street, Secondary School No. 39 on 20 Linde Street, the Primary School No. 112 on Berensona Street, the complex of school-educational-revalidation facilities No. 1 on Bełska Street, the construction of a kindergarten and nursery complex on Muszłowa/Powstańców Śląskich Streets, the construction of a sports hall in Lower Secondary School No. 119 on Klimatyczna Street, and the construction of gymnasiums, sports fields, indoor swimming pools and dining halls in selected facilities.

Last year, international rating agencies Moody's Investors Service and Fitch Ratings confirmed the assessment of the creditworthiness of the Capital City of Warsaw as A2 level and AAA (pol), both with a stable outlook. These ratings confirm good financial city management in the times of economic downturn, and provide credible financing plans for future development.

The City development strategy in a 15 years perspective as described by the Capital City of Warsaw Development Strategy to 2020 was passed on 24 November 2005 by City Council Resolution No. LXII/1789/2005. At the end of 2010, the enforcement of the Strategy provisions were ranked at a level slightly lower than the desired value. Tasks are not completed at one pace. In the scope of the strategic goal - a modern economy based on knowledge – established achievements progress much faster than the assumed pace. The same applies to the improvement in the environment, the increase in Warsaw's attractiveness for residents and visitors and to organising public spaces facilitating the integration of residents. The priority of the capital city remains the improvement of the quality of the infrastructure, the strengthening of tradition based on cultural and natural heritage, the strengthening of Warsaw's role as an European economic, financial, scientific and political centre, and the spatial integration of the left bank and right bank Warsaw. The prospects for city development in the near period define the basic assumptions of the budget for 2011.

The budget of the Capital City of Warsaw for 2011 assumes that, in comparison to 2010, nominal revenue will rise by 8,7%, while expenditure will be higher by 13,7%. It is expected that the total revenue will amount to PLN 11,358.5 million, of which PLN 9,841.4 million will be current and PLN 1,517.1 will be capital. Expenditure was planned to be PLN 13,755.6 million. 73.6% of spending will be allocated to current activities in 2011, while investments will consume 26.4% of resources. This means growth in capital expenditure in total in relation to the years 2009-2010 by 7.9 percentage points and by 5 percentage points respectively. Capital expenditure planned for 2011 totalling PLN 3.628 million include the financing of investment projects totalling PLN 3,569.8 million and other capital expenditure amounting to PLN 58.3 million.

The major investments included in the investment plan for 2011 include: the construction of the Trasa Mostu Północnego route, the modernisation of Jerozolimskie Avenue - the construction of the Kleszczowa and Łopuszańska Streets' interchange, the construction of the Siekierkowska and Świętokrzyska routes, the modernisation of Marsa-Żołnierska streets, the reconstruction of Andersa Street, the extension of Łodygowa Street, and the construction of Nowolazurowa Street. It is planned to continue the work on the second underground line's central section, the construction of the tram line to Tarchomin and a road system to Światowida and Projektowana Streets, and the construction of strategic car parks "Park & Drive" (second stage).

In the budget for 2011 resources were also secured to increase the quality of services provided through, among other things, the financing of investment projects carried out by Grochowski

Hospital, Praski Hospital, Świętej Zofii Hospital, Warsaw Children's Hospital, the providing funds for the construction of Southern Hospital and the expansion and the reconstruction of the school building in a branch of the Nursing Home "Na Przedwiośniu", the construction of the Museum of the History of Polish Jews, the Museum of Warsaw Praga and for beginning work on the construction of the Modern Art Centre. In other areas, resources were secured for, among other things, the financing of the management of the Vistula River banks, the construction of an integrated Workstation for Coordination and Response for the Capital City of Warsaw, the construction of more houses in several districts of Warsaw, including Bemowo, Mokotów, Praga Północ, Targówek, Ursynów, Włochy, and Żoliborz, the revitalisation of the Praga Północ and Wola districts, and the expansion and construction of a school complex, primary schools and kindergartens.



### III. THE FINANCIAL SITUATION OF THE ISSUER

#### III.1. Selected financial data

Below is the performance for the year 2010 in accordance with the report on the implementation of the budget of the Capital City of Warsaw for 2010, submitted for the opinion of the Regional Chamber of Audit.

##### III.1.1. General data (million PLN/EUR<sup>1</sup>)

	2009		2010	
	PLN	EUR	PLN	EUR
Current revenue	9 649.0	2 348.7	9 843.1	2 485.5
Capital revenue	467.7	113.8	603.8	152.5
<b>Total revenue</b>	<b>10 116.7</b>	<b>2 462.5</b>	<b>10 446.9</b>	<b>2 638.0</b>
Current expenditure	9 246.6	2 250.8	9 509.2	2 401.1
including:				
The cost of debt servicing	120.1	29.2	208.7	52.7
Capital expenditure	2 101.6	511.6	2 591.5	654.4
<b>Total expenditure</b>	<b>11 348.2</b>	<b>2 762.4</b>	<b>12 100.7</b>	<b>3 055.5</b>
<b>Current result</b>	<b>402.4</b>	<b>98.0</b>	<b>333.9</b>	<b>84.3</b>
(Current revenue – current expenditure)				
<b>Capital result</b>	<b>-1 633.9</b>	<b>-397.7</b>	<b>-1 987.7</b>	<b>-501.9</b>
(Capital revenue – capital expenditure)				
<b>Surplus / Deficit</b>	<b>-1 231.5</b>	<b>-299.9</b>	<b>-1 653.8</b>	<b>-417.5</b>
Total income	3 178.3	773.6	3 209.9	810.5
Total expenses	708.7	172.5	203.8	51.5
<b>The budget outturn</b>	<b>1 238.1</b>	<b>301.2</b>	<b>1 352.3</b>	<b>341.5</b>

##### III.1.2. Current revenue (million PLN/EUR<sup>1</sup>)

	2009		2010	
	PLN	EUR	PLN	EUR
Taxes and fees total	1 553.4	378.1	1 695.5	428.1
Shares in taxes that constitute State budget revenue	4 169.2	1 014.8	3 900.7	984.9
Revenue from property	979.5	238.4	1 047.2	264.4
Receipts from services	938.3	228.4	942.0	237.9
Other	402.6	98.0	574.9	145.2
<b>Own revenue</b>	<b>8 043.0</b>	<b>1 957.7</b>	<b>8 160.3</b>	<b>2 060.5</b>
Subsidy total	1 214.0	295.5	1 262.0	318.7
Ear-marked subsidy from the State budget	364.3	88.7	377.2	95.2
Other, including EU funds	27.6	6.7	43.7	11.0
<b>Transfers</b>	<b>1 605.9</b>	<b>390.9</b>	<b>1 682.9</b>	<b>424.9</b>
<b>Total current revenue</b>	<b>9 649.0</b>	<b>2 348.7</b>	<b>9 843.1</b>	<b>2 485.5</b>

### III.1.3. Current expenditure by type (million PLN/EUR<sup>1</sup>)

	2009		2010	
	PLN	EUR	PLN	EUR
Wages and salaries	2 850.4	693.8	3 017.7	762.0
Expenses related to the implementation of tasks resulting from the status	4 104.9	999.2	4 109.0	1 037.5
Grants	1 810.2	440.6	1 785.2	450.8
Including: the payment of the part which balances general subsidies	1 018.0	247.8	965.9	243.9
Benefits for individuals	319.6	77.8	334.7	84.5
Expenses on programmes financed by the EU	29.1	7.1	42.5	10.7
Debt servicing	120.1	29.2	208.7	52.7
Guarantees	12.3	3.0	11.4	2.9
<b>Total current expenditure</b>	<b>9 246.6</b>	<b>2 250.8</b>	<b>9 509.2</b>	<b>2 401.1</b>

As at 31 December 2010, the total value of the Capital City of Warsaw's **guarantees amounted to PLN 103.3 million** and consisted mainly of guarantees issued between 2008 and 2009 to Healthcare Institutions and Social Housing Associations. In 2010, the city did not provide new guarantees but made payments in the amount of PLN 11.4 million in this regard..

### III.1.4. Capital revenue (million PLN/EUR<sup>1</sup>)

	2009		2010	
	PLN	EUR	PLN	EUR
Revenue from the sale of premises and real property	174.5	42.5	175.1	44.2
Disposal of property rights – sale of shares in companies	0.5	0.1	0.5	0.1
Revenue from the conversion of perpetual usufruct into ownership	6.4	1.6	8.9	2.2
Other	0.8	0.2	0.8	0.2
<b>Own revenue</b>	<b>182.2</b>	<b>44.4</b>	<b>185.3</b>	<b>46.7</b>
Funds for financing projects under EU programmes	233.6	56.9	372.2	94.0
Ear-marked grants from the State budget received on investments	4.9	1.2	4.7	1.2
Other	47.0	11.4	41.7	10.5
<b>Transfers</b>	<b>285.5</b>	<b>69.5</b>	<b>418.6</b>	<b>105.7</b>
<b>Total capital revenue</b>	<b>467.7</b>	<b>113.8</b>	<b>603.8</b>	<b>152.5</b>

For the calculation of values given in euro the exchange rates were adopted from 31.12.2009 (1 euro = 4.1082 PLN) and 31.12.2010 (1 EUR = 3.9603 PLN)

### III.2. Debt

#### III.2.1. Summary table (million PLN/EUR<sup>1</sup>)

	2009		2010	
	PLN	EUR	PLN	EUR
<b>Balance at the beginning of year</b>	<b>2 260.7</b>	<b>550.3</b>	<b>4 023.7</b>	<b>1 016.0</b>
Credits and loans	550.0	133.9	500.0	126.3
Issue of bonds	1 456.9	354.6	971.4	245.3
<b>Income from financing</b>	<b>2 006.9</b>	<b>488.5</b>	<b>1 471.4</b>	<b>371.6</b>
Payment of principal instalments from credits and loans	202.2	49.2	197.3	49.8
Redemption of bonds	6.0	1.5	6.5	1.6
<b>Payment of obligations</b>	<b>208.2</b>	<b>50.7</b>	<b>203.8</b>	<b>51.5</b>
Exchange differences	-35.7	-8.7	-2.2	-0.6
<b>Balance at the end of year</b>	<b>4 023.7</b>	<b>979.4</b>	<b>5 289.1</b>	<b>1 335.5</b>

The issuer's **income from new debt** in 2010 totalled **PLN 1,471.4 million** and consisted of PLN 500 million from credits and PLN 971.4 million from issuing bonds.

The issuer's **expenses due to the debt amortisation** in 2010 totalled **PLN 203.8 million** and consisted of PLN 197.3 million from payments of principal instalments of credits and loans and the amount of PLN 6.5 million due to the bonds redemption for the Białotłęka district, D Series (the date of redemption was 18 October 2010).

As at 31 December 2010 the Capital City of Warsaw's **debt** amounted to **PLN 5,289.1 million**, of which corresponds to **loans and credits** equalled **PLN 2,897.6 million**, and **bonds PLN 2,391.5 million**.

In 2010, the Capital City of Warsaw subscribed two new credit agreements with international financial institutions such as the European Investment Bank and the Council of Europe Development Bank. The credit agreement with the European Investment Bank was concluded for a period of 20 years and was for PLN 500 million, in order to finance municipal infrastructure. The loan bears interest at a variable rate. On 22 November 2010, the first loan tranche was taken out in the amount of PLN 400 million. Using the remaining amount is scheduled for 2011.

A credit agreement with the Council of Europe Development Bank has been subscribed for a period of 20 years and is for PLN 200 million, in order to finance projects connected with the improvement of living conditions in urban and rural areas, health, education and professional training, the construction of infrastructure and public services in the field of administration and law. The loan bears interest at a variable rate. On 15 October 2010, the first loan tranche was taken out in the amount of PLN 100 million. Using the remaining amount is scheduled for 2011.

Together with the credits mentioned above, the Capital City of Warsaw had signed nineteen loan agreements up to 31 December 2010, of which 6 were subscribed with national institutions (*inter alia*, Pekao S.A., PKO BP S.A., NFOS) and 13 with international financial institutions (CEB, EIB).

In 2010, four series of bonds were issued on the domestic market, whose total value was PLN 999,411 million. On 17 February 2010 the Capital City of Warsaw issued twelve-year bonds of II series WAW0922 with a nominal value of PLN 300 million and a fixed coupon of 6.45% per annum. In April (15 April 2010) another issue of twelve-year bonds of III series WAA0922 took place, with the same nominal value and coupon as those issued in February. These bonds were assimilated with WAW0922 bonds and are registered under the same ISIN code. In May (6 May

2010) the IV series of seven-year bonds WAW1017 was issued with a nominal value of PLN 300 million and a fixed coupon of 5.35% per annum. The issues were public and were directed at institutional investors. The bonds were issued on the regulated Catalyst market. On 12 October 2010, the Capital City of Warsaw issued fifteen-year bonds WAA1025 of V series, with a nominal value of PLN 99.411 million and a fixed coupon of 6.40% per annum. The issue was non-public. All series of bonds were issued under the Bond Issue Programme established by agreement with the organisers on 10 July 2009 for the amount of PLN 4 billion. Both the Programme and all the issues within the Programme were AAA (pol.) rated by Fitch Ratings agency.

The purpose of the bond issue mentioned above was to raise funds to finance the planned budget deficit.

Together with the above bonds, the Capital City of Warsaw, as of 31 December 2010, had issued five series of bonds on the domestic market, and one series on the foreign market (Eurobonds).

### III.2.2. Debt ratio (%)

	2007	2008	2009	2010
		implemented		
Increase in liabilities in total (r/r)	-10.8	-0.7	78.0	31.4
Proportion of debt in foreign currencies	1.0	1.0	20.9	15.3
Total Liabilities / Total revenue	23.3	22.0	39.8	50.6
Total Liabilities / Current revenue	24.8	23.6	41.7	53.7
Total Liabilities / Operating surplus	126.0	194.8	999.9	1 583.9
Debt servicing / Total revenue	3.9	5.7	3.4	4.1
Debt servicing / Current revenue	4.2	6.1	3.5	4.3
Interest / Current revenue	1.2	1.3	1.2	2.1

### III.2.3. Debt forecast for 2011-2014 (million PLN)

Data in accordance with Resolution of the City Council No. VI/100/2011 of 13 January 2011 on the Multi-year Financial Forecast of the Capital City of Warsaw for 2011 – 2033.

	2010	2011	2012	2013	2014
	implemented	plan		forecast	
<b>Total revenue</b>	<b>10 446.9</b>	<b>11 358.5</b>	<b>11 738.6</b>	<b>12 173.1</b>	<b>12 309.1</b>
<b>Total expenditure</b>	<b>12 100.7</b>	<b>13 755.6</b>	<b>12 336.8</b>	<b>12 439.8</b>	<b>11 892.7</b>
Including the cost of debt servicing	208.7	426.5	465.4	528.0	493.8
<b>Deficit / Surplus</b>	<b>-1 653.8</b>	<b>-2 397.1</b>	<b>-598.2</b>	<b>-266.6</b>	<b>416.4</b>
New debt income	1 471.4	800.0	470.0	950.0	0.0
Payment of principal instalments	203.8	229.4	209.4	974.8	171.3
<b>Total obligations</b>	<b>5 289.1</b>	<b>5 894.0</b>	<b>6 154.6</b>	<b>6 129.8</b>	<b>5 958.5</b>
<b>Debt servicing ratio</b>					
(calculated acc. with article 169 of the Public Finance Act)	<b>4.06%</b>	<b>6.04%</b>	<b>5.95%</b>	<b>12.53%</b>	<b>5.58%</b>
<b>Debt ratio</b>					
(calculated acc. article 170 of the Public Finance Act)	<b>50.63%</b>	<b>51.89%</b>	<b>52.43%</b>	<b>50.36%</b>	<b>48.41%</b>

The Multi-year Financial Forecast is a new instrument of financial management for the Capital City of Warsaw and is part of the three-year financial plans of the City implemented in 2008. The forecast also includes information contained in the document named "Debt policy of the Capital City of Warsaw (selected items) and the prognosis of debt of the Capital City of Warsaw for the years 2010-2033".

The obligation to provide a Multi-year Financial Forecast by Local Governments units was imposed by the Act of 27 August 2009 on public finance (Journal of Laws No. 157, item 1240, as amended). The full version of the document, together with descriptions, is available on the website of the Public Information Bulletin ([www.bip.warszawa.pl](http://www.bip.warszawa.pl)) in the section Budget and Financial Policy of the City of Warsaw.

### III.3. International rating

On 16 December 2010, the international rating agency Moody's Investors Service updated the international rating of Warsaw issued on 20 December 2007. Moody's Investors Service upheld the city's ranking at the same level.

Rating: **A2 with a stable outlook.**

The key reasons for Moody's rating are:

- positive economic and social indicators,
- good indicators of current activity in recent years,
- low debt and debt servicing ratios.

The rating takes into account the city's fulfilment of formal requirements, the ability to generate stable revenue from taxes and the ability to control expenditure growth. The rating also takes into account changes in the financial position of the City, and increases in debt resulting from a very ambitious programme of investment in infrastructure.

The full analysis of Warsaw's credit potential is available by logging onto the rating agency website [www.moodys.com](http://www.moodys.com).

### III.4. National scale rating

On 13 April 2011 the international rating agency Fitch Ratings affirmed the national scale long-term rating of Warsaw issued on 18 May 2009.

Rating: **AAA (pol) with stable outlook.**

The rating takes into account the well-developed and diversified local economy, the strong tax base, high liquidity and safe debt ratios.

The Stable Outlook rating reflects Fitch's expectations that, despite the reduction in personal income thresholds and the economic downturn, the city's operating performance will remain at a satisfactory level, due to the close control of operating expenses, which will help to maintain safe debt ratios, despite the planned increase in debt.

On 13 April 2011, Fitch Ratings confirmed the long-term national scale rating issued on 16 July 2009 for the Bond Issue Programme of the Capital City of Warsaw established on 10 July 2009 in the amount of PLN 4 billion. The rating applies to bonds which will be offered on the domestic market.

Rating: **AAA (pol) with a stable outlook.**

The rating takes into account the well-developed and diversified local economy, the strong tax base, high liquidity and safe debt ratios. The rating also reflects the reduction in personal income thresholds from 2009 and the economic downturn, which may affect city's operating results over the next two years.

The rating also takes into account the planned increase in debt and Warsaw's indirect obligations that come from high investment outlays and city companies and the risk from the health-care sector.

The full analysis of Warsaw's credit potential is available by logging onto <http://www.fitchpolska.com.pl> rating agency.

## IV. ANNUAL FINANCIAL STATEMENT

### IV.1. Balance sheet on the implementation of the City's budget

		2010	
		As at the beginning of the year	As at year end
<b>ASSETS</b>			
CASH		1 367,5	1 465,8
Funds		1 367,5	1 465,8
- budget funds		1 364,6	1 465,8
- aid funds		2,9	0,0
- other funds		0,0	0,0
RECEIVABLES AND SETTLEMENTS		628,7	169,4
Financial receivables		500,6	0,0
- short-term (up to 12 months)		500,6	0,0
- long-term (over 12 months)		0,0	0,0
Budget receivables		125,4	161,6
Other receivables and settlements		2,7	7,8
OTHER ASSETS		0,0	0,0
Prepayments and accruals		0,0	0,0
<b>TOTAL ASSETS</b>		<b>1 996,2</b>	<b>1 635,2</b>
<b>LIABILITIES</b>			
CREDITORS		3 999,6	5 241,9
Financial liabilities:		3 991,0	5 228,5
- short-term (up to 12 months)		203,9	214,8
- long-term (over 12 months)		3 787,1	5 013,7
Budget liabilities		5,0	1,8
Other liabilities		3,6	11,6
BUDGET NET ASSETS		-2 090,4	-3 702,1
Budget implementation surplus (+) or shortage (-)		-1 231,5	-1 653,8
- budget surplus (+)		0,0	0,0
- budget shortage (-)		-1 162,3	-1 479,7
- non-executed expenditures (-)		-162,0	-174,1
- gains/losses of aid funds (+,-)		92,8	0,0
Gains/losses on non-cash operations (+,-)		68,3	30,0
Provision for permanent appropriations		162,0	174,1
Aid funds		210,5	0,0
Privatisation funds		0,1	0,0
Accumulated surplus or shortage of budget resources (+,-)		-1 299,8	-2 252,4
OTHER LIABILITIES		87,0	95,4
Accruals		87,0	95,4
<b>TOTAL LIABILITIES</b>		<b>1 996,2</b>	<b>1 635,2</b>

## IV.2. The combined balance of local government budget entities

Nazwa i adres jednostki sprawozdawczej: <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00 - 950 Warszawa</b>				BILANS łącznie <b>jednostek budżetowych</b> sporządzony na dzień 31 grudnia 2010 roku		Adresat: 1. Regionalna Izba Obrachunkowa 2. a/a	
Numer identyfikacyjny REGON: 015259640				w groszach			
A K T Y W A		stan na początek roku 01.01.2009	stan na koniec roku 31.12.2009	P A S Y W A		stan na początek roku 01.01.2009	stan na koniec roku 31.12.2009
A. AKTYWA TRWAŁE	104 575 072 411,81	72 883 582 341,09	A. FUNDUSZ	104 945 663 389,82	73 113 470 785,96		
I. Wartości niematerialne i prawne	12 495 807,17	9 894 743,20	I. Fundusz jednostki	102 050 937 912,40	70 813 577 933,81		
II . Rzeczowy majątek trwały	100 030 210 280,50	68 833 027 020,96	II. Wynik finansowy netto	2 894 725 477,42	2 299 625 507,44		
1. Środki trwałe	97 096 544 527,06	64 739 640 102,94	1.1 Zysk netto ( wielkość dodatnia )	7 170 111 675,93	6 811 258 062,72		
1.1.Grunty	87 945 403 525,90	55 079 327 769,25	1.2. Strata netto ( wielkość ujemna )	-4 275 386 198,51	-4 511 632 555,28		
1.2. Budynki, lokale i obiekty inżynierii lądowej i wodnej	8 762 182 230,94	9 371 346 852,79	III. Nadwyżka środków obrotowych (-)				
1.3. Urządzenia techniczne i maszyny	300 635 380,66	216 516 074,24	IV. Odpisy z wyniku finansowego (-)	0,00	0,00		
1.4. Środki transportu	35 430 494,86	29 128 163,62	V. Fundusz mienia zlikwidowanych jednostek		267 344,71		
1.5. Inne środki trwałe	52 892 894,70	43 321 243,04	VI. Inne				
2. Inwestycje rozpoczęte (środki trwałe w budowie)	2 932 751 442,34	4 093 371 654,09	B. FUNDUSZE CELOWE	74 041 372,15	2 404 176,18		
3. Środki przekazane na poczet inwestycji	914 311,10	15 263,93	Fundusz Ochrony Środowiska	50 353 738,23			
III. Należności długoterminowe	154 791 409,06	181 699 887,91	PFOŚ	7 098 383,45			
IV. Długoterminowe aktywa finansowe	4 377 574 915,08	3 858 693 344,31	FGZGiK	22 074 279,73	-205 489,54		
1.1. Akcje i udziały	4 377 574 915,08	3 858 693 344,31	Fundusz Pracy	-5 485 029,26	2 609 665,72		
1.2. Papiery wartościowe długoterminowe			C. ZOBOWIĄZANIA DŁUGOTERMINOWE	32 963 148,52	60 744 796,29		
1.3. Inne długoterminowe aktywa finansowe			D. ZOBOWIĄZANIA KRÓTKOTERMINOWE	717 251 774,70	1 735 415 531,01		
V. Wartości mienia zlikwidowanych jednostek		267 344,71	I. Zobowiązania krótkoterminowe	620 703 946,43	1 634 142 644,89		
B. AKTYWA OBROTOWE	1 288 903 527,35	2 113 895 919,66	1.1. Zobowiązania z tytułu dostaw i usług	76 781 809,56	127 272 049,38		
I. Zapasy	20 187 147,04	22 819 525,20	1.2. Zobowiązania wobec budżetów	32 248 855,84	44 330 675,20		
1.1. Materiały	20 132 854,20	22 699 476,95	1.3. Zobowiązania z tytułu ubezpieczeń społecznych	86 127 675,91	100 687 705,92		
1.2. Półprodukty i produkty w toku		5,25	1.4. Zobowiązania z tytułu wynagrodzeń	146 858 665,05	141 906 950,86		
1.3. Produkty gotowe		71 493,16	1.5. Pozostałe zobowiązania	127 759 256,48	173 937 325,90		
1.4. Towary	54 292,84	48 549,84	1.6. Sumy obce ( depozyty, zabezpieczenie wykonania umów)	145 448 721,45	157 968 323,70		
II. Należności krótkoterminowe	919 660 597,04	1 161 174 103,18	1.7. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych	2 531 734,61	7 705 000,13		
1.1 Należności z tytułu dostaw i usług	185 042 401,40	177 183 801,14	1.8. Rezerwy na zobowiązania	2 947 227,53	880 334 613,80		
1.2 Należności od budżetów	35 675 498,20	56 541 347,42	II. Fundusze specjalne	96 547 828,27	101 272 886,12		
1.3 Należności z tytułu ubezpieczeń społecznych	360 051,09	317 977,51	1.1. Zakładowy Fundusz Świadczeń Socjalnych	92 515 297,92	97 001 886,92		
1.4. Należności wewnątrzzakładowe			1.2. Inne fundusze specjalne	4 032 530,35	4 270 999,20		
1.5. Pozostałe należności	698 396 734,52	926 828 106,97	E.ROZLICZENIA MIĘDZYOKRESOWE	93 988 515,59	85 353 379,80		
1.6. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych	185 911,83	302 870,14	I. Rozliczenia międzyokresowe przychodów	92 653 614,05	85 160 311,36		
III. Środki pieniężne	317 238 591,90	258 996 693,87	II. Inne rozliczenia międzyokresowe	1 334 901,54	193 068,44		
1.1 Środki pieniężne w kasie	204 584,01	251 237,29	F. INNE PASYWA	115 559,87	115 559,87		
1.2 Środki pieniężne na rachunkach bankowych	214 585 782,52	195 518 793,12	wyroki sądowe	115 559,87	115 559,87		
1.3 Inne środki pieniężne	102 448 225,37	63 226 663,46	środki finansowe na 2006				
IV. Krótkoterminowe papiery wartościowe		615 144 235,00					
V. Rozliczenie międzyokresowe (czynne)	31 817 191,37	55 761 362,41					
C. INNE AKTYWA	47 821,49	25 968,36					
SUMA AKTYWÓW	105 864 023 760,65	74 997 504 229,11	SUMA PASYWÓW	105 864 023 760,65	74 997 504 229,11		

A. Objasnienie-wykazane w bilansie wartości trwałych i obrotowych są pomniejszone odpowiednio o umorzenie i odpisy aktualizujące.

B. Informacje uzupełniające istotne dla rzetelności i przejrzystości sytuacji finansowej i majątkowej.

- Umorzenia wartości niematerialnych i prawnych 90.099.986,84
- Odpisy aktualizujące należności 626.226.940,28
- Umorzenie środków trwałych 4.583.913.945,91
- Umorzenie pozostałych środków trwałych 403.957.565,97
- Umorzenie zbiorów bibliotecznych 4.824.356,50
- Odsetki naliczone od należności i niezapł 293.842.056,59
- Odpisy aktywizujące długoterminowe aktywa finansowe 116.721.820,48

### IV.3. Combined profit and loss account of local government budget entities

Nazwa i adres jednostki sprawozdawczej: <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00 - 950 Warszawa</b> Numer identyfikacyjny <b>REGON: 015259640</b>	<b>Łączny</b> <b>Rachunek zysków i strat</b> <b>(wariant porównawczy)</b> jednostek budżetowych <b>sporządzony na dzień 31.12.2010r.</b>	Adresat: <b>Regionalna Izba</b> <b>Obrachunkowa</b>  wysłać bez pisma przewodniego	
		<b>Stan na koniec</b> <b>roku poprzedniego</b>	<b>Stan na koniec</b> <b>roku bieżącego</b>
<b>A. Przychody netto ze sprzedaży i zrównanie z nimi w tym:</b>	<b>10 334 872 842,24</b>	<b>10 654 412 671,89</b>	
I. Przychody netto ze sprzedaży produktów	2 049 073 656,68	2 124 866 121,21	
I. w tym: dotacje zaliczane do przychodów (podmiotowe, przedmiotowe, na pierwsze wyposażenie w środki obrotowe)			
II. Zmiana stanu produktów (zwiększenie - wartość dodatnia, zmniejszenia - wartość ujemna)	84 151,52	637 662,80	
III. Koszt wytworzenia produktów na własne potrzeby jednostki	-1 994,00	496,00	
IV. Przychody netto ze sprzedaży towarów i materiałów	1 280 212,35	1 456 897,59	
V. Pozostałe dochody budżetowe	8 284 436 815,69	8 527 451 494,29	
<b>B. Koszty działalności operacyjnej</b>	<b>7 801 119 406,16</b>	<b>8 090 701 952,85</b>	
I. Amortyzacja	492 596 206,47	528 635 446,58	
II. Zużycie materiałów i energii	664 265 140,43	652 927 321,08	
III. Usługi obce	3 044 561 891,52	3 110 046 824,45	
IV. Podatki i opłaty	141 659 996,26	155 881 776,83	
V. Wynagrodzenia	2 488 846 748,81	2 623 689 570,81	
VI. Ubezpieczenia społeczne i inne świadczenia dla pracowników	544 723 727,45	575 424 862,88	
VII Pozostałe koszty rodzajowe	124 696 219,29	105 629 947,46	
VII Wartość sprzedanych towarów i materiałów	1 114 968,84	1 351 339,21	
IX. Udzielone dotacje			
X. Inne świadczenia finansowane z budżetu	285 733 228,04	334 290 708,36	
XI. Pozostałe obciążenia	12 921 279,05	2 824 155,19	
<b>C. Zysk (strata) ze sprzedaży (A-B)</b>	<b>2 533 753 436,08</b>	<b>2 563 710 719,04</b>	
<b>D. Pozostałe przychody operacyjne</b>	<b>691 623 307,19</b>	<b>1 044 186 283,81</b>	
I. Zysk ze zbycia niefinansowych aktywów trwałych	39 981 059,52	66 566 104,79	
II. Dotacje	<b>28 963 182,88</b>	<b>36 901 364,85</b>	
III. Pokrycie amortyzacji	492 596 206,47	528 532 561,54	
IV. Inne przychody operacyjne	130 082 858,32	412 186 252,63	
<b>E. Pozostałe koszty operacyjne</b>	<b>240 649 999,24</b>	<b>1 212 739 516,88</b>	
I. Koszty inwestycji finansowanych ze środków własnych zakładów budżetowych i dochodów własnych jednostek budżetowych	511 010,08	1 454 859,19	
II. Pozostałe koszty operacyjne	240 138 989,16	1 211 284 657,69	
<b>F. Zysk (strata) z działalności operacyjnej (C+D-E)</b>	<b>2 984 726 744,03</b>	<b>2 395 157 485,97</b>	
<b>G. Przychody finansowe</b>	<b>236 763 420,19</b>	<b>267 551 531,41</b>	
I. Dywidendy i udziały w zyskach	19 136 200,24	36 414 771,36	
II. Odsetki	135 604 459,37	134 303 450,57	
III. Inne	82 022 760,58	96 833 309,48	
<b>H. Koszty finansowe</b>	<b>326 890 358,80</b>	<b>363 276 804,45</b>	
I. Odsetki	226 558 561,01	253 830 865,22	
II. Inne	100 331 797,79	109 445 939,23	
<b>I. Zysk (strata) z działalności gospodarczej (F+G-H)</b>	<b>2 894 599 805,42</b>	<b>2 299 432 212,93</b>	
<b>J. Wynik zdarzeń nadzwyczajnych (J.I. - J.II.)</b>	<b>125 672,00</b>	<b>193 294,51</b>	
I. Zyski nadzwyczajne	125 672,00	259 436,93	
II. Straty nadzwyczajne		66 142,42	



#### IV.4. A combined statement of changes in fund balances of local government budgetary entities

Nazwa i adres <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00 - 950 Warszawa</b>		<b>Łączne zestawienie zmian w funduszu jednostki jednostek budżetowych</b>  <b>sporządzone na dzień 31.12.2010r.</b>	Adresat: <b>Regionalna Izba Obrachunkowa</b>	
Numer identyfikacyjny <b>REGON: 015259640</b>			wysłać bez pisma przewodniego	
			<b>Stan na koniec roku poprzedniego</b>	<b>Stan na koniec roku bieżącego</b>
<b>I. Fundusz jednostki na początek okresu (BO)</b>			<b>100 136 410 758,34</b>	<b>102 050 937 912,40</b>
<b>II. Zwiększenia funduszu (z tytułu)</b>			<b>26 651 110 923,81</b>	<b>24 099 604 789,44</b>
II.1. Zysk bilansowy za rok ubiegły			7 542 985 916,67	7 275 037 513,04
II.2. Zrealizowane wydatki budżetowe			11 304 091 496,42	12 046 320 186,49
II.3. Dotacje, środki na inwestycje, odpisy z wyniku finansowego na inwestycje			1 595 755 326,30	2 128 534 212,02
II.4. Aktualizacja środków trwałych				
II.5. Nieodpłatnie otrzymane środki trwałe i inwestycje			1 219 383 267,07	827 482 303,59
II.6. Aktywa przejęte od zlikwidowanych jednostek			561 609,28	44 436 467,08
II.7. Środki obrotowe otrzymane w ramach centralnego zaopatrzenia				
II.8. Pozostałe odpisy z wyniku finansowego za rok bieżący				
II.9. Inne zwiększenia			4 988 333 308,07	1 777 794 107,22
<b>III. Zmniejszenia funduszu jednostki</b>			<b>24 736 583 769,75</b>	<b>55 336 964 768,03</b>
III.1 Strata za rok ubiegły			4 114 774 585,89	4 380 828 092,73
III.2 Zrealizowane dochody budżetowe			10 100 827 177,28	10 446 926 749,84
III.3 Rozliczenie wyniku finansowego i środków obrotowych za rok ubiegły				54 576,11
III.4 Dotacje i środki na inwestycje			3 865 935 360,63	4 313 189 445,55
III.5 Pokrycie amortyzacji			492 596 206,47	528 532 799,40
III.6 Aktualizacja środków trwałych				
III.7 Wartość sprzedanych i nieodpłatnie przekazanych środków trwałych i inwestycji			483 549 325,04	666 470 020,99
III.8 Pasywa przejęte od zlikwidowanych jednostek			2 491 022,69	250 178,38
III.9 Środki obrotowe przekazane w ramach centralnego zaopatrzenia				
III.1 Inne zmniejszenia			5 676 410 091,75	35 000 712 905,03
w tym wartość gruntów obciążonych prawem wieczystego użytkowania				33 907 849 957,56
<b>IV. Fundusz jednostki na koniec okresu (BZ) (I+II-III)</b>			<b>102 050 937 912,40</b>	<b>70 813 577 933,81</b>
<b>V. Wynik finansowy netto za rok bieżący</b>			<b>2 894 725 477,42</b>	<b>2 299 625 507,44</b>
V.1. zysk netto			7 275 037 513,04	6 811 258 062,72
V.2. strata netto			4 380 312 035,62	4 511 632 555,28
<b>Nadwyżka dochodów własnych jednostek budżetowych, nadwyżka środków VI. obrotowych zakładów budżetowych, odpisy z wyniku finansowego gospodarstw pomocniczych jednostek budżetowych</b>				
<b>VII. Fundusz (IV+, -V-VI)</b>			<b>104 945 663 389,82</b>	<b>73 113 203 441,25</b>

## IV.5. A combined balance sheet of local government budgetary enterprises

Nazwa i adres jednostki sprawozdawczej <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00-950 Warszawa</b>		<b>BILANS łączny</b>  <b>zakładów budżetowych</b> sporządzony na dzień 31 grudnia 2010 roku		Adresat:  <b>Regionalna Izba</b> <b>Obrachunkowa</b>  Wysłać bez pisma przewodniego	
Numer identyfikacyjny REGON <b>015259640</b>					
<b>AKTYWA</b>	stan na początek roku	stan na koniec roku	<b>PASYWA</b>	stan na początek roku	stan na koniec roku
<b>A. AKTYWA TRWAŁE</b>	<b>740 002 042,04</b>	<b>869 657 459,92</b>	<b>A. FUNDUSZ</b>	<b>751 340 805,83</b>	<b>877 388 043,09</b>
I. Wartości niematerialne i prawne	95 283,89	77 712,59	I. Fundusz jednostki	748 221 199,03	880 395 461,14
II. Rzeczowy majątek trwały	739 906 758,15	869 579 747,33	II. Wynik finansowy netto	7 209 356,40	3 192 841,59
1. Środki trwałe	528 453 881,96	742 471 031,86	1.1 Zysk netto (wielkość dodatnia)	7 928 016,86	6 514 562,96
1.1. Grunty	7 887 934,16	7 887 934,16	1.2. Strata netto (wielkość ujemna)	-718 660,46	-3 321 721,37
1.2. Budynki, lokale i obiekty inżynierii lądowej i wodnej	477 164 369,54	697 415 873,24	III. Nadwyżka środków obrotowych (-)	-4 089 749,60	-6 200 259,64
1.3. Urządzenia techniczne i maszyny	23 008 675,22	19 484 456,02	IV. Odpisy z wyniku finansowego (-)		
1.4. Środki transportu	12 923 588,40	9 300 954,98	V. Fundusz mienia zlikwidowanych jednostek		
1.5. Inne środki trwałe	7 469 314,64	8 381 813,46	VI. Inne		
2. Inwestycje rozpoczęte (środki trwałe w budowie)	211 452 876,19	127 108 715,47	B. FUNDUSZE CELOWE		
3. Środki przekazane na poczet inwestycji			C. ZOBOWIĄZANIA DŁUGOTERMINOWE		
III. Należności długoterminowe			D. ZOBOWIĄZANIA KRÓTKOTERMINOWE	67 302 487,56	62 829 389,36
IV. Długoterminowe aktywa finansowe			I. Zobowiązania krótkoterminowe	64 432 265,19	59 870 520,98
1.1. Akcje i udziały			1.1. Zobowiązania z tytułu dostaw i usług	8 028 149,93	7 816 203,19
1.2. Papiery wartościowe długoterminowe			1.2. Zobowiązania wobec budżetów	9 795 313,12	9 426 715,43
1.3. Inne długoterminowe aktywa finansowe			1.3. Zobowiązania z tytułu ubezpieczeń społecznych	10 193 232,40	7 179 651,15
V. Wartości mienia zlikwidowanych jednostek			1.4. Zobowiązania z tytułu wynagrodzeń	8 729 973,84	8 354 956,83
B. AKTYWA OBROTOWE	79 085 152,09	70 727 062,29	1.5. Pozostałe zobowiązania	19 444 088,02	16 185 184,88
I. Zapasy	1 257 010,19	1 763 694,13	1.6. Sumy obce (depozyty, zabezpieczenie wykonania umów)	8 027 969,51	10 747 682,83
1.1. Materiały	995 362,14	1 507 681,44	1.7. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych		
1.2. Półprodukty i produkty w toku			1.8. Rezerwy na zobowiązania	213 538,37	160 126,67
1.3. Produkty gotowe			II. Fundusze specjalne	2 870 222,37	2 958 868,38
1.4. Towary	261 648,05	256 012,69	1.1. Zakładowy Fundusz Świadczeń Socjalnych	2 870 222,37	2 958 868,38
II. Należności krótkoterminowe	28 223 438,48	24 776 770,62	1.2. Inne fundusze specjalne		
1.1 Należności z tytułu dostaw i usług	4 864 846,79	5 001 387,47	E. ROZLICZENIA MIĘDZYOKRESOWE	443 900,74	167 089,76
1.2 Należności od budżetów	21 025 503,58	16 879 902,25	I. Rozliczenia międzyokresowe przychodów	443 900,74	37 570,09
1.3 Należności z tytułu ubezpieczeń społecznych	1 920,32	0,00	II. Inne rozliczenia międzyokresowe		129 519,67
1.4. Pozostałe należności	2 331 167,79	2 895 480,90	F. INNE PASYWA		
1.5. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych					
III. Środki pieniężne	49 173 646,21	43 911 313,75			
1.1 Środki pieniężne w kasie	254 305,73	160 317,04			
1.2 Środki pieniężne na rachunkach bankowych	45 859 358,07	42 759 064,54			
1.3 Inne środki pieniężne	3 059 982,41	991 932,17			
IV. Krótkoterminowe papiery wartościowe					
V. Rozliczenie międzyokresowe (czynne)	431 057,21	275 283,79			
C. INNE AKTYWA					
I. Nieobowiązkowe odpisy z wyniku finansowego					
II. Inne aktywa					
<b>SUMA AKTYWÓW</b>	<b>819 087 194,13</b>	<b>940 384 522,21</b>	<b>SUMA PASYWÓW</b>	<b>819 087 194,13</b>	<b>940 384 522,21</b>

A. Objaśnienie wykazane w bilansie wartości trwałych i obrotowych są pomniejszone odpowiednio o umorzenie i odpisy aktualizujące.

B. Informacje uzupełniające istotne dla rzetelności i przejrzystości sytuacji finansowej i majątkowej.

1. Umorzenie wartości niematerialnych i prawnych	1 116 135,90
2. Umorzenie środków trwałych	220 750 627,05
3. Umorzenie pozostałych środków trwałych	19 026 494,57
4. Odpisy aktualizujące należności	913 732,12
5. Odsetki naliczone od należności i niezapłacone	6 517 001,21

#### IV.6. A combined profit and loss account of local government budgetary enterprises

Nazwa i adres jednostki sprawozdawczej		Adresat:	
<b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00-950 Warszawa</b>		<b>Regionalna Izba</b> <b>Obrachunkowa</b>	
Numer identyfikacyjny REGON <b>015259640</b>		wysyłać bez pisma przewodniego	
		Stan na koniec roku poprzedniego	Stan na koniec roku bieżącego
<b>A.</b>	<b>Przychody netto ze sprzedaży i zrównanie z nimi w tym:</b>	<b>286 722 191,28</b>	<b>268 279 965,48</b>
I.	Przychody netto ze sprzedaży produktów	280 089 990,69	261 277 221,58
I.	w tym: dotacje zaliczane do przychodów (podmiotowe, przedmiotowe, na pierwsze wyposażenie w środki obrotowe)	80 692 068,11	79 139 295,49
II.	Zmiana stanu produktów (zwiększenie - wartość dodatnia, zmniejszenia - wartość ujemna)	4 810,70	-3 418,63
III.	Koszt wytworzenia produktów na własne potrzeby jednostki		
IV.	Przychody netto ze sprzedaży towarów i materiałów	6 351 781,12	6 966 162,53
V.	Pozostałe dochody budżetowe	275 608,77	40 000,00
<b>B.</b>	<b>Koszty działalności operacyjnej</b>	<b>306 551 130,74</b>	<b>294 207 346,91</b>
I.	Amortyzacja	29 203 606,67	30 904 064,46
II.	Zużycie materiałów i energii	55 665 058,54	62 627 178,75
III.	Usługi obce	51 795 246,95	39 526 809,88
IV.	Podatki i opłaty	8 130 061,30	7 419 564,43
V.	Wynagrodzenia	122 762 945,55	126 090 616,90
VI.	Ubezpieczenia społeczne i inne świadczenia dla pracowników	26 626 417,32	26 276 666,94
VII.	Pozostałe koszty rodzajowe	12 335 471,73	1 340 004,56
VIII.	Wartość sprzedanych towarów i materiałów	32 322,68	22 440,99
IX.	Udzielone dotacje		
X.	Inne świadczenia finansowane z budżetu		
XI.	Pozostałe obciążenia		
<b>C.</b>	<b>Zysk (strata) ze sprzedaży (A-B)</b>	<b>-19 828 939,46</b>	<b>-25 927 381,43</b>
<b>D.</b>	<b>Pozostałe przychody operacyjne</b>	<b>30 884 424,04</b>	<b>31 591 376,89</b>
I.	Zysk ze zbycia niefinansowych aktywów trwałych	9 017,79	6 983,00
II.	Dotacje		
III.	Pokrycie amortyzacji	29 203 606,67	30 904 064,46
IV.	Inne przychody operacyjne	1 671 799,58	680 329,43
<b>E.</b>	<b>Pozostałe koszty operacyjne</b>	<b>3 336 166,27</b>	<b>2 081 738,87</b>
I.	Koszty inwestycji finansowanych ze środków własnych zakładów budżetowych i dochodów własnych jednostek budżetowych	2 923 242,18	1 298 124,34
II.	Pozostałe koszty operacyjne	412 924,09	783 614,53
<b>F.</b>	<b>Zysk (strata) z działalności operacyjnej (C+D-E)</b>	<b>7 719 318,31</b>	<b>3 582 256,59</b>
<b>G.</b>	<b>Przychody finansowe</b>	<b>1 054 438,33</b>	<b>657 310,86</b>
I.	Dywidendy i udziały w zyskach		
II.	Odsetki	1 023 541,28	657 235,68

#### IV.7. A combined statement of changes in fund balances of local government budgetary enterprises

Nazwa i adres jednostki sprawozdawczej  <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00-950 Warszawa</b>  Numer identyfikacyjny REGON <b>015259640</b>	Łączne Zestawienie zmian w funduszu (wariant porównawczy)  <b>Zakładów budżetowych</b> <b>sporządzony na dzień 31.12.2010</b>	Adresat:  <b>Regionalna Izba</b> <b>Obrachunkowa</b>  wysłać bez pisma przewodniego
		Stan na koniec roku poprzedniego      Stan na koniec roku bieżącego
<b>I. Fundusz jednostki na początek okresu (BO)</b>	<b>574 823 981,71</b>	<b>713 343 010,10</b>
<b>II. Zwiększenia funduszu (z tytułu)</b>	<b>274 714 222,37</b>	<b>252 884 029,13</b>
II.1. Zysk bilansowy za rok ubiegły	4 772 970,66	7 265 132,26
II.2. Zrealizowane wydatki budżetowe		
II.3. Dotacje i środki na inwestycje, odpisy z wyniku finansowego na inwestycje	246 456 557,23	236 629 043,12
II.4. Aktualizacja środków trwałych		
II.5. Nieodpłatnie otrzymane środki trwale i inwestycje	10 437 132,15	8 314 080,30
II.6. Aktywa przejęte do zlikwidowanych (połączonych) jednostek		
II.7. Środki obrotowe otrzymane w ramach centralnego zaopatrzenia		
II.8. Pozostałe odpisy z wyniku finansowego za rok bieżący		
II.9. Inne zwiększenia	13 047 562,33	675 773,45
<b>III. Zmniejszenia funduszu jednostki (z tytułu)</b>	<b>101 317 005,05</b>	<b>85 831 578,09</b>
III.1. Strata za rok ubiegły	143 290,08	718 660,46
III.2. Zrealizowane dochody budżetowe		
III.3. Rozliczenie wyniku finansowego i środków obrotowych za rok ubiegły	2 010 533,21	3 544 570,69
III.4. Dotacje i środki na inwestycje		
III.5. Pokrycie amortyzacji	29 203 606,67	30 904 679,25
III.6. Aktualizacja środków trwałych		
III.7. Wartość sprzedanych i nieodpłatnie przekazanych środków trwałych i inwestycji	23 833 691,61	6 231 643,44
III.8. Pasywa przyjęte od zlikwidowanych (połączonych) jednostek		
III.9. Środki obrotowe przekazane w ramach centralnego zaopatrzenia		
III.10. Inne zmniejszenia	46 124 510,48	44 432 024,25
III.11. Podatek naliczony VAT od odliczenia w 2007 roku	1 373,00	
III.12. Zwrot VAT odliczonego z dotacji celowej		
III.13. Nadpłata składek ZUS z lat ubiegłych		
<b>IV. Fundusz jednostki na koniec okresu (BZ) (poz. I + II - III)</b>	<b>748 221 199,03</b>	<b>880 395 461,14</b>
<b>V. Wynik finansowy netto za rok bieżący ( +, -)</b>	<b>7 209 356,40</b>	<b>3 192 841,59</b>
V.1. zysk netto	7 928 016,86	6 514 562,96
V.2. strata netto (-)	-718 660,46	-3 321 721,37
<b>VI. Nadwyżka dochodów własnych jednostek budżetowych, nadwyżka środków obrotowych zakładów budżetowych, odpisy z wyniku finansowego gospodarstw pomocniczych jednostek budżetowych</b>	<b>-4 089 749,60</b>	<b>-6 200 259,64</b>
<b>VII. Fundusz (poz. IV +, -V - VI)</b>	<b>751 340 805,83</b>	<b>877 388 043,09</b>

## IV.8. A combined balance sheet of auxiliary units of local government

Nazwa i adres jednostki sprawozdawczej		<b>BILANS łączny</b>		Adresat:	
<b>Miasto Stołeczne Warszawa</b>		<b>gospodarstw pomocniczych</b>		<b>Regionalna Izba</b>	
<b>Pl. Bankowy 3/5</b>		sporządzony		<b>Obrachunkowa</b>	
<b>00-950 Warszawa</b>		na dzień 31 grudnia 2010 roku			
Numer identyfikacyjny REGON <b>015259640</b>				Wysłać bez pisma przewodniego	
				w złotych i groszach	
<b>A K T Y W A</b>	stan na początek roku	stan na koniec roku	<b>P A S Y W A</b>	stan na początek roku	stan na koniec roku
<b>A. AKTYWA TRWAŁE</b>	<b>2 866 179,59</b>	<b>912 574,29</b>	<b>A. FUNDUSZ</b>	<b>3 147 679,12</b>	<b>791 781,40</b>
<b>I. Wartości niematerialne i prawne</b>	<b>22 301,46</b>	<b>8 216,30</b>	<b>I. Fundusz jednostki</b>	<b>3 211 592,43</b>	<b>882 318,07</b>
<b>II. Rzeczowy majątek trwały</b>	<b>2 843 878,13</b>	<b>904 357,99</b>	<b>II. Wynik finansowy netto</b>	<b>-41 572,16</b>	<b>-90 536,67</b>
<b>1. Środki trwałe</b>	<b>2 843 878,13</b>	<b>904 357,99</b>	<b>1.1 Zysk netto (wielkość dodatnia )</b>	<b>20 361,90</b>	<b>0,00</b>
<b>1.1. Grunty</b>			<b>1.2. Strata netto (wielkość ujemna )</b>	<b>-61 934,06</b>	<b>-90 536,67</b>
<b>1.2. Budynki, lokale i obiekty inżynierii lądowej i wodnej</b>	<b>630,76</b>	<b>525,68</b>	<b>III. Nadwyżka środków obrotowych (-)</b>		
<b>1.3. Urządzenia techniczne i maszyny</b>	<b>1 413 436,90</b>	<b>903 832,31</b>	<b>IV. Odpisy z wyniku finansowego (-)</b>	<b>-22 341,15</b>	<b>0,00</b>
<b>1.4. Środki transportu</b>	<b>1 429 810,47</b>	<b>0,00</b>	<b>V. Fundusz mienia zlikwidowanych jednostek</b>		
<b>1.5. Inne środki trwałe</b>			<b>VI. Inne</b>		
<b>2. Inwestycje rozpoczęte (środki trwałe w budowie)</b>			<b>B. FUNDUSZE CELOWE</b>		
<b>3. Środki przekazane na poczet inwestycji</b>			<b>C. ZOBOWIĄZANIA DŁUGOTERMINOWE</b>		
<b>III. Należności długoterminowe</b>			<b>D. ZOBOWIĄZANIA KRÓTKOTERMINOWE</b>	<b>2 230 130,29</b>	<b>145 709,62</b>
<b>IV. Długoterminowe aktywa finansowe</b>			<b>I. Zobowiązania krótkoterminowe</b>	<b>2 139 864,32</b>	<b>145 085,15</b>
<b>1.1. Akcje i udziały</b>			<b>1.1. Zobowiązania z tytułu dostaw i usług</b>	<b>409 426,63</b>	<b>2 740,27</b>
<b>1.2. Papiery wartościowe długoterminowe</b>			<b>1.2. Zobowiązania wobec budżetów</b>	<b>126 930,17</b>	<b>73 938,12</b>
<b>1.3. Inne długoterminowe aktywa finansowe</b>			<b>1.3. Zobowiązania z tytułu ubezpieczeń społecznych</b>	<b>440 402,17</b>	<b>62 849,82</b>
<b>V. Wartości mienia zlikwidowanych jednostek</b>			<b>1.4. Zobowiązania z tytułu wynagrodzeń</b>	<b>723 682,42</b>	<b>5 556,94</b>
<b>B. AKTYWA OBROTOWE</b>	<b>2 511 629,82</b>	<b>24 916,73</b>	<b>1.5. Pozostałe zobowiązania</b>	<b>439 422,93</b>	<b>0,00</b>
<b>I. Zapasy</b>	<b>168 263,86</b>	<b>6 727,67</b>	<b>1.6. Sumy obce (depozyty, zabezpieczenie wykonania umów)</b>		
<b>1.1. Materiały</b>	<b>95 033,79</b>	<b>6 727,67</b>	<b>1.7. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych</b>		
<b>1.2. Półprodukty i produkty w toku</b>	<b>15,34</b>	<b>0,00</b>	<b>1.8. Rezerwy na zobowiązania</b>		
<b>1.3. Produkty gotowe</b>	<b>73 214,73</b>	<b>0,00</b>	<b>II. Fundusze specjalne</b>	<b>90 265,97</b>	<b>624,47</b>
<b>1.4. Towary</b>			<b>1.1. Zakładowy Fundusz Świadczeń Socjalnych</b>	<b>90 265,97</b>	<b>624,47</b>
<b>II. Należności krótkoterminowe</b>	<b>143 324,89</b>	<b>8 446,97</b>	<b>1.2. Inne fundusze specjalne</b>		
<b>1.1 Należności z tytułu dostaw i usług</b>	<b>90 447,28</b>	<b>3 810,47</b>	<b>E. ROZLICZENIA MIĘDZYOKRESOWE</b>		
<b>1.2 Należności od budżetów</b>	<b>10 217,66</b>	<b>3 305,00</b>	<b>I. Rozliczenia międzyokresowe przychodów</b>		
<b>1.3 Należności z tytułu ubezpieczeń społecznych</b>		<b>0,00</b>	<b>II. Inne rozliczenia międzyokresowe</b>		
<b>1.4. Pozostałe należności</b>	<b>42 659,95</b>	<b>1 331,50</b>	<b>F. INNE PASYWA</b>		
<b>1.5. Rozliczenia z tytułu środków na wydatki budżetowe i z tytułu dochodów budżetowych</b>					
<b>III. Środki pieniężne</b>	<b>2 141 042,65</b>	<b>9 742,09</b>			
<b>1.1 Środki pieniężne w kasie</b>	<b>4 020,78</b>	<b>0,00</b>			
<b>1.2 Środki pieniężne na rachunkach bankowych</b>	<b>2 137 021,87</b>	<b>9 742,09</b>			
<b>1.3 Inne środki pieniężne</b>					
<b>IV. Krótkoterminowe papiery wartościowe</b>					
<b>V. Rozliczenie międzyokresowe (czynne)</b>	<b>58 998,42</b>	<b>0,00</b>			
<b>C. INNE AKTYWA</b>					
<b>I. Nieobowiązkowe odpisy z wyniku finansowego</b>					
<b>II. Inne aktywa</b>					
<b>SUMA AKTYWÓW</b>	<b>5 377 809,41</b>	<b>937 491,02</b>	<b>SUMA PASYWÓW</b>	<b>5 377 809,41</b>	<b>937 491,02</b>

A. Objasnienie-wykazane w bilansie wartości trwałych i obrotowych są pomniejszone odpowiednio o umorzenie i odpisy aktualizujące.

B. Informacje uzupełniające istotne dla rzetelności i przejrzystości sytuacji finansowej i majątkowej.

1. Umorzenie wartości niematerialnych i prawnych	38 734,18
2. Umorzenie środków trwałych	2 207 315,63
3. Umorzenie pozostałych środków trwałych	121 390,22
4. Odpisy aktualizujące należności	
5. Odsetki naliczone od należności i niezapłacone	

#### IV.9. A combined profit and loss account of auxiliary units of local government

Nazwa i adres jednostki sprawozdawczej		Adresat:	
<b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00-950 Warszawa</b>		<b>Regionalna Izba</b> <b>Obrachunkowa</b>	
Numer identyfikacyjny REGON <b>015259640</b>		wysyłać bez pisma przewodniego	
		Stan na koniec roku poprzedniego	Stan na koniec roku bieżącego
<b>A.</b>	<b>Przychody netto ze sprzedaży i zrównanie z nimi w tym:</b>	<b>17 294 073,81</b>	<b>2 880 399,68</b>
I.	Przychody netto ze sprzedaży produktów	15 267 663,00	728 079,40
1.	w tym: dotacje zaliczane do przychodów (podmiotowe, przedmiotowe, na pierwsze wyposażenie w środki obrotowe)	136 437,00	114 009,19
II.	Zmiana stanu produktów (zwiększenie - wartość dodatnia, zmniejszenia - wartość ujemna)	-1 051,38	-1 731,66
III.	Koszt wytworzenia produktów na własne potrzeby jednostki	19 466,85	7 499,63
IV.	Przychody netto ze sprzedaży towarów i materiałów	0,00	0,00
V.	Pozostałe dochody budżetowe	2 007 995,34	2 146 552,31
<b>B.</b>	<b>Koszty działalności operacyjnej</b>	<b>18 421 562,11</b>	<b>3 121 941,55</b>
I.	Amortyzacja	1 078 167,31	185 369,30
II.	Zużycie materiałów i energii	1 864 791,76	509 878,77
III.	Usługi obce	2 293 745,33	194 681,50
IV.	Podatki i opłaty	238 876,84	11 566,88
V.	Wynagrodzenia	10 346 535,98	1 752 265,02
VI.	Ubezpieczenia społeczne i inne świadczenia dla pracowników	2 007 769,04	345 160,12
VII.	Pozostałe koszty rodzajowe	381 571,66	123 019,96
VIII.	Wartość sprzedanych towarów i materiałów	210 104,19	0,00
IX.	Udzielone dotacje		
X.	Inne świadczenia finansowane z budżetu		
XI.	Pozostałe obciążenia		
<b>C.</b>	<b>Zysk (strata) ze sprzedaży (A-B)</b>	<b>-1 127 488,30</b>	<b>-241 541,87</b>
<b>D.</b>	<b>Pozostałe przychody operacyjne</b>	<b>1 096 110,22</b>	<b>185 506,76</b>
I.	Zysk ze zbycia niefinansowych aktywów trwałych		
II.	Dotacje		
III.	Pokrycie amortyzacji	1 078 167,31	185 369,30
IV.	Inne przychody operacyjne	17 942,91	137,46
<b>E.</b>	<b>Pozostałe koszty operacyjne</b>	<b>11 704,00</b>	<b>16 926,97</b>
I.	Koszty inwestycji finansowanych ze środków własnych zakładów budżetowych i dochodów własnych jednostek budżetowych		
II.	Pozostałe koszty operacyjne	11 704,00	16 926,97
<b>F.</b>	<b>Zysk (strata) z działalności operacyjnej (C+D-E)</b>	<b>-43 082,08</b>	<b>-72 962,08</b>
<b>G.</b>	<b>Przychody finansowe</b>	<b>26 152,63</b>	<b>3 221,63</b>
I.	Dywidendy i udziały w zyskach		
II.	Odsetki	26 152,63	3 221,63

# **IV.10. A combined statement of changes in fund balances of auxiliary units of local government**

Nazwa i adres jednostki sprawozdawczej  <b>Miasto Stołeczne Warszawa</b> <b>Pl. Bankowy 3/5</b> <b>00-950 Warszawa</b>  Numer identyfikacyjny <b>REGON 015259640</b>	<p style="text-align: center;">Łączne</p> <p style="text-align: center;">Zestawienie zmian w funduszu (wariant porównawczy)</p> <p style="text-align: center;"><b>Gospodarstw pomocniczych</b> sporządzony na dzień 31.12.2010</p>	<p style="text-align: right;">Adresat:</p> <p style="text-align: center;"><b>Regionalna Izba Obrachunkowa</b></p> <p style="text-align: right;">wysłać bez pisma przewodniego</p>			
		<table> <tr> <th></th><th>Stan na koniec roku poprzedniego</th><th>Stan na koniec roku bieżącego</th></tr> </table>		Stan na koniec roku poprzedniego	Stan na koniec roku bieżącego
	Stan na koniec roku poprzedniego	Stan na koniec roku bieżącego			
<b>I. Fundusz jednostki na początek okresu (BO)</b>	<b>3 935 886,83</b>	<b>7 60 383,52</b>			
<b>II. Zwiększenia funduszu (z tytułu)</b>	<b>457 310,40</b>	<b>780 473,97</b>			
II.1. Zysk bilansowy za rok ubiegły	51 849,04	1 047,68			
II.2. Zrealizowane wydatki budżetowe					
II.3. Dotacje i środki na inwestycje, odpisy z wyniku finansowego na inwestycje					
II.4. Aktualizacja środków trwałych					
II.5. Nieodpłatnie otrzymane środki trwałe i inwestycje	385 851,83	540 582,24			
II.6. Aktywa przejęte do zlikwidowanych (połączonych) jednostek		238 844,05			
II.7. Środki obrotowe otrzymane w ramach centralnego zaopatrzenia	1 047,68	0,00			
II.8. Pozostałe odpisy z wyniku finansowego za rok bieżący	0,00	0,00			
II.9. Inne zwiększenia	18 561,85	0,00			
<b>III. Zmniejszenia funduszu jednostki (z tytułu)</b>	<b>1 181 604,80</b>	<b>658 539,42</b>			
III.1. Strata za rok ubiegły	18 809,71	61 934,06			
III.2. Zrealizowane dochody budżetowe					
III.3. Rozliczenie wyniku finansowego i środków obrotowych za rok ubiegły	36 145,83	3 474,68			
III.4. Dotacje i środki na inwestycje					
III.5. Pokrycie amortyzacji	1 078 167,31	185 369,30			
III.6. Aktualizacja środków trwałych					
III.7. Wartość sprzedanych i nieodpłatnie przekazanych środków w trwałych i inwestycji	17 650,97	0,00			
III.8. Pasywa przyjęte od zlikwidowanych (połączonych) jednostek		203 943,68			
III.9. Środki obrotowe przekazane w ramach centralnego zaopatrzenia					
III.10. Inne zmniejszenia	30 830,98	203 817,70			
<b>IV. Fundusz jednostki na koniec okresu (BZ) (poz. I + II - III)</b>	<b>3 211 592,43</b>	<b>882 318,07</b>			
<b>V. Wynik finansowy netto za rok bieżący ( +, -)</b>	<b>-41 572,16</b>	<b>-90 536,67</b>			
V.1. zysk netto	20 361,90	0,00			
V.2. strata netto (-)	-61 934,06	-90 536,67			
<b>VI. Nadwyżka dochodów własnych jednostek budżetowych, nadwyżka środków obrotowych zakładów budżetowych, odpisy z wyniku finansowego gospodarstw pomocniczych jednostek budżetowych</b>	<b>-22 341,15</b>	<b>0,00</b>			
<b>VII. Fundusz (poz. IV +, -V - VI)</b>	<b>3 147 679,12</b>	<b>791 781,40</b>			

**IV.11. Combined balance sheet, including data from the balance sheets of the City's budgetary entities and budgetary enterprises**

	<b>2010</b>	
	As at the beginning of the year	As at year end
<b>ASSETS</b>		
<b>FIXED ASSETS</b>	<b>105 317,9</b>	<b>73 754,2</b>
INTANGIBLE ASSETS	12,6	10,0
TANGIBLE ASSETS	100 773,0	69 703,5
Fixed assets	97 627,8	65 483,0
- <i>land</i>	87 953,3	55 087,2
- <i>buildings, premises and civil engineering structures</i>	9 239,3	10 068,8
- <i>plant and machinery</i>	325,1	236,9
- <i>means of transportation</i>	49,8	38,4
- <i>other fixed assets</i>	60,4	51,7
Launched investments (fixed assets under construction)	3 144,2	4 220,5
Advances for investments	0,9	0,0
LONG-TERM RECEIVABLES	154,8	181,7
LONG-TERM FINANCIAL ASSETS	4 377,6	3 858,7
- <i>shares</i>	4 377,6	3 858,7
- <i>long-term securities</i>	0,0	0,0
- <i>other long-term financial assets</i>	0,0	0,0
PROPERTY OF LIQUIDATED COMPANIES	0,0	0,3
	<b>0,0</b>	<b>0,0</b>
<b>CURRENT ASSETS</b>	<b>1 370,5</b>	<b>2 184,6</b>
STOCKS	21,6	24,6
- <i>materials</i>	21,2	24,2
- <i>semi-finished products and work in progress</i>	0,0	0,0
- <i>finished products</i>	0,1	0,1
- <i>goods</i>	0,3	0,3
SHORT-TERM RECEIVABLES	948,0	1 186,0
- <i>trade receivables</i>	190,0	182,2
- <i>budget receivables</i>	56,7	73,4
- <i>receivables relative to social insurance</i>	0,4	0,3
- <i>employee accounts</i>	0,0	0,0
- <i>other receivables</i>	700,8	929,7
- <i>settlements due relative to funds for budget expenditure and relative to budget income</i>	0,2	0,3
CASH	368,6	302,9
- <i>cash in hand</i>	0,5	0,4
- <i>cash at bank</i>	262,6	238,3
- <i>other cash and cash equivalents</i>	105,5	64,2
SHORT-TERM SECURITIES	0,0	615,1
PREPAYMENTS AND ACCRUALS (ACTIVE)	32,3	56,0
	<b>0,0</b>	<b>0,0</b>
<b>OTHER ASSETS</b>	<b>0,0</b>	<b>0,0</b>
	<b>0,0</b>	<b>0,0</b>
<b>TOTAL ASSETS</b>	<b>106 688,5</b>	<b>75 938,8</b>



		2010	
		As at the beginning of the year	As at year end
<b>LIABILITIES</b>			
<b>FUNDS</b>		<b>105 700,2</b>	<b>73 991,7</b>
OWN FUNDS		102 802,4	71 694,9
NET FINANCIAL PROFIT/LOSS		2 901,9	2 302,7
- <i>net profit</i>		7 178,1	6 817,8
- <i>net loss</i>		-4 276,2	-4 515,0
SURPLUS OF WORKING CAPITAL (-)		0,0	-6,2
WRITE-OFFS FROM NET PROFIT/LOSS (-)		-4,1	0,0
FUND FROM THE PROPERTY OF LIQUIDATED COMPANIES		0,0	0,3
OTHER		0,0	0,0
<b>EARMARKED FUNDS</b>		<b>50,4</b>	<b>0,0</b>
NATIONAL FUND FOR ENVIRONMENTAL PROTECTION		7,1	0,0
PFOŚ - District Fund For Environmental Protection		22,1	0,0
FGZGIK - Geodesy and Cartography Resources Management Fund		0,0	-0,2
LABOUR FUND		-5,5	2,6
<b>LONG-TERM LIABILITIES</b>		<b>33,0</b>	<b>60,7</b>
<b>SHORT-TERM LIABILITIES</b>		<b>786,8</b>	<b>1 798,4</b>
SHORT-TERM CREDITORS		687,3	1 694,2
- <i>trade liabilities</i>		85,2	135,1
- <i>budget liabilities</i>		42,2	53,8
- <i>liabilities relative to social insurance</i>		96,8	107,9
- <i>liabilities relative to employee accounts</i>		156,3	150,3
- <i>other liabilities</i>		147,6	190,1
- <i>third party deposits and guarantees</i>		153,5	168,7
- <i>settlements due relative to funds for budget expenditure and relative to budget income</i>		2,5	7,7
- <i>provision for liabilities</i>		3,2	880,5
SPECIAL FUNDS		99,5	104,2
- <i>Employee Benefit Fund</i>		95,5	100,0
- <i>other</i>		4,0	4,3
<b>ACCRUALS</b>		<b>94,4</b>	<b>85,5</b>
ACCRUALS OF REVENUE		93,1	85,2
OTHER		1,3	0,3
<b>OTHER LIABILITIES</b>		<b>0,1</b>	<b>0,1</b>
- <i>court judgements</i>		0,1	0,1
- <i>appropriations for 2006</i>		0,0	0,0
<b>TOTAL LIABILITIES</b>		<b>106 688,5</b>	<b>75 938,8</b>

**IV.12. Combined profit and loss account, including data from the profit and loss accounts of the City's budgetary entities and budgetary enterprises**

		<b>2010</b>	
		As at the beginning of the previous year	As at the end of the previous year
<b>I. NET REVENUE ON SALES AND REVENUE EQUIVALENTS, OF WHICH:</b>		<b>10 638,9</b>	<b>10 925,6</b>
Net revenue from product sales, including:		2 344,4	2 386,9
- subsidies classified as revenue (specified-user subsidies, specific subsidies, subsidies providing first current assets)		80,8	79,3
Change in the stocks of products		0,1	0,6
Cost of manufacturing products for the entity's own requirements		0,0	0,0
Net revenue from product and material sales		7,6	8,4
Other budget revenue		8 286,7	8 529,6
<b>II. OPERATING COSTS</b>		<b>8 126,1</b>	<b>8 388,0</b>
Depreciation		522,9	559,7
Materials and energy		721,8	716,1
External services		3 098,7	3 149,8
Taxes and charges		150,0	163,3
Payroll		2 622,0	2 751,5
Social insurance and other employee benefits		573,4	602,0
Other cost by category		137,4	107,1
Cost of merchandise and materials		1,4	1,4
Subsidies granted		0,0	0,0
Other benefits financed from the budget		285,7	334,3
Other liabilities		12,9	2,8
<b>III. PROFIT / LOSS ON SALES (I-II)</b>		<b>2 512,8</b>	<b>2 537,5</b>
<b>IV. OTHER OPERATING REVENUE</b>		<b>723,6</b>	<b>1 076,0</b>
Profit on sales of non-financial fixed assets		40,0	66,6
Subsidies		29,0	36,9
Amortisation and depreciation coverage		522,9	559,6
Other operating revenue		131,8	412,9
<b>V. OTHER OPERATING COSTS</b>		<b>244,0</b>	<b>1 214,8</b>
Costs of investments financed from budgetary entities' own funds and own income of budget entities		3,4	2,8
Other operating costs		240,6	1 212,1
<b>VI. OPERATING PROFIT / LOSS (III+IV-V)</b>		<b>2 992,4</b>	<b>2 398,7</b>
<b>VII. FINANCIAL REVENUE</b>		<b>237,8</b>	<b>268,2</b>
Dividends and share in profits		19,1	36,4
Interest		136,7	135,0
Other		82,1	96,8
<b>VIII. FINANCIAL COSTS</b>		<b>326,9</b>	<b>363,3</b>
Interest		226,6	253,8
Other		100,4	109,5
<b>IX. PROFIT / LOSS ON ORDINARY ACTIVITIES (VI+VII-VIII)</b>		<b>2 903,3</b>	<b>2 303,6</b>
<b>X. EXTRAORDINARY PROFITS / LOSSES</b>		<b>0,2</b>	<b>0,2</b>
Extraordinary profits		0,2	0,4
Extraordinary losses		0,0	0,1
<b>XI. PROFIT / LOSS BEFORE TAXATION (IX+/-X)</b>		<b>2 903,5</b>	<b>2 303,8</b>
<b>XII. INCOME TAX</b>		<b>1,6</b>	<b>1,0</b>
<b>XIII. OTHER OBLIGATORY REDUCTIONS OF PROFIT (INCREASE OF LOSS) AND SURPLUS OF CURRENT ASSETS</b>		<b>0,0</b>	<b>0,0</b>
<b>XIV. PROFIT / LOSS AFTER TAXATION (XI-XII-XIII)</b>		<b>2 901,9</b>	<b>2 302,7</b>

**IV.13. Combined statement of changes in fund balance, including data from the statements of changes in fund balance of the City's budgetary entities and budgetary enterprises**

	<b>2010</b>	
	As at the end of the previous year	As at the end of this year
<b>I. OWN FUNDS AS AT THE BEGINNING OF THE PERIOD</b>	<b>100 715,2</b>	<b>102 765,0</b>
<b>II. INCREASES IN OWN FUNDS (AS A RESULT OF)</b>	<b>26 926,3</b>	<b>24 353,3</b>
Balance sheet profit brought forward	7 547,8	7 282,3
Performed budgetary expenditure	11 304,1	12 046,3
Subsidies, funds for investments, investment financial profit or loss write-offs	1 842,2	2 365,2
Revaluation of fixed assets	0,0	0,0
Fixed assets and investments received free of charge	1 230,2	836,3
Assets acquired from liquidated entities	0,6	44,7
Current assets received within a central procurement	0,0	0,0
Other profit/loss write-offs for the current year.	0,0	0,0
Other increases	5 001,4	1 778,5
<b>III. DECREASE IN OWN FUNDS</b>	<b>24 839,1</b>	<b>55 423,5</b>
Loss for the previous year	4 114,9	4 381,6
Performed budgetary income	10 100,8	10 446,9
Settlement of financial result and current assets brought forward	2,0	3,6
Subsidies and funds for investments	3 865,9	4 313,2
Amortisation and depreciation coverage	522,9	559,6
Revaluation of fixed assets	0,0	0,0
Value of fixed assets and investments sold and transferred free of charge	507,4	672,7
Liabilities acquired from liquidated entities	2,5	0,5
Current assets received within a central procurement	0,0	0,0
Other decreases, including:	5 722,6	35 045,3
- the value of land under perpetual usufruct	0,0	33 907,8
<b>IV. OWN FUNDS AT THE END OF THE PERIOD (I+II-III)</b>	<b>102 802,4</b>	<b>71 694,9</b>
<b>V. NET PROFIT/LOSS FOR THE CURRENT YEAR</b>	<b>2 901,9</b>	<b>2 302,7</b>
Net profit	7 283,0	6 817,8
Net loss	4 381,1	4 515,0
<b>VI. SURPLUS OF OWN INCOME OF BUDGETARY ENTITIES, SURPLUS OF CURRENT ASSETS OF BUDGETARY ENTERPRISES, WRITE-OFFS FROM FINANCIAL RESULTS OF AUXILIARY HOLDINGS OF BUDGETARY ENTITIES</b>	<b>4,1</b>	<b>6,2</b>
<b>VII. FUNDS (IV+, -V-VI)</b>	<b>105 700,2</b>	<b>73 991,4</b>

## V. REPORT ON THE ACTIVITIES OF THE ISSUER

### V.1. Basic economic and financial values declared in the annual financial statement, including factors and events having significant impact on the budget result in 2010

The budget implementation of the Capital City of Warsaw in 2010 closed with a **deficit** amounting to **PLN 1,653.8 million**. The generated budget deficit was lower than the one planned by PLN 1,076.2 million. Revenue in the amount of PLN 224.9 million exceeding the planned level and expenditures lower than the assumed levels by PLN 851.3 million contributed to the above deficit.

The generation of **revenue** in **2010 corresponded to 102.2%** of the plan. In relation to the years 2008-2009 revenue in 2010 **increased** in nominal terms by **1.9%** and **3.3% respectively**.

The implementation of the **current revenue** plan accounted for **103.9%**, which points to additional receipts from current activities in the amount of **PLN 368.1 million**. In relation to the previous two years, current revenue grew by **2.7%** and **2.0% respectively**. Additional current revenue was generated by: *taxes collected by tax offices (mainly tax on civil law transactions)* in the amount of PLN 150.8 million, *local taxes and charges* (mainly real estate tax and stamp duty) in the amount of PLN 65.1 million, *receipts from the share in corporate income tax* in the amount of PLN 85.1 million, *revenue from property* (mainly receipts from property leases, real property management, usufruct and perpetual usufruct fees, interest on funds on bank accounts) in the amount of PLN 71.1 million, and *proceeds from other current revenue* (including receipts from the sale of city transport tickets) in the amount of PLN 92 million. Within current revenue, the unimplemented plan of revenue concerned: *receipts from the share in personal income tax* in the amount of PLN 74.7 million, *receipts from the European Union budget* in the amount of PLN 17.4 million, *receipts from subsidies and grants from the State budget* in the amount of PLN 3.9 million. Comparison of the results of revenue implementation in 2010 with the years 2008-2009 indicates a drop in income from the share in personal and corporate income tax by 4.2% and 3.1% and by 34% and 23%, respectively. Within the remaining current revenue categories, an increase in relation to the preceding years was recorded, except for a drop of 11.8% in *taxes collected by tax offices* in comparison to 2008.

The **capital revenue** plan was implemented in **80.8%**, i.e. an amount lower than the assumed level by **PLN 143.2 million**. Receipts *from the European Union budget* were implemented in an amount lower by 131.7 million; whereas an amount of PLN 11.1 million was the shortfall in the implementation of the plan of *revenue from the sale of property and property rights*.

The **total expenditure** plan for the year **2010 was implemented in 93.4%**. In comparison to the years 2008-2009 nominal expenditure was higher by **15.0%** and **6.6% respectively**.

The **implementation of the current expenditure plan in 2010 amounted to 95.5%**, which indicates an implementation lower than the planned level by **PLN 445.4 million**. In relation to the years 2008-2009 current expenditure in 2010 increased by **12.9%** and **2.8% respectively**.

The **implementation of capital expenditure in 2010 equalled 86.5%**, i.e. was lower than the assumed one by **PLN 405.8 million**. In comparison to the years 2008-2009 the level of capital expenditure was higher by **23.6%** and **23.3% respectively**.

Due to **the amortisation of debt liabilities** resulting from bonds issued and credits and loans contracted in the previous years for financing investments, the budget for 2010 was encumbered with the amount of **PLN 203.8 million**.

**The budget deficit amounting to PLN 1,857.6 million**, was financed by new debt in the amount of PLN 1,471.4 million in total, which included funds from the bonds issued and loans contracted and free funds from financial surpluses generated in the previous years in the amount of PLN 1,738.6 million.

Finally, having included all the economic transactions (income, expenditure, revenue, expenses) surpluses at the end of 2010 amounted to **PLN 1,352.4 million**.

Basic macroeconomic indices in Poland improved in 2010 in comparison to 2009. The Gross Domestic Product in real terms rose by 3.8% against a 1.7% increase recorded in 2009. Average employment in the national economy in the 4<sup>th</sup> quarter of 2010 in relation to the corresponding period of the previous year grew by 1.2%. The unemployment rate in the 4<sup>th</sup> quarter of 2010 amounted to 12.3%, which means an increase of 0.2% percentage points in comparison to the corresponding period in 2009, when there were 12.1% of economically-active people without employment. Average monthly wages and salaries in 2010 were higher in relation to 2009 by 3.9%.

Positive trends observed in the economy translated into an increase in basic revenue of the Capital City of Warsaw due to the share in income tax. The plan of revenue generated by the share in corporate income tax, which initially amounted to PLN 790 million in the budget, was reduced by PLN 340 million to the amount of PLN 450 million by virtue of City Council Resolution No. LXXXV/2473/2010 of 24 June 2010. Finally, receipts from CIT amounted to PLN 535.1 million, which denotes a drop in revenue in relation to 2009 by the amount of PLN 159.6 million, i.e. by 23%, and accounts for 118.9% of the amended implementation plan. As regards revenue from the share in personal income tax, the plan of PLN 3,440.3 million was implemented in 97.8%, i.e. in an amount lower by PLN 74.7 million. Receipts from PIT for 2010 amounted to PLN 3,365.6 million and were lower by 3.1% in comparison to revenue from PIT generated in 2009.

The year 2010 was characterised by record capital expenditure in nominal terms – PLN 2.6 million – as well as in relative terms in comparison to total expenditure – 21.4%. The degree of capital expenditure plan implementation depends on the pace of investment project completion, which means that the failure to implement the plan in any given year results in delaying expenditure. Another factor influencing the budget implementation in 2010 connected with the pace of investment completion involves correlating receipts from the European Union budget with progress in implementing projects co-financed with the use of EU funds.

## **V.2. Significant risk factors and threats**

Managing the budget and the City Multiyear Financial Forecast involves a number of risks defined as a negative course of events regarding specified events or undertaken actions, which may result in the achieved objectives being different from the previously-planned values. Major threats to the preparation and implementation of the City's financial plans include:

- a risk of the macroeconomic situation being worse than expected, which may result in a reduction in revenue, mainly that directly connected with economic conditions, i.e. from –share in personal and corporate income tax, in tax on civil law transactions, accounting for as much as 40% of the City's revenue,
- a risk of an increase in the costs of acquiring capital on domestic and foreign financial markets, which may cause the budget to be increasingly encumbered with debt-servicing expenditure,
- a risk of a long-term fall in the PLN exchange rate, which may result in consequences described in the previous point and in a possible increase in the costs of investments made both in a short- and long-term perspective.
- a risk of changes in legal regulations, which may result in reducing the revenue of Local-Government units or imposing additional tasks on Local-Government units without increasing revenue accordingly.

– a risk of natural catastrophes, which may result in increasing expenditure regarding extraordinary tasks needed to be undertaken and the direct effects of catastrophic events.

It should be noted that risks may at the same time indicate opportunities; for example, the worsening of the economic situation may mean growing competition and thereby a drop in the costs of investment implementation.

At a strategic level, conducting the City's budget policy within long-term budget forecasts, prepared for central, pessimistic and optimistic scenarios, is conducive to reducing the possible negative consequences of the risks mentioned. Limiting these consequences on a current basis takes place through the constant monitoring of processes within the organisation itself and in the external environment. The current implementation of the budget, events taking place in the economy, changes in legal regulations affecting the City's revenue and expenditure, are in particular subject to supervision. Should the budget implementation be likely to be threatened, the budget adjustment plans are initiated accordingly to the changed situation, matching the variants in the long-term development of the City's financial situation prepared for such circumstances. The risk of exceeding the debt precaution standards is limited to an acceptable level by selecting appropriate debt instruments, which assume debt portfolio diversification.

### **V.3. Contracts significant for the issuer's activities, including contracts concluded between shareholders (partners), insurance, partnership and cooperation contracts**

In 2010 the Capital City of Warsaw issued four series of bonds on the domestic market as part of the Bond Issue Programme established by virtue of the contract with the Organisers concluded on 10 July 2009 in the amount of PLN 4 billion. A detailed description of the issue is provided in point III.2 of this report.

The organiser of public transport in Warsaw is Zarząd Transportu Miejskiego (the Public Transport Authority). The Public Transport Authority concludes contracts on the provision of a specified portion of transport with carriers possessing rolling stock. Such contracts are binding within settlements with such carriers as Miejskie Zakłady Autobusowe Sp. z o.o., Tramwaje Warszawskie Sp. z o.o., Metro Warszawskie Sp. z o.o., Szybka Kolej Miejska Sp. z o.o. Contracts concluded in the previous years were still binding in 2010.

### **V.4. The assessment of financial resources management and the specification of possible threats and actions that the issuer has undertaken or intends to undertake to counteract such threats**

A good financial management, debt management, and high liquidity provide the highest possible credit rating given to Warsaw by international rating agencies. Active debt management and implemented by the City the liquidity management system allow to monitor and predict its inflows and outflows while reducing the risks associated with debt.

Warsaw rating also reflects a well developed and diversified economy and a strong city tax base.

A credit rating expresses the general ability of an entity to meet financial obligations and is specified by independent, specialist institutions such as rating agencies. The main task of such a rating is to inform current and future investors, both domestic and foreign, of the City's credibility and solvency. The rating awarded reflects the results of the City's budget management, financial flexibility, local economic situation and development prospects.

Detailed information on the ratings of the Capital City of Warsaw awarded by international rating agencies: Moody's Investors Service and Fitch Ratings are included in points III.3 and III.4 of this report.

#### **V.5. The assessment of abilities to achieve investment targets, including capital investments, in comparison to the funds held, taking into account possible changes in the financial structure of this activity**

Despite the limitations of the City's budget capabilities due to changes in legal regulations and the worsening economic growth rate, a strategic challenge for the City in 2011 and in subsequent years still involves generating appropriate funds for investments to ensure financial conditions for continuing the implementation of the Multiyear Investment Programme for the years 2010-2014. In 2011 it is planned to preserve a high level of investments, despite the City's reduced revenue abilities. It is forecast that the share of investment expenditure in the total expenditure of the City in 2011 will be comparable with that planned in 2010, reaching the level of 26%, which means that every fourth PLN from the budget will be allocated to development. The aggregated value of investment expenditure in the years 2011-2015 will amount to PLN 10.6 billion. The investment programme will be supported by the funds obtained from the sale of property and privatisation (PLN 2.3 billion in the years 2011-2015).

While forecasting a long-term level of investment expenditure, expected funds from the European Union received as part of the next financial perspective starting in 2014 were not included in calculations.

Investment projects of the Issuer are presented in the Multiyear Financial Forecast of the Capital City of Warsaw for 2011-2033, adopted by way of the Warsaw City Council Regulation No. VI/100/2011, on 13 January 2011.

A full version of the document is available on the website of the Public Information Bulletin ([www.bip.warszawa.pl](http://www.bip.warszawa.pl)) in the section Budget and Financial Policy of the City of Warsaw.

#### **V.6. The assessment of factors and atypical events having an impact on the budget result for 2010, with the degree of the influence of these factors and atypical events on the achieved results specified**

Detailed factors having an impact on the level of revenue and expenditure implementation are discussed in point V.1 of this report.

#### **V.7. Information on the date of a contract for the audit and review of the financial statement and consolidated financial statements concluded by the issuer with an entity authorised to audit financial statements, as well as on the period for which the contract is concluded**

On the basis of the City Council's Resolution No. XXXVI/1075/2008 of 26 June 2008, as a result of the public procurement procedure in the mode of open tendering, on 5 November 2008 the Capital City of Warsaw concluded a contract on annual audits of the financial statement of the Capital City of Warsaw for the years 2008-2010 with the company Grupa Gumułka - Audyt Sp. z o.o., ul. Jana Matejki 4, 40-077 Katowice, Regon (Number for Statistical Purposes) 278350180, NIP (Tax Identification Number) 6342545467 operating on the basis of the entry in the National Court Register No. KRS 0000216070. The contract is effective in the period from 5 November 2008 to 15 April 2011.

On 29 November 2010, the Capital City of Warsaw concluded an additional contract with Grupa Gumułka - Audyt Sp. z o.o. on the review of the combined financial statement of budgetary entities and Local-Government budgetary enterprises for the year 2010. The contract was concluded pursuant to Art. 4 point 8 of the Act of 29 January 2004 Public Procurement Law (Dz. U. (Journal of Laws of 2006 No. 164 item 1163 as amended).

## V.8. Information on remunerating an entity responsible for auditing financial statements, paid or due for the financial year

The amount of remuneration for the entity authorised to audit financial statements pursuant to the contract concluded on 5 November 2008 amounts to:

- for 2008 - PLN 100,833.33
- for 2009 - PLN 100,833.33
- for 2010 - PLN 100,833.33

The contract of 29 November 2010 was concluded for the amount of PLN 63,440.00.

## V.9. Changes in the rules and scope of managing the Issuer's entity

The activities of the City include all public matters of local significance not restricted by Acts on other entities. The City performs public tasks on its own behalf and account, through its bodies and district' bodies. The division of tasks into those carried out by the City's bodies and those conducted by the district bodies, and relations between those bodies, are regulated by the Acts, Statutes and other Resolutions of the City Council. These documents are available on the website of the Public Information Bulletin, *inter alia*, at:

[http://bip.warszawa.pl/Menu\\_podmiotowe/Warszawa/statut.htm](http://bip.warszawa.pl/Menu_podmiotowe/Warszawa/statut.htm)

[http://bip.warszawa.pl/Menu\\_podmiotowe/Rada\\_Warszawy/Uchwaly\\_Rady/default.htm](http://bip.warszawa.pl/Menu_podmiotowe/Rada_Warszawy/Uchwaly_Rady/default.htm)

To perform public tasks, the City can establish organisational units and conclude contracts with other entities, including non-Governmental organisations. Public tasks may also be carried out as part of cooperation between the City and other Local-Government units.

Executive power	
The responsible entity	Tasks
<b>The Mayor of the Capital City of Warsaw</b>  Hanna Gronkiewicz-Waltz	<p>The Mayor of the Capital City of Warsaw is <b>an executive body</b> of the city, performing own commune and district tasks, falling within his/her authority, commissioned tasks in the field of Governmental administration, including tasks resulting from the capital status of the City of Warsaw, and tasks ensuing from agreements concluded with Local-Government units.</p> <p>The Mayor fulfils functions that are restricted to district heads and district management boards on the basis of legal regulations, due to the fact that Warsaw is a commune with the status of a city with district rights.</p> <p>The Mayor's tasks include the implementation of resolutions passed by the Council of the Capital City of Warsaw and tasks specified by legal regulations, in particular:</p> <ul style="list-style-type: none"> <li>– preparing draft resolution of the Council of the Capital City of Warsaw,</li> <li>– administrating the City's property,</li> <li>– implementing the City's budget,</li> <li>– representing the City externally,</li> <li>– running the City's current affairs.</li> </ul> <p>As part of the City's budget, the Mayor is responsible for the City's proper financial management.</p>
<b>Deputy Mayors of the Capital City of Warsaw</b>  Jacek Wojciechowicz Andrzej Jakubiak Jarosław Kochaniak Włodzimierz Paszyński	
<b>Treasurer of the Capital City of Warsaw</b> Miroslaw Czekaj	
<b>Secretary of the Capital City of Warsaw</b> Jarosław Maćkowiak	



<b>Decision-making and control body</b>	
<b>The responsible entity</b>	<b>Tasks</b>
<b>The Council of the Capital City of Warsaw</b>	<p>The Council of the Capital City of Warsaw includes sixty councillors.</p> <p>The tasks of the Council of the Capital City of Warsaw are specified in Art. 18 of the Act on Commune Local-Government and in Art. 12 of the Act on District Local-Government and in the Act on the organisational structure of the Capital City of Warsaw.</p> <p>Those tasks include in particular:</p> <ul style="list-style-type: none"> <li>– adopting a draft of the City Statute, and following negotiations with the Prime Minister, adopting the City Statute,</li> <li>– appointing and dismissing the City Treasurer (chief budget accountant) at the request of the Mayor,</li> <li>– adopting the City budget, examining a report on its implementation and granting (or not) the Mayor the vote of approval in this regard,</li> <li>– adopting local spatial development plans,</li> <li>– passing resolutions on property matters falling outside the scope of ordinary management,</li> <li>– passing resolutions regarding: a coat of arms, names of streets, public squares and erecting monuments,</li> <li>– granting the honorary citizenship of the City.</li> </ul>
<b>Organisation</b>	
<b>A responsible entity</b>	<b>Tasks</b>
<b>The Office of the Capital City of Warsaw</b>	<p>The Office of the Capital City of Warsaw received its form on 27 October 2002. Pursuant to Art. 18 section 1 of the Act of 15 March 2002 on the organisational structure of the Capital City of Warsaw, it comprises the following previously operating units: the Management Department of the Capital City of Warsaw, the Office of the Warsaw District, the Offices of Warsaw Communes and the Offices of city districts of Warszawa-Centrum Commune and the Office of Wesoła Commune.</p> <p>The Office operates pursuant to the legal regulations, including local law, the Mayor's ordinances but also pursuant to the appropriately applied regulations specifying the organisation of the previous Warsaw Communes, of city districts in the Warszawa-Centrum Commune and of the Wesoła Commune within the scope consistent with the Act on the organisational structure of the Capital City of Warsaw.</p> <p>A section of the Office responsible for a city district is the City District Office.</p> <p>The Office is an organisational unit with the use of which:</p> <ul style="list-style-type: none"> <li>– the Mayor performs own commune and district tasks, falling within his/her authority, commissioned tasks in the field of Governmental administration, including tasks resulting from a capital character of the City of Warsaw as well as tasks ensuing from agreements concluded with Local-Government units,</li> <li>– the Management Boards of Districts perform tasks in the field of local matters specified in Art. 11 section 2 of the Act and tasks assigned to city districts on the basis of the statutes of city districts and other resolutions of the Council of the Capital City of Warsaw (tasks are performed with the use of City District Offices),</li> <li>– the Members of the Management Boards of City Districts and other employees of City District Offices perform on the behalf of the Mayor his/her tasks assigned to them on the basis of powers of attorneys.</li> </ul>
<b>Auxiliary units</b>	<p>Pursuant to the Act of organisation structure of the Capital City of Warsaw, eighteen auxiliary units, i.e. the following districts of the Capital City of Warsaw were established: Bemowo, Białołęka, Bielany, Mokotów, Ochota, Praga Południe, Praga Północ, Rembertów, Śródmieście, Targówek, Ursus, Ursynów, Wawer, Wesoła, Wilanów, Włochy, Wola, Żoliborz.</p> <p>The districts are auxiliary units of the Capital City of Warsaw. Executive bodies in districts are the Management Boards of Districts, whereas the decision-making and control bodies - the Councils of Districts.</p>

On 21 November 2010, Local-Government elections were held, as result of which Mrs. Hanna Gronkiewicz-Waltz was re-elected Mayor of the Capital City of Warsaw. For the first time to the position of Mayor Warsaw she was chosen 26 November 2006. Madam President assumed her responsibilities in the term of office 2010-2014 on 1 December 2010, upon taking the oath to the Council of the Capital City of Warsaw.

The Deputy Mayors of the Capital City of Warsaw were appointed by virtue of Ordinance No. 13/2010 of the Mayor of the Capital City of Warsaw of 3 December 2010 on specifying the number and appointing the Deputy Mayors of the Capital City of Warsaw. No personnel changes on these positions were introduced in relation to the term of office 2006-2010.

## **V.10. Significant changes in the area of affiliation to administrative structures and in basic demographic data**

### **V.10.1. General information**

Warsaw is the capital city of the Republic of Poland and is the most important political, public life, economic, scientific and cultural centre of the country. It is also the capital city of the largest Mazowieckie Voivodeship and the biggest Polish city.

The area of Warsaw is 517 km<sup>2</sup>.

Population density: 3,319 persons per 1 km<sup>2</sup>.<sup>2</sup>

Following World War II, Warsaw, having continued its history, was a separate city, a so-called, urban voivodeship, and in the 1960's the administrative division of the City into the following 7 districts was strengthened: Mokotów, Ochota, Praga Południe and Praga Północ, Śródmieście, Wola and Żoliborz. Since 1994 Warsaw has been a municipal union of 11 Warsaw communes. As a result of administrative reforms introduced by virtue of the Act on organisational structure of the Capital City of Warsaw of 2002, Warsaw became a commune with the status of a city with district rights. Warsaw is divided into 18 districts with the status of auxiliary units.

### **V.10.2. Demographic data**

Warsaw, with over 1,716 thousand residents, is the largest Polish city. Warsaw's residents account for ca. 4.5% of the population of the country.

Together with neighbouring communes, Warsaw creates an agglomeration with ca. 3 million residents, which accounts for over 7.5 % of the population of the country (2008 data).

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Population (in thousand persons)	1 706.9	1 707.0	1 714.4	1 716.9
- working age	1 112.4	1 110.4	1 103.6	1 100.8
- pre-working age	248.8	249.4	253.9	255.9
- post-working age	345.5	348.2	357.0	360.1
Unemployment rate (%)	2.9	1.9	2.9	3.4
Migrations (in thousand persons)				
Inflow	22.7	17.7	15.5	10.2
Outflow	17.0	14.0	14.3	8.5
Net migration	5.7	3.7	1.1	1.7

\*Data on population and the unemployment rate as at 30 June 2010 (source: CSO)

Population migration – according to the latest available data, for the 3<sup>rd</sup> quarter 2010 (source: CSO)

<sup>2</sup> Data of the Central Statistical Office in Warsaw of 2010 (as at 30 June 2010)

## V.11. Significant changes in the unit's organisational relations with other entities

In 2010, there were no significant changes in Citi's organizational relations compared to 2009.

The table presents companies with participation in the Capital City of Warsaw and the value of shares as at 31 December 2010.

No.	Name of the Company	The number of shares of the Capital City of Warsaw	The number of shares of the Capital City of Warsaw
		as at 31.12.2010	as at 31.12.2010 (in PLN thousand)
1.	Agencja Inwestycyjna CORP - S.A. (CORP Investment Agency, Joint Stock Company)	13 shares	50
2.	Gminna Gospodarka Komunalna Ochota Sp. z o.o. (The Ochota Commune Municipal Management, Ltd.)	10,406 shares	520
3.	Hotele Warszawskie Syrena Sp. z o.o. (The Syrena Warsaw Hotels, Ltd.)	49 shares	2
4.	Komunalne Domy Handlowe Sp. z o.o. (The Municipal Shopping Centres, Ltd.) (suspended)	100 shares	10
5.	Królewski Port Żerań Sp. z o.o. (The Żerań Royal Port, Ltd) (under liquidation)	7,625 shares	7 625
6.	Kupieckie Domy Towarowe Sp. z o.o. (The Merchant Shopping Centres, Ltd.)	4 shares	4
7.	Mazowiecki Fundusz Poręczeń Kredytowych Sp. z o.o. (The Mazowiecki Credit Guarantee Fund, Ltd.)	16,000 shares	16 000
8.	Metro Warszawskie Sp. z o.o. (The Warsaw Metro, Ltd.)	657,835 shares	328 918
9.	Miejskie Przedsiębiorstwo Oczyszczania w m.st. Warszawie Sp. z o.o. (The Warsaw Waste Management Company, Ltd.)	218,000 shares	109 000
10.	Miejskie Przedsiębiorstwo Robót Ogrodniczych Sp. z o.o. (The Municipal Gardening Services Company, Ltd.)	14,000 shares	7 000
11.	Miejskie Przedsiębiorstwo Robót Wodociągowych i Kanalizacyjnych Sp. z o.o. (The Municipal Water Supply and Sewerage Services Company, Ltd.)	241 shares	12
12.	Miejskie Przedsiębiorstwo Taksówkowe Sp. z o.o. (The Municipal Taxi Company, Ltd.)	50,000 shares	5 000
13.	Miejskie Przedsiębiorstwo Usług Komunalnych Sp. z o.o. (The City Municipal Services Company, Ltd.)	4,600 shares	2 300
14.	Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. <sup>3</sup> (The Warsaw Municipal Water Supply and Sewerage Company, Joint Stock Company)	18,710,646 shares	1 871 065
15.	Miejskie Zakłady Autobusowe Sp. z o.o. (The Municipal Bus Company, Ltd.)	861,130 shares	430 565
16.	POL-FRED Sp. z o.o. (Ltd.) (suspended)	20 shares	2
17.	POL-MOT Holding S.A. (Joint Stock Company)	2,300 shares	12
18.	"POSESJA" Sp. z o.o. (Ltd.)	490 shares	56
19.	Przedsiębiorstwo Gospodarki Maszynami Budownictwa „Warszawa” Sp. z o.o. (The "Warszawa" Construction Equipment Management Company, Ltd.)	10,000 shares	5 000

<sup>3</sup> On 22 December 2010 was held the Extraordinary General Meeting of Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. (The Warsaw Municipal Water Supply and Sewerage Company, Joint Stock Company), during which the share capital of the Company was increased to the amount to PLN 1,954,576,600. Shares in the increased capital were taken up by the Capital City of Warsaw (up to 2 March 2011 the aforementioned increase had not been registered by the court).

20.	Przedsiębiorstwo Produkcyjno-Handlowo-Usługowe „Zaplecze” Sp. z o.o. (The “Zaplecze” Production, Trade, Service Company, Ltd.)	26,659 shares	13 330
21.	Przedsiębiorstwo Robót Elewacyjnych Budownictwa “Warszawa” Sp. z o.o. (The “Warszawa” Facade Construction Work Company, Ltd.)	200 shares	100
22.	Przedsiębiorstwo Robót Inżynieryjnych Budownictwa „Warszawa” Sp. z o.o. (The “Warszawa” Engineering Construction Work Company, Ltd.)	33,961 shares	16 981
23.	Ratusz Wilanów Sp. z o.o. (Ltd.)	8 shares	28 108
24.	SEDECO Sp. z o.o. (Ltd.)	20,085 shares	20 085
25.	Stołeczne Przedsiębiorstwo Energetyki Ciepłej S.A. (The Capital City Heat Energy Company, Joint Stock Company)	7,213,991 shares	721 399
26.	Stołeczne Przedsiębiorstwo Usług Plastycznych i Wystaw Artystycznych „WAREXPO” Sp. z o.o. (The “WAREXPO” Capital City Artistic Services and Exhibitions Company, Ltd.)	10,000 shares	500
27.	Strefa Ekonomiczna Lotniska Okęcie Sp. z o.o. (The Economic Zone of Okęcie Airport, Ltd.) (under liquidation)	21 shares	798
28.	Szybka Kolej Miejska Sp. z o.o. (Fast Urban Railway, Ltd.)	72,500 shares	72 500
29.	TechnoPort Warszawa S.A. (Joint Stock Company) (under liquidation)	2,467,971 shares	123 399
30.	Towarzystwo Budownictwa Społecznego „Bemowo” Sp. z o.o. (The „Bemowo” Social Construction Company, Ltd.)	38,914 shares	38 914
31.	Towarzystwo Budownictwa Społecznego „Mokotów” Sp. z o.o. (The „Mokotów” Social Construction Company, Ltd.)	11,514 shares	11 514
32.	Towarzystwo Budownictwa Społecznego „Praga Południe” Sp. z o.o. (The „Praga Południe” Social Construction Company, Ltd.)	50,845 shares	50 845
33.	Towarzystwo Budownictwa Społecznego „Praga Północ” Sp. z o.o. (The „Praga Północ” Social Construction Company, Ltd.)	12,595 shares	12 595
34.	TOWING Sp. z o.o. (Ltd.)	874 shares	437
35.	Tramwaje Warszawskie Sp. z o.o. (Warsaw Trams, Ltd.)	934,550 shares	467 275
36.	Trasa Świętokrzyska Sp. z o.o. (Ltd.) (under liquidation)	125,702 shares	62 851
37.	Wola Sport Sp. z o.o. (Ltd.) (under liquidation)	12,871 shares	6 436
38.	Zakłady Mięsne "PEKPOL Ostrołęka" S.A. ("PEKPOL Ostrołęka" Meat Processing Plant, Joint Stock Company)	308 shares	3
39.	Zakłady Przemysłu Ciągnikowego URSUS S.A. (The URSUS Tractor Industry Plant, Joint Stock Company) (in bankruptcy)	592,400 shares	5 924
40.	Zarząd Pałacu Kultury i Nauki Sp. z o.o. (The Management Board of the Palace of Culture and Science, Joint Stock Company)	6,600 shares	3 300
41.	Złote Tarasy Sp. z o.o. (Ltd.)	571,570 shares	57 157

## V.12. Significant changes in the volume of assets

The property of the Capital City of Warsaw broken down into separate components as at 31 December 2009 and 2010 is shown in the following table (in PLN million).

	2009	2010
Land	87 953,3	55 087,2
Buildings, premises, civil engineering facilities	9 239,3	10 068,8
Other fixed assets	435,2	327,0
Fixed assets under construction and advance payment on them	3 145,1	4 220,5
Long-term receivables	154,8	181,7
Intangible assets	12,6	10,0
Long-term financial assets	4 377,6	3 858,7
<b>Total fixed assets</b>	<b>105 317,9</b>	<b>73 754,2</b>

The principal property right of the Capital City of Warsaw is the ownership of real property, movables and other devices, and shares and stocks.

Other property rights include perpetual usufructs, usufructs, mortgages, and rights arising from contract relationships.

Municipal property also includes the property of public services, inspection offices and guards acting as budgetary entities, and the property of healthcare facilities and institutions of culture for which the Capital City of Warsaw is the governing authority or organiser, and municipal companies of which the Capital City of Warsaw is the establishing body.

The fixed assets of the Capital City of Warsaw as at 31 December 2010 reached the value of PLN 73.8 billion, and it will decrease within a year by PLN 31,6 billion, i.e. by 3.0%.

### V.13. Tasks carried out by the issuer

The Capital City of Warsaw is a community with the status of a city with district rights. Its functions are defined by the Act on Commune Local Government and the Act on District Local Government, while the tasks arising from the City being a Capital City are defined by the Act of 15 March 2002 on the organisational structure of the Capital City of Warsaw (Journal of Laws of 2002, No. 41, item 361, as amended). The Capital City of Warsaw is a legal entity, and its independence is under judicial control.

### V.14. Changes in the organisation of municipal services provision

Municipal companies are used to carry out the City's own tasks, i.e. to satisfy the collective needs of residents, particularly those concerning the issues of water provision, sewerage, production and the transmission of heat energy, the organisation of public transport, and residential needs. The group of major companies in which the City has a 100% share includes Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A. (the Municipal Water and Sewerage Company), Stołeczne Przedsiębiorstwo Energetyki Ciepłej S.A. (the Capital City Heat Energy Company), and companies from the transportation sector, including: *Metro Warszawskie Sp. z o. o.* (The Warsaw Metro), *Tramwaje Warszawskie Sp. z o. o.* (The Warsaw Tram Company) and *Miejskie Zakłady Autobusowe Sp. z o. o.* (Urban Bus Company).

Information on the City's companies is presented in section V.11, while a description of the tasks carried out in 2010 within the field of transportation services is in section V.20.

### V.15. Expenditure on the implementation of individual tasks

This table shows the expenditure of the Capital City of Warsaw arranged by task areas for 2009 and 2010 (in PLN million and %).

	2009		2010	
	PLN	share in %	PLN	share in %
Transportation	2 818.6	24.8%	3 594.6	29.7%
Education	2 511.2	22.1%	2 487.8	20.6%
Finance and settlements	1 158.7	10.2%	1 194.5	9.9%
Land and real property management	1 214.5	10.7%	1 144.2	9.5%
Healthcare and social assistance	983.0	8.7%	1 031.1	8.5%
Local-Government structure management	829.9	7.3%	853.8	7.1%
Culture and cultural heritage protection	631.1	5.6%	646.9	5.3%
Recreation, sport and tourism	399.9	3.5%	373.8	3.1%
Municipal services and environmental protection	495.4	4.4%	446.6	3.7%
Safety and public governance	264.4	2.3%	273.0	2.3%
Publicity activities and development support	41.5	0.4%	54.5	0.5%
<b>Total expenditure</b>	<b>11 348.2</b>	<b>100.0%</b>	<b>12 100.7</b>	<b>100.0%</b>

## V.16. The issuer's total revenue

The sources of revenue of the Capital City of Warsaw are specified in the Act of 13 November 2003 on the revenue of Local-Government units (Journal of Laws of 2010, No. 80, item 526, as amended). Warsaw as a city with district rights collects revenue from both the community and the district. These include:

1. Own revenue (including, inter alia, receipts from taxes, receipts from fees, revenue from municipal property, shares in the receipts from personal income tax and corporate income tax);
2. General subsidy;
3. Earmarked subsidies from the State budget;
4. Funds from the EU budget and other non-returnable foreign sources

Two principal sources of revenue of the Capital City of Warsaw are the share in the receipts from personal income tax (PIT) and the educational part of the general subsidy, which constitute ca. 32.2% and 10.5%, respectively, of total revenue. Others, including: real property tax, receipts from the sale of public transportation tickets, and the share in the receipts from corporate income tax (CIT) do not exceed 10%. The number of revenue sources of the city (i.e. over 70) shows great diversity and exert a positive impact on the overall risk of budget non-implementation in the field of revenue.

This table shows the principal sources of revenue of the Capital City of Warsaw in 2010 (*in PLN million and %*)

	2010	
	PLN	share in %
Share in personal income tax	3 365.6	32.2%
The educational part of the general subsidy	1 099.4	10.5%
Real property tax	898.2	8.6%
Receipts from services – the sale of public transportation tickets	583.9	5.6%
Share in corporate income tax	535.1	5.1%
Tax on civil law transactions	452.5	4.3%
Funds for subsidizing projects carried out within EU programmes	411.0	3.9%
Annual fees for perpetual usufructs	349.7	3.3%
Earmarked subsidies – commissioned tasks	299.5	2.9%
Receipts from services – reimbursement of utilities charges	244.6	2.3%
<b>Total revenue</b>	<b>10 446.9</b>	<b>100.0%</b>

## V.17. Revenue generation effectiveness

The basic criterion for assessing revenue generation effectiveness is the level of annual plan completion. In 2010 the budget of the Capital City of Warsaw was implemented at a level that was higher by 2.2% than planned, which means a variance of PLN 224,9 million.

The table below shows the largest positive variances in the implementation of the revenue plan in 2010 (*in PLN million*)

	2010			
	Planned	Implemented	Variance	% of plan performed
Tax on civil law transactions	300.0	452.5	152.5	150.8%
Share in corporate income tax	450.0	535.1	85.1	118.9%
Receipts from various revenue sources	155.0	212.5	57.5	137.1%
Real property tax	843.9	898.2	54.3	106.4%

Fees for the special use of the environment	14.2	41.5	27.3	292.3%
Annual fees for perpetual usufructs	327.4	349.7	22.3	106.8%
Interest on funds on bank accounts	59.1	79.5	20.4	134.6%
Right-of-way occupancy fees	48.0	67.3	19.3	140.2%
Other revenue from various fees	70.3	84.2	13.9	119.8%
Other interest	11.9	23.0	11.1	193.3%
<b>Total revenue</b>	<b>10 222.1</b>	<b>10 446.9</b>	<b>224.9</b>	<b>102.2%</b>

Another measure of revenue generation effectiveness is the achieved Y/Y dynamics. In 2010 the revenue of the Capital City of Warsaw exceeded by 3.3% that of the previous year, which means that there occurred a PLN 330,2 million increase.

This table shows the largest positive variances in the dynamics of revenue implementation in 2010 (in PLN million and %)

	2009	2010	2009/2010	
	Implemented		Variance	Dynamics in %
Funds for subsidizing projects carried out within EU programmes	256.9	411.0	154.1	160.0%
Real property tax	809.9	898.2	88.3	110.9%
The educational part of the general subsidy	1 022.4	1 099.4	77.0	107.5%
Receipts from various revenue sources	163.0	212.5	49.5	130.4%
Tax on civil law transactions	408.2	452.5	44.3	110.9%
Receipts from rent fees on municipal flats	181.3	217.3	36.0	119.9%
Annual fees for perpetual usufructs	321.1	349.7	28.6	108.9%
Right-of-way occupancy fees	46.0	67.3	21.3	146.3%
<b>Total revenue</b>	<b>10 116.7</b>	<b>10 446.9</b>	<b>330.2</b>	<b>103.3%</b>

The positive values of the measures of revenue generation effectiveness were the result of the adoption by the City's governing and decision making bodies of the following ordinances and resolutions aimed at increasing Warsaw's revenue

- Ordinance No. 4467/2010 of the Mayor of the Capital City of Warsaw of 9 April 2010 on determining the rates of rent for 1 sq. m. of usable space in flats owned by the Capital City of Warsaw,
- Resolution No. LXXXIII/2438/2010 of the Council of the Capital City of Warsaw of 10 June 2010 on the rates of fees for the right-of-way occupancy of public roads in the area of the Capital City of Warsaw, excluding motorways and expressways,
- Ordinance No. 4935/2010 of the Mayor of the Capital City of Warsaw of 5 July 2010 on specifying prices for the sale of materials being geodetic and cartographic resources within the framework of making the resources available by the Cadastre and Geodesy Department.
- Resolution No. XCIV/2745/2010 of the Council of the Capital City of Warsaw of 9 November 2010 on specifying the rates of real property tax for 2011,
- Resolution No. XCIV/2746/2010 of the Council of the Capital City of Warsaw of 9 November 2010 on specifying the rates of motor vehicle tax for 2011,
- Ordinance No. 5520/2010 of the Mayor of the Capital City of Warsaw of 18 November 2010 on specifying the rates of fees on city car parks administered by the Public Land Management Authority.

Furthermore, the above results, which are favourable to the budget of the Capital City of Warsaw in the aspect of the level of plan performance and Y/Y dynamics, were influenced by the following tasks taken up by the City:

- The implementation of a strategy to maximise the absorption of funds coming from EU funds,
- Retaining the pace of annual fee adjustment for perpetual usufruct.

Other factors that contributed to the positive financial result were individual events, and events the performance dates of which were difficult to foresee and, consequently, which could not be planned during the budget-construction process. These include:

- Individual high-value transactions carried out on the financial or real property markets, influencing the performance of the tax on civil law transactions,
- VAT refunds in connection to the investments made in previous years influencing the implementation of various revenues,
- High-value damages for land claimed for the construction of expressways and motorways influencing the implementation of revenue from real property sale.

#### **V.18. A description of the mode and effectiveness of budgetary planning and the implementation of the unit's budget**

The modern management of a metropolis requires specifying clearly-defined strategic long-term goals, and selecting tools for their implementation. Taking this into account, the management of the finances of the Capital City of Warsaw is performed on a rolling wave basis (as introduced in 2008, three years before its becoming obligatory subject to statutory regulations), i.e. the basis for preparing the budget for a respective budget year and the following years is a set of assumptions adopted in the multi-year financial extension accompanying the budget for the year previous to the year for which the budget is being prepared.

Preparing multi-year financial frameworks in the management of a Local-Government unit allows the effective allocation of limited financial resources while retaining financial security. The awareness of financial priorities and capabilities makes it possible to choose the optimal direction for the City's development. Juxtaposing the City's needs and potential in the context of the set development strategy is decisive for the proper hierarchisation of the implementation of investment projects. Moreover, a projection of the City's long-term potential allows the effective management of the debt, which is essential in financing Warsaw's development needs. On the one hand, defining a long-term financial framework specifies the statutory and economically-feasible level of debt; on the other, a reliable budget projection allows the use of relatively inexpensive capital obtained by issuing bonds and "cheap" credits from international institutions (The European Investment Bank, The Council of Europe Development Bank). The events of the last three years have also shown the benefits of multi-year planning in extraordinary situations, such as an unexpected economic downturn. A meticulously-prepared multi-year financial forecast allowed the flexible discounting of the expected negative effects of the economic downturn, which resulted from the crisis on global financial markets, without losing sight of strategic objectives.

The preparation of the budget and a Multi-Year Financial Forecast is a continuous effort, i.e. the binding official budget framework of the City adopted by the resolutions of the City Council undergo ongoing verification on the basis of the constant monitoring of budgetary revenue and expenditure implementation and an analysis of the changes in the economic environment that affect the level of future revenue and expenditure implementation. The process of detailed budgetary planning in the Capital City of Warsaw involves in its various stages all the organisational units, and the City District Boards and Councils.

The effectiveness of budget planning and implementation in the Capital City of Warsaw, calculated by comparing the level of budget implementation in Warsaw and in the entire sector of Local-Government Units, on the basis of the data available for the years 2008-2009, shows that better results are achieved by the Capital City. In the years 2008-2009 the planned revenue of the Capital City of Warsaw was 103.2% and 105.5% implemented respectively, whereas other Local-Government units had an average result of 97.1% in both years. The total implementation of the expenditure planned was 93.1% and 94.2% respectively, and 90.6% and 92.5%, respectively, including current expenditure 95.9% and 95.8%, and 94.1% and 95.0% and capital expenditure



81.1% and 87.6%, and 80.1% and 86.1%. In 2010 the level of implementation of the revenue and expenditure plan in the Capital City of Warsaw was close to the one for 2008-2009.

#### **V.19. A projection of the repayment of the issuer's liabilities**

A projection of the budget for the years 2011-2014, the planned debt, and the repayment of liabilities are presented in section III.2.3 of this report. A detailed projection until the redemption of the liabilities, i.e. until 2033, is presented in the Multi-Year Financial Forecast for the Capital City of Warsaw for 2011-2033, available on the website of the Public Information Bulletin ([www.bip.warszawa.pl](http://www.bip.warszawa.pl)) in the section Budget and Financial Policy of the City of Warsaw.

#### **V.20. The effectiveness of municipal services and plans for their development**

##### **V.20.1. Local public transportation and transportation services**

The planning, organisation, and supervision of public transportation on behalf of the Capital City of Warsaw is carried out by a budgetary entity under the name The Municipal Transport Authority (ZTM - Zarząd Transportu Miejskiego) (Resolution of 16 December 1991 of the Council of the Capital City of Warsaw No. XXIII/135/91).

In 2010 public transportation and transportation services organised by ZTM underwent the following changes:

- The transport services conducted by public transportation in Warsaw and in its neighbouring communities (with which Inter-Community Agreements were concluded on providing transport services), compared to 2009, increased by ca. 2.5%, i.e. from 199.6 million vehicle-km in 2009 to 204.6 million vehicle-km in 2010.
- The share of the underground and the Fast Urban Railway (SKM) in transport increased at the cost of trams and buses, which was connected, among other things, with the launching in 2010 of two new SKM lines – one from Warszawa-Gdańska to Legionowo-Piaski, and the other from Warszawa-Wschodnia to Otwock.
- The fleet of urban carriers was continuously being modernised. In 2010 167 buses, 32 trams, and 4 trains were handed over for use.
- Design and construction work on the second line of the underground was carried out.
- Other transportation investments were continued, e.g. the modernisation of the first line of the underground, the extension of the Technical and Holding Station Kabaty, the construction of an underpass between the underground stations of Dworzec Gdański and PKP Warszawa Gdańska (handing over for use in the first quarter of 2011), the construction of strategic parking places "Park & Drive" – the second stage (Ursus-Niedźwiadek, Al. Krakowska, Anin, Wawer, Rembertów), design work concerning the tramway to Tarchomin, the road layout of Światowida Street, and design work on the modernisation of the bus loop near Dworzec Wschodni.
- 6 Inter-Community Agreements were changed (to 29 such Agreements) for the implementation by ZTM of transportation services in 2010 in order to supplement and extend the range of public transport services for the communities around the Capital City of Warsaw.

##### **V.20.2. Public roads**

Tasks in the field of construction, modernisation, and the protection of public roads going through the Capital City of Warsaw, are carried out by the budgetary entity The Urban Road Management Authority (ZDM - Zarząd Dróg Miejskich) (Resolution of 26 April 1993 of the Council of the Capital City of Warsaw No. XLV/259/93). ZDM, both organisationally and financially, is subject to the Mayor of the Capital City of Warsaw, who, pursuant to the Act on

Public Roads of 21 March 1985, manages all national, voivodeship, and district roads in Warsaw.

The fields and activities generating the most expenditure in 2010 were, among others, the maintenance and repair of street lighting, the maintenance of roads and bridges, the maintenance of traffic lights, the installation and maintenance of traffic safety equipment, the maintenance of road drainage equipment, the maintenance of and changes to traffic markings, the maintenance, monitoring, and modernisation of lifts in facilities, and the maintenance and extension of the City Information System,

The most important and significant investments implemented by ZDM and completed in 2010, with a value exceeding PLN 1 million, were:

- The rebuilding of the crossing of Płochocińska and Płytowa Streets (level crossing, provided with a sewer system and traffic signs)
- The rebuilding of Twarda Street (section between the Emilii Plater Street and the Grzybowski Square).
- The renovation of Emilii Plater Street (the section between Świętokrzyska Street and Jerozolimskie Avenue).
- The construction of a rainwater sewer on Estrady Street.
- The purchase and installation of equipment for the Unattended Paid Parking Area (SPPN).

Additionally, last year ZDM carried out modernisation and renovation of the following items:

- Replacement of the asphalt surface of roads (milling and covering) - 685 thousand sq. m of road surface were renovated in total, i.e. 67 sections of streets.
- Pavement renovation – 54 thousand sq. m of pavement surface were renovated on 18 streets.
- Bus lay-by renovation – 1.2 thousand sq. m of concrete surface in lay-bys were renovated on 6 streets.
- Bicycle-lane renovation – 3.7 thousand sq. m of bicycle lanes were renovated in total (Ciszewskiego, Kasprzaka, Wybrzeże Gdańskie, and Sobieskiego Streets).
- Overpasses renovation, e.g. Jagiellońska near PIMOT, Wawelska, Puławska on Jagielska Street, Płowiecka on Edisona Street, Grochowska on Garwolińska Street, Żwirki i Wigury on 1 Sierpnia Street, Ostrobramska on Poligonowa Street.
- Replacement of the surface of the road on the flyover on Towarowa Street.
- Flyover renovation on Łopuszańskiej Street over Krakowska Avenue.

### **V.20.3. Technical infrastructure**

Providing municipal services in respect of water and heat energy provision, and sewage collection is carried out through companies specifically established for these purposes – MPWiK S.A and SPEC S.A., 100% of whose shares are owned by the City. Investments in these fields are also realised and financed by the Companies within their own funds. In 2010, the investment outlays on the construction, rebuilding, and modernisation of water-sewage and heating facilities and networks amounted to ca. PLN 1.6 billion and PLN 160.0 million respectively. An increase in the system's effectiveness is apparent e.g. in the reduced water loss in the system, by 2 percentage points from 2009 to 2010, and in the reduced number of heating network breakdowns in the same period by 20%.

Currently the priority investment in the discussed field is the extension and redevelopment of the Czajka Sewage Treatment Plant, which is co-funded from EU funds, and the construction of a transmission network to the treatment plant and to the Solid Sludge Treatment Plant.

Heat generation, and the transmission and distribution of other utilities (gas, electrical energy) are carried out by external companies. The City's cooperation with these companies is performed on the basis of, inter alia, the Cooperation Agreement signed in June 2007 between

the City, SPEC S.A. and Vattenfall Heat Poland S.A., and the organisation of periodic Energetic Forums, debates, meetings, and discussions with the participation of all parties.

Every year concepts and plans are prepared for the designated areas of the city, in order to satisfy the needs for utilities in the developing areas, to stimulate investments in those areas, including, in particular investments in the field of residential housing development, and also to improve the quality of life of residents and the protection of the natural environment. In 2010, three water and sewage concepts were realised for the areas located in Targówek, Mokotów, and Białoleka of the Capital City of Warsaw, and the draft of the plan for the supply of heat, electrical energy, and gas fuels for the north-western part of the Wilanów District of the Capital City of Warsaw was prepared. They covered 2,400 ha and about 79 thousand residents in total.

#### **V.20.4. Residential management**

The directions of the policy in the field of the City's residential resources were set in the Multi-Year Programme for the Residential Resources Management of the Capital City of Warsaw for 2008-2012 (WPGZM) (Resolution of 2 October 2008 of the Council of the Capital City of Warsaw No. XLI/1272/2008). In 2010, pursuant to WPGZM, actions arising from the assumptions specified in the programme were continued. They concerned mainly the continuation of the implementation of unified rent policy rules for the entire city, the result of which was, among other things, the rationalising of the rent calculation system and an increase in revenue from rent for flats. The revenue obtained from residential management is stable and achieving the planned amounts is feasible.

In order to satisfy residential needs, taking into account the substantial demand and residential premises sales, the Programme of Municipal Residential Buildings of the Capital City of Warsaw for 2008-2012 was prepared (Resolution of 2 October 2008 of the Council of the Capital City of Warsaw No. XLI/1273/2008).

## **VI. ASSESSMENT BY THE REGIONAL CHAMBER OF AUDIT**

### **VI.1. Resolution of the Adjudication Panel of the Regional Chamber of Audit in Warsaw on the assessment of the submitted budget implementation report for 2010**

**RESOLUTION No. 176/W/11**  
**of the Adjudication Panel of the Regional Chamber of Audit**  
**in Warsaw**  
**on 28 April 2011**

on the issuance of an assessment of the report on the implementation of the budget for the year 2010  
submitted by the **Mayor of the Capital City of Warsaw**

Pursuant to Article 13 item 5 in connection with Article 19 par. 2 of the Act of 7 October 1992 on regional chambers of audit (consolidated text, Dz.U. *[Journal of Laws]* of 2001 No. 55, item 577 as amended) - **the Adjudication Panel of the Regional Chamber of Audit in Warsaw:**

**Chair of the Panel:-** Teresa Gołębiewska

**Members:-** Bożenna Piotrowska

- Bożena Zych

hereby resolves as follows:

#### **§ 1**

**To positively** assess the report on the implementation of the budget of the Capital City of Warsaw for the year 2010.

#### **§ 2**

The justification constitutes an integral part of the Resolution.

#### **§ 3**

This Resolution may be appealed on to the Regional Chamber of Audit in Warsaw within 14 days from its delivery.

#### **Justification**

On 31 March 2011 the Regional Chamber of Audit in Warsaw received a covering letter No. PB-5-ESO-3035-1-1-11 from the Mayor of Warsaw of 31 March 2011 with the report on the implementation of the budget of the Capital City of Warsaw for the year 2010.

The Adjudication Panel of the Regional Chamber of Audit in Warsaw conducted an analysis and evaluation of the said document, taking the following criteria into consideration:

1. punctuality of the filing of the assessed document, in accordance with Art. 267 par.3 of the Act of 27 August 2009 on Public Finances (Dz.U. No. 157, item 1240 as amended),
2. adequate detail in the report regarding Art. 267 par. 1 item 1 of the cited Act of 27 August 2009 on Public Finances,
3. the fulfillment of information scope regarding Art. 267 par. 2 and Art. 269 of the cited Act of 27 August 2009 on Public Finances,
4. the mutual conformity of planned and implemented amounts of revenue and expenditure, and income and expenses, shown in the following reports: descriptive, statistical, and resulting from Resolutions passed by the legislative and implementing body, taken over the financial year,
5. the conformity of the implemented sources of revenue and the directions of their expenditure in accordance with the relevant regulations,
6. maintaining a budget balance (revenue and expenditure and income and expenses), considering the result of the budget,

7. the state of implementation of the plan of revenue and expenditure, and income and expenses, and the analysis of the explanation of significant variations between the planned and the implemented amounts,
8. as set out in Art. 169 par. 1 of the Act of 30 June 2005 on Public Finances (Dz.U. No. 249, item 2104 as amended), in connection with Art. 85 item 3 of the Act of 27 August 2009 the regulations enforcing the Act on Public Finances (Dz.U. No. 157, item 1241 as amended) - observing the debt limit for the budget of a Local-Government unit on account of:
  - payment of credits and loans listed in Art. 82 par. 1 items 2 and 3 of the cited Act of 30 June 2005 on Public Finances, including due interest on credits and loans specified in Art. 82 par. 1 of the said Act,
  - redemption of securities issued by Local-Government units for the purposes specified in Art. 82 par. 1 items 2 and 3 of the cited Act of 30 June 2005 on Public Finances including due interest and discount on securities issued for the purposes specified in Art. 82 par. 1 of the said Act,
  - potential redemptions for amounts resulting from sureties and guarantees granted by a Local-Government unit,
9. adherence to – as specified in Art. 170 par. 1 of the cited Act of 30 June 2005 on Public Finances, in connection with Art. 85 item 3 of the Act of 27 August 2009 the regulations enforcing the Act on Public Finances - a Local-Government unit's debt limit in proportion to implemented revenue,
10. conformity of the applied budget classification with a regulation of the Minister of Finances of 2 March 2010 regarding detailed classification of revenue, expenditure, income and expenses, as well as foreign resources (Dz.U. No. 38, item 207 as amended).

**The Adjudication Panel of the Regional Chamber of Audit in Warsaw preparing an opinion on this report has made the analysis and comparison with the source documents held by the Chamber.**

As a result of the above-mentioned actions the Panel resolves as follows:

1. The City's revenue plan were implemented in 102.20% and compared to the year 2009 there was an increase of revenue in absolute numbers by about 3.16%.

Current revenue accounted for 94.22%, while capital revenue 5.78% of implemented total revenue.

The capital revenue plan was implemented in 80.91% and the current revenue plan in 103.88%.

Revenue for financing programs and projects with EU participation were executed in 74.5% whereas for co-financing of programs and projects with EU were implemented in 30.15% of the planned amounts.

The reasons for actual execution's diversion from the plans were discussed in the introductory part of the descriptive report.

2. The expenditure plan was implemented in 93.21% and in absolute amounts expenditures are 6.2% higher than in the previous year.

In the actual expenditures were included also expenditures which were not terminated with the end of the budget year.

The current expenditures were implemented in 95.17% of the approved plan and account for 78.6% of the total expenditures.

The capital expenditures which account for 21.4% of the total expenditures were executed in 87.03%

The plan of expenditures for financing programs and projects with EU participation was executed in 89.98% whereas co-financing of programs and projects with EU in 98.46%.

The review of presented reports did not reveal any expenditures above the plan.

3. The presented report concludes that 2010 budget had a deficit of PLN 1,653,761,103.73 whereas planned was a deficit of PLN 2,729,920,669.

The plan of income in the amount of PLN 2,934,270,917 was implemented in 109.40%, in which the plan of income derived from credits and loans in the amount of PLN 500,000,000 was implemented in 100%, whereas the plan of income derived from bond issuance was implemented in 97.19%. The plan of income from available cash reserves was implemented in 122.23%.

The planned income from asset sales did not materialize. The plan of expenses in the amount of PLN 204,350,248 was implemented in 99.74% (PLN 203,811,594.82), of which the plan of expenses for repayment of outstanding credits and loans was executed in 99.73% (PLN 197,311,594.82); the plan of expenses for the redemption of bonds was executed in 100% i.e. in the amount of PLN 6,500,000.

4. On the basis of report Rb-Z, it was concluded that liabilities of the city of Warsaw, at the end of 2010, were PLN 5,291,391,319.26 and amounted to 50.65% of the realized revenue. The above mentioned amount comprises liabilities from the credits and loans drawn in the amount of PLN 2,897,617,057.25, bonds issued in the amount of PLN 2,391,471,000 and liabilities due in the amount of PLN 2,303,262,01. From the descriptive information comes out that liabilities due refer to the Property Management Unit in the Praga Poludnie district and are related to advances for housing cooperatives and utility charges for supplies to municipal houses.  
The indicator of debt service (principal and interest) ratio to the planned 2010 budget revenue reached 4.15%.
5. Receivables due to the Capital City of Warsaw amounted to PLN 972,991,740.32 which accounts for 9,52% of the planned revenue and 9,31% of the implemented revenue.
6. An information concerning the state of municipal property, and a statement of the fulfilment of financial plans by public healthcare centres and cultural institutions in 2010 was enclosed to the descriptive report.

Taking into account the above statements, the Adjudication Panel of the Regional Chamber of Audit in Warsaw states that the above report constitutes a properly-prepared informational-analytical material portraying the budget implementation of the Capital City of Warsaw for the year 2010. It has to be underlined that by stating it's opinion, the Adjudication Panel assessed the report as far as it's complied with the law. Whereas the content matter assessment of the activities of the Mayor of the Capital City of Warsaw in respect of the extent of implementation of budget, purposefulness, and economic efficiency, is conducted by the Council of the Capital City of Warsaw.

**VI.2. Resolution of the Adjudication Panel of the Regional Chamber of Audit in Warsaw on the assessment of the possibility of the redemption of bonds**

**RESOLUTION No. 4/W/10  
of the Adjudication Panel of the Regional Chamber of Audit  
in Warsaw  
on 25 January 2010**

on the assessment of the possibility of the redemption of bonds by **the Capital City of Warsaw**

Pursuant to article 13 pt. 1 and article 19 sec. 1 and 2 of the Act of 7 October 1992 on regional chambers of audit (consolidated text of 2001 Dz.U. *[Journal of laws]* No. 55, item 577 as amended) with regard to article 91 sec. 2 of the Act of 27 August 2009 on public finance (Dz.U. *[Journal of Laws]* No. 157, item 1240) - **the Adjudication Panel of the Regional Chamber of Audit in Warsaw:**

**Chair of the Panel:-** Teresa Gołębiewska

**Members:-** Bożenna Piotrowska

- Bożena Zych

hereby resolves as follows:

**§ 1**

The Capital City of Warsaw has the possibility of the redemption of bonds in the amount of PLN 999 411 340.00 and is going to issue them in 2010.

**§ 2**

The justification constitutes an integral part of this Resolution.

**§ 3**

This Resolution may be appealed on to the Regional Chamber of Audit within 14 days from its delivery.

**JUSTIFICATION**

The Mayor of the Capital City of Warsaw filed a letter No. PD.UM – 4 AF – EOC – 3055- 1- 1 – 10 with the Regional Chamber of Audit in Warsaw regarding the possibility of the redemption of bonds in the amount equivalent to PLN 999 411 340.00, which the Chamber received on 14 January 2010.

Issuing its objective assessment, the Adjudication Panel of the Regional Chamber of Audit in Warsaw bases its conclusions on the analysis of the following documents:

1. Resolution No. LXIX/2176/2009 of the Council of the Capital City of Warsaw of 17 December 2009 on the issuance of bonds of the Capital City of Warsaw to finance the budget deficit of the Capital City of Warsaw in the year 2010.
2. Resolution No. LXIX/2173/2009 of the Council of the Capital City of Warsaw of 17 December 2009 on the establishment of the budget of the Council of the Capital City for the year 2010.
3. The letter from the Mayor of the Capital City of Warsaw regarding the issue of an assessment; and the enclosed "Policy on Debt", together with the forecast of the City's debt in the years 2010-2033,
4. Information on the implementation of the budget of the Capital City of Warsaw for the year 2009.

In the aforementioned Resolution the Council of the Capital City of Warsaw set the following terms:

1. Revenue from the issuance of bonds in the domestic and foreign markets with a total nominal value not exceeding PLN 999 411.340 shall be allocated for the financing of the planned budget deficit in 2010.
2. Redemption of bonds shall proceed according to their nominal value, consecutively from 2015 to 2025. The bonds may be acquired by the Capital City of Warsaw in the domestic market before the maturity date, in order to amortise them.

3. The report on the budget implementation in 2009 shows that the revenue of the Capital City of Warsaw was achieved at 105.5% of the planned amount, while expenditure was at 92.8%.
4. The budget Resolution for the 2010 plans:

- revenue of PLN 10 298 945 321

- expenditure of PLN 12 570 817 122

- deficit of PLN 2 271 871 801

The Council of the Capital City of Warsaw indicated the sources of financing the deficit in the above amount. These are to be incomes from:

- the sale of securities issued by the City in the amount of PLN 999 411 340

- raised credits and loans in the amount of PLN 750 000 000

- privatisation of assets in the amount of PLN 12 500 000

- available funds in the form of surplus in cash on the current account of the budget, resulting from the settlement of credits and loans from previous years in the amount of PLN 509 960 461

5. The debt forecast for the year 2010 annexed to the budget of the Capital City of Warsaw shows that the anticipated ratio of revenue growth from the year 2015 to the year 2025, i.e. in the period when, pursuant to the Resolution on bond issuance, the redemption of bonds in consideration, compared to the previous year, will run at the level of: 0.56% in 2015; 3.4% in 2016; 4.99% in 2017; 3.37% in 2018; 3.37% in 2019; 3.38% in 2020; 3.38% in 2021; 3.38% in 2022; 3.39% in 2023; 3.39% in 2024; 3.4% in 2025.
6. Overall, liabilities in respect of the payment of the principal, instalments and interest from already-raised and expected loans and credits, and in respect of bond redemption and the payment of interest therefrom in the period 2015-2025, will constitute from 10.26% to 2.06% of the revenue planned in the period. The debt forecast indicates that redemption of bonds has been planned in one tranche for the year 2020. The total liabilities to be paid in 2020 amount to 10.26% of the revenue planned in that year, and may be reduced, since the issuance of bonds means that the redemption of bonds will be made at a single time at maturity dates of a given issuance, i.e. in the period 2015 and 2025. Therefore, the liabilities may change in respect of the payment of credits and loans and redemption of bonds in the period 2015 – 2025.

The City's debt, referred to in article 170 of the Act on public finances, according to the forecast as at the end of 2020, i.e. at the time of bond redemption, is running at the level of PLN 3 895 373 337, which constitutes 26.41% of the planned revenue.

To conclude, the Adjudication Panel of the Regional Chamber of Audit in Warsaw, having reviewed the documents submitted by the Capital City of Warsaw, affirms that the legal requirements stipulated in article 169 and article 170 of the Act of 30 June 2005 on public finance have been fulfilled, i.e. the amounts of yearly liabilities in respect of the payment of loan and credit installments, together with interest, and in respect of the redemption of bonds and payment of interest therefrom, and the potential payment of amounts resulting from guarantees in the year 2020, are not going to exceed the limit of 15% of forecast revenue, and the total amount of debt as at the end of 2020 will be within the limits of 60% of revenue.

Providing the entity implements the amounts set out in the revenue and debt forecast strictly or closely to the plan, the Adjudication Panel of the Regional Chamber of Audit believes that the Capital City of Warsaw will have the possibility to redeem in 2020 the bonds that are to be issued.