

# THE WARSAW **ANNUAL REPORT** 2020





## Dear Readers,

We are giving you the most recent edition of “The Warsaw Annual Report,” which provides concise information about the financial standing of the City of Warsaw in 2020.

The Report presents the balance sheet and budget of the City of Warsaw, as of 31 December 2020, which was approved by the Regional Chamber of Audit in Warsaw and confirmed by an opinion of a statutory auditor on the financial statements and by rating agency assessments.

The implementation of the City of Warsaw budget in 2020 took place under an unprecedented scale of restrictions imposed on economic activity in Poland and globally, which resulted from the spread of the SARS-CoV-2 coronavirus responsible for the COVID-19 disease.

Although a significant loss of budget revenue was observed in 2020, the City’s activities were particularly focused on ensuring that all the city tasks were properly implemented, including those aimed at ensuring the safety of Warsaw residents and reducing the impact of the COVID-19 pandemic. Despite the restrictions, we did not fall behind with our multi-annual investment programme, which includes municipal infrastructure projects related to, i.a., the extension of Metro Line 2, the construction of new schools and kindergartens, and the development of the city’s hospitals.

“The Warsaw Annual Report” is addressed to residents, investors, representatives of financial institutions, NGOs, and other persons, with particular attention to the transparency of the financial management of the City of Warsaw.



Mirosław Czekaj  
City of Warsaw  
Treasurer



Rafał Trzaskowski  
Mayor of Warsaw



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## The City of Warsaw authorities in 2020

Mayor of Warsaw	– RAFAŁ TRZASKOWSKI
Deputy Mayor of Warsaw	– PAWEŁ RABIEJ <i>(until 03/11/2020)</i>
Deputy Mayor of Warsaw	– ROBERT SOSZYŃSKI
Deputy Mayor of Warsaw	– MICHAŁ OLSZEWSKI
Deputy Mayor of Warsaw	– RENATA KAZNOWSKA
Deputy Mayor of Warsaw	– ALDONA MACHNOWSKA-GÓRA <i>(since 18/11/2020)</i>
City Clerk the City of Warsaw	– MARCIN WOJDAT
Treasurer the City of Warsaw	– MIROSŁAW CZEKAJ
Municipality Director	– ELŻBIETA MARKOWSKA
Director Coordinator for Culture and Social Communication	– ALDONA MACHNOWSKA-GÓRA <i>(until 17/11/2020)</i>
Director Coordinator for Sustainable Development and Greenery	– JUSTYNA GLUSMAN
Director Coordinator for Entrepreneurship and Social Dialogue	– KAROLINA ZDRODOWSKA <i>(since 18/11/2020)</i>

### THE WARSAW CITY COUNCIL

#### The Board of the Council

Chairperson of the City Council	– EWA DOROTA MALINOWSKA-GRUPIŃSKA
Deputy Chairperson of the City Council	– DARIUSZ FIGURA
Deputy Chairperson of the City Council	– SŁAWOMIR POTAPOWICZ
Deputy Chairperson of the City Council	– MAGDALENA ROGUSKA <i>(since 27/02/2020)</i>

## Other Councillors

Anna Auksel-Sekutowicz

Maciej Binkowski

Agnieszka Borowska

Mariusz Budziszewski

Jacek Cieślowski

Agata Diduszko-Zyglewska

Stanisław Dratkiewicz *(since 30/12/2020)*

Joanna Dymowska

Dariusz Dziekanowski

Mariusz Frankowski

Filip Frąckowiak

Patryk Górski

Oskar Hejka *(since 18/02/2020)*

Tomasz Herbich

Agnieszka Jaczewska-Golińska

Ewa Janczar

Monika Jaruzelska

Cezary Jurkiewicz

Jarosław Kaczyński

Sebastian Kędzierski

Wiktor Klimiuk

Andrzej Kropiwnicki

Renata Królak

Oliwer Kubicki

Dariusz Lasocki *(until 20/01/2020)*

Paweł Lech

Dorota Lutomirska

Dorota Łoboda

Maria Łukaszewicz

Piotr Mazurek (KO)

Piotr Mazurek (PiS)

Beata Michalec

Anna Nehrebecka-Byczewska

Renata Niewitecka

Iwona Pawłowska

Kacper Pietrusiński

Błażej Poboży

Tadeusz Ross

Paweł Sawicki

Olga Semeniuk

Monika Sobczak *(until 11/12/2020)*

Joanna Staniszkis

Tomasz Sybilski

Marek Szolc

Jarosław Szostakowski

Michał Szpąderski

Gabriela Szustek

Piotr Szyszko

Aleksandra Śniegocka-Goździk

Joanna Wiśniewska-Najgebauer

Iwona Wujastyk

Agnieszka Wyrwał

Maciej Wszyński

Justyna Zając

Małgorzata Zakrzewska

Piotr Żbikowski

Alicja Żebrowska

Tomasz Żyłka

# Statutory Auditor's Report

*Audit of the financial statements under agreement UMIA/KK/B/XI/1/1/2/2021 of 15 January 2021 by and between:  
The City of Warsaw  
and the Consortium of auditing companies KPW Audytor Sp. z o.o., ISP Modzelewski i Wspólnicy - Audyt Sp. z o.o., POL -TAX 2 Sp. z o.o.*

## **INDEPENDENT AUDITOR'S REPORT ON ANNUAL FINANCIAL STATEMENTS PREPARED BY**

### **THE CITY OF WARSAW**

*with its registered office in Warsaw (00-950), at Plac Bankowy 3/5*

for the Warsaw City Council

### **Report on annual financial statements**

#### ***Opinion***

We have audited the annual financial statements prepared by the entity CITY OF WARSAW ("the Entity") which includes the budget-implementation balance sheet prepared as at 31 December 2020, the consolidated balance sheet as at 31 December 2020, the consolidated profit and loss account for the financial year between 1 January and 31 December 2020, the consolidated statement of changes in equity for the financial year between 1 January and 31 December 2020 and additional notes ("the financial statements").

In our view, the attached financial statements:

- present a true and fair view of the assets and liabilities and financial standing of the Entity as at 31 December 2020, and its financial results for the financial year ending on that day, pursuant to the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act" – Journal of Laws of 2021, item 217), and in line with the adopted accounting principles (policy);
- are compliant with the laws and the bylaws applicable to the Entity; as regards to the form and the contents;
- were prepared based on books of accounts which have been kept correctly pursuant to the provisions of Chapter 2 of the Accounting Act.

This opinion is consistent with the additional report for the Audit Committee issued on 17 May 2021.





*Audit of the financial statements under agreement UMIA/KK/B/XI/1/1/2/2021 of 15 January 2021 by and between:  
The City of Warsaw  
and the Consortium of auditing companies KPW Audytor Sp. z o.o., ISP Modzelewski i Wspólnicy - Audyt Sp. z o.o., POL - TAX 2 Sp. z o.o.*

### **Grounds for the opinion**

The audit was performed in line with the International Standards on Auditing adopted as National Auditing Standards by way of Resolution No. 3430/52a/2019 of the National Council of Statutory Auditors dated 21 March 2019 on the national standards on practising the profession of an auditor, and other documents, as amended (hereinafter "NAS") and pursuant to the Act of 11 May 2017 on statutory auditors, audit companies and public supervision ("The Act on Statutory Auditors" – Journal of Laws, item 1415, as amended), and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("EU Regulation" - OJ L158). Our responsibility, in accordance with these standards, is further described in the section of our report entitled "Auditor's responsibilities for the audit of the financial statements."

### **Responsibility of the Statutory Auditor for auditing the financial statements.**

We are independent of the Entity in line with the Code of Ethics for Professional Accountants of the International Federation of Accountants ("IFAC Code") adopted by way of resolution of the Polish Chamber of Statutory Auditors No. 34351/52a/2019 of 25 March 2019 on the professional ethics of statutory auditors, and other ethical requirements applicable to auditing financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the course of the audit, the key statutory auditors and the audit firms remained independent of the Entity, in accordance with the independence requirements set out in the Act on statutory auditors and the EU Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Clarifications and drawing attention**

We draw your attention to note II.3.8 of additional notes, which describes a significant event concerning the global situation connected with the COVID-19 virus and its potential impact on the Entity's functioning in the future periods. Our opinion does not include objections relating to this matter.



### **Key audit matters**

Key audit matters are those matters which, in our professional judgement, were the most significant during the audit of the financial statements for the current reporting period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the financial statements as a whole, and in the course of preparing our opinion, and summarised our response to these risks and, where we felt appropriate, made key observations in relation to these risks. We did not express separate opinions on the matters.

Key audit matter	How the matter was addressed in our audit
<p><b>FIXED ASSETS:</b></p> <p>The correctness of entries in the books of accounts, and the valuation of fixed assets.</p> <p>This item is highly significant from the perspective of auditing the entire financial statement. As at 31 December 2020 it has the value of PLN 27,206,070,010.70 and constitutes 65.2% of the balance sheet total.</p> <p>Given the above, we considered this to be the key matter in the audit procedure.</p>	<p>As regards the said key matter, our audit procedures included</p> <ul style="list-style-type: none"> <li>• The analysis of relevant accounting policies and procedures, including the internal control environment, related to the valuation process applied to individual elements which comprise the "Fixed assets" balance sheet item;</li> <li>• The verification of the application of the said accounting rules in the selected organisational units of the City of Warsaw;</li> <li>• Queries related to the applied valuation methods and procedures, addressed to the Entity's Management.</li> <li>• The following audit procedures on a specified sample, including <ul style="list-style-type: none"> <li>• the verification of entries in books of accounts concerning accounts related to fixed assets,</li> <li>• the correctness of accounting for increases and reductions in the year covered by the audit.</li> <li>• the verification of the stocktaking procedure and the methods of its settlement.</li> </ul> </li> </ul>

	As a result of conducting the procedures, no material irregularities, which would result in the need to modify the audit opinion, were found.
<p><b>LONG-TERM FINANCIAL ASSETS – STOCKS AND SHARES:</b></p> <p>The correctness of entries in the books of accounts, the existence and valuation of stocks and shares in subsidiaries in the balance sheet.</p> <p>This item is very important in the context of the audited financial statements, but it is not directly related to current operating activities.</p> <p>As at 31 December 2020 the value of stocks and shares in subsidiaries was estimated at the total amount of PLN 4,833,667,417.51, which is 11.5% of the balance sheet total</p> <p>Given the above, we considered this to be the key matter in the audit procedure..</p>	<p>As regards the key matter, our audit procedures included:</p> <ul style="list-style-type: none"> <li>• The analysis of relevant accounting policies and procedures, including the internal control environment, relating to the process of valuation of long-term financial assets.</li> <li>• Queries addressed to the Entity's Management related to the applied methods and procedures for the valuation of shares in subsidiaries;</li> <li>• The following audit procedures, including: <ul style="list-style-type: none"> <li>○ The review of the consistency of the previously applied valuation principles;</li> <li>○ The verification of entries in the books of accounts concerning long-term financial assets</li> <li>○ The verification of the existing write-downs of long-term financial assets.</li> </ul> </li> </ul> <p>As a result of conducting the procedures, no material irregularities, which would result in the need to modify the audit opinion, were found.</p>
<p><b>PROVISIONS FOR LIABILITIES</b></p> <p>The correctness of entries in books, the existence and valuation of provisions for liabilities in the balance sheet.</p>	<p>As regards the key matter, our audit procedures included:</p> <ul style="list-style-type: none"> <li>• The analysis of the applied accounting policies and procedures, including the internal control environment related to the procedures of estimating and valuation of provisions for liabilities, taking into consideration contingent liabilities.</li> <li>• Queries addressed to the Entity's management related to the adopted assumptions regarding the estimation and valuation of provisions for liabilities.</li> </ul>

<p>This item is highly significant in the context of the audited financial statements, but it is not directly related to current operating activities.</p> <p>As at 31 December 2020, the value of provisions for liabilities was estimated at the total amount of PLN 1,724,330,941.74 which accounts for 4.1% of the balance sheet total.</p> <p>Given the above, we considered this to be the key matter in the audit procedure.</p>	<ul style="list-style-type: none"> <li>• The following audit procedures, including: <ul style="list-style-type: none"> <li>• The review of the consistency of the valuation methods applied to date;</li> <li>• The verification of entries in the book of accounts concerning long-term financial assets;</li> <li>• Verification of information on contentious issues obtained from, i.a., the legal department,</li> <li>• Review of the principles and the methodological soundness of applying them, and of qualifying individual issues as requiring provisions or as contingent liabilities.</li> </ul> </li> </ul> <p>As a result of conducting the procedures, no material irregularities, which would result in the need to modify the audit opinion, were found.</p>
<p><b>FINANCIAL LIABILITIES:</b></p> <p>The correctness of entries in the books of accounts, the existence and valuation of financial liabilities from loans and bonds.</p> <p>This is the most important item as regards the budget-implementation balance sheet total.</p> <p>Given the above, we considered this to be the key matter in the audit procedure.</p>	<p>As regards the said key matter, our audit procedures included</p> <ul style="list-style-type: none"> <li>• The review of the consistency of the previously applied valuation principles and methodologies;</li> <li>• The verification of entries in the books of accounts related to the area which was analysed;</li> <li>• The verification of the correct division of these liabilities into short-term and long-term liabilities;</li> </ul> <p>As a result of conducting the procedures, no material irregularities, which would result in the need to modify the audit opinion, were found.</p>

**Other matter – audit scope**

The Entity's financial statements for the year ended on 31 December 2019 were audited by a consortium consisting of: KPW Audyt Sp. z o.o. - Statutory Auditor Krzysztof Warczak (register number 11939) and Instytut Studiów Podatkowych Modzelewski i Wspólnicy - Audyt Sp. z o.o. - Statutory Auditor Stanisław Michrowski (register number 10257), who issued an unqualified opinion on the said statements on 22 June 2020.

**Responsibility of the Mayor and Audit Committee for the financial statements**

The Mayor of Warsaw (hereinafter: "Head of Entity") is responsible for preparing the financial statements, based on the correctly kept books of accounts, which presents a true and fair view of the Entity's assets and liabilities, its financial standing, and the financial results of the Entity, pursuant to the Accounting Act, the adopted accounting principles (policy), and the laws and bylaws applicable to the Entity, as well as for internal control which the Entity Manager deems necessary to facilitate the preparation of the financial statement which are free from any material misstatements, whether due to fraud or error.

In preparing the financial statements, the Head of Entity is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Head of Entity either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Head of Entity and the members of the Audit Committee are responsible for ensuring that the financial statements meet the requirements laid down in the Accounting Act. The Members of the Audit Committee are responsible for overseeing the financial reporting process in the Entity.

**Auditor's responsibility for the audit of the financial statements.**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, which, however, does not guarantee that an audit performed in line with KSB rules will always detect material misstatements. Misstatements may arise as a result of fraud or error and are



considered material if it can reasonably be expected that individually or in the aggregate, they could influence the economic decisions of the users taken on the basis of these financial statements..

The scope of the audit does not include assurance on the future profitability of the Entity nor effectiveness of conducting its matters at present and in the future by the Head of Entity.

During the audit performed in line with KSB rules we apply professional judgement and professional scepticism, and also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control,
- evaluate the appropriateness of accounting principles (policy) used, and the reasonableness of accounting estimates and related disclosures made by the Head of Entity,
- conclude on the appropriateness of the Head of Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such entries are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the entries, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

We communicate with the members of the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We provide the members of the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, related safeguards.

From the matters communicated to the members of the Audit Committee, we determined those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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## **Report on other legal and regulatory requirements**

### **Statement on the provision of non-audit services**

We represent that, to the best of our knowledge and belief, we have not provided to the Entity any prohibited non-audit services, as referred to in Article 5(1) of EU Regulation No. 537 and Article 136 of the Act on Statutory Auditors.

### **Selection of the audit firm**

We were appointed for the audit of the Entity's financial statements based on Resolution No. XLIII/1302/2021 of the Warsaw City Council dated 14 January 2021. The Entity's financial statements are audited by the consortium of audit companies KPW Audytor Sp. z o.o., Instytut Studiów Podatkowych Modzelewski i Wspólnicy - Audyt Sp. z o.o., POL-TAX 2 Sp. z o.o. for the first time.





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The key statutory auditors responsible for performing the audit which is the subject of this independent auditor report, are Krzysztof Warczak and Stanisław Michrowski, acting on behalf of the Consortium:

- **KPW Audytor Sp. z o.o.** with its registered office in Łódź (90-350), at ul. Tymienieckiego 25C/410 – an auditing company entered in the register under number 3640;
- **Instytut Studiów Podatkowych Modzelewski i Wspólnicy - Audyt Sp. z o.o.** with its registered office in Warsaw (04367), at Kalerńska 8 - an auditing company entered in the register under number 2558;
- **POL-TAX 2 Sp. z o.o.** with its registered office in Warsaw (03-982), at ul. Bora-Komorowskiego 56C/91 – an auditing company entered in the register under number 4090;

on behalf of which the Key Statutory Auditors performed an audit of the financial statements.

**KPW Audytor Sp. z o.o.**

ul. Tymienieckiego 25C/410; 90-350 Łódź



Signed electronically by Krzysztof  
Marek Warczak Date: 2021.05.17  
18:40:24 +02'00'

**Krzysztof Warczak**

Key Statutory Auditor No. 11939



**KPW Audytor Sp. z o.o.** is entered in the audit firm register  
conducted by the Polish Agency for Audit Oversight under  
number 3640

**Instytut Studiów Podatkowych**

**Modzelewski i Wspólnicy - Audyt Sp. z o.o.**

ul. Kalerńska 8; 04-367 Warsaw



Document signed by  
Stanisław Michrowski  
Date: 2021.05.17  
18:50:23 CEST

**Stanisław Michrowski**

Key Statutory Auditor No. 10,257



**Instytut Studiów Podatkowych Modzelewski i Wspólnicy -  
Audyt Sp. z o.o.** is entered in the audit firm register conducted  
by the Polish Agency for Audit Oversight under number 2558

Łódź, Warsaw, 17 May 2021



# Opinion of the Regional Chamber of Audit in Warsaw

Signed electronically by:  
Agata Pączkowska  
Regional Chamber of Audit in Warsaw  
on 30 April 2021

## **RESOLUTION No. 3.e/362/2021 of the Adjudicating Panel of the Regional Chamber of Audit in Warsaw dated 30 April 2021**

on issuing an opinion on the Report on the implementation of the budget for 2020 submitted by the **Mayor of Warsaw**.

Pursuant to Article 13(5) and Article 19(2) of the Act of 7 October 1992 on Regional Chambers of Audit (Journal of Laws of 2019, item 2137), Article 267 (3) of the Public Finance Act of 27 August 2009 (Journal of Laws of 2021, item 305) – **the Adjudicating Panel of the Regional Chamber of Audit in Warsaw**, composed of:

**Chairperson** - Agata Pączkowska  
**Members** - Karolina Aszkiełowicz  
- Agnieszka Szewc

hereby resolves as follows

### **§ 1**

The Adjudicating Panel approves the Report on the implementation of the City of Warsaw budget for 2020.

### **§ 2**

The statement of reasons is an integral part of the resolution.

### **§ 3**

The City of Warsaw may appeal against this Resolution to the Committee of the Regional Chamber of Audit in Warsaw within 14 days of receipt hereof.

### **Statement of reasons**

On 31 March 2021 a report on the implementation of the City of Warsaw budget for 2020 was submitted with the Mayor's letter PB-PB-5.3035.3.2021.MDU of 31 March 2021 to the Regional Chamber of Audit in Warsaw.

The Adjudicating Panel of the Regional Chamber of Audit in Warsaw analysed the aforementioned report, and compared it with the source documents filed with the Chamber.

Following these activities, the Panel found that:

The City of Warsaw budget for 2020, taking into consideration the amendments made throughout the year, provided for the planned income of PLN 18,615,945,861.00. The income received by the City amounted to PLN 18,557,696,157.94, which corresponds to 99.69% of the plan. The City obtained current revenues corresponding to 99.35% of the plan.

The performance under property-related revenues amounted to 107.83% of the planned value. The descriptive part includes the performance under revenue divided by revenue sources, and by budget classification sections.

The expenditures planned for 2020, taking into consideration the amendments made, was PLN 21,650,893,573.00. The expenditures made by the City amounted to PLN 20,226,162,998.26, which corresponds to 93.42% of the plan, including:

- a) Current expenditures performed at 94.36% of the amended plan
- b) Property-related expenditures performed at 86.63% of the amended plan

The liabilities, according to debt titles as at the end of the 2020 reporting year amounted to PLN 5,652,681,395.15 (30.46% of the total revenue performed), and were increased in relation to the previous year (2019). The liabilities include credits and loans of PLN 4,399,946,155.85 taken in previous years, and securities in the amount of PLN 1,251,568,000.00.

The year 2020 was closed with a budget deficit of PLN 1,668,466,840.32. The adopted budget plan provided for a deficit of PLN

3,034,947,712.00.

The performance under current expenditures as at 31 December 2020 was lower than the performance under current revenues increased by available funds referred to in Article 217(2)(6) of the Public Finance Act. Therefore, the requirement set forth in Article 242(2) of the Public Finance Act was fulfilled

Based on the data shown in the report subject to the opinion, and the data shown in Rb-28S budget report as at the end of 2020, it can be stated that the performance under expenditures in individual budget classification sections have not exceeded the planned values.

In the view of the Adjudicating Panel, the report meets the requirements defined in applicable legal regulations. It should be also pointed out that the Panel evaluated the report in terms of its compliance with the law, while the evaluation of the Mayor's activities in the field of the budget implementation degree, frugality and their purposefulness falls within the jurisdiction of the City's decision-making body.

Given the above, the Adjudicating Panel of the Regional Chamber of Audit in Warsaw resolves as stated above.

## Revenue and expenditures in the City Budget in 2020 according to budgetary classification

The amounts below are provided in PLN thousand

	REVENUE	EXPENDITURES
010 Agriculture and hunting	43	130
020 Forestry	932	16,163
400 Electricity, gas and water production and supply	16	3,101
500 Trade	0	5,190
600 Transport and connectivity	1,389,561	4,445,967
630 Tourism	31	4,655
700 Housing management	1,385,982	1,174,142
710 Services	24,127	71,617
730 Higher education and science	0	848
750 Public administration	45,523	1,353,415
751 Offices of bodies of central state authority, control, law and the judiciary	8,362	8,362
752 National defence	709	709
754 State security and firefighting	122,099	316,931
755 Law enforcement bodies	2,284	2,286
756 Revenue from legal persons, natural persons and other entities without a legal personality and expenditures connected with their collection	9,283,180	0
757 Public debt servicing	0	148,837
758 Miscellaneous settlements	2,680,187	1,229,375
801 Education and upbringing	159,704	4,593,582
851 Healthcare	19,721	339,296
852 Welfare	146,396	613,018
853 Other tasks in social policy	45,466	70,672
854 Educational upbringing care	9,841	516,413
855 Family	2,373,136	2,760,973
900 Municipal services and environmental protection	785,727	1,607,572
921 Culture and national heritage protection	19,487	627,003
925 Botanic and zoological gardens, natural protection areas and objects	13,476	70,967
926 Physical culture	41,703	244,083
<b>DEFICIT SETTLEMENT</b>		
-	<b>Revenues</b>	<b>18,557,696</b>
-	<b>Outflows</b>	<b>20,226,163</b>
-	<b>Deficit</b>	<b>-1,668,467</b>

## City Budget revenue between 2018 and 2020, by sources

The amounts below are provided in PLN thousand

	2018	2019	2020
<b>I. OWN REVENUE</b>	<b>6,174,894</b>	<b>5,738,826</b>	<b>5,326,647</b>
Tax revenue	1,916,012	1,940,604	1,843,598
Receipt from fees	609,429	627,154	1,011,820
Income from assets	1,367,594	1,244,777	965,711
Other own revenue	2,281,860	1,926,292	1,505,519
<b>II. OTHER REVENUE [SHARES, SUBSIDIES, GRANTS, FUNDS FROM FOREIGN AND OTHER SOURCES]</b>	<b>10,866,428</b>	<b>12,370,564</b>	<b>13,231,049</b>
Share in state budget revenue	6,657,980	7,288,852	7,161,519
Subsidies	2,024,181	2,278,936	2,543,665
State budget funds allocated for own tasks	175,407	180,005	189,948
Funds from foreign and other sources	614,431	594,044	563,540
State budget funds allocated for delegated tasks	1,304,602	1,930,786	2,554,745
Targeted subsidies made on the basis of agreements	89,528	97,095	217,347
Incoming from financial assistance between local and regional governments	0	846	285
<b>TOTAL</b>	<b>17,041,322</b>	<b>18,109,390</b>	<b>18,557,696</b>

## Budget revenue and expenditures of the City of Warsaw between 2018 and 2020

The amounts below are provided in PLN thousand

	2018	2019	2020
<b>I. TOTAL CITY BUDGET REVENUE</b>	<b>17,041,322</b>	<b>18,109,390</b>	<b>18,557,696</b>
including			
Revenue from	15,647,193	16,081,509	15,785,604
own tasks	6,174,894	5,738,826	5,326,647
shares	6,657,980	7,288,852	7,161,519
subsidies	2,024,481	2,278,936	2,543,665
funds allocated for own tasks	175,407	180,005	189,948
funds from foreign and other sources	614,431	594,044	563,540
financial assistance between local and regional governments	0	846	285
Targeted subsidies for delegated tasks	1,304,602	1,930,786	2,554,745
Targeted subsidies made on the basis of agreements	89,528	97,095	217,347
<b>II. CITY BUDGET RECEIPTS</b>	<b>3,878,978</b>	<b>3,741,095</b>	<b>4,805,609</b>
including			
on domestic loans	0	0	6,258
on foreign loans	0	0	1,937,834
issue of bonds	0	0	400,000
receipts from other domestic transactions	3,878,121	3,741,095	2,461,517
<b>III. BUDGETARY ENTERPRISE REVENUE</b>	<b>289,784</b>	<b>215,647</b>	<b>217,309</b>
<b>IV. OWN REVENUE OF BUDGETARY ENTITIES</b>	<b>175,549</b>	<b>181,678</b>	<b>110,441</b>

## City Budget expenditures and outgoings between 2018 and 2020

*The amounts below are provided in PLN thousand*

	2018	2019	2020
<b>I. TOTAL CITY BUDGET EXPENDITURE</b>	<b>16,622,274</b>	<b>18,715,030</b>	<b>20,226,163</b>
Including:			
Current expenditures	14,433,201	16,339,972	17,941,010
including:			
remuneration and remuneration derivatives	4,687,711	5,243,559	5,575,794
subsidies	2,285,293	2,529,843	2,849,259
In-kind expenditure	7,255,770	8,385,769	9,367,120
debt servicing	204,427	180,802	148,837
Asset-related expenditures	2,189,073	2,375,058	2,285,153
including:			
shares in companies	94,552	49,587	44,350
subsidies / financial aid	8,249	1,579	2,138
investments	2,086,272	2,323,892	2,238,665
<b>II. CITY BUDGET OUTGOINGS</b>	<b>2,039,431</b>	<b>673,765</b>	<b>589,201</b>
Including:			
redemption of securities (bonds)	300,000	600,000	143,556
repayments of foreign loans and borrowings	256,931	73,765	445,645
transfers to deposit accounts	1,482,500	0	0
<b>III. COSTS AND OTHER BURDENS OF BUDGETARY ENTITIES</b>	<b>281,444</b>	<b>213,754</b>	<b>205,906</b>
<b>IV. EXPENDITURE FINANCED FROM OWN REVENUE OF BUDGETARY ENTITIES</b>	<b>173,238</b>	<b>179,583</b>	<b>110,104</b>

## State of liabilities of the City of Warsaw between 2018 and 2020

*The amounts below are provided in PLN*

	As at 31/12/2018	As at 31/12/2019	As at 31/12/2020
<b>DEBT LIABILITIES OF THE CITY BUDGET</b>	<b>4,569,251,865</b>	<b>3,895,705,253</b>	<b>5,652,681,395</b>
Including:			
Loans and borrowings	2,969,669,289	2,895,904,436	4,399,946,156
Bonds	1,599,411,000	999,411,000	1,251,568,000
Liabilities due	171,576	389,817	1,167,239
<b>LIABILITIES OF INDEPENDENT STATE HEALTHCARE CENTRES (SPZOK) FOR WHICH THE CITY IS THE FOUNDING BODY</b>	<b>95,787,834</b>	<b>107,214,128</b>	<b>120,293,569</b>
including:			
Payable	3,101,498	3,644,128	3,247,499
<b>LIABILITIES OF CULTURAL INSTITUTIONS FOR WHICH THE CITY IS THE FOUNDING BODY</b>	<b>30,545,506</b>	<b>32,089,125</b>	<b>25,274,493</b>
including:			
Payable	15,688	9,025	4,023

## Level of debt liabilities of the City of Warsaw between 2018 and 2020 compared to budgetary values and statutory debt limits

*The amounts below are provided in PLN thousand*

	2018	2019	2020
<b>BUDGETARY TARGETS</b>			
City budget revenue	17,041,322	18,109,390	18,557,696
City budget expenditure	16,622,274	18,715,030	20,226,163
Surplus (+) / Deficit (-)	419,048	-605,640	-1,668,467
Budget receipts:	3,878,978	3,741,095	4,805,609
loans and borrowings	0	0	1,944,092
issue of bonds	0	0	400,000
privatisation receipts	0	0	0
other sources	3,878,978	3,741,095	2,461,517
Budget outgoings:	2,039,431	673,765	589,201
repayment of loans and borrowings	256,931	73,765	445,645
redemption of securities (bonds)	300,000	600,000	143,556
transfers to deposit accounts	1,482,500	0	0
Debt liabilities level:	4,569,252	3,895,705	5,652,681
loans and borrowings	2,969,669	2,895,904	4,399,946
bonds	1,599,411	999,411	1,251,568
liabilities due	172	390	1,167
Debt servicing costs during the year:	761,332	854,545	738,024
interest and discount	204,401	180,780	148,823
repayment of loans and borrowings	256,931	73,765	445,645
redemption of securities (bonds)	300,000	600,000	143,556

### INDICATORS

Debt ratio in %	26.8%	21.5%	30.5%
Debt servicing costs ratio during the year in %	4.5%	4.7%	4.0%

*The amounts below are provided in PLN*

Debt level per 1 resident	2,570	2,176	3,157
Debt servicing costs per 1 resident	428	477	412



## City budget-implementation balance sheet as at 31 December 2020

### ASSETS

The amounts below are provided in PLN

	As at 31/12/2019	As at 31/12/2020
<b>I. CASH</b>	<b>2,402,098,373</b>	<b>2,470,866,068</b>
Cash	2,402,098,373	2,470,866,068
in budget	2,402,098,373	2,470,866,068
<b>II. RECEIVABLES AND DEFERRED REVENUE</b>	<b>257,325,023</b>	<b>291,294,051</b>
Receivables from budgets	175,779,082	223,825,573
Other receivables and deferred revenue	81,545,941	67,468,478
<b>TOTAL ASSETS</b>	<b>2,659,423,395</b>	<b>2,762,160,119</b>

### LIABILITIES

The amounts below are provided in PLN

	As at 31/12/2019	As at 31/12/2020
<b>I. COMMITMENTS</b>	<b>3,940,092,050</b>	<b>5,670,732,291</b>
Financial liabilities	3,921,022,410	5,670,732,291
short-term [up to 12 months]	280,921,726	457,603,030
long-term [over 12 months]	3,640,100,684	5,213,129,261
Budget commitments	8,384,643	20,287,875
Other commitments	10,684,998	6,639,779
<b>II. BUDGET NET ASSETS</b>	<b>1,459,505,683</b>	<b>-3,126,843,903</b>
Balance of budget implementation [+, -]	-605,639,744	-1,668,460,259
Budget surplus [ + ]		
Budget deficit [ - ]	-605,639,744	-1,668,460,259
Balance of non-cash operations [+, -]	2,021,208	1,122,039
Provision for non-expiring expenditures	0	0
Cumulative budget balance [+, -]	-855,887,146	-1,459,505,683
<b>III. OTHER LIABILITIES</b>	<b>178,837,028</b>	<b>191,344,077</b>
<b>TOTAL LIABILITIES</b>	<b>2,659,423,395</b>	<b>2,762,160,119</b>

## Ratings

The financial standing of the City of Warsaw has been assessed by two international **rating agencies**.

### NATIONAL RATING

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

On 28 May 2021, **Fitch Ratings**, the international credit rating agency, **affirmed the national long-term rating of the City of Warsaw at “AAA(pol)” with a stable outlook**. Fitch Ratings has also affirmed the National Long-Term ratings of the city's PLN3 billion bond programme and all bonds issued by the City under it at “AAA(pol)”.

The ratings are confirmed by Fitch's unchanging position that in the medium term Warsaw will maintain its operating results and safe debt ratios at a level comparable to those of other cities with an international ranking of “A-”, despite the economic slowdown caused by the coronavirus pandemic and the previous decisions of central authorities relating to the reduction of the first PIT tax threshold and pay rises for teachers.

The Agency also corrected Warsaw's Standalone Credit Profile (SCP) from “aa” to “aa-” due to the worsening of debt ratios as a result of the economic slowdown caused by the coronavirus pandemic and the constant pressure on expenditures resulting from the imbalance of the municipal waste management system.

The Agency rated Warsaw's revenue robustness and revenue adjustability as “Midrange”, i.e. differently than in the case of most Polish cities included by Fitch, as even during periods of slower GDP increase, the City was able to increase its revenues. However, it downgraded its rating of expenditure sustainability from “Strong” to “Midrange” to standardise the rating for cities rated by Fitch in Poland and to achieve better comparability with cities rated in other countries. The rating of expenditure adjustability, or the ability to adjust them to decreasing revenues, has not changed and is still rated as “strong”.

Fitch assesses Poland's framework for debt and liquidity in local and regional governments as “Midrange”, but Warsaw's individual framework for debt, liquidity and off-balance sheet management is assessed as “Strong” due to the advanced debt and liquidity management practices implemented. The Agency also assessed Warsaw's liquidity management as “strong” despite the indicated lack of support for the liquidity of local government units in emergency situations from the central authorities.

## INTERNATIONAL RATING

Rating: **A- with a stable outlook**

On 28 May 2021 the international rating agency **Fitch Ratings** assigned a long-term issuer default rating (IDR) to Warsaw for debt in foreign currency at “A-” and confirmed the City’s international long-term rating for debt in domestic currency at “A-”. The outlook of the ratings is stable.

This is the highest possible credit rating for a local or regional government in Poland, equal to the rating of the country. The agency presented grounds for the international rating which correspond to the premises behind the affirmation of the national rating.

Rating: **A2 with a stable outlook**

On 20 December 2018, **Moody's** affirmed the rating of Warsaw’s creditworthiness at **A2** on the international scale, with a **stable outlook**.

This is the highest possible credit rating for a local governmental entity, equal to the rating of the country. The key factors which the Moody’s agency took into account in assigning the rating include Warsaw’s safe finance management model, moderate debt level, the ability to finance investment tasks from own resources and stable financial liquidity despite the budgetary limitations caused by the COVID-19 pandemic.

## Contact details

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00-950 Warsaw

### General Secretariat of the City of Warsaw

**ul. Kredytowa 3**  
00-056 Warsaw  
Working hours:  
Monday: 8:00 a.m. - 6:00 p.m.  
Tuesday – Friday: 8:00 a.m. - 4:00 p.m.

**Website: [www.um.warszawa.pl](http://www.um.warszawa.pl)**

**Public Information Bulletin (BIP): [www.bip.warszawa.pl](http://www.bip.warszawa.pl)**

#### Documents such as:

- draft city budgets,
- draft multi-annual financial forecasts of the City of Warsaw,
- city budgets,
- multi-annual financial forecasts of the City of Warsaw,
- City budget implementation reports,
- information about the status of multi-annual financial forecasts of the City of Warsaw, including the progress in carrying out multi-annual undertakings for H1,
- information about progress in the implementation of the Warsaw budget for H1,
- opinions of the Regional Chamber of Audit,
- assumptions behind draft city budgets,
- financial statements of the City of Warsaw,
- analyses and comparisons, and
- brochures

#### are available on:

**[https://bip.warszawa.pl/Menu\\_przedmiotowe/budzet\\_polityka\\_finansowa\\_v2/default.htm](https://bip.warszawa.pl/Menu_przedmiotowe/budzet_polityka_finansowa_v2/default.htm)**



