

THE WARSAW  
**ANNUAL  
REPORT  
2021**





## Dear Readers

We present to you the 2021 edition of “The Warsaw Annual Report” containing synthetic balance and budget information of the City of Warsaw as of 31 December 2021, confirmed by a positive opinion of the Regional Chamber of Audit in Warsaw and the opinion of an independent auditor from the audit of the financial statements and ratings of credit rating agencies.

Implementation of the budget of the City of Warsaw in 2021 was conducted in the conditions of restrictions on economic activity in Poland and in the world as a result of the SARS-CoV-2 coronavirus pandemic and a significant increase in inflation, which was nearly 3 times higher than the one forecast by the Ministry of Finance in the assumptions for the draft state budget for 2021, which constituted the basis for the preparation of the budget of the City of Warsaw for 2021. The average annual inflation forecast by the Ministry of Finance in the budget act for 2021 was 1.8%, while the actual inflation was much higher and amounted to 5.1%. Also, the dynamics of wages in the economy in 2021 exceeded the forecast of the Ministry of Finance. The average gross wage in the corporate sector in 2021 increased by 8.8% compared to 2020 vs. the Ministry of Finance forecast of 3.5%.

Despite the above circumstances caused by factors independent of the city, thanks to the efficiency and adaptation measures taken, we have implemented projects important for residents in the area of social and healthcare, education and public transport. We implemented investment projects in all areas of the city’s functioning, such as transport infrastructure, construction and modernization of nursery schools, educational institutions, municipal buildings.

“The Warsaw Annual Report” is addressed to residents, investors, representatives of financial institutions, non-governmental organizations and other people interested in the finances of the City of Warsaw.



**Mirosław Czekaj**  
City of Warsaw Treasurer



**Rafał Trzaskowski**  
Mayor of Warsaw



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## Authorities of the City of Warsaw in 2021

Mayor of Warsaw	– RAFAŁ TRZASKOWSKI
Deputy Mayor of Warsaw	– ROBERT SOSZYŃSKI <i>(until 31 August 2021)</i>
Deputy Mayor of Warsaw	– MICHAŁ OLSZEWSKI
Deputy Mayor of Warsaw	– RENATA KAZNOWSKA
Deputy Mayor of Warsaw	– ALDONA MACHNOWSKA-GÓRA
Deputy Mayor of Warsaw	– TOMASZ BRATEK <i>(from 18 November 2021)</i>
Clerk of the City of Warsaw	– MARCIN WOJDAT <i>(until 31 March 2021)</i>
Clerk of the City of Warsaw	– WŁODZIMIERZ KARPIŃSKI <i>(from 4 May 2021)</i>
Treasurer of the City of Warsaw	– MIROSŁAW CZEKAJ
Municipality Director	– ELŻBIETA MARKOWSKA
Director Coordinator for Sustainable Development and Greenery	– JUSTYNA GLUSMAN <i>(until 21 November 2021)</i>
Director Coordinator for Green Warsaw	– MAGDALENA MŁOCHOWSKA <i>(from 23 November 2021)</i>
Director Coordinator for Entrepreneurship and Social Dialogue	– KAROLINA ZDRODOWSKA

## 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

## Other Councillors

Anna Auksel-Sekutowicz  
Maciej Binkowski  
Agnieszka Borowska  
Mariusz Budziszewski  
Jacek Cieślowski  
Agata Diduszko-Zyglewska  
Stanisław Dratkiewicz  
Joanna Dymowska  
Dariusz Dziekanowski  
Mariusz Frankowski  
Filip Frąckowiak  
Patryk Górski  
Oskar Hejka  
Tomasz Herbich  
Agnieszka Jaczewska-Golińska  
Ewa Janczar  
Monika Jaruzelska  
Cezary Jurkiewicz  
Jarosław Kaczyński  
Sebastian Kędzierski  
Wiktor Klimiuk  
Andrzej Kropiwnicki  
Renata Królak  
Oliwer Kubicki  
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  
Joanna Staniszkis  
Tomasz Sybilski  
Marek Szolc  
Jarosław Szostakowski  
Michał Szpądrowski  
Gabriela Szustek  
Piotr Szyszko  
Aleksandra Śniegocka-Goździk  
Joanna Wiśniewska-Najgebauer  
Iwona Wujastyk  
Agnieszka Wyrwał  
Maciej Wyszyński  
Justyna Zając  
Małgorzata Zakrzewska  
Piotr Żbikowski  
Alicja Żebrowska  
Tomasz Żyłka

# Independent Auditor's Report



**POL-TAX 2 Sp. z o.o.**  
ul. Bora Komorowskiego 56C lok.91  
03-982 Warszawa

+48 (22) 616 55 11  
+48 (22) 616 55 12  
biuro@pol-tax.pl

J. No. 1-M/16/V/22

Warsaw, 16 May 2022

## Statutory auditor's report on the audit for THE WARSAW CITY COUNCIL

### Report on the audit of annual financial statements

#### Opinion

We have audited the attached financial statements for the period from 1 January 2021 to 31 December 2021 ("financial statement") of the **City of Warsaw** ("Entity") **with its registered office in Warsaw (00-950), Plac Bankowy 3/5**, which consists of:

- 1) Balance sheet from the implementation of the budget of the local government unit, drawn up as at 31 December 2021, which on the assets and liabilities side shows the amount of **PLN 4,272,472,992.99**
- 2) Total balance sheet including data resulting from the balance sheets of: the City of Warsaw, offices of the districts of the City of Warsaw, local government budget units and local government budget establishments, drawn up as at 31 December 2021, which on the assets and liabilities side shows the amount of **PLN 41,948,494,169.72**
- 3) Total profit and loss account including data resulting from profit and loss accounts: Office of the City of Warsaw, offices of the districts of the City of Warsaw, local government budget units and local government budget establishments, showing a net profit for the period from 1 January 2021 to 31 December 2021 in the amount of **PLN 4,460,079,271.00**
- 4) Total statement of changes in the fund of the entity including data resulting from the statements of changes in the fund: Office of the City of Warsaw, offices of the districts of the City of Warsaw, local government budget units and local government budget establishments for the period from 1 January 2021 to 31 December 2021, showing an increase in the fund by the amount of **PLN 2,440,700,087.31**
- 5) Additional information including data resulting from additional information: Office of the City of Warsaw, offices of the districts of the City of Warsaw, local government budget units and local government budget institutions ("financial statement").

Firma audytorska uprawniona do badania sprawozdań finansowych pod numerem 4090  
Spółka zarejestrowana w Sądzie Rejonowym dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru  
Sądowego KRS: 0000628365; NIP: 1132914298; REGON: 365000690; Kapitał zakładowy: 35 000,00 zł  
Konto: Bank Handlowy w Warszawie S.A.: 51 1030 0019 0109 8503 0014 5922

In our opinion, the annual financial statement attached:

- presents a fair and clear picture of the property and financial situation of the Entity as at 31 December 2021 and its financial result for the financial year ended on that day in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("Accounting Act" – i.e. Journal of Laws of 2021, item 217 as amended) and the adopted accounting principles (policy);
- it complies in form and content with the applicable legal provisions of the Entity and its statutes;
- it has been prepared on the basis of properly kept accounting records, in accordance with the provisions of Chapter 2 of the Accounting Act.

This opinion is consistent with the additional report to the Audit Committee that we issued on 16 May 2022.

#### **Basis for the opinion**

Our audit was conducted in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted with resolution of the National Council of Auditors No. 3430/52a/2019 of 21 March 2019 on national auditing standards and other documents, as amended ("KSB") and pursuant to the Act of 11 May 2017 on statutory auditors, audit firms and public supervision ("Act on Statutory Auditors" - i.e. Journal of Laws 2020, item 1415, as amended) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on detailed requirements for statutory audit of financial statements of public-interest entities (hereinafter: "EU Regulation" – OJ EU L158 of 27 May 2014, page 77, as amended). Our responsibility pursuant to these standards was further described in section of our report *Responsibility of the statutory auditor for auditing the financial statement*.

We are independent of the Entity in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) of the International Ethics Standards Board for Accountants ("IESBA Code") as adopted by the resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics of statutory auditors and other ethical requirements that apply to audits of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and in compliance with the IESBA Code. During the course of the audit, the key statutory auditors and the audit firm remained independent of the Entity in accordance with the requirements of independence 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 constitute the basis for our opinion.

### Key audit matters

The key audit cases are those that, in our professional judgement, were most significant when auditing the financial statements for the current reporting period. They cover the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. We have addressed these issues in the context of our audit of the financial statement as a whole and when formulating our opinion, and summarised our response to these risks, and where we considered it appropriate, we presented the most important observations related to these risks. We do not express a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b>Tangible assets:</b></p> <p>Correctness of recognition in the books and presentation in the financial statements, existence and balance sheet valuation of tangible assets, including the valuation of the value of tangible assets under construction (investments).</p> <p>The value of tangible assets in the financial statement is significant and represents 82% of the balance sheet total. The value of fixed assets under construction (investments) accounts for 13% of the balance sheet total.</p> <p>Considering the above information and the nature of the entity, we considered that this is a key matter of the audit.</p>	<p><b>The audit procedures used included:</b></p> <ul style="list-style-type: none"><li>- understanding the process of valuation and classification of tangible assets,</li><li>- identification of key control mechanisms related to the process of acceptance for use and registration of tangible assets under construction,</li><li>- acquaintance with and assessment of the accounting policy in the area of valuation, completeness of disclosure and records of tangible assets,</li><li>- conducting selected transactions regarding fixed assets, on the basis of a sample of credibility tests, including confirmation of ownership, increases and decreases in the audited year, correctness of calculation of depreciation write-offs taking into account periods of economic usefulness and completeness of disclosure and correctness generic classification of tangible assets,</li><li>- carrying out selected transactions concerning fixed assets under construction (investments), on the basis of a sample of credibility tests, including an analysis of the feasibility of the expected completion dates of investments and checking the classification and completeness of the inclusion of this item in the financial statement.</li></ul>

<p><b>Long-term financial assets</b></p> <p>Correctness of recognition in the books, existence and valuation of shares/stocks in subsidiaries.</p> <p>Long-term financial assets in the financial statement represent 12% of the total value of assets. As at the balance sheet date, the value of shares in subsidiaries was estimated at PLN 5,023,935,820.15.</p> <p>Due to the estimation approach to the item, and at the same time the significant value of long-term financial assets, we decided that this is a key matter of the audit.</p>	<p><b>The audit procedures used included:</b></p> <ul style="list-style-type: none"> <li>- understanding the process of recognising and including in the books of long-term financial assets – shares in other entities,</li> <li>- reviewing and evaluating the accounting policy regarding the completeness of disclosure and valuation of long-term financial assets,</li> <li>- understanding of the process of recognising by the head of the entity the reasons for loss of value of long-term financial assets,</li> <li>- assessment, on the basis of a sample, the financial position of the bodies in which the entity has shares/stocks and verification of balances in terms of quantity and nominal value of the shares held by the entity.</li> </ul>
<p><b>Financial liabilities</b></p> <p>Correct accounting and presentation in the financial statement of financial liabilities (loans, credits and bonds) and their valuation.</p> <p>The value of financial liabilities is PLN 5,823,356,174.04 and is the most important item in the balance sheet from the implementation of the budget.</p> <p>With this in mind, we have decided that this is the key matter of the audit</p>	<p><b>The audit procedures used included:</b></p> <ul style="list-style-type: none"> <li>- verification of the methodology and continuity of the application of the valuation rules for loans, credits and bonds,</li> <li>- verification of the correctness of the balance sheet valuation of selected items of financial liabilities due to loans, credits and bonds by making own calculations,</li> <li>- verification of the correctness of the division and presentation in the balance sheet of financial liabilities into the long-term and short-term part,</li> <li>- confirmation of the correctness of the valuation and presentation of financial liabilities in the balance sheet from the implementation of the budget.</li> </ul>

**Other matter – audit scope**

The financial statement of the Company for the year ended 31 December 2020 were audited by audit companies: KPW Audytor Sp. z o. o. - Statutory Auditor Krzysztof Warczak (reg. no. 11939) and the Instytut Studiów Podatkowych Modzelewski i Wspólnicy - Audyt Sp. z o.o. - Statutory Auditor Stanisław Michrowski (reg. no. 10257), who issued an opinion without reservation on this report on 17 May 2021.

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

The Mayor of Warsaw (hereinafter: "Head of Entity") is responsible for the preparation, based on properly maintained accounting records, of a financial statement which presents true and fair view of the property and financial condition of the Entity in accordance with the provisions of the Accounting Act, adopted rules (policies) of accounting and the applicable laws and Articles of Association, as well as for the internal control, which the Head of Entity considers necessary to enable the preparation of a financial statement devoid of any relevant distortions due to fraud or error.

When preparing the financial statement, the Head of Entity is responsible for assessing the Entity's ability to continue the activity, for disclosure, if applicable, of any issues related to continuing the activity, and for the adoption of continuing activity principle as the basis of accounting, except for cases where the Head of Entity intends either to liquidate the Entity or to cease its activities or has no realistic alternative to liquidation or discontinuation of business.

The Mayor of Warsaw and members of the Audit Committee are obliged to ensure that the financial statement meets the requirements provided for in the Accounting Act. Members of the Audit Committee are responsible for supervising the entity's financial reporting process.

**Statutory Auditor's responsibility for auditing the financial statements**

Our objective is to obtain rational certainty whether the financial statement, as a whole, is free of any significant misrepresentations caused by fraud or error, and issue a review report containing our opinion. Reasonable certainty is a high level of certainty but does not guarantee that the audit carried out pursuant to the National Audit Standards shall always detect the existing relevant distortions. Distortions can occur as a result of fraud or error, and are deemed relevant if it can be reasonably expected that they could affect, either individually or collectively, the economic decisions of users taken on the basis of the financial statement.

The scope of the audit does not include an assurance about the future profitability, effectiveness or efficiency of the Head of Entity managing its affairs at present or in the future.

During an audit carried out in accordance with the National Audit Standards, we apply professional judgment and maintain professional scepticism, and also:

- we identify and evaluate risks of substantial distortion of the financial statement due to fraud or error, we design and we audit procedures corresponding to those risks and obtain audit evidence that is sufficient and appropriate to constitute basis for our opinion. The risk of failure to detect material misstatement due to fraud is greater than that resulting from error as fraud can be a result of collusion, forgery, intentional omissions, misrepresentation or bypassing internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Head of Entity;
- we draw a conclusion on the appropriateness of the application of continuing activity principle by the Head of Entity as the primary accounting basis and, on the basis of the obtained audit evidence, as to whether there is significant uncertainty associated with events or conditions that may raise a significant doubt towards the Entity's ability to continue the business operations. If we come to the conclusion that there is such significant uncertainty, it is required from us to pay attention in our auditor's report on the related disclosures in the financial statement or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on the audit evidence obtained to the date of preparation of our auditor's report, however future events or conditions may lead the Entity to cease its business activities;
- we assess the overall presentation, structure and content of the financial statement, including disclosures, and whether the financial statement present transactions and events that constitute the basis for the disclosures in such a way as to ensure fair presentation.

We provide the Audit Committee with information about, among others, the planned scope and time of the audit, and significant audit findings, including any significant weaknesses in internal control that we identify during the audit.

We declare to the Audit Committee that we have complied with the relevant ethical requirements for independence and that we will inform them of all connections and other matters that could reasonably be considered to be a threat to our independence and, where applicable, the safeguards applied.

Among the issues referred to the Audit Committee, we identified those that were most significant during the audit of the financial statement for the current reporting period and therefore considered them to be key audit matters. We describe these matters in our auditor's report, unless the law or regulation prohibits their disclosure to the public or when, in exceptional circumstances, we determine that the issue should not be presented in our report, because it could reasonably be expected that the negative consequences would outweigh the benefits of such information for the public interest.

#### **Declaration on other legal requirements and regulations**

**A declaration on services provided that does not constitute audited financial statement** To the best of our knowledge and belief, we declare that we did not provide services to the Entity that are not audited and are prohibited under Article 5 section 1 of the EU Regulation No. 537 EU and Article 36 of the Act on Statutory Auditors.

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

We were selected to audit the financial statements of the Entity for 2020-2024 by means of resolution No. XLIII/1302/2021 of the Warsaw City Council of 14 January 2021. We audit the financial statements of the Entity as a representative of the Consortium of audit firms KPW Audytor Sp. z o.o., Instytut Studiów Podatkowych Modzelewski i Wspólnicy – Audytor Sp. z o.o., Pol - TAX 2 Sp. z o.o. for the first time.

#### **Budgetary implementation report**

Report on the implementation of the budget of the City of Warsaw, drawn up as at 31 December 2021, was positively approved by Resolution No. S.O.3.e./266/2022 of the Adjudicating Composition of the Regional Chamber of Audit in Warsaw of 29 April 2022 on expressing an opinion on the report on the implementation of the budget of the City of Warsaw for 2021, submitted by the Mayor of Warsaw, along with information on the state of property of the City of Warsaw.

The key statutory auditors responsible for the audit, which is the subject of this report of the independent statutory auditor, are **Magdalena Leśniewicz, Marzena Warchoł and Magdalena Kozłowska**, acting on behalf of POL – TAX 2 Sp. z o.o. with its registered office in Warsaw, entered on the list of audit firms under number 4090, on behalf of which the key statutory auditors have audited the financial statement.

Warsaw, 16 May 2022

**Magdalena Kozłowska**  
Elektronicznie  
podpisany przez  
Magdalena Kozłowska  
Data: 2022.05.16  
14:30:36 +02'00'

Electronically signed by:

.....  
Magdalena Kozłowska  
Statutory Auditor Reg. No. KRBR 11553

Key Statutory Auditor conducting the audit  
on behalf of POL - TAX 2 Spółka z ograniczoną odpowiedzialnością  
audit firm authorised to audit  
financial statements no. 4090

ul. Bora Komorowskiego 56C lok. 91,  
03-982 Warsaw

**Magdalena Leśniewicz**  
Elektronicznie podpisany  
przez Magdalena  
Leśniewicz  
Data: 2022.05.16 14:37:21  
+02'00'

Electronically signed by:

.....  
Magdalena Leśniewicz  
Statutory Auditor Reg. No. KRBR 13064

Key Statutory Auditor conducting the audit  
on behalf of POL - TAX 2 Spółka z ograniczoną odpowiedzialnością  
audit firm authorised to audit  
financial statements no. 4090

ul. Bora Komorowskiego 56C lok. 91,  
03-982 Warsaw

  
Elektronicznie podpisany  
przez MARZENA ŁUCJA  
WARCHOŁ  
Data: 2022.05.16 14:41:48  
+02'00'

Electronically signed by:

.....  
Marzena Warchoł  
Statutory Auditor Reg. No. KRBR 13523

Key Statutory Auditor conducting the audit  
on behalf of POL - TAX 2 Spółka z ograniczoną odpowiedzialnością  
audit firm authorised to audit  
financial statements no. 4090

ul. Bora Komorowskiego 56C lok. 91,  
03-982 Warsaw

# Opinion of the Regional Chamber of Audit in Warsaw

Signed electronically by:  
Agata Pączkowska  
Regional Chamber of Audit  
in Warsaw on 29 April 2022

## **RESOLUTION No. 3.e./266/2022 Composition of the Regional Chamber of Audit in Warsaw of 29 April 2022**

on issuing an opinion on the report on the implementation of the budget for 2021 submitted by the Mayor of Warsaw.

Pursuant to Article 13 section 5 and Article 19 section 2 of the Act of October 7, 1992 on regional chambers of audit (Journal of Laws 2019, item 2187), Article 267 section 3 of the Act on public finances of 27 August 2009 (Journal of Laws of 2021, item 305) – Adjudicating Panel of the Regional Chamber of Audit in Warsaw, composed of:

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

Hereby resolves as follows:

### **§1**

It gives a positive opinion with a comment contained in the justification of the report on the implementation of the budget of the City of Warsaw for 2021.

### **§2**

The justification is an integral part of the resolution.

### **§3**

This resolution can be appealed to the Committee of the Regional Chamber of Audit in Warsaw within 14 days from the date of delivery of the resolution.

### **Justification**

On 31 March 2022, the Regional Chamber of Audit in Warsaw received a report on the implementation of the budget of the City of Warsaw for 2021.

The adjudicating panel of the Regional Chamber of Audit in Warsaw, reviewing the above report, analysed it and compared it with the source documents held by the Chamber. As a result of the above actions, the Composition stated the following:

In 2021, the City's budget, after taking into account the changes made during the year, provided for a revenue plan in the amount of PLN 20,723,346,889.00. The City's income was implemented in the amount of PLN 21,594,768,515.46, which constitutes 104.21% of the plan. Current income was implemented in 105.97% of the plan.

Property income was implemented in 77.87% of the planned volume. The descriptive information discusses the degree of implementation of revenues by sources of their origin, as well as by sections of the budget classification.

The budget expenditure plan in 2021, after taking into account the changes made, amounted to PLN 21,686,082,760.00. Total expenditure was implemented in the amount of PLN 20,285,425,716.52, which constitutes 93.54% of the plan, of which:

- current expenditure was implemented at the level of 95.85 % of the plan after changes,
- property expenses were implemented at 76.54% of the plan after changes, i.e. at a level lower than in the course of time.

The balance of liabilities according to debt titles at the end of the reporting year 2021 amounted to PLN 5,811,119,554.71 (26.91% of the total income). The amount of liabilities is taken up in previous years from credits and loans in the amount of PLN 4,858,859,270.06 and securities in the amount of PLN 951,568,000.00.

The budget result for 2021 closed with a surplus of PLN 1.309.342.798.94.

The adopted budget provided for a deficit of PLN 962,735,871.00.

The submitted report contains information on the amount of revenues from municipal waste management fees realized in 2021 and expenditure incurred on the functioning of the municipal waste management system. The information presented shows that the abovementioned revenues from municipal waste management fees were PLN 973,647,334.73, while the expenses incurred for waste management increased by administrative costs related to system operation - were realised in the total amount of PLN 964,099,668.99, which means that the amount of collected revenues from municipal waste management fees is higher than the value of implemented expenditures related to municipal waste management.

The adjudicating panel points out that the funds from the fee may be allocated only for the purposes referred to in Article 6r section 2-2c of the Act of 13 September 1996 on maintaining cleanliness and order in municipalities (i.e. Journal of Laws of 2021, item 888) and may not be used for purposes not related to covering the costs of the municipal waste management system (Article 6r section 1aa of the above-mentioned Act). **Keeping the above in mind, the Adjudicating Panel points to the need to verify the cost calculation of the municipal waste management system.**

The Adjudicating Panel assessed the report in terms of the criterion of its legality. The assessment of the Mayor's activities in terms of the degree of budget implementation, economy and purposefulness in the implementation of the budget is the responsibility of the body constituting the City.

Keeping in mind the above, the Adjudicating Panel of the Regional Chamber of Audit in Warsaw decided as in the operative part of the resolution.

## Revenue and expenditures of the City of Warsaw in 2021 according to the budget classification

The amounts below are provided in PLN thousand

	REVENUES	EXPENDITURES
010 Agriculture and hunting	38	55
020 Forestry	697	15 388
400 Electricity, gas and water production and supply	0	4 076
500 Trade	0	721
600 Transport and connectivity	1 687 610	4 503 261
630 Tourism	89	5 540
700 Housing management	1 771 432	1 278 208
710 Services	24 675	77 981
730 Higher education and science	0	823
750 Public administration	57 785	1 351 681
751 Offices of bodies of central state authority, control, law and the judiciary	341	341
752 National defence	0	0
754 State security and firefighting	128 219	329 241
755 Law enforcement bodies	2 299	2 299
756 Revenue from legal persons, natural persons and other entities without a legal personality	10 797 394	0
757 Public debt servicing	0	126 535
758 Miscellaneous settlements	3 247 966	1 299 174
801 Education and upbringing	211 010	4 708 721
851 Healthcare	35 402	367 273
852 Welfare	144 932	646 494
853 Other tasks in social policy	30 409	64 873
854 Educational Upbringing Care	9 958	514 848
855 Family	2 331 374	2 727 764
900 Municipal economy and environmental protection	1 028 408	1 324 840
921 Culture and national heritage protection	10 927	628 368
925 Botanical and zoological gardens, natural protection areas and objects	21 613	62 437
926 Physical culture	52 194	244 484
<b>SURPLUS SETTLEMENT</b>		
<b>Revenues</b>	<b>21 594 769</b>	
<b>Expenditures</b>	<b>20 285 426</b>	
<b>Surplus</b>	<b>1 309 343</b>	

## Budget revenue of the City of Warsaw in 2019-2021 according to sources

The amounts below are provided in PLN thousand

	2019	2020	2021
<b>I OWN REVENUE</b>	<b>5 738 826</b>	<b>5 326 647</b>	<b>6 785 100</b>
Tax revenue	1 940 604	1 843 598	2 528 045
Receipt from income	627 154	1 011 820	1 268 964
Income from assets	1 244 777	965 711	1 258 110
Other own revenue	1 926 292	1 505 519	1 729 981
<b>II OTHER REVENUE</b> [SHARES, SUBSIDIES, SUBSIDIES, FOREIGN FUNDS AND OTHER]	<b>12 370 564</b>	<b>13 231 049</b>	<b>14 809 669</b>
Shares in state budget revenue	7 288 852	7 161 519	7 961 956
Subsidies	2 278 936	2 543 665	3 242 357
State budget funds allocated for own tasks	180 005	189 948	185 918
Funds from foreign and other sources	594 044	563 540	721 279
State budget funds allocated for delegated tasks	1 930 786	2 554 745	2 535 858
Targeted subsidies made on the basis of agreements	97 095	217 347	161 522
Incoming from financial assistance between local and regional governments	846	285	779
<b>REVENUE TOTAL</b>	<b>18 109 390</b>	<b>18 557 696</b>	<b>21 594 769</b>

## Budget revenue and expenditures of the City of Warsaw in 2019-2021

The amounts below are provided in PLN thousand

	2019	2020	2021
<b>I TOTAL CITY BUDGET REVENUE</b>	<b>18 109 390</b>	<b>18 557 696</b>	<b>21 594 769</b>
including:			
Revenue from	16 081 509	15 785 604	18 897 389
own tasks	5 738 826	5 326 647	6 785 100
shares	7 288 852	7 161 519	7 961 956
subsidies	2 278 936	2 543 665	3 242 357
funds allocated for own tasks	180 005	189 948	185 918
funds from foreign and other sources	594 044	563 540	721 279
financial assistance between local and regional governments	846	285	779
Targeted subsidies for delegated tasks	1 930 786	2 554 745	2 535 858
Targeted subsidies made on the basis of agreements	97 095	217 347	161 522
<b>II CITY BUDGET RECEIPTS</b>	<b>3 741 095</b>	<b>4 805 609</b>	<b>3 105 141</b>
including:			
on domestic loans	0	6 258	14 052
on foreign loans	0	1 937 834	547 201
issue of bonds	0	400 000	0
receipts from other domestic transactions	3 741 095	2 461 517	2 543 888
<b>III BUDGETARY ENTERPRISE REVENUE</b>	<b>215 647</b>	<b>217 309</b>	<b>211 279</b>
<b>IV OWN REVENUE OF BUDGETARY ENTITIES</b>	<b>181 678</b>	<b>110 441</b>	<b>149 101</b>

## City Budget expenditures and outgoings in 2019-2021

The amounts below are provided in PLN thousand

	2019	2020	2021
<b>I TOTAL CITY BUDGET EXPENDITURES</b>	<b>18 715 030</b>	<b>20 226 163</b>	<b>20 285 426</b>
including:			
Current expenditures	16 339 972	17 941 010	18 298 335
including:			
remuneration and remuneration derivatives	5 243 559	5 575 794	5 813 475
subsidies	2 529 843	2 849 259	3 011 611
in-kind expenditures	8 385 769	9 367 120	9 346 714
debt servicing	180 802	148 837	126 535
In-kind expenditure	2 375 058	2 285 153	1 987 091
including:			
shares in companies	49 587	44 350	203 250
subsidies / financial aid	1 579	2 138	5 471
investments	2 323 892	2 238 665	1 778 370
<b>II CITY BUDGET OUTGOINGS</b>	<b>673 765</b>	<b>593 488</b>	<b>398 030</b>
including:			
redemption of securities (bonds)	600 000	147 843	300 000
repayment of national loans and credits	0	0	1 094
repayment of foreign loans	73 765	445 645	96 936
<b>III COSTS AND OTHER BURDENS OF BUDGETARY ENTITIES</b>	<b>213 754</b>	<b>205 906</b>	<b>208 761</b>
<b>IV EXPENDITURE FINANCED FROM OWN REVENUE OF BUDGETARY ENTITIES</b>	<b>179 583</b>	<b>110 104</b>	<b>146 340</b>

## State of liabilities of the City of Warsaw in 2019-2021

The amounts below are provided in PLN

	As at: 31/12/2019	As at: 31/12/2020	As at: 31/12/2021
<b>DEBT LIABILITIES OF THE CITY BUDGET</b>	<b>3 895 705 253</b>	<b>5 652 807 854</b>	<b>5 811 104 136</b>
including:			
Loans and borrowings	2 895 904 436	4 399 946 156	4 858 859 270
Bonds	999 411 000	1 251 568 000	951 568 000
Liabilities due	389 817	1 293 698	676 866
<b>LIABILITIES OF INDEPENDENT STATE HEALTHCARE CENTRES (SPZOZ) FOR WHICH THE CITY IS THE FOUNDING BODY</b>	<b>107 214 128</b>	<b>120 293 569</b>	<b>129 716 808</b>
including:			
Payable	3 644 102	3 247 499	4 611 038
<b>LIABILITIES OF CULTURAL INSTITUTIONS FOR WHICH THE CITY IS THE FOUNDING BODY</b>	<b>32 089 125</b>	<b>25 274 493</b>	<b>34 547 320</b>
including:			
Payable	9 025	4 023	7 731

## Level of debt liabilities of the City of Warsaw in 2019-2021 compared to budgetary values and statutory debt limits

The amounts below are provided in PLN thousand

	2019	2020	2021
<b>BUDGETARY VALUES</b>			
City budget revenues	18 109 390	18 557 696	21 594 769
City budget expenditure	18 715 030	20 226 163	20 285 426
Surplus (+) / Deficit (-)	-605 640	-1 668 467	1 309 343
Budget receipts:	3 741 095	4 805 609	3 105 141
loans and borrowings	0	1 944 092	561 253
issue of bonds	0	400 000	0
other sources	3 741 095	2 461 517	2 543 888
Budget outgoings:	673 765	593 488	398 030
repayment of instalments of loans and borrowings	73 765	445 645	98 030
redemption of securities (bonds)	600 000	147 843	300 000
Debt liabilities level:	3 895 705	5 652 808	5 811 104
loans and borrowings	2 895 904	4 399 946	4 858 859
bonds	999 411	1 251 568	951 568
liabilities due	390	1 294	677
Debt servicing costs during the year:	854 545	742 311	524 522
interest and discount	180 780	148 823	126 492
repayment of instalments of loans and borrowings	73 765	445 645	98 030
redemption of securities (bonds)	600 000	147 843	300 000
<b>INDICATORS</b>			
Debt ratio in %	21,5%	30,5%	26,9%
Debt servicing costs ratio during the year in %	4,7%	4,0%	2,4%
<i>The amounts below are provided in PLN</i>			
Debt level per 1 resident	2 191	3 157	3 239
Debt servicing costs per 1 resident	481	415	292

# Budget-implementation balance sheet of the City of Warsaw as at 31 December 2021

## ASSETS

The amounts below are provided in PLN

	As at: 31/12/2020	As at: 31/12/2021
<b>I CASH</b>	<b>2 470 866 068</b>	<b>3 894 762 027</b>
Cash	2 470 866 068	3 894 762 027
in budget	2 470 866 068	3 894 762 027
<b>II RECEIVABLES AND SETTLEMENTS</b>	<b>291 294 051</b>	<b>377 710 966</b>
Receivables from budgets	223 825 573	340 655 846
Other receivables and settlements	67 468 478	37 055 120
<b>TOTAL ASSETS</b>	<b>2 762 160 119</b>	<b>4 272 472 993</b>

## LIABILITIES

The amounts below are provided in PLN

	As at: 31/12/2020	As at: 31/12/2021
<b>I COMMITMENTS</b>	<b>5 697 659 945</b>	<b>5 876 608 135</b>
Financial liabilities	5 670 732 291	5 823 356 174
short-term [up to 12 months]	457 603 030	598 333 505
long-term [over 12 months]	5 213 129 261	5 225 022 669
Budget commitments	20 287 875	30 572 683
Other commitments	6 639 779	22 679 278
<b>II BUDGET NET ASSETS</b>	<b>-3 126 843 903</b>	<b>-1 807 903 486</b>
Balance of budget implementation [+, -]	-1 668 460 259	1 309 342 786
Budget surplus [+]		1 309 342 786
Budget deficit [-]	-1 668 460 259	-
Balance on non-cash operations [+, -]	1 122 039	9 597 631
Cumulative budget balance [+, -]	-1 459 505 683	-3 126 843 903
<b>III ACCRUALS</b>	<b>191 344 077</b>	<b>203 768 344</b>
<b>TOTAL LIABILITIES</b>	<b>2 762 160 119</b>	<b>4 272 472 993</b>

# Ratings

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

## NATIONAL RATING

Rating: **AAA (pol)**

**On 6 May 2022, Fitch Ratings, an international credit rating agency, affirmed the national long-term rating of the City of Warsaw at the level of “AAA(pol)”. It has also affirmed the national long-term rating of the city’s PLN 3 billion bond programme and all bonds issued by the City under it at the level of “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 raises for teachers.

The Agency confirmed the Standalone Credit Profile of Warsaw (SCP) at the level of “aa-”, which was the result of the “high average” risk profile. The “high average” risk profile reflects a low risk, compared to entities from the international comparison group, that the ability of Warsaw to settle debt service obligations from the operating surplus during the forecast period will fall unexpectedly to an insufficient level, due to lower than forecasted revenues or higher than expected expenditure, or as a result of an unexpected increase in debt or its service costs.

The Agency included income stability and the ability to increase Warsaw’s income as “average”, i.e. differently than in the case of most cities in Poland assessed by Fitch, because even in periods of slowdown in GDP growth, the City was able to increase the level of income. It maintained the assessment of the stability of expenditure at the „average” level, due to the fact that the increase in operating expenditure was kept under moderate control and the City’s main tasks were not susceptible to economic changes. The assessment of the flexibility of expenditure, the possibility of adjusting it to decreasing revenues, has not changed and is still considered as “strong”.

The Fitch agency assesses the regulations in force in Poland regarding debt and liquidity management in local government units as “medium”, however, the policy of debt, liquidity and off-balance sheet liabilities management in Warsaw is assessed as „strong” due to the implemented advanced practices of debt and liquidity management. The Agency also assessed the liquidity management by Warsaw as “strong”, despite the indicated lack of liquidity support of local government units in emergency situations from the central authorities.

## INTERNATIONAL RATING

Rating: **A-**

On 6 May 2022, Fitch Ratings, an international credit rating agency, maintained for Warsaw the international long-term rating (Issuer Default Rating – IDR) for foreign currency debt at the level of “A-” and confirmed the international long-term rating of the City for national currency debt at the level of “A-”.

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.

On 3 December 2021, Fitch Ratings entered all local government units in Poland subject to the assessment of the agency, including Warsaw, on the watch list with a negative indication, which formally means a temporary lack of perspective of national and international rating. On 6 May 2022, the agency kept Warsaw’s ratings on the watch list with a negative indication, which reflects Fitch’s uncertainty as to the possible impact of the Government’s ‘Polish Deal’ Programme on the City’s financial profile. The absence of a change in the outlook for rating means that Fitch is currently unable to assess the likelihood of a possible downgrade in the rating of the entities concerned. To this end, the Agency will review and evaluate the activities undertaken by the City aimed at mitigating the effects of the loss of operating income resulting from the “Polish Deal” Programme, including in particular the degree of adjustment, i.e. reduction of current expenditure, to the new level of income.

Rating: **A2 with a stable outlook**

On 7 December 2021, Moody’s, an international rating agency, affirmed the rating of Warsaw’s creditworthiness at the level of A2 on the international scale, with a stable outlook.

This is the highest possible credit rating for a local or regional government in Poland, equal to the rating of the country. The key premises for Moody’s rating include, among others, a secure financial management model for Warsaw, a moderate level of debt, a high ability to finance investment tasks from own resources and a stable level of financial liquidity despite budgetary constraints caused by the COVID-19 pandemic.

## Contact Details

### 19115 Warsaw City Contact Centre

[www.warszawa19115.pl](http://www.warszawa19115.pl)

### The City of Warsaw (Urząd m.st. Warszawy)

pl. Bankowy 3/5  
00-950 Warsaw

### General Secretariat of the City of Warsaw

**Al. Jerozolimskie 44**  
00-024 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 budget,
- draft multi-annual financial forecasts of the City of Warsaw,
- budgets of the City of Warsaw,
- multi-annual financial forecasts of the City of Warsaw,
- information about progress in the implementation of the Warsaw budget,
- 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,
- 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)



