

# Annual accounts for 2016





## **PUBLIC AUDIT REPORT OF THE ANNUAL ACCOUNTS OF THE BARCELONA CITY COUNCIL OF RELATED YEAR 2016<sup>1</sup>**

To the Municipal Council of the Barcelona City,

### **I. Introduction**

We have audited the accompanying annual accounts of the Barcelona City Council, in order to the standards of Public Sector, which comprise the balance sheet as at December 31, 2016, the income statement, the statement of changes in equity, the cash flow statement, the budget implementation statement and the notes thereto for the year then ended.

This audit has been carried out in accordance with the provisions of section 58.e) and 74 of Law 1/2006, of 13 March 2006, regulating the special regime of the municipality of Barcelona, and the stipulations of the administrative clauses and technical specifications of the contract for the provision of audit services for the individual and consolidated annual accounts of the Barcelona City Council and its municipal economic Group.

The municipal manager is responsible for the preparation of these annual accounts in accordance with the criteria for financial reporting described in note 3.1 of the accompanying notes and, specifically, with the conceptual framework of public accounting and recognition and valuation rules includes on the Order HAP/1781/2013, of 20<sup>th</sup> September, by which the Instruction of the normal model of the local accounting is approved.

The annual accounts which this report refers to have been prepared by the manager on 18 May 2017.

### **II. Purpose and scope of the work: Auditor's responsibility**

Our responsibility is to express an opinion on whether the accompanying annual accounts of the Barcelona City Council give a true and fair view based on the work that we have carried out in accordance with the auditing standards of the public sector, as well as the results of the operations reflected in the economic-equity income statement and in the budget settlement, and of the resources obtained and applied during the year, and contain the information necessary for its interpretation and adequate understanding.

In view of the limiting nature of the entity's expenditure budget the objective of the audit includes verification of compliance in the most significant aspects of the budgetary rules in particular compliance with the quantitative, qualitative and temporal limits of budgetary rules and those related to budget modifications.

<sup>1</sup> This report is a translation of the Barcelona City Council public audit report on the annual accounts for the year ended on December 31<sup>st</sup>, 2016 which is issued in Catalan in May 25<sup>th</sup>, 2017. Any opinion must be referred to the abovementioned Catalan audit report version. Only the audit report issued in Catalan is authentic, and is accompanied by the annual accounts.



Those standards require that we plan and perform the audit to obtain a reasonable assurance, but not absolute, about whether the annual accounts are free from material misstatement.

An audit requires performing procedures to obtain audit evidence about the amounts and information in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts. In making those risk assessments, the auditor considers internal control relevant to entity's preparation of annual accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

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

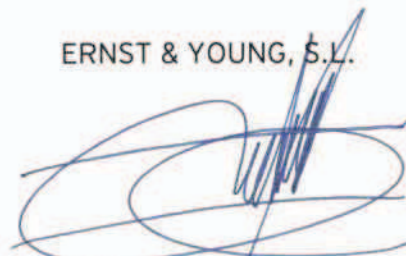
### **III. Audit opinion**

In our opinion, the accompanying annual accounts present fairly, in all material respects, of the equity and financial position of the Barcelona City Council at December 31, 2016 and the results of its operations, cash flows and budget settlement statement for the year then ended, in accordance with applicable regulatory framework for financial information and with the budgetary regulations applicable and, specifically, the conceptual framework of public accounting and the recognition and valuation rules contained therein.

### **IV. Other issues that do not affect to opinion.**

The annual accounts at 2015, the amounts of the account express a comparative effects with the annual accounts at 2016, were audited by other auditors, who gave a favourable opinion.

ERNST & YOUNG, S.L.



Alejandro Martínez Gómez

May 25, 2017

<sup>1</sup> This report is a translation of the Barcelona City Council public audit report on the annual accounts for the year ended on December 31<sup>st</sup>, 2016 which is issued in Catalan in May 25<sup>th</sup>, 2017. Any opinion must be referred to the abovementioned Catalan audit report version. Only the audit report issued in Catalan is authentic, and is accompanied by the annual accounts.

## Balance sheet as of 31 December 2016 (amounts in euros)

Assets	Notes in annual report	2016	2015
<b>A) NON.CURRENT ASSETS</b>		<b>12,574,786,801.21</b>	<b>12,359,942,476.87</b>
<b>I. Immobilized intangible</b>	<b>8</b>	<b>8,077,034.44</b>	<b>13,626,319.91</b>
2. Industrial and intellectual property		27,225.00	40,837.50
5. Others immobilized intangible		8,049,809.44	13,585,482.41
<b>II. Immobilized material</b>	<b>5</b>	<b>10,796,934,154.50</b>	<b>10,596,573,604.57</b>
1. Land		2,867,977,576.09	2,820,470,306.20
2. Buildings		3,225,116,454.88	3,255,127,232.07
3. Infrastructures		3,959,440,346.34	4,031,875,492.25
4. Historical heritage assets		1,646,453.53	1,646,453.53
5. Other tangible fixed assets		101,086,112.31	108,635,197.32
6. Fixed assets under constructions and in accounts		641,667,211.35	378,818,923.20
<b>III. Estate investments</b>	<b>7</b>	<b>239,794,094.82</b>	<b>243,532,368.23</b>
1. Land		41,962,113.90	41,962,113.90
2. Buildings		197,831,980.92	201,570,254.33
<b>IV. Land public heritage</b>	<b>6</b>	<b>568,261,469.48</b>	<b>564,346,507.98</b>
1. Land		200,405,606.30	181,791,949.55
2. Buildings		97,447,922.96	87,088,766.95
3. Under construction and advances		13,498,202.00	13,498,202.00
4. Other public land assets		256,909,738.22	281,967,589.48
<b>V. Financial investments II/t entities of group, multi.group and associates</b>	<b>10</b>	<b>812,015,184.12</b>	<b>795,511,911.66</b>
1. Financial investments in heritage entities of public rights		415,523,217.38	415,523,217.38
2. Financial investments in heritage companies		323,792,615.54	316,066,116.68
3. Financial investments in other heritage entities		63,922,577.60	63,922,577.60
4. Credits and debt securities		8,776,773.60	0.00
<b>VI. Long.term financial investments</b>	<b>10</b>	<b>122,987,041.96</b>	<b>117,988,197.31</b>
1. Financial investments in heritage		2,995,011.21	3,869,630.43
2. Credits and debt securities		119,730,497.33	113,832,033.46
4. Other financial investments		261,533.42	286,533.42
<b>VII. Receivables and long.term accounts</b>	<b>10</b>	<b>26,717,821.89</b>	<b>28,363,567.21</b>
<b>B) CURRENT ASSETS</b>		<b>1,015,049,708.28</b>	<b>987,587,045.17</b>
<b>III. Receivables and long.term accounts</b>	<b>10</b>	<b>260,030,166.66</b>	<b>351,306,681.26</b>
1. Receivable management transactions		215,209,222.59	255,102,386.30
2. Other accounts pending		22,094,693.70	73,635,262.28
3. Public administration		3,270,585.61	2,130,774.73
4. Receivable resources management for other public bodies	20	19,455,664.76	20,438,257.95
<b>V. Short.term financial investments</b>	<b>10</b>	<b>1,419,256.50</b>	<b>5,103,817.18</b>
2. Credits and debt securities		1,412,353.75	5,096,914.43
4. Other financial investments		6,902.75	6,902.75
<b>VII. Cash flow and other equivalent liquid assets</b>	<b>10</b>	<b>753,600,285.12</b>	<b>631,176,546.73</b>
1. Other equivalent liquid assets		200,000,000.00	0.00
2. Treasury		553,600,285.12	631,176,546.73
<b>TOTAL ASSETS (A+B)</b>		<b>13,589,836,509.49</b>	<b>13,347,529,522.04</b>

Notes 1 to 29 of the accompanying annual report are an integral part of the balance sheet as of 31 December 2016.

**Balance sheet as of 31 december 2016** (amounts in euros)

Net equity and liabilities	Notes in annual report	2016	2015
<b>A) NET EQUITY</b>	<b>SCSE</b>	<b>11,178,367,461.44</b>	<b>10,886,800,222.69</b>
<b>I. Equity</b>		<b>7,787,674,637.92</b>	<b>7,787,674,637.92</b>
<b>II. Equity created</b>		<b>2,748,726,572.36</b>	<b>2,507,176,679.55</b>
1. Profit and loss brought forward		2,510,249,787.79	2,191,822,793.88
2. Financial year's profit and loss		238,476,784.57	315,353,885.67
<b>IV. Subsidies received pending recognition in the profit and loss account</b>		<b>641,966,251.16</b>	<b>591,948,905.22</b>
<b>B) FIXED LIABILITIES</b>		<b>1,418,992,960.34</b>	<b>1,431,203,312.88</b>
<b>I. Long-term provisions</b>	<b>16</b>	<b>34,034,782.31</b>	<b>45,344,523.23</b>
<b>II. Long-term debts</b>	<b>11</b>	<b>961,014,154.79</b>	<b>943,212,873.24</b>
1. Debentures and other marketable securities		60,000,000.00	60,000,000.00
2. Debts with credit institutions		649,375,000.00	619,500,000.00
4. Other debts		251,639,154.79	263,712,873.24
<b>III. Long-term debts with entities of the group, multi,group and associate bodies</b>		<b>38,227.96</b>	<b>0.00</b>
<b>V. Long-term accruals payable</b>	<b>30</b>	<b>423,905,795.28</b>	<b>442,645,916.41</b>
<b>C) CURRENT LIABILITIES</b>		<b>992,476,087.71</b>	<b>1,029,525,986.47</b>
<b>I. Short-term provisions</b>	<b>16</b>	<b>0.00</b>	<b>69,228,530.60</b>
<b>II. Short-term debts</b>	<b>11</b>	<b>233,013,438.12</b>	<b>292,925,019.95</b>
1. Debentures and other marketable securities		892,732.88	877,868.85
2. Debts with credit institutions		126,871,326.34	157,790,796.50
4. Other debts		105,249,378.90	134,256,354.60
<b>III. Short-term debts with entities of the group, multi,group and associate bodies</b>	<b>11</b>	<b>107,607,582.41</b>	<b>87,859,898.54</b>
<b>IV. Short-term creditors and other accounts payable</b>	<b>11</b>	<b>633,114,946.05</b>	<b>560,742,365.65</b>
1. Management operation payables		546,923,287.98	469,450,586.96
2. Other accounts payable		15,102,360.53	17,308,827.18
3. Public administration		29,259,128.01	31,240,712.10
4. Resource management payables	20	41,830,169.53	42,742,239.41
<b>V. Short-term accruals payable</b>	<b>30</b>	<b>18,740,121.13</b>	<b>18,770,171.73</b>
<b>TOTAL NET EQUITY AND LIABILITIES (A+B+C)</b>		<b>13,589,836,509.49</b>	<b>13,347,529,522.04</b>

Notes 1 to 29 of the accompanying annual report are an integral part of the balance sheet as of 31 December 2016

## Income and expenditure account as of 31 december 2016 (amounts in euros)

	Notes in annual report	2016	2015
<b>1. Income</b>	<b>1</b>	<b>1,275,967,230.76</b>	<b>1,242,383,028.83</b>
a) Taxes		1,119,764,505.54	1,098,173,546.55
b) Fees		150,916,855.73	142,726,405.68
d) Revenue derived from urban planning		5,285,869.49	1,483,076.60
<b>2. Transfers and subsidies received</b>	<b>15</b>	<b>1,069,334,194.24</b>	<b>1,191,780,212.50</b>
a) From the financial year		1,049,420,574.32	1,181,085,180.71
a.1) Subsidies received for funding the financial year's expenditure		65,012,290.59	122,158,164.13
a. 2) Transfers		984,408,283.73	1,058,927,016.58
b) Allocation of non.financial fixed.asset subsidies		11,048,442.37	10,695,031.79
c) Allocation of subsidies for current and other assets		8,865,177.55	0.00
<b>3. Sales and service supplies</b>		<b>51,313,679.58</b>	<b>46,271,276.26</b>
a) Sales		159,145.52	120,480.14
b) Service supplies		51,154,534.06	46,150,796.12
<b>6. Other day-to-day management income</b>		<b>146,002,128.06</b>	<b>143,019,869.17</b>
<b>7. Provision surpluses</b>	<b>16</b>	<b>27,861,323.28</b>	<b>22,834,884.01</b>
<b>A) TOTAL DAY-TO-DAY MANAGEMENT INCOME (1+2+3+4+5+6+7)</b>		<b>2,570,478,555.92</b>	<b>2,646,289,270.77</b>
<b>8. Staff expenditure:</b>		<b>-354,507,498.91</b>	<b>-350,113,495.60</b>
a) Wages, salaries and similar expenses		-278,983,850.86	-269,227,842.91
b) Social security contributions		-75,523,648.05	-80,885,652.69
<b>9. Transfers and subsidies granted</b>	<b>15</b>	<b>-1,152,798,183.54</b>	<b>-1,119,859,336.55</b>
<b>11. Other day-to-day management expenses</b>		<b>-577,485,107.96</b>	<b>-579,062,726.71</b>
a) External supplies and services	15	-577,177,278.51	-578,738,854.64
b) Taxes		-307,829.45	-323,872.07
<b>12. Fixed-asset depreciation</b>	<b>5/6/7</b>	<b>-184,317,915.06</b>	<b>-219,083,844.79</b>
<b>B) TOTAL DAY-TO-DAY MANAGEMENT EXPENSES (8+9+10+11+12)</b>		<b>-2,269,108,705.47</b>	<b>-2,268,119,403.65</b>
<b>I. Day-to-day management income and expenditure (saving and dissaving) (A+B)</b>		<b>301,369,850.45</b>	<b>378,169,867.12</b>
<b>13. Impairment losses and income from disposal of non-financial fixed assets and assets in the process of being sold</b>		<b>-376,626.67</b>	<b>387,477.07</b>
b) Write-offs and disposals		-376,626.67	336,537.07
c) Allocation of subsidies for non-financial fixed-assets		0.00	50,940.00
<b>14. Other non-day-to-day items</b>		<b>2,561,201.90</b>	<b>932,919.54</b>
a) Income		2,896,132.90	932,919.54
b) Expenditure		-334,931.00	0.00
<b>II. Proceeds from non-financial operations (I+13+14)</b>		<b>303,554,425.68</b>	<b>379,490,263.73</b>
<b>15. Financial income</b>		<b>19,995,364.98</b>	<b>26,994,720.22</b>
b) From debt and loan securities and other financial investments		19,995,364.98	26,994,720.22
b.2) Other		19,995,364.98	26,994,720.22
<b>16. Financial expenditure</b>		<b>-17,624,222.18</b>	<b>-20,469,572.44</b>
b) Other		-17,624,222.18	-20,469,572.44
<b>19. Exchange differences</b>	<b>14</b>	<b>1,567.79</b>	<b>4,933.30</b>
<b>20. Impairment losses, write-offs and disposals of financial assets and liabilities</b>		<b>-67,450,351.70</b>	<b>-70,666,459.14</b>
a) From entities of the group. multi.group and associates		-12,061,616.81	26,428.56
b) Other	10	-55,388,734.89	-70,692,887.70
<b>III. Proceeds from financial transactions (15+16+17+18+19+20+21)</b>		<b>-65,077,641.11</b>	<b>- 64,136,378.06</b>
<b>IV. Financial year's net income and expenditure (saving or dissaving) (II + III)</b>		<b>238,476,784.57</b>	<b>315,353,885.67</b>

Notes 1 to 29 of the accompanying annual report are an integral part of the Income and Expenditure Account for the 2016 financial year

## Statement of changes in net equity (amounts in euros)

### 1. Total statement of changes in net equity

	I. Equity	II. Equity created	IV. Subsidies received	Total
A. NET EQUITY AT THE END OF THE 2015 FINANCIAL YEAR	7,787,674,637.92	2,507,176,679.55	591,948,905.22	10,886,800,222.69
B. ADJUSTMENTS FOR CHANGES OF ACCOUNTING CRITERIA AND CORRECTIONS OF ERRORS				
C. INITIAL NET EQUITY ADJUSTED FOR THE 2016 FINANCIAL YEAR (A+B)	7,787,674,637.92	2,507,176,679.55	591,948,905.22	10,886,800,222.69
D. CHANGES IN NET EQUITY FOR THE 2016 FINANCIAL YEAR				
1. Income and expenditure recognised for the financial year	.	238,476,784.57	50,017,345.94	288,494,130.51
2. Asset and liability transactions with the entity or owner entities	.	.	.	.
3. Other changes in net equity	.	3,073,108.24	.	3,073,108.24
<b>NET EQUITY AT THE END OF THE 2016 FINANCIAL YEAR (C+D)</b>	<b>7,787,674,637.92</b>	<b>2,748,726,572.36</b>	<b>641,966,251.16</b>	<b>11,178,367,461.44</b>

Notes 1 to 29 of the accompanying annual report are an integral part of the statement of changes in net equity for the 2016 financial year

### 2. Statement of recognised income and expenditure

	Notes in annual report	2016	2015
<b>I. Income and expenditure</b>		<b>238,476,784.57</b>	<b>315,353,885.67</b>
<b>II. Income and expenditure recognised directly in net equity</b>			
4. Subsidies received	15	69,930,965.86	55,439,457.90
Total		69,930,965.86	55,439,457.90
<b>III. Transfers to the Income and Expenditure Account or to the initial carrying amount of hedged items</b>			
4. Subsidies received	15	-19,913,619.92	-10,695,031.79
Total		-19,913,619.92	-10,695,031.79
<b>IV. TOTAL recognised income and expenditure (I+II+III)</b>		<b>288,494,130.51</b>	<b>360,098,311.78</b>

Notes 1 to 29 of the accompanying annual report are an integral part of the statement of changes in net equity for the 2016 financial year



## Cash-flow statement (amounts in euros)

	2016	2015
<b>A) Receipts:</b>	<b>2,511,979,703.82</b>	<b>2,572,499,316.24</b>
1. Tax and urban planning revenue	1,265,393,756.05	1,254,335,036.74
2. Transfers and subsidies received	1,070,048,147.57	1,140,436,346.52
3. Sales and service supplies	33,811,629.94	0.00
4. Management of resources collected on behalf of other bodies	76,915,528.86	74,968,687.55
5. Interest and dividends received	38,988,236.40	62,620,546.91
6. Other receipts	26,822,405.00	40,138,698.52
<b>B) Payments:</b>	<b>2,106,154,439.38</b>	<b>2,042,363,281.24</b>
7. Staff expenditure	399,607,427.09	350,142,273.99
8. Transfers and subsidies granted	1,067,188,021.50	998,919,864.13
9. Supplies	0.00	0.00
10. Other management expenses	508,779,908.83	551,292,282.68
11. Management of resources collected on behalf of other bodies	76,845,005.55	74,314,434.21
12. Interest paid	18,510,625.74	23,407,661.06
13. Other payments	35,223,450.67	44,286,765.17
<b>I. NET CASH FLOWS FROM MANAGEMENT ACTIVITIES (+A.B)</b>	<b>405,825,264.44</b>	<b>530,136,035.00</b>
<b>C) Receipts:</b>	<b>52,328,481.88</b>	<b>39,643,950.09</b>
1. Sale of property investments	2,366,587.90	4,979,107.14
2. Sale of financial assets	169,813.86	5,241,101.00
3. Unit of activity	0.00	0.00
4. Other receipts from investment activities	49,792,080.12	29,423,741.95
<b>D) Payments:</b>	<b>325,200,231.48</b>	<b>452,201,391.73</b>
5. Purchase of property investments	308,591,095.30	435,888,697.07
6. Purchase of financial assets	16,609,136.18	16,312,694.66
7. Unit of activity	0.00	0.00
8. Other payments from investment activities	0.00	0.00
<b>II. NET CASH FLOWS FROM INVESTMENT ACTIVITIES (+C.D)</b>	<b>-272,871,749.60</b>	<b>-412,557,441.64</b>
<b>E) Increases in equity</b>	<b>0.00</b>	<b>0.00</b>
<b>F) Payments to the entity or owning entities</b>	<b>0.00</b>	<b>0.00</b>
<b>G) Receipts for issuing financial liabilities:</b>	<b>164,702,719.40</b>	<b>167,009,492.16</b>
4. Loans received	156,000,000.00	160,000,000.00
5. Other debts	8,702,719.40	7,009,492.16
<b>H) Payments for financial liability redemptions:</b>	<b>177,755,478.54</b>	<b>303,537,863.72</b>
7. Loans received	156,158,736.82	296,021,236.81
8. Other debts	21,596,741.72	7,516,626.91
<b>III. NET CASH FLOWS FROM FINANCE ACTIVITIES (+E.F+G.H)</b>	<b>- 13,052,759.14</b>	<b>-136,528,371.56</b>
<b>I) Receipts pending</b>	<b>2,522,982.69</b>	<b>5,352,891.69</b>
<b>J) Payments pending</b>	<b>0.00</b>	<b>0.00</b>
<b>IV. NET CASH FLOWS YET TO BE RECLASSIFIED (+I.J)</b>	<b>2,522,982.69</b>	<b>5,352,891.69</b>
<b>V. EFFECT OF VARIATIONS IN EXCHANGE RATES</b>	<b>0.00</b>	<b>0.00</b>
<b>VI. NET INCREASE/REDUCTION IN CASH AND CASH.EQUIVALENT LIQUID ASSETS (I+II+III+IV+V)</b>	<b>122,423,738.39</b>	<b>-13,596,886.51</b>
Cash and cash-equivalent liquid assets at the start of the financial year	631,176,546.73	644,773,433.24
Cash and cash-equivalent liquid assets at the end of the financial year	753,600,285.12	631,176,546.73

(\*) This balance includes temporary financial investments

## Budget implementation statement (amounts in euros)

### 1. Expenditure budget implementation

Description		Budgetary loans		
		initial (1)	amendments (2)	final (3=1+2)
Budgetary allocation	1 Staff expenditure	355,786,464.55	44,091,385.18	399,877,849.73
	2 Expenditure on current goods and services	602,409,334.73	-4,322,136.08	598,087,198.65
	3 Financial expenditure	34,707,752.20	-9,856,378.36	24,851,373.84
	4 Current transfers	994,650,766.36	121,211,661.33	1,115,862,427.69
	5 Contingency funds	6,477,736.89	-4,987,196.29	1,490,540.60
	6 Property investments	267,219,357.74	113,532,191.21	380,751,548.95
	7 Capital transfers	15,552,538.55	49,306,036.23	64,858,574.78
	8 Financial assets	21,421,544.14	2,905,186.02	24,326,730.16
	9 Financial liabilities	157,708,736.82	0.00	157,708,736.82
Total		2,455,934,231.98	311,880,749.24	2,767,814,981.22

### 2. Income budget settlement

Description		Budget forecasts			Recognised collection rights (4)
		initial (1)	amendments (2)	final (3=1+2)	
Budgetary allocation	1 Direct taxes	943,767,320.00	0.00	943,767,320.00	1,112,944,230.66
	2 Indirect taxes	55,749,790.00	0.00	55,749,790.00	70,168,167.16
	3 Charges and other revenue	260,080,061.92	51,564.86	260,131,626.78	370,003,526.08
	4 Current transfers	1,051,425,996.13	20,622,569.81	1,072,048,565.94	1,116,880,739.53
	5 Equity revenue	42,135,629.00	0.00	42,135,629.00	40,116,036.05
	6 Sale of property investments	100,080.00	0.00	100,080.00	2,383,794.04
	7 Capital transfers	10,000,010.00	9,008,328.98	19,008,338.98	38,204,256.78
	8 Financial assets	5,000,000.00	159,888,238.89	164,888,238.89	169,813.86
	9 Financial liabilities	157,708,736.82	122,310,046.70	280,018,783.52	160,571,412.70
Total		2,525,967,623.87	311,880,749.24	2,837,848,373.11	2,911,441,976.86

Committed expenditure (4)	Net recognised debentures (5)	Payments (6)	Debentures yet to be paid as of 31 december (7=5-6)	Credit surplus (8=3-5)
399,735,969.28	399,652,498.37	399,058,604.59	593,893.78	225,351.36
586,505,115.98	570,798,952.92	412,912,829.59	157,886,123.33	27,288,245.73
18,495,091.49	18,495,091.49	18,448,869.49	46,222.00	6,356,282.35
1,105,501,268.95	1,104,502,649.96	890,575,933.56	213,926,716.40	11,359,777.73
0.00	0.00	0.00	0.00	1,490,540.60
374,562,743.89	370,571,883.64	199,160,730.87	171,411,152.77	10,179,665.31
64,665,577.72	64,593,611.42	15,144,504.09	49,449,107.33	264,963.36
19,326,730.16	16,598,916.76	16,598,341.76	575.00	7,727,813.40
157,156,380.67	157,156,380.67	157,092,646.78	63,733.89	552,356.15
<b>2,725,948,878.14</b>	<b>2,702,369,985.23</b>	<b>2,108,992,460.73</b>	<b>593,377,524.50</b>	<b>65,444,995.99</b>

Revoked collection rights (5)	Cancelled collection rights (6)	Net recognised collection rights (7=4-5-6) (9=7-8)	Net revenue (8)	Collection rights yet to be enforced as of 31 december	Forecast surplus/ short-fall (10=7-3)
51,335,673.63	129,001.71	1,061,479,555.32	1,014,104,586.93	47,374,968.39	117,712,235.32
4,105,624.40	0.00	66,062,542.76	65,553,788.86	508,753.90	10,312,752.76
50,969,332.64	53,417.30	318,980,776.14	235,519,949.30	83,460,826.84	58,849,149.36
65,677,837.43	0.00	1,051,202,902.10	1,022,723,446.97	28,479,455.13	-20,845,663.84
28,466.47	0.00	40,087,569.58	37,854,040.67	2,233,528.91	-2,048,059.42
0.00	0.00	2,383,794.04	2,383,794.04	0.00	2,283,714.04
70,019.63	0.00	38,134,237.15	26,541,852.26	11,592,384.89	19,125,898.17
0.00	0.00	169,813.86	169,813.86	0.00	-164,718,425.03
319.58	0.00	160,571,093.12	160,571,093.12	0.00	-119,447,690.40
<b>172,187,273.78</b>	<b>182,419.01</b>	<b>2,739,072,284.07</b>	<b>2,565,422,366.01</b>	<b>173,649,918.06</b>	<b>-98,776,089.04</b>

**Budget implementation statement** (amounts in euros)**3. Budgetary results for 2016**

Concepts	Net recognised collection rights	Net recognised debentures	Adjustments	Budgetary income and expenditure
a) current transactions	2,537,813,345.90	2,093,449,192.74		
b) capital transactions	40,518,031.19	435,165,495.06		
<b>1. Total non-financial transactions (a+b)</b>	<b>2,578,331,377.09</b>	<b>2,528,614,687.80</b>		
c) financial assets	169,813.86	16,598,916.76		
d) financial liabilities	160,571,093.12	157,156,380.67		
<b>2. Total financial transactions (c+d)</b>	<b>160,740,906.98</b>	<b>173,755,297.43</b>		
<b>I. Financial year's budgetary income and expenditure (I=1+2)</b>	<b>2,739,072,284.07</b>	<b>2,702,369,985.23</b>		<b>36,702,298.84</b>
Adjustments:				
3. Spent credits financed with liquidity carry over for general expenditure			151,084,315.06	
4. Negative funding variances			1,362,776.39	
5. Positive funding variances			37,319,406.73	
<b>II. Total adjustments (II=3+4-5)</b>			<b>115,127,684.72</b>	<b>115,127,684.72</b>
<b>Adjusted budgetary income and expenditure (I+II)</b>				<b>151,829,983.56</b>



## ANNUAL REPORT FOR THE 2016 FINANCIAL YEAR

### 1. Organisation and activity

#### 1.1. Official population and socio-economic data

Barcelona, covering an area of 102.15 Km<sup>2</sup>, is the capital of Catalonia and the second largest city in Spain in population terms. The official number of city residents on 1 January 2016 was 1,608,746, according to data published by the National Institute of Statistics, representing an increase of 0.3% on the previous year. There are 166 nationalities in that total and the number of registered foreign residents on 1 January 2016 came to 266,323. Barcelona is part of the Barcelona Metropolitan Area, Barcelonès County Council and Barcelona Provincial Council.

The city's economy is essentially tertiary. According to the latest data published on Barcelona's GNP, that sector represents 89% of the gross added value (15 percentage points above the Catalan figures), to the detriment of industry (7.3%), construction (3.3%) and the primary sector (0.4%). As for the sectoral distribution of actively employed people registered with Social Security, on 31 December 2016 the percentage of workers employed in each sector was 89.8% in social services; 7.0% in industry; 2.9% in construction and the remaining 0.3% in agriculture, livestock and fisheries.

The following table shows the main economic activity indicators for Barcelona and its metropolitan area for 2016.

	Period	Absolute value	2016/2015 (%)
<b>Employment and unemployment</b>			
Actively workers employed and registered with Social Security	dec. 2016	1,061,171	3.3
Employment contracts formalized	2016	1,033,074	11.4
Total registered unemployment	dec. 2016	78,864	-11.8
Unemployment <30 years	dec. 2016	9,600	-14.3
<b>Port, Goods and passengers</b>			
Total amount of goods (thousands tonnes)	2016	47,513	3.5
Embarked goods (thousands of tonnes)	2016	23,364	3.7
Disembarked goods (thousands of tonnes)	2016	24,149	3.3
Containers (thousands of TEUs)	2016	2,237	14.5
Total passenger traffic (thousands)	2016	3,959	6.7
Cruise passengers (thousands)	2016	2,684	5.7
<b>Airport, Passenger traffic</b>			
Total (thousands)	2016	44,155	11.2
Barcelona-Madrid line (thousands)	2016	2,330	6.0
International (thousands)	2016	32,338	11.2
<b>Consumption and tourism</b>			
Vehicle registrations	2016	42,917	11.6
Overnight stays hotel (in thousands)	2016	19,548	5.5
Visitors spending the night in hotels (in thousands)	2016	7,491	5.6
<b>Construction and property market prices</b>			
New surface area envisaged in permits (m <sup>2</sup> )	2016	585,909	127.5
Surface area to be redeveloped or extended (m <sup>2</sup> )	2016	358,809	-4.3
Housing started	2016	1,233	-12.4
Average sale price of new housing (€/m <sup>2</sup> )	jan-sept. 2016	3,981	17.4
Average sale price of used housing (€/m <sup>2</sup> )	jan-sept. 2016	3,239	10.4
Average housing rental (€/m <sup>2</sup> /month)	2016	12.2	9.9

## 1.2. Description of the main sources of revenue

The main sources of revenue for both Barcelona City Council and the other local authorities are regulated by Royal Legislative Decree 2/2004, of 5 March, approving the consolidated text of the Regulatory Act on Local Tax Offices (Royal Legislative Decree 2/2004 (LHRL)). The details of Barcelona City Council's main day-to-day management income for 2016 were as follows:

	Amount	Relative weight
<b>Tax and urban planning revenue</b>	<b>1,275,967,230.76</b>	<b>49.83%</b>
<b>Taxes</b>	<b>1,119,764,505.54</b>	<b>43.73%</b>
Direct Taxes	1,051,720,341.10	41.07%
Assignment of Income Tax	57,739,172.60	2.25%
Property Tax (IBI)	666,434,322.41	26.02%
Tax on Mechanically Powered Vehicles (IVTM)	60,655,064.23	2.37%
Tax on Increase in Urban Land Value (IIVTNU)	176,600,608.84	6.90%
Economic Activity Tax (IAE)	90,291,173.02	3.53%
Indirect taxes	68,044,164.44	2.66%
Assignment of VAT	30,755,811.05	1.20%
Assignment of special taxes	8,980,235.33	0.35%
Construction. Installation and Works Tax (ICIO)	28,308,118.06	1.11%
<b>Fees</b>	<b>181,705,064.19</b>	<b>7.10%</b>
<b>Special taxes</b>	<b>0.00</b>	<b>0.00%</b>
<b>Revenue derived from urban planning</b>	<b>5,081,573.98</b>	<b>0.20%</b>
<b>Transfers and subsidies received</b>	<b>1,069,334,194.24</b>	<b>41.76%</b>
<b>Sales and service supplies</b>	<b>51,313,679.58</b>	<b>2.00%</b>
<b>Other day-to-day management income</b>	<b>164,133,010.88</b>	<b>6.41%</b>
<b>Day-to-day management income</b>	<b>2,560,748,115.46</b>	<b>100.00%</b>

## 1.3. City Council's Tax Treatment

### a) Corporate Tax

Barcelona City is exempt from corporate tax and its capital furniture gains are not subject to deduction, under Act 27/2014, of 27 November, on Corporate Tax

### b) Value Added Tax (VAT)

For the purposes of VAT, the City Council carries out transactions that are either subject to this tax (business activities) or not (public activities). As regards the fee deduction system for VAT input, it has opted for the special pro rata basis.

## 1.4. Basic organisational structure, political and administrative.

Barcelona City Council's basic organisational structure, political and administrative, is as follows:

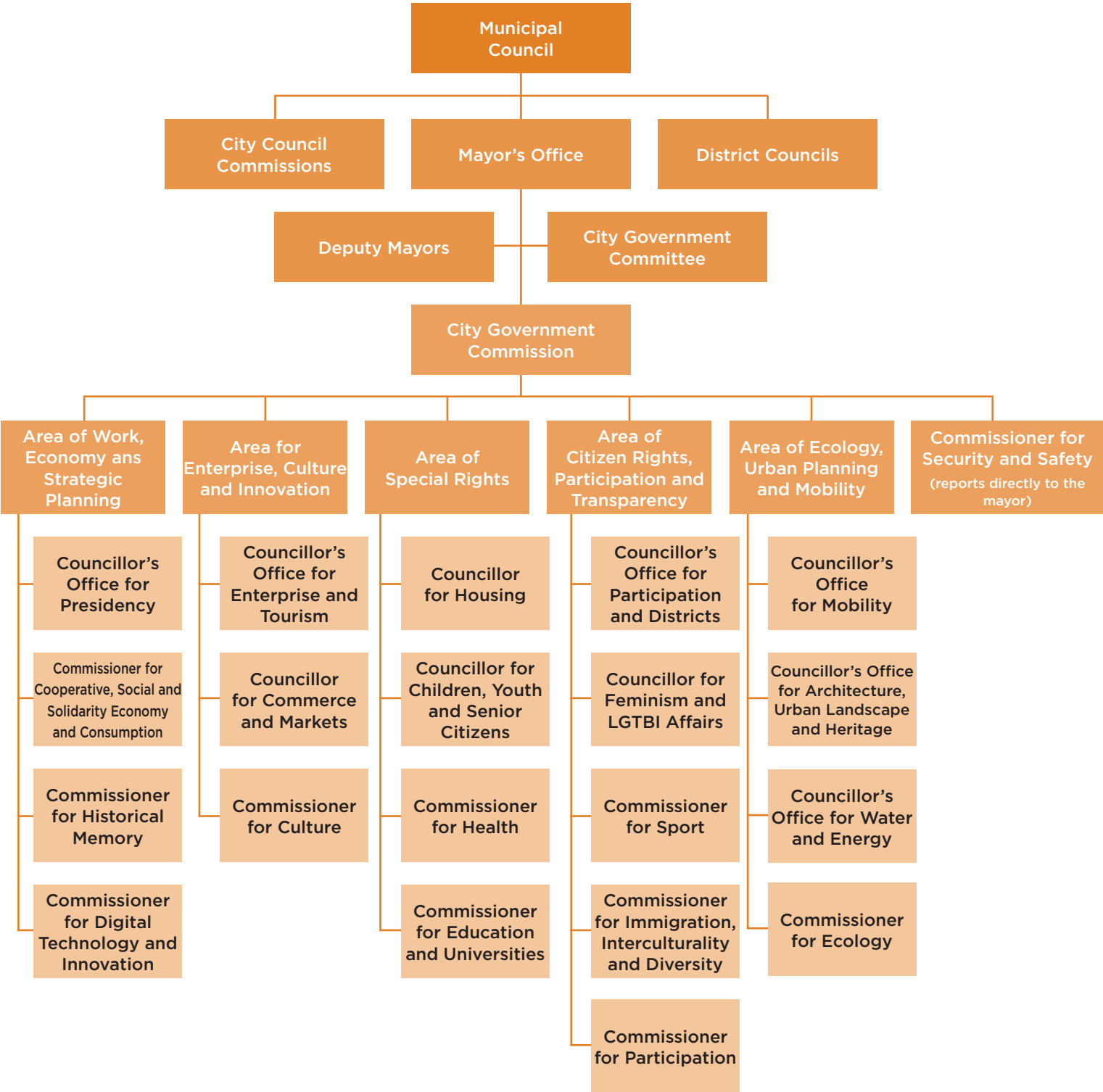
### 1.4.1. Political organisation

Municipal elections are held every four years, under a proportional representation system. As a result of the last elections, held on 24 May 2015, the current composition of the Municipal Council is as follows:

Political party	Number of Councillors
Barcelona en Comú	11
Convergència i Unió	10
Ciutadans – Partido de la Ciudadanía	5
Esquerra Republicana de Catalunya	5
Partit dels Socialistes de Catalunya – Candidatura de Progrés	4
Partido Popular	3
Candidatura d'Unitat Popular Capgirem Barcelona – Poble Actiu	3
<b>Total number of Councillors</b>	<b>41</b>

As of 31 December 2016, the municipal government is made up of 11 councillors from Barcelona en Comú and 4 councillors from the Partit dels Socialistes de Catalunya – Candidatura de Progrés Councillors. The municipal government brought in 4 councillors from the Partit dels Socialistes de Catalunya – Candidatura de Progrés as a result of a government agreement signed in May 2016 and implemented under the Mayoral Decree of 25 May 2016.

The political area is made up by the various government, city and territorial government bodies. The political structure is as follows:



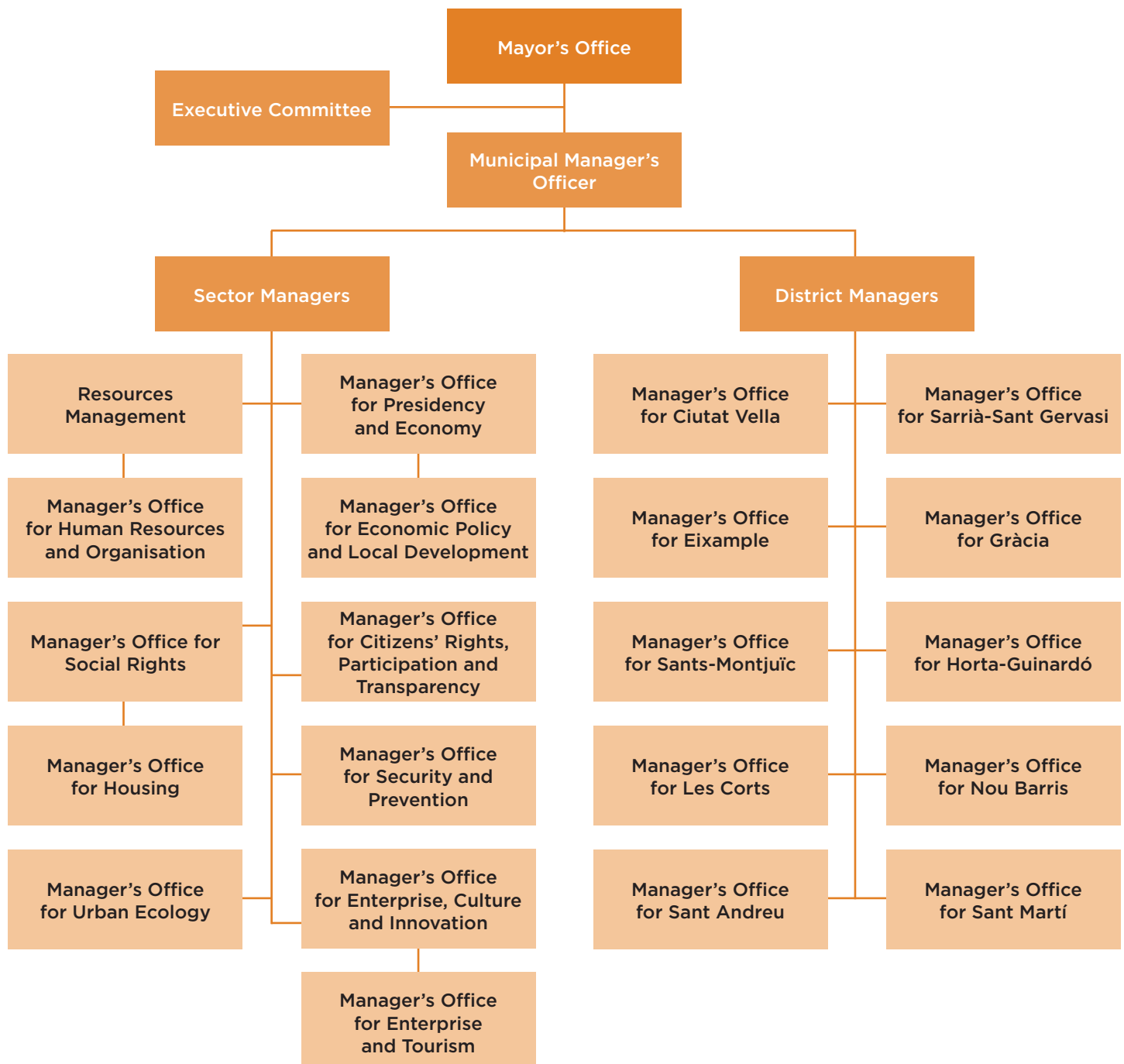


### 1.4.2. Administrative organisation

Barcelona City Council's administrative or executive organisation, which is run and coordinated by the municipal manager officer, is made up, on the one hand, of sectors and districts, which are divisions and bodies integrated into the City Council's single legal personality, run by managers appointed by the Mayor; and, on the other hand, local independent bodies, public business entities and trading companies which are separate legal persons but functionally subsidiary to their sectors of activity.

This managerial structure is tasked with ensuring the services provided by Barcelona City Council are effective and efficient and meet the city's values and needs, while also seeing to the planning, organisation and provision of public services, to make sure the goals set out under the Municipal Action Plan are achieved.

The following organisation chart shows Barcelona City Council's administrative structure:



**1.5. Average number of employees during the financial year and on 31 December, both civil servants and externally contracted staff, according to category and sex.**

**1.5.1. Average number of employees during 2016**

	Women		Men		Total	
	Average	%	Average	%	Average	%
Political posts	19	0.3%	22	0.3%	41	0.6%
Temporary and Senior Management staff	106	1.6%	140	2.1%	246	3.8%
Senior professional (A1)	400	6.2%	317	4.9%	716	11.0%
Professional (A2)	389	6.0%	257	4.0%	647	9.9%
Administrative (C1)	418	6.4%	569	8.8%	987	15.2%
Administrative assistant (C2)	806	12.4%	2,996	46.1%	3,801	58.5%
Auxiliary (E)	50	0.8%	10	0.2%	60	0.9%
<b>TOTAL</b>	<b>2,187</b>	<b>33.7%</b>	<b>4,310</b>	<b>66.3%</b>	<b>6,498</b>	<b>100.0%</b>

**1.5.2. Number of employees on 31/12/2016**

	Women		Men		Total	
	as of 31/12/16	%	as of 31/12/16	%	as of 31/12/16	%
Political posts	19	0.3%	22	0.3%	41	0.6%
Temporary and Senior Management staff	112	1.7%	148	2.2%	260	3.9%
Senior professional (A1)	429	6.5%	326	4.9%	755	11.4%
Professional (A2)	409	6.2%	256	3.9%	665	10.1%
Administrative (C1)	445	6.7%	614	9.3%	1,059	16.0%
Administrative assistant (C2)	807	12.2%	2,966	44.9%	3,773	57.1%
Auxiliary (E)	46	0.7%	10	0.2%	56	0.8%
<b>TOTAL</b>	<b>2,267</b>	<b>34.3%</b>	<b>4,342</b>	<b>65.7%</b>	<b>6,609</b>	<b>100.0%</b>

## 1.6. Entities of the group, multi-group and associate bodies

### 1.6.1. Group's entities

Entity	Assigned Activity / Area	Shareholding (%)
<b>Municipal Agencies</b>		
Municipal Institute for People with Disabilities	Managing promotional activities and care for people with disabilities	100
Barcelona Sports Institute.	Promoting sports activities	100
Municipal Institute of Information Technology	Carrying out IT work	100
Municipal Institute of Urban Planning	Managing urban planning activities	100
Municipal Tax Office	Managing, inspecting and collecting taxes, public-sector charges, fines and other revenue	100
Municipal Markets Institute	Administering and managing the municipal markets	100
Municipal Institute of Education	Planning and managing the activities, structures and administration of schools	100
Municipal Institute of Urban Landscape	Protecting, maintaining and improving landscape values	100
Municipal Institute for Social Services	Promoting, organising, managing and coordinating the provision of social services	100
<b>Publicly Owned Business Entities</b>		
Municipal Institute of Parks and Gardens	Conserving and improving parks, gardens and woodland	100
Barcelona Institute of Culture	Developing services and areas of cultural action	100
Municipal Housing Trust	Promoting and building housing	100
Munic. Inst. of the Mies van der Röhe Foundation	Promoting and disseminating culture in the field of architecture	100
<b>Trading Companies</b>		
Barcelona d'Infraestructures Municipals, SA	Implementing urban-planning projects	100
Foment de Ciutat, SA	Activities and services, mainly in the Ciutat Vella district	100
Informació i Comunicació de Barcelona, SA	Providing and managing audiovisual media services, radio and television	100
Barcelona Activa, SA	Fostering, promoting and boosting employment and economic activity	100
Barcelona Gestió Urbanística, SA	Promoting urban-planning projects	100
Barcelona Cicle de l'Aigua, SA	Managing the water cycle, beaches, coasts and environment	100
Barcelona de Serveis Municipals, SA	Managing, maintaining, administering and operating public services	100
Parc d'Atraccions Tibidabo, SA (1)	Running the amusement park	100
Tractament i Eliminació de Residus, SA (1)	Managing, treating and removing solid household waste	58.64
Selectives Metropolitanes, SA (2)	Services relating to urban-waste management	58.64
Solucions Integrals per als Residus, SA (2)	Services relating to urban-waste management	58.64
Cementiris de Barcelona, SA (1)	Managing, developing and operating cremation and cemetery services	100
Mercados de Abastos de Barcelona, SA (1)	Managing, developing and operating the Barcelona Food Unit	50.69

(1) Shareholding maintained through Barcelona de Serveis Municipals, SA.

(2) Shareholding maintained through Tractament i Selecció de Residus, SA

## 1.6.2. Multigroup entities

## a) Entities that are consolidated with the City Council

Entity	Assigned Activity/Area	Shareholding (%)
Besòs Consortium	Area of Ecology, Urban Planning and Mobility	25.00
El Far, Centre dels Treballs del Mar Consortium	Area of Citizenship, Participation and Transparency	36.00
Institut d'Infància i Món Urbà Consortium	Area of Social Rights	33.00
Mercat de les Flors / Centre de les Arts de Moviment Consortium	Area of Citizenship, Participation and Transparency	57.00
Museu de Ciències Naturals de Barcelona Consortium	Area of Citizenship, Participation and Transparency	50.00
Barcelona Urban Ecology Agency	Area of Ecology, Urban Planning and Mobility	33.00
Museu d'Art Contemporani de Barcelona (MACBA) Consortium	Area of Citizenship, Participation and Transparency	43.00
L'Auditori i l'Orquestra Consortium	Area of Citizenship, Participation and Transparency	57.00
Biblioteques de Barcelona Consortium	Area of Citizenship, Participation and Transparency	56.00
Campus Interuniversitari Diagonal-Besòs Consortium	Area of Ecology, Urban Planning and Mobility	21.00
Localret Consortium	Area of Work, Economy and Strategic Planning	1.00
Barcelona Local Energy Agency	Area of Ecology, Urban Planning and Mobility	53.00
Fira Internacional de Barcelona	Area of Work, Economy and Strategic Planning	33.00
Habitatge de Barcelona Consortium	Area of Social Rights	40.00
Gran Teatre del Liceu Consortium	Area of Citizenship, Participation and Transparency	28.00
Pla de Rehabilitació i Equipament de Teatres de Barcelona Consortium	Area of Citizenship, Participation and Transparency	25.00
Institut Ramon Llull Consortium	Area of Citizenship, Participation and Transparency	19.00
Mar Parc de Salut de Barcelona Consortium (formerly IMAS)	Area of Social Rights	40.00
Barcelona Mobile World Capital Consortium	Area of Work, Economy and Strategic Planning	20.00
3 <sup>a</sup> Edició Barcelona World Race Consortium	Area of Citizenship, Participation and Transparency	25.00
Barcelona World Jumping Challenge Consortium	Area of Citizenship, Participation and Transparency	20.00
Institute of Municipal Staff Health Care Provision (PAMEM)	Area of Social Rights	60.00
Linguistic Normalisation Consortium (CNL)	Area of Citizenship, Participation and Transparency	1.00
Alta Velocidad de Barcelona Consortium	Area of Ecology, Urban Planning and Mobility	33.33
Barcelona Education Consortium	Area of Social Rights	40.00
Barcelona Social Services Consortium	Area of Social Rights	40.00
Barcelona Public Health Agency	Area of Social Rights	57.00
Barcelona Health Consortium	Area of Social Rights	40.00
Les Drassanes Reials i Museu Marítim de Barcelona Consortium	Area of Citizenship, Participation and Transparency	27.00
Palau de la Música Catalana Consortium	Area of Citizenship, Participation and Transparency	17.00
Museu Nacional d'Art de Catalunya (MNAC) Consortium	Area of Citizenship, Participation and Transparency	16.00
Barcelona Centre of Contemporary Culture, Casa Caritat (CCCB)	Area of Citizenship, Participation and Transparency	27.00
Catalan Hospital Consortium (Catalan Health and Social Consortium)	Area of Social Rights	1.00
Turisme de Barcelona Consortium	Area of Work, Economy and Strategic Planning	33.33
Zona Franca de Barcelona Consortium	Area of Citizenship, Participation and Transparency	40.00
Metropolitan Transport Authority	Area of Ecology, Urban Planning and Mobility	22.00



Entity (continued)	Assigned Activity/Area	Shareholding (%)
Barri de la Mina Consortium	Area of Ecology, Urban Planning and Mobility	11.00
La Defensa de la Conca del Riu Besòs Consortium	Area of Ecology, Urban Planning and Mobility	9.00
Universitat Internacional Menéndez Pelayo de Barcelona - Centre Ernest Lluch Consortium	Area of Work, Economy and Strategic Planning	25.00
Parc Natural de la Serra de Collserola Consortium	Area of Ecology, Urban Planning and Mobility	3.00
Parc de Recerca Biomèdica de Barcelona Consortium	Area of Social Rights	30.00
Institut d'Estudis Regionals i Metropolitans de Barcelona Consortium	Area of Work, Economy and Strategic Planning	23.00
Casa Àsia	Area of Work, Economy and Strategic Planning	25.00
European Institute of the Mediterranean	Area of Work, Economy and Strategic Planning	31.00
Catalunya-Món Trust (formerly Català pro Europa Trust)	Area of Work, Economy and Strategic Planning	3.00

## b) Entities excluded from municipal consolidation

Entity	Assigned Activity/Area
Barcelona Cultura Foundation	Area of Enterprise, Culture and Innovation
Barcelona Foundation for Oceanic Sailing	Area of Citizenship, Participation and Transparency
Carles Pi i Sunyer Foundation for Autonomous Region and Local Government Studies	Area of Enterprise, Culture and Innovation
Julio Muñoz Ramonet Private Foundation	Area of Enterprise, Culture and Innovation
Barcelona Mobile World Capital Foundation	Area of Enterprise, Culture and Innovation
Gran Teatre del Liceu Foundation	Area of Enterprise, Culture and Innovation
Antoni Tàpies Private Foundation	Area of Enterprise, Culture and Innovation
Joan Miró Foundation - Contemporary Art Studies Centre	Area of Enterprise, Culture and Innovation
Teatre Lliure - Teatre públic de Barcelona Foundation	Area of Enterprise, Culture and Innovation
Museu Marítim i Drassanes Reials de Barcelona Private Foundation	Area of Citizenship, Participation and Transparency
Artur Martorell Private Foundation	Area of Social Rights
Orfeo Català – Palau de la Música Catalana Private Foundation	Area of Work, Economy and Strategic Planning
L'Auditori i l'Orquestra Private Foundation	Area of Citizenship, Participation and Transparency
Joan Brossa Private Foundation	Area of Enterprise, Culture and Innovation
Museu Picasso de Barcelona Foundation	Area of Enterprise, Culture and Innovation
Biblioteca Pública Arús Foundation	Area of Enterprise, Culture and Innovation
Hospital de la Santa Creu i Sant Pau Private Foundation	Area of Social Rights
Hospital de la Santa Creu i Sant Pau Health Management Private Foundation	Area of Social Rights
Institut Guttmann Private Foundation	Area of Social Rights
Centre de Medicina Regenerativa de Barcelona Private Foundation	Area of Social Rights
Instituto de Salut Global Barcelona (IS Global) Private Foundation	Area of Social Rights
Dieta Mediterrània Foundation	Area of Citizenship, Participation and Transparency
Ulls del Món Private Foundation	Area of Social Rights
BCN Formació Professional Private Foundation	Area of Work, Economy and Strategic Planning
Escola de Puntares de Barcelona	Area of Social Rights
Escoles Domènech Private Foundation	Area of Social Rights
Casa Amèrica a Catalunya Private Foundation	Area of Work, Economy and Strategic Planning
Institut Barcelona d'Estudis Internacionals (IBEI) Private Foundation	Area of Work, Economy and Strategic Planning
Consejo España-China, Foundation	Area of Work, Economy and Strategic Planning
Consejo España-India Foundation	Area of Work, Economy and Strategic Planning
Consejo España-Japón Foundation	Area of Work, Economy and Strategic Planning
Vol Private Foundation	Area of Social Rights
Casa de Misericòrdia de Barcelona Foundation	Area of Social Rights
Barcelona Institute of Technology for the Habitat (BIT HABITAT) Foundation	Area of Work, Economy and Strategic Planning
Urbs i Territori Ildefons Cerdà Private Foundation	Area of Ecology, Urban Planning and Mobility
Eurecat Foundation	Area of Work, Economy and Strategic Planning
I2CAT, Internet i Innovació digital a Catalunya Private Foundation	Area of Work, Economy and Strategic Planning
BCD per a la Promoció del Disseny Industrial Foundation	Area of Ecology, Urban Planning and Mobility
Promoció de Barcelona Foundation	Area of Work, Economy and Strategic Planning
Barcelona Graduate School of Economics Private Foundation	Area of Work, Economy and Strategic Planning
Institut d'Economia de Barcelona Private Foundation	Area of Work, Economy and Strategic Planning
Fòrum Ambiental Foundation	Area of Ecology, Urban Planning and Mobility

Entity	Assigned Activity/Area
Bioregió de Catalunya (Biocat) Private Foundation	Area of Work, Economy and Strategic Planning
Mobilitat Sostenible i Segura Private Foundation	Area of Ecology, Urban Planning and Mobility
Centre d'Informació i Documentació	
Internacionals a Barcelona Private Foundation (CIDOB)	Area of Work, Economy and Strategic Planning
Factor Humà Foundation (formerly Motivació dels Recursos Humans Foundation)	Manager's Office for Human Resources and Organisation
Fòrum Universal de les Cultures Private Foundation	Area of Work, Economy and Strategic Planning
Pagesia de Catalunya Private Foundation	Area of Work, Economy and Strategic Planning
Barcelona Olímpica Foundation	Area of Citizenship, Participation and Transparency
Centro de Estudios Internacionales Private Foundation	Area of Work, Economy and Strategic Planning
Festa Major de Gràcia Private Foundation	Area of Work, Economy and Strategic Planning
Barcelona Zoo Foundation	Area of Ecology, Urban Planning and Mobility
Parc Científic de Barcelona Private Foundation	Area of Social Rights
International Association of Educating Cities	Area of Citizenship, Participation and Transparency
Red de Juderías de España, Caminos de Sefarad Association	Area of Citizenship, Participation and Transparency
Barcelona Metropolitan Strategic Plan	Area of Work, Economy and Strategic Planning
Catalan Federation of Local Authorities	Area of Work, Economy and Strategic Planning
Catalan Association of Local Authorities and Counties (ACMC)	Area of Citizenship, Participation and Transparency
Communauté des Villes Ariane (CVA)	Area of Work, Economy and Strategic Planning
América-Europa de Regiones y Ciudades (AERYC) Association	Area of Citizenship, Participation and Transparency
United Cities and Local Governments (UCLG)	Area of Citizenship, Participation and Transparency
World Association of the Major Metropolises Metropolis	Area of Citizenship, Participation and Transparency
Professional Training Network	Area of Citizenship, Participation and Transparency
Industrial Agreement for the Barcelona Metropolitan Region	Area of Work, Economy and Strategic Planning
Barcelona European Finance Centre	Area of Work, Economy and Strategic Planning
Barcelona - Catalonia Logistics Centre	Area of Work, Economy and Strategic Planning
Catalan Development Cooperation Fund (FCCD)	Area of Work, Economy and Strategic Planning
Barcelona Cluster Nàutic Association	Area of Ecology, Urban Planning and Mobility
Centro Iberoamericano de Desarrollo Estratégico Urbano - CIDEU	Area of Citizenship, Participation and Transparency
Airport Regions Conference (ARC) Association	Area of Work, Economy and Strategic Planning
Red de Ciudades AVE	Area of Work, Economy and Strategic Planning
Spanish Smart Cities Association	Area of Work, Economy and Strategic Planning
City Protocol Society Association	Area of Ecology, Urban Planning and Mobility
Délice Network of Good Food Cities	Area of Work, Economy and Strategic Planning
Observatori de les Dones en els Mitjans de Comunicació Association	Area of Social Rights
Red de Ciudades por la Bicicleta	Area of Social Rights
Marcas Renombradas Españolas Association	Area of Citizenship, Participation and Transparency
Barcelona Observatory for Architectural Restoration (OBRA)	Area of Ecology, Urban Planning and Mobility
Medcities Association	Area of Work, Economy and Strategic Planning
Xarxa de ciutats i pobles cap a la sostenibilitat, Association	Area of Ecology, Urban Planning and Mobility

### 1.6.3. Associated entities

Entity	Activity	Shareholding (%)
Mediacomplex, SA (1)	Planning, promoting, developing, managing and running public works, facilities, offices and technical facilities	33.33
Barcelona Sagrera Alta Velocitat, SA	Coordinating projects in the area of La Sagrera and urban development	25.00
Barcelona Emprèn CR, SA (2)	Promoting innovative non-financial business corporations	26.04
Fira 2000, SA	Running trade-fair venues and organising and promoting industrial and trade activities	22.96
Catalana d'iniciatives SA, in liquidation	No activity	24.25
Barcelona d'Aparcaments Municipals SA (3)	Providing municipal public parking services	40.00
Barcelona Regional, SA (4)	Conducting studies on, analyses of and research into aspects of urban planning	20.63

(1) Shareholding maintained through Barcelona d'Infraestructures Municipals, SA.

(2) The City Council has a direct shareholding of 24.06% and an indirect shareholding of 1.98% through the Barcelona Institute of Culture

(3) Shareholding maintained through Barcelona de Serveis Municipals, SA.

(4) The City Council has a direct shareholding of 17.65% and an indirect shareholding of 2.98% through Mercabarna, SA.

## 2. Indirect management of public services, agreements and other forms of collaboration

The powers and services the City Council provides are as follows:

### a) Mandatory services:

The City Council provides the following mandatory services: public lighting, cemeteries, urban environment, waste collection, waste treatment, street cleaning, household supply of drinking water, sewers, access to city centres, road surfacing, public parks, public libraries, civil protection, assessing and providing information on situations of social need and immediate care for people in situations of social risk, preventing and extinguishing fires, public sports facilities and urban public passenger transport.

### b) Voluntary services:

The supplementary services provided by the City Council include the following: nursery schools, vehicle parking, promotion of culture and cultural facilities, work-promotion services, etc.

Most of these services are provided directly by the City Council and others through its subsidiary organisations.

As for indirect management of public services, the most important contracts are:

- Household supply of drinking water.
- Waste water disposal and treatment.
- Underground vehicle parking.
- Public passenger transport.



Barcelona's household supply of water falls under the jurisdiction of the Barcelona Metropolitan Area as the Local Entity and established as such under Legislative Decree 3/2003, of 4 November. It provides the service through a semi-public company called Aigües de Barcelona, Empresa Metropolitana de Gestió del Cicle Integral de l'Aigua SA, owned by Aigües de Barcelona (70%); Criteria (15%) and AMB (15%). The company uses the municipally owned assets allocated to the service when it was incorporated.

Barcelona's disposal and treatment of waste water falls under the jurisdiction of the Barcelona Metropolitan Area as the Local Entity and established as such under Legislative Decree 3/2003, of 4 November. It provides the service through a semi-public company called Aigües de Barcelona, Empresa Metropolitana de Gestió del Cicle Integral de l'Aigua SA, made up by Aigües de Barcelona (70%); Criteria (15%) and AMB (15%). The company uses the municipally owned assets allocated to the service when it was incorporated.

The vehicle parking service is managed directly for street-level parking and indirectly for underground parking.

Underground parking places and, more specifically, those located in Barcelona's city centre (central perimeter), are managed indirectly through a mixed-economy company in the form of a public limited company (SA) called Barcelona d'Aparcaments Municipals, SA (BAMSA), owned by Saba Car Park, SL (60%) and BSM (40%). The company was incorporated for a 25-year period and uses the municipally owned assets allocated to the service at the time of its incorporation.

The public passenger transport service is managed by the Metropolitan Transport Authority (ATM), which was created as a voluntary inter-administrative consortium and set up in the 1997 financial year. The consortium is made up of the following authorities: the Generalitat [regional government] of Catalonia (51 %) and local authorities (49%), the latter consisting of Barcelona City Council, the Barcelona Metropolitan Area (AMB) and the Association of Municipalities for Mobility and Urban Transport (AMTU). The contributions made to this consortium by the City Council during the 2016 financial year under the ATM's four-year plan (2014-2017) came to 130.170 thousand euros.

### **3. Bases of presentation of the accounts**

#### **3.1. A true and accurate picture**

These annual accounts have been obtained from the Municipal Corporation's accounting records as of 31 December 2016 and are presented under current accounting provisions legally in force, for the purposes of showing a true and accurate picture of the equity and the financial situation on the date mentioned herein, of the income and expenditure, of the statement of changes in net equity, of the cash flow, of the results of the implementation of the budget, for the financial year ending on that date, which are expressed in euros.

These annual accounts will be part of Barcelona City Council's General Account, which will be submitted for approval at the Full Municipal Council Meeting within the legal deadlines established. The budget settlement was approved by Mayoral Decree on 28 February 2017.

The City Council's accounting system is the one provided for under the Act on Local Tax Offices for local entities and their independent bodies. The annual accounts for the 2016 financial year were prepared in accordance with Order HAP/1781/2013, of 20 September, approving the Guidelines of the Local Standard Accounting Model (henceforth the IMNCL), and with the provisions set out in

the General Public Accounting Plan adapted for Local Authorities (PGCPAL) accompanying the IMNCL.

The following current legislation has also been taken into account:

- Act 7/1985, of 2 April, regulating local government.
- Royal Decree Act 781/1986, of 18 April, approving the consolidated text of current provisions on local government.
- Legislative Decree 2/2003, of 28 April, approving the consolidated text of the Municipal and Local Government Act of Catalonia.
- Royal Legislative Decree 2/2004, of 5 March, approving the consolidated text of the regulatory Act on Local Tax Offices (Act 39/1988, of 28 December).
- Royal Decree 500/1990, of 20 April, developing Chapter I of Title VI of Act 39/1998, of 28 December, regulating local tax offices in budgets.
- Documents on accounting principles issued by the Commission on Public Account Principles and Standards, created by Ministerial Order by the Secretary of State for Treasury on 28 December 1990.
- Order of 27 April 2007, on the implementation of Decree 94/1995 of 21 February, as amended by ministerial decrees ECF/2901/2008, ECF/1769/2009, ECF/3210/2010, ECO/1406/2011, ECO/2829/2012 and ECO/2876/2014 on the financial supervision of local entities.
- Act 15/2010, of 5 July, on the amendment of Act 3/2004, of 29 December, establishing measures against arrears in commercial transactions.
- Framework Act 2/2012, of 27 April, on budget stability and financial sustainability, with amendments introduced by Framework Act 9/2013, of 20 December, on controlling commercial debt in the public sector.
- Framework Act 9/2013, of 20 December, on controlling commercial debt in the public sector.
- Act 27/2013, of 27 December, on the rationalisation and sustainability of local authorities.

Furthermore, the Barcelona Municipal Charter, which was approved by Act 1/2006, of 13 March, regulates, among other things, municipal powers, the organisation of the Municipal Government, the districts, the organisation of the municipal executive and public participation.

The accounting principles and criteria applied are heavily influenced by consideration of the importance they and their effects may have in relative terms. As a result, they do not need to be strictly applied, provided that the relative quantitative or qualitative importance of the variation recorded is hardly significant and does not therefore affect the true and accurate picture of the net equity situation and the income and expenditure. Entries and amounts whose relative importance is scarcely significant may appear grouped together with others of a similar nature or function.

There are no exceptional reasons, for the purposes of achieving the above goals, for current accounting provisions legally in force not to have been applied.

The City Council prepares consolidated annual accounts that include the accounts of the City Council, the group's entities (local independent bodies, publicly owned business entities and subsidiary trading companies), the multigroup's entities and associated entities.

### **3.2. Comparison of the information**

The annual accounts for the financial years 2016 and 2015 were drawn up in accordance with the framework established under the IMNCL, and prepared under uniform valuation, grouping, classification and monetary-unit criteria, as a result, the information presented is homogeneous and comparable.

### **3.3. Reasons for and effects on the annual accounts of changes in accounting criteria and error corrections.**

There were no changes to the accounting criteria in the previous financial year nor were any errors identified that had to be corrected.

### **3.4. Information on changes in accounting estimates where these are significant.**

There were no significant changes to the accounting estimates.

## **4. Recognition and valuation regulations**

The most important accounting criteria applied in the preparation of the annual accounts were as follows:

### **4.1. Tangible fixed assets**

#### **Capitalisation Criteria**

These are tangible assets, movable and immovable property which:

- The Entity possesses for its own use in the production or supply of goods and services or for its own administrative purposes.
- These are expected to have a useful life of over a year.

#### **Initial valuation**

Investments in tangible fixed assets are valued at cost. This is the “acquisition price”, which includes the non-recoverable indirect taxes associated with the purchase, the acquisition costs directly relating to the purchase and, where necessary, the costs for putting the acquisition into service.

Assets that appear as a result of a physical inventory taking are entered under their fair value where it was not possible to obtain evidence of their original cost.

Received assets allocated for a period equal to or in excess of their economic life are entered under their net accounting value on their formal allocation.

Additions from before 1 January 1992 are valued according to an expert estimate of their real market value carried out by an independent valuation company. For historical and artistic properties, the valuation includes their replacement value.

#### **Capitalisation of financial expenditure**

Financial expenditure is not incorporated in the tangible fixed assets' costs.

#### **Subsequent valuation**

Tangible fixed-asset elements are generally valued at cost, plus subsequent payments, less accumulated depreciation and valuation adjustments for impairment.

Assets subject to depreciation are reviewed where some event or change in circumstances may involve their accounting value becoming non-recoverable.

Valuation adjustments for impairment are made when the asset's recoverable amount is below its net depreciation value, and which generally occurs because of: physical deterioration, speeded obsolescence or reduction in the initially expected performance. Assets that have suffered an impairment loss are regularly reviewed for possible reversals of impairment losses.

Extension, modernisation or improvement costs are capitalised as an increase in asset value where they increase its capacity or productivity or extend its useful life.

Costs for major repairs, inspections or major repairs are capitalised and depreciated over their useful lives.

The Entity does not usually use its own staff to carry out work that is subject to capitalisation.

Where the ownership or use of a property requires the site's dismantling and restoration, these costs are capitalised and depreciated over the period that the property's financial returns or service potential is expected to be obtained.

Indications of impairment were evaluated at the close of the financial year for elements of fixed assets bringing in future financial revenue, taking the following circumstances into account:

- There were no significant changes to the technological environment or legacy during the financial year or, which were expected to occur in the short term and which would have a negative impact on the City Council.
- There were no significant reductions in the market value of the assets.
- There are no obsolete assets or assets that were physically impaired in any significant way.
- There were no significant changes to the way in which the assets were used during the financial year that had a negative impact on the City Council.
- There was no evidence to support the view that the assets' financial performance was significantly below what had been expected.

**Depreciation**

The elements that make up the tangible fixed assets, with the exception of the land, are subject to systematic depreciation using the straight-line method according to the estimated useful life of each. By default, each element's depreciable basis matches its book value, given that the residual values are deemed to be null. The depreciation process starts when the asset is put into operation, with the estimated useful years of life being as follows:

Years of useful life	
Buildings	65
General use equity – buildings, facilities and woodland areas	50
General use equity – systems and roads	40
General use equity – mixed	35
General use equity – parks and gardens	20
Technical installations and machinery	8-12.5
Transport equipment	5
Furniture	6
Data-processing equipment	4
Livestock	7
Bibliographic archives and the like	8

The economic depreciation process began in the 1992 financial year. The estimated years of useful life corresponding to the “Buildings” captions were set out under the criteria established by the above-mentioned independent valuation.

As for the historical and artistic properties, depreciation was calculated on the basis of the cost of a replacement of the fixed asset that would reproduce its capacity and utility; its depreciation base therefore excluded the book-value part that corresponded to the historical and artistic component of the building, which rose to 221,573 thousand euros during the 2016 financial year, all on the basis of the above-mentioned independent valuation. This treatment was justified by the fact that the above-mentioned historical and artistic component was subject to maintenance to ensure the long-term duration of its value.

## **4.2. Public Land Assets**

Public Land Assets (PLA) refers to the group of assets that were allocated, under Legislative Decree 1/2005, of 26 July, approving the consolidated text of the Act on Urban Planning in Catalonia, and under the Barcelona Municipal Charter, for social-interest purposes established by law.

The municipally owned properties which fell under this caption were as follows:

- Properties allocated for social housing, managed by the City Council itself or by municipal operators.
- Properties over which surface rights were awarded in favour of third parties, for building social housing, residences for elderly people, care centres and other social investments.
- Properties over which investment projects were being carried out, which, once completed, would enable their allocation to social housing and other social-interest initiatives.

The valuation and depreciation criteria for the various types of assets are the ones described in Note 4.1.

## **4.3. Property investments**

These are properties (land or buildings) that are held for profit or capital gain or both, through their rents or alienation, without any of these being a purpose of the Entity. And, in any event, all those that may not be considered fixed assets. The tangible fixed-asset valuation criteria described in Note 4.1 apply to these investments.

## **4.4. Intangible fixed assets**

### **Capitalisation Criteria**

These are intangible assets and rights capable of financial valuation as non-monetary assets without physical substance which are identifiable by satisfying the characteristics of continuity over time and use in the production of goods and services or constituting a source of the entity's resources. In other words:

- They are separable and capable of disposal, assignment, renting, exchange and delivery for their exploitation.
- They arise from contractual and other legal rights, regardless of whether such rights are assignable or separable from other rights and obligations.

### **Initial valuation**

Investments in intangible fixed assets are valued at cost. This is the “acquisition price”, which includes the non-recoverable indirect taxes associated with the purchase, the acquisition costs directly relating to the purchase and, where necessary, putting the acquisition into service, or the “production costs” in these resulting from actual work.

**Subsequent valuation**

They are generally valued at cost, plus subsequent payments, less accumulated depreciation and valuation adjustments for impairment.

Valuation adjustments for impairment are made when the asset's recoverable amount is below its net depreciation value and that generally occurs because of rapid obsolescence or reduction in the initially expected performance.

Extension, modernisation or improvement costs are capitalised as an increase in asset value where they increase its capacity or productivity or extend its useful life.

**Depreciation**

The elements that make up intangible fixed assets will be subject to systematic depreciation using the straight-line method according to the estimated useful life of each. By default, each element's depreciable basis matches its book value, given that the residual values are deemed to be null. The depreciation process starts when the asset is put into service, with the estimated useful years of life being as follows:

Years of useful life	
Industrial property	4
Other intangible fixed assets	4

**4.5. Leases**

The City Council does not have any assets at its disposal acquired through financial leasing.

**4.6. Asset exchanges**

The Entity does not usually carry out asset-exchange transactions during the normal course of its activities. In any case, where these take place, their book value and entering into the accounts are to meet the provisions set down in Section 4(d) of the IMNCL's rules for recording and valuing tangible fixed assets.

**4.7. Financial assets and liabilities**

Financial assets and liabilities come from financial instruments, which are contracts that establish a right for one of the parties (financial asset) and an obligation (financial liability) or a component of the net equity (equity instrument) for the other party.

They are basically classified, valued and entered into the accounts according to the purpose they are maintained or have been issued for.

**4.7.1. Financial assets**

Financial assets consist of money in cash, capital or net equity instruments of another entity and the rights to receive cash or other financial assets from a third party or to exchange financial assets or liabilities with a third party in conditions that are potentially favourable for the entity.

Financial assets are classed, for valuation purposes, under:

**Credit and receivables**

- They include:
- Credit for transactions arising from usual activities.

Other financial assets that generate cash flows of a specified amount and regarding which all expenditure is expected to be recovered, except for reasons attributable to credit impairment.

As a general rule, short-term credit and receivables are valued, on both initial and subsequent entering into the accounts, according to their nominal value, except where these incorporate a contractual interest. The same valuation is made with long-term credit and receivables where the effect of updating the flows is not significant. Otherwise, they are valued according to their fair value and subsequently at depreciated cost, by entering into the accounts the accrued interest according to its effective interest rate as the financial year's income.

In any case, guarantees and deposits that are made are always valued according to delivered value.

**b) Financial assets available for selling**

This includes financial assets that do not meet the requirements for inclusion in any of the previous categories. They are valued at all times at their fair value and any changes that occur in them are entered in the accounts as net equity up to their disposal or impairment.

**c) Investments in the equity of the entities of the group, multigroup and associates**

This includes financial assets corresponding to the entities of the group, multigroup and associated under the definition of the standards for drawing up the consolidated accounts in the public sector as approved under Order HAP/1489/2013, of 18 July.

Shareholdings in trading and associated companies were initially valued at cost, corresponding to the fair value of the consideration delivered plus the transaction costs that are directly attributable to it.

Shareholdings in the other entities of the group, multi-group and associates were initially valued under Rule 18, section 4, and Rule 19 of the General Accounting Plan for Local Authorities (PGCAL), as well as the notes or particular aspects issued by the National State Authority (IGAE) on the accounting commencement of the 2015 financial year (Section V.9), and more specifically:

- The value of the contributions made as assets assigned from local entities to their subsidiary or linked public organisations for a value corresponding to that of the assets at the time of assignment.
- The value of the contributions made as assets assigned from local entities to subsidiary or linked private organisations for a value corresponding to that of the assets handed over at the time of assignment.
- The value of the initial direct capital contributions as well as subsequent increases for the assumption of new powers from the linked entities.

Notwithstanding, the investments in the net worth of entities in the public administration sector made prior to the entry into force of the IMNCL 2013, are valued according to the value of assets assigned by municipal bodies to those entities as of 31. 12.2014 and more specifically:

- Picasso Museum Foundation: 64,661,258.83 euros
- PAMEM: 2,267,581.04 euros
- Mar Parc Salut Barcelona Consortium: 117,549,677.81 euros
- Teatre Lliure Foundation: 2,616,943.05 euros
- Parc d'Atraccions Tibidabo, SA 22,847,837.14 euros
- Fundació Mies Van der Rohe: 5,929,585.42 euros



The subsequent valuation of the financial assets corresponding to the entities of the group, multigroup and associates was made at initial cost, less, where appropriate, the accumulated amount of the valuation adjustments for impairment.

### **Recognition**

Financial assets are entered in the accounts on the date established in the contract or agreement on which basis the entity acquires the right. As a general rule, the costs of the transactions are allocated to the financial year's Income and Expenditure Account, except where their scale makes it advisable to incorporate them into the financial asset's value. They are classed as fixed or current respectively, depending on whether they mature in over or under one year.

### **Impairment**

In the case of credit and other receivables, at least at the close of the financial year, the appropriate revisions are carried out to detect the need for making valuation adjustments for impairment, in the event there is objective evidence that the amounts entered in the accounts will not be received in their entirety and it is advisable to revert them where they are no longer appropriate. Both the value adjustments and the reversals are recognised in the Income and Expenditure Account.

The impairment of tax receivables is calculated by applying collectability ratios, calculated according to real historical series, on the settlement made individually for each of the tax figures and in each specific financial year.

As a general rule, neither receivables for subsidies awarded by public bodies nor receivables guaranteed in the corresponding percentages are subject to impairment.

Where the equity instruments originate from capital-fund contributions, the recoverable amount is used to determine the amount of the adjustment value, that being understood as the larger amount between the fair value less the sale expenditure and the current value of the cash flows derived from the investment. For want of better evidence of the recoverable value, account has been taken, in estimating the impairment of these investments, of the net equity of the subsidiary entity corrected for the adjusted changes for the unrealised capital gain on their date of valuation.

Both the above-mentioned valuation adjustments for impairment and their reversal are entered in the accounts as an express or an income, respectively, in the financial year's results.

### **Write-offs of financial assets**

A financial asset is wholly or partly written off in the accounts where it has expired or the rights over the cash flows it generates and the risks and advantages inherent in its ownership have been substantially assigned.

### **4.7.2. Financial liabilities**

All financial liabilities are classed under the category of financial liabilities at depreciated cost. They include:

- Debt and accounts payable for transactions arising from usual activities.
- Debts with credit institutions.
- Debt represented in negotiated securities issued.
- Other debt and accounts payable.

As a general rule, short-term debt and accounts payable without contractual interest are valued, on both initial and subsequent entering into the accounts, according to their nominal value. The same valuation is made with long-term debt and account payables and long-term loans received with subsidised interest where the overall effect of not updating the flows is not significant. Where it is significant,

they are initially valued at the current value of the cash flows payable, at a rate equivalent to that which applies for deferred payments and, subsequently, at depreciated cost, and the accrued interest is entered in the books according to its effective rate as income for the financial year.

In any case, the guarantees and deposits that are received are always valued according to received value.

#### **Recognition**

The financial liabilities are entered in the accounts on the date established in the contract or agreement on which basis the entity incurs the obligation. In liquid-asset transactions entered into with credit policies, the debentures are incurred with the receipt of the successive liquid fund assets. They are classed as fixed or current respectively, depending on whether they mature in over or under one year.

#### **Financial liability write-offs**

As a general rule, a financial liability is wholly or partly written off when the obligation incurred has been satisfied or cancelled. Where there is a difference between the accounting value and the consideration delivered, this is recorded in the Income and Expense Account for the financial year it takes place in.

#### **4.7.3. Financial guarantee contracts**

These are contracts that put the Entity under an obligation to make or receive specific payments to reimburse a third party for any loss incurred where a ("guaranteed") debtor fails to meet its payment obligations generally arising from debt instruments such as a loan guarantee.

The City Council has not entered into any financial guarantee contracts.

#### **4.8. Accounting hedges**

These are valued under the same criteria as hedged items, i.e. at depreciated cost.

Currently, the City Council has hedging transactions that are of the covered interest rate type, exclusively.

#### **4.9. Inventories**

The City Council has no assets regarded as inventories.

#### **4.10. Assets constructed or acquired for other entities**

The City Council has no assets constructed or acquired for other entities.

#### **4.11. Transactions in foreign currency**

Transactions in a currency other than the euro are entered in the accounts as soon as they are recognised in euros, by applying the rate of exchange in the existing cash to the corresponding amount on the date of the transaction.

#### **4.12. Income and expenditure**

Income and expenditure are entered in the accounts according to the accrual principle and, where appropriate, the correlation principle between both.

As regards the budget, income and expenditure are incorporated into the budget settlement when the administrative procedure is run acknowledging the respective rights and debentures.

#### **4.12.1. Income**

##### **a) Income and consideration**

As a general rule, income is entered in the accounts according to the fair value of the consideration and represents the receivables for goods delivered and services provided during the ordinary course of the Entity's activities, less repayments, write-offs, discounts and VAT, where appropriate.

The Entity recognises income when its amount can be reliably valued: it is probably that the Entity will receive the future financial gain and that the specific conditions for each of the activities, as detailed below, will be met.

Income from sales is registered when: the Entity has transferred to the purchaser the risks and benefits derived from the ownership of the goods, irrespective of ownership; it does not reserve for itself any involvement in the current management of the goods sold, nor does it retain effective control over them; and the expenditure associated with the transaction can be reliably measured.

Income for the provision of services is recorded when the results of the transaction can be reliably estimated, by considering the degree of progress or performance of the provision on the date of the annual accounts or under the straight-line method where the service is provided during a specific period.

Where the results cannot be reliably estimated, the income is entered in the accounts according to the total expenditure recognised that is deemed recoverable.

#### **b) Income without consideration**

In the case of taxes, income is entered in the accounts, as is the asset, when the taxable transaction takes place and the asset's recognition criteria are satisfied.

As for fines and penalties, these are entered in the accounts when the right to receive them arises.

In the case of fines, the right to collect is recognised as soon as the enforcement of the act is established.

#### **4.12.2. Expenditure**

Staff and other ordinary management expenses are entered in the Income and Expense Account when the obligation falls due, irrespective of when the current monetary expense that comes from it is incurred.

#### **4.13. Provisions and contingencies**

A provision is entered in the accounts where the entity has a present (legal, contractual or implied) obligation resulting from a past event which will probably involve the delivery of resources that can be reliably estimated.

Provisions are valued according to the current value of the payments expected to be necessary for settling the obligation, updated to a rate of discount equivalent to the type of public debt for an analogous maturity. Adjustments to provisions for the purposes of their updating are entered in the accounts as a financial expense as they are reported. Where the maturity is under or equal to one year and the financial effect is not significant they are not discounted.

Provisions are subject to review and adjusted, where necessary, at the close of the financial year, to reflect the best existing estimate at the time. Where they are no longer relevant or probable, they are then reverted under a balancing entry in the financial year's corresponding income account.

For the purposes of quantifying the provisions, reference is made to internal and external expert reports and to the entity's experience in similar matters, which enable a basis to be established for the estimates of each of the possible outcomes, as well as their financial effects.

As regards consortiums, the existing risk is recorded, according to the City Council's share, in the organisations that have a negative net equity.

#### **4.14. Transfers and subsidies**

##### **4.14.1. Transfers and subsidies received**

Refundable subsidies are entered in the accounts as liabilities until they meet the conditions for consideration as non-refundable, whereas non-refundable subsidies are recorded as income allocated to net equity and are entered in the accounts as income on a systematic and rational basis that correlates to subsidy-derived expenditure.

For these purposes, a subsidy is deemed non-refundable where there is a customised agreement for granting it and where all the conditions established for granting it have been met and there are no reasonable doubts that it will be received.

Monetary subsidiaries are valued according to the fair value of the referred amount granted when entered in the accounts.

Non-refundable grants relating to the purchase of tangible fixed assets are allocated as income for the financial year in proportion to the depreciation of the corresponding assets or, where appropriate, where there is a sale, valuation adjustment for impairment or a shortfall in the balance sheet.

On the other hand, non-refundable subsidies relating to specific expenditure are entered in the Income and Expenditure Account in the same financial year that the payment for the corresponding expenditure falls due.

##### **4.14.2. Transfers and subsidies granted**

Authorised transfers and subsidies are entered in the accounts as expenditure as soon as it is recorded that the conditions established for their receipt have been met. Where one of the conditions established for their receipt is yet to be met at the close of the financial year, but there is no reasonable doubt as to its future compliance, a provision for the corresponding amounts is given, for the purposes of reflecting expenditure.

#### **4.15. Joint activities**

The City Council has not carried out any joint activity during the financial year.

#### **4.16. Assets under sale**

The City Council has no assets under sale.

## 5. Tangible fixed assets

### 5.1. Financial year variations.

Item	Balance as of 31,12,2015	(+) Income
<b>1. Land</b>	<b>2,820,470,306.20</b>	<b>5,342,516.28</b>
• Cost	2,820,470,306.20	5,342,516.28
• Accumulated depreciation	0.00	0.00
• Valuation adjustments	0.00	0.00
<b>2. Buildings</b>	<b>3,255,127,232.07</b>	<b>53,907,883.78</b>
• Cost	4,082,275,827.71	53,907,883.78
• Accumulated depreciation	-827,148,595.64	
• Valuation adjustments	0.00	0.00
<b>3. Infrastructures</b>	<b>4,031,875,492.25</b>	<b>0.00</b>
• Cost	4,790,143,818.88	0.00
• Accumulated depreciation	-758,268,326.63	0.00
• Valuation adjustments	0.00	0.00
<b>4. Historical heritage assets</b>	<b>1,646,453.53</b>	<b>0.00</b>
• Cost	1,646,453.53	0.00
• Accumulated depreciation	0.00	0.00
• Valuation adjustments	0.00	0.00
<b>5. Other tangible fixed assets</b>	<b>108,635,197.32</b>	<b>5,788,676.56</b>
• Cost	443,451,451.24	5,788,676.56
• Accumulated depreciation	-334,816,253.92	0.00
• Valuation adjustments	0.00	0.00
<b>6. Fixed assets under construction and in accounts</b>	<b>378,818,923.20</b>	<b>316,917,914.27</b>
Cost	378,818,923.20	316,917,914.27
<b>TOTAL</b>	<b>10,596,573,604.57</b>	<b>381,956,990.89</b>

### 5.2. Financial year information

The most important investments in the financial year correspond to:

	Import
City Council direct investments	125,308,834.66
Delivery of funds to third parties, for investment	5,147,665.94
Delivery of funds to decentralised organisations, for investment	243,930,730.92
For free assignments of assets	3,367,084.57
Investments funded by third parties	4,202,674.80
<b>TOTAL</b>	<b>381,956,990.89</b>

At the close of the financial year, the acquisition cost of goods that were fully-depreciated and which remained in use amounted to 280,766,015.91 euros.

The period of useful life for immovable property starts from the month following the one in which the asset's operational status is registered in the system; as for movable property and infrastructures, it starts the following year.

(-)Expenses	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31,12,2016
<b>-418,417.42</b>	<b>42,583,171.03</b>	<b>0.00</b>	<b>2,867,977,576.09</b>
-418,417.42	42,583,171.03	0.00	2,867,977,576.09
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<b>-1,408,224.51</b>	<b>-14,180,335.68</b>	<b>-68,330,100.78</b>	<b>3,225,116,454.88</b>
-2,234,590.74	-13,970,168.33	0.00	4,119,978,952.42
826,366.23	-210,167.35	-68,330,100.78	-894,862,497.54
0.00	0.00	0.00	0.00
<b>-34,417.39</b>	<b>6,496,022.70</b>	<b>-78,896,751.22</b>	<b>3,959,440,346.34</b>
-71,520.44	6,284,990.16	0.00	4,796,357,288.60
37,103.05	211,032.54	-78,896,751.22	-836,916,942.26
0.00	0.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,646,453.53</b>
0.00	0.00	0.00	1,646,453.53
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<b>0.00</b>	<b>12,339,231.87</b>	<b>-25,676,993.44</b>	<b>101,086,112.31</b>
	12,339,231.87	0.00	461,579,359.67
0.00	0.00	-25,676,993.44	-360,493,247.36
0.00	0.00	0.00	0.00
<b>-6,326,760.09</b>	<b>-47,742,866.03</b>	<b>0.00</b>	<b>641,667,211.35</b>
-6,326,760.09	-47,742,866.03	0.00	641,667,211.35
<b>-8,187,819.41</b>	<b>-504,776.11</b>	<b>-172,903,845.44</b>	<b>10,796,934,154.50</b>

Extension, modernisation and improvement costs are added to the accounting value of the item at the completion of the operation. The amortisation of these costs is carried out for the main item's remaining years of amortisation

The financial year 2016 saw no large-scale repairs or general inspections and no decommissioning of any asset or restoration of its site; no costs were capitalised for work carried out by the entity for its immovable property.

### 5.3. Circumstances that affect tangible fixed asset ownership.

There is no type of restriction on the ownership of the goods that make up the City Council's tangible fixed assets and none of these assets is subject to litigation or has been pledged as a guarantee for debt payments.

## 5.4. Infrastructures

The breakdown of the infrastructure costs caption are as follows:

	Import
Buildings	10,305,222
Facilities	9,914,802
Woodland	59,765,855
Industrial	21,538,367
Mixed	432,438,200
Parks and gardens	1,258,486,586
Rural	447,590
Systems	10,151,698
Roads	2,993,308,973
<b>TOTAL</b>	<b>4,796,357,293</b>

## 5.5. Other substantive circumstances

On 29 December 2016 the Government Commission agreed to acquire nine estates for the Catalan regional government in exchange for 46,201,392.95 euros.

As a result of circumstances involved in the various transactions, the legal conveyances of the above-mentioned estates were not completed by the date of these annual accounts. Notwithstanding that, the assets were incorporated into the City Council's equity given that the risks and benefits inherent in the assets' ownership had been conveyed and there was no rational uncertainty or possibility of the contract's rescission.

## 6. Public land assets

### 6.1. Financial year variations

Item	Balance as of 31.12.2015	(+) Income
<b>1. Land</b>	<b>181,791,949.55</b>	<b>8,020,429.35</b>
Cost	181,791,949.55	8,020,429.35
Accumulated depreciation	0.00	0.00
Valuation adjustments	0.00	0.00
<b>2. Buildings</b>	<b>87,088,766.95</b>	<b>7,434,599.23</b>
Cost	96,780,368.11	7,434,599.23
Accumulated depreciation	-9,691,601.16	0.00
Valuation adjustments	0.00	0.00
<b>3. Under construction and advances</b>	<b>13,498,202.00</b>	<b>0.00</b>
Cost	13,498,202.00	0.00
Accumulated depreciation	0.00	0.00
Valuation adjustments	0.00	0.00
<b>4. Other public land assets</b>	<b>281,967,589.48</b>	<b>0.00</b>
Cost	281,967,589.48	0.00
Accumulated depreciation	0.00	0.00
Valuation adjustments	0.00	0.00
<b>TOTAL</b>	<b>564,346,507.98</b>	<b>15,455,028.58</b>



## 6.2. Financial year information

The most important investments in the financial year correspond to:

	Amount
City Council direct investments	1,121,550.10
For free assignments of assets	8,020,429.35
Investments delivered by the Municipal Housing Trust, 100x1000 plan	6,313,049.13
<b>TOTAL</b>	<b>15,455,028.58</b>

The period of useful life starts from the month following the one in which the asset's operational status is registered in the system.

Extension, modernisation and improvement costs are added to the accounting value at the conclusion of the initiative. These costs are depreciated for the main element's remaining years of depreciation.

The financial year 2016 saw no large-scale repairs or general inspections and no decommissioning of any asset or restoration of its site; no costs were capitalised for work carried out by the entity for its immovable property

(-) Expenses	(+/-) Transfers	(-) Provision for depreciation	Balance as of 31.12.2016
-6,652,097.76	17,245,325.16	0.00	200,405,606.30
-6,652,097.76	17,245,325.16	0.00	200,405,606.30
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	5,048,664.20	-2,124,107.42	97,447,922.96
0.00	5,048,664.20	0.00	109,263,631.54
0.00	0.00	-2,124,107.42	-11,815,708.58
0.00	0.00	0.00	0.00
0.00	0.00	0.00	13,498,202.00
0.00	0.00	0.00	13,498,202.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	-25,057,851.26	0.00	256,909,738.22
0.00	-25,057,851.26	0.00	256,909,738.22
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
-6,652,097.76	-2,763,861.90	-2,124,107.42	568,261,469.48

## 7. Property investments

### 7.1. Financial year variations

Item	Balance as of 31.12.2015	(-) Provision for depreciation	Balance as of 31.12.2016
<b>1. Land</b>	<b>41,962,113.90</b>	<b>0.00</b>	<b>41,962,113.90</b>
Cost	41,962,113.90	0.00	41,962,113.90
Accumulated depreciation	0.00	0.00	0.00
Valuation adjustments	0.00	0.00	0.00
<b>2. Buildings</b>	<b>201,570,254.33</b>	<b>-3,738,273.41</b>	<b>197,831,980.92</b>
Cost	241,096,641.54	0.00	241,096,641.54
Accumulated depreciation	-39,526,387.21	-3,738,273.41	-43,264,660.62
Valuation adjustments	0.00	0.00	0.00
<b>3. Under construction and advances</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cost	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00
Valuation adjustments	0.00	0.00	0.00
<b>TOTAL</b>	<b>243,532,368.23</b>	<b>-3,738,273.41</b>	<b>239,794,094.82</b>

### 7.1. Financial year information

The period of useful life starts from the month following the one in which the asset's operational status is registered with the system.

Extension, modernisation and improvement costs are added to the accounting value at the conclusion of the initiative. These costs are depreciated for the main element's remaining years of depreciation.

The financial year 2016 saw no large-scale repairs or general inspections and no decommissioning of any asset or restoration of its site; no costs were capitalised for work carried out by the entity for its immovable property.

### 7.2. Description of the property investments.

This includes buildings that bring in significant rent such as the Convention Centre, the Auditorium of the Forum Building and the Forum Port, as well the building intended for the Ecopark – land site.

## 8. Intangible fixed assets

### 8.1. Financial year variations

Item	Balance as of	(-) Provision for 31.12.2015	Balance as of depreciation
<b>31.12.2015</b>			
<b>1. Investment in research and development</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cost	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00
Valuation adjustments	0.00	0.00	0.00
<b>2. Industrial and intellectual property</b>	<b>40,837.50</b>	<b>-13,612.50</b>	<b>27,225.00</b>
Cost	54,450.00	0.00	54,450.00
Accumulated depreciation	-13,612.50	-13,612.50	-27,225.00
Valuation adjustments	0.00	0.00	0.00
<b>3. IT applications</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cost	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00
Valuation adjustments	0.00	0.00	0.00
<b>4. Investments in leased or assigned assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cost	0.00	0.00	0.00
Accumulated depreciation	0.00	0.00	0.00
Valuation adjustments	0.00	0.00	0.00
<b>5. Other intangible fixed assets</b>	<b>13,585,482.41</b>	<b>-5,535,672.97</b>	<b>8,049,809.44</b>
Cost	44,374,890.74	0.00	44,374,890.74
Accumulated depreciation	-30,789,408.33	-5,535,672.97	-36,325,081.30
Valuation adjustments	0.00	0.00	0.00
<b>TOTAL</b>	<b>13,626,319.91</b>	<b>-5,549,285.47</b>	<b>8,077,034.44</b>

### 8.2. Description of intangible fixed assets

The breakdown of the "other intangible fixed assets" caption is as follows:

	Import
Internet development	1,620,800.60
Re-engineering in municipal services	41,925,824.71
Other	828,265.43
Accumulated depreciation	-36,325,081.30
<b>TOTAL</b>	<b>8,049,809.44</b>

### 8.3. Financial year's information.

At the close of the financial year, the acquisition cost of goods that were totally depreciated and which remained in use came to 25,043,601.56 euros.

### 8.4. Circumstances that affect intangible fixed asset ownership.

There is no type of restriction on the ownership of the goods that make up the City Council's intangible fixed assets and none of these assets is subject to litigation or has been pledged as a guarantee for debt payments.

## 9. Financial leases and other similar transactions

The City Council does not hold any assets under a financial lease.

## 10. Financial assets

### Information on the balance sheet.

a) Reconciliation statement summary between the balance sheet's classification of financial assets and the categories established in the 8th regulation on recognising and valuing financial assets:

Classes	Categories	Long-term financial assets					
		Capital investments		Debt Securities		Other investments	
		2016	2015	2016	2015	2016	2015
	Credit and receivables	0.00	0.00	0.00	0.00	119,992,030.75	114,118,566.88
	Investments in entities of the group, multigroup and associates	812,015,184.12	795,511,911.66	0.00	0.00	0.00	0.00
	Financial assets available for selling	2,995,011.21	3,869,630.43	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>815,010,195.33</b>	<b>799,381,542.09</b>	<b>0.00</b>	<b>0.00</b>	<b>119,992,030.75</b>	<b>114,118,566.88</b>

The breakdown of investments in entities of the group, multi-group and associates are as follows:

Description	2016	2015
Shareholding in publicly owned business entities	7,543,169.50	7,543,169.50
Shareholding in trading companies	235,396,399.37	235,396,399.37
Shareholding in multi-group	407,980,047.88	407,980,047.88
Shareholding in associates	88,396,216.17	80,669,717.31
Share for third-party assignment of assets	63,922,577.60	63,922,577.60
Other shareholdings	8,776,773.60	0.00
<b>Total</b>	<b>812,015,184.12</b>	<b>795,511,911.66</b>

Financial assets available for sale refer to the City Council's shareholding in the companies Nauta Tech Invest III, SCR and Port Fòrum Sant Adrià, SL for 2,981,589.20 euros and 12,822.99 euros respectively and other shareholdings for 599.02 euros.

The short- and long-term credit balances for transactions arising from usual activities are not included in the table above.

The long-term balance at the close of the financial year for payment yet to be received in the City Council's usual transactions, "receivables and other accounts receivable", correspond to deferred tax payments and instalments.

Short-term financial assets						TOTAL	
Capital investments		Debt Securities		Other investments		2016	2015
2016	2015	2016	2015	2016	2015		
0.00	0.00	0.00	0.00	1,419,256.50	5,103,817.18	121,411,287.25	119,222,384.06
0.00	0.00	0.00	0.00	0.00	0.00	812,015,184.12	795,511,911.66
0.00	0.00	0.00	0.00	0.00	0.00	2,995,011.21	3,869,630.43
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,419,256.50</b>	<b>5,103,817.18</b>	<b>936,421,482.58</b>	<b>918,603,926.15</b>

The short-term balance for usual transactions, “receivables and other accounts receivable” is broken down below:

Description	2016	2015
Receivables for the current financial year's recognised rights	173,649,918.06	206,114,061.87
Receivables for closed financial year's recognised rights	608,647,088.15	588,977,181.35
Receivables for deferred tax payments and instalments	13,129,787.20	15,604,138.89
Credit impairment losses	-580,217,570.82	-555,592,995.81
<b>Management operation receivables</b>	<b>215,209,222.59</b>	<b>255,102,386.30</b>
Transferred VAT receivables	4,420,337.61	3,670,536.61
Recognised income receivables	15,440,419.79	67,634,145.52
Other off-budgetary receivables	2,233,936.30	2,240,580.15
<b>Other accounts receivable</b>	<b>22,094,693.70</b>	<b>73,545,262.28</b>
VAT receivable	1,587,169.25	862,182.70
Social Security contributions receivable	1,683,416.36	1,268,592.03
<b>Public Authority receivables</b>	<b>3,270,585.61</b>	<b>2,130,774.73</b>
<b>Resource administration receivables (Note 20,3)</b>	<b>19,455,664.76</b>	<b>20,438,257.95</b>
<b>Balance as of 31 December 2016</b>	<b>260,030,166.66</b>	<b>351,216,681.26</b>

Amounts and variations in the Credit Impairment Losses Account were as follows:

<b>Balance as of 1 January 2016</b>	<b>555,592,995.81</b>
Provision charged to Income and Expenditure Account	69,181,000.00
Application for writing off rights or collections	-44,556,424.99
<b>Balance as of 31 December 2016</b>	<b>580,217,570.82</b>

The application for writing off rights or collections was entered in the accounts for 14,667,483.35 euros, crediting the Income and Expense Account, and 29,888,941.64 euros crediting the net equity, given that the write-offs of rights were recorded for the same amount charged to the same concept.

b) Reclassifications

The City Council did not reclassify any financial asset over the financial year which required a change in valuation, whether in depreciated cost at fair value or the reverse.

c) Financial assets delivered under guarantee

The City Council did not deliver or keep any financial asset under guarantee of debt payments during or at the close of the financial year.

d) Adjustments for impaired value

Classes of financial assets	Variations adjusting accounts	Initial balance	Reduced value owing to the financial year's credit impairment	Reversal of the financial year's credit impairment	Final balance
<b>Long-term financial assets</b>		<b>1,909,990.82</b>	<b>0.00</b>	<b>-25,275.60</b>	<b>1,884,715.22</b>
Capital investments		1,909,990.82	0.00	-25,275.60	1,884,715.22
Debt securities		0.00	0.00	0.00	0.00
Other investment		0.00	0.00	0.00	0.00

## 10.2. Information on the Income and Expenditure Account

a) Net results obtained in the financial year from the various categories of financial assets.

The net results obtained for financial assets classed under the category of credit and accounts payable were charged to the Profit and Loss Account for 2,448,645.04 euros.

b) Financial income calculated by applying the effective interest-rate method.

The financial year's Income and Expenditure Account does not contain financial income calculated this way.

### 10.3. Information on the exchange-rate and interest-rate risks

#### a) Exchange-rate risks

The City Council has no investments and does not keep significant receivables in any currency other than the euro and therefore has no risks of this kind.

#### b) Interest-rate risks

The City Council does not keep financial assets valued at depreciated cost, so it has no risks of this nature.

### 10.4. Other information

#### a) Cash and other liquid assets

The balance under this caption at the close of the financial year has a total of 79 bank accounts that presented the following overall variations:

Balance as of 31.12.2015	Collections	Payments	Balance as of 31.12.2016
631,176,546.65	3,002,080,493.15	2,879,656,754.68	753,600,285.12

The balances as of 31 December includes the balances that appeared on that date as temporary financial investments.

#### b) Investment policy

As for the temporary liquidity surpluses, the conditions for implementing Barcelona City Council's budget establish that they may be capitalised through investments that meet the conditions for liquidity and security provided for under Royal Decree 2/2004 TRLRHL.



## 11. Financial liabilities

### 11.1. Position of and variations in debts with credit institutions

a) Breakdown of debt maintained by the City Council at the close of the financial year and valued at depreciation cost

Debt identification	Debt as of 31/12/2015R		Creations	
	Depreciated cost (1)	Explicit interest (2)	Cash (3)	Expenditure (4)
Loan €0 M (mt. 29/07/2016)	20,033,736.82	30,868.05	0.00	0.00
Loan €0 M (mt. 15/09/2023)	67,000,000.00	33,373.33	0.00	0.00
Loan €0 M (mt. 28/11/2017)	80,000,000.00	11,004.44	0.00	0.00
Loan €0 M Section €0 M (mt. 15/12/2021)	30,000,000.00	117,819.44	0.00	0.00
Loan €0 M Section €0 M (mt. 15/12/2022)	20,000,000.00	257,300.00	0.00	0.00
Loan €5 M (mt. 03/03/2020)	25,000,000.00	5,284.72	0.00	0.00
Loan €0 M (mt. 22/03/2016)	90,000,000.00	808,690.00	0.00	0.00
Loan €5 M (mt. 13/04/2020)	46,875,000.00	83,437.50	0.00	0.00
Loan €40 M (mt. 19/03/2022)	168,000,000.00	124,350.78	0.00	0.00
Loan €0 M (mt. 28/10/2020)	18,750,000.00	48,716.15	0.00	0.00
Loan €0 M (mt. 20/12/2032)	50,000,000.00	45,970.83	0.00	0.00
Loan €60 M (mt. 21/12/2030)	160,000,000.00	65,244.44	0.00	0.00
Loan €3.5 M (mt. 31/12/2026)	0.00	0.00	73,500,000.00	0.00
Loan €0 M (mt. 31/12/2029)	0.00	0.00	70,000,000.00	0.00
Loan €0 M (mt. 19/12/2026)	0.00	0.00	10,000,000.00	0.00
Loan €5 M (mt. 22/12/2026)	0.00	0.00	2,500,000.00	0.00
Schuldschein €0 M (mt. 21/09/2029)	60,000,000.00	877,868.85	0.00	0.00
<b>Total</b>	<b>835,658,736.82</b>	<b>2,509,928.53</b>	<b>156,000,000.00</b>	<b>0.00</b>

Accrued interest according to AER		Cancelled interest (7)	Reductions		Debt as of 31/12/2016	
Explicit costs (5)	Rest (6)		Accounting value (10)	Results (11)	Depreciated cost (12)=(1)+(3)-(4)+(6)-(10)	Explicit interest (13)=(2)+(5)-(7)
26,161.37	0.00	57,029.42	20,033,736.82	0.00	0.00	0.00
2,573,748.62	0.00	2,500,150.39	9,000,000.00	0.00	58,000,000.00	106,971.56
2,461,431.12	0.00	2,192,235.56	0.00	0.00	80,000,000.00	280,200.00
666,453.89	0.00	750,900.00	0.00	0.00	30,000,000.00	33,373.33
1,304.44	0.00	247,600.00	0.00	0.00	20,000,000.00	11,004.44
630,339.58	0.00	634,678.47	0.00	0.00	25,000,000.00	945.83
230,647.50	0.00	1,039,337.50	90,000,000.00	0.00	0.00	0.00
251,876.31	0.00	289,980.48	9,375,000.00	0.00	37,500,000.00	45,333.33
3,375,658.56	0.00	3,382,613.56	24,000,000.00	0.00	144,000,000.00	117,395.78
215,288.46	0.00	231,829.61	3,750,000.00	0.00	15,000,000.00	32,175.00
1,504,500.00	0.00	1,504,500.00	0.00	0.00	50,000,000.00	45,970.83
2,348,800.00	0.00	2,348,800.00	0.00	0.00	160,000,000.00	65,244.44
2,968.58	0.00	0.00	0.00	0.00	73,500,000.00	2,968.58
2,827.22	0.00	0.00	0.00	0.00	70,000,000.00	2,827.22
1,577.81	0.00	0.00	0.00	0.00	10,000,000.00	1,577.81
338.19	0.00	0.00	0.00	0.00	2,500,000.00	338.19
3,164,864.03	0.00	3,150,000.00	0.00	0.00	60,000,000.00	892,732.88
<b>17,458,785.68</b>	<b>0.00</b>	<b>18,329,654.99</b>	<b>156,158,736.82</b>	<b>0.00</b>	<b>835,500,000.00</b>	<b>1,639,059.22</b>

b) Breakdown of debt maintained by the City Council at fair value at the close of the financial year

The City Council does not maintain financial liabilities at fair value on its balance sheet and did not record transactions during the financial year that had to be entered in the accounts at fair value.

c) Summary by category

Classes		Long term				Short term			
		Debentures and other marketable securities		Debts with credit institutions		Debts with credit institutions		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
Categories	Debt at depreciated cost	60,000,000.00	60,000,000.00	649,375,000.00	619,500,000.00	126,125,000.00	156,158,736.82	835,500,000.00	835,658,736.82
	Debt at fair value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	60,000,000.00	60,000,000.00	649,375,000.00	619,500,000.00	126,125,000.00	156,158,736.82	835,500,000.00	835,658,736.82

## 11.2. Credit lines

During the financial year, the City Council did not take out any credit lines nor were any debts maintained for transactions of this kind on the closing date.

## 11.3. Information on the exchange-rate and interest-rate risks

a) Exchange-rate risks

The City Council has no debt in currency other than the euro and therefore has no risks of this kind,

b) Interest-rate risks

The classification of the debt as of 31 December 2016 according to the interest-rate risk is as follows:

Classes of financial liabilities	At fixed interest rate	At variable interest rate	Total
Debentures and other marketable securities	60,000,000.00	0.00	60,000,000.00
Debts with credit institutions	498,000,000.00	277,500,000.00	775,500,000.00
Other debts	0.00	0.00	0.00
<b>Total amount</b>	<b>558,000,000.00</b>	<b>277,500,000.00</b>	<b>835,500,000.00</b>
<b>% of financial liabilities at fixed or variable interest rate over the total</b>	<b>66.8%</b>	<b>33.2%</b>	<b>100.0%</b>

#### 11.4. Endorsements and other guarantees granted

##### a) Endorsements granted

The City Council did not grant any endorsements in favour of third parties during the financial year nor did it maintain any endorsements of third parties on the closing date.

##### b) Endorsements implemented

For the reason stated in section (a) above, no endorsements were implemented that the City Council was responsible for.

##### c) Endorsements repaid

By not maintaining any endorsements on behalf of third parties and not having endorsed third-party debts in previous financial years, no endorsements were repaid in favour of the City Council during the financial year.

#### 11.5. Other information on debts with credit institutions

The average cost of debt during the 2016 financial year was 2.40%, and the average life as of 31 December 2016 was 6.4 years.

The debt profile by maturity date as of 31 December 2016 is broken down below:

Year of maturity	Import
2017	126,125,000.00
2018	49,458,333.33
2019	51,020,833.33
2020	76,020,833.33
2021	83,895,833.33
2022	73,895,833.33
2023	24,895,833.33
2024	32,562,500.00
2025	32,562,500.00
2026	106,062,500.00
2027 and after	179,000,000.00
<b>Total</b>	<b>835,500,000.00</b>

The City Council does not have any debts secured with collateral,

### 11.6. Other long- and short-term debt and short-term debts with entities of the group, multi-group and associates

a) Breakdown of debt maintained by the City Council at the close of the financial year and valued at depreciation cost

For	Debt as of 31/12/2015	Creations	Reductions	Debt as of 31/12/2016
Long-term debts with Spain's Central Authority	234,134,093.64	0.00	-15,608,939.73	218,525,153.91
Long-term deposits and guarantees	29,578,779.60	4,533,184.74	-997,963.43	33,114,000.91
Short-term debts with Spain's Central Authority	68,331,841.86	15,608,939.76	-68,331,841.49	15,608,940.14
Short-term guarantees and deposits	9,387,962.93	18,821,483.27	-18,770,852.23	9,438,593.97
Other liabilities - budget	54,444,033.27	314,410,309.44	-288,652,497.92	80,201,844.79
Accounts payable	2,092,516.54	0.00	-2,092,516.54	0.00
Guarantees and deposits of the group, multi-group and associates	12,070,460.47	3,846,436.45	-1,848,170.23	14,068,726.69
Debt with entities of the group, multi-group and associates	75,789,438.07	231,813,046.36	-214,063,628.71	93,538,855.72
<b>Total</b>	<b>485,829,126.38</b>	<b>589,033,400.02</b>	<b>-610,366,410.28</b>	<b>464,496,116.13</b>

b) Breakdown of debt maintained by the City Council at fair value at the close of the financial year

The City Council does not maintain financial liabilities at fair value on its balance sheet and did not record transactions during the financial year that had to be entered in the accounts at fair value.

c) Summary by category

Classes		Long term		Short term			
		Other debts		Other debts		Total	Total
		2016	2015	2016	2015	2016	2015
Categories	Debts at depreciated cost	251,639,154.79	263,712,873.24	212,856,961.34	222,116,253.14	464,496,116.13	485,829,126.38
	Debts at fair value	0.00	0.00	0.00	0.00	0.00	0.00
	Total	251,639,154.79	263,712,873.24	212,856,961.34	222,116,253.14	464,496,116.13	485,829,126.38

## 11.7. Other information on long- and short-term debts and short-term debts with entities of the group, multi-group and associates

The breakdown of the other long-term debts is as follows:

<b>Share in the Spain's Central Government taxes</b>	<b>218,525,153.88</b>
Central Authority of the Spanish State – final settlement of the share in Spain's Central Government taxes for 2008	43,114,136.19
Central Authority of the Spanish State – final settlement of the share in Spain's Central Government taxes for 2009	175,411,017.69
<b>Long-term guarantees received</b>	<b>33,114,000.91</b>
<b>TOTAL</b>	<b>251,639,154.79</b>

The total amount for the final negative settlement of the share in Spain's Central Government taxes corresponding to the 2008 financial year came to 93,487 thousand euros, whereas the figure for the 2009 financial year was also negative by 304,284 thousand euros. In accordance with the provisions set down in Act 2/2012, of 29 June, on the General Budgets of the State for the financial year 2012, the term up to December 2014 for offsetting these negative settlements was 120 monthly instalments. The sole additional provision in Royal Decree Act 12/2014, of 12 September, established amendments to the procedure for paying receivables to the Public Treasury arising from final settlements of shares in Spain's Central Government taxes for the financial years 2008 and 2009, as regulated by Act 2/2012, of 28 June, on the State's budgets for the year 2012, and allowed, as of January 2015 and subject to authorisation, extensions to the terms for paying the above-mentioned receivables during 120 additional monthly instalments. The negative settlement for 2008 matures during the 2011-2031 period while the negative settlement for 2009 matures during the 2012-2031 period. The amount maturing in the 2017 financial year is entered in the accounts under the "Other short-term debts" caption.

<b>Description</b>	<b>Amount</b>
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2008	3,079,581.14
Central Authority of the Spanish State – Final settlement of the share in Spain's Central Government taxes for 2009	12,529,359.00
Bond and deposits received	9,438,593.97
Other liabilities - Current Budget (chapters 3,6,8 and 9)	78,862,308.94
Other liabilities - Closed Budget (chapters 3,6,8 and 9)	1,339,535.85
<b>TOTAL</b>	<b>105,249,378.90</b>

Short-term debts with entities of the group, multi-group and associates are detailed below:

Description	Amount
Current Budget (chapter 6 of the group)	92,658,799.72
Closed Budgets (chapter 6 of the group)	880,056.00
Guarantees and deposits of the group, multi-group and associates	14,068,726.69
<b>TOTAL</b>	<b>107,607,582.41</b>

### 11.8. Short-term creditors and other accounts payable

The balance under this caption is detailed below:

Description	Amount
Liabilities for current financial year's management transactions (chapters 1, 2, 4 and 7)	421,855,840.84
Liabilities for closed financial years' management transactions (chapters 1, 2, 4 and 7)	103,127,909.53
Liabilities for accrued expenditure	20,779,911.43
Other payables	1,159,626.18
<b>Management operation payables</b>	<b>546,923,287.98</b>
Liabilities for input VAT	1,355,946.49
Collections pending application	2,522,982.69
Other non-budgetary liabilities	11,223,431.35
<b>Other accounts payable</b>	<b>15,102,360.53</b>
Public treasury payable for Income Tax	8,313,957.96
Social Security	20,945,170.05
<b>Public administration</b>	<b>29,259,128.01</b>
<b>Liabilities for administration of resources (Note 20)</b>	<b>41,830,169.53</b>
<b>Balance as of 31 December 2016</b>	<b>633,114,946.05</b>



### 11.9. Information on the average payment period to suppliers: Third Additional Provision, "Duty to supply information" of Act 15/2010, of 5 July

The following information is provided with regard to the provisions in Act 15/2010, of 5 July, on measures against arrears in commercial transactions, and to the obligations of contracts entered into on 31 December 2016:

	Days
Average payment period to suppliers	29.8
Ratio of the paid transactions	32.7
Ration of the transactions yet to be paid	18.7
	Amount
Total payments made	535,108,444.00
Under 30 days	295,750,089.00
Over 30 days	239,358,355.00
Total payments yet to be made	92,965,861.29

The City Council did not default on any of its incurred debts, keeping to the payment deadlines in accordance with the applicable regulations,

## 12. Accounting hedges

Barcelona City Council has current accounting hedges worth a total of 298,000,000.00 thousand euros as of 31 December 2016. All the accounting hedges correspond to financial interest-rate swaps under contract to offset variations in the cash flows of the hedged items, given the interest-rate risks they are effectively exposed to. The nature of the hedged items corresponds to loans with credit institutions or private placements.

More specifically, the details of the accounting hedges valid as of 31/12/2016 are as follows:

Type of financial instrument contracted	Start date	Maturity date	Swap amount as of 31/12/2016	Hedged item	Loan balance pending as of 31/12/2016
Financial exchange asset interest rate	19/12/12	19/12/17	100,000,000.00	Loan €49 M (mt,19/03/22)	144,000,000.00
Financial exchange asset interest rate	19/11/12	17/11/17	80,000,000.00	Loan €80 M (mt,28/11/17)	80,000,000.00
Financial exchange asset interest rate	21/09/09	21/09/29	60,000,000.00	Schuldschein €60 M (mt,21/09/29)	60,000,000.00
Financial exchange asset interest rate	15/12/11	15/12/17	18,000,000.00	Loan €0 M (mt,15/09/23)	58,000,000.00
Financial exchange asset interest rate	17/12/07	15/12/17	40,000,000.00	Loan €0 M (mt,15/09/23)	58,000,000.00
<b>TOTAL</b>			<b>298,000,000.00</b>		

Given that the requirements established by IMNCL were met, the interest-rate hedge instruments that Barcelona City Council kept current as of 31 December 2016 are valued under the same criterion as the hedged item and that is value at depreciated cost.

### 13. Assets constructed or acquired for other entities and other inventories

No transactions of this nature took place during the financial year nor were settlements derived from such transactions kept on the balance sheet on the closing date.

### 14. Foreign currency

At the close of the 2016 financial year, the City Council had two current accounts in dollars, with a balance of 18,000 dollars and 34,000 dollars. Their counter value on the books as of 31 December 2016 was 17,076.17 euros and 32,255.00 euros respectively. The differences in recognised value in the financial year for this concept came to 1,567.79 euros.

### 15. Transfers, subsidies and other income and expenditure

#### 15.1. Transfers and subsidies received

Description	Net recognised collection rights	Income and expenditure account
Supplementary Finance Fund	962,856,545.56	976,778,960.05
Others from the State Authorities	4,670,626.69	4,730,626.69
From the Social Services Programme Contract	59,427,493.47	54,965,981.85
From the Catalan Local Cooperation Fund	3,179,056.69	3,179,056.69
From the Tourism Promotion Fund	9,050,834.28	7,078,829.76
Others from the Generalitat of Catalonia	2,936,730.86	2,600,627.33
From Metropolitan Area contributions	5,654,553.29	5,524,154.66
From abroad	2,586,142.29	2,600,521.21
Other current transfers and subsidies	840,918.97	826,993.63
<b>Current transfers and subsidies</b>	<b>1,051,202,902.10</b>	<b>1,058,285,751.87</b>
From the State Authorities	1,406,941.59	6,315,264.51
From the Generalitat	12,448,389.63	1,999,014.09
From Provincial Councils	20,374,715.45	1,436,195.80
From abroad	3,552,155.48	636,589.30
Other capital transfers and subsidies	352,035.00	448,555.97
From assets received on assignment	0.00	212,822.70
<b>Capital transfers and subsidies</b>	<b>38,134,237.15</b>	<b>11,048,442.37</b>
<b>Total</b>	<b>1,089,337,139.25</b>	<b>1,069,334,194.24</b>

The transfers met the recognition and valuation requirements described in Note 4.14.

## 15.2. Expenditure

### a) Transfers and subsidies granted

No repayments were made owing to breach of conditions or requirements for using the subsidies,

Description	Net recognised debentures	Income and expenditure account
To independent bodies	311,067,311.53	306,883,982.57
To publicly owned business entities	173,789,224.82	170,818,973.20
To trading companies	142,985,926.47	142,985,926.47
To the Generalitat and subsidiary bodies	6,372,229.82	6,372,229.82
To provincial councils	82,761.05	82,761.05
To metropolitan areas	255,386,128.84	256,213,290.21
To counties	0.00	0.00
To consortiums	139,784,975.50	133,568,487.66
To private businesses	1,849,792.91	2,319,013.09
To families and non-profit institutions	72,770,442.49	73,203,344.61
Abroad	413,856.53	413,856.53
<b>Current transfers and subsidies</b>	<b>1,104,502,649.96</b>	<b>1,092,861,865.21</b>
To independent bodies	9,886,836.07	9,886,836.07
To publicly owned business entities	36,284,566.09	36,284,566.09
To trading companies	10,166,904.12	5,150,481.97
To provincial councils	0.00	0.00
To metropolitan areas	4,547,682.00	4,547,682.00
To consortiums	3,295,878.96	3,180,878.96
To families and non-profit institutions	411,744.18	885,873.24
<b>Capital transfers and subsidies</b>	<b>64,593,611.42</b>	<b>59,936,318.33</b>
<b>Total</b>	<b>1,169,096,261.38</b>	<b>1,152,798,183.54</b>

The transfers met the recognition and valuation requirements described in Note 4.14.

### b) Provisions and services

Description	Income and expenditure account
Rent and royalties	18,881,430.69
Upkeep and repair	21,560,166.33
Independent professional services	8,083,101.37
Transport	517,817.74
Insurance premiums	2,670,666.91
Advertising, publicity and public relations	9,405,540.62
Utility supplies	30,034,709.45
Communications and other services	486,023,845.40
<b>Total</b>	<b>577,177,278.51</b>

## 16. Provisions and contingencies

The breakdown of variations during the financial year in the provisions recognised on the liabilities' side of the balance sheet, both short- and long-term, was as follows:

Concept	Balance as of 31.12.2015		(+) Increases	(-) Decreases		Balance as of 31.12.2016
	Long term	Short term	Long term	Long term	Short term	Long term
Different contingencies	9,537,820.51	0.00	6,486,210.90	-4,669,068.62	0.00	11,354,962.79
Provision for consortiums	35,806,702.72	0.00	334,931.00	-13,461,814.20	0.00	22,679,819.52
Extra salary payment 2012 RDL 20/2012	0.00	8,115,590.82	0.00	0.00	-8,115,590.82	0.00
Ruling 632/2013 TSJC	0.00	61,112,939.78	0.00	0.00	-61,112,939.78	0.00
<b>Total</b>	<b>45,344,523.23</b>	<b>69,228,530.60</b>	<b>6,821,141.90</b>	<b>-18,130,882.82</b>	<b>-69,228,530.60</b>	<b>34,034,782.31</b>

The settlement of the provision is aimed at covering the financial costs of contingent or probable obligations.

### a) Provision for consortiums

This provision records the existing risk, according to the City Council's share, in the consortiums that present a negative net equity in their annual accounts.

The implementation of this provision in the financial year 2016 for the amount of 13,461,814.20 euros reflects the fact that the profit and loss corresponding to five consortiums enabled their net equity to be rebalanced.

### b) Extra salary payment 2012 RDL 20/2012

No extra pay was made in December 2012, as it was cancelled under Article 12.1 of the Royal Decree 20/2012, of 13 July, on Measures for Ensuring Budgetary Stability and Promoting Competitiveness.

Act 36/2014, of 26 December, on General Budgets of the State for 2015, under the Twelfth Additional Provision, Section 1(1), established that every Public Authority, within its jurisdiction, could approve the crediting of amounts as recovery of extra pay cheques and specific additional pay or equivalent additional pay.

In 2015, the City Council paid 50.27% of the accrued salary, following the Mayoral Decree of 11 November 2015, with the rest still to be paid in 2016, under the terms and conditions established in the Twelfth Additional Provision of Act 48/2015, of 29 October, on the General State Budgets for 2016, and the Mayoral Decree of 15 December 2015, the amount corresponding to the remaining 49.73% of the payment.

The corresponding payments were made in the financial year 2016 and, as a result, the application of the provision was entered into the accounts for 8,115,590.82 euros.

### c) Ruling 632/2013

The sum of 61,112,939.78 euros was included relating to the financial estimate deriving from the enforcement of a ruling obliging the City Council and a part of its municipal economic group to raise the overall payroll of its civil servants corresponding to the financial years 2007 and 2008, with the corresponding consolidation of increases up to the present year.

The corresponding salaries were updated and back payments made during the financial year 2016, For this reason, the existing provision is applied as of 31 December 2015.

### **16.1 Contingent liabilities**

The Spanish Constitutional Court's ruling of 16 February 2017 declared several of the rules in Guipuzcoa's Provincial Regulations governing the Tax on Increases in the Value of Urban Land to be unconstitutional, in cases where "situations showing no sign of economic capacity are subject to taxation, preventing tax-payers from demonstrating that their property saw no effective increase in value".

Although the ruling made by the Constitutional Court is in accordance with Guipúscoa's Provincial Regulations, its foundation extends its application at the state level (Articles 104 ff, of the Act on Local Tax Offices).

The ruling itself establishes that: "It is for the legislator to amend or adapt the tax's legal system so that situations showing no increased value of urban land are not subject to taxation."

On the other hand, note that the Tax Council has always followed the principle that the City Council is under an obligation to comply with the provisions set down in Article 107 of the Act on Local Tax Offices, under which the value of the land, when recognised, will be the one determined at the time for the purposes of the property tax, without there being any authorisation for using other verification systems or criteria.

Given the fact that the legislator makes no statement on the date of the drawing up of these annual accounts over the criteria to be considered for estimating the quantities which, where appropriate, would have to be returned, no provision was entered into the accounts since its amount cannot be reliably estimated.

Likewise, at the close of the financial year the City Council was in the middle of legal proceedings, described as being at possible risk, at the courts and tribunals, One case that needs to be mentioned is a claim under the heading of financial liability which originated from an order to halt the activity being carried out by a company as it differed from the one authorised.

There is also a case with a probable risk relating to the concession of a building permit for the construction of two single-family flats, where the City Council may have to compensate the claimant for and regarding which it was not possible to quantify this compensation objectively.

### **16.2. Contingent assets**

At the close of the financial year, the City Council had no contingent assets regarding which information had to be given in the annual report.

## 17. Information on the environment

The City Council recorded the following obligations charged to the programmes of expenditure policy 17 "Environment":

Programme	Debentures recognised during the financial year
Construction and maintenance of green spaces	51,015,051.77
Biodiversity	104,061.37
Environmental intervention	91,371.56
Environmental noise intervention	987,443.24
Environmental education	1,328,635.48
Local energy-waste management	1,204,819.59
Urban coordination, Electric vehicles	645,027.52
Urban coordination, Public works	73,367.42
	<b>55,449,777.95</b>

## 18. Assets under sale

On the closing date, the City Council did not keep fixed assets in the balance sheet whose accounting value had to be recovered through their sale.

## 19. Presentation by activity of the income and expenditure account

Barcelona City Council's Income and Expenditure Account, classed by activity, is as follows

Expenditure (expenditure policy)	2016 financial year	2015 financial year	Income	2016 financial year	2015 financial year
Public debt	21,963,668.46	29,522,496.89	Day-to-day management income	2,560,748,115.46	2,646,289,270.77
Public safety and mobility	346,638,252.58	342,818,785.68	Financial income	19,995,364.98	26,994,720.22
Housing and urban planning	179,532,652.83	125,734,693.71	Other revenues	2,897,700.69	1,351,758.47
Community well-being	367,157,446.19	463,313,350.81			
Environment	57,415,924.59	60,064,188.54			
Pensions	624,767.94	693,331.70			
Social services and social development	325,259,901.95	290,300,618.28			
Boosting employment	0.00	50,098.62			
Healthcare	39,033,790.95	26,123,996.74			
Education	136,549,375.70	135,016,095.32			
Culture	157,828,406.70	144,953,628.77			
Sport	29,184,549.93	28,957,317.70			
Commerce, tourism and small and medium-sized enterprises	75,560,264.96	106,776,835.42			
Public transport	160,699,380.36	154,402,453.36			
Other economic initiatives	20,749,074.37	20,997,914.42			
Government bodies	32,689,216.29	31,698,497.66			
General services	173,658,941.22	178,509,303.24			
Financial and tax administration	105,854,606.32	112,305,560.12			
Transfers to other authorities	124,494,615.69	107,042,696.81			
<b>TOTAL EXPENDITURE</b>	<b>2,354,894,837.02</b>	<b>2,359,281,863.79</b>	<b>TOTAL INCOME</b>	<b>2,583,641,181.13</b>	<b>2,674,635,749.46</b>

The following rules have been taken into account for its drafting:

a) Income: classification of total income in the categories of day-to-day management income, financial and other income.

b) Expenditure: the budgetary expenses set out in chapters 1 to 5 of the City Council's current expenditure budget, classed by expenditure policy. The other expenses in the Income and Expenditure Account, distributed among the various expenditure policies in the proportion that each policy represents in the total expenditure budget.

## 20. Resource administration receivables on behalf of other public bodies

The amount included in the assets side of the balance sheet refers to entitlements pending collection from third parties regarding the development of the resource administration management payable by other public organisations (Note 20.3 a).

The amount included in the liabilities side of the balance sheet is that from Note 20.3 a) - as these entitlements, still pending, will have to be delivered to the organisation through which the administration is carried out - plus the balance of the amounts already collected from third parties but pending delivery to the organisation through which the administration is made, and reflected in Note 20.1.

### 20.1. Management-derived debentures

Owner entity		Concept		Pending payment as of 1 January	Amendments to initial balance	Liquid-assets collection
NIF tax number	Company name	Code	Description			
P0800258F	AMB	45300	Property Tax (IBI)	14,188,955.69	0.00	66,553,025.80
<b>Total owner entity</b>				<b>14,188,955.69</b>	<b>0.00</b>	<b>66,553,025.80</b>
P0800000B	Barcelona Provincial Council	45301	Economic Activity Tax (IAE)	8,115,025.77	0.00	10,362,503.06
<b>Total entitat titular</b>				<b>8,115,025.77</b>	<b>0.00</b>	<b>10,362,503.06</b>
<b>Total owner entity</b>				<b>22,303,981.46</b>	<b>0.00</b>	<b>76,915,528.86</b>

### 20.2. Public bodies, current cash accounts

The City Council does not use such accounts as cash deliveries are not made to the final settlement account.

### 20.3. Management development

#### a) Summary

Concept		Entitlements pending collection as of 1 January	Amendments to the initial balance	Recognised collection rights	Revoked collection rights	Cancelled collection rights
Code	Description					
45030	Property Tax (IBI)	13,647,887.52	0.00	70,869,438.21	4,816,422.66	41,854.09
45031	Economic Activity Tax (IAE)	6,790,370.43	0.00	10,790,194.50	492,954.66	375,465.63
<b>Total</b>		<b>20,438,257.95</b>	<b>0.00</b>	<b>81,659,632.71</b>	<b>5,309,377.32</b>	<b>417,319.72</b>



Repayments	Total to be paid	Payments made	Payment yet to be made as of 31 December
0.00	80,741,981.49	66,999,764.59	13,742,216.90
<b>0.00</b>	<b>80,741,981.49</b>	<b>66,999,764.59</b>	<b>13,742,216.90</b>
0.00	18,477,528.83	9,845,240.96	8,632,287.87
<b>0.00</b>	<b>18,477,528.83</b>	<b>9,845,240.96</b>	<b>8,632,287.87</b>
<b>0.00</b>	<b>99,219,510.32</b>	<b>76,845,005.55</b>	<b>22,374,504.77</b>

Net collection	Entitlements pending as of 31 December
66,553,025.80	13,106,023.18
10,362,503.06	6,349,641.58
<b>76,915,528.86</b>	<b>19,455,664.76</b>

## b) Revoked collection rights

Concept		Revoked settlements	Returned income	Total revoked collection rights
Code	Description			
45100/45190	Property Tax (IBI)	4,250,144.27	566,278.39	4,816,422.66
45101/45191	Economic Activity Tax (IAE)	359,009.13	133,945.53	492,954.66
Total		4,609,153.40	700,223.92	5,309,377.32

## c) Cancelled collection rights

Concept		Collections in kind	Insolvencies	Limitations	Other reasons	All cancelled collection rights
Code	Description					
45810/45820	Property Tax (IBI)	0.00	38,837.04	3,017.05	0.00	41,854.09
45811/45821	Economic Activity Tax (IAE)	0.00	370,070.96	5,394.67	0.00	375,465.63
Total		0.00	408,908.00	8,411.72	0.00	417,319.72

## d) Returned income

Concept		Pending payment as of 1 January year	Amendments to the initial balance and	Recognised during the financial	Total recognised returns year	Limitations	Paid during the financial	Pending payment as of 31 December
Code	Description cancellations							
45500	Property Tax (IBI)	2,245.09	0.00	758,544.22	760,789.31	0.00	566,278.39	194,510.92
45501	Economic Activity Tax (IAE)	5,262.19		130,810.46	136,072.65	0.00	133,945.53	2,127.12
Total		7,507.28	0.00	889,354.68	896,861.96	0.00	700,223.92	196,638.04

## 21. Non-budgetary liquid-asset transactions

Information is given below on the non-budgetary liquid-asset transactions included in these transactions made over the financial year which led to the creation or extinction of:

- Receivables and liabilities under the current rules for the Entity that do not have to be allocated to its budget either at the time of their creation or maturity.
- Items representing collections and payments pending final application, for both budgetary and non-budgetary transactions.

### 21.1. Non-budgetary receivables statement.

Account	Concept	Balance as of 1 January	Amendments to initial balance year	Charges made in the financial	Total receivables year	Payments made in the financial a 31 deembre	Receivables pending collection as of 31 December
440	Output VAT receivables	3,760,536.61	0.00	6,600,928.97	10,361,465.58	-5,941,127.97	4,420,337.61
449	Other off-budget receivables	150,413.56	0.00	522,040.03	672,453.59	-528,683.88	143,769.71
<b>Total non-budgetary receivables</b>		<b>3,910,950.17</b>	<b>0.00</b>	<b>7,122,969.00</b>	<b>11,033,919.17</b>	<b>-6,469,811.85</b>	<b>4,564,107.32</b>
470	Public Treasury receivables	862,182.70	0.00	2,441,709.56	3,303,892.26	-1,716,723.01	1,587,169.25
471	Social welfare bodies	1,268,592.03	0.00	5,856,421.13	7,125,013.16	-5,441,596.80	1,683,416.36
<b>Total Public Authority Receivables</b>		<b>2,130,774.73</b>	<b>0.00</b>	<b>8,298,130.69</b>	<b>10,428,905.42</b>	<b>-7,158,319.81</b>	<b>3,270,585.61</b>
542	Short-term credit	4,754,785.76	0.00	1,093,384.53	5,848,170.29	-4,754,450.50	1,093,719.79
<b>Total short-term credit</b>		<b>4,754,785.76</b>	<b>0.00</b>	<b>1,093,384.53</b>	<b>5,848,170.29</b>	<b>-4,754,450.50</b>	<b>1,093,719.79</b>
558	Provnal, Paymt, Fund Just, and advances	2,090,166.59	0.00	15,068,291.58	17,158,458.17	-15,068,291.58	2,090,166.59
<b>Total Provision for ADOPJ/ BC Fund</b>		<b>2,090,166.59</b>	<b>0.00</b>	<b>15,068,291.58</b>	<b>17,158,458.17</b>	<b>-15,068,291.58</b>	<b>2,090,166.59</b>
566	Short-term deposits made	6,902.75	0.00	0.00	6,902.75	0.00	6,902.75
<b>Total short-term deposits made</b>		<b>6,902.75</b>	<b>0.00</b>	<b>0.00</b>	<b>6,902.75</b>	<b>0.00</b>	<b>6,902.75</b>
<b>Total</b>		<b>12,893,580.00</b>	<b>0.00</b>	<b>31,582,775.80</b>	<b>44,476,355.80</b>	<b>-33,450,873.74</b>	<b>11,025,482.06</b>

## 21.2. Non-budgetary liabilities statement

Account	Concept	Balance as of 1 January	Amendments to initial balance	Payments made in the financial year	Total liabilities	Charges made in the financial year	Payables pending collection as of 31 December
410	Liabilities for input VAT	1,069,990.46	0.00	7,354,165.50	8,424,155.96	-7,068,209.47	1,355,946.49
419	Other non-budgetary liabilities	9,875,150.61	0.00	13,172,035.98	23,047,186.59	-12,824,330.24	10,222,856.35
<b>Total non-budgetary liabilities</b>		<b>10,945,141.07</b>	<b>0.00</b>	<b>20,526,201.48</b>	<b>31,471,342.55</b>	<b>-19,892,539.71</b>	<b>11,578,802.84</b>
45	Admin. receivables/payables Resources	22,303,981.46	0.00	244,207,413.91	266,511,395.37	-244,136,890.60	22,374,504.77
<b>Total Administration of Other Resources</b>		<b>22,303,981.46</b>	<b>0.00</b>	<b>244,207,413.91</b>	<b>266,511,395.37</b>	<b>-244,136,890.60</b>	<b>22,374,504.77</b>
475	Public Treasury Payables Various Concessions	9,169,081.71	0.00	71,041,360.09	80,210,441.80	-71,896,483.84	8,313,957.96
476	Social welfare bodies, payables	22,071,630.39	0.00	88,533,063.22	110,604,693.61	-89,659,523.56	20,945,170.05
<b>Total Public Authority Payables</b>		<b>31,240,712.10</b>	<b>0.00</b>	<b>159,574,423.31</b>	<b>190,815,135.41</b>	<b>-161,556,007.40</b>	<b>29,259,128.01</b>
502	Loans and other loan	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total loans and other loans</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
515	Short-term guarantees received from group, multi-group entities	12,139.50	0.00	0.00	12,139.50	-11,808.04	331.46
516	Short-term deposits received from group, multi-group entities	12,058,320.97	0.00	3,846,436.45	15,904,757.42	-1,836,362.19	14,068,395.23
<b>Total guarantees/deposits received</b>		<b>12,070,460.47</b>	<b>0.00</b>	<b>3,846,436.45</b>	<b>15,916,896.92</b>	<b>-1,848,170.23</b>	<b>14,068,726.69</b>
560	Short-term guarantees received	5,233,256.39	0.00	2,196,248.46	7,429,504.85	-1,040,717.35	6,388,787.50
561	Short-term deposits received	4,154,706.54	0.00	16,625,234.81	20,779,941.35	-17,730,134.88	3,049,806.47
<b>Total guarantees/deposits received</b>		<b>9,387,962.93</b>	<b>0.00</b>	<b>18,821,483.27</b>	<b>28,209,446.20</b>	<b>-18,770,852.23</b>	<b>9,438,593.97</b>
<b>Total</b>		<b>85,948,258.03</b>	<b>0.00</b>	<b>446,975,958.42</b>	<b>532,924,216.45</b>	<b>-446,204,460.17</b>	<b>86,719,756.28</b>

## 21.3. Statement of items pending application

## a) Collections pending application

Account	Concept	Collections pending application as of 1 January	Amendments to initial balance	Collections made in the financial year	Total collections pending application	Collections applied in the financial year	Collections pending application as of 31 December
41990	SIR incidents pending application	3,243,468.05	0.00	5,474,021.54	8,717,489.59	-5,196,401.70	3,521,087.89
<b>Total SIR incidents pending application</b>		<b>3,243,468.05</b>	<b>0.00</b>	<b>5,474,021.54</b>	<b>8,717,489.59</b>	<b>-5,196,401.70</b>	<b>3,521,087.89</b>
554	Collections pending application	5,352,891.69	0.00	2,788,728,447.39	2,794,081,339.08	-2,791,558,356.39	2,522,982.69
559	Other items pending application	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total collections pending application</b>		<b>5,352,891.69</b>	<b>0.00</b>	<b>2,788,728,447.39</b>	<b>2,794,081,339.08</b>	<b>-2,791,558,356.39</b>	<b>2,522,982.69</b>
<b>Total</b>		<b>8,596,359.74</b>	<b>0.00</b>	<b>2,794,202,468.93</b>	<b>2,802,798,828.67</b>	<b>-2,796,754,758.09</b>	<b>6,044,070.58</b>

## b) Payments pending application

At the close of the financial year, the City Council had no payments pending application.

## 22. Administrative procurement, awarding procedures

The aggregate amounts of administrative procurement during the financial year, according to the awarding procedure, are shown below.

Type of contract	Open procedure	Restricted procedure	Negotiated procedure	Marginal	Frame work agreement	Totals
Public works	11,644,896.84	0.00	1,240,310.82	18,699,904.94	0.00	31,585,112.60
Utilities	5,768,185.57	0.00	646,158.84	7,255,028.14	1,068,520.58	14,737,893.13
Public Service Management	0.00	0.00	49,673.13	0.00	0.00	49,673.13
Services	198,656,762.60	58,853,414.22	12,062,603.86	46,128,028.40	18,560,117.49	334,260,926.57
Service concessions	3,350,600.61	0.00	0.00	0.00	0.00	3,350,600.61
Private from Central Government	5,312,696.80	0.00	436,240.18	20,524.54	0.00	5,769,461.52
Special Administration	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>224,733,142.42</b>	<b>58,853,414.22</b>	<b>14,434,986.83</b>	<b>72,103,486.02</b>	<b>19,628,638.07</b>	<b>389,753,667.56</b>

## 23. Securities received on deposit

Concept		Balance as of 1 January	Amendments to initial balance	Deposits received in the financial year	Total recognised returns	Total deposits received	Cancelled deposits	Deposits pending repayment as of 31 December
Code	Description							
A052	Endorsements Received	55,391,511.12	0.00	5,207,081.99	0.00	60,598,593.11	16,603,261.49	43,995,331.62
A060	Securities Deposited	249,364,507.20	0.00	18,581,901.44	0.00	267,946,408.64	17,923,264.26	250,023,144.38
A061	Securities held in safekeeping	3,650,157.31	0.00	801,384.28	0.00	4,451,541.59	1,024,709.59	3,426,832.00
A062	Deferred payments and instalments	316,451.19	0.00	0.00	0.00	316,451.19	0.00	316,451.19
<b>Total</b>		<b>308,722,626.82</b>	<b>0.00</b>	<b>24,590,367.71</b>	<b>0.00</b>	<b>333,312,994.53</b>	<b>35,551,235.34</b>	<b>297,761,759.19</b>

## 24. Budget information

### 2.4.1. Current financial year,

#### 24.1.1 Expenditure budget

##### a) Credit amendments

Econ. Description		Extra credit	Credit supplements	Credit extensions	Credit transfer Positive
1	Staff expenditure	93,104.00	74,027,426.34	0.00	171,929,020.04
2	Expenditure on current assets and services	17,190,845.55	50,000.00	0.00	21,077,598.43
3	Financial expenditure	0.00	0.00	0.00	0.00
4	Current transfers	58,656,395.40	5,088,525.68	0.00	145,673,871.23
5	Contingency funds	1,200,000.00	1,822,263.11	0.00	11,650,236.89
6	Property investments	12,886,507.77	76,182,783.95	0.00	342,125,485.64
7	Capital transfers	16,868,948.43	8,500,422.76	0.00	81,855,467.04
8	Financial assets	2,904,587.00	0.00	0.00	10,822,184.80
General total		109,800,388.15	165,671,421.84	0.00	785,133,864.07

##### b) Credit surpluses

Econ. Description		Committed surpluses		Non-committed surpluses	
		Incorporable	Non-incorporable	Incorporable	No incorporable
1	Staff expenditure	0.00	83,470.91	0.00	141,880.45
2	Expenditure on current assets and services	179,136.36	15,526,993.70	1,519,077.25	10,063,005.42
3	Financial expenditure	0.00	0.00	0.00	6,356,282.35
4	Current transfers	93,120.00	905,498.99	6,551,703.18	3,809,455.56
5	Contingency funds	0.00	0.00	0.00	1,490,540.60
6	Property investments	58,378.79	3,932,481.46	3,445,655.73	2,743,149.33
7	Capital transfers	0.00	71,966.30	0.00	192,997.06
8	Financial assets	0.00	2,727,813.40	0.00	5,000,000.00
9	Financial liabilities	0.00	0.00	0.00	552,356.15
General total		330,638.15	23,248,224.76	11,516,436.16	30,349,666.92

##### c) Liabilities for transactions pending application to the budget

The City Council does not have any payable transactions yet to be applied to the budget.

Credit transfer Negative	Credit surplus incorporation	Credit generated by income	Removals for write-offs	Adjustments due to extensions	Total amendments
201,958,165.20	0.00	0.00	0.00	0.00	44,091,385.18
45,963,654.43	1,207,770.62	2,115,303.75	0.00	0.00	-4,322,136.08
9,856,378.36	0.00	0.00	0.00	0.00	-9,856,378.36
109,183,926.16	358,898.93	20,617,896.25	0.00	0.00	121,211,661.33
19,659,696.29	0.00	0.00	0.00	0.00	-4,987,196.29
329,507,559.76	9,339,302.53	2,505,671.08	0.00	0.00	113,532,191.21
58,182,898.09	264,096.09	0.00	0.00	0.00	49,306,036.23
10,821,585.78	0.00	0.00	0.00	0.00	2,905,186.02
<b>785,133,864.07</b>	<b>11,170,068.17</b>	<b>25,238,871.08</b>	<b>0.00</b>	<b>0.00</b>	<b>311,880,749.24</b>

## 24.1.2 Income budget

## a) Management process

a<sub>1</sub>) Revoked collection rights

Econ.	Description	Revoked settlements	Deferred payments and instalments	Returned income	Total revoked collection rights
1	Direct taxes	34,731,687.09	9,041,978.89	7,562,007.65	51,335,673.63
2	Indirect taxes	143,566.73	43,482.92	3,918,574.75	4,105,624.40
3	Charges and other revenue	44,074,814.15	1,538,200.19	5,356,318.30	50,969,332.64
4	Current transfers	0.00	0.00	65,677,837.43	65,677,837.43
5	Equity revenue	11,759.97	16,028.83	677.67	28,466.47
7	Capital transfers	0.00	0.00	70,019.63	70,019.63
9	Financial liabilities	0.00	0.00	319.58	319.58
<b>General total</b>		<b>78,961,827.94</b>	<b>10,639,690.83</b>	<b>82,585,755.01</b>	<b>172,187,273.78</b>

a<sub>2</sub>) Revoked collection rights

Econ.	Description in kind	Collections	Insolvencies	Limitations reasons	Other drets cancel-lats	All cancelled collection rights
1	Direct taxes	0.00	129,001.71	0.00	0.00	129,001.71
3	Charges and other revenue	0.00	53,417.30	0.00	0.00	53,417.30
<b>General total</b>		<b>0.00</b>	<b>182,419.01</b>	<b>0.00</b>	<b>0.00</b>	<b>182,419.01</b>

a<sub>3</sub>) Net collection

Econ.	Description	Total collection	Returned income	Net collection
1	Direct taxes	1,021,666,594.58	7,562,007.65	1,014,104,586.93
2	Indirect taxes	69,472,363.61	3,918,574.75	65,553,788.86
3	Charges and other revenue	240,876,267.60	5,356,318.30	235,519,949.30
4	Current transfers	1,088,401,284.40	65,677,837.43	1,022,723,446.97
5	Equity revenue	37,854,718.34	677.67	37,854,040.67
6	Sale of property investments	2,383,794.04	0.00	2,383,794.04
7	Capital transfers	26,611,871.89	70,019.63	26,541,852.26
8	Financial assets	169,813.86	0.00	169,813.86
9	Financial liabilities	160,571,412.70	319.58	160,571,093.12
<b>General total</b>		<b>2,648,008,121.02</b>	<b>82,585,755.01</b>	<b>2,565,422,366.01</b>



**b) Returned income**

Econ. Description	Pending payment as of 1 January	Recognised in the financial year	Total recognised returns	Paid during the financial year	Pending payment as of 31 December
1 Direct taxes	117,151.80	8,517,036.54	8,634,188.34	7,562,007.65	1,072,180.69
2 Indirect taxes	410,390.75	3,541,668.01	3,952,058.76	3,918,574.75	33,484.01
3 Charges and other revenue	20,073.92	5,390,749.96	5,410,823.88	5,356,318.30	54,505.58
4 Current transfers	135,112.94	65,542,900.42	65,678,013.36	65,677,837.43	175.93
5 Equity revenue	0.00	677.67	677.67	677.67	0.00
7 Capital transfers	0.00	70,019.63	70,019.63	70,019.63	0.00
9 Financial liabilities	0.00	319.58	319.58	319.58	0.00
<b>General total</b>	<b>682,729.41</b>	<b>83,063,371.81</b>	<b>83,746,101.22</b>	<b>82,585,755.01</b>	<b>1,160,346.21</b>

**c) Committed income**

Econ. Description	Commitments made			Commitments met	Commitments pending as of 31 December
	Incorp. closed budgets	In the financial year	Total		
3 Charges and other revenue	0.00	181,239.74	181,239.74	0.00	181,239.74
4 Current transfers	0.00	33,827,540.91	33,827,540.91	31,676,987.61	2,150,553.30
7 Capital transfers	0.00	53,049,825.53	53,049,825.53	34,234,231.81	18,815,593.72
<b>General total</b>	<b>0.00</b>	<b>87,058,606.18</b>	<b>87,058,606.18</b>	<b>65,911,219.42</b>	<b>21,147,386.76</b>

## 24.2. Closed financial years,

## 24.2.1 Expenditure budget Closed-budget debentures

Econ. Description	Debentures recognised as of 1 January	Amendments to the initial balance and cancellations	Total debentures	Payments made	Debentures pending as of 31 December
1 Staff expenditure	2,647,857.52	0.00	2,647,857.52	557,690.93	2,090,166.59
2 Expenditure on current assets and services	112,945,556.77	0.00	112,945,556.77	112,904,093.65	41,463.12
3 Financial expenditure	62,412.44	0.00	62,412.44	61,756.25	656.19
4 Current transfers	195,189,063.19	330,270.35	194,858,792.84	178,563,783.59	16,295,009.25
6 Property investments	130,068,085.76	0.00	130,068,085.76	127,863,482.12	2,204,603.64
7 Capital transfers	133,606,634.02	0.00	133,606,634.02	48,905,363.45	84,701,270.57
8 Financial assets	1,010,794.42	0.00	1,010,794.42	10,794.42	1,000,000.00
9 Financial liabilities	102,973.14	0.00	102,973.14	88,641.12	14,332.02
<b>General total</b>	<b>575,633,377.26</b>	<b>330,270.35</b>	<b>575,303,106.91</b>	<b>468,955,605.53</b>	<b>106,347,501.38</b>

## 24.2.2 Income budget Entitlements pending collection from closed budgets

## a) Total entitlements pending collection

Econ.	Entitlements pending collection as of 1 January	Amendments to initial balance	Revoked collection rights	Cancelled collection rights	Collection	Entitlements pending as of 31 December	Collection
1	Direct taxes	241,248,200.54	10,757,477.56	20,059,639.76	5,141,597.29	33,564,139.67	193,240,301.38
2	Indirect taxes	22,403,126.32	498,600.26	994,051.65	32,756.95	714,195.53	21,160,722.45
3	Charges and other revenue	411,773,262.98	8,680,837.80	32,377,638.44	7,035,205.87	33,008,827.62	348,032,428.85
4	Current transfers	58,460,798.71	500,000.00	500,000.00	0.00	47,517,939.94	10,942,858.77
5	Equity revenue	8,056,907.93	30,877.49	81,246.10	0.00	1,863,885.21	6,142,654.11
6	Sale of property investments	36,070.72	0.00	0.00	0.00	0.00	36,070.72
7	Capital transfers	53,148,946.74	0.00	0.00	0.00	24,020,824.15	29,128,122.59
General total		795,127,313.94	20,467,793.11	54,012,575.95	12,209,560.11	140,689,812.12	608,683,158.87

## b) Revoked collection rights

Econ.	Description	Revoked collection rights		Total revoked collection rights
		Liquid-asset write-offs.	Deferred payments and instalments	
1	Direct taxes	8,193,001.27	11,866,638.49	20,059,639.76
2	Indirect taxes	3,921.84	990,129.81	994,051.65
3	Charges and other revenue	24,826,703.22	7,550,935.22	32,377,638.44
4	Current transfers	500,000.00	0.00	500,000.00
5	Equity revenue	600.00	80,646.10	81,246.10
6	Sale of property investments	0.00	0.00	0.00
7	Capital transfers	0.00	0.00	0.00
<b>General total</b>		<b>33,524,226.33</b>	<b>20,488,349.62</b>	<b>54,012,575.95</b>

## b) Cancelled collection rights

Econ.	Description	Collections in kind	Insolvencies	Limitations	Other reasons	All cancelled collection rights
1	Direct taxes	0.00	4,988,802.22	152,795.07	0.00	5,141,597.29
2	Indirect taxes	0.00	23,858.49	8,898.46	0.00	32,756.95
3	Charges and other revenue	0.00	6,916,305.67	118,900.20	0.00	7,035,205.87
4	Current transfers	0.00	0.00	0.00	0.00	0.00
5	Equity revenue	0.00	0.00	0.00	0.00	0.00
6	Sale of property investments	0.00	0.00	0.00	0.00	0.00
7	Capital transfers	0.00	0.00	0.00	0.00	0.00
8	Financial assets	0.00	0.00	0.00	0.00	0.00
9	Financial liabilities	0.00	0.00	0.00	0.00	0.00
<b>General total</b>		<b>0.00</b>	<b>11,928,966.38</b>	<b>280,593.73</b>	<b>0.00</b>	<b>12,209,560.11</b>

## 24.2.3 Variation of results

	Total variation of collection rights	Total variation of debentures	Variation of budgetary rights
A, Current transactions	-45,754,342.95	-330,270.35	-45,424,072.60
B, Other non-financial transactions	0.00	0.00	0.00
<b>Non-financial transactions (A + B)</b>	<b>-45,754,342.95</b>	<b>-330,270.35</b>	<b>-45,424,072.60</b>
C, Financial assets	0.00	0.00	0.00
D, Financial liabilities	0.00	0.00	0.00
<b>Financial transactions (C+D)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>-45,754,342.95</b>	<b>-330,270.35</b>	<b>-45,424,072.60</b>

### 24.3. Subsequent financial years.

#### 24.3.1 Committed expenditure charged to budgets of subsequent financial years

Econ.	Description	Expenditure commitments acquired and charged to the financial year				
		2017	2018	2019	2020	Subsequent years
1	Staff expenditure	389,465.68	292,099.26	0.00	0.00	0.00
2	Expenditure on current assets and services	473,477,752.12	385,931,552.87	284,760,711.41	30,562,815.86	31,505,603.09
4	Current transfers	170,207,761.92	11,073,530.77	6,235,305.40	898,211.36	1,928,529.06
6	Property investments	12,749,665.68	6,841,038.33	4,502,360.89	0.00	0.00
7	Capital transfers	494,447.00	162,503.00	0.00	0.00	0.00
8	Financial assets	22,955,077.11	26,187,630.11	26,669,951.11	20,881,100.11	8,000,044.11
<b>General total</b>		<b>680,274,169.51</b>	<b>430,488,354.34</b>	<b>322,168,328.81</b>	<b>52,342,127.33</b>	<b>41,434,176.26</b>

#### 24.3.2 Committed income charged to budgets of subsequent financial years

Econ.	Description	Income commitments made and allocated to the financial year				
		2017	2018	2019	2020	Subsequent years
4	Current transfers	60,685.30	0.00	0.00	0.00	0.00
<b>General total</b>		<b>60,685.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## 24.4. Expenditure with allocated funding

Description	Financial year variances		Accumulated variances	
	Positive	Negative	Positive	Negative
Bagursa - Valldemosa 36-38	0.00	0.00	492,680.85	0.00
MPGM Sants Station, Expropriation	0.00	0.00	0.50	0.00
Comprehensive maintenance of public spaces	0.00	0.00	1,063.24	0.00
Acquisition of Casernes Navas	0.00	0.00	-2,803,528.74	0.00
Les Planes development VI	0.00	0.00	0.36	0.00
Acquisition of Sarrià District survey team	0.00	0.00	1,765.80	0.00
Bagursa – Development of open spaces in Governador housing area	0.00	0.00	0.59	0.00
QQUU C/ Infanta Isabel (Dist,5)	0.00	0.00	434,270.69	0.00
FGC and car parks building work and technical assistance	0.00	0.00	421,129.84	0.00
UA 13 block 2 Diagonal - Poblenou development project	0.00	0.00	914,222.00	0.00
Urban development projects	0.00	0.00	974,649.57	0.00
Cost of work to cover underground car park C/ Villalba dels Arcs	0.00	0.00	173,005.62	0.00
Cost of developing C/ Jaume Brossa	0.00	0.00	585,693.45	0.00
Road works C/ Pallars-Agricultura	0.00	0.00	144,494.39	0.00
Iriarte 14 / Aneto 16 / Escolapi Càncer	-666,128.13	0.00	0.00	0.00
Assignment of 10% advantage	2,803,529.26	0.00	2,803,529.26	0.00
<b>Total urban planning income</b>	<b>2,137,401.13</b>	<b>0.00</b>	<b>4,142,977.42</b>	<b>0.00</b>
Raval - Sud	0.00	-85,767.21	0.00	-175,571.33
Bon Pastor	0.00	-92,941.13	0.00	-176,884.20
Maresme - Besós	0.00	-41,918.03	0.00	-159,833.57
Torre Baró – Ciutat Meridiana	0.00	-10,103.50	0.00	-19,365.19
La Vinya. Can Clos. Plus Ultra	0.00	-24,829.22	0.00	-87,660.06
<b>Total neighbourhood act - current</b>	<b>0.00</b>	<b>-255,559.09</b>	<b>0.00</b>	<b>-619,314.35</b>
Maresme - Besós	0.00	-5,774.82	0.00	-1,325,960.98
La Vinya. Can Clos. Plus Ultra	0.00	-206,131.68	0.00	-527,690.99
Bon Pastor	0.00	-163,618.37	0.00	-3,194,277.01
Raval - Sud	0.00	0.00	0.00	-25,303.40
La Barceloneta	0.00	-118,115.10	0.00	-575,515.56
<b>Total neighbourhood act - capital</b>	<b>0.00</b>	<b>-493,639.97</b>	<b>0.00</b>	<b>-5,648,747.94</b>
Chapter 9 - 2013 (30 M)	0.00	-41,526.02	31,712.12	0.00
<b>Total chapter 9</b>	<b>0.00</b>	<b>-41,526.02</b>	<b>31,712.12</b>	<b>0.00</b>

Description (continues)	Financial year variances		Accumulated variances	
	Positive	Negative	Positive	Negative
Fons de cohesió, Eix 2	1,813,096.26	0.00	0.00	0.00
<b>TOTAL Cohesion Fund, Axis 2</b>	<b>1,813,096.26</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
ERDF 2007 - 2013 BCN Activa (Capital)	1,362,426.66	0.00	0.00	0.00
ERDF 2007 - 2013 BCN Activa (Current)	1,503,841.00	0.00	0.00	-312,335.63
<b>TOTAL ERDF 2007 - 2013 BCN Activa</b>	<b>2,866,267.66</b>	<b>0.00</b>	<b>0.00</b>	<b>-312,335.63</b>
ERDF 2007 - 2013 22@ (Capital)	0.00	0.00	0.00	-207,935.06
ERDF 2007 - 2013 22@ (Current)	0.00	0.00	0.00	-24,336.61
<b>TOTAL ERDF 2007 - 2013 22 @</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-232,271.67</b>
ERDF Catalonia (URB, INV,) (Capital)	180,678.05	0.00	0.00	-157,482.43
ERDF Catalonia (URB, INV,) (Current)	0.00	0.00	0.00	-247,613.23
<b>TOTAL ERDF Catalonia (URB, INV,)</b>	<b>180,678.05</b>	<b>0.00</b>	<b>0.00</b>	<b>-405,095.66</b>
Design Museum	10,000,000.00	0.00	0.00	-4,582,307.55
<b>TOTAL Design Museum</b>	<b>10,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,582,307.55</b>
Palau Llió and Verdaguer Museum	1,109,515.21	0.00	0.00	-697,238.28
Drassanes Maritime Museum	727,013.48	0.00	0.00	-218,677.65
Montjuïc Castle	58,025.20	0.00	0.00	-755,294.12
Rei Martí Deposit	0.00	-20,386.68	0.00	-482,279.84
School improvements	10,000,000.00	0.00	0.00	0.00
Vet Clinic Emergency Centre subsidised by DIBA	0.00	-342,926.41	0.00	-351,715.85
Community work - Horta-Guinardó district	0.00	0.00	19,499.98	0.00
<b>Barcelona Provincial Council TOTAL</b>	<b>11,894,553.89</b>	<b>-363,313.09</b>	<b>19,499.98</b>	<b>-2,505,205.74</b>
CUESB programme agreement	170,998.63	0.00	170,998.63	0.00
Libraries Consortium	0.00	-72,812.36	0.00	-72,812.36
EMOTION, Electric mobility	10,063.47	0.00	171,880.39	0.00
Aport,Metropolis S,L, Programme of Neighbourhood Times	6,000.00	0.00	6,000.00	0.00
EFUS Improving relations with Police in the Community	7,424.07	0.00	2,417.74	0.00
ESA BIC project	0.00	-27,500.00	42,500.00	0.00
Turó de la Rovira anti-aircraft battery	0.00	0.00	0.00	-100,000.00
Tourist tax, Turisme Barcelona Consortium transfer	35,127.49	0.00	1,254,517.69	0.00
Tourist tax, Barcelona City Council expenditure	1,998,230.55	0.00	6,498,732.32	0.00
Extension of 2016-2019 Programme contract	4,872,552.16	0.00	4,872,552.16	0.00
Guardia Urbana replacement material, Ad	0.00	-471.65	14,336.09	0.00
NOVELOG	0.00	-9,445.78	57,182.57	0.00
Barcelona Sports Institute contribution	41,625.34	0.00	361,567.34	0.00
RESCCUE	111,166.67	0.00	111,166.67	0.00
SPEA (Smart Procurement European Alliance)	111,762.46	0.00	11,012.60	0.00
SPEA (100%-EINDHOVEN / BIRMINGHAM)	224,934.56	0.00	224,934.56	0.00
Urban Habitat subsidiary implementations	221,104.36	0.00	673,396.87	0.00
Ciutat Vella subsidiary implementations (C/ Arc S, Pau)	545,510.15	0.00	0.00	0.00
Building work on Parc de Collserola estate	61,226.63	0.00	0.00	0.00
Transform – Zero Carbon	0.00	0.00	0.00	-13,176.50
VINCLES project current	0.00	-58,654.50	552,414.45	0.00
VINCLES project capital	0.00	-39,853.93	40,146.07	0.00
EFUS Safer Tourism	9,683.20	0.00	2,504.96	0.00
<b>TOTAL other</b>	<b>8,427,409.74</b>	<b>-208,738.22</b>	<b>15,068,261.11</b>	<b>-185,988.86</b>
<b>General TOTAL</b>	<b>37,319,406.73</b>	<b>-1,362,776.39</b>	<b>19,262,450.63</b>	<b>-14,491,267.40</b>

## 24.5. Treasury surplus

The treasury surplus statement that results from the financial year budget settlement and those of previous financial years is as follows:

	2016	2015
<b>1. (+) Liquid funds</b>	<b>753,600,285.12</b>	<b>631,176,546.65</b>
<b>2. (+) Entitlements pending collection</b>	<b>790,718,769.27</b>	<b>801,768,532.96</b>
(+) from the current budget	173,649,918.06	206,114,061.87
(+) from closed budgets	608,683,158.87	589,013,252.07
(+) from non-budgetary transactions	8,385,692.34	6,641,219.02
<b>3. (-) Debentures pending payment</b>	<b>782,961,922.23</b>	<b>658,338,167.24</b>
(+) from the current budget	593,377,524.50	462,856,978.62
(+) from closed budgets	106,347,501.38	112,776,398.64
(+) from non-budgetary transactions	83,236,896.35	82,704,789.98
<b>4. (+) Items pending application</b>	<b>-6,044,070.58</b>	<b>-8,596,359.74</b>
(-) collections made pending final application	6,044,070.58	8,596,359.74
(+) payments made pending final application	0.00	0.00
<b>I. Total treasury surplus (1 + 2 - 3 + 4)</b>	<b>755,313,061.58</b>	<b>766,010,552.63</b>
II. Balance of bad debts	580,217,570.82	555,592,995.81
III. Excess funding allocated	19,262,450.63	14,540,651.81
<b>IV. Liquidity Surplus for general expenses (I-II-III)</b>	<b>155,833,040.13</b>	<b>195,876,905.01</b>

## 25. Financial, equity and budget indicators

### a) Financial and equity indicators

- **Immediate liquidity:**

$$\frac{\text{Liquid funds}}{\text{Current liabilities}} = 0.76$$

- **Short-term liquidity:**

$$\frac{\text{Liquid funds} + \text{Entitlements pending collection}}{\text{Current liabilities}} = 1.56$$

- **General liquidity:**

$$\frac{\text{Current assets}}{\text{Current liabilities}} = 1.02$$

- **Indebtedness per resident:**

$$\frac{\text{Liabilities}}{\text{Number of residents}} = 1,498.97 \text{ euros}$$

- **Indebtedness:**

$$\frac{\text{Liabilities}}{\text{Liabilities} + \text{Net equity}} = 0.18$$

- **Indebtedness ratio:**

$$\frac{\text{Current liabilities}}{\text{Fixed liabilities}} = 0.70$$

- **Cash flow:**

$$\frac{\text{Liabilities}}{\text{Net management flows}} = 5.94$$

- Average payment period to commercial liabilities: 29.98 days.

- Average collection period: 33.1 days.

- Income and Expenditure Account ratios

INC. TAX	Tax and urban planning revenue	1,275,967,230.76
TRANSFER	Transfers and subsidies received	1,069,334,194.24
V. Sales & Prv Srv	Sales and provision of services	51,313,679.58
STAFF EXP.	Staff expenditure	354,507,498.91
TRANSFER	Transfers and subsidies granted	1,152,798,183.54
SUPPS	Supplies	0.00



- Income structure

Income from day-to-day management (IFDM)			
INC. TAX/IFDM	TRANSFR/IFDM	S&PS/IFDM	Remaining IFDM/ IFDM
49.80%	41.76%	2%	6.44%

- Expenditure structure

Day-to-day management expenses (EFDM)			
STAFF EXP./EFDM	TRANSFG/EFDM	SUPP/EFDM	Rest of EFDM/EFDM
15.62%	50.77%	0.00%	33.61%

- Coverage of current expenses: highlights the existing relationship between day-to-day management expenditure and income,

$$\frac{\text{Day to day management expenses}}{\text{Day to day management income}} = 88,63\%$$

## b) Budget indicators

For the current expenditure budget:

- Implementation of the expenditure budget:

$$\frac{\text{Recognised net debentures}}{\text{Final credits}} = 97,63\%$$

- Payments made:

$$\frac{\text{Payments made}}{\text{Recognised net debentures}} = 78,04\%$$

- Expenditure per resident:

$$\frac{\text{Recognised net debentures}}{\text{Number of residents}} = 1,679.80 \text{ euros}$$

- Investment per resident:

$$\frac{\text{Recognised net debentures (chapters 6 and 7)}}{\text{Number of residents}} = 270.50 \text{ euros}$$

- Investment effort:

$$\frac{\text{Recognised net debentures (chapters 6 and 7)}}{\text{Total recognised net debentures}} = 15.89\%$$

**For the current income budget:**

• **Implementation of the income budget:**

$$\frac{\text{Net recognised collection rights}}{\text{Final forecasts}} = 96.54\%$$

• **Collections made:**

$$\frac{\text{Net collection}}{\text{Net recognised collection rights}} = 93.64\%$$

• **Autonomy:**

$$\frac{\text{Recognised net collection rights (chapters 1 and 3, 5, 6, 8 + transfers received)}}{\text{All recognised net collection rights}} = 94.12\%$$

• **Tax autonomy:**

$$\frac{\text{Recognised net collection rights (chapter 1 to 3, 5, 6, 8)}}{\text{All recognised net collection rights}} = 52.79\%$$

• **Surplus (or deficit) per resident:**

$$\frac{\text{Adjusted budget result}}{\text{Number of residents}} = 94.38 \text{ euros}$$

**For closed budgets:**

• **Payments made:**

$$\frac{\text{Payments}}{\text{Initial balance for debentures (± amendments and annulments)}} = 81.51\%$$

• **Collections made:**

$$\frac{\text{Collections}}{\text{Initial balance for entitlements (± amendments and annulments)}} = 18.77\%$$

## 26. Information on the costs of activities

Section f) of Note 11 of the Regulations for Preparing Annual Accounts (Third part, Annual accounts, of the PGCPAL) establishes the minimum amount of information on the costs of activities, which have to refer, at least, to the services and activities that are funded with taxes or public-sector charges.

Under the Third Transitional Provision of Order HAP/1781/2013, of 20 September, approving the IMNCL, it is not mandatory to include this information in the annual report until the annual accounts for the 2017 financial year, this option having been chosen.

## 27. Management indicators

The considerations described in the Note above apply here, as the option was chosen to include them in the annual report on the basis of the 2017 financial year annual accounts.

## 28. Events subsequent to the closing date

No significant events occurred between the closing date and the drafting of the annual accounts which would require reporting or lead to the inclusion of adjustments to the figures contained in the annual accounts.

## 29. Other information

### a) Accrued liabilities expenditure

The long-term variations in the accrued liabilities expenditure caption for the 2016 financial year were as follows:

<b>Balance as of 31 December 2015</b>	<b>442,645,916.41</b>
Financial year's added entries	-
Short-term transfers to accrued expenditure	-18,740,121.13
<b>Balance as of 31 December 2016</b>	<b>423,905,795.28</b>

The balance as of 31 December 2016 corresponds to income received in advance for the right to use municipally owned assets. Income received in advance is transferred every year to the Profit and Loss Account using the straight-line method for the duration of the period of the corresponding concession, which will end, at the latest, by 2092.

Short-term accrued expenditure for the 2016 financial year presents the following variations:

<b>Balance as of 31 December 2015</b>	<b>18,770,171.73</b>
Long-term transfers to accrued expenditure	18,740,121.13
Transfers to results	-18,770,171.73
<b>Balance as of 31 December 2016</b>	<b>18,740,121.13</b>

**b) Auditors' fees**

The fees to be received by Ernst & Young, SL, corresponding to the audit services and expenditure incurred in the provision of these services during the 2016 financial year amounted to 120,000 euros, VAT included. Invoiced to Barcelona City Council under the audit contract's invitation-to-tender lot 1 file, these fees also included the audit work of the consolidated annual accounts of the Barcelona City Council group, quality control and coordination of the work and support for the General Intervention in exercising financial control over fifteen grants and subsidies.

**c) Taxes and social-security contributions subject to inspection**

All taxes and social-security contributions that the Entity is subject to are eligible for auditing for all the financial years during which the limitation period deadline established under the legislation in force did not lapse. No additional liabilities were expected to be considered for the Entity as a result of possible inspections.

The Municipal Chief Executive of Barcelona City Council, on 18 May 2017, acting in compliance with the requirements established under Article 64 of Act 1/2006 regulating the special system for Barcelona, hereby draws up the consolidated annual accounts in this document, pages 1 to 77, corresponding to the financial year ending on 31 December 2016.

The Municipal Chief Executive