

HLAVNÍ MĚSTO PRAHA

**AUDITOR'S REPORT ON THE RESULTS
OF THE EXAMINATION
OF THE OPERATIONS**

FOR THE YEAR ENDED 31 DECEMBER 2012

HLAVNÍ MĚSTO PRAHA
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OF THE EXAMINATION OF THE OPERATIONS
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Report on the Results of the Examination of Operations

Pursuant to Act No. 93/2009 Coll., on Auditors and Change in Certain Acts, as amended, Standard on Auditing No. 52, other relevant regulations issued by the Chamber of Auditors of the Czech Republic, according to provisions of Section 38 of Act No. 131/2000 Coll., on the City of Prague, as amended, and Section 10 of Act No. 420/2004 Coll., on the Examination of the Operations of Territorial Self-Governing Units and Voluntary Associations of Municipalities, as amended (hereinafter "Act No. 420/2004 Coll.")

of the City of Prague

with its registered office at Mariánské náměstí 2, 110 01 Prague 1
corporate ID: 00064581, tax ID: CZ00064581

for the period from 1 January 2012 to 31 December 2012

Statutory Body of the City of Prague:

First Deputy Mayor of the City of Prague, Mr T. Hudeček

Audit Firm:

Deloitte Audit s.r.o.

Registered at Karolinská 654/2, 186 00 Prague 8 Karlín
corporate ID: 49620592, tax ID: CZ49620592

Persons Performing the Examination of Operations:

Václav Loubek, Auditor
Petra Kučerová, Audit Assistant
Martina Smetanová, Audit Assistant

Another auditor, ten audit assistants and nine specialists were involved in the examination of the operations of the City of Prague.

Location of the Examination of Operations:

Premises of the Metropolitan Authority

Timing of the Examination of Operations:

The partial examination of the operations of the City of Prague was conducted in the period between 8 and 19 October 2012. The final examination was conducted from 8 April 2013 to 10 May 2013.

I. SUBJECT OF THE EXAMINATION OF OPERATIONS

According to Section 2 (1) of Act No. 420/2004 Coll., the subject of the examination is the information on the annual operations that are part of the closing account in accordance with Section 17 (2) and (3) of Act No. 250/2000 Coll. on Budgetary Rules for Territorial Budgets, as amended.

- a) Compliance with receipts and disbursements of the budget including monetary transactions relating to budget funds;
- b) Financial transactions relating to the creation and use of monetary funds;
- c) Expenses and income of business activities of the City;
- d) Monetary transactions relating to collective funds spent on the basis of a contract between two or more territorial units or based on a contract with other corporate entities of individuals;
- e) Financial transactions relating to liabilities according to legal regulations on accounting;
- f) Management and dealing with funds provided from the National Fund and other funds from abroad provided based on international contracts; and
- g) Settlement of financial relations to the state budget, budget of regions, budgets of municipalities, other budgets, state funds and other entities.

According to Section 2 (2) of Act No. 420/2004 Coll., the subject of the examination is also as follows:

- a) Dealing with and management of assets owned by the City;
- b) Dealing with and management of assets owned by the state and dealt with by the City;
- c) Assignment and implementation of public tenders, except for acts and procedures examined by the supervisory body according to Act No. 137/2006 Coll., on Public Tenders, as amended;
- d) Balances of receivables and payables and dealing with them;
- e) Guarantee for the liabilities of individuals and corporate entities;
- f) Pledge of movable and immovable assets in favour of third parties;
- g) Establishing of liens in respect of assets of the City; and
- h) Accounting books and records maintained by the City.

II. PERSPECTIVES OF THE EXAMINATION OF OPERATIONS

The subject of examination according to Section 3 of Act No. 420/2004 Coll. (refer to Point I. of this report) is reviewed from the following perspectives:

- a) Compliance with the obligations determined by special legal regulations;
- b) Compliance of the management of finances as compared to the budget;
- c) Adherence to the purpose of the provided subsidy or refundable borrowing and conditions of their use; and
- d) Factual and formal correctness of documents on examined transactions.

Legal regulations used in the examination of operations covering the above perspectives are listed in Appendix A which forms an integral part of this report.

III. DEFINITION OF RESPONSIBILITIES

The statutory body of the City of Prague is responsible for the operations which were the subject of our examination, and their presentation in the financial and accounting statements.

Our responsibility is to express a conclusion on the results of the examination of the operations based on the examination performed. We conducted the examination of the operations in compliance with Act No. 93/2009 Coll., on Auditors and Changes in Certain Acts, as amended, Standard on Auditing No. 52 and other relevant regulations issued by the Chamber of Auditors of the Czech Republic and provisions of Sections 2,3,10 and 17 (2) of Act No. 420/2004 Coll.

In accordance with these regulations, we are obliged to comply with the ethical standards and plan and examine the operations so that we obtain limited assurance as to whether the operations of the City comply with the viewpoints of the examination of operations (refer to Point II. of this report).

IV. SCOPE OF THE EXAMINATION

For the purpose of examining the operations of the City, procedures were performed to obtain sufficient audit evidence. The scope of these procedures is lower than in engagements designed to provide adequate assurance and are applied by the auditor based on the professional judgement including the assessment of risks of significant (material) errors and deficiencies. In assessing these risks, the auditor takes into account the internal system of the City. The procedures applied include an examination performed on a test basis and taking into account the materiality of individual matters.

V. CONCLUSION OF THE REPORT ON THE RESULT OF THE EXAMINATION OF OPERATIONS OF THE CITY

We note that the work on the financial statements for the year ended 31 December 2012 is being conducted when there are numerous methodological unclarities due to legislative changes (updates of implementation regulations, Czech Accounting Standards are not complete, etc). For this reason, it is possible that certain accounting treatments applied in 2012 will be considered differently following the clarification and issuance of officially applicable methodological guidance.

We note that the City of Prague recognised, in accordance with the applicable legislation, a provision against account 315 – other receivables from principal activities in the amount of 10 % for each 90 days past the due date. The total provision of CZK 329,347 thousand was, however, recognised by the City of Prague in the income statement for 2012 and had a one-off impact on the result of the City of Prague for 2012.

The conclusion of the report on the result of the examination of operations of the City was divided into two parts: conclusions and risks arising from the reports on the result of operations of the examination of individual boroughs of the City and conclusions of the report on the result of operations of the City itself, including the description of identified risks.

A. Conclusions of Reports on the Examination of Operations of Individual Boroughs:

In conducting the examination of the operations of the City of Prague, we took into account the findings, conclusions and results of the examination of the operations of the individual boroughs of the City of Prague as performed by external auditors, audit companies or the Controlling Activities department of the Metropolitan Authority in compliance with Section 38 of Act No. 131/2000 Coll., on the City of Prague.

The reports on the examinations of the operations of individual boroughs of the City of Prague are available at the Controlling Activities department of the Metropolitan Authority.

The following table shows the summary of conclusions from the examination of the operations in individual boroughs of the City of Prague:

Borough	Examination performed by	Conclusion of the examination
1 Prague 1	Metropolitan Authority	Major and minor errors and deficiencies
2 Prague 2	OK CZ Organizační kancelář Cz, s.r.o.	No findings
3 Prague 3	HZ Consult s.r.o.	Major and minor errors and deficiencies
4 Prague 4	VALENTA-NOCAR, s.r.o.	Minor errors and deficiencies
5 Prague 5	NEXIA AP A.S.	Minor errors and deficiencies
6 Prague 6	Metropolitan Authority	No findings
7 Prague 7	Schaffer & Partner Audit s.r.o.	Major and minor errors and deficiencies
8 Prague 8	Metropolitan Authority	Minor errors and deficiencies
9 Prague 9	Diligens s.r.o.	Minor errors and deficiencies
10 Prague 10	Metropolitan Authority	Major and minor errors and deficiencies
11 Prague 11	Metropolitan Authority	No findings
12 Prague 12	Metropolitan Authority	Major and minor errors and deficiencies
13 Prague 13	BDO Audit s.r.o.	Minor errors and deficiencies
14 Prague 14	Metropolitan Authority	Minor errors and deficiencies
15 Prague 15	HAYEK spol. s r.o. holding	Major errors and deficiencies
16 Prague 16	Metropolitan Authority	Major and minor errors and deficiencies
17 Prague 17	Metropolitan Authority	Minor errors and deficiencies
18 Prague 18	JHI AUDIT s.r.o.	Minor errors and deficiencies
19 Prague 19	BOHEMIA AUDIT s.r.o.	Minor errors and deficiencies
20 Prague 20	Metropolitan Authority	Major and minor errors and deficiencies
21 Prague 21	ATLAS AUDIT s.r.o.	Minor errors and deficiencies
22 Prague 22	Metropolitan Authority	Major and minor errors and deficiencies
23 Běchovice	Metropolitan Authority	Major and minor errors and deficiencies
24 Benice	Metropolitan Authority	No findings
25 Březiněves	Metropolitan Authority	No findings
26 Čakovice	Metropolitan Authority	Minor errors and deficiencies
27 Dáblice	Metropolitan Authority	Major and minor errors and deficiencies
28 Dolní Chabry	Metropolitan Authority	Minor errors and deficiencies
29 Dolní Měcholupy	Metropolitan Authority	Major and minor errors and deficiencies

The following table shows the summary of conclusions from the examination of the operations in individual boroughs of the City of Prague – continued:

Borough	Examination performed by	Conclusion of the examination
30 Dolní Počernice	Metropolitan Authority	Minor errors and deficiencies
31 Dubeč	Metropolitan Authority	Major and minor errors and deficiencies
32 Klánovice	Metropolitan Authority	Minor errors and deficiencies
33 Koloděje	Metropolitan Authority	Major and minor errors and deficiencies
34 Kolovraty	M. Sosvorová - auditor	Minor errors and deficiencies
35 Královice	Metropolitan Authority	Major errors and deficiencies
36 Křeslice	M. Sosvorová - auditor	Minor errors and deficiencies
37 Kunratice	Metropolitan Authority	Minor errors and deficiencies
38 Libuš	Metropolitan Authority	Major and minor errors and deficiencies
39 Lipence	Metropolitan Authority	No findings
40 Lochkov	Metropolitan Authority	Major and minor errors and deficiencies
41 Lysolaje	GESTIO s.r.o.	No findings
42 Nebušice	Metropolitan Authority	Major and minor errors and deficiencies
43 Nedvězí	Metropolitan Authority	Minor errors and deficiencies
44 Petrovice	HAYEK spol. s r.o. holding	Major errors and deficiencies
45 Přední Kopanina	Metropolitan Authority	Major and minor errors and deficiencies
46 Řeporyje	Metropolitan Authority	Major errors and deficiencies
47 Satalice	Metropolitan Authority	Minor errors and deficiencies
48 Slivenec	Metropolitan Authority	Major and minor errors and deficiencies
49 Suchdol	Metropolitan Authority	Major and minor errors and deficiencies
50 Šeberov	Metropolitan Authority	Major and minor errors and deficiencies
51 Štěrboholy	Metropolitan Authority	No findings
52 Troja	Metropolitan Authority	Minor errors and deficiencies
53 Újezd	Metropolitan Authority	Major and minor errors and deficiencies
54 Velká Chuchle	Metropolitan Authority	No findings
55 Vínof	Metropolitan Authority	Major and minor errors and deficiencies
56 Zbraslav	Metropolitan Authority	Minor errors and deficiencies
57 Zličín	Metropolitan Authority	Minor errors and deficiencies

Conclusions arising from the examination of the operations individual City boroughs:

The following major deficiencies in accordance with Section 10 (3) (c) of Act 420/2004 Coll. were identified in performing the examination of the operations of individual city boroughs. Other minor findings are set out in individual reports on the examination of the operations of individual City boroughs.

1. Deficiencies involving the breach of budgetary discipline:

Borough	Finding
Petrovice	– The borough reported a change within the segment (paragraph) of budget 3113 (from item 5169 to item 6121) in the amount of CZK 122 thousand, but this change was not approved by the borough council.

2. Deficiencies involving incompleteness, incorrectness or lack of clear supportability of the maintenance of accounting books and records:

Borough	Finding
Prague 1	<ul style="list-style-type: none"> – The accounting books and records were not clearly supportable in certain cases, as the accounting entries were not clearly supportable (eg failure to prove the type of a purchase with respect to the payment with a card of CZK 2 thousand). – The accounting books and records were not clearly supportable in certain cases, as the accounting entries were not clearly supportable (failure to provide individual accounting documents relating to the write-off of items in expenses and income of business activities of CZK 147,268 thousand). – The accounting books and records were incorrect in certain cases as they were not maintained in such a manner so as to allow the financial statements prepared on their basis to provide a true and fair presentation (reported negative balance of income as a result of incorrect recognition). – The accounting books and records were not complete in certain cases as not all accounting transactions were recognised in the reporting period that should have been recognised (depreciation of the assets brought into use with a delay were not additionally recognised).

2. Deficiencies involving incompleteness, incorrectness or lack of clear supportability of the maintenance of accounting books and records – continued:

Borough	Finding
Prague 3	<p>– The borough started the depreciation of fixed assets. During 2012, there were delays between the dates when the assets became eligible for use and the date when they were included in the asset records and accounting books. In this respect, higher values on account 406 – valuation differences in the first-time use of the method by CZK 17,510 thousand, lower values of accounts 081 and 082 – accumulated depreciation of CZK 22,422 thousand and lower values of account 551 – depreciation by CZK 4,933 thousand were reported. The result of operations was impacted by CZK 4,933 thousand as a result of the postponed start of the depreciation period.</p>
Prague 7	<p>– The facility manager Sedmá ubytovací s.r.o. assumed the books of CENTRA a.s. as of 1 January 2012 and the books of the facility manager EXA CZ s.r.o. as of 1 July 2012. The assumed books included the receivables of CZK 75,124 thousand on accounts 377.0010 and 377.0011 arising from fees for the delay and penalty for the failure to pay the rent. The balances do not correspond to the actual status as the penalty was calculated, for example, for dead people. From the received information it is not apparent what the basis for the calculation of penalty was. In addition, the borough did not recognise any provision against these receivables in 2012. In 2013, the borough recognised a full provision against these receivables through debit 408 – corrections of prior periods / credit 199 – provision against other short-term receivables. According to Section 65, (6) of Regulation No. 410/2009 Coll., receivables are provisioned in the amount of 10% for each completed 90 days past due date of a particular receivable. Prague 7 did not proceed in line with applicable legal regulations in provisioning.</p> <p>– Balance of account 377.0131 – other short-term receivables of Centra (assumed) of CZK 17,238 thousand is composed of the profits or losses of prior years (2002 – 2011) from time-sharing houses. The facility manager Sedmá ubytovací s. r. o. recognises a share in the profit of time-sharing houses through debiting 388 – estimated receivables / crediting 649 – other income from activities based on the settlement of time-sharing houses. At the moment when the payment is received to the bank account, the borough recognises this fact by debiting 241 – current account /crediting 432 – retained earnings, accumulated losses. The facility manager derecognises the estimated receivable through debiting 377– other short-term receivables / crediting 388 – estimated receivables. As a result, account 377 reflects a non-existing receivable of CZK 17,238 thousand. This non-existing receivable should be derecognised against account 432 – retained earnings, accumulated losses.</p> <p>– We recommend that the facility manager Sedmá ubytovací s.r.o. recognise the share in expenses and income in time-sharing houses similarly as in an association without legal status. This means that in year x an estimated payable should be recognised for the share in the costs of the time-sharing house and an estimated receivable for the share in the income in the time-sharing house based on the preliminary settlement. In year x + 1, estimated receivables should be released based on actual settlement and the recognised receivable in the amount of the actually declared share in the income in the time-sharing house. At the moment when the payment is received to the current account, this payment should be settled with the recorded receivable.</p> <p>– The balance of account 314.0960 – short-term prepayments made of CZK 12,522 thousand, balance of account 377.0013 – other short-term receivables of CZK 11,152 thousand and balance of account 465 – long-term prepayments made of CZK 9,455 thousand includes the contributions to the fund for repairs in associations of apartment owners in which the borough holds an investment. The nature of the contribution does not indicate a receivable or a prepayment, it is rather an immediate expense which is incurred by the borough, as an entity, at the moment when cash amounts are sent to individual associations of apartment owners. The facility manager Sedmá ubytovací s. r. o. should recognise this contribution to the fund for repairs in expenses of 2012 in the amount of CZK 26,188 thousand. The amount of CZK 6,941 thousand, as a contribution to funds for repairs of associations of apartment owners that was made in prior years, should be recognised by the borough to account 408 – corrections of prior periods</p>

2. Deficiencies involving incompleteness, incorrectness or lack of clear supportability of the maintenance of accounting books and records – continued:

Borough	Finding
Prague 7	<ul style="list-style-type: none">– Accounts 324 – Short-term prepayments received reflect received prepayments of the facility manager Sedmá ubytovací s.r.o., the amount of which was CZK 25,389 thousand as of 31 December 2012. We did not obtain any reconciliation detail in respect of individual subledger account balances as of that date. As such, the borough did not proceed in line with Sections 29 and 30 of Act No. 563/1991 Coll., on Accounting, and Regulation No. 270/2010 Coll., on the Counting of Assets and Liabilities.– The balance of account 389 – estimated payables in the total amount of CZK 5,808 thousand includes, inter alia, an estimated payable for the contribution to the fund of repairs, management and insurance of privatised houses of CZK 5,475 thousand which was created in 2011. Given that this estimate should not have been created in 2011, it should have been released by the facility manager in 2012.
Prague 15	<ul style="list-style-type: none">– Incorrect amount of provisions against receivables.
Prague 20	<ul style="list-style-type: none">– The borough did not document the difference between the number of worked hours reported in work sheets and the number of hours that were used for the calculation of remuneration for contract for work in a clearly supportable manner which was in conflict with Section 33a (1) of Act No. 563/1991 Coll. on Accounting, as amended.
Běchovice	<ul style="list-style-type: none">– The borough failed to prepare the inventory count of certain assets and liabilities reported in the financial statements as of 31 December 2012 in accordance with Section 29 of Act No. 563/1991 Coll. on Accounting, as amended.
Libuš	<ul style="list-style-type: none">– The borough failed to prepare the inventory count of land, assets entrusted to the formed subsidised organisations, and failed to prepare the inventory count in accordance with Section 30 of Act No. 563/1991 Coll., on Accounting, as amended.
Újezd	<ul style="list-style-type: none">– The borough did not comply with the content definition of the balance sheet item "Short-term receivables".

3. Breach of obligations or breach of the remit of the territorial unit:

Borough	Finding
Prague 1	<ul style="list-style-type: none">– The head of the public administration body did not always ensure an economical, effective and practical use of public funds (uneconomical use of funds for the sunscreen project).
Prague 10	<ul style="list-style-type: none">– The draft of the closing account for 2011 published at the noticeboard did not include the conclusion of the Report on the Results of the Examination of Operations for 2011 and the draft published in a manner allowing remote access did not include the complete version of the Report on the Results of the Examination of Operations of the Borough for 2011.
Prague 12	<ul style="list-style-type: none">– The breach of an obligation arising from special regulations, ie Section 13 (1) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended, which sets out that unless the budget is approved prior to 1 January of the budget year, the budgetary management of the territorial self-governing unit or an association of municipalities follows the rules of the budgetary provisorium (temporary budget) until the budget is approved.
Prague 16	<ul style="list-style-type: none">– The draft of the closing account for 2011 published at the noticeboard did not include the conclusion of the Report on the Results of the Examination of Operations for 2011 as defined by Section 10 (3) and (4) of Act No. 420/2004 Col. and the complete version of the Report on the Results of the Examination of Operations of the Borough for 2011 was not published in a manner allowing remote access.

3. Breach of obligations or breach of the remit of the territorial unit – continued:

Borough	Finding
Běchovice	<ul style="list-style-type: none">- The draft of the closing account of the borough for 2011 published:- At the noticeboard of the borough did not include the conclusion of the Report on the Results of the Examination of Operations of the Borough for 2011,- Using a manner allowing remote access did not include the complete version of the draft of the closing account including the complete Report on the Results of the Examination of Operations of the Borough for 2011,- The proposed budget for 2012 was not published for no fewer than 15 days before the date of its discussion in the borough council.
Ďáblice	<ul style="list-style-type: none">- The mayor of Ďáblice exceeded his decision making authorities when he signed one contract defined by Act No. 131/2000 Coll., on the City of Prague, as amended.
Dolní Měcholupy	<ul style="list-style-type: none">- The borough did not proceed in line with Section 17 (6) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended, as the draft of the closing account of the borough for 2011 published:<ul style="list-style-type: none">- At the noticeboard of the borough did not include the information on the compliance with the budget of receipts and disbursements of the borough for 2011 and the conclusion of the Report on the Results of the Examination of Operations of the Borough for 2011.- Using a manner allowing remote access did not include the information on the compliance with the budget of receipts and disbursements, information on the management of assets and other financial transactions, including the creation and use of funds, settlement of financial transactions and the complete Report on the Results of the Examination of Operations of the Borough for 2011.
Dubeč	<ul style="list-style-type: none">- Breach of the provisions of Section 17 (6) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended, which stipulates that boroughs have to publish the complete version of the closing account including the complete Report on the Results of the Examination of Operations of the borough in a manner allowing remote access.
Koloděje	<ul style="list-style-type: none">- Breach of the obligations defined by special legal regulations, specifically Section 17 of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended, that stipulates that the borough has to publish the draft of the closing account in a reduced version which includes at least the information on the compliance with the budget of receipts and disbursements by the highest level units of type classification of the budget composition and the conclusion of the Report on the Results of the Examination of Operations on the noticeboard.
Královice	<ul style="list-style-type: none">- The draft of the closing account for 2011 published in a manner allowing remote access did not include the complete version of the closing account for 2011 including the complete Report on the Results of the Examination of Operations for 2011.
Lochkov	<ul style="list-style-type: none">- The resolution of the borough council which approved the closing account for 2011 did not include the conclusion, ie the statement – quotation: “approval of the annual management, without reservations or approval with reservations”.
Nebušice	<ul style="list-style-type: none">- Breach of the obligations specified by Section 17 (6) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended, as the draft of the closing account for 2011 published at the noticeboard of the borough did not include the conclusion of the Report on the Results of the Examination of Operations of the Borough for 2011 and the draft published in a manner allowing remote access did not include the complete Report on the Results of the Examination of Operations of the Borough for 2011.
Petrovice	<ul style="list-style-type: none">- The borough incorrectly recognised the recognition of provisions to account 557 – expenses from receivables disposed of. The error is in conflict with Regulation 410/2009 Coll. and was due to an incorrect software setting.- Incorrectness amounting to CZK 52 thousand was identified, involving the overstatement of expenses through the recognition of a project for the technical improvement on the building of a polyclinic.

3. Breach of obligations or breach of the remit of the territorial unit – continued:

Borough	Finding
Přední Kopanina	– The territorial self-governing unit did not publish the complete version of the draft of the closing account including the complete Report on the results of the examination of operations in a manner allowing remote access.
Řeporyje	– The territorial self-governing unit did not publish the complete version of the draft of the closing account including the complete Report on the results of the examination of operations in a manner allowing remote access.
Slivenec	– The borough published the draft of the closing account using a manner allowing remote access incorrectly only in the reduced version (information on compliance with the receipts and disbursements) including the complete Report on the results of the examination of operations of the borough for 2011.
Suchdol	– The closing account for 2011 published at the public notice board of the borough hall in the reduced version did not include the conclusion of the Report on the results of the examination of operations of the borough for 2011 and the complete Report on the results of the examination of operations of the borough for 2011 was not published in a manner allowing remote access.
Šeberov	– The draft of the closing account was not published in the electronic form allowing remote access.
Újezd	– The failure to comply with Section 2 (1) a) compliance with the receipts and disbursements of the budget including cash transactions, relating to budgetary funds. The discussion of the closing account was not concluded through a resolution in line with the legislation.

4. Deficiencies involving the failure to remove deficiencies noted upon the partial examinations or upon the prior years' partial examination:

Deficiencies involving the failure to remove deficiencies noted upon the partial examinations or upon the prior years' partial examination were identified in the following boroughs: Prague 1, Prague 7, Prague 22, Dubeč, Dáblice, Koloděje, Libuš, Přední Kopanina, Šeberov, Újezd and Vinof.

A list of risks from the reports on the results of the examination of the operations of individual boroughs:

Borough	Risk
Prague 1	– In a selected case, no evidence was provided that a tender was called pursuant to Act 137/2006 Coll., on Public Procurement, as amended, as the expected value of services to be delivered over 48 months would achieve the limit to invite a tender for a sub-limit public contract as specified in Sections 12-15 of the Act.
Prague 3	– As a result of the delayed classification of fixed assets, the relevant asset items are misstated as of the balance sheet date and assets are overstated (if the assets are not recognised and depreciated) and depreciation/expenses are understated.
Prague 4	– If only a part of the initial cost is included in assets in use the acquisition cost of assets is misstated, which results in the misstatement of the acquisition costs and depreciation of certain assets. – If the project documentation for the project on Vídeňská Street in the amount of CZK 370 thousand cannot be used, the investment is thwarted and should be written off; otherwise, there is a risk that assets will be overstated. – The records of unused assets may result in public funds not being used economically, effectively and efficiently. – Asset recording in non-accounting modules may result in a larger number of errors and lack of consistency in asset management. – If financial assets are not re-valued, there may be a risk of asset overvaluation or undervaluation. In this case, assets were undervalued by CZK 982 thousand.

**A list of risks from the reports on the results of the examination of the operations of individual boroughs
– continued :**

Borough	Risk
Prague 7	<ul style="list-style-type: none"> <li data-bbox="419 309 1406 465">– Certain items of fixed assets in use were not classified as of 31 December 2012 and were not assigned any inventory number. These assets were not categorised into the relevant account groups in accordance with Appendix 1 to Czech Accounting Standard No. 708 and no depreciation charges were recognised in respect of these fixed assets in line with valid legislation as of 31 December. The amount of depreciation and its impact on equity cannot be estimated. <li data-bbox="419 474 1406 689">– The Prague 7 borough does not possess a database of fixed assets to include the cost of assets, amount of monthly depreciation, amount of accumulated depreciation as of a stated date and net book value of assets as of a stated date. For this reason, it is impossible to reconcile the assets carried in the books to this database. As a result, it is not feasible to compare the physical quantities of assets to the balances in the books and the requirements arising from Sections 29 and 30 of Act No. 563/1991 Coll., on Accounting, and Regulation No. 270/2010 Coll., on the Counting of Assets and Liabilities, are not fulfilled. <li data-bbox="419 698 1406 801">– We performed a comparative analysis of the development of the net book value of fixed assets from 1 January 2012 to 31 December 2012 using the value of depreciation, additions and disposals of assets. This analysis indicates a difference of CZK 7,845 thousand for which we obtained no explanation as of the date of this report. <li data-bbox="419 810 1406 1048">– The counting of assets and liabilities is not performed in line with Sections 29 and 30 of Act No. 563/1991 Coll., on Accounting, and Regulation No. 270/2010 Coll., on the Counting of Assets and Liabilities. This principally relates to the payables and receivables and estimated balances reported by the facility manager Sedmá ubytovací s.r.o. that were taken over from the facility managers EXA s.r.o. and CENTRA a.s. Since the entity does not maintain the reconciliation of individual accounts of payables and receivables, it is unable to settle these payables and receivables and this matter can lead to the misstatement of the accounting books and ultimately the financial statements do not give a true and fair view of the entity's financial situation and performance. <li data-bbox="419 1057 1406 1272">– The responsibility for maintaining the accounting books of the borough rests with the head of the accounting department and the head of the financial division. However, the quality of the bookkeeping, its accuracy and completeness is largely dependent upon information from other departments/finance staff of other departments. The head of the accounting department and the head of the financial division have no authority over the finance staff of other departments. This leads to the lack of sufficient and timely supply of information to the accounting department with an impact on the correctness and completeness of the financial statements of the borough. <li data-bbox="419 1281 1406 1346">– We recommend considering such organisational changes, including in the remuneration system, that will motivate the finance staff of individual departments to produce high-quality financial statements of the borough.
Prague 8	<ul style="list-style-type: none"> <li data-bbox="419 1377 1406 1592">– The Contract for the Assignment of Receivables and Assumption of Payables of 25 October 2011 through which Prague 8 assigned all of its receivables and payables resulting from the Contract for the Construction and Provision of Services (hereinafter the "Construction Contract") of 15 October 2010 with Metrostav Development, a.s. (the subject matter of which is the construction and administration of a multi-functional building including the future seat of the borough authority) to Centrum Palmovka, a.s. (fully owned by the borough) on the basis that the borough provides a guarantee for all payables of Centrum Palmovka, a.s. resulting from the Construction Contract. <li data-bbox="419 1601 1406 1760">– The Loan Agreement of 24 October 2011 concluded by and between the borough and Centrum Palmovka, a.s. whereby the borough undertook to provide an interest-free loan totalling CZK 1,115,548,523 to the company for the construction of a multifunctional building; a portion of the loan of CZK 8 million will be repaid to the borough by the company before 31 December 2014 and the remaining portion of CZK 1,107,548,523 will be repaid by no later than on 31 December 2015.

**A list of risks from the reports on the results of the examination of the operations of individual boroughs
– continued:**

Borough	Risk
Prague 8	<ul style="list-style-type: none"> – Documentation prepared by external consulting companies for the borough: “The Licence Project for the Construction of the Palmovka Community Centre” of 19 April 2010. The project proposed possible solutions for the seat of the borough authority. The construction of a new multifunctional centre was recommended to the borough as the most appropriate solution, the approach to granting the project was recommended, the related risks were assessed and the investment return was analysed. The conclusions and recommendations for the borough arising from the Project resulted from the assumption that the borough (or the Capital City of Prague) would be the owner of the future building. – “The setup-up of the optimal regime of activities of the Palmovka Centre special-purpose organisation” of 24 January 2011 and 28 January 2011. Based on a financial analysis of construction funding scenarios, the borough was recommended to finance the construction through Centrum Palmovka, a.s. as the most advantageous alternative (in the form of an interest-free loan or an increase in equity investment). The borough was notified by the author of the document that the conclusions and recommendations were based on the information available at the time of the preparation of the analysis and it was recommended that the conclusions be reviewed on a regular basis given the long-term nature of the project. <p>Summary of potential risks:</p> <ul style="list-style-type: none"> – Financial risks, which may have a negative effect on the borough’s financial results in future years arising from the provision of funds to Centrum Palmovka, a. s., and the guarantee under the Construction Contract (such as the set-up of the type of interest on the financing and the company’s actual capabilities to repay the lent funds to the borough under the Loan Agreement; financial loss); and – Operational risks (e.g. losses and costs of possible human resource failure; damage to assets).
Prague 10	– A risk of administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Prague 12	– A risk of administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Prague 16	– A risk of administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Prague 17	– A risk of the lack of clear supportability and incorrectness of accounting books and records under Section 8 of Act 563/1991 Coll., on Accounting, as amended, arising from the failure to settle the advance payments provided by apartment lessees for services related to the lease or from the incorrect recognition thereof in prior years and the failure to take inventory or the failure to review the real balance of liabilities.
Prague 18	– Certain deficiencies from partial examinations were not removed. 31 March 2013 was the latest date for removal.
Prague 21	– At the beginning of the period, the borough charged provisions against receivables that were not charged in 2011. This resulted in the increase in costs and the profit/loss for 2012 was reduced by CZK 1,030 thousand. In 2012, the borough created provisions against receivables; however, the creation did not comply with Section 23 of Regulation 410/2009 Coll. In the auditor’s opinion, the difference was caused by the lack of understanding of the process of provisioning receivables. If the borough fails to pay attention to the set-up of this process in 2013, a similar misstatement of the costs in future years may occur.
Běchovice	– A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Dolní Měcholupy	– A risk of potential administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.

A list of risks from the reports on the results of the examination of the operations of individual boroughs – continued:

Borough	Risk
Dubeč	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended. – A risk of invalidity of a legal act if no evidence is provided on the publication of the intention to lease a part of land on the public noticeboard under Act 131/2000 Coll., on the Capital City of Prague, as amended. – A risk of disputes between contractual parties. – A risk of unenforceability of damages in the event of damage (destruction, damage, misuse, unauthorised interventions) caused by the lessee in relation to the use of assets of the Capital City of Prague entrusted to the borough without any contractual relationship.
Ďáblice	<ul style="list-style-type: none"> – A risk of legal disputes for invalidity of a legal act on the grounds that the mayor of the borough concluded a planning agreement on 22 June 2012 without any prior decision of the Board of the City Council.
Královice	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Koloděje	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended. – A risk of uneconomical, ineffective and inefficient performance of public administration as a result of the failure to define clear conditions and rules for the decision-making, payment, use and review of funds from the borough's budgets and the failure to prove that the recipient was aware of the rules and conditions.
Kolovraty	<ul style="list-style-type: none"> – A failure to meet the date of the accounting transaction in the event of the acquisition of fixed assets for use may result in the undervaluation of assets. – A failure to account for the provisions against receivables that are exposed to the risk of not being settled may result in the overstatement of assets.
Lochkov	<ul style="list-style-type: none"> – The borough was notified of the "Information of the General Financial Directorate and the Ministry of Finance of 9 November 2011 on the reverse charge relating to VAT in the construction industry – Section 92e of the VAT Act", which includes a recommendation that the supply recipient declare that the supply received will be used exclusively for the purposes that are not subject to the tax, ie the recipient is not the taxpayer in respect of the above-specified supplies. – The borough was recommended to record land for which the ownership title was not proved (the duplicate ownership of land in the cadastral area of Lochkov, plot of land no. 419/1) off balance sheet for prudence reasons relating to the unjustified overvaluation of assets.
Nebušice	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Přední Kopanina	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Řeporyje	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Slivenec	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Suchdol	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.
Šeberov	<ul style="list-style-type: none"> – A risk of potential administrative offence under Section 22a (2) (b) and (c) of Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended.

B. Conclusions from the examination of the operations of the City of Prague itself:

I. Comments on the compliance of the operations with the perspectives of the examination of operations

Field	Finding
Fixed assets	<p>– <i>Account 042 – Tangible fixed assets under construction</i> includes assets that are already in use. These assets amount to approximately CZK 6,190,455 thousand (of which CZK 4,935,684 thousand is recorded at the OMI accounting centre. These primarily include the following investments: “Vysočanská radiála”, “MÚK PPO – Liberecká”, “ZOO – hippopotamus and elephant house”, “TV Praha 4” etc). Given that these assets were not posted to the relevant asset accounts, were not allocated an inventory count number, they were not classified according to Appendix 1 to Czech Accounting Standard No. 708 and were not classified into the relevant accounting depreciation groups, no depreciation was recognised for these fixed assets as of 31 December 2012 in accordance with the relevant legislation. The amount of the depreciation and their impact on “Equity” cannot be determined.</p> <p>– As of 31 December 2012, <i>accounts 021– buildings (sub-ledger accounts 118, 218, 318, 428, 528, 618, 628)</i> and <i>022 – individual movable assets and sets of movable assets (sub-ledger account 018)</i> included assets amounting to CZK 23,152,167 thousand without the inventory count number. These are assets that were transferred from OMI to the SVM accounting centre but SVM did not allocate any inventory count number to these assets. Given that the item of these fixed assets were not allocated an inventory count number, they were classified according to Appendix 1 to Czech Accounting Standard No. 708 and were not included in the relevant accounting depreciation groups, depreciation was recognised for these fixed assets in accordance with the applicable legislation as of 31 December 2012. Given the absence of the classification into depreciation groups, the amount of the depreciation and its impact on “Equity” cannot be estimated.</p> <p>– The ownership of a number of plots of land has not yet been registered in the books of the Real Estate Register. Restitution claims have been made for a number of plots of land. As of 31 December 2012, the value of the disputed plots of land was CZK 1,054,949 thousand. The City of Prague treats these assets as its own assets until a verdict of the court is issued. In the event that the court decides against the City of Prague, these assets will be reversed.</p> <p>– Account 903 – Other assets does not include fixed assets owned by the Capital City of Prague as of 31 December 2012 which would be transferred by the City, as the sponsor, to subsidised organisations free of charge. The value of these transferred assets amounted to CZK 530,538 thousand in 2012.</p> <p>– Since November 2009, the assets of the City have not included intangible fixed assets and individual movable assets and sets of movable assets administered by Pražská vodohospodářská společnost a.s. (“PVS”). The value of these fixed assets recorded by PVS, rather than records of the City, was approximately CZK 300 million as of 31 December 2012. Given that these assets are not recorded by the City, no depreciation was recognised for them as of 31 December 2012, in accordance with the applicable legislation. The amount of the depreciation and their impact on “Equity” cannot be determined.</p>
Short-term receivables	<p>– Receivables and payables of the Capital City of Prague in respect of DELTA CENTER a.s. in the aggregate amount of CZK 255,789 thousand were reported by the Capital City of Prague in accordance with valid supporting documentation (contract, amendments to the contract, etc). However, mutual receivables and payables of the Capital City of Prague and this entity were not reconciled as of 31 December 2012. Negotiations regarding disputable amounts are continuing.</p> <p>– In accordance with the applicable legislation, a provision was recognised in the amount of CZK 329,347 thousand as of 31 December 2012 for <i>account 315 – other receivables from principal activities</i>, in the amount of 10% for each 90 days past the due date. The recognised provision was not divided into the amount relating to the period before 1 January 2012 which should have been recognised in <i>account 406 - valuation differences upon the first use of the method</i> and the amount relating to 2012, which should have been recognised in the income statement, was recognised in full in the income statement for 2012. This had a one-off impact on the result of operations for 2012.</p>

Long-term receivables	<p>– Account 469 – <i>Other long-term receivables</i> includes the following receivables past their due dates:</p> <p>The receivable from EUROCAST, a.s. from 1999 in the amount of CZK 173,252 thousand (the amount includes interest of CZK 56,352 thousand) for which no provisions were recognised in accordance with Section 65 of Regulation No. 410/2009 Coll., as amended.</p> <p>In total, no provision was recognised against long-term receivables past their due dates in the amount of CZK 173,252 thousand.</p>
Temporary assets and liabilities	<p>– As of 31 December 2012, the City recognised an incorrect amount of estimated payables arising from interest on loans and derivatives. The reported value is lower by CZK 142,183 thousand.</p> <p>– As of 31 December 2012, the Company recognised gross interest income or expenses on derivatives rather than net interest income or expenses on derivatives in temporary assets and liabilities. In the correct reporting of the net value, the amount reported on account 388 – estimated receivables (with a corresponding entry to account 662 – interest) should be lower by CZK 556,689 thousand and the amount reported at account 389 – estimated payables (with a corresponding entry to account 562 – interest) should be lower by CZK 460,522 thousand.</p>
Retained earnings, Accumulated losses	<p>– When comparing the total of balances of accounts 493 – <i>Profit or loss for the reporting period</i> and account 432 – <i>Retained earnings, accumulated losses</i> as of 31 December 2011 with the balance of account 432 – <i>Retained earnings, accumulated losses</i> as of 31 December 2012, a difference of CZK 314,308 thousand was noted which is primarily due to the failure to comply with the set methodology for accounting for selected accounting transactions (for example, the specification of the tax payable calculation for business activities, income from paid parking zones, etc.).</p> <p><i>Account 432 – Retained earnings, accumulated losses</i> should include retained earnings and accumulated losses. However, the City recognises the above described transactions in this account in the reporting period. If the City identifies items in the reporting period that should be recognised in expenses/income of prior periods, ie these items would impact the amount of the profit or loss of prior periods, these items cannot be recognised in account 432 – <i>retained earnings, accumulated losses</i>, however, it has to consider for each item, pursuant to the determined materiality level, a correct accounting method. The “allocation” of the already approved result of operations may be approved only by the relevant body of the City.</p> <p>In accordance with the applicable legislation, the City Council will approve the financial statements of the City and the result of operations, including of the “allocation”. For this reason, it <i>will</i> not be possible to change the amount of already approved and allocated result of operations in the future without the approval of this body.</p> <p>– The Capital City of Prague acts as one entity, for this reason, it is necessary that a single accounting method is established in the Capital City. If the single method is not set, it will not be ensured that both the City and boroughs account for mutual transactions correctly. The different accounting for mutual transactions thus may have an impact on both informative value of the financial statements and future consolidation.</p>
Payables	<p>– The financial settlement of the Capital City of Prague with ROPID for 2012 states that the total compensation for Dopravní podnik hl. m. Prahy, a. s. relating to the contract for public services in public railway and city bus transportation in the PID system amounts to CZK 321,274 thousand. However, this payable was not reported in payables of the City as of 31 December 2012.</p> <p>– Given the insufficient communication between the sections of the Metropolitan Authority, account 389 – <i>Estimated payables</i> as of 31 December 2012 is understated by no less than CZK 98,606 thousand, as it does not include estimated payables for services or work performed in 2012 which were not billed before 31 December 2012 and the relating invoices were recognised in 2013. These primarily include construction work by Metrostav a.s., collection of waste by Pražské služby a.s., and services of Eltodo dopravní systémy, COPA Retail s.r.o. or the ČKD Praha DIZ, a.s. 3Q 2012 valorisation.</p>

Off-balance Sheet Accounts – As of 31 December 2012, the City approved a receivable arising from contracts for the acquisition of fixed assets of CZK 167,217 thousand to Dopravní podnik hl. M. Prahy, akciová společnost. However, this amount is not reported in contingent liabilities of the City as of 31 December 2012.

– Off-balance sheet account 974 – *Long-term contingent liabilities from other contracts* includes, similarly as in prior periods, an amount of CZK 124,047 thousand relating to loans from individuals or corporate entities - Pražské kanalizace a vodní toky s. p. This organisation does not exist anymore. The received information indicated that the City would be obliged to repay the loan if a repayment of the loan is requested. The City did not prepare a legal assessment of individual contracts. The balance sheet of the City as of 31 December 2012 does not reflect these contingent liabilities.

Inventory count of assets and liabilities – Instruction of the Chief Executive of the Metropolitan Authority no. 16/2012 dated 5 December 2012 indicated that the inventory count of assets and liabilities where the management is the responsibility if the INF division of the Metropolitan Authority will be performed pursuant to the results of the extraordinary audit.

As of 25 February 2013 (date for the transfer of records to the Central system of the state accounting information), the extraordinary audit was not completed which indicates that the inventory count of fixed assets in the aggregate amount of approximately CZK 2.8 billion of INF of the Metropolitan Authority was not prepared and completed as of 31 December 2012.

For this reason, the above information indicates that the Metropolitan Authority did not provide and did not complete the inventory count of assets and liabilities in accordance with Act No. 563/1991 Coll., on Accounting, Sections 29 and 30.

– The Metropolitan Authority did not provide a complete draft of the final report on the inventory count of assets and liabilities in accordance with Regulation No. 270/2010 Coll., on the Inventory Counting of Assets and Liabilities, as amended.

– The inventory count of assets and liabilities as of 31 December 2012 was not performed in accordance with Act No. 563/1991 Coll. on Accounting, Sections 29 and 30, as amended, and implementation Regulation No. 270/2010 Coll., as amended, as for example the inventory count of assets and liabilities of the INF division of the Metropolitan Authority was not completed, the inventory count of pledged movable and immovable fixed assets of the City was not documented and recorded in the off balance sheet accounts, contingent liabilities arising from other contracts of CZK 124,047 thousand relating to loans from individual or corporate entities were not repeatedly analysed, etc.

Except for the matters referred to in the previous paragraphs, nothing has come to our attention based on our examination of the operations that would lead us to believe that the examined operations are not, in all material respects, in line with the perspectives of the examination of operations of the City of Prague as outlined in Point II. of this report.

II. Comments regarding errors and deficiencies

Act No. 420/2004 Coll., on the Examination of Operations of Territorial Self-governing Units and Voluntary Association of Municipalities, as amended, requires that we provide the conclusion according to the provision of Section 10 (2) d) and (3) of the Act in the report. This provision requires that our report on the examination of operations includes the statement as to whether the examination of operations identified errors and deficiencies and what was their nature regardless of their significance (materiality) and their relation to the Capital City of Prague as a whole.

In examining the operations of the City, we noted the following:

- a) Major errors and deficiencies in terms of Section 10 (3) c) of Act No. 420/2004 Coll. consisting in incompleteness, incorrectness or lack of clear supportability of the accounting records and the failure to remove deficiencies identified in the partial examination or examinations for prior years.

Field	Finding
Fixed assets	<p>- On <i>account 041 – Intangible fixed assets under construction</i>, we identified items of CZK 15,090 thousand (Integration of Proxio Agendio with IS elements, implementation of the GINIS interface), that were not included in the relevant asset account as of 31 December 2012 although they were already used.</p> <p>- <i>Account 042 – Tangible fixed assets under construction</i> includes assets that are already in use. These tangible fixed assets amount to approximately CZK 6,190,455 thousand (of which CZK 4,935,684 thousand is recorded at the OMI accounting centre. These primarily include the following investments: „Vysočanská radiála“, „MÚK PPO – Liberecká“, „ZOO – hippopotamus and elephant house“, „TV Praha 4“. etc).</p> <p>Given that these assets reported on accounts 041 and 042 were not classified to the relevant asset accounts, and were not assigned an inventory count number, they were not classified according to Appendix 1 of Czech Accounting Standard No. 708 and were not classified in the relevant accounting depreciation groups, no depreciation was recognised for these fixed assets as of 31 December 2012 in accordance with the valid legislation. The amount of the depreciation and its impact on equity cannot be estimated at present.</p> <p>- As of 31 December 2012, <i>account 021 – buildings (sub-ledger accounts 118, 218, 318, 428, 528, 618, 628) and 022 – individual movable assets and sets of movable assets (sub-ledger account 018)</i> included assets of CZK 23,152,167 thousand without the inventory count number. These are assets that were transferred from the OMI division to the SVM division, but they were not allocated the inventory count number by the SVM division. Given that the items of these fixed assets were not allocated the inventory count number, they were not classified according to Appendix 1 to Czech Accounting Standard No. 708 and were not classified into the relevant accounting depreciation groups, no depreciation was recognised for these fixed assets as of 31 December 2012 in accordance with the applicable legislation. Given the absence of the classification and inclusion in the depreciation groups, the amount of depreciation and its impact on the equity cannot be estimated at present.</p> <p>- As of 31 December 2012, <i>account 021 – buildings</i> included items of assets intended for demolition of CZK 42,513 thousand (internal document 959 182). If these assets are not used for further investments of the Capital City of Prague in the future, the value of these assets is lower than the reported value which should be reflected in a provision or an accounting write-off approved by the relevant bodies of the City. If the assets are to be used for the City's further investment activities, then it is necessary to allocate the inventory count number, the relevant code according to the applicable classification and determine the depreciation period of these assets.</p> <p>- The net book value of land is recognised in expenses on a one-off basis pursuant to the disposal protocol issued by the SVM division. However, the protocol is issued with a delay. If the removal protocol of land sold in 2012 was issued in 2013, the net book value is recognised in expenses in 2013. For this reason, the understatement of expenses as of 31 December 2012 amounted to CZK 6,072 thousand on the selected sample. These included the following purchase contracts: KUP/83/02/006789/2012, KUP/83/01/006988/2012, KUP/83/02/005931/2012, KUP/83/02/005944/2012, KUP/83/13/006899/2012, KUP/83/01/006991/2012.</p>

Fixed assets	<ul style="list-style-type: none"> - The ownership of numerous plots of land has not been recorded in the books of the Real Estate Register. Restitution claims were made for numerous plots of land. As of 31 December 2012, the volume of not yet settled land was CZK 1,054,949 thousand. The Capital City of Prague deals with these assets as with its own assets until the court issues a ruling. If the court issues a ruling to the disadvantage of the City of Prague, these assets will be derecognised. - Account 903 – Other assets does not include fixed assets owned by the Capital City of Prague as of 31 December 2012 which would be transferred by the City, as the sponsor, to subsidised organisations free of charge. The value of these transferred assets amounted to CZK 530,538 thousand in 2012. - Since November 2009, the assets of the City have not included intangible fixed assets and individual movable assets and sets of movable assets administered by Pražská vodohospodářská společnost a.s. ("PVS") and these assets are thus not reported in the City's balance sheet. The value of these fixed assets recorded by PVS, rather than in the records of the City, was approximately CZK 300 million as of 31 December 2012. Given that these assets are not recorded by the City, no depreciation was reported on them as of 31 December 2012, in accordance with the applicable legislation. The amount of the depreciation and their impact on "equity" cannot be estimated.
Non-current financial assets	<ul style="list-style-type: none"> - As of 31 December 2012, the City recognised a provision against equity investments in associates that was based on the comparison of the cost of an equity investment and the City's investment in the entity. If the provision were calculated using the current information from the financial statements of individual companies prepared as of 31 December 2012 (except for Obecní dům a.s. where the information from the financial statements prepared as of 31 December 2011 is used since the financial statements prepared as of 31 December 2012 were not available), the recognised provision would be lower by CZK 96,489 thousand than the provision reported in the balance sheet.
Short-term receivables	<ul style="list-style-type: none"> - Receivables of the Capital City of Prague in respect of DELTA CENTER a.s. in the aggregate amount of CZK 255,789 thousand were reported in accordance with valid supporting documentation (contract, amendments to the contract, etc). However, mutual receivables and payables of the Capital City of Prague and this entity were not reconciled as of 31 December 2012. Negotiations regarding disputable amounts are continuing. - In accordance with the applicable legislation, a provision was recognised in the amount of CZK 329,347 thousand as of 31 December 2012 for <i>account 315 – other receivables from principal activities</i>, in the amount of 10% for each 90 days past the due date. The recognised provision was not divided into the amount relating to the period before 1 January 2012 which should have been recognised in <i>account 406 - valuation differences upon the first use of the method</i> and the amount relating to 2012, which should have been recognised in the income statement, but was incorrectly recognised in full in the income statement for 2012. - In the accounting centre City Service Administration – vehicle towage, variable symbols on invoices changed during the reporting period which caused adjustments (extension) of the maturity periods. For this reason, the provision of CZK 329,347 thousand as of 31 December 2012 for <i>account 315 – Other receivables from principal activities</i> may not be correct.
Long-term receivables	<ul style="list-style-type: none"> - <i>Account 469 – Other long-term receivables</i> includes the following receivables past their due dates: Receivable from EUROCAST, a.s. from 1999 in the amount of CZK 173,252 thousand (the amount includes interest of CZK 56,352 thousand) for which no provisions were recognised in accordance with Section 65 of Regulation No. 410/2009 Coll., as amended. In total, no provision was recognised against long-term receivables past their due dates in the amount of CZK 173,252 thousand.

Temporary assets and liabilities	<ul style="list-style-type: none"> - As of 31 December 2012, the City recognised an incorrect amount of estimated payables arising from interest on loans and derivatives. The reported value is lower by CZK 142,183 thousand. - As of 31 December 2012, the Company recognised gross interest income or expenses on derivatives rather than net interest income or expenses on derivatives in temporary assets and liabilities. In the correct reporting of the net value, the amount reported on account 388 – <i>estimated receivables</i> (with a corresponding entry to account 662 – <i>interest</i>) should be lower by CZK 556,689 thousand and the amount reported on account 389 – <i>estimated payables</i> (with a corresponding entry to account 562 – <i>interest</i>) should be lower by CZK 460,522 thousand.
Retained earnings, Accumulated losses	<ul style="list-style-type: none"> - When comparing the total of balances of accounts 493 – <i>Profit or loss for the reporting period</i> and account 432 – <i>Retained earnings, accumulated losses as of 31 December 2011 with the balance of account 432 – Retained earnings, accumulated losses</i> as of 31 December 2012, a difference of CZK 314,308 thousand was noted which is primarily due to the failure to comply with the set methodology for accounting for selected accounting transactions (for example the specification of the tax payable calculation for business activities, income from paid parking zones, etc.). <p><i>Account 432 – Retained earnings, accumulated losses</i> should include retained earnings and accumulated losses. However, the City recognises the above described transactions in this account in the reporting period. If the City identifies items in the reporting period that should be recognised in expenses/income of prior periods, ie these items would impact the amount of the profit or loss of prior periods, these items cannot be recognised in account 432 – <i>retained earnings, accumulated losses</i>, however, it has to consider for each item, pursuant to the determined materiality level, a correct accounting method. The “allocation” of the already approved result of operations may be approved only by the relevant body of the City.</p> <p>In accordance with the applicable legislation, the City Council will approve the financial statements of the City and the result of operations, including of the “allocation”. For this reason, it will not be possible to change the amount of the already approved and allocated result of operations in the future without the approval of this body.</p> <p>The Capital City of Prague acts as one entity, for this reason, it is necessary that a single accounting method is established in the Capital City. If the single method is not set, it will not be ensured that both the City and boroughs account for mutual transactions correctly. The different accounting for mutual transactions thus may have an impact on both informative value of the financial statements and future consolidation.</p>
Payables	<ul style="list-style-type: none"> - The financial settlement of the Capital City of Prague with ROPID for 2012 states that the total compensation for Dopravní podnik hl. m. Prahy, a. s. relating to the contract for public services in public railway and city bus transportation in the PID system amounts to CZK 321,274 thousand. However, this payable was not reported in the City’s payables as of 31 December 2012. - Given the insufficient communication between the sections of the Metropolitan Authority, account 389 – <i>Estimated payables</i> as of 31 December 2012 is understated by no less than CZK 98,606 thousand, as it does not include estimated payables for services or work performed in 2012 which were not billed before 31 December 2012 and the relating invoices were recognised in 2013. These primarily include construction work by Metrostav a.s., collection of waste by Pražské služby a.s., and services of Eltodo dopravní systémy, COPA Retail s.r.o. or the 3Q 2012 ČKD Praha DIZ, a.s. valorisation.

Reserves	<ul style="list-style-type: none"> - The City is involved in a series of legal disputes as a defendant. Since 2012, legal disputes have been recorded in the EES application (legal disputes records); however, the database was not complete as of 31 December 2012. As a result, the City does not have a complete list of all ongoing disputes in which the City acts as a defendant and is not able to reliably determine the amount of a potential liability or the likelihood of a negative impact of these legal disputes. For this reason, the City recognised no reserve for legal disputes as of 31 December 2012. - In accordance with the internal rules of the Metropolitan Authority, the Internal Audit department is the place which should gather all copies of reports from inspections performed by external entities. In 2012, this department did not have the complete database of all legal disputes. Internal rules are not adhered to and the management of the City does not have available sufficient information for the recognition of reserves for potential risks arising from external inspections. - Despite repeated recommendations, the City has not prepared an internal guideline relating to the recognition of reserves and it recognises no reserves.
Off-balance sheet accounts	<ul style="list-style-type: none"> - As of 31 December 2012, the City approved a receivable arising from contracts for the acquisition of fixed assets of CZK 167,217 thousand to Dopravní podnik hl. m. Prahy, akciová společnost. However, this amount is not reported in contingent liabilities of the City as of 31 December 2012. - As of 31 December 2012, the balance of account 972 – <i>long-term contingent liabilities arising from contracts for the acquisition of fixed assets</i> was understated by CZK 26,018 thousand given a late transfer of information between divisions of the Metropolitan Authority. - Off-balance sheet account 974 – <i>Long-term contingent liabilities from other contracts</i> includes, similarly as in prior periods, CZK 124,047 thousand relating to loans from individuals or corporate entities - Pražské kanalizace a vodní toky s. p. This organisation does not exist anymore. The received information indicated that the City would be obliged to repay the loan if a repayment of the loan is requested. The City did not prepare a legal assessment of individual contracts. The balance sheet of the City as of 31 December 2012 does not reflect these contingent liabilities. - Despite repeated recommendations being made, the City does not have an internal regulation prepared to define the record-keeping and inventory counts of received or provided guarantees. - As of 31 December 2012, the off-balance sheet accounts of the Capital City of Prague did not include the list of pledged movable and immovable assets according to inventory count lists and sub-ledger accounts, or operating records, documented by the extract of the ownership title and loan contracts. For this reason, no indicator involving the share of the pledged assets in the aggregate assets was calculated and included in the Report on the Results of Examination of Operations.
Inventory count of assets and liabilities	<ul style="list-style-type: none"> - Instruction of the Chief Executive of the Metropolitan Authority no. 16/2012 dated 5 December 2012 indicated that the inventory count of assets and liabilities where the management is the responsibility if the INF division of the Metropolitan Authority will be performed pursuant to the results of the extraordinary audit. <p>As of 25 February 2013 (date for the transfer of records to the Central system of the state accounting information), the extraordinary audit was not completed which indicates that the inventory count of fixed assets in the aggregate amount of approximately CZK 2.8 billion of INF of the Metropolitan Authority was not made and completed as of 31 December 2012.</p> <p>For this reason, the above information indicates that the Metropolitan Authority does not provide and did not complete the inventory count of assets and liabilities in accordance with Act No. 563/1991 Coll., on Accounting, Sections 29 and 30.</p>

Inventory count of assets and liabilities	<ul style="list-style-type: none"> - The Metropolitan Authority did not provide a complete draft of the final report on the inventory count of assets and liabilities in accordance with Regulation No. 270/2010 Coll., on the Inventory-Counting of Assets and Liabilities, as amended. - The inventory count of assets and liabilities as of 31 December 2012 was not performed in accordance with Act No. 563/1991 Coll. on Accounting, Sections 29 and 30, as amended, and implementation Regulation No. 270/2010 Coll., as amended, as, for example, the inventory count of assets and liabilities of the INF division of the Metropolitan Authority was not completed, the inventory count of pledged movable and immovable fixed assets of the City was not documented and recorded in off balance sheet accounts, contingent liabilities arising from other contracts of CZK 124,047 thousand relating to loans from individual or corporate entities were not repeatedly analysed, etc.
Notes	<ul style="list-style-type: none"> - The notes to the financial assets prepared as of 31 December 2012 do not include narrative parts as required by Act No. 563/1991 Coll., on Accounting. The City sent the financial statements to the Central System of State Accounting Information (Centrální systém účetních informací státu - CSÚIS) according to the relevant regulations and in the defined format. The notes without the narrative parts were received by CSÚIS without any reservations. The Czech Ministry of Finance did not ask the City to add the narrative part; the City acts as one entity, but has no available the detailed information for individual boroughs which are standalone entities, or technical equipment for adding narrative parts for the City.
Public contracts	<ul style="list-style-type: none"> - In respect of public contract no. 231097, the winning proposal of the applicant did not include the affidavit as required by Section 68 (3) a) – c) the presentation of which is required according to the Act on Public Contracts regardless of whether it is listed in the tender documentation or not. According to Section 76 (3), the evaluation committee has the option to call on the supplier to add these three new requirements. It is a possibility rather than an obligation of the evaluation committee. As the client did not use this possibility and did not call upon the applicant, the bidder should have been excluded from the tender according to Section 76 (1) due to an incomplete proposal.

b) Errors and deficiencies that are not as material as those listed in Section 10 (3) c).

Field	Finding
Fixed assets	<ul style="list-style-type: none"> - During the detailed testing of depreciation of selected items of intangible and tangible fixed assets for accounting purposes, we noted that certain accounting centres of the Capital City of Prague (eg TSK) did not comply with the depreciation period determined in Internal Guideline No. 6 of the Metropolitan Authority. In certain groups of assets, the depreciation period was extended pursuant to the professional assessment of specific items of assets and shortened in other items of assets. The obtained information indicates that the depreciation period was adjusted subsequently based on an estimate of technical employees of individual accounting centres; however, this estimate was not included in Guideline No. 6 of the Metropolitan Authority due to a lack of time.
Short-term loans and borrowings	<ul style="list-style-type: none"> - The City recognised a receivable of CZK 4,000 thousand from a borough in account 289 – <i>Other short-term loans</i> as part of short-term liabilities. As the receivable is the City's receivable from its borough, it should be recognised as part of assets rather than liabilities.
Expenses and income, disbursements and receipts	<ul style="list-style-type: none"> - The City accounts for swap transactions on a gross basis and recognises both purchases and sales of funds rather than the result of a given transaction only. For this reason, the amounts recognised in the profit or loss in accounts 562 – <i>Interest and 662 – Interest</i>, and budget items 2146 – <i>Receipts from interest under swap agreements, term interest-rate agreements and other agreements on forwards and/or agreements on other financial derivative instruments</i> and 5146 – <i>Disbursements of interest under swap agreements, term interest-rate agreements and other agreements on forwards and/or agreements on other financial derivative instruments</i> are CZK470,643 thousand higher than if they were accounted for on a net basis.

Specimen signatures	<ul style="list-style-type: none"> - The confirmation provided by the Czech National Bank indicates that signing rights to some bank accounts of the City are held by up to two persons who are no longer employed by the Metropolitan Authority. This means that the persons holding rights of disposal to individual bank accounts are not continuously reviewed and updated by the relevant divisions. Given the set-up controls for the rights of disposals with the bank accounts, these deficiencies may be classified as less serious.
Public contracts	<ul style="list-style-type: none"> - The review of operations highlighted deficiencies in 9 out of 21 reviewed public contracts. The deficiencies are as follows: <ul style="list-style-type: none"> - A failure to meet the statutory deadline to conclude a contract with the selected bidder (public contracts nos. 7202011010705, 7202011013734, 229482, 60064132 and 60065401). - In public contract no. OMI/03/5299/MHMP, the bidders who failed to prove their qualifications in the full scope as specified by the contracting authority in the tender documentation were neither requested to complete their proposals to include the required documents, nor were they excluded. As these bidders did not submit proposals that were placed first, this failure has no effect on the selection of the most appropriate supplier. - In public contract no. 60060573, the bidder who failed to prove his qualifications in the full scope as specified by the contracting authority in the tender documentation was neither requested to complete his proposal under Section 76 (3) nor was he excluded under Section 76 (1). As it was clear from the authorisations of the main construction engineer that he held a university degree, the contracting authority should have followed Section 76 (3). Before the contract was signed, the winning bidder had provided originals or certified copies of the required documentation including a university diploma of the main construction engineer. This indicates that the bidder thought that he had provided his diploma and the deficiency was only an administrative failure that had no effect on the selection of the most appropriate supplier. - In public contract no. 231097, a discrepancy was noted between the date of the participation application delivery of 14 December 2012 and the date of documents (affidavits, cover sheets of the proposal, etc.) of 17 December 2012, ie the latest possible deadline for the delivery of the application. - In public contract no. 60064132, a discrepancy of data stated in the notification on the public contract and those stated in the tender documentation was noted. The first discrepancy related to the weights of two evaluation criteria that were mixed up with one another. As proposals were evaluated in line with the tender documentation and the weights of the criteria are not significant (5% and 10%) it may be assumed that this deficiency did not impact any other potential bidders that did not participate in the tender. The other discrepancy related to the deadline for submitting an application for participation stated in the qualification documentation (4 August 2011, 3 pm) and in the notification of the public contract (1 January 2011, 3 pm). This may also be classified as an administrative error. - In the public contract entitled "Sugar Factory Pond – Removal of the Legacy Environmental Burden", the contracting authority's resolution on the assignment of the public contract lacks the short reasoning as required by the Rules of Public Tenders of the Capital City of Prague. In addition, two bidders were not excluded due to the failure to meet the technical qualifications and the list of shareholders attached to the winning proposal as of 21 March 2012 was dated 26 March 2012 while the proposal was submitted on 23 March 2012. Given the nature of the findings, none of them had any effect on the selection of the most appropriate proposal.

The report on the result of the examination of operations does not include the Constructive Service Letter as this letter was not prepared.

C. Summary of Potential Risks

Pursuant to the findings according to Section 10 (2) b) of Act No. 420/2004 Coll., as amended, we highlight for your attention the following potential risks that may have a negative impact of the operations of the City in the future:

Field	Finding
Fixed assets	<ul style="list-style-type: none">- The ownership of a number of plots of land has not yet been registered in the books of the Real Estate Register. Restitution claims have been made for a number of plots of land. As of 31 December 2012, the value of the disputed plots of land was CZK 1,054,949 thousand. The City of Prague treats these assets as its own assets until a verdict of the court is issued. In the event that the court decides against the City of Prague, these assets will be reversed.- Certain items of fixed assets in use:<ul style="list-style-type: none">a) Were not assigned to the relevant asset account as of 31 December 2012;b) Were not assigned the inventory count number according to Appendix 1 of Czech Accounting Standard No. 708;c) Were not classified into the relevant accounting depreciation groups;d) No depreciation was calculated and recognised for these fixed assets as of 31 December 2012 in accordance with the valid legislation. <p>As of 31 December 2012, the volume of these fixed assets represented CZK 29,342,622 thousand. The amount of the depreciation and its impact on equity cannot be estimated.</p> <ul style="list-style-type: none">- As of 31 December 2012, account 42 – <i>Tangible fixed assets under construction</i> correctly includes project no. 9394 – The ŠUTKA Swimming Pool in the amount of CZK 954,414 thousand. Construction work was completed in November 2012; a completion certificate for testing operation was issued and the testing operation was completed in March 2013. At the same time, a new completion certificate for the regular operation came into force. Given that until the issuance of the report on the results of the examination of operations of the Capital City of Prague for 2012 this asset was not included in the relevant fixed asset account and its depreciation did not start, it may be expected that in 2013, this asset is likely to be assigned to the group of assets with no inventory count number (refer to the information above).- As of 31 December 2012, account 021 – <i>Buildings</i> includes asset items intended for demolition in the amount of CZK 42,513 thousand (internal document 959 182). If these assets are not used for further investment activities of the City in the future, the value of these assets is lower than the reported one, which should be reflected through a provision or a write-off approved by the relevant bodies of the City. If these assets are used for further investment activities of the City, they should be assigned inventory count numbers and relevant codes according to the applicable classification and a depreciation plan should be defined.- The City uses various SW systems to administer, record and depreciate fixed assets. The SEM application (the key asset records) is used to fulfil the tasks of the City's Asset Management division, and the GINIS accounting system (the key accounting system) is used by the Accounting division to keep the accounting records of the City. GINIS includes the MAJ asset module, which is a tool to perform accounting transactions relating to fixed assets. As SEM and GINIS do not communicate to each other automatically and individual items of fixed assets are input in both systems manually (both in the City's Asset Management and Accounting divisions) and as MAJ does not contain all items included in SEM, the City does not have a complete and detailed view of its assets.- In connection with the ongoing recodification of the civil and commercial law a new Civil Code may be expected to come into force on 1 January 2014. This fact will influence the process of resolving unclear property relations relating to the ownership of fixed assets recorded by the City; we recommend that the impact of the amendment to the law on the process of clarifying property relations be taken into consideration.

Field	Finding
Fixed assets	<ul style="list-style-type: none"> - Since 2010, no amendment to the Contract for the lease and administration of items owned by the City has been signed in connection with the provision of water management services and the services of waste water discharge and treatment and related services whereby Pražské vodovody a kanalizace, a.s. ("PVK") would assume the lease and administration of fixed assets. These assets amount to approximately CZK 2.6 billion. The hand-over reports were signed by both parties, ie PVK and the City, but the list of assets is yet to be included in the amendment to the Contract. - As of 31 December 2012, an inventory count of assets and liabilities was not taken pursuant to Sections 29 and 30 of Act 563/1991 Coll., on Accounting, as amended, and implementation regulation 270/2010 Coll., as amended, because, for example, the inventory count of assets and liabilities of the IT division of the Metropolitan Authority was not completed, the inventory count list of pledged tangible and intangible assets of the City was not evidenced and recognised in off-balance sheet accounts, contingent liabilities arising from other contracts in the amount of CZK 124,047 thousand relating to the loans from individuals or legal entities were not repeatedly analysed, etc.
Equity investments	<ul style="list-style-type: none"> - The City is indirectly exposed to the risk arising from business companies where it is their sponsor or founder (eg Dopravní podnik hl. m. Prahy, akciová společnost, Kongresové centrum Praha, a.s., etc.) and where it assumes their risks either in the form of providing funding or by undertaking specific contractual arrangements. These risks include financial risks (setting of the type of interest on funding, currency risks arising from funding) and commodity risks (risk of an increase in the prices of oil and electricity) and operational (losses and costs arising from the failure of human resources, IT systems, damage to health and assets, etc.).
Receivables	<ul style="list-style-type: none"> - As of 31 December 2012, the City recognised a provision against receivables in accordance with Regulation No. 410/2009 Coll., as amended, ie 10% for any 90 past due dates. Despite the provision, the recognised amount of some receivables (such as receivables from DELTA CENTER a.s.) may be substantially higher than their actual value.
Short-term payables	<ul style="list-style-type: none"> - The City included invoices from Metrostav, a.s. in its short-term payables in connection with the construction work conducted as part of the "Blanka Tunnel" investment. However, as of 31 December 2012, most of the payables in the amount of approximately CZK 1 billion are past due for more than 90 days. The information provided indicates that the total amount of mutual receivables and payables is being discussed.
Derivative instruments and risk management	<ul style="list-style-type: none"> - The City implemented hedge accounting to eliminate possible impacts of derivative revaluation on profit or loss. The effectiveness of hedging is assessed by comparing the change in cash flow of the hedged item (bond/loan) and the hedging instrument (interest-rate swap) based on the parallel movement of the interest-rate curve by +1% and -1% and the calculation of the relevant forward interest rates. This method of effectiveness assessment is rather simplified and does not fully comply with effective legislation – Section 60 of Regulation 410/2009 Coll., or International Financial Reporting Standards.

Approval of the financial statements and the result of operations	<ul style="list-style-type: none"> - In line with the amendment to Act 563/1991 Coll., on Accounting, and Act 131/2000 Coll., on the Capital City of Prague, the City Council is obliged to approve the financial statements of the City. For the first time, the City Council will approve the financial statements of the City as of 31 December 2012 in 2013. Act 131/2000 Coll. does not specifically indicate whether the same obligation is imposed on borough councils, although the law reads: <i>"the City Council shall approve the financial statements after discussing them with boroughs"</i>... The requirement to approve financial statements by borough councils has not been regulated by the Charter, ie by a general regulation governing the relations between the Metropolitan Authority (the City) and individual boroughs. It is also not clear how the City Council will be informed on the results (ie the approval/disapproval of the financial statements) by individual boroughs. If this requirement is not included in the Charter, the City Council assumes the responsibility for the approval/disapproval of the financial statements as a whole (ie for the entire City of Prague including its boroughs) without being aware of the "results and decisions" of individual boroughs. - The total result of operations after tax (ie for principal and business activities) listed in the income statement significantly differs from the balance of receipts and disbursements which is provided in the Statement of Receipts and Disbursements. The income statement is, in accordance with methodological regulations effective for 201, prepared on an accrual basis, where the expenses and income are reported in the period to which they relate on an accrual basis, while the Statement of Receipts and Disbursements ("Statement for the assessment of the compliance with the budget") is prepared on a cash basis, ie actual receipts and disbursements. The closing account of the City for 2012 does not include any explanation as to why the economic results according to the income statement and the balance of receipts and disbursements significantly differ and there are no calculations of the items that cause the significant difference.
Long-term payables	<ul style="list-style-type: none"> - By its resolution No. 05/06 of 27 February 2003, the City Council approved the IPO of the City's euro-obligations in the amount of EUR 170 million as part of the EMTN (EURO MEDIUM TERMS NOTE) programme. This obligation is listed on the Luxemburg Stock Exchange. The obligation is subject to currency hedging in the amount of EUR 170 million with a fixed coupon at 4.25% p.a. and with a one-off ultimate maturity of 19 March 2013. The transaction was arranged by Deutsche Bank. - In 2012, the City prepared a proposal of the accounting and budget solution for the redemption of this obligation and the hedging derivative instrument. The proposal was based on the legislation effective in 2012. However, the proposal may not be accurate and may not comply with the accounting methodology and legislation valid for 2013.
Off-balance sheet accounts	<ul style="list-style-type: none"> - Internal regulation No. 7 relating to the annual financial statements for 2012 indicates that the materiality limit for recognising individual types of accounting transactions in off-balance sheet accounts (the off-balance sheet accounts are included in the notes to the financial statements) is CZK 50 million. Financial performance (liabilities) arising from contracts under this limit is not disclosed in the financial statements. As the materiality limit is only specified for individual transactions rather than for individual transactions and the sum thereof (accumulation), the items not recognised in off-balance sheet accounts may have a material impact on the financial statements, which may not provide a true and fair view of the accounting subject matter and the financial position of the City.
Internal Audit division	<ul style="list-style-type: none"> - Risk identification (including the identification of the risk of fraud) is part of any audit and is included in the overall risk analysis performed by the Internal Audit of the Metropolitan Authority. In the Internal Audit's opinion, the Metropolitan Authority lacks risk management.
Boroughs' investments	<ul style="list-style-type: none"> - Some boroughs invested significant amounts in the acquisition of non-current financial assets through a securities trader. Based on the publicly-available information we draw your attention to the fact that some companies, the shares/equity investments of which were purchased, are indebted or bankrupt.

D. The share of receivables and payables in the budget of the City of Prague and the share of pledged assets in the total assets of the City the Prague in accordance with Section 10 (4) (b) of Act No. 420/2004 Coll.

As of the preparation date of this report, no information on long-term receivables relating to the following budget year was available - if the amount of repayments for collection in the following year was determined by contract or a repayment schedule and the information on pledged movable and immovable assets according to inventory count lists and sub-ledger accounts, or underlying operating records, documented by the extract from the ownership title and loan contracts of individual City boroughs. For this reason, we provide financial indicators only for the City itself (ie without City boroughs) rather than for the total City.

The share of receivables in the budget

A	Receivables	CZK 1,839,300 thousand	Total
B	Budgetary receipts	CZK 52,439,759 thousand	Total
A / B * 100 %	Share of receivables in the budget		4 %

The share of receivables of the City of Prague in its budget amounted to 4 percent.

Total gross long-term receivables of the City as of 31 December 2012 amounted to CZK 272,730 thousand. However, the City did not recognise a provision against these long-term payables in the amount of CZK 203,460 thousand.

Reflecting all identified errors and deficiencies, the total amount of receivables listed in the algorithm 'the share of receivables in the City budget' would increase. The resulting value of the share would change from 4 % to 5 %.

The share of payables in the budget

C	Payables	CZK 9,233,113 thousand	Total
B	Budgetary receipts	CZK 52,439,759 thousand	Total
C/B * 100 %	Share of payables in the budget		18 %

The share of payables of the City of Prague in its budget amounted to 18 percent.

Total long-term payables of the City as of 31 December 2012 amounted to CZK 30,622,118 thousand.

The balance of payables is significantly impacted by the positive balance of account 349 – *payables to selected local governmental institutions* of CZK 799,104 thousand which is the receivable of the City from boroughs in respect of tax payment.

Reflecting this amount, the balance of payables listed in the algorithm 'the share of payables in the City budget' would increase. The resulting amount of the share would change from 18 % to 20 %.

The share of pledged assets in the total assets

The off-balance sheet accounts of the City as of 31 December 2012 did not include the list of pledged movable and immovable assets according to inventory count lists and sub-ledger accounts, or operating records, documented by the extract from the ownership title and loan contracts. For this reason, the indicator (the share of pledged assets in total assets) was not calculated.

D	Pledged assets	Total *
E	Gross current assets	Total CZK 287,005,237 thousand
D / E * 100 %	Share of pledged assets in total assets	-

* refer to the information above

Prepared on 4 June 2013

Audit firm:

Deloitte Audit s.r.o.
certificate no. 79



Statutory auditor:

Václav Loubek
certificate no. 2037



The report was discussed with the First Deputy Mayor of the City of Prague, Mr T. Hudeček, on 18 June 2013.

The report was discussed with the Finance Committee of the City Council of the City of Prague on 13 June 2013.

The report was presented to the First Deputy Mayor of the City of Prague on 19 June 2013.

Appendices:

All appendices are an integral part of the report on the result of the examination of operations of the City and cannot be separated.

Appendix A	- List of legal regulations or their selected provisions the compliance with which was verified during the examination of the operations of the City.
Appendix B	- Financial statements composed of the balance sheet, income statement, notes, statement of cash flows and statement of changes in equity. - The statement of receipts and disbursements (statement for the assessment of the compliance with the budget of territorial self-governing units and voluntary association of municipalities).
Appendix C	- Letter from the City according to the requirement arising from Section 7 (1) f) of Act No. 420/2004 Coll.

Appendix A

List of legal regulations or their provisions the compliance with which was verified during the examination:

Regulations relating to bookkeeping, preparation of the financial statements and preparation of the statement for the assessment of the compliance with the budget:

- ✓ Act No. 563/1991 Coll., on Accounting, as amended;
- ✓ Regulation No. 410/2009 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for certain selected entities, as amended;
- ✓ Czech Accounting Standards 701 – 710 for certain selected entities that maintain their books according to Regulation No. 410/2009 Coll.;
- ✓ Regulation No. 449/2009 Coll., on the Method, Deadlines and Scope of Information Provided for the Assessment of the Compliance with the State Budget, Budgets of State Funds, Budgets of Territorial Self-governing Units, Budgets of Voluntary Associations of Municipalities and Budgets of Regional Councils or Cohesion Regions, as amended;
- ✓ Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended;
- ✓ Regulation No. 323/2002 Coll., on the Budgetary Structure, as amended;
- ✓ Regulation No. 270/2010 Coll., on the Inventory Count of Assets and Liabilities; and
- ✓ Governmental Regulation No. 564/2006 Coll., on Salaries of Employees in Public Services and Administration, as amended.

Regulations relating to the Remit and Activities of the City

- ✓ Act No. 131/2000 Coll., on the City of Prague, as amended
- ✓ Act No. 420/2004 Coll., on the Examination of Operations of Territorial Self-governing Units and Voluntary Associations of Municipalities, as amended; and
- ✓ Act No. 137/2006 Coll., on Public Contracts, as amended:

Appendix B

Financial statements composed of the balance sheet, income statement, notes, statement of cash flows and statement of changes in equity;

The statement of receipts and disbursements (statement for the assessment of the compliance with the budget of territorial self-governing units and voluntary association of municipalities).

BALANCE SHEET

of organizational units of the state, territorial self-governing units (TSU), subsidized organizations and regional councils

(in CZK)

Period: 12 / 2012

IČO: 00064581

Name: Hlavní město PRAHA

SNS: 200 - Hlavní město Praha celkem



Item number	Name of item	Synthetic Account	Period			Previous
			Gross 1	Adjustment 2	Net 3	
TOTAL ASSETS			426 626 507 433.62	53 558 317 645.88	373 068 189 787.74	359 759 076 647.92
A.	Fixed assets					
1.	Intangible Fixed Assets		390 228 109 010.98	52 121 437 527.81	338 106 671 483.17	331 461 641 191.57
1.	Research and development		3 673 933 782.90	1 440 063 903.24	2 233 869 879.66	2 450 866 668.88
		012	6 063 399.25	789 161.00	5 274 238.25	6 492 011.25
2.	Software	013	2 265 978 532.72	1 181 810 171.15	1 084 168 361.57	1 348 429 687.01
3.	Valuable rights (patents, licences, know-how)	014	528 524 560.19	118 661 417.00	409 863 143.19	357 264 986.19
4.	Concession of emissions and preferences limit	015				
5.	Low value intangible fixed assets	018	115 474 519.36	115 474 519.36		
6.	Other intangible fixed assets	019	143 841 024.47	19 300 475.00	124 540 549.47	125 708 184.22
7.	Acquisition of intangible fixed assets	041	614 031 358.91	4 028 159.73	610 003 199.18	612 060 333.21
8.	Redistribution Account for Technical Improvement of Intangible Fixed Assets	044				
9.	Prepayments for intangible fixed assets	051	20 388.00		20 388.00	911 467.00
II.	Tangible Fixed Assets		343 526 415 777.85	48 627 630 694.39	294 898 785 083.46	285 673 428 294.28
1.	Land	031	54 805 097 979.68	1 164.00	54 805 096 815.68	54 090 259 317.27
2.	Cultural Items	032	669 171 761.56		669 171 761.56	667 564 187.56
3.	Structures	021	218 111 294 461.56	43 235 162 828.42	174 876 131 633.14	170 656 142 523.22
4.	Machinery, tools & equipment, vehicles and fixtures	022	7 911 280 002.06	3 468 842 924.22	4 442 437 077.84	4 835 735 503.06
5.	Perennial crops	025	1 839 325.11	429 014.00	1 410 311.11	766 032.61
6.	Low value tangible fixed assets	028	1 856 328 874.75	1 856 328 874.75		
7.	Other tangible fixed assets	029	192 476 025.57	59 088 205.00	133 387 820.57	155 866 699.79
8.	Acquisition of tangible fixed assets	042	59 687 417 302.91	7 777 684.00	59 679 639 618.91	54 968 432 640.79
9.	Redistribution Account for Technical Improvement of Tangible Fixed Assets	045				
10.	Prepayments for tangible fixed assets	052	291 510 044.65		291 510 044.65	298 661 389.98
III.	Long-Term Financial Assets		42 258 763 293.28	2 052 247 899.00	40 206 515 394.28	41 872 794 239.76

Item number	Name of item	Synthetic Account	Period			Previous
			Gross 1	Adjustment 2	Net 3	
						4
1.	Equity securities and investments in subsidiaries	061	40 266 027 659.99	2 052 247 899.00	38 213 779 760.99	40 251 118 022.75
2.	Equity securities and investments in associates	062	14 221 737.72		14 221 737.72	20 979 737.72
3.	Debt securities held to maturity	063	1 291 195 530.58		1 291 195 530.58	1 068 106 401.30
4.	Long-Term Loans	067	139 349 895.50		139 349 895.50	90 555 377.50
5.	Time Deposits Long-term	068	192 340 039.49		192 340 039.49	135 873 530.49
6.	Other non-current financial assets	069	355 628 430.00		355 628 430.00	314 161 170.00
7.	Acquisition of financial assets	043				2 000 000.00
8.	Advance Payments for Long-Term Financial Assets	053				
	IV. Long-Term Receivables		768 996 156.95	1 495 031.18	767 501 125.77	1 464 551 988.65
1.	Provided Repayable Financial Assistance Long-Term	462	61 148 562.34	44 480.00	61 104 082.34	671 656 971.80
2.	Long-Term Receivables from Transferred Credit	464				
3.	Long-Term Advance Payments Paid	465	45 733 422.45		45 733 422.45	46 714 789.74
4.	Long-Term Receivables from Warranties	466				
5.	Long-Term Receivables from Foreign Co-Financed Funds	468				
6.	Other Long-Term Receivables	469	661 662 172.16	1 450 551.18	660 211 620.98	746 180 227.11
7.	Long-term advance payments for transfers provided	471	452 000.00		452 000.00	
	B. Current Assets		36 398 398 422.64	1 436 880 118.07	34 961 518 304.57	28 297 435 456.35
	I. Inventories		59 316 765.06		59 316 765.06	67 960 675.03
1.	Costs of raw material	111				
2.	Material in stock	112	53 038 193.02		53 038 193.02	55 802 927.56
3.	Raw material in transit	119	1 470 064.00		1 470 064.00	7 819 776.00
4.	Work in progress	121				
5.	Semi-finished products generated own	122				
6.	Finished products	123				
7.	Costs of merchandise	131				
8.	Goods purchased for resale	132	1 606 508.04		1 606 508.04	1 135 971.47
9.	Merchandise in transi	138				
10.	Other Inventories	139	3 202 000.00		3 202 000.00	3 202 000.00
	II. Short-Term Receivables		8 450 174 512.91	1 436 880 118.07	7 013 294 394.84	6 788 590 082.12
1.	Customers	311	3 900 554 049.35	913 580 922.33	2 986 973 127.02	2 442 413 584.76
2.	Bills of exchange to be collected	312				
3.	Amounts due from discounted bills	313				
4.	Short-Term Advance Payments Paid	314	1 812 881 961.40		1 812 881 961.40	2 109 926 339.04
5.	Other Receivables from Main Operation	315	800 205 686.60	401 583 758.17	398 621 928.43	794 359 830.36
6.	Provided Repayable Financial Assistance Short-Term	316	2 869 790.00		2 869 790.00	4 165 280.49
7.	Short-Term Receivables from Transferred Credits	317				

Item number	Name of item	Synthetic Account	Period			Previous
			Gross 1	Adjustment 2	Net 3	
8.	Receivables related to Taxes and Similar Benefits	318	8 294 381.18	4 737 395.31	3 556 985.87	
9.	Public Tax Receivables	319				
10.	Amounts due from employees	335	1 671 636.50		1 671 636.50	1 770 328.79
11.	Payables under social security and health insurance	336				
12.	Income tax	341				
13.	Other Direct Taxes	342				
14.	Value added tax	343				
15.	Other Taxes and Fees	344				
16.	Claims against selected central government institutions	346	5 251 105.14		5 251 105.14	3 365 731.00
17.	Claims against selected local government institutions	348	19 485 242.39		19 485 242.39	36 785 399.72
18.	Receivables from members of associati	351	37 950 000.00		37 950 000.00	37 950 000.00
19.	Short-Term Receivables from Warranties	361				
20.	Fixed Term Transactions and Options	363				
21.	Receivables from Financial Provisions	365				
22.	Receivables from issued bonds	367				
23.	Short-Term Receivables from Foreign Co-Financing Instruments	371				
24.	Short-term advance payments for transfers provided	373	65 313 962.19		65 313 962.19	52 242 448.02
25.	Deferred expenses	381	27 564 618.42		27 564 618.42	20 464 493.99
26.	Accrued income	385	10 762 085.54		10 762 085.54	10 727 923.08
27.	Estimated assets	388	1 006 771 535.51		1 006 771 535.51	603 254 836.27
28.	Other Short-Term Receivables	377	750 598 458.69	116 978 042.26	633 620 416.43	635 889 941.70
III.	Short-Term Financial Assets		27 888 907 144.67		27 888 907 144.67	21 440 884 699.20
1.	Equity securities	251	22 605 878.22		22 605 878.22	103 282 491.58
2.	Long-Term Securities for Trading	253	904 517 932.72		904 517 932.72	843 444 676.47
3.	Other Securities	256				1 167 382 590.75
4.	Time Deposits Short-Term	244	1 512 835 921.45		1 512 835 921.45	4 017 909 081.37
5.	Other Current Accounts	245	1 065 557 898.95		1 065 557 898.95	1 045 597 136.94
9.	Current account	241	7 397 898 025.41		7 397 898 025.41	7 624 121 208.97
11.	Basic Current Account of Local Government Units	231	14 797 505 810.48		14 797 505 810.48	4 761 575 100.07
12.	Current Accounts of Local Government Units Funds	236	2 180 091 073.12		2 180 091 073.12	1 869 074 381.45
15.	Cash equivalents	263	5 889 272.64		5 889 272.64	6 589 496.29
16.	Cash in transit	262	259 359.00		259 359.00	22 546.00
17.	Cash in hand	261	1 745 972.68		1 745 972.68	1 885 989.31

Item number	Name of item	Synthetic Account	Period		Previous
			Current		
			1	2	
TOTAL LIABILITIES					
			373 068 189 787.74		359 759 076 647.92
C. Equity			330 335 725 477.59		323 180 796 349.17
I. Accounting Unit Assets and Adjusting Entries			286 041 535 179.03		283 492 751 477.26
1. Accounting Unit Equity		401	314 920 701 975.24		314 920 701 975.24
3. Transfers for Purchase of Fixed Assets		403	9 584 197 614.41		10 291 907 675.95
5. Exchange Rate Differences		405			7 424.08
6. Changes in Value During Initial Use of the Method		406	(46 215 689 038.13)		(45 615 854 069.12)
7. Other Differences in Valuation		407	6 893 817 014.07		3 916 106 927.31
8. Corrections of Errors from Previous Years		408	(107 037 649.56)		(20 118 456.20)
II. Accounting Unit Funds			2 231 376 619.93		2 063 813 829.93
6. Other Funds		419	2 231 376 619.93		2 063 813 829.93
III. Profit and Loss			42 062 813 678.63		37 624 231 041.98
1. Profit/Loss of Current Accounting Period		493	7 533 404 803.97		16 481 614 669.71
2. Profit/loss under approval procedure		431			
3. Retained profit, retained loss		432	34 529 408 874.66		21 142 616 372.27
D. Other Sources			42 732 464 310.15		36 578 280 298.75
I. Reserves			19 122 566.00		115 265.75
1. Reserves		441	19 122 566.00		115 265.75
II. Long-Term Payables			31 279 019 353.53		26 621 818 235.41
1. Long-Term Credits		451	21 263 783 842.18		16 523 739 923.97
2. Received Repayable Financial Assistance Long-Term		452	22 200 000.00		19 455 500.00
3. Long-term obligations from issued bonds		453	9 273 800 000.00		9 386 000 000.00
4. Long-Term Advances Received		455	24 870 156.50		12 214 009.50
5. Long-Term Payables from Warranties		456			1 200 000.00
6. Long-term bills of exchange to be paid		457			
7. Long-Term Payables from Foreign Co-Financed Funds		458			
8. Other long-term liabilities		459	652 692 971.97		679 208 801.94
9. Long-term advance payments for transfers accepted		472	41 672 382.88		
III. Short-Term Payables			11 434 322 390.62		9 956 346 797.59
1. Short-Term Credits		281			
2. Discounted short-term bonds (notes)		282			
3. Short-term obligations from issued bonds		283			
4. Other Short-Term Loans		289	3 150 473 820.74		1 884 942 361.08
5. Suppliers		321			
6. Bills of exchange to be paid		322			
7. Short-Term Advances Received		324	1 723 579 176.77		1 626 819 733.29

Item number	Name of item	Synthetic Account	Period		Previous
			Current 1		
8.	Payables from Split Administration and Advance Deposits	325	81 837 739.75		45 925 072.88
9.	Received Repayable Financial Assistance Short-Term	326			
10.	Received Tax Deposits	327			
13.	Employees	331	148 147 306.00		147 520 502.00
14.	Other Payables to Employees	333	15 706 603.20		17 087 947.20
15.	Clearing with institutions of social security and health insurance	336	131 184 755.00		135 513 254.00
16.	Income tax	341	1 010 140 686.48		1 087 870 917.59
17.	Other direct taxes	342	37 721 063.00		41 086 665.00
18.	Value added tax	343	71 132 442.91		
19.	Other Taxes and Duties	344			
20.	Obligations to subjects apart from selected government institutions	345	1 933 650.03		
21.	Obligations to selected central government institutions	347	6 285 794.53		3 628 574.30
22.	Obligations to selected local government institutions	349	478 387 819.80		329 247 473.25
23.	Liabilities to members of association	352	124 378.08		124 378.08
24.	Short-Term Payables from Warranties	362			
25.	Fixed Term Transactions and Options	363	1 361 036 937.84		1 338 596 686.48
27.	Payables from Financial Provisions	366			
28.	Payables from Subscribed Unpaid Securities and Shares	368			
29.	Short-Term Payables from Foreign Co-Financing Instruments	372			
30.	Short-term advance payments for transfers accepted	374	496 997 047.65		777 290 148.46
31.	Accrued expenses	383	67 728 697.65		215 250 525.27
32.	Unearned revenue	384	433 848 001.09		456 780 237.67
33.	Estimated accrued items	389	965 032 772.76		626 138 903.68
34.	Other Short-Term Payables	378	1 253 023 697.34		1 222 523 417.36

* End of the statement *

Profit and Loss Statement

of organizational units of the state, territorial self-governing units (TSU), subsidized organizations and regional councils

(in CZK)

Period: **12 / 2012**

IČO: **00064581**

Name: **Hlavní město PRAHA**

SNS: **200 - Hlavní město Praha celkem**



Item number	Name of item	Current Period		Previous Period	
		Main Activity	Business Activity	Main Activity	Business Activity
		1	2	3	4
A. EXPENSES TOTAL					
I. Expenses from Operation		22 092 226 614,85	8 793 145 963,16	16 542 864 337,95	6 026 201 378,15
1.	Material Consumption	292 929 542,97	32 926 662,05	461 735 940,12	32 134 940,67
2.	Energy Consumption	203 611 815,28	89 143 915,84	207 230 894,95	78 628 339,79
3.	Consumption of Other Unstorable Supplies	1 007 908,00	3 053 917,91	767 078,00	3 204 844,14
4.	Goods Sold	72 125,22	735 568,01	23 635,80	898 448,27
5.	Activation of Fixed Assets				
6.	Activation of Current Assets	3 400 973,00-			
7.	Changes in Manufactured Goods Inventory				
8.	Repair and Maintenance	1 806 503 347,10	2 165 982 213,68	2 019 221 980,48	2 701 089 663,48
9.	Travel Expenses	20 464 979,82	15 729,00	19 108 975,17	15 982,00
10.	Representation Expenses	29 488 193,70	44 460,33	27 102 217,13	43 585,05
11.	Capitalization of Own Services				
12.	Other Services	6 742 943 560,27	1 294 297 980,61	6 729 379 310,53	1 334 173 626,86
13.	Payroll Costs	3 516 555 786,40	177 434 079,00	3 574 490 565,16	167 917 020,66
14.	Statutory Social Insurance Contributions	1 160 713 919,42	59 498 291,65	1 192 023 880,66	56 480 028,81
15.	Other Social Insurance	15 405 956,32	661 714,00	13 309 427,87	692 426,00
16.	Statutory Social Expenses	62 636 391,98	681 914,00	58 398 681,75	657 695,00
17.	Other Social Expenses	53 979 282,50	278 145,70	82 132 892,90	125 955,45
18.	Road Tax	1 500,00		6 600,00	
19.	Real Estate Tax	410 639,98	1 501 430,00	365 440,46	
20.	Other Taxes and Duties	3 254 966,10	97 743 387,77	2 400 508,78	2 784 069,50-
22.	Contractual Penalties and Default Interest	311 515,17	343 175,66	2 130 605,07	155 751 324,84
23.	Other Fines and Penalties	6 129 391,00	129 838,72	4 810 087,00	423 342,07
24.	Write-off of Bad Debts	46 357 781,23		41 732 107,75	350 535,62
25.	Interest	2 179,53	17 352,59	73 803,72	181 300,00
					105 749,89

Item number	Name of item	Synthetic Account	Current Period		Previous Period	
			Main Activity 1	Business Activity 2	Main Activity 3	Business Activity 4
26.	Shortfalls and Damages	547	6 314 918,48	288 671,36	36 988 994,25	678 292,10
27.	Funds Creation	548	1 017 394 287,19	40 000,00-	916 908 729,47	96 000,00
28.	Depreciation of Fixed Assets	551	3 337 986 337,01	917 543 692,43		429 024,00-
29.	Sold Fixed Intangible Assets	552				557 842 960,97
30.	Sold Fixed Tangible Assets	553	550 553 478,64	2 760 972 387,05	448 095 849,79	220 071 977,18
31.	Lands Sold	554	60 604 133,40	543 434 822,28	25 973 690,06	114 373,34-
32.	Creation and Clearing of Reserves	555		19 007 300,25		125 038 292,87
33.	Creation and Clearing of Adjusting Entries	556	2 413 513 594,33	221 694 805,30	122 661,32	77 135 235,19
34.	Discarded Claim Expenses	557	19 556 559,48	90 840 491,91	10 115 628,73	
35.	Immaterial Fixed Asset Expenses	558	130 970 366,42	284 883,60		
36.	Other Expenses from Operation	549	595 953 130,91	314 619 132,46	668 214 151,03	515 791 278,08
II.	Financial Expenses		2 566 681 729,10	210 200 850,94	1 934 264 216,32	213 813 573,57
1.	Securities and Ownership Interests Sold	561	662 767 061,12	150 000 000,00	371 093 548,47	153 939 373,29
2.	Interests	562	1 849 277 091,68	4 828 067,46	866 743 954,46	5 412 775,67
3.	Foreign Exchange Losses	563	46 636 294,58	245 625,00	215 025 220,72	650 829,00
4.	Expenses from Actual Value Revaluation	564	4 500 565,68	41 266 064,56	22 118 025,47	2 942 473,50
5.	Other Financial Expenses	569	3 500 716,04	13 861 093,92	459 283 467,20	50 868 122,11
III.	Expenses of Transfers		24 111 185 669,85		22 578 245 346,27	
2.	Transfer Expenses of Selected Local Government Institutions	572	24 111 185 669,85		22 578 245 346,27	
V.	Income Tax		1 040 466 326,48		1 109 658 037,59	
1.	Income Tax	591	1 010 140 686,48		1 087 870 917,59	
2.	Additional Income Tax Payments	595	30 325 640,00		21 787 120,00	
B.	REVENUES TOTAL		51 858 960 295,70	14 488 351 662,65	51 320 986 442,02	13 565 675 117,54
I.	Revenues from Operation		5 127 510 696,85	11 846 192 323,88	7 845 626 185,67	13 277 162 683,41
1.	Revenues from Own Products Sold	601	334 736,00		459 771,20	
2.	Revenues from Services Sold	602	25 316 739,34	360 542 776,28	23 348 204,60	482 521 487,64
3.	Assets of Leasing	603	124 526,30	7 287 464 128,61	96 791,30	7 342 250 375,88
4.	Revenues from Goods Sold	604	1 425 332,11	582 703,49	1 353 205,88	14 467 313,41
5.	Revenues from Administrative Charges	605	354 605 698,90		398 977 642,38	
6.	Revenues from Local Charges	606	1 299 156 263,27		1 493 000 597,33	
8.	Other Revenues from Own Activities	609	13 989 268,25	1 145 108,98	14 201 714,17	748 305,10
9.	Contractual penalties and default interest	641	3 916 965,91	165 656 868,22	3 747 837,20	156 392 595,33
10.	Other Fines and Penalties	642	257 930 795,85	434 647,45	352 877 672,61	1 375 980,53
11.	Proceeds from Discarded Claims	643	907 012,09	2 772 446,33	28 000,00	12 939 695,36
12.	Revenues from Sales of Material	644	34 699,00	2 188 889,82	38 135,00	2 306 950,69

Item number	Name of item	Synthetic Account	Current Period		Previous Period	
			Main Activity 1	Business Activity 2	Main Activity 3	Business Activity 4
13.	Revenues from Sales of Intangible Fixed Assets	645				6 000,00
14.	Revenues from Sales of Tangible Fixed Assets, excluding Land	646	9 246,40-	3 197 930 092,16	216 036,00	4 423 452 337,58
15.	Revenues from Sales of Land	647	19 539 261,00	642 616 405,95		662 906 761,19
16.	Fund Usage	648	865 812 995,64		1 349 016 873,71	
17.	Other Revenues from Operation	649	2 284 425 649,59	184 858 256,59	4 208 263 704,29	177 794 880,70
II.	Financial Revenues		3 993 871 136,28	2 642 150 390,01	1 726 030 915,84	287 458 931,63
1.	Revenues from Sale of Securities and Ownership Interests	661	663 162 182,62	147 784 530,00	369 505 514,85	163 802 174,60
2.	Interests	662	1 434 661 795,57	100 966 582,08	152 958 857,36	78 901 552,19
3.	Exchange Rate Gains	663	132 677 200,93	207 375,00	63 095 569,78	
4.	Revenues from Actual Value Revaluation	664	348 416 405,03	2 377 603 182,32	9 744 934,86	288 326,10-
5.	Revenues from Long-Term Investments	665	1 414 953 552,13	15 564 772,58	1 130 584 079,29	6 914 733,84
6.	Other Financial Revenues	669		23 948,03	141 959,70	38 128 767,10
IV.	Revenues of Transfers		2 455 193 684,40	8 948,76	2 155 820 375,53	
2.	Transfer Income of Selected Local Government Institutions	672	2 455 193 684,40	8 948,76		
V.	Public Tax Revenues		40 282 384 778,17		39 593 508 964,98	1 053 502,50
1.	Revenues from Shared Natural Person Income Taxes	681	10 405 502 127,51		10 090 740 584,07	
2.	Revenues from Shared Corporate Income Tax	682	10 154 566 523,43		9 296 393 323,42	
3.	Revenues from Shared Value Added Tax	684	18 290 544 094,30		19 474 838 396,00	
4.	Revenues from Shared Excise Taxes	685				
5.	Revenues from Shared Property Taxes	686	752 711 966,62		698 085 593,81	
6.	Proceeds from Other Shared Taxes and Fees	688	679 060 066,31		33 451 067,68	1 053 502,50
C.	PROFIT AND LOSS					
1.	Profit and Loss before Taxation	-	3 088 866 281,90	5 485 004 848,55	10 265 612 541,48	7 325 660 165,82
2.	Trading Results from the Current Accounting Period	-	3 088 866 281,90	4 444 538 522,07	10 265 612 541,48	6 216 002 128,23

* End of the statement *

APPENDIX

of organizational units of the state, territorial self-governing units (TSU), subsidized organizations and regional councils

(in CZK)

Period: **12 / 2012**

IČO: **00064581**

Name: **Hlavní město PRAHA**

SNS: **200 - Hlavní město Praha celkem**

A.1. Information pursuant to Section 7 Subsection 3 of Act (text)

A.2. Information pursuant to Section 7 Subsection 4 of Act (text)

A.3. Information pursuant to Section 7 Subsection 5 of Act (text)

A.4. Information pursuant to Section 7 Subsection 5 of Act on Accounts Balance in the Accounts of Balance Sheet Book

Item number	Name of item	Synthetic Account	Period		Previous
			Current		
P.I.	Accounting Unit Assets		5 707 023 210,61		4 490 157 503,95
1.	Other Small Intangible Fixed Assets	901	16 190 292,06		15 262 657,85
2.	Other Small Tangible Fixed Assets	902	323 159 064,46		319 732 511,23
3.	Other Assets	903	5 367 673 854,09		4 155 162 334,87
P.II.	Discarded Receivables and Payables		565 168 583,11		520 563 741,67
1.	Discarded Claims	911	564 926 466,11		520 321 624,67
2.	Discarded Obligations	912	242 117,00		242 117,00
P.III.	Contingent Receivables due to Assets being used by other persons		8 936 204,88		7 661 581,32
1.	Short-Term Contingent Receivables due to Onerous Use of Assets by Another Person	921			
2.	Long-Term Contingent Receivables due to Onerous Use of Assets by Another Person	922			
3.	Short-Term Contingent Receivables due to Use of Assets by Another Person based on Loan Contract	923	4 486 658,92		4 486 658,92
4.	Long-Term Contingent Receivables due to Use of Assets by Another Person based on Loan Contract	924	3 620 680,96		2 425 657,40
5.	Short-Term Contingent Receivables due to Assets being used by Another Person for Other Reason	925			
6.	Long-Term Contingent Receivables due to Assets being used by Another Person for Other Reason	926	828 865,00		749 265,00
P.IV.	Other Contingent Receivables and Other Contingent Assets		21 787 730 372,22		22 009 623 380,84
1.	Short-Term Contingent Receivables from Fixed Assets Purchase Contracts	931	24 065 180,00		29 734 220,00
2.	Long-Term Contingent Receivables from Fixed Assets Purchase Contracts	932	36 000 000,00		65 170 014,00
3.	Short-Term Contingent Receivables from Other Contracts	933	126 284 261,76		152 890 293,13
4.	Long-Term Contingent Receivables from Other Contracts	934	582 175 786,77		612 298 285,67
5.	Short-term conditional claims from instruments co-financed from abroad	939			14 468 478,50
6.	Long-term conditional claims from instruments co-financed from abroad	941	62 863 508,16		74 057 028,67
7.	Short-Term Contingent Receivables related to Other Resources	942	144 762 768,43		1 276 630,45
8.	Long-Term Contingent Receivables related to Other Resources	943	142 424 507,25		114 031 272,67
9.	Short-Term Contingent Receivables Payments from Received Provisions	944	75 381 486,75		850 000,00
10.	Long-Term Contingent Receivables Payments from Received Provisions	945	1 445 548 874,50		1 569 206 263,40
11.	Short-Term Contingent Receivables from Legal Disputes, Administrative Hearings and Other Proceedings	947	5 075 542,00		32 080,00
12.	Long-Term Contingent Receivables from Legal Disputes, Administrative Hearings and Other Proceedings	948	23 597 479,15		2 252 965,00
13.	Other Short-Term Contingent Assets	949	543 515,50		1 234 764,50
14.	Other Long-Term Contingent Assets	951	19 119 007 461,95		19 372 121 084,85
P.V.	Contingent Payables due to Assets being used by other persons		476 858 291,57		485 599 477,28
1.	Short-Term Contingent Payables from Lease Contracts	961			
2.	Long-Term Contingent Payables from Lease Contracts	962	8 403 609,58		12 100 162,88
3.	Short-Term Contingent Payables due to Onerous Use of Assets of Other Persons for Other Reasons	963			257 512,90
4.	Long-Term Contingent Payables due to Onerous Use of Assets of Other Persons for Other Reasons	964	321 146 987,26		316 350 928,82
5.	Short-Term Contingent Payables due to Use of Assets of Other Persons based on Lease Contract	965			
6.	Long-Term Contingent Payables due to Use of Assets of Other Persons based on Lease Contract	966	56 048 449,99		65 542 035,94
7.	Short-Term Contingent Payables due to Use of Assets of Other Persons or their Acceptance for Other Reasons	967			

A.4. Information pursuant to Section 7 Subsection 5 of Act on Accounts Balance in the Accounts of Balance Sheet Book

Item number	Name of item	Synthetic Account	Period		Previous
			Current		
8.	Long-Term Contingent Payables due to Use of Assets of Other Persons or their Acceptance for Other Reasons	968	91 259 244,74		91 348 836,74
P.VI.	Other Contingent Payables and Other Contingent Liabilities		45 575 674 905,69		38 221 738 516,07
1.	Short-Term Contingent Payables from Fixed Assets Purchase Contracts	971	44 269 590,00		2 500 000,00
2.	Long-Term Contingent Payables from Fixed Assets Purchase Contracts	972	20 880 771 253,84		15 833 243 522,90
3.	Short-Term Contingent Payables from Other Contracts	973	11 657 262,31		1 658 246,80
4.	Long-Term Contingent Payables from Other Contracts	974	1 384 454 699,54		975 992 747,97
5.	Short-term conditional Payables from instruments co-financed from abroad	975			
6.	Long-term conditional Payables from instruments co-financed from abroad	976			1 612 552 483,54
7.	Short-Term Contingent Payables from Legal Regulations and Other Statutory, Executive or Judicial Acts	978			
8.	Long-Term Contingent Payables from Legal Regulations and Other Statutory, Executive or Judicial Acts	979			
9.	Short-Term Contingent from Provided Provisions	981	4 000 000 000,00		
10.	Long-Term Contingent from Provided Provisions	982	362 256 253,10		535 838 213,10
11.	Short-Term Contingent Payables from Legal Disputes, Administrative Hearings and Other Proceedings	983			
12.	Long-Term Contingent Payables from Legal Disputes, Administrative Hearings and Other Proceedings	984	22 896,00		5 177 896,00
13.	Other Short-Term Contingent Liabilities	985			103 929 580,00
14.	Other Long-Term Contingent Liabilities	986	18 892 242 950,90		19 150 845 825,76
P.VII.	Settlement Accounts		17 984 159 060,44-		11 679 816 019,57-
1.	Offset account to off-balance sheet accounts	999	17 984 159 060,44-		11 679 816 019,57-

Time of Preparation: 04.03.2013, 15:12:03

Signature:

A.5. Information pursuant to Section 18 Subsection 1 Letter c) of Act

Number Item	Name	Period	
		Current	Previous
1.	Due liabilities from insurance for social security and contribution to the state employment policy	91 182 666,00	92 019 049,00
2.	Due liabilities from public health insurance	40 002 089,00	43 494 205,00
3.	Recorded tax arrears with revenue bodies of local competency	1 118 994 192,39	1 128 957 582,59

A.6. Information pursuant to Section 19 Subsection 5 Letter a) of Act (text)

A.7. Information pursuant to Section 19 Subsection 5 Letter b) of Act (text)

A.8. Information pursuant to Section 66 Subsection 6 (text)

A.9. Information pursuant to Section 66 Subsection 8 (text)

B.

Number Item	Name	Synthetic Account	Period	
			Current	Previous
B.1.	Provision of loans secured by hedge transfer of assets	364		
B.2.	Loans of securities secured by transfer of funds	364		
B.3.	Sale of assets with simultaneous arrangement of reverse purchase	364		
B.4.	Purchase of assets with simultaneous arrangement of reverse sale	364		

C. Supplementary information to items BALANCE SHEET "C.I.1. Accounting Unit Equity" a "C.I.3. Transfers for Purchase of Fixed Assets"

Number Item	Name	Period		Previous
		Current		
C.1.	Increase in value of transfers for acquisition of fixed assets for the current accounting period	951 474 006,05		
C.2.	Reduction in value of transfers for acquisition of fixed assets in relation to fact and time	3 590 527 181,04		

D.1. Information on Individual Reference Quantity of Milk (Number and Text)

D.2. Information on Individual Production Quota (Number and Text)

D.3. Information on Individual Limit of Premium Rights (Number and Text)

D.4. Information on Other Similar Quotas and Limits (Number and Text)

D.5. Number of Individual Items or Sets of Assets or List of these Assets (Number and Text)

D.6. Total Forestry Area with Forest Cover (Number and Text)

D.7. Amount of Forest Cover Value (Number)

D.8. Different Method Forest Cover Valuation (Number and Text)

E.1. Additional Information to Balance Sheet Items (Text)

To Item

Supplementary information

Amount

E.2. Additional Information to Profit and Loss Statement Items (Text)

To Item	Supplementary information	Amount
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E.3. Additional Information to Cash Flow Statement Items (Text)

To Item	Supplementary information	Amount
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E.4. Additional Information to Change In Equity Items (Text)

To Item

Supplementary information

Amount

F. Additional Information to Accounting Unit Funds

Other Funds of Local Government Units

Number	Name	Item	Current Period
G.I.	Initial Balance of the Fund		2 063 813 829,93
G.II.	Fund Creation		1 403 657 734,14
	1. Surpluses from Previous Years		265 895 769,11
	2. Current Period Incomes not to be used in the Current Period		404 048 787,98
	3. Transfer of funds from the budget during the year to special-purpose financial funds		443 583 693,28
	4. Other formation of funds		290 129 483,77
G.III.	Drawing of funds		1 236 094 944,14
G.IV.	Closing Balance of the Fund		2 231 376 619,93

G. Buildings

Item number	Name of Item	Gross	Period		Previous
			Current	Adjustment	
G.	Buildings	218 111 294 461,56	43 235 162 828,42	174 876 131 633,14	170 656 142 523,22
G.1.	Apartment Blocks and Apartments	34 634 547 116,27	5 156 145 261,73	29 478 401 854,54	26 039 781 602,09
G.2.	Public Services Buildings	34 546 734 061,05	8 564 773 966,52	25 981 960 094,53	26 158 800 046,09
G.3.	Other Non-Residential Houses and Non-Residential Uni	15 512 651 862,74	2 841 974 608,39	12 670 677 254,35	12 416 660 316,65
G.4.	Communications and Public Lighting	56 461 752 784,83	18 048 199 564,67	38 413 553 220,16	37 384 331 580,84
G.5.	Other Utility Lines	46 530 445 406,96	6 681 368 610,26	39 849 076 796,70	39 773 446 572,05
G.6.	Other Buildings	30 425 163 229,71	1 942 700 816,85	28 482 462 412,86	28 883 122 405,50

H. Lands

Item number	Name of Item	Gross	Period		Previous
			Current	Adjustment	
H.	Lands	54 805 097 979,68	1 164,00	54 805 096 815,68	54 090 259 317,27
H.1.	Building Land	970 445 573,78		970 445 573,78	888 366 581,42
H.2.	Forest Land	575 243 244,19		575 243 244,19	572 725 428,80
H.3.	Gardens, Grassland, Meadows, Ponds	6 096 770 845,62		6 096 770 845,62	6 084 229 876,99
H.4.	Developed Area	22 819 427 807,38		22 819 427 807,38	23 152 862 362,88
H.5.	Other Land	24 343 210 508,71	1 164,00	24 343 209 344,71	23 392 075 067,18

I. Supplementary information to item "A.II.4. Revaluation by real value expenses" in the statement of profit and loss

Number Item	Name of Item	PERIOD	
		Current	Previous
I.	Revaluation by real value expenses	45 766 630,24	
I.1.	Expenses from revaluation of assets intended for sale by real value according to Section 64	41 449 803,93	
I.2.	Other revaluation by real value expenses	4 316 826,31	

J. Supplementary information to item "B.II.4. Revaluation by real value income" in the statement of profit and loss

Number Item	Name of Item	PERIOD	
		Current	Previous
J.	Revaluation by real value income	2 726 019 587,35	
J.1.	Income from revaluation of assets intended for sale by real value according to Section 64	2 710 267 919,55	
J.2.	Other revaluation by real value income	15 751 667,80	

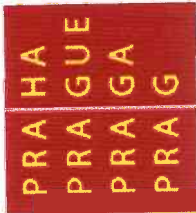
K. Supplementary information to item "A. Fixed assets" in the balance sheet

Number Item	Name of Item	PERIOD	
		Current	Previous
K.	Valuation of fixed assets intended for sale	10 085 100 575,71	
K.1.	Valuation of fixed intangible assets intended for sale according to Section 64		
K.2.	Valuation of fixed tangible assets intended for sale according to Section 64	10 085 100 575,71	

* End of the statement *

CASH FLOW STATEMENT

of organizational units of the state, territorial self-governing units (TSU), subsidized organizations and regional councils
(in CZK, to two decimal places)

Period: **12 / 2012**IČO: **00064581**Name: **Hlavní město PRAHA**SNS: **200 - Hlavní město Praha celkem**

Item Number	Item Name	Accounting Period
P.	Balance of Cash as of 1st January	19 462 648 470,89
A.	Cash Flows from Operations	8 836 397 273,32
Z.	Profit and Loss before Taxation	8 573 871 130,45
A.I.	Adjustments by Non-Monetary Operations (+,-)	541 982 792,70-
A.I.1.	Depreciation of Fixed Assets	4 255 530 029,44
A.I.2.	Change in Adjusting Entries	2 938 473 916,21
A.I.3.	Change in Reserves	19 007 300,25
A.I.4.	Profit (Loss) from Sale of Fixed Assets	2 613 724 928,46-
A.I.5.	Revenues from Dividends and Profit Shares	1 430 518 324,71-
A.I.6.	Other Non-Monetary Operations Adjustments	3 710 750 785,43-
A.II.	Cash Flows from Change in Current Assets and Short-Term Payables (+,-)	492 187 168,45
A.II.1.	Change in Short-Term Receivables	1 008 908 191,79-
A.II.2.	Change in Short-Term Payables	304 153 502,41
A.II.3.	Change in Inventories	9 955 909,97
A.II.4.	Change in Short-Term Financial Assets	1 186 985 947,86
A.III.	Income Tax Paid, including Additional Tax Assessments (-)	1 118 196 557,59-
A.IV.	Received Dividends and Profit Shares	1 430 518 324,71
B.	Cash Flows from Long-Term Assets	6 318 738 357,05-
B.I.	Expenses on Fixed Assets Acquisition	10 647 753 766,90-
B.II.	Income from Fixed Assets Sales	4 419 207 561,05
B.II.1.	Income from State Property Privatisation	2 669 756,69
B.II.2.	Income from Sales of Assets of the Land Fund of the Czech Republic	4 050 302 227,28
B.II.3.	Revenues from Sales of Fixed Assets for Sale	366 235 577,08
B.II.4.	Other Income from Fixed Assets Sales	90 192 151,20-
B.III.	Other Cash Flows from Long-Term Assets (+,-)	5 173 815 986,06
C.	Cash Flows from Equity, Long-Term Receivables and Long-Term Payables	141 312 257,92-
C.I.	Cash Flows from Changes in Equity (+,-)	4 657 201 118,12
C.II.	Change in Long-Term Payables (+,-)	657 927 125,86
C.III.	Change in Long-Term Receivables (+,-)	7 691 474 902,33
F.	Net Increase/Decrease in Cash	
H.	Budget administration income and expense accounts	
R.	Value of funds as of balance day R. = P. + F. + H.	27 154 123 373,22

Licence: MC99	Item Number	Item Name	Accounting Period
		INSPECTIONAL NUMBER (of which:)	27 154 123 373,22
		BALANCE SHEET B.III-(B.III.1+B.III.2+B.III.3)+A.III.5-C.IV.1-C.IV.2	27 154 123 373,22
		BUDGET ADMINISTRATION INCOME AND EXPENSE ACCOUNTS	

CHANGES IN EQUITY

of organizational units of the state, territorial self-governing units (TSU), subsidized organizations and regional councils

(in CZK, to two decimal places)

Period: **12 / 2012**IČO: **00064581**Name: **Hlavní město PRAHA**SNS: **200 - Hlavní město Praha celkem**

Item Number	Item Name	Previous Period	Balance Increase	Balance Decrease	Current Period
SUM EQUITY					
A. Accounting Unit Assets and Adjusting Entries					
A.I. Accounting Unit Equity					
1.	Changes to, origin or termination of authority to administer state property	323 180 796 349,17	165 198 518 608,44	158 043 589 480,02	324 037 636 866,83
2.	Entrustment of assets to an allowance organisation	283 492 751 477,26	15 874 351 755,07	13 325 568 053,30	279 743 446 568,27
3.	Free transfers	314 920 701 975,24	6 884 431 972,38	5 918 886 709,38	315 886 247 238,24
4.	Investment transfers	-	1 440 418 014,76	1 693 447 062,01	-
5.	Gifts	-	256 657 019,42	745 806 530,30	-
6.	Other	-	1 342 343 189,37	1 598 085 329,95	-
		-	16 198 429,40	29 453 338,12	-
		-	127 871 440,32	-	-
		-	3 700 943 879,11	1 852 094 449,00	-
A.II.	Privatisation fund				
A.III.	Transfers for acquisition of fixed assets	10 291 907 675,95	3 036 068 699,91	3 743 778 761,45	9 584 197 614,41
1.	Entrustment of assets to an allowance organisation	-	-	-	-
2.	Free transfers	-	1 093 686 586,46	142 212 580,41	-
3.	Investment transfers	-	1 924 382 113,45	84 000,00	-
4.	Gifts	-	-	3 590 527 181,04	-
5.	Reduction in investment transfers in relation to fact and time	-	-	10 955 000,00	-
6.	Other	-	18 000 000,00	-	-
		7 424,08		7 424,08	
A.IV.	Exchange rate differences				
A.V.	Changes in value during initial use of the method	45 615 854 069,12-	36 568 281,28-	563 266 687,73	46 215 689 038,13-
1.	Adjusting entries to claims	-	25 263 269,80-	78 669 463,49	-
2.	Depreciation	-	346 786 230,43-	497 105 230,03	-
3.	Other	-	335 481 218,95	12 508 005,79-	-
A.VI.	Other changes in value	3 916 106 927,31	6 018 468 186,87	3 040 758 100,11	6 893 817 014,07
1.	Changes in value of securities and interest	-	42 452 730,10	9 295 000,00	-
2.	Changes in value of assets intended for sale	-	5 975 005 006,74	2 999 486 193,08	-
3.	Other	-	1 010 450,03	31 976 907,03	-
A.VII.	Adjustments in previous periods	20 118 456,20-	28 048 822,81-	58 870 370,55	107 037 649,56-

Item Number	Item Name	Previous Period	Balance Increase	Balance Decrease	Current Period
1.	Adjustments in the preceding accounting period	-	27 750 072,81-	47 451 113,29	-
2.	Adjustments in previous accounting periods	-	298 750,00-	11 419 257,26	-
B.	Accounting Unit Funds	2 063 813 829,93	1 408 747 027,88	1 241 184 237,88	2 231 376 619,93
C.	Profit and Loss	37 624 231 041,98	147 915 419 825,49	143 476 837 188,84	42 062 813 678,63
D.	Budget administration income and expenditure account				

STATEMENT OF INCOME, DISBURSEMENTS AND FINANCING



of territorial self-governing units ('TSU') and voluntary unions of communities

(in CZK)

Period: **12 / 2012**

IČO: **00064581**

Name: **Hlavní město PRAHA**

SNS: **201 - HLAVNÍ MĚSTO PRAHA CELKEM**

BUDGETARY INCOME - CLASS 1 - 4

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
1111	Tax on income of natural persons from dependent activity and function benefits	8 320 000 000.00	8 320 000 000.00	8 759 202 782.26
1112	Tax on income of natural persons from individual gainful activity	779 000 000.00	779 000 000.00	723 094 536.65
1113	Tax on income of natural persons from capital revenues	729 000 000.00	729 000 000.00	923 204 808.60
111	Tax on income of natural persons	9 828 000 000.00	9 828 000 000.00	10 405 502 127.51
1121	Tax on income of legal entities	8 330 000 000.00	8 330 000 000.00	9 023 610 023.43
1122	Tax on income of legal entities on behalf of municipalities	150 000 000.00	1 130 956 500.00	1 130 956 500.00
112	Tax on income of legal entities	8 480 000 000.00	9 460 956 500.00	10 154 566 523.43
11	Income, profit and capital revenue tax	18 308 000 000.00	19 288 956 500.00	20 560 068 650.94
1211	Value added tax	19 800 000 000.00	19 800 000 000.00	18 290 544 094.30
121	General taxes on goods and services inland	19 800 000 000.00	19 800 000 000.00	18 290 544 094.30
12	Goods and service inland tax	19 800 000 000.00	19 800 000 000.00	18 290 544 094.30
1332	Fees for air pollution	150 500.00	173 900.00	321 534.00
1333	Fees for waste disposal			5 419 025.00
1334	Levies from land extraction from the agricultural land resources			587 124.00
1335	Fees for removal of the land function resting in discharge of the function of a forest			265 019.00
1336	Fees for permitted discharge of wastewater into surface water			1 340 083.00
1337	Fee for collection of communal waste		680 000 000.00	687 902 477.53
1339	Other fees for and levies in the field of environment	680 000 000.00		
133	Taxes and levies in the field of environment	680 150 500.00	680 173 900.00	695 835 262.53
1341	Fees for dogs	52 519 000.00	51 837 400.00	48 203 117.25
1342	Fee for spa or recreation stay	120 068 000.00	119 917 500.00	139 280 121.40
1343	Fee for use of public premises	217 910 000.00	221 170 800.00	251 627 298.21
1344	Fee from entrance money	23 040 000.00	22 981 500.00	35 125 004.48
1345	Fee from accommodation activity	59 426 000.00	59 865 800.00	85 859 265.14
1347	Fee for operated gaming machine	131 685 000.00	87 383 100.00	19 822 018.52
134	Local fees from selected activities and services	604 648 000.00	563 156 100.00	579 916 825.00
1351	Levy of lottery operations and similar games except of gambling machines	56 992 000.00	169 353 200.00	155 312 691.27
1355	Levy of gambling machines		533 550 100.00	541 120 547.58
1359	Other levies from selected activities and services not specified elsewhere	29 000.00	21 200.00	1 134 650.00
135	Other levies from selected activities and services	57 021 000.00	702 924 500.00	697 567 888.85
1361	Administrative charges	389 446 400.00	382 484 900.00	338 932 653.61
136	Administration fees	389 446 400.00	382 484 900.00	338 932 653.61
13	Taxes and fees on selected activities and services	1 731 265 900.00	2 328 739 400.00	2 312 252 629.99

BUDGETARY INCOME - CLASS 1 - 4

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
1511	Real estate tax	704 563 000.00	710 339 400.00	752 554 342.41
151	Property tax	704 563 000.00	710 339 400.00	752 554 342.41
15	Property taxes	704 563 000.00	710 339 400.00	752 554 342.41
1	Tax receipts (total for class 1)	40 543 828 900.00	42 128 035 300.00	41 915 419 717.64
2111	Receipts from provision of services and products	27 223 500.00	159 794 100.00	205 624 780.75
2112	Receipts from sale of goods (otherwise purchased for the purposes of sale)	107 000.00	542 000.00	354 325.59
2119	Other receipts from own activities	10 000.00	383 700.00	834 522.64
211	Receipts from own activity	27 340 500.00	160 719 800.00	206 813 628.98
2122	Levies of institutions receiving contributions from the state budget	6 150 500.00	193 941 300.00	193 480 718.04
2123	Other levies of institutions receiving contributions from the state budget	250 000.00	376 700.00	413 864.50
2129	Other levies of surplus of organizations with a direct relationship		2 500 000.00	3 298 374.04
212	Levies from residues of organizations with direct relationship	6 400 500.00	196 818 000.00	197 192 956.58
2131	Receipts from lease of land	10 000.00	6 000.00	5 090.00
2132	Receipts from lease of other real estate and parts thereof		30 000.00	30 000.00
2139	Other receipts from lease of property		50 000.00	51 990.00
213	Receipts from lease of property	10 000.00	86 000.00	87 080.00
2141	Receipts from interests (a part)	120 154 000.00	130 739 100.00	151 152 110.01
2142	Receipts from shares in profit and dividends	13 700 000.00	1 108 508 000.00	1 414 953 527.13
2143	Exchange rate differences in income	600 000.00	600 000.00	9 691 486.49
2144	Receipts from interests on government bonds		2 134 900.00	2 134 934.00
2146	Interest income from financial derivatives		600 000 000.00	701 922 271.06
214	Receipts from interests and realization of financial assets	134 454 000.00	1 841 982 000.00	2 279 854 328.69
21	Receipts from own activity and payment of excess of organizations with direct relationship	168 205 000.00	2 199 605 800.00	2 683 947 994.25
2211	Sanction Payments Received from State, Municipalities, Regions	2 000.00	474 600.00	1 581 319.00
2212	Sanction Payments Received from Other Entities	314 773 000.00	355 172 200.00	254 641 052.24
221	Received sabctuib payments	314 775 000.00	355 646 800.00	256 222 371.24
2221	Received returned transfers from other public budgets		4 628 800.00	200.00
2222	Other receipts from retained financial settlement from other public budgets		5 832 100.00	5 832 074.18
2223	Incomes from Financial Settlement from Previous Years between the Region and Municipalities and Voluntary Municipalities			114.70
2229	Other received returned transfers	525 000.00	193 351 400.00	200 227 041.98
222	Received returned transfers and other receipts from retained financial settlement	525 000.00	203 812 300.00	206 059 430.86
22	Received sanction payments and returned transfers	315 300 000.00	559 459 100.00	462 281 802.10
2310	Receipts from sale of short-term and immaterial fixed assets			6 793.00
231	Receipts from sale of short-term and immaterial fixed assets			6 793.00
2321	REceived non-investment donations	9 490 300.00	42 069 800.00	47 355 018.27
2322	Received indemmities	455 000.00	11 836 400.00	18 559 650.21
2324	Received non-capital contributions and compensations	6 895 500.00	18 667 800.00	38 086 563.71
2328	Unidentified receipts			13 418 195.68
2329	Other non-tax receipts not included elsewhere	16 812 300.00	28 455 100.00	52 268 644.85
232	Other non-tax receipts	33 653 100.00	101 029 100.00	169 688 072.72
2343	Receipts from payments from allotments and from exploited minerals	1 450 000.00	1 669 000.00	1 211 096.50
234	Receipts from use of exclusive rights to natural resources	1 450 000.00	1 669 000.00	1 211 096.50
23	Receipts from sale of non-capital assets and other non-tax receipts	35 103 100.00	102 698 100.00	170 905 962.22

BUDGETARY INCOME - CLASS 1 - 4

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
2411	Instalments of funds borrowed from business entities - natural persons	971 000.00	971 000.00	976 682.00
2412	Instalments of funds borrowed from business non-financial entities of legal persons	1 602 000.00	511 602 000.00	511 419 502.50
241	Instalments of funds borrowed from business entities	2 573 000.00	512 573 000.00	512 396 184.50
2420	Instalments of funds borrowed from generally beneficial associations and similar entities	17 504 200.00	17 504 200.00	19 798 729.88
242	Instalments of funds borrowed from generally beneficial associations and similar entities	17 504 200.00	17 504 200.00	19 798 729.88
2451	Instalments of funds borrowed from institutions receiveing contributions from the state budget		9 822 700.00	100 190 043.68
245	Instalments of funds borrowed from established and similar entities		9 822 700.00	100 190 043.68
2460	Instalments of funds borrowed from citizens	1 619 000.00	1 708 000.00	3 185 575.92
246	Instalments of funds borrowed from citizens	1 619 000.00	1 708 000.00	3 185 575.92
24	Received instalments of lent funds	21 696 200.00	541 607 900.00	635 570 533.98
2	Non-tax receipts (total for class 2)	540 304 300.00	3 403 370 900.00	3 952 706 292.55
3111	Receipts from sale of land		237 000.00	282 977.90
3112	Receipts from sale of other real estate and parts thereof			1 800.00
3113	Receipts from sale of other fixed tangible assets		40 000.00	95 089.50
311	Receipts from sale of fixed assets (except immaterial assets)		277 000.00	379 867.40
3121	Donations received for acquisition of fixed assets	13 080 000.00	28 897 200.00	27 644 136.00
312	Other capital receipts	13 080 000.00	28 897 200.00	27 644 136.00
31	Receipts from sale of fixed assets and other capital receipts	13 080 000.00	29 174 200.00	28 024 003.40
3	Capital revenues (total for class 3)	13 080 000.00	29 174 200.00	28 024 003.40
Own receipts (classes 1+2+3)		41 097 213 200.00	45 560 580 400.00	45 896 150 013.59
4111	Non-investment transfers received from general cash administration of the state budget		172 712 500.00	172 712 449.79
4112	Non-investment transfers received from the state budget within the overall subsidy relationship	968 383 000.00	968 383 000.00	968 383 000.00
4113	Non-investment transfers received from state funds		100 002 300.00	100 002 261.00
4116	Other non-investment transfers from the state budget		9 658 139 100.00	9 658 319 493.87
4118	Non-investment transfers from the National Fund		1 661 400.00	1 661 357.74
4119	Other non-investment transfers received from budgets at central level		830 300.00	836 051.23
411	Non-investment transfers received from public budgets at central level	968 383 000.00	10 901 728 600.00	10 901 914 613.63
4121	Non-investment transfers received from municipalities	3 421 000.00	7 542 600.00	10 684 137.46
4122	Non-investment transfers received from regions		1 430 700.00	1 430 599.49
412	Non-investment transfers received from public budgets at regional level	3 421 000.00	8 973 300.00	12 114 736.95
4131	Transfers from own funds of economic (business) activity	5 481 050 200.00	6 643 077 600.00	4 999 391 233.50
4132	Transfers from other own funds		509 200.00	509 202.00
4133	Transfers from own reserve funds (other than those of structural units of the state)	401 124 200.00	443 754 600.00	554 750 866.75
4134	Transfers from budget accounts	245 598 500.00	29 942 889 100.00	9 917 668 508.04
4139	Other transfers from own funds	223 973 000.00	209 502 400.00	135 177 147.71
413	Transfers from own funds	6 351 745 900.00	37 239 732 900.00	15 607 496 958.00
4152	Non-investment transfers received from international institutions		1 810 100.00	1 810 032.63
4153	Non-investment transfers received from the European Union		70 000.00	69 792.43
415	Non-investment transfers received from abroad		1 880 100.00	1 879 825.06
41	Non-investment transfers received	7 323 549 900.00	48 152 314 900.00	26 523 406 133.64
4211	Investment transfers received from general cash administration of the state budget		22 000 000.00	22 000 000.00

BUDGETARY INCOME - CLASS 1 - 4

<i>Item</i>	<i>Text</i>	<i>Approved budget</i>	<i>Adjusted budget</i>	<i>Result from the start of the year</i>
<i>a</i>	<i>b</i>	<i>1</i>	<i>2</i>	<i>3</i>
4213	Investment transfers received from state funds		303 935 000.00	188 783 261.25
4216	Other investment transfers received from the state budget		958 005 200.00	957 605 100.05
4218	Investment transfers from the National Fund		2 473 900.00	2 473 916.35
421	Investment transfers received from public budgets at central level		1 286 414 100.00	1 170 862 277.65
4240	Investment transfers received from state financial assets		7 000 000.00	7 000 000.00
424	Investment transfers received from state financial assets		7 000 000.00	7 000 000.00
42	Investment transfers received		1 293 414 100.00	1 177 862 277.65
4	Received transfers (total for class 4)	7 323 549 900.00	49 445 729 000.00	27 701 268 411.29
Total receipts (classes 1+2+3+4)		48 420 763 100.00	95 006 309 400.00	73 597 418 424.88

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5011	Salaries of employees within employment	3 119 303 200.00	3 235 475 700.00	3 181 945 303.00
5019	Other salaries	3 246 000.00	3 105 100.00	2 186 446.30
501	Salaries	3 122 549 200.00	3 238 580 800.00	3 184 131 749.30
5021	Other wages and salaries	87 690 000.00	124 587 500.00	114 359 084.40
5023	Remuneration of members of municipal and regional councils	171 181 100.00	169 893 700.00	159 361 658.00
5024	Redundancy payment	13 052 000.00	21 384 000.00	21 624 733.00
5029	Other payments for performed work not included elsewhere	8 347 800.00	6 615 000.00	6 247 622.00
502	Other payments for performed work	280 270 900.00	322 480 200.00	301 593 097.40
5031	Obligatory premium for social security and contribution to state policy of employment	836 965 800.00	873 541 300.00	850 377 433.00
5032	Obligatory premium for public health insurance	305 347 800.00	319 184 000.00	310 342 536.42
5038	Obligatory premium fro accident insurance	15 606 800.00	16 403 800.00	15 845 791.35
5039	Other obligatory premiums paid by the employer	1 045 700.00	687 500.00	263 969.96
503	Obligatory premium paid by the employer	1 158 966 100.00	1 209 816 600.00	1 176 829 730.73
5041	Remuneration for use of intellectual property	30 000.00	137 600.00	116 576.00
504	Remuneration for use of intellectual property	30 000.00	137 600.00	116 576.00
5051	Wage compensation		323 300.00	323 295.00
505	Wage compensation		323 300.00	323 295.00
50	Expenses on payments, other payments for performed work and premium	4 561 816 200.00	4 771 338 500.00	4 662 994 448.43
5131	Foodstuff	845 000.00	727 800.00	675 641.80
5132	Protective devices	1 358 000.00	1 591 500.00	1 401 250.38
5133	Drugs and medical supplies	2 396 800.00	2 408 900.00	2 329 658.41
5134	Underwear, clothes and shoes	37 638 300.00	25 728 000.00	24 236 698.23
5136	Books, learning aids and press	14 454 300.00	16 048 200.00	14 620 915.58
5137	Immaterial fixed tangible assets	95 646 500.00	133 488 000.00	116 823 723.56
5138	Purchase of goods (for the purpose of resale)	781 500.00	854 700.00	576 455.00
5139	Purchase of raw material not included elsewhere	191 832 000.00	208 055 200.00	185 538 441.01
513	Purchase of materials	344 952 400.00	388 902 300.00	346 202 783.97
5141	Own interests	911 152 600.00	910 978 900.00	650 306 033.82
5142	Exchange rate differences in expenses	200 100 900.00	202 749 000.00	2 227 784.96
5143	Interest incurred by assumption of others' liabilities	150 000.00	730 100.00	580 015.00
5145	Financial derivatives	350 000 000.00		(8 728.00)
5146	Interests costs on financial derivatives		950 000 000.00	851 255 990.55
5149	Other interest and other financial expenses	6 069 000.00	4 898 800.00	3 177 406.33
514	Interests and other financial expenses	1 467 472 500.00	2 069 356 800.00	1 507 538 502.66
5151	Cold water	23 345 400.00	22 948 500.00	18 704 456.43
5152	Heat	27 159 200.00	29 212 800.00	25 028 697.00
5153	Gas	46 265 500.00	42 097 800.00	33 068 586.29
5154	Electric energy	144 134 800.00	138 963 900.00	122 275 499.76
5155	Solid fuels	56 000.00	29 600.00	27 765.00
5156	Fuels and lubricants	38 373 500.00	41 213 300.00	38 977 154.07
5157	Hot water	1 538 500.00	1 581 700.00	1 328 735.09
5159	Purchase of other fuels and energy	5 000.00	11 100.00	10 182.00
515	Costs of water, fuels and energy	280 877 900.00	276 058 700.00	239 421 075.64
5161	Post-office services	42 358 200.00	36 785 300.00	32 064 210.55
5162	Services of telecommunications and radiocommunications	121 918 200.00	158 136 000.00	146 418 033.62
5163	Services of banking institutions	76 621 300.00	80 378 900.00	67 958 030.35
5164	Rent	410 553 700.00	424 257 000.00	415 962 101.14
5165	Rent for land	16 548 700.00	28 730 500.00	25 762 613.31

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5166	Consultation, advisory and legal services	334 700 100.00	355 765 600.00	244 185 707.60
5167	Training and educating services	51 702 000.00	49 662 000.00	41 574 633.76
5168	Data processing services	63 560 000.00	51 259 400.00	44 166 800.57
5169	Purchase of other services	4 859 284 000.00	5 200 183 600.00	4 968 310 037.31
516	Costs of services	5 977 246 200.00	6 385 158 300.00	5 986 402 168.21
5171	Repairs and maintenance	1 420 310 200.00	1 848 167 900.00	1 721 652 942.36
5172	Programme equipment	11 942 000.00	14 170 200.00	11 013 032.83
5173	Travel costs (domestic as well as abroad)	25 384 900.00	26 207 400.00	23 470 166.06
5175	Treatment	27 797 800.00	34 476 500.00	30 811 945.10
5176	Attendance fees at conferences	641 100.00	916 600.00	684 103.05
5177	Purchase of objects of art		8 000.00	9 861.00
5178	Lease for rent with right of purchase	5 799 800.00	5 581 100.00	5 486 433.11
5179	Other purchases not included elsewhere	574 283 900.00	574 400 000.00	573 557 495.53
517	Costs of other purchases	2 066 159 700.00	2 503 927 700.00	2 366 685 979.04
5182	Advances provided to own petty cash	55 000.00	55 000.00	
5189	Other provided advances and guarantees	815 200.00	168 300.00	41 810.50
518	Provided advances, securities, guarantees and government credits	870 200.00	223 300.00	41 810.50
5191	Paid sanctions	20 000.00	363 300.00	320 891.17
5192	Provided non-investment contributions and reimbursements (part)	159 332 600.00	174 260 000.00	156 270 678.90
5193	Expenses on traffic regional road service	471 605 700.00	637 139 500.00	637 139 496.00
5194	Material donations	24 144 100.00	25 692 900.00	23 110 481.66
5195	Levies for failure to meet the obligation to employ the disabled	1 275 700.00	1 276 000.00	680 345.00
5197	Reimbursements of increased costs connected with discharge of an office abroad	5 861 900.00	4 728 400.00	4 728 360.13
5199	Other expenses related to non-investment purchases	4 270 000.00	278 600.00	1 778 906.00
519	Expenses related to non-investment purchases, contributions, reimbursements and material donations	666 510 000.00	843 738 700.00	824 029 158.86
51	Non-investment purchases and related expenses	10 804 088 900.00	12 467 365 800.00	11 270 321 478.88
5212	Non-investment transfers to non-financial business entities - natural persons	5 574 000.00	20 765 800.00	20 348 837.80
5213	Non-investment transfers to non-financial business entities - legal entities	10 690 454 300.00	12 035 710 300.00	11 999 234 880.74
5219	Owner non-investment transfers to business entities		32 000.00	32 000.00
521	Non-investment transfers to business entities	10 696 028 300.00	12 056 508 100.00	12 019 615 718.54
5221	Non-investment transfers to generally beneficial associations	34 156 000.00	316 549 400.00	309 219 529.56
5222	Non-investment transfers to unincorporated associations	96 225 000.00	587 515 400.00	565 409 362.29
5223	Non-investment transfers to churches and religious societies	23 809 600.00	70 385 800.00	69 761 856.49
5225	Non-investment transfers to associations of owners of residential units	4 642 300.00	8 610 100.00	8 456 225.00
5229	Other non-investment transfers to non-profit and similar organizations	620 734 400.00	49 584 500.00	44 714 694.61
522	Non-investment transfers to non-profit and similar associations	779 567 300.00	1 032 645 200.00	997 561 667.95
5230	Non-investment non-subsidy transfers to business entities	1 000 000.00	1 000 000.00	1 000 000.00
523	Non-investment non-subsidy transfers to business entities	1 000 000.00	1 000 000.00	1 000 000.00
5240	Non-investment non-subsidy transfers to non-profit and similar organizations	2 000.00	43 000.00	42 608.00
524	Non-investment non-subsidy transfers to non-profit and similar organizations	2 000.00	43 000.00	42 608.00
52	Non-investment transfers to private entities	11 476 597 600.00	13 090 196 300.00	13 018 219 994.49
5311	Non-investment transfers to the state budget		700 000.00	699 560.00
5319	Other non-investment transfers to other public budgets	50 000.00	44 000.00	43 034.00
531	Non-investment transfers to public budgets at central level	50 000.00	744 000.00	742 594.00

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5321	Non-investment transfers to municipalities	65 000.00	100 600.00	85 510.00
5323	Non-investment transfers to regions		21 000.00	20 071.80
532	Non-investment transfers to public budgets at regional level	65 000.00	121 600.00	105 581.80
5331	Non-investment contributions to established institutions receiving contributions from the state budget	5 292 389 900.00	6 331 244 600.00	6 305 620 377.85
5332	Non-investment transfers to universities		74 900.00	74 900.00
5333	Non-investment transfers to educational legal entities established by the state, region and municipalities	976 000.00	1 323 000.00	1 322 847.00
5334	Non-investment transfers to public research institutions		8 348 600.00	8 348 472.56
5335	Non-investment transfers to public medical institutions established by the state, region and municipalities		17 944 700.00	17 944 556.07
5336	Non-Investment Grants to Established Allowance Organizations	3 386 464 900.00	3 615 043 300.00	3 613 737 782.71
5339	Non-Investment Transfers to Other Allowance Organizations	3 994 775 000.00	4 472 160 200.00	4 454 845 043.02
533	Non-investment transfers to institutions receiving contributions from the state budget and similar organizations	12 674 605 800.00	14 446 139 300.00	14 401 893 979.21
5341	Transfers to own funds of economic (business) activity	3 138 000.00	3 879 000.00	5 093 077.86
5342	Transfers to funds of cultural and social needs and social funds of municipalities and regions	44 782 500.00	45 792 900.00	132 275 190.27
5344	Transfers to own reserve funds of regional budgets	9 718 700.00	366 776 600.00	676 233 546.59
5345	Transfers to own budget accounts	616 906 900.00	29 782 790 600.00	9 258 032 931.73
5349	Other transfers to own funds	199 287 600.00	400 786 000.00	541 054 853.91
534	Transfers to own funds	873 833 700.00	30 600 025 100.00	10 612 689 600.36
5361	Purchase of duty stamps	3 527 900.00	3 185 600.00	2 639 010.00
5362	Payments of taxes and fees to the state budget	2 451 400.00	(716 300.00)	(17 825 195.68)
5363	Payments of sanctions to other budgets	197 500.00	5 838 700.00	5 805 738.87
5364	Returned funds to public budgets at the central level of transfers provided in the past budget periods		34 261 500.00	34 261 069.73
5365	Payments of taxes and fees to regions, municipalities and state funds	58 500.00	57 800.00	44 008.00
536	Other non-investment transfers to other public budgets	6 235 300.00	42 627 300.00	24 924 630.92
53	Non-investment transfers to public entities and between monetary funds	13 554 789 800.00	45 089 657 300.00	25 040 356 386.29
5410	Social benefits	81 000.00	1 630 100.00	1 299 384.00
541	Social benefits	81 000.00	1 630 100.00	1 299 384.00
5421	Compensation from accident insurance		4 300.00	10 805.00
5422	Compensation of the nature of rehabilitation			105 000.00
5424	Wage compensation in the time of sickness	18 535 200.00	18 275 000.00	15 919 067.00
5429	Other compensation payable to the citizens	203 100.00	115 100.00	50 825.00
542	Reimbursements paid to citizens	18 738 300.00	18 394 400.00	16 085 697.00
5491	Scholarships to pupils, students and inceptors	102 000.00	102 000.00	57 500.00
5492	Donations to citizens	21 249 600.00	31 908 500.00	26 153 437.27
5493	Purpose non-investment transfers to natural persons not running business	7 816 000.00	23 557 300.00	23 546 890.00
5494	Non-investment transfers to citizens, which do not have nature of a donation	507 000.00	928 700.00	789 343.97
5499	Other non-investment transfers to citizens	77 419 700.00	79 295 600.00	75 148 583.07
549	Other non-investment transfers to citizens	107 094 300.00	135 792 100.00	125 695 754.31
54	Non-investment transfers to citizens	125 913 600.00	155 816 600.00	143 080 835.31
5511	Non-investment transfers to international organizations	919 600.00	919 600.00	710 958.48
551	Non-investment transfers to international organizations and supranational bodies	919 600.00	919 600.00	710 958.48
5531	Monetary donations abroad	78 000.00	2 156 300.00	2 092 987.99
553	Other non-investment transfers abroad	78 000.00	2 156 300.00	2 092 987.99
55	Non-investment transfers abroad	997 600.00	3 075 900.00	2 803 946.47

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5612	Non-investment funds lent to non-financial business entities - natural persons		1 600 000.00	1 497 000.00
5613	Non-investment funds lent to non-financial business entities - legal persons	15 885 000.00	16 135 000.00	6 742 600.00
561	Non-investment funds lent to business entities	15 885 000.00	17 735 000.00	8 239 600.00
5621	Non-investment funds lent to generally beneficial associations		1 742 000.00	1 742 000.00
5624	Non-investment funds lent to associations of owners of residential units		2 800 000.00	2 795 917.80
562	Non-investment funds lent to non-profit and similar associations		4 542 000.00	4 537 917.80
5651	Non-investment funds lent to established institutions receiving contributions from the state budget		1 025 300.00	1 025 337.00
565	Non-investment funds lent to institutions receiving contributions from the state budget and similar organizations		1 025 300.00	1 025 337.00
5660	Non-investment funds lent to citizens	2 500 000.00	2 680 000.00	1 772 210.20
566	Non-investment funds lent to citizens	2 500 000.00	2 680 000.00	1 772 210.20
56	Non-investment lent funds	18 385 000.00	25 982 300.00	15 575 065.00
5901	Unspecified reserves	1 108 363 100.00	1 023 480 600.00	
5902	Other expenses from retained financial settlement		362 084 400.00	362 084 446.04
5909	Other non-investment expenses not included elsewhere	534 442 200.00	15 194 400.00	21 149 890.75
590	Other non-investment expenses	1 642 805 300.00	1 400 759 400.00	383 234 336.79
59	Other non-investment expenses	1 642 805 300.00	1 400 759 400.00	383 234 336.79
5	CURRENT EXPENSES (CLASS 5)	42 185 394 000.00	77 004 192 100.00	54 536 586 491.66
6111	Programme equipment	31 351 000.00	64 165 100.00	41 242 055.07
6112	Valuable rights		97 063 100.00	96 947 906.00
6119	Other purchases of fixed intangible assets	35 043 800.00	51 418 200.00	23 947 099.00
611	Acquisition of fixed intangible assets	66 394 800.00	212 646 400.00	162 137 060.07
6121	Buildings, halls and constructions	3 527 714 800.00	15 661 727 300.00	10 677 725 863.13
6122	Machinery, devices and equipment	127 874 100.00	175 495 400.00	124 357 422.77
6123	Means of transport	3 824 000.00	20 287 600.00	18 607 455.80
6124	Orchards and vineyards		200 000.00	199 696.00
6125	Computing technology	26 805 000.00	62 046 500.00	29 348 565.56
6127	Artworks and collections	7 690 000.00	8 440 700.00	2 366 017.00
6129	Purchase of fixed tangible assets not included elsewhere	2 415 000.00	2 322 300.00	2 003 241.00
612	Acquisition of fixed tangible assets	3 696 322 900.00	15 930 519 800.00	10 854 608 261.26
6130	Land	89 655 700.00	256 293 900.00	186 816 844.50
613	Land	89 655 700.00	256 293 900.00	186 816 844.50
61	Investment purchases and related expenses	3 852 373 400.00	16 399 460 100.00	11 203 562 165.83
6201	Purchase of shares		1 851 000.00	1 851 000.00
6202	Purchase of capital participation	200 000.00	200 000.00	200 000.00
620	Purchase of shares and capital participation	200 000.00	2 051 000.00	2 051 000.00
62	Purchase of shares and capital participation	200 000.00	2 051 000.00	2 051 000.00
6312	Investment transfers to non-financial business entities - natural persons		12 592 300.00	12 592 220.79
6313	Investment transfers to non-financial business entities - legal persons	4 000 000.00	6 401 671 500.00	5 028 710 881.82
631	Investment transfers to business entities	4 000 000.00	6 414 263 800.00	5 041 303 102.61
6321	Investment transfers to generally beneficial associations		292 800.00	292 800.00
6322	Investment transfers to unincorporated associations		37 289 000.00	36 882 999.99
6323	Investment transfers to churches and religious societies		14 207 800.00	14 207 820.17
6324	Investment transfers to political parties and movements	6 000 000.00	6 575 200.00	575 120.00
6329	Other investment transfers to non-profit and similar organizations	100 000.00	665 000.00	565 000.00
632	Investment transfers to non-profit and similar associations	6 100 000.00	59 029 800.00	52 523 740.16

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
6351	Investment transfers to established institutions receiving contributions from the state budget	99 015 300.00	583 731 500.00	565 190 433.16
6354	Investment transfers to public research institutions		149 553 800.00	149 553 640.04
6355	Investment transfers to public health institutions established by the state, region and municipalities		1 030 000.00	1 030 000.00
6356	Other investment transfers to established allowance organisations		10 444 200.00	10 444 171.50
6359	Investment transfers to other institutions receiving contributions from the state budget		225 714 100.00	225 793 848.32
635	Investment transfers to institutions receiving contributions from the state budget	99 015 300.00	970 473 600.00	952 012 093.02
63	Investment transfers	109 115 300.00	7 443 767 200.00	6 045 838 935.79
6412	Investment funds lent to non-financial business entities - natural persons	1 600 000.00		
6413	Investment funds lent to non-financial business entities - legal persons	56 635 000.00	56 585 000.00	42 750 918.00
641	Investment funds lent to business entities	58 235 000.00	56 585 000.00	42 750 918.00
6424	Investment funds lent to associations of owners of dwelling units	4 800 000.00	2 000 000.00	1 474 601.00
642	Investment funds lent to non-profit and similar associations	4 800 000.00	2 000 000.00	1 474 601.00
6451	Investment funds lent to established institutions receiving contributions from the state budget		14 389 000.00	8 577 186.80
645	Investment funds lent to institutions receiving contributions from the state budget and similar organizations		14 389 000.00	8 577 186.80
6460	Investment funds lent to citizens	60 000.00	60 000.00	
646	Investment funds lent to citizens	60 000.00	60 000.00	
64	Investment lent funds	63 095 000.00	73 034 000.00	52 802 705.80
6901	Reserves of capital expenses	10 429 911 400.00	158 273 600.00	
6909	Other capital expenses not included elsewhere		64 642 000.00	33 196 271.66
690	Other capital expenses	10 429 911 400.00	222 915 600.00	33 196 271.66
69	Other capital expenses	10 429 911 400.00	222 915 600.00	33 196 271.66
6	CAPITAL EXPENSES (TOTAL FOR CLASS 6)	14 454 695 100.00	24 141 227 900.00	17 337 451 079.08
TOTAL EXPENSES (CLASS 5+6)		56 640 089 100.00	101 145 420 000.00	71 874 037 570.74
BALANCE OF INCOME AND EXPENSES		(8 219 326 000.00)	(6 139 110 600.00)	1 723 380 854.14

FOR INFORMATION PURPOSES - CASH FUNDS

Text	Row	Approved budget	Adjusted budget	Result from the start of the year
		1	2	3
Opening balance	5010			1 869 074 381.45
Total income	5020	119 146 700.00	862 931 400.00	1 402 899 711.93
Total expenses	5040	797 596 500.00	1 020 084 600.00	948 239 608.49
Closing balance (difference in budget)	5060	(678 449 800.00)	(157 153 200.00)	2 180 091 073.12
Change in balance	5070	678 449 800.00	157 153 200.00	(311 016 691.67)
Financing - class 8	5080	594 727 500.00	(2 876 800.00)	(143 643 411.77)

III. FINANCING - class 8

Name	Item / Row number	Approved budget	Adjusted budget	Result from the start of the year
text		1	2	3
Short-term local sources of finance				
Short-term bonds issued (+)	8111			
Paid instalments of short-term bonds issued (-)	8112			
Short-term received loans (+)	8113			
Paid instalments of short-term received borrowed funds (-)	8114			
Revenueisation of short-term funds on bank accounts (+-)	8115	8 917 011 400.00	1 289 554 100.00	
Active short-term operations of liquidity management - receipts (+)	8117	131 760 000.00	14 116 111 000.00	31 081 789 444.07
Active short-term operations of liquidity management - expenses (-)	8118		(14 004 000 000.00)	(29 888 150 821.59)
Long-term local sources of finance				
Long-term bonds issued (+)	8121			
Paid instalments of long-term bonds issued (-)	8122			
Long-term received funds borrowed (+)	8123	1 640 000.00	8 840 000.00	7 487 717.41
Paid instalments of long-term received borrowed funds (-)	8124	(15 518 900.00)	(15 599 500.00)	(15 518 172.00)
Revenueisation of long-term funds on bank accounts (+-)	8125			(1 853 652.62)
Active long-term operations of liquidity management - receipts (+)	8127	18 795 500.00	21 795 500.00	63 640 541.09
Active long-term operations of liquidity management - expenses (-)	8128	(18 868 000.00)	(21 868 000.00)	(413 568 541.08)
Short-term foreign sources of finance				
Short-term bonds issued (+)	8211			
Paid instalments of short-term bonds issued (-)	8212			
Short-term received borrowed funds (+)	8213			
Paid instalments of short-term received borrowed funds (-)	8214			
Revenueisation of short-term funds on bank accounts (+-)	8215			
Active short-term operations of liquidity management - receipts (+)	8217			
Active short-term operations of liquidity management - expenses (-)	8218			
Long-term foreign sources of finance				
Long-term bonds issued (+)	8221			
Paid instalments of long-term bonds issued (-)	8222			
Long-term received funds borrowed (+)	8223		6 000 000 000.00	6 000 000 000.00
Paid instalments of long-term received borrowed funds (-)	8224	(815 494 000.00)	(1 255 722 500.00)	(1 246 664 912.95)
Revenueisation of long-term funds on bank accounts (+-)	8225			
Active long-term operations of liquidity management - receipts (+)	8227			
Active long-term operations of liquidity management - expenses (-)	8228			

Provisions for cash transaction

Operations from the organization cash accounts not having the nature

III. FINANCING - class 8

Name	Item / Row number	Approved budget	Adjusted budget	Result from the start of the year
text		1	2	3
of receipts and expenses of government segment (+-)	8901			4 312 638.30
Unrealised exchange rate differences on movement in foreign currency accounts	8902			(44 431 323.09)
Non-transferred sums making up the deficit	8905			
TOTAL FINANCING (class 8)	8000	8 219 326 000.00	6 139 110 600.00	(1 723 380 854.14)

IV. SUMMARY OF INCOMES, EXPENSES, FINANCING AND ITS CONSOLIDATION

Name	Row number	Approved budget	Adjusted budget	Result from the start of the year
text	r	41	42	43
A1 - TAX INCOME	4010	40 543 828 900.00	42 128 035 300.00	41 915 419 717.64
A2 - NON-TAX INCOME	4020	540 304 300.00	3 403 370 900.00	3 952 706 292.55
A3 - CAPITAL INCOME	4030	13 080 000.00	29 174 200.00	28 024 003.40
A4 - RECEIVED TRANSFERS	4040	7 323 549 900.00	49 445 729 000.00	27 701 268 411.29
TOTAL INCOME	4050	48 420 763 100.00	95 006 309 400.00	73 597 418 424.88
RECEIPT CONSOLIDATION	4060	870 695 700.00	30 596 146 100.00	10 607 596 522.50
of which:				
2223 - Receipts from retained financial settlement between the region and municipalities	4061			114.70
2226 - Receipts from retained financial settlement between municipalities	4062			
2227 - Receipts from retained financial settlement between regional council, municipalities and voluntary associations of municipalities	4063			
2441 - Instalments of funds borrowed from municipalities	4070			
2442 - Instalments of funds borrowed from regions	4080			
2443 - Instalments of funds borrowed from regional councils	4081			
2449 - Other instalments of funds borrowed from public budgets at regional level	4090			
4121 - Non-investment transfers received from municipalities	4100	3 421 000.00	7 542 600.00	10 684 137.46
4122 - Non-investment transfers received from regions	4110		1 430 700.00	1 430 599.49
4123 - Non-investment transfers received from regional councils	4111			
4129 - Other non-investment transfers received from budgets at regional level	4120			
* 4133 - Transfers from own reserve funds (other than those of structural units of the state)	4130	401 124 200.00	443 754 600.00	554 750 866.75
* 4134 - Transfers from budget accounts	4140	245 598 500.00	29 942 889 100.00	9 917 668 508.04
* 4139 - Other transfers from own funds	4150	223 973 000.00	209 502 400.00	135 177 147.71
4221 - Investment transfers received from municipalities	4170			
4222 - Investment transfers received from regions	4180			
4223 - Investment transfers received from regional councils	4181			
4229 - Other investments transfer received from budgets at regional level	4190			
ZJ 024 - Transfers received from the territory of another district	4191			
ZJ 025 - Instalments of borrowed funds received from the territory of another district	4192			
ZJ 028 - Transfers received from the territory of another district	4193	3 421 000.00	8 973 300.00	12 114 851.65
ZJ 029 - Instalments of borrowed funds received from the territory of another region	4194			
TOTAL INCOME AFTER CONSOLIDATION	4200	47 550 067 400.00	64 410 163 300.00	62 989 821 902.38
A5 - CURRENT EXPENSES	4210	42 185 394 000.00	77 004 192 100.00	54 536 586 491.66
A6 - CAPITAL EXPENSES	4220	14 454 695 100.00	24 141 227 900.00	17 337 451 079.08
TOTAL EXPENSES	4240	56 640 089 100.00	101 145 420 000.00	71 874 037 570.74
CONSOLIDATION OF EXPENSES	4250	870 695 700.00	30 596 146 100.00	10 607 596 522.50
of which:				
5321 - Non-investment transfers to municipalities	4260	65 000.00	100 600.00	85 510.00
5323 - Non-investment transfers to regions	4270		21 000.00	20 071.80
5325 - Non-investment transfers to regional councils	4271			
5329 - Other non-investment transfers to public budgets at regional level	4280			
* 5342 - Transfers to funds of cultural and social needs and social funds of municipalities and regions	4281	44 782 500.00	45 792 900.00	132 275 190.27
* 5344 - Transfers to own reserve funds of regional budgets	4290	9 718 700.00	366 776 600.00	676 233 546.59
* 5345 - Transfers to own budget accounts	4300	616 906 900.00	29 782 790 600.00	9 258 032 931.73
* 5349 - Other transfers to own funds	4310	199 287 600.00	400 786 000.00	541 054 853.91

IV. SUMMARY OF INCOMES, EXPENSES, FINANCING AND ITS CONSOLIDATION

Name	Row number	Approved budget	Adjusted budget	Result from the start of the year
text	r	41	42	43
5366 - Expenses from retained financial settlements between the region and municipalities	4321			
5367 - Expenses from retained financial settlements between municipalities	4322			
5368 - Expenses from retained financial settlements between the regional council and the regions, munic.and voluntary assoc. of municipalities	4323			
5641 - Non-investment funds lent to municipalities	4330			
5642 - Non-investment funds lent to regions	4340			
5643 - Non-investment funds lent to regional councils	4341			
5649 - Other non-investment funds lent to public budget at regional level	4350			
6341 - Investment transfers to municipalities	4360			
6342 - Investment transfers to regions	4370			
6345 - Investment transfers to regional councils	4371			
6349 - Other investment transfers to public budget at regional level	4380			
6441 - Investment funds lent to municipalities	4400			
6442 - Investment funds lent to regions	4410			
6443 - Investment funds lent to regional councils	4411			
6449 - Other investment funds lent to public budget at regional level	4420			
ZJ 026 - Transfers provided on the territory of another district	4421			
ZJ 027 - Borrowed funds provided to the territory of another district	4422			
ZJ 035 - Transfers provided to the territory of another region	4423	65 000.00	121 600.00	105 581.80
ZJ 036 - Borrowed funds provided to te territory of another region	4424			
TOTAL EXPENSES AFTER CONSOLIDATION	4430	55 769 393 400.00	70 549 273 900.00	61 266 441 048.24
BALANCE OF INCOME AND EXPENSES AFTER CONSOLIDATION	4440	(8 219 326 000.00)	(6 139 110 600.00)	1 723 380 854.14
CLASS A8 - FINANCING	4450	8 219 326 000.00	6 139 110 600.00	(1 723 380 854.14)
CONSOLIDATION OF FINANCING	4460			
TOTAL FINANCING AFTER CONSOLIDATION	4470	8 219 326 000.00	6 139 110 600.00	(1 723 380 854.14)

Remark: "*" - Items marked with an asterrisk enter consolidation in this specific format of the statement

VI. BANK ACCOUNTS

Name of Bank account	Row number	Opening balance 1.1.	Closing balance for monitored period	Change of balance
text	r	61	62	63
Basic current account of the municipalities	6010	4 761 575 100.07	14 797 505 810.48	(10 035 930 710.41)
Deposit expenses account	6020	1 869 074 381.45	2 180 091 073.12	(311 016 691.67)
Current account of cash funds	6030	6 630 649 481.52	16 977 596 883.60	(10 346 947 402.08)
Total current accounts	6040	120 456 246.58	122 309 899.20	(1 853 652.62)
Bank accounts for OS limits	6050	3 448 597 121.83	372 073 491.43	3 076 523 630.40

VII. SELECTED RECORD ITEMS

Name	Row number	Approved budget	Adjusted budget	Result from the start of the year
text	r	71	72	73
ZJ 024 - Transfer received from the territory of another district	7090			
Items:				
2226 - Income from prior years' financial settlement between municipalities	7092			
4121 - Non-investment transfers received from municipalities	7100			
4129 - Other non-investment transfers received from budgets at regional level	7110			
4221 - Investment transfers received from municipalities	7120			
4229 - Other investment transfers received from budgets at regional level	7130			
ZJ 025 - Instalments of borrowed funds received from territory of another district	7140			
Items:				
2441 - Instalments of funds borrowed from municipalities	7150			
2449 - Other instalments of funds borrowed from public budget at regional level	7160			
ZJ 026 - Transfers provided to the territory of another district	7170			
Items:				
5321 - Non-investment transfers to municipalities	7180			
5329 - Other non-investment transfers to public budget at regional level	7190			
5367 - Expenses from retained financial settlement between municipalities	7192			
6341 - Investment transfers to municipalities	7200			
6349 - Other investment transfers to public budget at regional level	7210			
ZJ 027 - Borrowed funds provided to the territory of another district	7220			
Items:				
5641 - Non-investment funds lent to municipalities	7230			
5649 - Other non-investment funds lent to public budget at regional level	7240			
6441 - Investment funds lent to municipalities	7250			
6449 - Other investment funds lent to public budget at regional level	7260			
ZJ 028 - Transfers received from the territory of another region	7290	3 421 000.00	8 973 300.00	12 114 851.65
Items:				
2223 - Receipts from retained financial settlement between the region and municipalities	7291			114.70
2226 - Receipts from retained financial settlement between municipalities	7292			
4121 - Non-investment transfers received from municipalities	7300	3 421 000.00	7 542 600.00	10 684 137.46
4122 - Non-investment transfers received from regions	7310		1 430 700.00	1 430 599.49
4129 - Other non-investment transfers received from budgets at regional level	7320			
4221 - Investment transfers received from municipalities	7330			
4222 - Investment transfers received from regions	7340			
4229 - Other investment transfers received from budgets at regional level	7350			
ZJ 029 - Instalments fo borrowed received from the territory of another region	7360			
Items:				
2441 - Instalments of funds borrowed from municipalities	7370			
2442 - Instalments of funds borrowed from regions	7380			
2449 - Other instalments of funds borrowed from public budgets at regional level	7390			

VII. SELECTED RECORD ITEMS

Name	Row number	Approved budget	Adjusted budget	Result from the start of the year
text	r	71	72	73
ZJ 035 - Transfers provided to the territory of another region	7400	65 000.00	121 600.00	105 581.80
Items:				
5321 - Non-investment transfers to municipalities	7410	65 000.00	100 600.00	85 510.00
5323 - Non-investment transfers to regions	7420		21 000.00	20 071.80
5329 - Other non-investment transfers to public budgets at regional level	7430			
5366 - Expenses from retained financial settlements between the region and municipalities	7431			
5367 - Expenses from retained financial settlements between municipalities	7432			
6341 - Investment transfers to municipalities	7440			
6342 - Investment transfers to regions	7450			
6349 - Other investment transfers to public budgets at regional level	7460			
ZJ 036 - Borrowed funds provided to the territory of another region	7470			
Items:				
5641 - Non-investment funds lent to municipalities	7480			
5642 - Non-investment funds lent to regions	7490			
5649 - Other non-investment funds lent to public budgets at regional level	7500			
6441 - Investment funds lent to municipalities	7510			
6442 - Investment funds lent to regions	7520			
6449 - Other investment funds lent to public budgets at regional level	7530			

Date mailed:

Stamp:

Signature of the head of the accounting unit:

Date delivered:



Person responsible for the presented figures

budget:

POČTOVA

actual:

Melkesova!

JAVOROVKA Javorová

Bílková

Mull

Phone: 236001111

Phone: 236001111 (2383)

Appendix C

Letter from the City according to the requirement arising from Section 7 (1) f) of Act No. 420/2004 Coll.

The City of Prague
THE BOARD OF THE COUNCIL OF THE CITY OF PRAGUE
R E S O L U T I O N

of the Board of the Council of the City of Prague

Number 920 dated
4 June 2013

*On the Report on the Results of the Examination of Operations of the City of Prague
for the year ended 31 December 2012*

The Board of the Council of the City of Prague

I. Acknowledges

Report on the Results of the Examination of Operations of the City of Prague for the year ended 31 December 2012 which forms Appendix 1 to this Resolution

II. Instructs

1. First Deputy Mayor of the City of Prague authorised by the Council of the City of Prague to act as the Mayor of the City of Prague

1. To present the Report on the Results of the Examination of Operations of the City of Prague for the year ended 31 December 2012 to the Council of the City of Prague

Deadline: 20 June 2013

2. The Chief Executive of the Metropolitan Authority

1. To ensure that the findings involving errors and deficiencies arising from the examination of the operations of the City of Prague for 2012 are acted upon and rectified.

Deadline: 30 September 2013

III. Requests

1. The mayors of the Boroughs of the City of Prague.

1. which were noted during the examination of the operations to show both major and minor errors and deficiencies, to undertake remedial measures.

Deadline: 30 September 2013

Tomáš Hudeček
First Deputy Mayor of the City of Prague
authorised by the Council of the City of Prague
to act as the Mayor of the City of Prague

Pavel Richter
Deputy Mayor of the City of Prague

Submitted by:

First Deputy Mayor of the City of Prague, Mr Hudeček

Print:

R-10042

To be executed by:

First Deputy Mayor of the City of Prague authorised by the Council of the City of Prague to act as the Mayor of the City of Prague, Chief Executive of the Metropolitan Authority

To be acknowledged by:

Departments of the Metropolitan Authority