

HLAVNÍ MĚSTO PRAHA

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

FOR THE YEAR ENDED 31 DECEMBER 2010

**HLAVNÍ MĚSTO PRAHA
AUDITOR'S REPORT ON THE RESULTS
OF THE EXAMINATION OF THE OPERATIONS
TABLE OF CONTENTS**

AUDIT REPORT

BALANCE SHEET

INCOME STATEMENT

NOTES

CASH FLOW STATEMENT

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF INCOME, DISBURSEMENTS AND FINANCING

CONSTRUCTIVE SERVICE LETTER

OPINION OF THE MAYOR OF THE CITY PRAGUE

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 2010 to 31 December 2010

Person Responsible for the City of Prague:

Bohuslav Svoboda, Mayor

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, eight audit assistants and four 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:

No partial examination of the operations of the City of Prague was conducted. The contract for the examination of operations between the City of Prague and Deloitte Audit s.r.o. was signed on 21 December 2010.

The one-off examination was conducted from 4 April 2011 to 9 April 2011.

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.) 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 2010 was being conducted when there were numerous methodological unclaritys due to legislative changes (new regulations, Czech Accounting Standards, etc.) and when certain accounting issues were not yet clearly determined. For this reason, it is possible that certain accounting treatments applied in 2010 will be considered as incorrect following the clarification and issuance of officially applicable methodological guidance.

The conclusion of the report on the result of the examination of operations of the City was divided into two parts: conclusions of 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.

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 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 Financial Control and Management Review division of the Municipal 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	Minor deficiencies and major deficiencies
2	Prague 2	OKCZ Organizační kancelář Cz, s.r.o.	No findings
3	Prague 3	HZ Consult s.r.o.	Minor deficiencies
4	Prague 4	VALENTA- NOCAR, s.r.o.	Minor deficiencies
5	Prague 5	Consultation-AUDIT spol. s r.o.	No findings
6	Prague 6	BDO Audit s.r.o.	Minor deficiencies
7	Prague 7	BDO Audit s.r.o.	Minor deficiencies
8	Prague 8	Metropolitan Authority	No findings
9	Prague 9	Diligens s.r.o.	No findings
10	Prague 10	ATLAS AUDIT s.r.o.	No findings
11	Prague 11	Metropolitan Authority	No findings
12	Prague 12	ECO - Economic & Commercial Office s.r.o.	No findings
13	Prague 13	BDO Audit s.r.o.	Minor deficiencies
14	Prague 14	Metropolitan Authority	Minor deficiencies
15	Prague 15	HAYEK spol s.r.o. holding	No findings
16	Prague 16	Metropolitan Authority	Minor deficiencies
17	Prague 17	Metropolitan Authority	Minor deficiencies and major deficiencies
18	Prague 18	BOHEMIA AUDIT s.r.o.	Minor deficiencies and major deficiencies
19	Prague 19	BOHEMIA AUDIT s.r.o.	No findings
20	Prague 20	Metropolitan Authority	Minor deficiencies
21	Prague 21	ATLAS Audit s.r.o.	Minor deficiencies
22	Prague 22	Metropolitan Authority	No findings
23	Běchovice	Metropolitan Authority	Minor deficiencies and major deficiencies
24	Benice	Metropolitan Authority	No findings
25	Březiněves	Metropolitan Authority	No findings
26	Čakovice	Metropolitan Authority	Minor deficiencies
27	Řáblice	Metropolitan Authority	Minor deficiencies and major deficiencies
28	Dolní Chabry	Metropolitan Authority	No findings
29	Dolní Měcholupy	Metropolitan Authority	No findings
30	Dolní Počernice	Metropolitan Authority	Minor deficiencies
31	Dubeč	Metropolitan Authority	No findings
32	Klánovice	Metropolitan Authority	No findings
33	Koloděje	Metropolitan Authority	Minor deficiencies
34	Kolovraty	Marie Luňáková - auditor	Minor deficiencies
35	Královice	Metropolitan Authority	Minor deficiencies
36	Křeslice	M. Sosvorová - auditor	Minor deficiencies
37	Kunratice	Metropolitan Authority	Minor deficiencies and major deficiencies
38	Libuš	Metropolitan Authority	Minor deficiencies
39	Lipence	Metropolitan Authority	No findings
40	Lochkov	Metropolitan Authority	Minor deficiencies
41	Lysolaje	GESTIO, s.r.o.	No findings
42	Nebuše	Metropolitan Authority	No findings

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
43 Nedvězí	Metropolitan Authority	Minor deficiencies and major deficiencies
44 Petrovice	Metropolitan Authority	No findings
45 Přední Kopanina	Metropolitan Authority	No findings
46 Řeporyje	Metropolitan Authority	Minor deficiencies and major deficiencies
47 Satalice	Metropolitan Authority	Minor deficiencies
48 Slivenec	Metropolitan Authority	Minor deficiencies
49 Suchdol	Metropolitan Authority	Minor deficiencies and major deficiencies
50 Šeberov	Metropolitan Authority	Minor deficiencies and major deficiencies
51 Štěrboholy	Metropolitan Authority	No findings
52 Troja	Metropolitan Authority	No findings
53 Újezd	Metropolitan Authority	Minor deficiencies
54 Velká Chuchle	Metropolitan Authority	No findings
55 Vínof	Metropolitan Authority	Minor deficiencies
56 Zbraslav	Metropolitan Authority	Minor deficiencies
57 Zličín	Metropolitan Authority	No findings

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:

Deficiencies involving the breach of budgetary discipline were not identified in any boroughs.

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"> - Inventory count of account no. 377 – Other short-term receivables was not prepared as of the financial statements date. - Inventory count lists were not signed by a person responsible for the inventory count. - Accounting balances according to inventory count records did not correspond to the accounting balances according to the balance sheet provided for examination. - Accounting was not correct as it was not maintained in accordance with the Act on Accounting and other legal regulations. - Accounting was not maintained in order that the financial statements give a true and fair view. - The presented documentation on the inventory count of assets and liabilities did not indicate the actual balance of receivables. - The identified inventory count differences were not recognised in the accounting period for which the inventory count verified the balance of assets and liabilities.
Prague 17	<ul style="list-style-type: none"> - The temporary impairment of the receivable from the bankrupt Union Banka, a.s. in the amount of CZK 1.7 million was not recognised.
Prague 18	<ul style="list-style-type: none"> - As of 31 December 2010, the entity did not recognise provisions against account 311 – customers. The recognition of provisions would impact the balance of assets, result of operations and income tax. - Costs of monthly bonuses of certain released members of councils of boroughs were incorrectly increased and thus decreased the result of operations.
Běchovice	<ul style="list-style-type: none"> - In one case, the income for the establishment of lien was accounted for in an incorrect amount and income and receivables relating to the establishment of liens based on two contracts were not recognised.
Kunratice	<ul style="list-style-type: none"> - The failure to provide clearly supportable evidence on the balance of assets and liabilities for certain inventory count lists so that it is possible to clearly determine it, for example in accounts 314 – short-term prepayments made, 315 – other receivables from principal activities, 378 – other short-term payables, 381 – deferred expenses, 384 – deferred income, 311 - customers, 324 – short-term prepayments received and the subsequent failure to recognise provisions against receivables which is in conflict with Section 30 (2) a) of Act No. 563/1991 Coll. on Accounting and Section 79 of Regulation No. 410/2009 Coll.

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

Borough	Finding
Řeporyje	<ul style="list-style-type: none"> - Inventory count lists did not include obligatory information. - No provisions against receivables were recognised. - The entity did not prove the performance of the inventory count of all assets. - The inventory count difference was not accounted for in the reporting period for which the inventory count verifies the balance of assets and liabilities.
Suchdol	<ul style="list-style-type: none"> - The accounting of the Suchdol borough was not maintained in order that the financial statements prepared on its basis give a true and fair view of the subject of accounting and financial situation of the entity as the borough incorrectly recognised the received gift of CZK 450 thousand. - The borough did not maintain correct and clearly supportable accounting books as the provisions against receivables past their due dates were recognised in an incorrect amount in certain cases, certain of them were recognised to an incorrect account of the chart of accounts and certain of them were recognised based on an unsupported accounting entry.

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

Borough	Finding
Prague 1	<ul style="list-style-type: none"> - The work performed based on the contract for work exceeded half of the determined weekly working hours on average. - The lease was not paid according to contractual arrangements, the borough did not exercise the contractually agreed and legal sanctions. - The assessed lease amount did not correspond to contractual arrangements on the amount of the lease of non-residential premises. - The borough did not monitor whether the debtors comply with their obligations in a timely and due manner and whether it is ensured that the payable was not statute barred and the rights from these obligations did not expire.
Kunratice	<ul style="list-style-type: none"> - The accounting for the assessed lease for non-residential premises is in conflict with contractual arrangements - Insufficient monitoring and check of payments of receivables and failure to exercise sanctions according to relevant contracts which was in conflict with the provisions of Section 35 of Act No. 131/2000 Coll. on the Capital City of Prague
Řeporyje	<ul style="list-style-type: none"> - The failure to remind debtors, the failure to exercise contractually agreed sanctions

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, Běchovice, Ďáblice, Kunratice, Nedvězí, Suchdol, and Šeberov.

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

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

During the examination of operations of the City, we made the following observations:

- *Account 042 – Tangible fixed assets under construction* includes assets that are already in use. As of 31 December 2010, these tangible fixed assets amount to approximately CZK 3.5 billion (of which CZK 2.4 billion is recorded at the accounting centre of the City Investor).
- *Account 042 – Tangible fixed assets under construction* include project no. 1562 Tunel Letná – repair of the south portal of the Letná tunnel in the amount of CZK 78 million which was not approved and cleared for use, however, it is used.
- As of 31 December 2010, *accounts 021–628, 021–628 – constructions* of the OMI accounting centre included assets amounting to CZK 20,613 million without the inventory count number. These are assets that were transferred from OMI to the accounting centre of the Assets Administration Section but it did not allocate an inventory count number to these assets.
- As of 31 December 2010, the following assets were not removed from the accounting books of the City – stage of CZK 83 million which was transferred in 2010 to Hudební divadlo Karlín pursuant to protocol no. 21/02/187/2010 on the transfer of tangible assets.
- Given the inconsistent valuation using the fair value carried out by various banks, payables arising from derivative transactions reported on account 363 – *fixed term transactions and options* as of 31 December 2010 were understated by CZK 151 million.
- Given the insufficient communication between sections of the Metropolitan Authority, account 389 – *estimated payables* as of 31 December 2010 is understated by CZK 316 million, as it does not include estimated payables for services or work performed in 2010 which were not billed before 31 December 2010 and the relating invoices were recognised in 2011.
- Off-balance account 974 – *long-term contingent liabilities from other contracts* includes CZK 124 million 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 balance of the City as of 31 December 2010 does not include these contingent liabilities.
- *Off-balance sheet account 972 – long-term contingent liabilities from contracts for acquisition of fixed assets* includes all payables maintained in the original amounts regardless of the already paid amount of invoices. For this reason, the balance of the account is overstated by CZK 22,274 million;
- As of 31 December 2010, the City did not have an internal guideline prepared to define the record-keeping and inventory counts of received or provided guarantees. As a result, the guarantees recorded as of 31 December 2010 off-balance sheet are not correct, for example, the pledge of EUR 17 million in favour of West LB Bank is not recorded at all;
- The presented financial statements were not signed by the statutory body as specified in Section 18, (2) f) of Act No. 563/1991 Coll., on Accounting, as amended.

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 as outlined in Point II. of this report.

Comments regarding errors and deficiencies

In examining the operations of the City, we noted as follows:

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

Field	Finding
Fixed assets	<ul style="list-style-type: none">- On <i>account 041 – intangible fixed assets</i>, we identified two items that were not included in the relevant asset account as of 31 December 2010 although they were used. These were as follows: integration of Proxio with IS elements in the amount of CZK 14 million and implementation of the Ginis interface in the amount of CZK 6 million.- <i>Account 042 – Tangible fixed assets under construction</i> includes assets that are already in use. As of 31 December 2010, these tangible fixed assets amount to approximately CZK 3.5 billion (of which CZK 2.4 billion is recorded at the accounting centre of the City Investor).- <i>Account 042 – Tangible fixed assets under construction</i> includes project no. 1562 Tunel Letná – repair of the south portal of the Letná tunnel in the amount of CZK 78 million which was not approved and cleared for use, however, it is used. <p>These tangible fixed assets should not be recognised in accounts 041 and 042, they should rather be reported in the relevant asset accounts. As of 31 December 2011, the City will recognise depreciation of fixed assets for the first time in accordance with the applicable legislation. For this reason, it is necessary to pay increased attention to this issue so that the depreciation is not understated and the result of operations for 2011 is not misstated.</p> <ul style="list-style-type: none">- <i>Account 042 – tangible fixed assets under construction</i> of the accounting centre of the City Investor (OMI) as of 31 December 2010 included projects under construction which will not continue in the future in the amount of approximately CZK 662 thousand (projects nos. 7252, 9568). As these projects can be treated as “thwarted investments”, their value is CZK 0. After the approval by relevant bodies, they should be derecognised in expenses or should be provisioned in full in 2011;- As of 31 December 2010, <i>accounts 021-618, 021-628 – buildings</i> of the accounting centre of OMI included assets of CZK 20,613 million without inventory count numbers. These are assets that were transferred from OMI to the accounting centre of the Assets Administration Section; however, they were not assigned the inventory count number. Given that the City will recognise depreciation of fixed assets for the first time as of 31 December 2011, in accordance with the applicable legislation, it is necessary to pay increased attention to this issue in order to prevent an incorrect calculation of depreciation and misstatement of the result of operations.- The net book value of land is recognised in expenses always as of 31 December. As of this date, only the net book values of sold land were recognised for which the Assets Administration Section issued a removal protocol. The protocol is issued with a delay. If the removal protocol of land sold in 2010 was issued in 2011, the net book value is recognised in expenses in 2011. For this reason, the understatement of expenses as of 31 December 2010 amounted to CZK 13 million on the selected sample. These included the following purchase contracts: KUP/58/02/018669/2010, KUP/58/02/018515/2010, KUP/58/53/017296/2010, KUP/58/02/017993/2010, KUP/58/02/018636/2010, and KUP/58/02/018477/2010).- As of 31 December 2010, fixed assets – stage of CZK 83 million was not removed from the accounting records of the City which was transferred to Hudební divadlo Karlín in 2010 based on protocol no. 21/02/187/2010 on the transfer of tangible assets.

Field	Finding
Payables	<ul style="list-style-type: none"> - Given the insufficient communication between divisions of the Metropolitan Authority, account 389 – <i>estimated payables</i> as of 31 December 2010 is understated by CZK 316 million, as it does not include estimated payables in respect of the services or work completed in 2010 which were not billed before 31 December 2010 and the relating invoices were accounted for in 2011.
Off-balance sheet accounts	<ul style="list-style-type: none"> - Off-balance sheet account 974 – <i>long-term contingent liabilities from other contracts</i> includes, similarly as in prior periods, CZK 124 million 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 the repayment of the loan is requested. The balance of the City as of 31 December 2010 does not include these contingent liabilities. - Off-balance sheet accounts of the City do not include, similarly as in prior years, pledges of fixed assets as the information relating to pledges was not updated as of the balance sheet date by the relevant sections. Given that no reliable information on pledged movable and immovable assets was available on off-balance sheet accounts as of 31 December 2010 according to inventory count lists and sub-ledger accounts, or the underlying operating records, documented by the extract of the ownership title and loan contracts, it was not possible to calculate the indicator involving the share of the pledged assets in the aggregate assets of the City, which is, in accordance with Act No. 420/2004 Coll., an integral part of the Report on the Results of Examination of Operations. - <i>Off-balance sheet account 972 – long-term contingent liabilities arising from contracts for the acquisition of fixed assets</i> includes all payables maintained in original amounts regardless of the already paid amount of invoices. For this reason, the balance of this account is overstated by CZK 22,274 million; - 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 a result, the guarantees recorded as of 31 December 2010 are not correct in the off balance sheet accounts, for example the pledge of EUR 17 million in favour of West LB Bank is not recorded at all.

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"> - Cultural monuments (eg. Kaple nejsvětější trojice, Kostel-chrám sv. Michala, 'Karpatsky' Týnská 8 – dům 'U Kasiusu', Kaple sv. Máří Magdalény etc.) were not valued as of 31 December 2010 in accordance with the applicable legislation, ie CZK 1 of their acquisition cost was not known. - Fixed assets intended for sale were not valued as of 31 December 2010 in accordance with the applicable legislation, ie at fair value, as all tested samples of fixed assets sold in early 2011 (eg land from purchase contracts KUP/58/02/018627/2010, KUP/58/02/018630/2010) were recorded at the original net book value as of 31 December 2010.
Receivables	<ul style="list-style-type: none"> - account 462 – provided refundable financial borrowings includes a loan to KCP a.s. in the amount of CZK 10 million. Given that this is a group company, it should be rebilled to account 066 – intercompany loans; - The City recognised a provision against long-term receivables in <i>account 469 – other long-term receivables</i> and <i>account 311 - customers</i>. The recognition of the provision was recognised in full through the profit or loss for 2010.

Field	Finding
Current financial assets	<ul style="list-style-type: none"> - account 245 – other current accounts as of 31 December 2010 also includes short-term term deposits of CZK 16 million. - account 231 – principal current account of territorial self-governing units also includes short-term term deposits in the amount of CZK 2,666 million as of 31 December 2010.
Salaries	<ul style="list-style-type: none"> - Salaries of the payroll centre of the Municipal Police for December 2010 in the amount of CZK 66 million were incorrectly reported in account 333 – <i>other payables to employees</i> instead of <i>account 331 – employees</i>.
Public contracts	<ul style="list-style-type: none"> - As part of the examined sample of 33 public contracts, the following formal errors were identified in 14 cases: <ul style="list-style-type: none"> - Non-compliance with the period for the signing of a contract; - Non-compliance with the period for announcing the selection; - Non-compliance with the period for announcing the assignment; - Non-compliance with the period for resolving objections; and - Failure to provide a protocol on the opening of proposals and report on the assessment and evaluation of proposals in JŘBU
Off-balance sheet accounts	<ul style="list-style-type: none"> - Contingent liabilities from concluded contracts for acquired investments include only the information from the OMI accounting centre, other sections such as OSM, OOP, OSMTV, etc. did not provide the underlying documents and did not announce that contracts are under the selected limit of CZK 50 million. For this reason, it is not apparent whether off-balance sheet accounts include all contracts from contingent liabilities above the internally determined limit of CZK 50 million.
Notes to the financial statements	<ul style="list-style-type: none"> - Notes to the financial statements prepared as of 31 December 2010 do not include narrative disclosures. The City sent the financial statements to the Central System of Accounting Information of the State (CSÚIS) according to applicable regulations and in a determined format. The notes without the narrative disclosures were received by the Central System of Accounting Information of the State without any objections. The Czech Finance Ministry did not ask for the narrative disclosures to be added; the City acts as one entity but it does not have available detailed information for individual boroughs which are independent accounting entities or technical equipment to add narrative disclosures for the City. - The balance as of 1 January 2010 – lines “Registered arrears with local taxation authorities “ information according to Section 18 (1) c) is lower by CZK 982 million than the information presented in the balance sheet in accounts 341 – 345; - The notes to the financial statements include the following incorrect opening balances as of 1 January 2010 and incorrect closing balances as of 31 December 2010: <ul style="list-style-type: none"> - Other short-term payables (financial borrowings) local (account 289) – the balance at 1 January 2010 incorrectly stated in the amount of CZK 20,000 thousand, the correct balance according to the balance sheet is CZK 0, ie lower by CZK 20,000 thousand. - Other long-term local payables (account 459) – the balance at 1 January 2010 incorrectly stated in the amount of CZK 819,793 thousand, the correct balance according to the balance sheet is CZK 893,564 thousand, ie higher by CZK 73,771 thousand. - Provided refundable financial borrowings between budgets – municipality (account 316) – the balance at 1 January 2010 incorrectly stated in the amount of CZK 2,715 thousand, the correct balance according to the balance sheet is CZK 19,112 thousand, ie higher by CZK 16,397 thousand. - Received refundable financial borrowings between budgets – from the state budget and regional authority (account 326) – the balance at 1 January 2010 listed incorrectly in the amount of CZK 5,848 thousand, the correct balance according to the balance sheet is CZK 12,901 thousand, ie higher by 7,053 thousand. - Total purchased debt securities and bills of exchange for collection (from sub-ledger accounts 063, 253 and 312) – the balance at 1 January 2010 incorrectly stated in the amount of CZK 658,939 thousand, the correct balance according to the balance sheet is CZK 1,115,382 thousand, ie higher by CZK 456,443 thousand. - Total purchased debt securities and bills of exchange for collection (from sub-ledger accounts 063, 253 and 312) – the balance at 31 December 2010 incorrectly stated in the amount of CZK 1,734,556 thousand, the correct balance according to the balance sheet is CZK 1,961,294 thousand, ie higher by CZK 226,738 thousand.

The report on the result of the examination of operations includes the Constructive Service Letter which includes summarised recommendations made by the auditor pursuant to the completed examination of operations. The Constructive Service Letter is appended as Appendix C which forms an integral part of the report.

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 2010, the value of the disputed plots of land was CZK 1,418 million million. 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.- As of 31 December 2010, the City of Prague maintains fixed assets of CZK 212 million intended for demolition or liquidation on account 021 – Buildings. If these assets are not used for further investment activities in the future, it will be appropriate to provide these assets to the relevant bodies for write-off, or recognise provisions as appropriate.
Receivables	<ul style="list-style-type: none">- As of 31 December 2010, the City recognised a provision against receivables in accordance with Regulation No. 410/2009 Coll., as amended. Although the provision was recognised, the nominal value of certain receivables, for which no provisions can be recognised, may be significantly higher than their actual value.
Derivatives and risk management	<ul style="list-style-type: none">- Given the inconsistent valuation using the fair value carried out by various banks, payables from open derivative transactions reported on account 363 – <i>fixed term transactions and options</i> as of 31 December 2010 are understated by CZK 151 million.- Given the long-term funding of development projects in various currencies and types of interest rates, the City is exposed to currency and interest rate risks. These risks are hedged using standard and complex derivative transactions. The City is currently working to prepare the organisational and methodological infrastructure to facilitate the comprehensive assessment of all risks relating to these transactions, including their fair value measurement. <p>The City is additionally 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.).</p> <p>The CCP commissioned an independent advisor to prepare the risk management methodology so that it could be reflected in the preparation of short-term, mid-term and long-term cash flow plans.</p>
Investments of boroughs	<ul style="list-style-type: none">- Certain boroughs of the City invested significant amounts through the securities broker in the purchase of non-current financial assets. On the basis of publicly available information, we note that certain companies whose shares/equity investments were purchased, are indebted or in bankruptcy.
Reserves	<ul style="list-style-type: none">- The City is involved in a range of legal disputes as a defendant. Given that the Legislative and Legal Section of the Metropolitan Authority does not have available the list of all ongoing disputes against the Metropolitan Authority and the amount of the potential liability or the likelihood of a negative impact of these legal disputes cannot be determined with a reasonable degree of certainty, no reserve for legal disputes was recognised as of 31 December 2010.

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	Definition of receivables	Long-term receivables relating only to the following budget year – if the amount of payables for collection in the following year is determined by the contract, or repayment schedule. Short-term receivables – accounts 311, 312, 313, 314, 315, 316, 317, 335, 336, 342, 343, 345, 361, 363, 365, 367, 371, 373, 377	Total CZK 2,050,111 thousand
B	Definition of budgetary receipts	Total receipts after consolidation + receipts from economic activity	Total 53,961,902 thousand
	Calculation of the share of receivables in the budget	$A / B * 100 \%$	4 %

Long-term receivables of the City as of 31 December 2010 amounted to CZK 330,753 thousand.

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

The share of payables in the budget

C	Definition of payables	Long-term payables – only up to the amount of repayments determined in the repayment schedule or contract in the following year. Short-term receivables – accounts 281, 282, 283, 289, 321, 322, 324, 325, 326, 331, 336, 342, 343, 345, 362, 363, 366, 368, 272, 374, 378	Total CZK 9,845,197 thousand
B	Definition of budgetary receipts	Total receipts after consolidation + receipts from economic activity	Total 53,961,902 thousand
	Calculation of the share of payables in the budget	$C / B * 100 \%$	18 %

Long-term payables of the City as of 31 December 2010 amounted to CZK 26,621,045 thousand.

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

Reflecting the identified errors and deficiencies, the total amount of payables that would be listed in the algorithm 'the share in the City budget' would increase by approximately CZK 216 million. The resulting amount of the share would change from 18% to 19%.

The share of pledged assets in the total assets

The off-balance sheet accounts of the City as of 31 December 2010 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	Definition of pledged assets	Pledged movable and immovable assets according to inventory count lists and sub-ledger accounts, and/or operating records, documented by the extract from the title deed and loan contracts	Total *
E	Definition of assets for the calculation of the indicator	Part A. Fixed assets NET (column 3)	Total CZK 265,377,880 thousand
	Calculation of the share of pledged assets in total assets	$D / E * 100 \%$	*

* refer to the above information

The algorithm used for the calculation of indicators differs in 2010 from the algorithm that was used in the report on the examinations of operations in 2009 and prior years. For this reason, the resulting percentage listed in the report on the result of the examination of operations for 2010 and 2009 is not comparable given the various methodologies.

Prepared on 9 June 2011

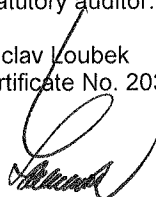
Audit firm:

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



Statutory auditor:

Václav Koubek
certificate No. 2037



The report was discussed with the Mayor of the City of Prague on 14 June 2011.

The report was discussed with the Finance Committee of the City Council of the City of Prague on 20 June 2011.

The report was delivered to the Mayor of the City of Prague on 21 June 2011.

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	- Constructive Service Letter
Appendix D	- 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 statement of 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 – 704 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;
- ✓ Act No. 250/2000 Coll., on Budgetary Rules of Territorial Budgets, as amended;
- ✓ Regulation No. 323/2002 Coll., on the Budgetary Structure, as amended; 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

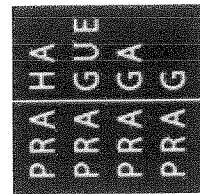
- ✓ Act No. 131/2000 Coll., on the City of Prague, as amended
- ✓ Act No. 420/2004 Coll., on the Examination of Operations of Territorial Self-governing Units and Voluntary Associations of Municipalities, as amended; and
- ✓ Act No. 137/2006 Coll., on Public Contracts, as amended:

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



Local Government Units, Municipalities, Regional Committees of the Solidarity Region

(in CZK)

Period: **12 / 2010**

ID No.: **SOR 200**

Name: **HLAVNÍ MĚSTO PRAHA CELKEM**

Item Number	Item Name	Synthetic Account	Gross	Period		Previous
				Current	Adjustment	
TOTAL ASSETS			390 386 324 393,13	1 895 433 580,95	386 490 890 812,18	370 065 754 954,95
A.	Fixed Assets		358 826 691 284,89	1 202 810 037,14	357 623 881 247,75	334 587 128 741,45
	I. Intangible Fixed Assets		3 153 386 578,44	105 035 961,76	3 048 350 616,88	2 537 125 707,39
	1. Intangible results of research and development	012	6 213 874,25		6 213 874,25	6 525 225,25
	2. Software	013	1 980 078 557,35		1 980 078 557,35	1 536 907 861,25
	3. Valuable rights	014	365 540 568,79		365 540 568,79	295 676 549,79
	4. Concession of emissions and preferences limit	015				
	5. Immaterial fixed intangible assets	018	115 942 399,27	105 035 961,76	10 906 437,51	113 145 862,14
	6. Other fixed intangible assets	019	151 950 835,57		151 950 835,57	138 647 532,82
	7. Fixed intangible assets in process	041	533 510 343,21		533 510 343,21	446 072 676,14
	8. Redistribution Account for Technical Improvement of Intangible Fixed Assets	044				
	9. Advances provided for fixed intangible assets	051	150 000,00		150 000,00	150 000,00
	II. Tangible Fixed Assets		313 377 638 965,30	1 097 705 046,12	312 279 933 919,18	290 994 843 675,03
	1. Land	031	53 036 048 819,56		53 036 048 819,56	50 382 582 300,70
	2. Cultural Items	032	2 673 841 443,70		2 673 841 443,70	659 690 882,60
	3. Constructions	021	197 901 400 562,09		197 901 400 562,09	187 195 097 970,87
	4. Individual movable assets and sets of movable assets	022	7 534 713 478,38		7 534 713 478,38	7 115 273 625,58
	5. Orchards and vineyards	025	2 059 471,61		2 059 471,61	2 039 407,00
	6. Immaterial fixed tangible assets	028	1 781 853 640,42	1 097 705 046,12	684 148 594,30	1 715 052 781,27
	7. Other fixed tangible assets	029	194 980 643,49		194 980 643,49	166 125 944,31
	8. Fixed tangible assets in process	042	49 960 814 016,62		49 960 814 016,62	43 461 895 177,92
	9. Redistribution Account for Technical Improvement of Tangible Fixed Assets	045				
	10. Advances provided for fixed tangible assets	052	291 926 889,43		291 926 889,43	297 085 584,78
	III. Long-Term Financial Assets		41 431 775 667,92		41 431 775 667,92	40 263 875 228,41
	1. Capital participation in entities with decisive influence	061	40 126 337 679,59		40 126 337 679,59	39 859 013 768,41
	2. Capital participation in entities with substantial influence	062	99 032 080,00		99 032 080,00	91 074 080,00

Item Number	Item Name	Synthetic Account	Period			Previous
			Gross	Current	Adjustment	
3.	Due securities held after maturity date	063	846 477 565,00		846 477 565,00	
4.	Loans to entities within the group	066				
5.	Other Long-Term Loans	067				20 000 000,00
6.	Time Deposits Long-term	068	35 134 933,33		35 134 933,33	268 949 380,00
7.	Other long-term financial assets	069	316 293 410,00		316 293 410,00	24 838 000,00
8.	Purchased long-term financial assets	043	8 500 000,00		8 500 000,00	
9.	Advance Payments for Long-Term Financial Assets	053				
IV. Lond-Term Receivables			863 890 073,23	69 029,26	863 821 043,97	791 284 130,62
1.	Provided Repayable Financial Assistance Long-Term	462	128 378 114,37		128 378 114,37	172 546 462,26
2.	Long-Term Receivables from Transferred Credits	464				
3.	Long-Term Advance Payments Paid	465	56 314 054,39		56 314 054,39	1 000,00
4.	Long-Term Receivables from Warranties	466				
5.	Long-Term Receivables from Foreign Co-Financed Funds	468				
6.	Other Long-Term Receivables	469	679 197 904,47	69 029,26	679 128 875,21	618 736 668,36
B. Current Assets			31 559 633 108,24	692 623 543,81	30 867 009 564,43	35 478 626 213,50
I. Inventories			66 201 329,20		66 201 329,20	83 409 742,11
1.	Costs of raw material	111				
2.	Raw material inventory	112	58 068 882,74		58 068 882,74	58 251 501,28
3.	Raw material in transit	119	4 116 538,41		4 116 538,41	22 981 174,92
4.	Work in process	121				
5.	Manufactured parts	122				
6.	Products	123				
7.	Costs of merchandise	131	1 803 908,05		1 803 908,05	2 136 382,91
8.	Merchandise inventory	132				40 683,00
9.	Merchandise in transit	138				
10.	Other Inventories	139	2 212 000,00		2 212 000,00	
II. Short-Term Receivables			8 106 204 988,06	692 623 543,81	7 413 581 424,25	7 344 671 878,41
1.	Customers	311	2 914 492 670,26	605 009 952,04	2 309 482 718,22	3 200 184 900,96
2.	Bill of exchange collection	312				
3.	Receivables from discounted securities	313				
4.	Short-Term Advance Payments Paid	314	2 419 945 012,34		2 419 945 012,34	2 405 639 453,08
5.	Other Receivables from Main Operation	315	669 224 592,62		669 224 592,62	583 512 662,79
6.	Provided Repayable Financial Assistance Short-Term	316	5 033 896,13		5 033 896,13	19 111 598,35
7.	Short-Term Receivables from Transferred Credits	317				
10.	Receivables from employees	335	2 637 255,64		2 637 255,64	2 251 440,10
11.	Clearing with institutions of social security and health insurance	336				

Item Number	Item Name	Synthetic Account	Period			Previous
			Gross	Current Adjustment	Net	
12.	Income tax	341				
13.	Other Direct Taxes	342				
14.	Value added tax	343	117 566 508,39		117 566 508,39	110 422 957,47
15.	Other Taxes and Duties	345				4 872 994,00
16.	Receivables from the State Budget	346	7 589 761,61		7 589 761,61	
17.	Receivables from Local Government Units Budgets	348	16 129 328,57		16 129 328,57	
18.	Receivables from members of association	351	37 950 000,00		37 950 000,00	
19.	Short-Term Receivables from Warranties	361				37 950 000,00
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.	Grant Advance Payments Paid	373	19 396 419,43		19 396 419,43	
25.	Prepaid expenses	381	29 597 819,04		29 597 819,04	16 363 363,83
26.	Accrued revenue	385	1 540 475,39		1 540 475,39	5 162 272,24
27.	Estimated pre-paid items	388	560 297 430,19		560 297 430,19	135 513 199,27
28.	Other Short-Term Receivables	377	1 304 803 798,45	87 613 591,77	1 217 190 206,68	823 687 036,32
IV.	Long-Term Receivables		23 387 226 810,98		23 387 226 810,98	28 050 544 592,98
1.	Property securities for trading	251	107 996 838,93		107 996 838,93	131 690 613,01
2.	Long-Term Securities for Trading	253	1 114 815 582,77		1 114 815 582,77	1 115 382 349,42
3.	Other Securities	256	2 712 843 748,63		2 712 843 748,63	2 768 930 379,46
4.	Time Deposits Short-Term	244	1 048 321 574,09		1 048 321 574,09	2 444 813 101,00
5.	Other Current Accounts	245	1 167 115 347,91		1 167 115 347,91	1 068 068 884,05
9.	Current account	241	6 401 319 544,04		6 401 319 544,04	8 603 812 676,39
11.	Basic Current Account of Local Government Units	231	8 744 054 267,41		8 744 054 267,41	9 480 108 462,62
12.	Current Accounts of Local Government Units Funds	236	2 082 584 062,86		2 082 584 062,86	2 321 472 869,09
15.	Liquid valuables	263	6 846 889,95		6 846 889,95	4 381 306,61
16.	Cash in transit	262	76 587,00		76 587,00	110 616 725,00
17.	Cash	261	1 252 367,39		1 252 367,39	1 267 226,33

Item Number	Item Name	Synthetic Account	Period	
			Current	Previous
TOTAL LIABILITIES			388 490 890 812,18	370 065 754 954,95
C.	Equity		351 272 124 285,71	335 156 125 627,08
I.	Accounting Unit Assets and Adjusting Entries		322 877 813 339,59	320 579 140 755,25
	1. Accounting Unit Equity	401	318 707 019 860,30	320 788 568 995,45
	3. Grant for Acquisition of Fixed Assets	403	4 414 770 245,33	
	5. Exchange Rate Differences	405	15 785,07-	952 510 714,04
	6. Differences in Valuation due to Change of Method	406	810 579 179,34-	
	7. Other Differences in Valuation	407	570 403 003,78	1 161 938 954,24-
	8. Corrections of Errors from Previous Years	408	3 784 805,41-	
II.	Accounting Unit Funds		2 295 947 354,56	2 563 573 641,25
	6. Other Funds	419	2 295 947 354,56	2 563 573 641,25
III.	Profit and Loss		26 098 363 591,56	12 013 411 230,58
	1. Profit/Loss of Current Accounting Period	493	20 313 800 175,72	
	2. Profit/loss under approval procedure	431		3 258 651 570,71
	3. Retained profit, retained loss	432	5 784 563 415,84	8 754 759 659,87
D.	Other Sources		37 218 766 526,47	34 909 629 327,87
I.	Expense Accounts from Budgetary Control			
	1. Special Expense Account	223		
II.	Reserves		229 639,09	343 411,63
	1. Reserves	441	229 639,09	343 411,63
III.	Long-Term Payables		27 261 506 362,46	26 268 591 288,12
	1. Long-Term Credits	451	17 288 505 729,86	15 837 832 937,20
	2. Received Repayable Financial Assistance Long-Term	452	7 282 242,84	20 179 538,40
	3. Issued bonds	453	9 260 200 000,00	9 499 050 000,00
	4. Liabilities from lease	454		
	5. Long-Term Advances Received	455	17 208 434,52	17 965 165,76
	6. Long-Term Payables from Warranties	456	1 200 000,00	
	7. Long-term bills of exchange to be paid	457		
	8. Long-Term Payables from Foreign Co-Financed Funds	458		
	9. Other long-term liabilities	459	687 109 955,24	893 563 626,76
IV.	Short-Term Payables		9 957 030 524,92	8 640 694 648,12
	1. Short-Term Credits	281	10 000 000,00	
	2. Discounted short-term bonds (bills of exchange)	282		
	3. Issued short-term bonds	283		
	4. Other Short-Term Loans	289		

Item Number	Item Name	Synthetic Account	Period	
			Current	Previous
5.	Suppliers	321	2 149 429 823,83	1 438 992 194,66
6.	Bills of exchange to be paid	322		
8.	Short-Term Advances Received	324	2 174 027 061,39	1 810 627 678,76
9.	Payables from Split Administration and Advance Deposits	325	65 461 093,37	11 917 493,78
10.	Received Repayable Financial Assistance Short-Term	326		12 900 713,55
11.	Received Tax Deposits	327		
14.	Employees	331	84 810 089,00	78 412 854,00
15.	Other Payables to Employees	333	84 333 327,85	77 639 254,20
16.	Clearing with institutions of social security and health insurance	336	133 042 061,26	132 968 602,00
17.	Income tax	341	1 072 774 486,33	981 950 326,30
18.	Other Direct Taxes	342	39 446 390,00	40 217 966,00
19.	Value added tax	343		
20.	Other Taxes and Duties	345		
21.	Payables to the State Budget	347	1 603 467,63	470 324,00
22.	Payables to Local Government Units Budgets	349	485 594 699,24-	458 345 518,86
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	1 406 270 214,35	1 211 759 116,00
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.	Grant Advance Payments Received	374	666 190 972,96	
31.	Accrued expenses	383	23 576 767,28	1 858 199,76
32.	Unearned revenue	384	671 567 699,11	664 937 822,91
33.	Estimated accrued items	389	394 392 869,63	80 140 945,58
34.	Other Short-Term Payables	378	1 465 574 522,09	1 637 431 259,68

* End of report *

INCOME STATEMENT

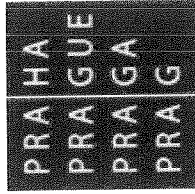
Local Government Units, Municipalities, Regional Committees of the Solidarity Region

(in CZK)

Period: 12 / 2010

ID No.: SOR 200

Name: HLAVNÍ MĚSTO PRAHA CELKEM



Item Number	Item Name	Synthetic Account		Current Period		Previous Period	
		1	2	Main activity	Business activity	Main activity	Business activity
A. Expenses Total			45 023 224 748,57		7 634 622 365,40		
i. Expenses from Operation			19 513 186 065,53		6 952 468 307,21		
1.	Consumption of raw material	501	630 815 464,39		37 317 297,58		
2.	Consumption of energy	502	194 468 951,60		62 908 234,03		
3.	Consumption of unstorable supplies	503	164 891,00		3 462 011,17		
4.	Cost of merchandise sold	504	114 563,59		500 427,61		
5.	Repairs and maintenance	511	2 808 417 995,50		3 056 478 333,76		
6.	Travel expenses	512	23 758 721,45		18 735,00		
7.	Costs of representation	513	32 785 279,57		56 141,41		
8.	Other services	518	7 948 773 772,60		1 374 931 974,79		
9.	Wages and salaries	521	3 587 296 483,48		154 884 791,70		
11.	Statutory social insurance	524	1 203 990 340,61		50 570 797,72		
12.	Other Social insurance	525	13 096 160,21		500 035,00		
13.	Statutory social costs	527	53 207 249,95		663 098,00		
14.	Other Social Expenses	528	40 031 351,03		94 124,10		
15.	Road tax	531	8 400,00				
16.	Real estate tax	532	235 604,00		2 606 692,00		
17.	Other Taxes and Duties	538	3 800 431,96		148 584 168,96		
19.	Contractual fines and interests on late payment	541	1 872 700,76		323 645,17		
20.	Other Fines and Penalties	542	15 007 649,66		177 105,00		
21.	Debt expense	543	61 967 482,58		128 600,00		
22.	Interests	544	65 467,06		3 917,61		
23.	Shortfalls and damages	547	5 778 940,07		400 146,50		
24.	Funds Creation	548	770 583 221,06				
25.	Depreciation of Fixed Assets	551			710 697,00		
26.	Net Book Value of Intangible Fixed Assets Sold	552			13 508 050,35		
27.	Net Book Value of Tangible Fixed Assets Sold	553			969 239 724,35		

Item Number	Item Name	Synthetic Account	Current Period		Previous Period	
			Main activity 1	Business activity 2	Main activity 3	Business activity 4
28.	Lands Sold	554	3 888,00	402 422 319,01		
29.	Creation and Clearing of Reserves	555		113 772,54-		
30.	Creation and Clearing of Adjusting Entries	556	9 727 621,66	312 225 785,30		
31.	Expenses from Written-Off Receivables	557	2 216 340,00	48 973 383,37		
32.	Other Expenses from Operation	549	2 104 997 093,74	310 891 843,26		
II.	Financial Expenses		2 627 135 598,33	682 154 058,19		
1.	Securities and Ownership Interests Sold	561	1 510 135 397,16	669 705 138,17		
2.	Interests	562	505 838 755,54	6 495 603,13		
3.	Foreign Exchange Losses	563	284 729 978,45	14 025,00		
4.	Expenses from Actual Value Revaluation	564	13 334 177,60	768 502,00		
5.	Other Financial Expenses	569	313 097 289,58	5 170 789,89		
III.	Expenses associated with Unquestionable Public Funds, Local Government Unit Budgets and State Funds Claims		22 882 903 084,71			
2.	Expenses associated with Local Government Unit Budgets	572	22 771 690 198,81			
4.	Expenses from Other Claims	574	111 212 885,90			
B.	Revenues Total		59 775 257 823,28	14 305 752 492,74		
I.	Revenues from Operation		11 816 137 586,15	13 423 284 949,35		
1.	Revenues from Own Products Sold	601	200 843,00	165 534,59		
2.	Revenues from Services Sold	602	22 699 231,60	439 439 239,89		
3.	Assets of leasing	603	50 740,60	7 972 325 288,51		
4.	Revenues from Goods Sold	604	520 073,26	287 780,05		
5.	Revenues from Administrative Charges	605	410 876 144,45			
6.	Revenues from Local Charges	606	1 386 024 481,87			
8.	Other Revenues from Own Activities	609	17 068 137,93	1 858 486,80		
9.	Revenueisation of work in process inventory	611				
10.	Revenueisation of manufactured parts inventory	612				
11.	Revenueisation of finished goods inventory	613				
12.	Change in Other Inventories	614				
13.	Revenueisation of raw materials and merchandise	621				
14.	Revenueisation of own services	622				
15.	Revenueisation of fixed intangible assets	623				
16.	Revenueisation of fixed tangible assets	624				
17.	Contractual fines and interests on late payment	641	4 180 576,16	145 150 987,59		
18.	Other Fines and Penalties	642	317 579 589,61	1 831 621,80		

Item Number	Item Name	Synthetic Account	Current Period		Previous Period	
			Main activity	Business activity	Main activity	Business activity
			1	2	3	4
19.	Revenues from Written-Off Receivables	643	4 815,00	3 652 601,93		
20.	Revenues from Sales of Material	644	46 725,00	873 451,82		
21.	Revenues from Sales of Intangible Fixed Assets	645		1 185 230,00		
22.	Revenues from Sales of Tangible Fixed Assets, excluding Land	646	766 392,00	3 316 041 882,61		
23.	Revenues from Sales of Land	647		1 170 338 467,09		
24.	Fund Usage	648	1 630 393 382,02			
25.	Other Revenues from Operation	649	8 025 726 453,65	370 134 376,67		
	II. Financial Revenues		4 000 761 121,63	882 467 543,39		
1.	Revenues from Sale of Securities and Ownership Interests	661	1 539 175 480,49	666 133 415,56		
2.	Interests	662	221 914 263,35	107 850 885,44		
3.	Exchange rate gains	663	1 205 921 408,13	158 869,00		
4.	Revenues from Actual Value Revaluation	664	10 588 196,19	8 883 481,29		
5.	Revenues from Long-Term Investments	665	1 012 005 476,59	4 980 921,73		
6.	Other Financial Revenues	669	11 156 296,88	94 459 970,37		
	III. Revenues from Taxes and Duties		39 628 710 823,59			
1.	Revenues from Natural Person Income Taxes	631	10 202 367 662,44			
2.	Revenues from Corporate Income Tax	632	9 847 867 844,59			
3.	Revenues from Social Insurance	633				
4.	Revenues from Value Added Tax	634	18 882 669 915,22			
5.	Revenues from Excise Taxes	635				
6.	Revenues from Property Taxes	636	637 297 791,08			
7.	Revenues from Energy Taxes	637				
9.	Revenues from Other Taxes and Duties	639	58 507 610,26			
	IV. Revenues associated with Unquestionable Public Funds, Local Government Unit Budgets and State Funds Claims		4 329 648 291,91			
1.	Revenues associated with Public Funds	671	3 853 276 341,24			
2.	Revenues associated with Local Government Unit Budgets	672	321 467 859,18			
3.	Revenues associated with State Funds	673	154 717 673,49			
4.	Revenues from Other Claims	674	186 418,00			
	VI. Profit and Loss					
1.	Profit and Loss before Taxation		14 752 033 074,71	6 671 130 127,34		
2.	Income Tax	591		1 072 774 486,33		
3.	Additional Income Tax Payments	595		36 588 540,00		

Item Number	Item Name	Synthetic Account		Current Period		Previous Period	
				Main activity	Business activity	Main activity	Business activity
				1	2	3	4

4. Profit and Loss after Taxation

14 752 033 074,71 5 561 767 101,01

* End of report *

ANNEX TO FINAL ACCOUNTS

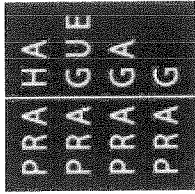
Local Government Units, Municipalities, Regional Committees of the Solidarity Region

(in CZK)

Period: 12 / 2010

ID No.: SOR 200

Name: 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	Item Name	Synthetic Account	Period		Previous
			Current		
P.I.	Accounting Unit Assets		4 777 431 099,34		2 747 739 111,47
1.	Other Small Intangible Fixed Assets	901	8 289 114,87		6 899 985,80
2.	Other Small Tangible Fixed Assets	902	223 335 064,84		104 540 647,73
3.	Other Assets	903	4 545 806 919,63		2 636 298 477,94
P.II.	Written-Off Receivables and Payables		402 000 150,75		267 475 662,51
1.	Written-Off Receivables	911	401 804 434,15		267 295 282,91
2.	Written-Off Payables	912	195 716,60		180 379,60
P.III.	Contingent Receivables due to Assets being used by other persons		6 796 256,12		7 101 255,12
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	6 796 255,12		6 796 255,12
4.	Long-Term Contingent Receivables due to Use of Assets by Another Person based on Loan Contract	924	1,00		
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			305 000,00
P.IV.	Other Contingent Receivables and Other Contingent Assets		24 987 301 913,43		1 719 224 460,81
1.	Short-Term Contingent Receivables from Fixed Assets Purchase Contracts	931	333 412 175,00		
2.	Long-Term Contingent Receivables from Fixed Assets Purchase Contracts	932	2 835 453,00		
3.	Short-Term Contingent Receivables from Other Contracts	933	82 917 556,00		
4.	Long-Term Contingent Receivables from Other Contracts	934	618 309 105,73		25 450,00
5.	Short-Term Contingent Receivables related to Claims towards EU	939			
6.	Long-Term Contingent Receivables related to Claims towards EU	941	15 164 670,92		
7.	Short-Term Contingent Receivables related to Other Resources	942	24 000 000,00		
8.	Long-Term Contingent Receivables related to Other Resources	943	2 466 813,82		
9.	Short-Term Contingent Receivables Payments from Received Provisions	944			
10.	Long-Term Contingent Receivables Payments from Received Provisions	945	1 291 183 313,90		1 173 963 119,50
11.	Short-Term Contingent Receivables from Legal Disputes, Administrative Hearings and Other Proceedings	947			134 539,00
12.	Long-Term Contingent Receivables from Legal Disputes, Administrative Hearings and Other Proceedings	948	2 959 380,00		417 565,00
13.	Other Short-Term Contingent Assets	949	1 804 065,50		1 669 365,50
14.	Other Long-Term Contingent Assets	951	22 612 249 379,56		543 014 421,81
P.V.	Contingent Payables due to Assets being used by other persons		195 365 541,12		9 973 625,76-
1.	Short-Term Contingent Payables from Lease Contracts	961	672 120,00		984 165,00
2.	Long-Term Contingent Payables from Lease Contracts	962	11 586 880,80		2 529 592,00
3.	Short-Term Contingent Payables due to Onerous Use of Assets of Other Persons for Other Reasons	963			432 500,00
4.	Long-Term Contingent Payables due to Onerous Use of Assets of Other Persons for Other Reasons	964	24 480 311,00		23 627 880,00
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	66 682 223,14		37 552 665,26-

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

Item Number	Item Name	Synthetic Account	Period		Previous
			Current		
7.	Short-Term Contingent Payables due to Use of Assets of Other Persons or their Acceptance for Other Reasons	967	91 944 006,18		4 902,50
8.	Long-Term Contingent Payables due to Use of Assets of Other Persons or their Acceptance for Other Reasons	968	63 878 475 282,36		13 094 975 233,80
P.VI. Other Contingent Payables and Other Contingent Liabilities					
1.	Short-Term Contingent Payables from Fixed Assets Purchase Contracts	971			
2.	Long-Term Contingent Payables from Fixed Assets Purchase Contracts	972	37 120 654 504,27		625 359,00
3.	Short-Term Contingent Payables from Other Contracts	973			0,02-
4.	Long-Term Contingent Payables from Other Contracts	974	904 533 581,19		
5.	Short-Term Contingent Payables related to Claims towards EU	975			
6.	Long-Term Contingent Payables related to Claims towards EU	976	2 966 084 246,42		1 806 223 139,70
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			
10.	Long-Term Contingent from Provided Provisions	982	500 195 550,00		470 869 533,40
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	3 697 593,00		
13.	Other Short-Term Contingent Liabilities	985			
14.	Other Long-Term Contingent Liabilities	986	22 383 309 807,48		10 817 257 201,72
P.VII. Settlement Accounts					
1.	Offset account to off-balance sheet accounts	999	33 879 335 282,24		8 343 821 877,31
			33 879 335 282,24		8 343 821 877,31

Signature:**Moment of preparation (Date, time):** 25.02.2011, 11h59m30s

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

Name	Item	Number	Balance as of 01/01	Balance as of
Due liabilities from insurance for social security and contribution to the state employment policy		52	90 329 736,00	90 494 471,26
Due liabilities from public health insurance		53	42 638 866,00	42 547 590,00
Recorded tax arrears with revenue bodies of local competency		54	40 217 966,00	1 112 220 876,33

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)

A.10. Information pursuant to Section 4 Subsection 8 Letter d) of Act

Name	Item	Account	Number	Balance as of 01/01	Balance as of
Total subsidies for fixed assets from the state budget		(from the AA to account 403)	1	X	
of which: system subsidies for fixed assets			2	X	
of which: research and development			3	X	
employee training			4	X	
informatics			5	X	
individual subsidies for nominal shares			6	X	
Funds for fixed assets received from abroad		(from the AA to account 403)	7	X	
Total subsidies received for fixed assets from the budget of regional self-government administrative units		(from the AA to account 403)	8	X	
Contributions and subsidies received for operation from the state budget		(from the AA to account 671)	9	X	
of which: contributions received for operation from the founder		(from the AA to account 671)	10	X	
of which: research and development			11	X	
employee training			12	X	
informatics			13	X	
subsidies received for non-investment costs related to financing programmes registered in ISPROFIN from the founder		(from the AA to account 671)	14	X	
funds received for research and development from providers other than the founder		(from the AA to account 671)	15	X	
Funds received for research and development from budgets of regional self-government administrative units		(from the AA to account 672)	16	X	
Funds received for research and development from addressees of specific support		(from the AA to accounts 67)	17	X	
Funds received for operations from abroad		(from the AA to account 649)	18	X	
Total contributions and subsidies received for operations from the budget of regional self-government administrative units		(from the AA to account 672)	19	X	
Contributions and subsidies received for operations from the budget of state funds		(from the AA to account 673)	20	X	
Total subsidies received for fixed assets from the budget of state funds			21	X	1 071 282 407,65
Provided reimbursable financial assistance between budgets - to the regional authority		(account 316)	22		2 715 413,40
Provided reimbursable financial assistance between budgets - to the municipality		(account 316)	23		4 379 999,90
Received reimbursable financial assistance between budgets - from the state budget		(account 326)	24		1 467 728,00
Received reimbursable financial assistance between budgets - from the regional authority		(account 326)	25		
Received reimbursable financial assistance between budgets - from the municipality		(account 326)	26		
Received reimbursable financial assistance between budgets - from the state funds		(account 326)	27		

A.10. Information pursuant to Section 4 Subsection 8 Letter d) of Act

Received reimbursable financial assistance between budgets - from other public budgets	(account 326)	28	
Provided temporary assistances to institutions receiving contributions from the state budget - by a structural unit of the state	(account 316)	29	
Provided temporary assistance to institutions receiving contributions from the state budget - by a regional authority	(account 316)	30	
Provided temporary assistance to institutions receiving contributions from the state budget - by a municipality	(account 316)	31	4 545 000,00
Current domestic bank loans	(account 281)	32	10 000 000,00
Current foreign bank loans	(account 281)	33	
Short-term bonds issued domestically	(account 283)	34	
Short-term bonds issued abroad	(account 283)	35	
Other domestic current liabilities (financial assistance)	(account 289)	36	20 000 000,00
Other foreign current liabilities (financial assistance)	(account 289)	37	
Domestic bills of exchange to be paid	(account 322)	38	
Foreign bills of exchange to be paid	(account 322)	39	
Long-term domestic bank credits	(account 451)	40	3 865 692 099,27
Long-term foreign bank credits	(account 451)	41	11 972 140 837,93
Domestic bonds issued	(account 453)	42	5 000 000 000,00
Foreign bonds issued	(account 453)	43	4 499 050 000,00
Domestic long-term bills of exchange to be paid	(account 457)	44	
Foreign long-term bills of exchange to be paid	(account 457)	45	
Other domestic long-term liabilities	(account 459)	46	819 792 893,34
Other foreign long-term liabilities	(account 459)	47	
Total purchased bonds and bills of exchange to be collected	(from the AA to accounts 063,253 and 312)	48	658 939 468,54
of which:	(from the accounts 253 and 312)	49	658 939 468,54
current bonds and bills of exchange of regional self-government administrative units	(from the account 063)	50	
municipal bonds of regional self-government administrative units	(from the AA to accounts 063,253 and 312)	51	
other bonds and bills of exchange of public budgets			

Time of Preparation (Date, time): 25.02.2011, 11h59m30s

Signature:

III. State Organization Units present balances of items No. 22, 23, 29 of the Appendix to the Financial Statement. The Ministries as State Organizational Units shall also present balances of items No. 48 to 51 of the Appendix to the Financial Statement. Local Government Units present balances of items No. 22 to 51 of the Appendix to the Financial Statement. Allowance Organizations present balances of items No. 1 to 19, 32 and 33, 36 and 37, 40 and 41 of the Appendix to the Financial Statement. Local Government Units present balances of item No. 20. Local Government Units, Allowance Organizations, State Funds and State Organizations Units present balances of item No. 21.

IV. The Accounting Unit records information on balance of items in two columns, in the first as of 1st January, in the second as of the date of Interim Financial Accounts preparation or as of the Balance Sheet Day.

B.

Number	Name	Item	Account	Balance as of 01/01	Balance as of
B.1.	Provision of Credit secured by Securing Asset Transfer		364		
B.2.	Securities Borrowings secured by Funds Transfer		364		
B.3.	Sales of Assets with Agreed Buy-Back		364		
B.4.	Purchase of Assets with Agreed Sell-Back		364		

C.

Number	Name	Item	Balance as of 01/01	Balance as of
C.1.	Short-Term Contingent Receivables related to Budgeted Funds - Non-Repayable			24 000 000,00
C.2.	Long-Term Contingent Receivables related to Budgeted Funds - Non-Repayable		342 507 100,00	66 941 579,35
C.3.	Short-Term Contingent Receivables related to Budgeted Funds - Repayable		8 154 820,62	6 838 305,62
C.4.	Long-Term Contingent Receivables related to Budgeted Funds - Repayable		74 542,38	1 504 562,40
C.5.	Contingent Payables related to Budget Funds		2 281 801 866,44	3 472 312 784,14
C.6.	Budget Funds		50 872 836 400,00	70 575 630 700,00

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

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

To Item

E.3. Additional Information to Cash Flow Statement Items (Text)

To Item

E.4. Additional Information to Change In Equity Items (Text)

To Item

F. Additional Information to Accounting Unit Funds

Other Funds of Local Government Units

Number	Name	Item	Balance as of
G.I.	Initial Balance of the Fund		2 563 573 641,25
G.II.	Fund Creation		1 181 517 649,03
	1. Surpluses from Previous Years		124 520 973,04
	2. Current Period Incomes not to be used in the Current Period		149 900 714,84
	3. Transfers of Finances from Budget into Specific Money Funds		907 095 961,15
G.III.	Funds Usage		1 449 143 935,72
G.IV.	Closing Balance of the Fund		2 295 947 354,56

G. Buildings

Item Number	Item Name	Period			Previous
		Gross	Current	Adjustment	
G.	Buildings	197 901 400 562,09	197 901 400 562,09		187 195 097 970,87
G.1.	Apartment Blocks and Apartments	30 941 234 403,74	30 941 234 403,74		121 249 384 595,29
G.2.	Public Services Buildings	29 976 291 480,56	29 976 291 480,56		14 659 180 310,56
G.3.	Other Non-Residential Houses and Non-Residential Uni	11 790 928 573,82	11 790 928 573,82		3 279 963 313,06
G.4.	Communications and Public Lighting	52 371 665 671,78	52 371 665 671,78		44 833 235 380,05
G.5.	Other Utility Lines	42 638 035 568,42	42 638 035 568,42		923 695 146,55
G.6.	Other Buildings	30 183 244 863,77	30 183 244 863,77		2 249 639 225,36

H. Lands

Item Number	Item Name	Period			Previous
		Gross	Current	Adjustment	
H.	Lands	53 036 046 819,56	53 036 046 819,56		50 382 582 300,70
H.1.	Building Land	911 537 843,53	911 537 843,53		25 043 443 910,70
H.2.	Forest Land	521 816 321,38	521 816 321,38		14 805 988,80
H.3.	Gardens, Grassland, Meadows, Ponds	6 045 554 821,33	6 045 554 821,33		1 298 435 473,71
H.4.	Developed Area	23 081 305 709,28	23 081 305 709,28		17 980 388 825,79
H.5.	Other Land	22 475 834 124,04	22 475 834 124,04		6 045 508 101,70

* End of report *

CASH FLOW STATEMENT

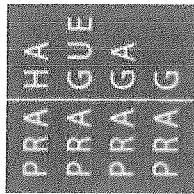
Local Government Units, Municipalities, Regional Committees of the Solidarity Region

(in CZK, to two decimal places)

Period: 12 / 2010

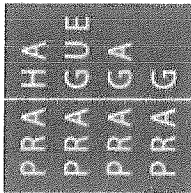
ID No.: SOR 200

Name: HLAVNÍ MĚSTO PRAHA CELKEM



Item Number	Item Name	Accounting Period
	Balance of Cash as of 1st January	24 034 541 251,09
A.	Cash Flows from Operations	16 826 542 661,74
Z.	Profit and Loss before Taxation	21 423 163 202,05
A.I.	Adjustments by Non-Monetary Operations (+/-)	4 610 109 742,06-
A.I.1.	Depreciation of Fixed Assets	710 697,00
A.I.2.	Change in Adjusting Entries	576 453 765,31
A.I.3.	Change in Reserves	113 772,54-
A.I.4.	Profit (Loss) from Sale of Fixed Assets	3 128 626 350,71-
A.I.5.	Revenues from Dividends and Profit Shares	1 016 986 398,32-
A.I.6.	Other Non-Monetary Operations Adjustments	1 041 547 682,80-
A.II.	Cash Flows from Change in Current Assets and Short-Term Payables (+/-)	966 908 656,57-
A.II.1.	Change in Short-Term Receivables	596 393 179,98-
A.II.2.	Change in Short-Term Payables	582 634 576,49-
A.II.3.	Change in Inventories	131 771 928,34
A.II.4.	Change in Short-Term Financial Assets	80 347 171,56
A.III.	Income Tax Paid, including Additional Tax Assessments (-)	36 688 540,00-
A.IV.	Received Dividends and Profit Shares	1 016 986 398,32
B.	Cash Flows from Long-Term Assets	19 425 101 439,44-
B.I.	Expenses on Fixed Assets Acquisition	25 854 169 555,03-
B.II.	Expenses on Group Members Loans	6 491 706 970,92
B.III.	Income from Fixed Assets Sales	
B.III.1.	Income from State Property Privatisation	
B.III.2.	Income from Sales of Assets of the Land Fund of the Czech Republic	
B.III.3.	Revenues from Sales of Fixed Assets for Sale	4 286 398 074,87
B.III.4.	Other Income from Fixed Assets Sales	2 205 308 896,05
B.IV.	Income from Returned Loans to Group Members	
B.V.	Other Cash Flows from Long-Term Assets (+/-)	62 638 855,33-
C.	Cash Flows from Equity, Long-Term Receivables and Long-Term Payables	1 993 087 519,94-
C.I.	Cash Flows from Changes in Equity (+/-)	3 065 269 936,67-
C.II.	Change in Long-Term Payables (+/-)	992 915 094,34
C.III.	Change in Long-Term Receivables (+/-)	79 257 322,39
F.	Net Increase/Decrease in Cash	4 591 656 297,64-
t.	Balance of Cash on Hand as of the date of the Interim Financial Statement Preparation or the Balance Sheet Day (from the Balance Sheet of the Accounting Unit and based on the formula: R = P + F.)	19 451 570 640,65
	Inspectional number (R=P+F.)	19 442 884 953,45

CHANGES IN EQUITY



Local Government Units, Municipalities, Regional Committees of the Solidarity Region

(in CZK, to two decimal places)

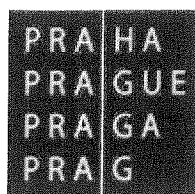
Period: **12 / 2010**

ID No.: **SOR 200**

Name: **HLAVNÍ MĚSTO PRAHA CELKEM**

Item Number	Item Name	Previous Period	Balance Increase	Balance Decrease	Current Period
I. Equity		335 156 125 627,08	104 719 508 712,48	88 603 510 053,85	351 272 124 285,71
>.I.	Accounting Unit Assets and Adjusting Entries	320 579 140 755,25	20 949 788 798,80	18 651 116 214,46	322 877 813 339,59
>.II.	Accounting Unit Funds	2 563 573 641,25	1 208 417 986,00	1 476 044 272,69	2 295 947 354,56
>.III.	Profit and Loss	12 013 411 230,58	82 561 301 927,68	68 476 349 566,70	26 098 363 591,56

STATEMENT OF INCOME, EXPENSES AND FINANCING



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

(in CZK)

Period: **12 / 2010**

Company Identification No.: **SOR 201**

Name: **HLAVNÍ MĚSTO PRAHA CELKEM Fin2-12**

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	7 460 000 000.00	7 460 000 000.00	8 149 531 321.43
1112	Tax on income of natural persons from individual gainful activity	1 125 000 000.00	1 125 000 000.00	1 334 219 509.59
1113	Tax on income of natural persons from capital revenues	625 000 000.00	625 000 000.00	718 576 479.61
1119	Cancelled taxes, the object of which is the income of natural persons			40 351.81
111	Tax on income of natural persons	9 210 000 000.00	9 210 000 000.00	10 202 367 662.44
1121	Tax on income of legal entities	9 250 000 000.00	9 250 000 000.00	8 747 126 704.59
1122	Tax on income of legal entities on behalf of municipalities	150 000 000.00	1 079 492 400.00	1 100 741 140.00
112	Tax on income of legal entities	9 400 000 000.00	10 329 492 400.00	9 847 867 844.59
11	Income, profit and capital revenue tax	18 610 000 000.00	19 539 492 400.00	20 050 235 507.03
1211	Value added tax	18 796 850 000.00	18 796 850 000.00	18 882 669 915.22
121	General taxes on goods and services inland	18 796 850 000.00	18 796 850 000.00	18 882 669 915.22
12	Goods and service inland tax	18 796 850 000.00	18 796 850 000.00	18 882 669 915.22
1332	Fees for air pollution	140 000.00	146 900.00	166 872.00
1333	Fees for waste disposal			10 138 605.00
1334	Levies from land extraction from the agricultural land resources			2 739 670.00
1335	Fees for removal of the land function resting in discharge of the function of a forest			241 528.00
1336	Fees for permitted discharge of wastewater into surface water			1 097 633.50
1337	Duty on Operation of System of Collection, Gathering, Transportation, Sorting, Usage and Disposal of Domestic Waste	680 000 000.00	691 000 000.00	700 764 241.09
133	Taxes and levies in the field of environment	680 140 000.00	691 146 900.00	715 148 549.59
1341	Fees for dogs	53 735 000.00	53 612 700.00	51 463 240.95
1342	Fee for spa or recreation stay	120 795 500.00	120 782 500.00	118 794 357.60
1343	Fee for use of public premises	222 982 700.00	231 293 700.00	221 510 035.80
1344	Fee from entrance money	23 536 000.00	24 438 900.00	25 449 515.05
1345	Fee from accommodation activity	56 823 000.00	58 078 400.00	59 784 323.06
1347	Fee for operated gaming machine	156 740 000.00	156 293 600.00	157 055 055.00
1349	Cancelled local fees			617.00
134	Local fees from selected activities and services	634 612 200.00	644 499 800.00	634 057 144.46
1351	Levy of preceeds from lottery operations	108 653 300.00	114 245 400.00	91 069 461.68
1359	Other levies from selected activities and services not specified elsewhere	12 000.00	28 000.00	1 283 600.00
135	Other levies from selected activities and services	108 665 300.00	114 273 400.00	92 353 061.68
1361	Administrative charges	449 500 000.00	449 721 700.00	408 177 913.10
136	Administration fees	449 500 000.00	449 721 700.00	408 177 913.10
13	Taxes and fees on selected activities and services	1 872 917 500.00	1 899 641 800.00	1 849 736 668.83

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	733 078 000.00	744 547 000.00	702 391 922.89
151	Property tax	733 078 000.00	744 547 000.00	702 391 922.89
15	Property taxes	733 078 000.00	744 547 000.00	702 391 922.89
1	Tax receipts (total for class 1)	40 012 845 500.00	40 980 531 200.00	41 485 034 013.97
2111	Receipts from provision of services and products	26 594 500.00	170 406 700.00	174 851 553.07
2112	Receipts from sale of goods (otherwise purchased for the purposes of sale)	53 500.00	51 000.00	15 068.62
2119	Other receipts from own activities		14 000.00	2 129 084.94
211	Receipts from own activity	26 648 000.00	170 471 700.00	176 995 706.63
2122	Levies of institutions receiving contributions from the state budget	5 008 100.00	250 599 700.00	251 819 473.37
2123	Other levies of institutions receiving contributions from the state budget	366 000.00	1 176 800.00	1 182 271.80
212	Levies from residues of organizations with direct relationship	5 374 100.00	251 776 500.00	253 001 745.17
2141	Receipts from interests (a part)	310 668 500.00	316 279 200.00	251 500 149.56
2142	Receipts from shares in profit and dividends	24 600 000.00	1 016 993 000.00	1 011 601 493.90
2143	Realized exchange rate gains		2 000.00	9 041 902.22
214	Receipts from interests and realization of financial assets	335 268 500.00	1 333 274 200.00	1 272 143 545.68
21	Receipts from own activity and payment of excess of organizations with direct relationship	367 290 600.00	1 755 522 400.00	1 702 140 997.48
2211	Sanction Payments Received from State, Municipalities, Regions	6 000.00	(6 946 100.00)	566 104.80
2212	Sanction Payments Received from Other Entities	309 960 500.00	312 102 500.00	235 149 591.56
221	Received sabctuib payments	309 966 500.00	305 156 400.00	235 715 696.36
2221	Received returned transfers from other public budgets		852 200.00	
2222	Other receipts from retained financial settlement from other public budgets		11 602 200.00	11 602 245.90
2229	Other received returned transfers		134 868 600.00	122 586 207.93
222	Received returned transfers and other receipts from retained financial settlement		147 323 000.00	134 188 453.83
22	Received sanction payments and returned transfers	309 966 500.00	452 479 400.00	369 904 150.19
2310	Receipts from sale of short-term and immaterial fixed assets			44 907.00
231	Receipts from sale of short-term and immaterial fixed assets			44 907.00
2321	REceived non-investment donations	6 733 000.00	63 433 200.00	74 544 115.75
2322	Received indemmities	163 000.00	11 174 200.00	17 728 028.95
2324	Received non-capital contributions and compensations	3 909 000.00	12 728 000.00	30 046 641.33
2328	Unidentified receipts		7 000 000.00	10 970 123.93
2329	Other non-tax receipts not included elsewhere	20 764 700.00	18 243 900.00	104 242 065.52
232	Other non-tax receipts	31 569 700.00	112 579 300.00	237 530 975.48
2343	Receipts from payments from allotments and from exploited minerals	1 606 000.00	1 517 100.00	1 607 080.00
234	Receipts from use of exclusive rights to natural resources	1 606 000.00	1 517 100.00	1 607 080.00
23	Receipts from sale of non-capital assets and other non-tax receipts	33 175 700.00	114 096 400.00	239 182 962.48
2411	Instalments of funds borrowed from business entities - natural persons	1 352 900.00	1 352 900.00	949 689.50
2412	Instalments of funds borrowed from business non-financial entities of legal persons	13 662 400.00	5 292 400.00	4 071 157.50
2413	Instalments of funds borrowed from business financial entities of legal persons			30 000.00
241	Instalments of funds borrowed from business entities	15 015 300.00	6 645 300.00	5 050 847.00
2420	Instalments of funds borrowed from generally beneficial associations and similar entities	23 887 700.00	30 708 800.00	30 046 634.27
242	Instalments of funds borrowed from generally beneficial associations and similar entities	23 887 700.00	30 708 800.00	30 046 634.27

BUDGETARY INCOME - CLASS 1 - 4

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
2441	Instalments of funds borrowed from municipalities	250 000.00	250 000.00	250 000.00
244	Instalments of funds borrowed from public budgets at regional level	250 000.00	250 000.00	250 000.00
2451	Instalments of funds borrowed from institutions receiveing contributions from the state budget		52 543 200.00	52 498 245.43
2459	Instalments of funds borrowed from other established and similar entities		14 669 800.00	14 669 847.00
245	Instalments of funds borrowed from established and similar entities		67 213 000.00	67 168 092.43
2460	Instalments of funds borrowed from citizens	1 547 000.00	1 831 600.00	4 156 069.47
246	Instalments of funds borrowed from citizens	1 547 000.00	1 831 600.00	4 156 069.47
24	Received instalments of lent funds	40 700 000.00	106 648 700.00	106 671 643.17
2	Non-tax receipts (total for class 2)	751 132 800.00	2 428 746 900.00	2 417 899 753.32
3113	Receipts from sale of other fixed tangible assets			306 500.00
311	Receipts from sale of fixed assets (except immaterial assets)			306 500.00
3121	Donations received for acquisition of fixed assets	6 288 800.00	41 696 900.00	61 651 195.00
3122	Contributions received fro acquisition of fixed assets			914 233.30
3129	Other investment receipts not included elsewhere		5 950 000.00	5 950 000.00
312	Other capital receipts	6 288 800.00	47 646 900.00	68 515 428.30
31	Receipts from sale of fixed assets and other capital receipts	6 288 800.00	47 646 900.00	68 821 928.30
3201	Receipts from sale of stocks		28 549 000.00	28 549 000.00
320	Revenues from Sales of Long-Term Financial Assets		28 549 000.00	28 549 000.00
32	Revenues from Sales of Long-Term Financial Assets		28 549 000.00	28 549 000.00
3	Capital revenues (total for class 3)	6 288 800.00	76 195 900.00	97 370 928.30
	Own receipts (classes 1+2+3)	40 770 267 100.00	43 485 474 000.00	44 000 304 695.59
4111	Non-investment transfers received from general cash administration of the state budget		238 613 200.00	238 613 158.64
4112	Non-investment transfers received from the state budget within the overall subsidy relationship	1 129 803 000.00	1 129 803 000.00	1 129 803 000.00
4113	Non-investment transfers received from state funds		150 023 200.00	149 334 677.95
4116	Other non-investment transfers from the state budget		11 553 334 400.00	11 541 265 896.74
4118	Non-investment transfers from the National Fund		3 454 700.00	3 454 735.15
411	Non-investment transfers received from public budgets at central level	1 129 803 000.00	13 075 228 500.00	13 062 471 468.48
4121	Non-investment transfers received from municipalities	3 506 000.00	7 051 700.00	8 983 836.81
4122	Non-investment transfers received from regions		1 171 300.00	1 171 214.57
4129	Other non-investment transfers received from budgets at regional level	(250 000.00)		
412	Non-investment transfers received from public budgets at regional level	3 256 000.00	8 223 000.00	10 155 051.38
4131	Transfers from own funds of economic (business) activity	7 769 425 400.00	9 022 717 100.00	8 587 159 676.35
4132	Transfers from other own funds		1 018 000.00	1 018 052.00
4133	Transfers from own reserve funds (other than those of structural units of the state)	817 932 900.00	1 094 848 800.00	843 753 537.11
4134	Transfers from budget accounts	217 278 900.00	883 342 400.00	14 750 706 380.38
4139	Other transfers from own funds	164 873 100.00	239 971 700.00	235 207 335.52
413	Transfers from own funds	8 969 510 300.00	11 241 898 000.00	24 417 844 981.36
4151	Non-investment transfers received from foreign states		119 900.00	119 936.88
4153	Non-investment transfers received from the European Union		63 000.00	62 912.12
415	Non-investment transfers received from abroad		182 900.00	182 849.00
41	Non-investment transfers received	10 102 569 300.00	24 325 532 400.00	37 490 654 350.22

BUDGETARY INCOME - CLASS 1 - 4

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
4211	Investment transfers received from general cash administration of the state budget		18 000 000.00	18 000 000.00
4213	Investment transfers received from state funds		1 131 721 400.00	1 071 282 407.65
4216	Other investment transfers received from the state budget		1 600 950 100.00	1 601 013 562.15
4218	Investment transfers from the National Fund		13 952 800.00	13 952 837.31
421	Investment transfers received from public budgets at central level		2 764 624 300.00	2 704 248 807.11
42	Investment transfers received		2 764 624 300.00	2 704 248 807.11
4	Received transfers (total for class 4)	10 102 569 300.00	27 090 156 700.00	40 194 903 157.33
Total receipts (classes 1+2+3+4)		50 872 836 400.00	70 575 630 700.00	84 195 207 852.92

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	3 157 854 200.00	3 313 712 300.00	3 267 699 575.71
5019	Other salaries	2 977 000.00	2 675 900.00	1 353 535.80
501	Salaries	3 160 831 200.00	3 316 388 200.00	3 269 053 111.51
5021	Other wages and salaries	75 696 900.00	164 284 800.00	148 067 176.62
5023	Remuneration of members of municipal and regional councils	167 662 200.00	170 430 100.00	158 896 630.00
5024	Redundancy payment	6 191 900.00	9 608 800.00	6 462 862.00
5029	Other payments for performed work not included elsewhere	6 482 000.00	7 294 000.00	5 755 929.51
502	Other payments for performed work	256 033 000.00	351 617 700.00	319 182 598.13
5031	Obligatory premium for social security and contribution to state policy of employment	857 716 900.00	902 830 800.00	875 944 543.72
5032	Obligatory premium for public health insurance	310 956 400.00	331 570 900.00	324 096 421.62
5038	Obligatory premium fro accident insurance	14 163 100.00	16 038 300.00	15 010 383.21
5039	Other obligatory premiums paid by the employer	1 156 300.00	925 700.00	170 767.00
503	Obligatory premium paid by the employer	1 183 992 700.00	1 251 365 700.00	1 215 222 115.55
5041	Remuneration for use of intellectual property	30 000.00	46 000.00	31 850.00
504	Remuneration for use of intellectual property	30 000.00	46 000.00	31 850.00
5051	Wage compensation	3 000.00	130 300.00	130 292.00
505	Wage compensation	3 000.00	130 300.00	130 292.00
50	Expenses on payments, other payments for performed work and premium	4 600 889 900.00	4 919 547 900.00	4 803 619 967.19
5131	Foodstuff	1 330 000.00	1 054 900.00	882 656.67
5132	Protective devices	1 391 000.00	1 272 000.00	952 061.44
5133	Drugs and medical supplies	1 527 500.00	3 914 800.00	3 752 943.88
5134	Underwear, clothes and shoes	38 626 800.00	44 683 200.00	44 045 972.25
5135	Textbooks and school spupplies provided free of charge		1 400.00	1 413.00
5136	Books, learning aids and press	15 412 400.00	17 395 800.00	15 278 896.61
5137	Immaterial fixed tangible assets	135 117 100.00	222 782 500.00	204 725 431.50
5138	Purchase of goods (for the purpose of resale)	583 000.00	25 000.00	165 788.00
5139	Purchase of raw material not included elsewhere	181 564 500.00	332 439 300.00	292 226 701.73
513	Purchase of materials	375 552 300.00	623 568 900.00	562 031 865.08
5141	Own interests	1 106 771 200.00	976 478 300.00	696 315 746.52
5142	Realized exchange rate losses	200 057 800.00	202 666 600.00	2 022 737.99
5143	Interest incurred by assumption of others' liabilities	2 000 000.00	2 000 000.00	100 022.00
5145	Financial derivatives	215 000 000.00	295 000 000.00	283 663 424.15
5149	Other interest and other fianancial expenses	18 727 000.00	13 644 100.00	11 794 953.19
514	Interests and other financial expenses	1 542 556 000.00	1 489 789 000.00	993 896 883.85
5151	Cold water	20 789 600.00	18 329 500.00	14 832 241.67
5152	Heat	23 798 000.00	20 880 600.00	19 503 148.80
5153	Gas	40 954 700.00	36 367 300.00	33 882 226.69
5154	Electric energy	128 183 500.00	122 677 300.00	113 716 910.40
5155	Solid fuels	36 000.00	40 200.00	38 700.00
5156	Fuels and lubricants	30 936 800.00	34 234 500.00	32 850 840.46
5157	Hot water	1 047 700.00	1 186 300.00	977 991.34
5159	Purchase of other fuels and energy	3 315 000.00	3 335 000.00	2 941 180.00
515	Costs of water, fuels and energy	249 061 300.00	237 050 700.00	218 743 239.36
5161	Post-office services	64 095 300.00	53 063 900.00	48 925 081.46
5162	Services of telecommunications and radiocommunications	177 368 400.00	177 821 800.00	169 336 940.35
5163	Services of banking institutions	61 911 500.00	80 481 600.00	68 582 763.84
5164	Rent	392 424 200.00	355 506 000.00	352 223 248.46
5165	Rent for land	9 784 000.00	29 107 000.00	25 080 807.11

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	292 059 100.00	502 223 100.00	378 440 353.38
5167	Training and educating services	63 395 500.00	53 889 500.00	45 623 167.45
5168	Data processing services	72 302 000.00	53 955 800.00	51 231 776.26
5169	Purchase of other services	4 912 749 400.00	6 169 089 000.00	5 890 445 848.45
516	Costs of services	6 046 089 400.00	7 475 137 700.00	7 029 889 986.76
5171	Repairs and maintenance	1 954 178 900.00	2 908 912 200.00	2 797 523 442.05
5172	Programme equipment	16 775 000.00	15 854 300.00	12 473 216.33
5173	Travel costs (domestic as well as abroad)	29 228 100.00	28 590 300.00	24 862 684.53
5175	Treatment	29 066 800.00	37 731 000.00	34 700 890.48
5176	Attendance fees at conferences	853 800.00	803 000.00	447 869.24
5177	Purchase of objects of art		97 900.00	100 858.00
5178	Lease for rent with right of purchase	5 609 000.00	6 134 600.00	6 505 746.47
5179	Other purchases not included elsewhere	750 800 900.00	741 179 200.00	735 774 495.67
517	Costs of other purchases	2 786 512 500.00	3 739 302 500.00	3 612 389 202.77
5182	Advances provided to own petty cash	25 000.00	25 000.00	81.78
5189	Other provided advances and guarantees	797 200.00	290 800.00	193 085.92
518	Provided advances, securities, guarantees and government credits	822 200.00	315 800.00	193 167.70
5191	Paid sanctions	28 000.00	1 957 200.00	1 912 036.46
5192	Provided non-investment contributions and reimbursements (part)	138 842 700.00	140 584 500.00	136 940 842.81
5193	Expenses on traffic regional road service	323 715 500.00	542 618 100.00	542 444 878.67
5194	Material donations	27 067 600.00	34 884 300.00	30 141 847.22
5195	Levies for failure to meet the obligation to employ the disabled	1 205 000.00	1 597 300.00	1 535 932.00
5197	Reimbursements of increased costs connected with discharge of an office abroad	7 044 800.00	6 026 800.00	6 024 926.30
5199	Other expenses related to non-investment purchases	11 080 000.00	10 036 600.00	10 736 161.00
519	Expenses related to non-investment purchases, contributions, reimbursements and material donations	508 983 600.00	737 704 800.00	729 736 624.46
51	Non-investment purchases and related expenses	11 509 577 300.00	14 302 869 400.00	13 146 880 969.98
5212	Non-investment transfers to non-financial business entities - natural persons	3 888 000.00	42 571 100.00	36 649 114.68
5213	Non-investment transfers to non-financial business entities - legal entities	8 393 970 700.00	13 277 961 100.00	13 249 571 748.11
5219	Owner non-investment transfers to business entities	270 000.00	10 000.00	10 000.00
521	Non-investment transfers to business entities	8 398 128 700.00	13 320 542 200.00	13 286 230 862.79
5221	Non-investment transfers to generally beneficial associations	31 695 000.00	339 231 600.00	329 554 408.83
5222	Non-investment transfers to unincorporated associations	94 844 000.00	605 242 300.00	600 482 630.32
5223	Non-investment transfers to churches and religious societies	29 127 700.00	83 656 100.00	81 606 496.50
5225	Non-investment transfers to associations of owners of residential units	48 820 000.00	62 219 800.00	54 167 545.00
5229	Other non-investment transfers to non-profit and similar organizations	4 462 423 000.00	4 061 495 200.00	4 041 477 893.48
522	Non-investment transfers to non-profit and similar associations	4 666 909 700.00	5 151 845 000.00	5 107 288 974.13
5230	Non-investment non-subsidy transfers to business entities	1 000 000.00	1 010 000.00	1 010 000.00
523	Non-investment non-subsidy transfers to business entities	1 000 000.00	1 010 000.00	1 010 000.00
5240	Non-investment non-subsidy transfers to non-profit and similar organizations		4 000.00	3 244.00
524	Non-investment non-subsidy transfers to non-profit and similar organizations		4 000.00	3 244.00
52	Non-investment transfers to private entities	13 066 038 400.00	18 473 401 200.00	18 394 533 080.92
5311	Non-investment transfers to the state budget		2 871 800.00	2 871 765.64

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5319	Other non-investment transfers to other public budgets	50 000.00	25 000.00	25 000.00
531	Non-investment transfers to public budgets at central level	50 000.00	2 896 800.00	2 896 765.64
5321	Non-investment transfers to municipalities	40 000.00	3 046 600.00	3 030 901.00
5323	Non-investment transfers to regions	25 000.00	63 000.00	62 771.77
5329	Other non-investment transfers to public budgets at regional level		1 250 000.00	1 250 000.00
532	Non-investment transfers to public budgets at regional level	65 000.00	4 359 600.00	4 343 672.77
5331	Non-investment contributions to established institutions receiving contributions from the state budget	8 756 742 500.00	9 938 962 400.00	9 912 841 757.96
5333	Non-investment transfers to educational legal entities established by the state, region and municipalities	880 000.00	1 085 100.00	1 150 838.00
5334	Non-investment transfers to public research institutions		7 415 200.00	6 689 344.25
5335	Non-investment transfers to public medical institutions established by the state, region and municipalities		18 806 400.00	18 507 501.67
5336	Non-Investment Grants to Established Allowance Organizations	18 164 000.00	36 992 200.00	36 064 708.53
5339	Non-Investment Transfers to Other Allowance Organizations	5 325 000.00	185 246 300.00	182 395 443.01
533	Non-investment transfers to institutions receiving contributions from the state budget and similar organizations	8 781 111 500.00	10 188 507 600.00	10 157 649 593.42
5341	Transfers to own funds of economic (business) activity	5 503 000.00	48 030 800.00	53 112 433.23
5342	Transfers to funds of cultural and social needs and social funds of municipalities and regions	51 369 100.00	54 016 400.00	48 410 101.58
5344	Transfers to own reserve funds of regional budgets	12 757 800.00	223 831 000.00	457 448 750.99
5345	Transfers to own budget accounts	845 991 300.00	1 232 862 900.00	14 563 967 314.47
5349	Other transfers to own funds	289 966 700.00	707 452 600.00	759 841 085.97
534	Transfers to own funds	1 205 587 900.00	2 266 193 700.00	15 882 779 686.24
5361	Purchase of duty stamps	3 003 000.00	3 619 100.00	3 154 920.00
5362	Payments of taxes and fees to the state budget	3 803 700.00	(27 330 300.00)	(39 821 003.68)
5363	Payments of sanctions to other budgets	7 000.00	9 941 900.00	9 924 012.15
5364	Returned funds to public budgets at the central level of transfers provided in the pas budget periods		58 519 300.00	59 290 559.80
5365	Payments of taxes and fees to regions, municipalities and state funds	65 000.00	95 400.00	53 870.00
536	Other non-investment transfers to other public budgets	6 878 700.00	44 845 400.00	32 602 358.27
53	Non-Investment Transfers to Public Entities and Between Money Funds of the Same Entity	9 993 693 100.00	12 506 803 100.00	26 080 272 076.34
5410	Social benefits		1 765 247 000.00	1 719 626 149.62
541	Social benefits		1 765 247 000.00	1 719 626 149.62
5421	Compensation from accident insurance			2 500.00
5422	Compensation of the nature of rehabilitation			57 500.00
5424	Wage compensation in the time of sickness	18 739 600.00	15 590 100.00	11 940 697.00
5429	Other compensation payable to the citizens	552 100.00	207 800.00	83 928.00
542	Reimbursements paid to citizens	19 291 700.00	15 797 900.00	12 084 625.00
5491	Scholarships to pupils, students and inceptors	110 000.00	110 000.00	77 000.00
5492	Donations to citizens	44 880 200.00	34 665 800.00	24 300 778.90
5493	Purpose non-investment transfers to natural persons not running business	12 012 000.00	15 029 300.00	15 023 110.00
5494	Non-investment transfers to citizens, which do not have nature of a donation	180 000.00	493 700.00	479 117.00
5499	Other non-investment transfers to citizens	68 836 400.00	70 761 700.00	66 343 539.15
549	Other non-investment transfers to citizens	126 018 600.00	121 060 500.00	106 223 545.05
54	Non-investment transfers to citizens	145 310 300.00	1 902 105 400.00	1 837 934 319.67

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
5511	Non-investment transfers to international organizations	960 400.00	985 300.00	759 808.50
551	Non-investment transfers to international organizations and supranational bodies	960 400.00	985 300.00	759 808.50
5531	Monetary donations abroad		264 000.00	261 120.00
553	Other non-investment transfers abroad		264 000.00	261 120.00
55	Non-investment transfers abroad	960 400.00	1 249 300.00	1 020 928.50
5612	Non-investment funds lent to non-financial business entities - natural persons		499 000.00	499 000.00
5613	Non-investment funds lent to non-financial business entities - legal persons	12 000 000.00	23 368 200.00	13 368 176.00
561	Non-investment funds lent to business entities	12 000 000.00	23 867 200.00	13 867 176.00
5621	Non-investment funds lent to generally beneficial associations		1 108 400.00	1 108 400.00
5624	Non-investment funds lent to associations of owners of residential units		3 631 700.00	3 631 737.50
562	Non-investment funds lent to non-profit and similar associations		4 740 100.00	4 740 137.50
5651	Non-investment funds lent to established institutions receiving contributions from the state budget		4 545 000.00	4 545 000.00
565	Non-investment funds lent to institutions receiving contributions from the state budget and similar organizations		4 545 000.00	4 545 000.00
5660	Non-investment funds lent to citizens	2 175 000.00	2 644 500.00	2 529 092.00
566	Non-investment funds lent to citizens	2 175 000.00	2 644 500.00	2 529 092.00
56	Non-investment lent funds	14 175 000.00	35 796 800.00	25 681 405.50
5901	Unspecified reserves	1 675 440 800.00	872 550 100.00	
5902	Other expenses from retained financial settlement		656 484 400.00	656 484 429.64
5909	Other non-investment expenses not included elsewhere	464 958 700.00	129 130 800.00	49 852 930.92
590	Other non-investment expenses	2 140 399 500.00	1 658 165 300.00	706 337 360.56
59	Other non-investment expenses	2 140 399 500.00	1 658 165 300.00	706 337 360.56
5	CURRENT EXPENSES (CLASS 5)	41 471 043 900.00	53 799 938 400.00	64 996 280 108.66
6111	Programme equipment	283 020 700.00	587 465 400.00	524 966 684.50
6112	Valuable rights	51 000 000.00	60 715 000.00	60 893 270.00
6119	Other purchases of fixed intangible assets	21 486 000.00	25 790 800.00	20 293 747.46
611	Acquisition of fixed intangible assets	355 506 700.00	673 971 200.00	606 153 701.96
6121	Buildings, halls and constructions	17 489 742 400.00	19 424 796 400.00	17 431 005 581.84
6122	Machinery, devices and equipment	137 190 100.00	258 073 100.00	232 282 376.83
6123	Means of transport	479 476 400.00	34 423 700.00	33 939 903.71
6125	Computing technology	202 664 900.00	115 071 000.00	75 015 022.83
6127	Artworks and collections	2 300 000.00	3 500 900.00	3 024 982.00
6129	Purchase of fixed tangible assets not included elsewhere	2 824 400.00	10 556 700.00	8 993 176.50
612	Acquisition of fixed tangible assets	18 314 198 200.00	19 846 421 800.00	17 784 261 043.71
6130	Land	175 841 000.00	348 951 800.00	357 114 461.92
613	Land	175 841 000.00	348 951 800.00	357 114 461.92
61	Investment purchases and related expenses	18 845 545 900.00	20 869 344 800.00	18 747 529 207.59
6201	Purchase of shares		131 000 000.00	131 000 000.00
6202	Purchase of capital participation	5 258 000.00	12 666 500.00	12 666 510.00
620	Purchase of shares and capital participation	5 258 000.00	143 666 500.00	143 666 510.00
62	Purchase of shares and capital participation	5 258 000.00	143 666 500.00	143 666 510.00
6312	Investment transfers to non-financial business entities - natural persons		19 402 100.00	19 402 032.87
6313	Investment transfers to non-financial business entities - legal persons	1 071 694 800.00	1 367 498 800.00	1 364 666 033.97
6319	Other investment transfers to business entities		200 000.00	300 000.00
631	Investment transfers to business entities	1 071 694 800.00	1 387 100 900.00	1 384 368 066.84

BUDGETARY EXPENSES - CLASSES 5 AND 6

Item	Text	Approved budget	Adjusted budget	Result from the start of the year
a	b	1	2	3
6321	Investment transfers to generally beneficial associations		28 042 500.00	27 976 101.19
6322	Investment transfers to unincorporated associations	74 500 000.00	90 943 800.00	91 206 167.52
6323	Investment transfers to churches and religious societies	50 000.00	39 458 500.00	39 458 435.24
6324	Investment transfers to political parties and movements	651 300.00	2 567 900.00	2 567 717.56
6329	Other investment transfers to non-profit and similar organizations	530 000.00	62 823 500.00	62 822 954.85
632	Investment transfers to non-profit and similar associations	75 731 300.00	223 836 200.00	224 031 376.36
6351	Investment transfers to established institutions receiving contributions from the state budget	310 191 000.00	528 305 600.00	525 984 476.88
6354	Investment transfers to public research institutions		53 218 600.00	14 576 046.25
6355	Investment transfers to public health institutions established by the state, region and municipalities		76 341 000.00	2 978 300.00
6359	Investment transfers to other institutions receiving contributions from the state budget		93 367 000.00	152 917 016.42
635	Investment transfers to institutions receiving contributions from the state budget	310 191 000.00	751 232 200.00	696 455 839.55
6371	Purpose investment transfers to natural persons not running business		212 000.00	211 445.00
6379	Other investment transfers to the citizens		579 800.00	579 633.00
637	Investment transfers to citizens		791 800.00	791 078.00
63	Investment transfers	1 457 617 100.00	2 362 961 100.00	2 305 646 360.75
6412	Investment funds lent to non-financial business entities - natural persons	1 275 000.00	46 000.00	
6413	Investment funds lent to non-financial business entities - legal persons	2 975 000.00	286 800.00	
641	Investment funds lent to business entities	4 250 000.00	332 800.00	
6421	Investment funds lent to generally beneficial associations		5 712 700.00	5 712 700.00
6424	Investment funds lent to associations of owners of dwelling units	4 250 000.00	2 219 300.00	2 067 000.00
642	Investment funds lent to non-profit and similar associations	4 250 000.00	7 932 000.00	7 779 700.00
6451	Investment funds lent to established institutions receiving contributions from the state budget		22 335 800.00	22 325 808.12
645	Investment funds lent to institutions receiving contributions from the state budget and similar organizations		22 335 800.00	22 325 808.12
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	8 560 000.00	30 660 600.00	30 105 508.12
6901	Reserves of capital expenses	397 025 800.00	162 422 700.00	
6909	Other capital expenses not included elsewhere	6 600 000.00	26 277 900.00	4 513 000.00
690	Other capital expenses	403 625 800.00	188 700 600.00	4 513 000.00
69	Other capital expenses	403 625 800.00	188 700 600.00	4 513 000.00
6	CAPITAL EXPENSES (TOTAL FOR CLASS 6)	20 720 606 800.00	23 595 333 600.00	21 231 460 586.46
TOTAL EXPENSES (CLASS 5+6)		62 191 650 700.00	77 395 272 000.00	86 227 740 695.12
BALANCE OF INCOME AND EXPENSES		(11 318 814 300.00)	(6 819 641 300.00)	(2 032 532 842.20)

FOR INFORMATION PURPOSES - CASH FUNDS

Text	Row	Approved budget	Adjusted budget	Result from the start of the year
		1	2	3
Opening balance	5010			2 321 472 869.09
Total income	5020	146 159 900.00	860 250 800.00	1 175 031 186.97
Total expenses	5040	1 038 921 100.00	1 417 872 300.00	1 431 167 921.11
Closing balance (difference in budget)	5060	(892 761 200.00)	(557 621 500.00)	2 082 584 062.86
Change in balance	5070	892 761 200.00	557 621 500.00	238 888 806.23
Financing - class 8	5080	879 751 400.00	662 035 400.00	17 247 927.91

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			10 000 000.00
Paid instalments of short-term received borrowed funds (-)	8114			
Revenueisation of short-term funds on bank accounts(+/-)	8115	10 237 839 100.00	5 119 392 200.00	729 989 008.50
Active short-term operations of liquidity management - receipts (+)	8117	391 061 000.00	535 106 900.00	19 649 774 560.35
Active short-term operations of liquidity management - expenses (-)	8118		(273 000 000.00)	(19 640 754 315.98)
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			
Paid instalments of long-term received borrowed funds (-)	8124	(560 228 800.00)	(3 781 528 800.00)	(3 781 524 325.00)
Revenueisation of long-term funds on bank accounts(+/-)	8125			
Active long-term operations of liquidity management - receipts (+)	8127	17 038 000.00	18 738 000.00	19 369 591.15
Active long-term operations of liquidity management - expenses (+)	8128	(16 895 000.00)	(18 667 000.00)	(18 595 500.00)
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	1 250 000 000.00	5 748 300 000.00	5 748 300 000.00
Paid instalments of long-term received borrowed funds (-)	8224		(528 700 000.00)	(528 401 592.61)
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

III. FINANCING - class 8

Name	Item / Row number	Approved budget	Adjusted budget	Result from the start of the year
text		1	2	3
Operations from the organization cash accounts not having the nature of receipts and expenses of government segment (+/-)	8901			
Unrealized exchange rate differences (+/-)	8902			(155 624 584.21)
TOTAL FINANCING (class 8)	8000	11 318 814 300.00	6 819 641 300.00	2 032 532 842.20

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	40 012 845 500.00	40 980 531 200.00	41 485 034 013.97
A2 - NON-TAX INCOME	4020	751 132 800.00	2 428 746 900.00	2 417 899 753.32
A3 - CAPITAL INCOME	4030	6 288 800.00	76 195 900.00	97 370 928.30
A4 - RECEIVED TRANSFERS	4040	10 102 569 300.00	27 090 156 700.00	40 194 903 157.33
TOTAL INCOME	4050	50 872 836 400.00	70 575 630 700.00	84 195 207 852.92
RECEIPT CONSOLIDATION	4060	1 200 084 900.00	2 218 162 900.00	15 829 667 253.01
of which:				
2223 - Receipts from retained financial settlement between the region and municipalities	4061			
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	250 000.00	250 000.00	250 000.00
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	3 506 000.00	7 051 700.00	8 983 836.81
4122 - Non-investment transfers received from regions	4110		1 171 300.00	1 171 214.57
4123 - Non-investment transfers received from regional councils	4111			
4129 - Other non-investment transfers received from budgets at regional level	4120	(250 000.00)		
* 4133 - Transfers from own reserve funds (other than those of structural units of the state)	4130	817 932 900.00	1 094 848 800.00	843 753 537.11
* 4134 - Transfers from budget accounts	4140	217 278 900.00	883 342 400.00	14 750 706 380.38
* 4139 - Other transfers from own funds	4150	164 873 100.00	239 971 700.00	235 207 335.52
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	3 506 000.00	8 223 000.00	10 155 051.38
ZJ 029 - Instalments of borrowed funds received from the territory of another region	4194	250 000.00	250 000.00	250 000.00
TOTAL INCOME AFTER CONSOLIDATION	4200	49 672 751 500.00	68 357 467 800.00	68 365 540 599.91
A5 - CURRENT EXPENSES	4210	41 471 043 900.00	53 799 938 400.00	64 996 280 108.66
A6 - CAPITAL EXPENSES	4220	20 720 606 800.00	23 595 333 600.00	21 231 460 586.46
TOTAL EXPENSES	4240	62 191 650 700.00	77 395 272 000.00	86 227 740 695.12
CONSOLIDATION OF EXPENSES	4250	1 200 084 900.00	2 218 162 900.00	15 829 667 253.01
of which:				
5321 - Non-investment transfers to municipalities	4260	40 000.00	3 046 600.00	3 030 901.00
5323 - Non-investment transfers to regions	4270	25 000.00	63 000.00	62 771.77
5325 - Non-investment transfers to regional councils	4271			
5329 - Other non-investment transfers to public budgets at regional level	4280		1 250 000.00	1 250 000.00
* 5342 - Transfers to funds of cultural and social needs and social funds of municipalities and regions	4281	51 369 100.00	54 016 400.00	48 410 101.58
* 5344 - Transfers to own reserve funds of regional budgets	4290	12 757 800.00	223 831 000.00	457 448 750.99
* 5345 - Transfers to own budget accounts	4300	845 991 300.00	1 232 862 900.00	14 563 967 314.47

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
* 5349 - Other transfers to own funds	4310	289 966 700.00	707 452 600.00	759 841 085.97
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	4 359 600.00	4 343 672.77
ZJ 036 - Borrowed funds provided to te territory of another region	4424			
TOTAL EXPENSES AFTER CONSOLIDATION	4430	60 991 565 800.00	75 177 109 100.00	70 398 073 442.11
BALANCE OF INCOME AND EXPENSES AFTER CONSOLIDATION	4440	(11 318 814 300.00)	(6 819 641 300.00)	(2 032 532 842.20)
CLASS A8 - FINANCING	4450	11 318 814 300.00	6 819 641 300.00	2 032 532 842.20
CONSOLIDATION OF FINANCING	4460			
TOTAL FINANCING AFTER CONSOLIDATION	4470	11 318 814 300.00	6 819 641 300.00	2 032 532 842.20

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	6010	9 480 108 462.62	8 744 054 267.41	736 054 195.21
Current Accounts of Local Government Units Funds	6020	2 321 472 869.09	2 082 584 062.86	238 888 806.23
Total current accounts	6030	11 801 581 331.71	10 826 638 330.27	974 943 001.44
Time Deposits Long-term	6040	20 000 000.00	20 000 000.00	
Time Deposits Short-Term	6050	127 526 900.00	372 480 892.94	(244 953 992.94)
Special Expense Account	6060			

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 - Receipts from retained 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	3 506 000.00	8 223 000.00	10 155 051.38
Items:				
2223 - Receipts from retained financial settlement between the region and municipalities	7291			
2226 - Receipts from retained financial settlement between municipalities	7092			
4121 - Non-investment transfers received from municipalities	7300	3 506 000.00	7 051 700.00	8 983 836.81
4122 - Non-investment transfers received from regions	7310		1 171 300.00	1 171 214.57
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	250 000.00	250 000.00	250 000.00
Items:				
2441 - Instalments of funds borrowed from municipalities	7370	250 000.00	250 000.00	250 000.00
2442 - Instalments of funds borrowed from regions	7380			
2449 - Other instalments of funds borrowed from public budgets at regional level	7390			

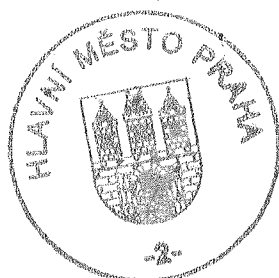
VII. SELECTED RECORD ITEMS

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	4 359 600.00	4 343 672.77
Items:				
5321 - Non-investment transfers to municipalities	7410	40 000.00	3 046 600.00	3 030 901.00
5323 - Non-investment transfers to regions	7420	25 000.00	63 000.00	62 771.77
5329 - Other non-investment transfers to public budgets at regional level	7430		1 250 000.00	1 250 000.00
5366 - Expenses from retained financial settlements between the region and municipalities	7431			
5367 - Expenses from retained financial settlements between municipalities	7192			
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:



[Handwritten signature]

Date delivered:

Person responsible for the presented figures

budget:

Počková

Páčilová

Phone: 22600 2571

actual:

Melková

Páčilová

Phone: 23600 2383

Appendix C

Constructive Service Letter



Constructive Service Letter

Capital City of Prague

Metropolitan Authority
of the Capital City of Prague
Bohuslav Svoboda
Mayor of the Capital City of Prague
Mariánské nám. 2
110 00 Prague 1

9 June 2011

Dear Sir,

We enclose a letter that documents some of our observations identified during the examination of operations of the Capital City of Prague (hereinafter the "CCP") for the year ended 31 December 2010.

It should be noted that the matters raised in this letter do not result from a specifically targeted review engagement but are only those that came to our attention during the course of our examination of operations of the CCP for the year ended 31 December 2010. As such, these matters do not necessarily cover all aspects of the operations of the CCP or all the improvements that could be made. Similarly, we considered the internal control structure of the CCP solely in order to determine our auditing procedures for the purpose of issuing a report on the examination of operations of the CCP for the year ended 31 December 2010. Accordingly, our examination of operations of the CCP for the year ended 31 December 2010 does not provide any assurance as to the functioning of these controls.

We would appreciate your written comments on individual constructive service letter points.

We are prepared to provide additional information and assist you in the implementation of the recommendations outlined in this letter, if required.

We would like to take this opportunity to thank your staff for their cooperation with us during the course of our examination of operations of the CCP for the year ended 31 December 2010.

Yours sincerely,

Audit firm:

Deloitte Audit s.r.o.



Represented by:

Václav Loubek
on the basis of a power of attorney

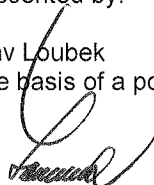


TABLE OF CONTENTS

1	EXTERNAL LAWYERS	4
2	INSPECTIONS BY EXTERNAL ENTITIES	5
3	DISPOSITION RIGHTS TO BANK ACCOUNTS	6
4	CASH FLOW STATEMENT	7
5	RISK MANAGEMENT	8
6	RECONCILIATION OF THE RESULT OF OPERATIONS ACCORDING TO THE INCOME STATEMENT AND THE RECEIPTS AND DISBURSEMENTS BALANCE.....	9

1 EXTERNAL LAWYERS

Findings

The CCP uses services of a significant number of law offices/external lawyers (the "LO") who deal with different types of cases. The Legislative and Legal Division is not a centralised function storing all of the required information and hence the following items are not available:

- Complete list of legal disputes where the CCP acts as a plaintiff and where it acts as a defendant;
- Information about the potential financial impact and likely outcome of individual legal disputes;
- Summary of all LOs and their contact details (address, contact persons) with which the CCP cooperates;
- Schedule of total costs of the legal services; and
- Evaluation of the effectiveness of the costs incurred.

Risk

There is no complete list of cases, their status quo and indication of the potential liability for reserving purposes. The use of the LOs may not be effective.

Recommendation

We recommend setting up a control system/circulation of documents connected with legal disputes to ensure that the Legislative and Legal Division has access to the full list of legal cases, including the litigated amount and the likely or estimated result. This list should be updated at least at the balance sheet date and referred to in recognising reserves for legal disputes.

We additionally recommend updating the list of cooperating LOs, including their contact details, regularly evaluating the costs of services and their effectiveness and subsequently considering whether the cooperation with all currently used LOs brings adequate results for the CCP and is cost-effective.

Comments of the CCP

2 INSPECTIONS BY EXTERNAL ENTITIES

Findings

In accordance with internal rules of the Metropolitan Authority, Internal Audit of the Metropolitan Authority (hereinafter "IA") is formally the central place where all copies of reports on inspections performed by external entities, eg the Supreme Audit Office, taxation authorities, etc. should be stored. However, individual divisions/heads of the divisions do not effectively deliver them to IA.

Risk

The internal rules of the Metropolitan Authority are not adhered to and management of the Metropolitan Authority has no available sufficient information to support the recognition of reserves for potential risks.

Recommendation

We recommend adhering to the internal rules of the Metropolitan Authority. The Metropolitan Authority would thus have assurance that IA has available a complete list of all protocols, reports from external inspections, etc. In addition, this will provide summary information on the amount of the CCP's potential liability resulting from findings (eg due to the breach of the budgetary discipline and refund of the subsidy and resulting penalty, etc). As a result, the CCP will have the information to determine whether it will be necessary to recognise a potential reserve as of 31 December.

Comments of the CCP

3 DISPOSITION RIGHTS TO BANK ACCOUNTS

Findings

As of 31 December 2010, the bank confirmation letters from Deutsche Bank included names of persons who possess disposition rights. However, certain persons no longer work at the Metropolitan Authority.

Risk

There is a risk of unauthorised handling of the CCP's bank accounts.

Recommendation

We recommend informing banks and updating the list of persons who hold rights of disposition with bank accounts. We also recommend setting such an internal system that will verify upon each termination of employment (or another termination of activities) of each person whether this person had the right of disposition for any of bank accounts and will cancel these rights of disposition.

Comments of the CCP

4 CASH FLOW STATEMENT

Findings

The cash flow statement which is part of the CCP's financial statements is generated automatically by the GINIS accounting system. The generated statement includes numerous errors, for example:

- Item A.I.4 Gain (loss) on the sale of fixed assets should not contain account 561 according to Regulation No. 410/2009 Coll.;
- Item A.II.1 Change in receivables is not adjusted for non-cash transactions arising from the recognition and release of provisions;
- The calculation of item C.II. Change in long-term payables does not reflect non-cash transactions - foreign exchange rate differences; and
- The control number does not tie in to the balance sheet.

Risk

The cash flow statement is not prepared in accordance with the applicable legislation and hence includes misstatements.

Recommendation

We recommend undertaking an in-depth review of the setting of the algorithm for preparing the cash flow statement and resetting the system so that the cash flow statement is prepared in accordance with the current accounting regulations and contains no incorrect information.

We recommend discussing changes in the setting also with individual boroughs so that the CCP uses one single basis for cash flow reporting.

Comments of the CCP

5 RISK MANAGEMENT

Given the long-term funding of development projects in various currencies and types of interest rates, the CCP is exposed to currency and interest rate risks. These risks are hedged using standard and complex derivative transactions. The CCP is currently working to prepare the organisational and methodological infrastructure to facilitate the comprehensive assessment of all risks relating to these transactions, including their fair value measurement.

The CCP is additionally 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.).

The CCP commissioned an independent advisor to prepare the risk management methodology so that it could be reflected in the preparation of short-term, mid-term and long-term cash flow plans.

Risk

The above risks may have a negative impact on the management of the CCP's operations, they may lead to the pressure on increasing the requirements for funding and expenses in the situation where the risk of the decrease in tax and budgetary receipts may arise. This development could have an adverse impact on the level of the CCP's indebtedness and a potentially negative impact on its rating.

Recommendation

We recommend that the CCP implement an overall and comprehensive method of monitoring and managing risks and cash flow planning which would cover at least the following:

- Determining the risk profile of the CCP (what losses from currency, interest rate and commodity price movements and operational failures the CCP is able to deal with);
- Introducing the system of the regular monitoring, measuring and reporting of risks with an impact on operations (including sponsored entities);
- Regular updating of the cash flow plan with respect to key risks;
- Determining responsibilities and authorities in the Metropolitan Authority and the formed or sponsored entities); and
- Regular reporting to the CCP's bodies.

Comments of the CCP

6 RECONCILIATION OF THE RESULT OF OPERATIONS ACCORDING TO THE INCOME STATEMENT AND THE RECEIPTS AND DISBURSEMENTS BALANCE

Findings

The total profit after tax (ie for the principal and management activities) presented in the income statement significantly differs from the balance of receipts and disbursements disclosed in the statement of receipts and disbursements. The income statement is, in accordance with the methodological regulations applicable for 2010, prepared on an accrual basis where expenses and income are reported in the period to which they relate, while the statement of receipts and disbursements (statement for the assessment of the compliance with the budget) is prepared on a cash basis, ie on the basis of actual receipts and disbursements.

Risk

The closing account of the CCP for 2010 does not provide any explanation as to why the results of operations according to the income statement and the balance of receipts and disbursements significantly differ and does not indicate the items which cause this significant difference.

Recommendation

Although none of the currently applicable legislation indicates that the CCP should perform the reconciliation of the economic results according to the income statement and the balance of receipts and disbursements, we recommend commenting on the different results in the CCP's closing account in the future and clarifying and calculating significant differences. This additional information will make it possible to better understand both reported results.

Comments of the CCP

Appendix D

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



THE CITY OF PRAGUE
Bohuslav Svoboda
Mayor of the City of Prague

TRANSLATION ONLY

In Prague on 21 June 2011

Dear Sirs,

I am writing to inform you that the Board of the Council of the City of Prague, at its meeting held on 21 June 2011, discussed the Report on the Results of the Examination of Operations of the City of Prague for the year ended 31 December 2010 (henceforth the 'Report') which was prepared by your company. I enclose hereto the adopted resolution on this Report. The Board of the Council of the City of Prague responds in the resolution to the findings you have made in performing your examination of the operations. As such, please treat the resolution adopted by the Board of the Council of the City of Prague as my opinion on the submitted and discussed Report.

Sincerely yours,

Bohuslav Svoboda

Deloitte Audit s.r.o.

Nile House,
Karolinská 654/2
186 00 Prague 8 - Karlín

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 881 dated

21 June 2011

*On the Report on the Results of the Examination of Operations of the City of Prague
for the year ended 31 December 2010*

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 2010 which forms Appendix 1 to this Resolution and the Constructive Service Letter for the year ended 31 December 2010 which forms Appendix 2 to this Resolution

II. Instructs

1. 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 2010 and the Constructive Service Letter for the year ended 31 December 2010 to the Council of the City of Prague

Deadline: 23 June 2011

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 are acted upon and rectified.

Deadline: 30 September 2011

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 2011

Bohuslav Svoboda
Mayor of the City of Prague

Karel Březina
Deputy Mayor of the City of Prague

Submitted by: Mayor of the City of Prague
Print: R-4545
To be executed by: Mayor of the City of Prague, Chief Executive of the Metropolitan Authority
To be acknowledged by: Departments of the Metropolitan Authority