

6. FINANCE

Data given in Tables 6-1 to 6-11 and in Table 6-12 were provided by the Ministry of Finance of the CR and the Ministry of Defence of the CR, respectively.

Notes on tables

Tables 6-1 to 6-4. **Financial performance of general government**

Tables 6-1 to 6-4 give consolidated results of the financial performance of general government, i.e. of (i) the **state budget** (including transactions on accounts of the National Fund, which administers EU funds – ISPA, PHARE and SAPARD), (ii) **extrabudgetary funds**, i.e. of state funds (the State Agricultural Intervention Fund, the State Environmental Fund, the State Soil Reclamation Fund, the State Culture Fund, the State Fund for Support and Development of Czech Cinematography, the State Housing Development Fund, the State Transport Infrastructure Fund), the National Property Fund, and the Land Fund (which are not included in Table 6-11), (iii) **social security funds** (public health insurance), and (iv) **local governments** (also referred to as territorial self-governing units).

The consolidation of the financial performance results of the general government sector is a procedure applied to eliminate mutual re-distribution transactions between ministries and other government departments, so that true information on total volumes of all governmental transactions carried out with respect to the ROW can be obtained.

The source data for the processing are taken from the financial statements of individual departments of general government, the state final account, and annual reports of extrabudgetary funds. The compilation of the data is governed by the methodology of the International Monetary Fund (in accordance with "A Manual on Government Finance Statistics, IMF 1986"). The differences in the structure or the volumes of revenue and expenditure in Tables 6-1 to 6-4 and 6-5 to 6-11 are due to the coverage of general government and the methodology used for processing (the GFS methodology excludes issue-of-bonds premiums from revenues and expenditures, court fees from tax revenues, received loan repayments from non-tax revenues, non-investment loans from current expenditures, and investment loans from capital expenditures, and classifies expenditure on destructive equipment as current expenditure). The difference between the GFS methodology and ESA 95 methodology is that the latter records accrual-based transactions and defines the general government sector in a different way. The GFS methodology deals with debt in nominal value.

Tables 6-1 and 6-2 list revenue and expenditure of general government by kind.

Table 6-3 shows data broken down by function of general government according to the Classification of the Functions of Government (COFOG) adopted by the UN Statistical Commission.

Table 6-4 shows debts of individual general government departments and total consolidated debt of general government as at 31 December 2005 structured by debt tool.

Tables 6-5 to 6-11. **Budget and state funds**

Data given in Tables 6-5 to 6-11 are taken from the state final account of the Czech Republic every year and show the financial performance of the **state budget** (under Act No. 218/2000 Sb., on Budget Rules, as amended), **local (territorial) budgets** (pursuant to Article 1(1) of Act No. 250/2000 Sb., on Local Budget Rules, the local governments comprise municipalities and regions), and **state funds** (see above for the funds).

The state budget performance results given in the state final account follow up the data reported in financial statements of general government departments, formerly state-owned budgetary organizations ('Act No. 219/2000 Sb., Article 3, on the Property of the Czech Republic and the Behaviour of the Czech Republic in Legal Relations', effective as of 1 January 2001) as at

31 December of respective year, as well as the Czech National Bank's state budget performance data as at the same date.

Tables 6-5 to 6-8 present state budget performance results, while Tables 6-9 and 6-10 give financial performance results for local governments (i.e. of budgets of regional offices, municipalities and voluntary unions of municipalities). The different structure of the state and local budgets indicators results from the approved breakdown of revenues and expenditures (state budget indicators are governed by the law).

Table 6-11 shows the financial performance of state funds, including grants/subsidies provided from the state budget.

Table 6-12. Defence expenditure: by type of costs and use

The data presented in the table comply with the standardized international reporting of defence expenditure according to UN methodology.

The data presented in the tables are comparable with the data published in the statistical yearbooks of previous years.

The comparability of data with the year 2005 is affected by Act No. 1/2005 Sb. amending Act No. 243/2000 Sb., on budgetary allocation of yields of some taxes to territorial self-governing units and to certain state funds (Act on budgetary allocation of taxes), as amended, and certain other Acts, and by Act No. 5/2005 Sb., on the state bond programme to cover a part of loss suffered by the Czech Consolidation Agency through assuming bad receivables in 1991 to 2003.

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Data on the balance of revenue and expenditure of the state budget are released quarterly in the CZSO Bulletin.

The financial performance results of general government are published every year on the Internet pages of the Ministry of Finance of the CR:

- www.mfcr.cz/cps/rde/xchg/SID-53EDF4E6-1781CBBB/mfcr/hs.xsl/fin_stat.html

and, according to source materials supplied to the International Monetary Fund (IMF), the financial performance results of the general government sector appear every year in the IMF publication "Government Finance Statistics Yearbook" (the data are given according to IMF methodology).