

## 2004 Annual Report of the State Fund of Transport Infrastructure Summary

The budget of the State Fund of Transport Infrastructure (SFDI) for 2004 was drawn up as balanced. Total budgeted income and expenditure amounted to CZK 44 000 mil.

### Income side of the budget was made up of

- tax income 21 200 mil. CZK
- the National Property Fund (NPF) subsidy 20 000 mil. CZK
- state budget subsidy 2 800 mil. CZK

The income side of the 2004 budget included, besides the budgeted income (i.e. tax income, NPF and state budget subsidies), also other (non-tax) income:

- unused funds returned by the final recipients up to 15 January 2004 within the financial settlement of 2003,
- received interest on the accounts of SFDI to 31 December 2004,
- subsequently returned funds from previous periods.

The actual income reached CZK 42 439,6 mil., i.e. by CZK 1 560,4 mil. less than budgeted income. This deficit was caused by lower than budgeted NPF subsidy. The subsidy was granted only at the amount of CZK 18 000 mil. to 31 December 2004, i.e. by CZK 2 000 mil. less, which amount will be brought forward to the 2005 budget of the SFDI. The difference between the NPF subsidy deficit and the actual income side deficit is composed of moderate surplus of tax income and of non-tax income.

Breakdown of 2004 income is shown in the following table:

Type of income	mil. CZK				
	2003 actual income	2004 adjusted budget	2004 actual income	% 3/2	% 3/1
	1	2	3	4	5
20 % of mineral oils excise tax	11 410,1	13 100	13 051,9	99,6	114,4
Road tax	5 740,9	5 900	5 513,5	93,4	96,0
Toll stickers	2 058,8	2 200	2 681,2	121,9	130,2
<b>Total tax income</b>	<b>19 209,8</b>	<b>21 200</b>	<b>21 246,6</b>	<b>100,2</b>	<b>110,6</b>
NPF	27 800,0	20 000	18 000,0	90,0	64,7
State budget subsidy	0	2 800	2 800,0	100,0	x
<b>BUDGETED INCOME</b>	<b>47 009,8</b>	<b>44 000</b>	<b>42 046,6</b>	<b>95,6</b>	<b>89,4</b>
Other (non-tax) income	1 559,6	x	393,0	x	25,2
<b>TOTAL INCOME</b>	<b>48 569,4</b>	<b>44 000</b>	<b>42 439,6</b>	<b>96,5</b>	<b>87,4</b>

Balances of income are, in accordance with the act no. 104/2000 Coll. on the SFDI as amended, brought forward at the end of each calendar year to the following calendar year. Resources available for 2004 thus amounted to CZK 59 023 mil.

The expenditure side of the SFDI is determined by the purpose of the SFDI provided by the Article 2 of the Act no. 104/2000 Coll. The SFDI uses its income for the benefit of development, construction, maintenance and modernization of roads and motorways, railways and inland waterways in the extent defined by this act.

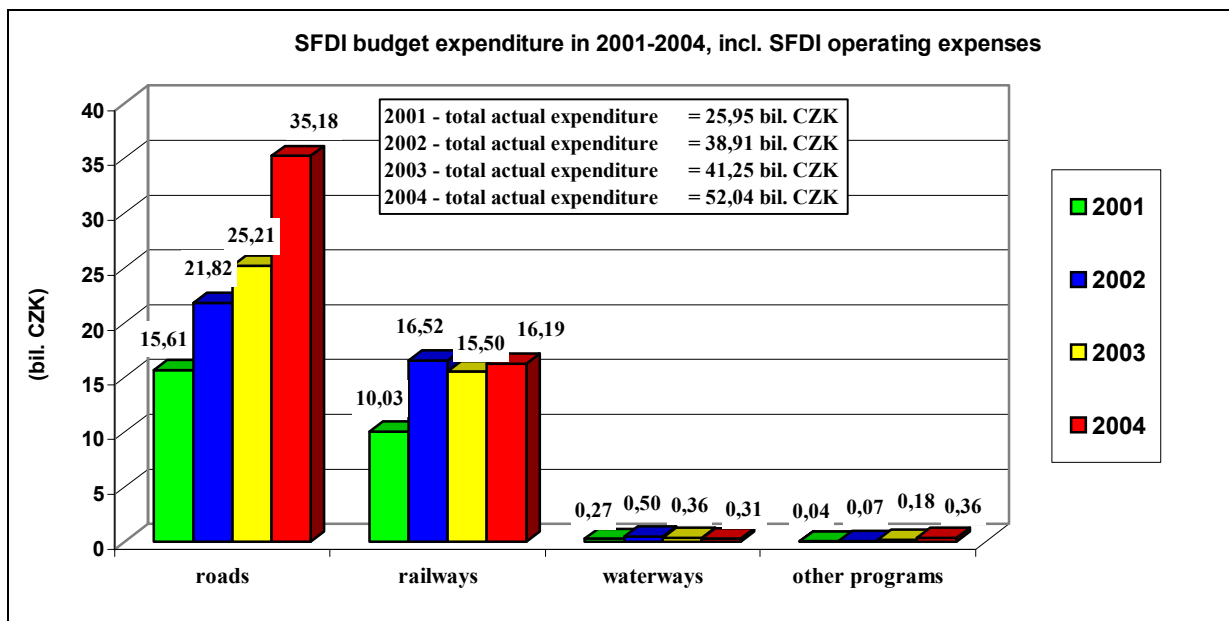
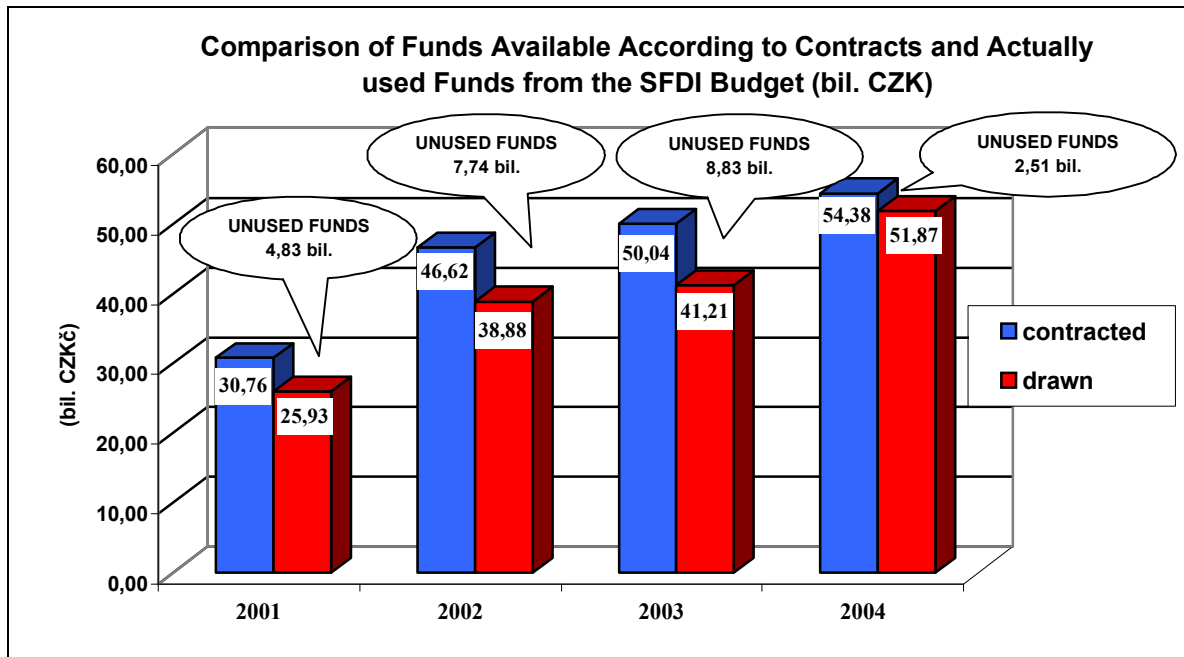
The final recipients received in aggregate CZK 52 067,6 mil. to 31 December 2004. CZK 30,3 mil. was returned within the financial settlement in the beginning of 2005, so that actual SFDI expenditure amounted to CZK 52 037,3 mil.

Breakdown of the expenditure is shown in the following table:

	<b>mil. CZK</b>		
<b>Transport infrastructure</b>	<b>2003 actual expenditure</b>	<b>2004 actual expenditure</b>	<b>% 2004/2003</b>
<b>Motorways and expressways</b>	<b>8 094,9</b>	<b>13 945,6</b>	<b>172,3</b>
<b>Class I roads</b>	<b>7 898,7</b>	<b>11 920,6</b>	<b>150,9</b>
<b>Class II and III roads</b>	<b>9 211,9</b>	<b>9 310,8</b>	<b>101,1</b>
<b>Nationwide railways</b>	<b>15 433,0</b>	<b>16 123,8</b>	<b>104,5</b>
<b>Regional railways</b>	<b>70,3</b>	<b>70,4</b>	<b>100,1</b>
<b>Inland waterways</b>	<b>355,8</b>	<b>312,0</b>	<b>87,7</b>
<b>Research and design work</b>	<b>38,8</b>	<b>39,9</b>	<b>102,8</b>
<b>Transport safety and accessibility</b>	<b>61,5</b>	<b>76,7</b>	<b>124,7</b>
<b>Cycling paths</b>	<b>48,7</b>	<b>69,7</b>	<b>143,1</b>
<b>SFDI operating expenses</b>	<b>32,7</b>	<b>167,8</b>	<b>513,1</b>
<b>TOTAL</b>	<b>41 246,3</b>	<b>52 037,3</b>	<b>126,2</b>

Realization of all payments to the final recipients was based on contracts with specified amount and purpose of funds provided and with stated terms for its appropriation. Funds were provided for individual projects in accordance with the expenditure kept in ISPROFIN and ISPROFOND systems, based on the recipients demands and on actual need of funds corresponding to outstanding invoices payable for work done, in dependence on development of the income side of the SFDI budget.

SFDI concluded contracts totally amounting to CZK 54 382 mil. with 116 recipients in 2004. The funds unused by the recipients, that made up the SFDI account balance to 31 December 2004, and funds returned within the financial settlement of 2004 amounted to CZK 5 096 mil. (9,4 %). These funds will have to be released in 2005 in addition to the approved budget and will be subject to evaluation of liabilities brought forward from 2004 to 2005.



Other entities than SFDI, that take part in construction of transport networks, participated in financing of individual projects comprised in the SFDI budget at total amount of CZK 9 576 mil. (in addition to SFDI resources).

Total actual financing, from the SFDI and other resources, of individual projects comprised in the SFDI budget thus reached CZK 61 445 mil. in 2004, i.e. by CZK 10,88 bil. more than in the previous year.

	bil. CZK		
	2002	2003	2004
<b>SFDI</b>	<b>38,88</b>	<b>41,21</b>	<b>51,87</b>
<b>Other resources</b>	<b>7,57</b>	<b>9,36</b>	<b>9,58</b>
<b>incl. EU resources *)</b>	<b>0,37</b>	<b>0,70</b>	<b>0,74</b>
<b>Credits (EIB, commercial)</b>	<b>6,90</b>	<b>8,05</b>	<b>7,92</b>
<b>Other resources</b>	<b>0,30</b>	<b>0,61</b>	<b>0,92</b>
<b>TOTAL</b>	<b>46,45</b>	<b>50,57</b>	<b>61,45</b>

\*) effectively reimbursed funds from EU resources