

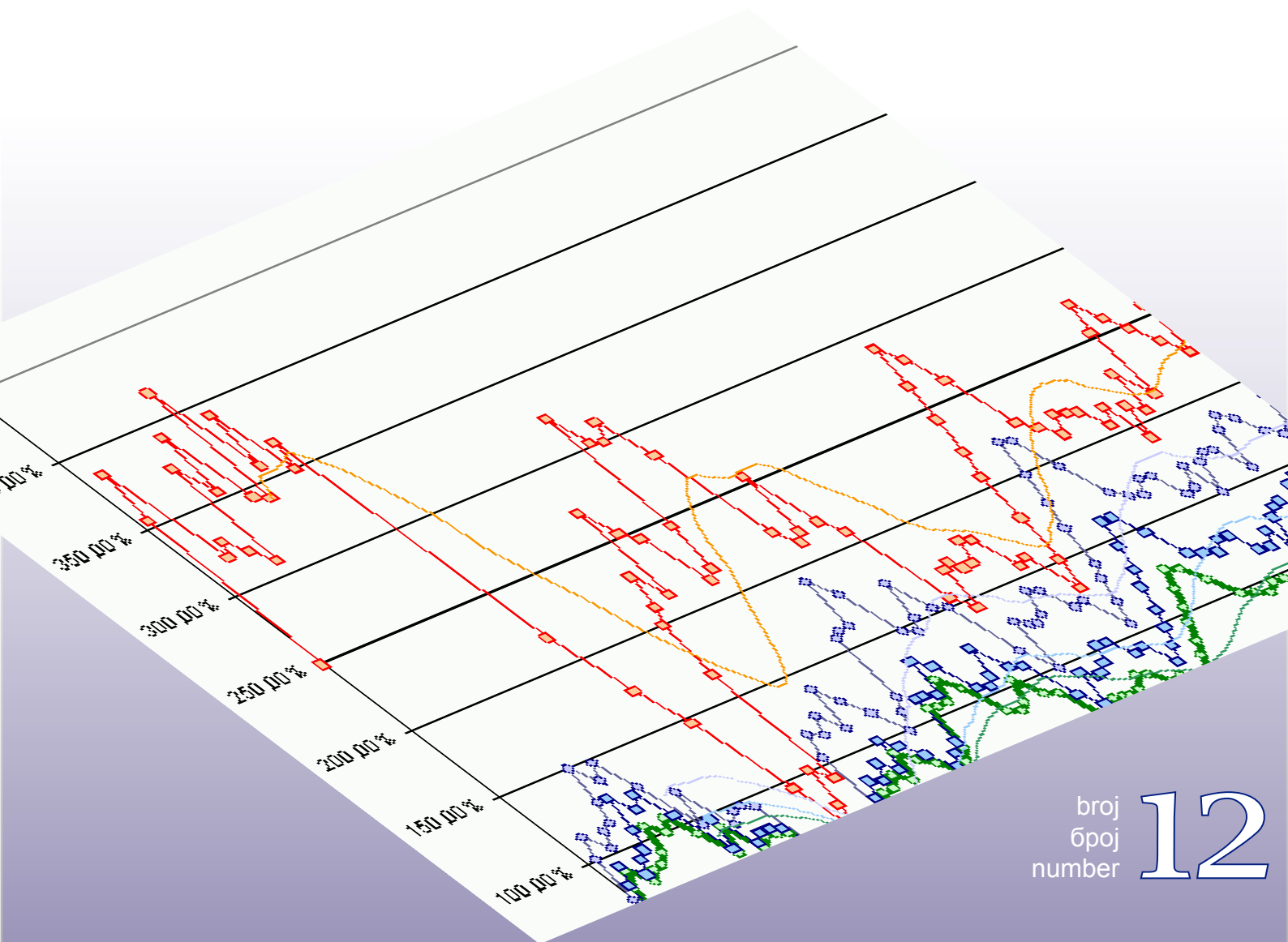
Bosna i Hercegovina  
Odjeljenje za makroekonomsku analizu  
Upravnog odbora Uprave za indirektno-  
neizravno oporezivanje



Босна и Херцеговина  
Одјељење за макроекономску анализу  
Управног одбора Управе за индиректно  
опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

# *Oma Bilten*



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## With this issue...

Introduction of the value added tax is for sure one of the biggest reforms in Bosnia and Herzegovina. The new system of taxation for sales transactions in BiH has caused lots of questions and uncertainties for companies, citizens, analysts and state in terms of filling the budget. The first year of VAT introduction is specific in all countries, and BiH is specific due to legal suspension of refunds to taxpayers who are not exporters. This provision makes it difficult to provide analysis and forecasts of future trends in the collection of VAT and indirect taxes. It also has impact on revenue projections and budget preparations at all levels in 2007. In this issue, we provided the analysis of collection of indirect taxes (and VAT) in the first six months in 2006 as well as analysis of VAT impact on trends in foreign trade balance in the same period.

Issue of allocation of revenues to lower levels or territorial units is very sensitive in complex countries. We recently published contribution of the experts from USAID GAP project, regarding new regulations on allocation of revenues within entities. No formula is perfect and final not to be improved. Experiences of the complex European countries are valuable for improving the system of allocation and financing lower levels of administration in BiH.

In this issue, we are publishing comment on the model of financing local governance in Poland. During visit to the Ministry of Finance in Poland and other institutions, organized by USAID GAP, representatives of the entity ministries of finance were introduced to fiscal federalism and harmonization in big and complex country with the aim to apply this knowledge in BiH.

In accordance with dynamics of data flow, we are continuing to publish consolidated monthly reports for fiscal operations of the single account and entities in June and consolidated monthly reports for general government that includes fiscal operations of central governments (budgets of BiH, entities and Brcko District) and cantonal budgets for the first five months of 2006. We are also providing consolidated monthly reports for some cantons in which all municipalities delivered reports to the Unit, and these data were verified and processed before publishing this issue.

Dinka Antić, MSc  
Head of Unit – Supervisor

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Translated by: Edin Smailhodžić

## Collection of indirect taxes – First half of 2006

(Prepared by: Dinka Antić, MSc)

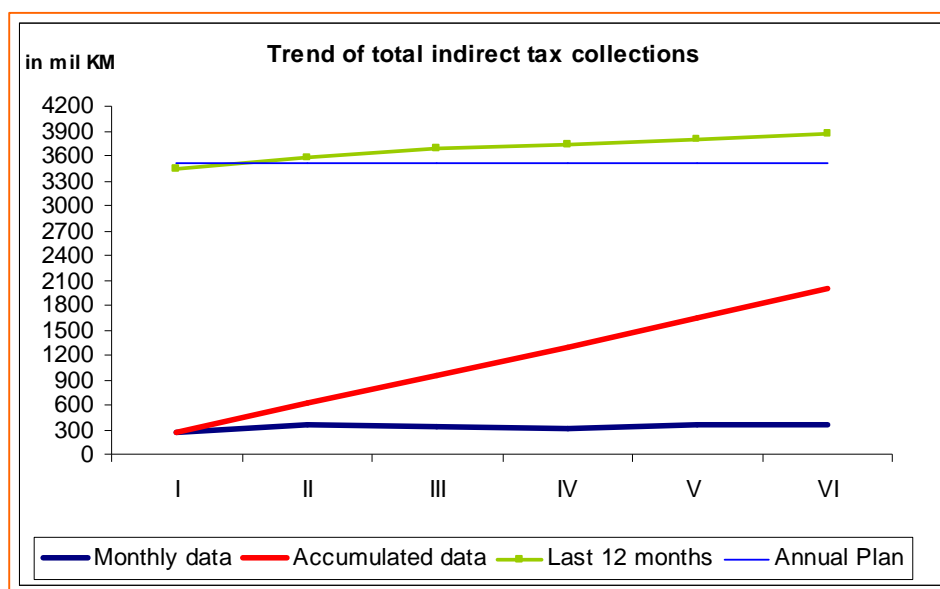
### Introduction: Applied methodology

Analysis of the indirect taxes collection is based on the following points:

- Observation is for the total collection and collection by main groups of revenues in the first half of year in the period from 2002 to 2006
- Analysis is for the total collection of indirect taxes regardless what level of the government carried out the collection (ITA or entity governments)
- Amount of the lagging sales tax collected in 2006 by entities and Brcko District was added to the amount of VAT collected in 2006
- Analysis is based on data on real **net cash flow** in the ITA single account after deducting refunds of VAT and other indirect taxes
- Figures on the revenues collected in June 2006 and the period from January to June 2006 do not include revenues that were collected by June 30<sup>th</sup>, but remained as non reconciled<sup>1</sup>.

### A. Analysis of the total collection:

In June 2006, the total net collection of indirect taxes was 351 mill KM<sup>2</sup>, which represents 9,61% of the annual collection plan and it is 18,7% higher than in the same month 2005. However, in comparison with May 2006, the collection was lower by 4,2%. Trend for total collection of indirect taxes (without non reconciled ITA revenues) in the first six months of 2006 is shown in the graph 1:



Graph 1.

In six months of 2006, the total collection of indirect taxes in BiH was 1,997 billion KM, which is 30% higher than in the same period 2005. The ITA collected 1,833 billion KM of net revenues or 92%, and the entity administrations collected a bit more than 164 billion KM.

<sup>1</sup> ITA collected additional 30 mil KM of revenues that remained non reconciled after the compilation of payments and records of taxpayers in the IT modules of ITA, on the day when the report was prepared (30.6.2006).

<sup>2</sup> Data on the lagging sales tax collected by the Federation in June 2006 are missing.

This represents 52,34% of the ITA annual collection plan or 54,66% of the annual collection plan of indirect taxes for the whole BiH<sup>3</sup> IN 2006. Collection plan for indirect taxes in BiH in 2006 amounts 3,653 billion KM (or 7,37% more than it was collected in 2005), out of which 3,503 billion KM was collected to the single account.

Up to June 30<sup>th</sup>, 2006, there was **total of 100,476 mill. KM of unused tax credit** (that represents about 10% of net VAT inflow or a bit more than 5% of net inflow to the ITA single account). In accordance with the decision of the ITA governing board, taxpayers will be successively paid for unused tax credit as of August 10, 2006. Effects of unused tax credit payments will be shown as decrease of net revenues to the single account from August 2006. We should mention that the amount of tax credit changes according to a level of economic activity of businesses that have VAT liabilities for delivered goods and services. Higher economic activity means higher sales of goods and services, higher VAT and faster reduction of accumulated tax credit.<sup>4</sup>

Tax credits are future liabilities of ITA that will be paid from then ITA reserves that are kept for this purpose. Payment of tax credit will be recorded as correction of revenue for concrete month (refund) with elimination of that amount from reserves.

## **B. Analysis by types of revenues:**

In June, there was fall of revenues from customs and customs duties in comparison with May by 4,33%. At the level of six months in 2006, collection of revenues from customs is 10% lower than in the same period 2005. Such trend was expected due to the application of the free trade agreement and relatively slow growth of imports in the first six months.

Revenues from excise increased for 7% in the total period. However, these revenues slightly decreased in June compared to May. This fall of excise revenues in June is mainly because of reduced import of oil and oil derivatives by 16% compared to May. In other hand, excise on imported tobacco products increased that is pretty higher than the value of imports in June, as payment of excise is made after receipt of excise stamps and this does not need to happen in the same month when the import took place.

Comparison of the collection of VAT and sales tax in the first months of VAT is possible only at the total lever regardless what level of government collected taxes.<sup>5</sup> However, as the year goes, amounts of lagging sales tax are becoming low compared to the collection of VAT. In accordance with provisions of the Law on VAT, final deadline for payment of sales tax for invoices sales shown on December 31, 2005, expired in the end of June 2006. So, in the second half of the year, we can only expect occasional payments of sales tax from previous year. However, general opinion is that the lagging sales tax collected to the entity accounts exceeds the plan (for almost 10% more). It is mainly sales tax on services and products of lower tariff (10% rate), what was invoiced in 2005, but paid in 2006 in order to avoid payment of VAT with the rate of 17%..

<sup>3</sup> Plan for collection of indirect taxes was adopted by the Fiscal Council in October 2005. More info on this is in the Bulletin no. 3.

<sup>4</sup> At the time when VAT declaration of January and February were filed, there was 63 mill. KM of tax credit registered. Businesses used their declared tax credit to cover VAT liabilities in the next months and there is still about 18,3 mill. KM of unused tax credit from January and February. However, this amount will obviously once the VAT declarations are filed for July.

<sup>5</sup> More info on methodology for comparative report on the collection of indirect tax in 2006 can be found in the bulletin no. 7

| Type of revenue                          | Competent authority   | Amount   | % share |
|--|-----------------------|----------|---------|
| Gross VAT                                | ITA                   | 1178.493 | 86.30%  |
| VAT refunds                              | ITA                   | -70.680  |         |
| Sales tax on excisable products          | ITA                   | 11.836   |         |
|  | ITA total:            | 1119.649 | 87.22%  |
| Sales tax on other products and services | TA of entities and BD | 164.085  | 12.78%  |
|  | TOTAL                 | 1283.734 | 100.00% |

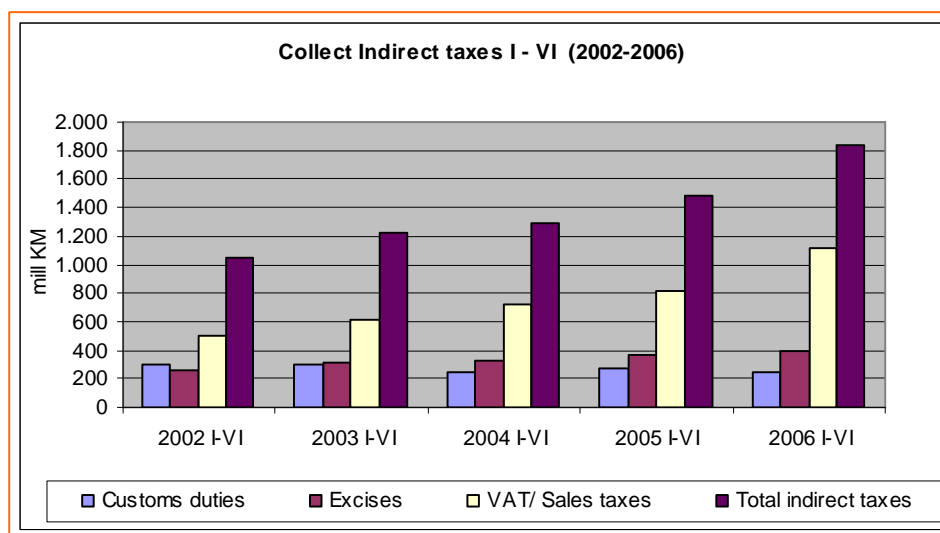
Table 1.

In June 2006, net collection of VAT was 42% higher than the collection of sales tax in June, 2005. The amount of VAT collected on basis of VAT declarations in June slightly increased. VAT on imports showed slight fall compared to May, which is reflection of less imports in June. However, the net collection of VAT had bad impact from higher refunds to exporters (direct cash outflow), increase of unpaid VAT debts in comparison with May (indirect effect through reduced cash inflow)<sup>6</sup>.

At the level of six months, the collection of VAT and lagging sales tax increased for almost 57%. In the structure of collected VAT, dominant share is hold by VAT on imported goods. High share of import VAT (63-68%) shows open country and high dependency on imports.

### C. Conclusions for the period from January to June, 2006:

Graph 2. shows comparative collection of main groups of revenues from indirect taxes in BiH for the first two quarters in the period from 2002 to 2006.<sup>7</sup>



Graph 2.

This partial presentation shows positive effects of the VAT in the first six months of 2006, on the amount of total revenues and revenues from sales tax and VAT. There is constant growth of revenues from sales tax and excises and fall of customs revenues. In accordance of opening domestic market to EU goods, it is to expect that the customs revenues will keep decreasing until we join EU. It is up to domestic authorities to make the right decision on the structure of goods that will be under customs free regime from EU, enabling development of

<sup>6</sup> Debt was about 30 mill. KM in the end of June. 3,773 debtors were registered and 157 taxpayers owe 73%.

<sup>7</sup> Data on collected indirect taxes for 2002 do not include Brcko.

domestic production and growth of other revenues that should compensate loss of customs revenues.

Having in mind experiences of other countries, future forecasts should be careful regardless good results in the collection of indirect taxes. Historic information shows that the second half of the year usually brings more revenues. However, we should bear in mind payments of tax credits, raise of refunds and possible oscillations in the collection of VAT as this is typical for the first year of the VAT implementation. Very often, not enough attention is given to the following::

i) In 2006, planned increase of indirect taxes is 7,37% compared to the collection in 2005. The budgets for 2006 were prepared on basis of increased revenues, so **the real effect (or "surplus" of revenues) is only amount that exceeds planned increase of revenues.**

ii) **all „surpluses“ of VAT are allocated on daily basis to entity budgets and then to lower levels.** There is a delusion in public that "surpluses" are being accumulated. There are even opinions that these revenues are accumulated in reserves of the ITA single account. **Reserves in the ITA single account are used exclusively used for VAT refunds to taxpayers and these reserves are created in accordance with the Law.**

We should bear in mind that every analysis of the collection is actually *ex post* report on revenues that were collected by ITA, showing certain increase of revenues, but these revenues are already allocated to levels of the administration.

So, **the allocation beneficiaries have duty to rationally spend possible surplus of funds and create liabilities with great care.** There should also be great care in preparations of the budget for 2007 because many VAT effects such as reduction of grey economy through including high number of taxpayers in the system and regular flows, take place just once and are limited to the first year of VAT.

## Analysis of trade balance for the first half in 2006

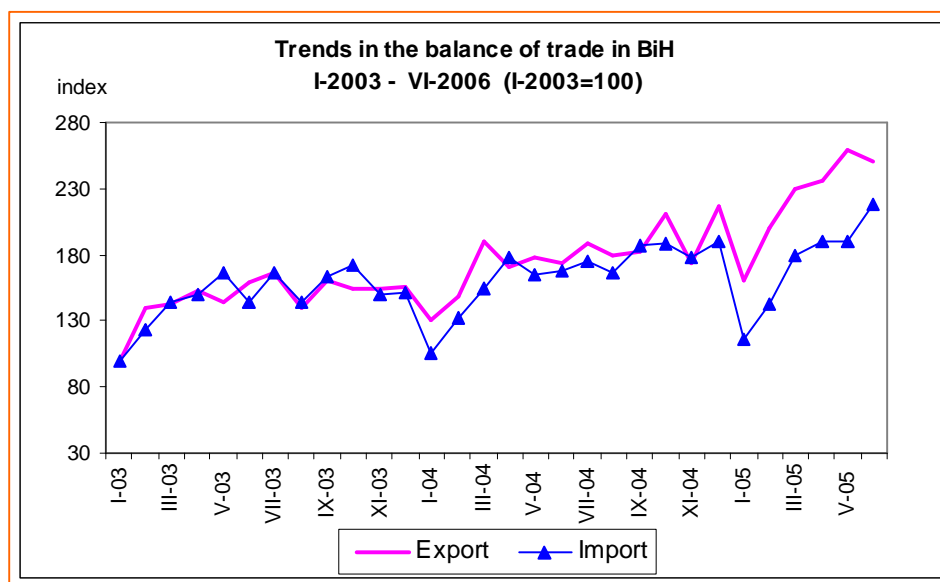
(Prepared by: Dinka Antic, MSc)

### Introduction: Applied methodology

Analysis of trade balance in the first half of the year represents continuation of analysis of VAT impact on trade balance in the first quarter of 2006, in the total amount as well as changes in the structure of imports and exports<sup>8</sup>. Second quarter of 2005 and 2006 were added to the observed period. Data for the first half of 2006 include corrections for previous months in 2006. In addition to this, comparative analysis for the first half of year in period 2003-2006 is also provided.<sup>9</sup>

### Main trends in the balance of trade

Just before the introduction of VAT, foreign balance of trade got worse resulting in increasing deficit by 14% compared with trends in 2004. Bad results in 2005 were influenced by large increase of imports in December 2005 and postponement of some exports for 2006 due to the VAT stimulation effects on exports. Beginning of VAT application brought fall of imports and increase of exports. The first three months was not long enough to make a conclusion if these were "short term" effects – is the fall of imports result of using goods in stock that piled up in December 2005 and is the growth of exports maybe result of VAT frauds that were typical for VAT system in the first months after introduction in some countries (i.e. Serbia).

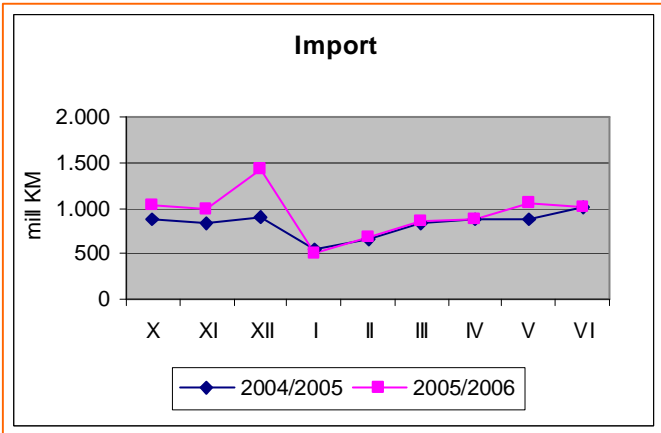


Graph 3.

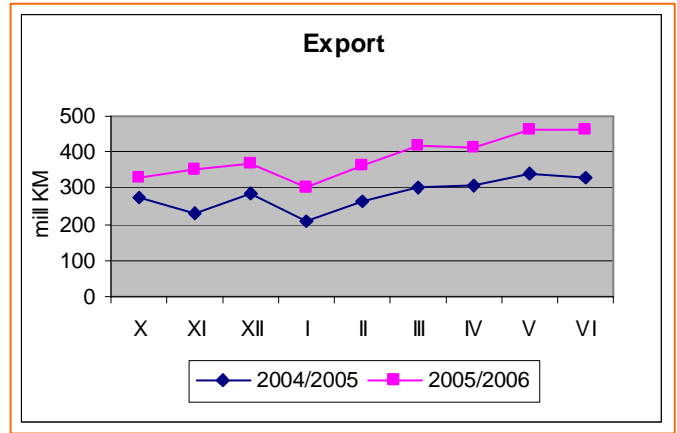
However, some doubts have been removed and exports continued to increase. The imports are stable at the level from 2005 with minimum growth. This can be observed in the graphs 4 and 5:

<sup>8</sup> Monthly data for structural analysis were prepared by: Igor Gavran, Project manager of the sector for macroeconomic system in BiH Foreign Trade Chamber

<sup>9</sup> Due to additional corrections in 2006, monthly data on foreign trade balance for mentioned periods were taken from web site of the BiH Central Bank (source of data: Indirect taxation authority, processed by the BiH Statistics Agency)

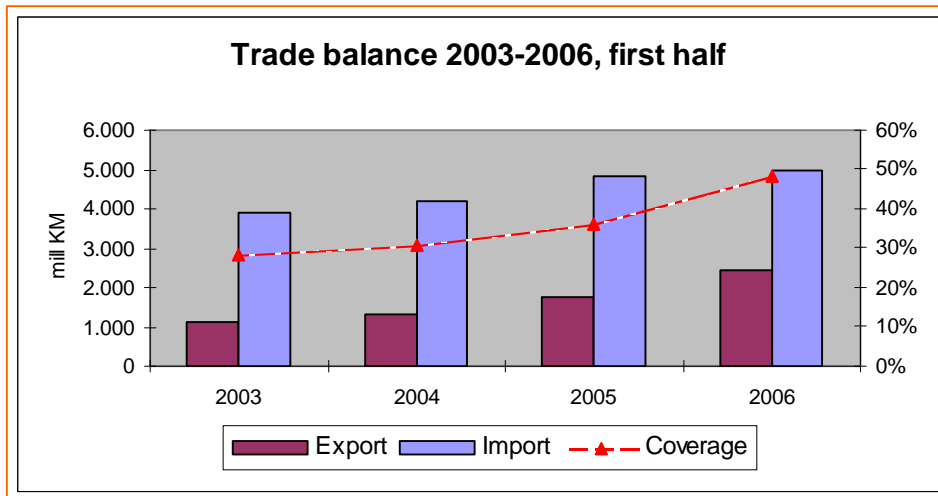


Graph 4.



Graph 5.

Faster growth of exports compared to much slower growth of imports had positive impact on reducing foreign trade deficit and increasing coverage of imports by exports, which is 48,3% in the first six months of 2006:



Graph 6.

After extreme reduction of deficit in January 2006, deficit slightly increased. However, at the level of half of 2006 compared to the same period in 2005, the deficit is 505 mill. KM less or 16,35%:

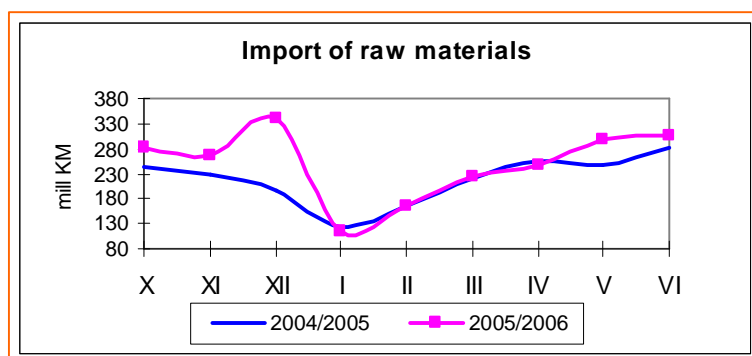
**Structure of trade balance:**

Analysis of the structure of trade balance will be based on the analysis of imports and exports in the last quarter before introduction of VAT and six months after the VAT introduction. The analysis contain main group of products that had biggest impact on trade balance.



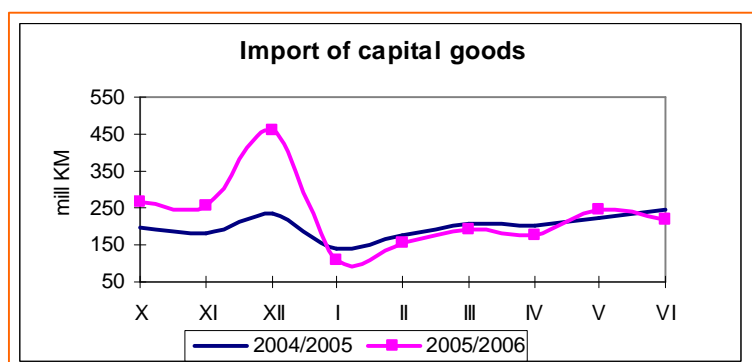
**Imports:**

Prior to the introduction of VAT, import of all kinds of goods suddenly increased motivated by piling up goods due to economic (mainly goods that were exempt from sales tax or taxed with lower rate of 10%) and psychological reasons, and fear of uncertainties of VAT system. There was also large import of capital assets (machines, equipment, vehicles), reproduction



Graph 7

N.B. Capital assets include machines, equipment and vehicles



Graph 8.

and raw materials, medicines and food. In the beginning of 2006, import of all main groups of products decreased. Biggest fall of imports was for capital assets and reproduction materials that, after change in December, remained at the same level as in 2005, which can be observed in the graphs 7 and 8:

The only group of products that had increase of imports in the first half of the year were mineral oils (oil and oil derivatives) by 23%. By observing other excisable products, there is still high growth in imports of coffee, alcohol and alcohol drinks (23%), and tobacco by 5% more than in the first half of 2005. Import of raw materials increased by 5%.

Import of leather and fibers is still very high, being 75% higher than the average in 2005. It's interesting that there could be possible link between high growth of imports of raw leather in the first half of 2006 (especially in March), which is 90% higher than in the same period 2005, and growth of exports of shoes in the second quarter of 2006. Export of shoes by June 2006 was 16% higher than total exports in 2005! For example, export of shoes in June 2006 is 115% higher than export of shoes in January 2006. The situation is similar with export of clothes. It remains to be analyzed if this high growth is result of more imports of final products with higher level of processing that carries higher value compared to lohn jobs and carrying out only certain operations for international contractor.

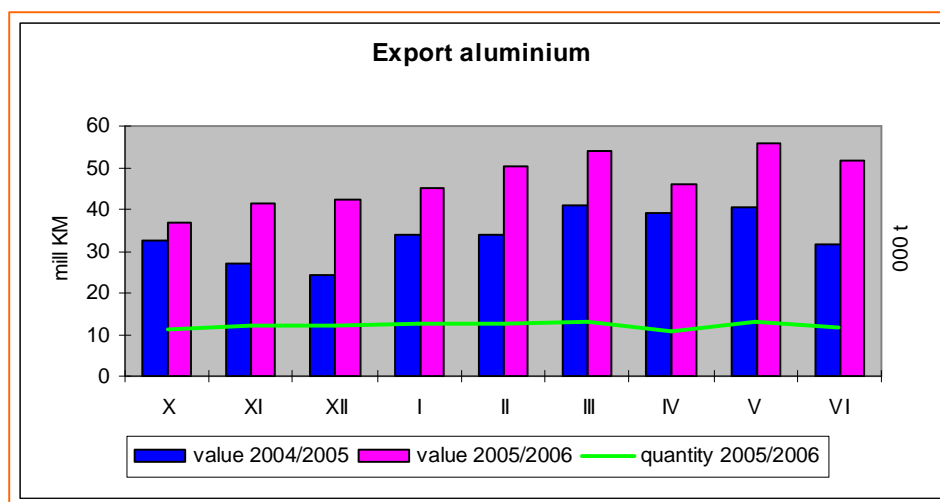
**Exports:**

Analysis of exports is based on some main groups of products that had share of 65%-70% of total imports. In the end of 2005, there was slight growth in exports of energy (mainly cowl, coke and electric power), products of chemical industry, wood and wooden cowl, alumina, machines and tools. The situation changed after the introduction of VAT. Although exports increased by 38% at the semi annual level, the exports of main groups of products is different:

| Basic groups of products            | Monthly comparisons |             |               |             |           |             | porast: I pol 06 / I pol 05 |
|-------------------------------------|---------------------|-------------|---------------|-------------|-----------|-------------|-----------------------------|
|                                     | I-06/I-05           | II-06/II-05 | III-06/III-05 | IV-06/IV-06 | V-06/V-05 | VI-06/VI-05 |                             |
| Energy                              | -8.66%              | -1.78%      | 21.96%        | 50.81%      | -19.44%   | 60.96%      | 8.93%                       |
| Inorganic chemical products         | 95.88%              | 56.33%      | 99.29%        | 2.23%       | 74.08%    | 61.27%      | 58.36%                      |
| Wood                                | 3.45%               | 35.84%      | 23.95%        | 9.51%       | 19.85%    | 9.39%       | 15.91%                      |
| Iron and steel                      | 43.41%              | 53.20%      | 41.63%        | 45.96%      | 46.47%    | 66.05%      | 49.84%                      |
| aluminum and aluminum products      | 32.04%              | 47.49%      | 32.48%        | 18.60%      | 36.86%    | 62.24%      | 37.39%                      |
| Machines, mechanical and electronic | 55.95%              | 23.46%      | 24.66%        | 27.86%      | 17.58%    | -0.46%      | 21.88%                      |
| Furniture                           | 151.21%             | 106.86%     | 124.17%       | 87.40%      | 129.94%   | 114.21%     | 117.31%                     |
| Other                               | 45.03%              | 40.47%      | 27.37%        | 41.08%      | 50.44%    | 35.84%      | 39.57%                      |

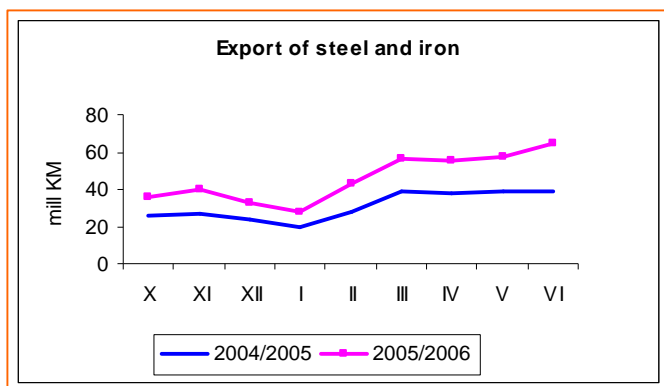
Table 2.

In the structure of exports at the level of the period, the same share is held by exports of iron, steel, alumina and machines, which is almost 40% of total exports. However, there are significant monthly oscillations and instabilities with exports of energy, wood and inorganic chemical products. It's interesting there is large export of furniture, and even 117% at the level of observed period. The value of exported alumina significantly increased, but the quantity is the same is in the first half of 2005.

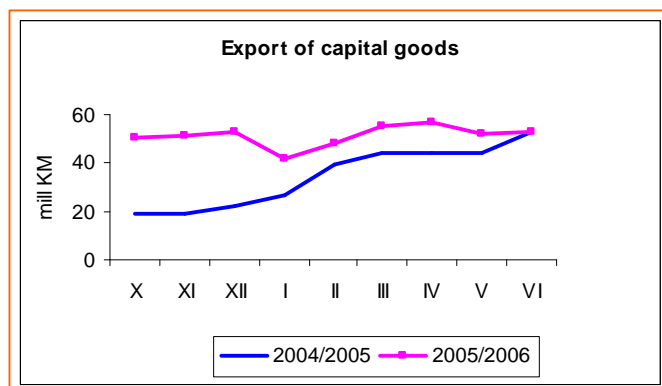


Graph 9.

Export of iron and steel continued to grow during the first half of the year. The quantity increased by 36% and the value by almost 50% compared to the same period in 2005, while export of machines shows constant fall.



Graph 10.



Graph 11.

## Conclusion

In the first six months of 2006 when VAT was introduced, we can observe the following trends in comparison with the same period in 2005:

- **significant growth of imports by 37,46%**
- **minimal growth of imports by 3,16%**
- **reduction of trade deficit by 16,35%**
- **coverage of imports by exports is 48,32%**

Changes shown in percentages for the first half of year in the period from 2003 to 2006 show good trend in trade balance during 2006.

|         | I-VI    |         |         |
|---------|---------|---------|---------|
|         | 2004/03 | 2005/04 | 2006/05 |
| export  | 18.54%  | 34.63%  | 37.46%  |
| import  | 8.68%   | 14.83%  | 3.16%   |
| deficit | 4.77%   | 5.96%   | -16.35% |

Table 3.

Expectations of analysts came true in sense that the introduction of VAT decreased and slowed imports and stimulated exports. We can not foresee what will happen with the trade balance in the second half of the year and if VAT positive effects have been exhausted, and if the decrease of imports is the result of real turn of businesses to domestic suppliers or are they still using goods in stock that they piled up before VAT was introduced. Indirect consequence of VA introduction is strengthening of economic space, introduction of order to BiH market and including great number of companies in the system. It is clear that the new system of taxation on its own can not bring prosperity to the country, and it should be followed by other measures of economic policy to stimulate exports, investments and domestic production.

## Models of financing local governance bodies in complex countries: Case of Poland

(Prepared by: Aleksandra Regoje)

Local governance units in Poland are **municipalities (2478), counties (379) and regions (16)**. System of the local governance bodies is based on hierarchical principle. Local governance units that are on higher levels of the territorial division do not supervise and control activities of other local governance units. Scope of activities of the regions does not interfere with independence of counties and municipalities. This rule applies in case of counties and municipalities.

Basic revenues of the state budget in Poland are VAT, customs, personal income tax, corporate income tax, non tax revenues and EU grants. Funds are transferred from the state budget to the budgets of local governance units in the form of on purpose donations and general subsidies. Difference between these two terms exists only from the legal point of view because from economic point of view, both forms of financial aid in the state budget are classified as same expenditures and revenues for local governance units.

So, local governance revenues are **own revenues, subsidies and on purpose donations**.

**Own revenues** of municipalities are tax shares of personal income tax and corporate income tax (that are actually state budget revenues), taxes and local fees and all revenues as result of municipal property (sales tax on real estate, agricultural taxes, forestry contributions, taxes on motor vehicles, lump sum taxes on sole traders, inheritance and gift taxes, tax on keeping dogs, revenues from administrative fees etc.). Own revenues of counties and regions are shares in personal income tax and corporate income tax, revenues from public ownership (for counties) and 5% of revenues related to the implementation of tasks from the scope of government's administration.

**Subsidies** are permanent form of financing the local governance bodies and are implemented with the assistance of certain criteria. General subsidy does not limit opportunities of the local governance units to use these funds for other purposes, which is legal right of municipal council, county assembly or regional parliament that can decide on the use of funds received in the form of general subsidy. This means that the local governance unit can use education subsidy for objectives that are not strictly educational (but this happens very rarely-local governance units usually add some funds to be able to carry out tasks related to education).

Subsidies for municipalities and counties are divided into: **educational, development and reconciliation**. For the regions, subsidies are divided on development, regional and education.

Education is the most expensive field for local governance units, especially municipalities, where expenditures for education and upbringing often exceed 50% of the total budget funds. Quota for **educational share of general subsidy** for all local governance units can not be smaller than the quota passed in the previous budget year and it is corrected by quota related to changes of implemented education tasks. From quota intended for educational share of general subsidy, 0,6% is deducted as reserve for given period. Reserve is handled by the minister of finance in consultation with the minister of education. In practices, this reserve is for correction of subsidy that is usually caused by mistakes in statistical data discovered during the budget year.

After deducting reserve, educational share of general subsidy is allocated to individual local governance units taking into consideration volume of education tasks implemented by those units. Statistical data are base for calculating educational share of general subsidy, and these data are verified by the State statistical agency.

Detailed allocation of educational share of general subsidy on individual local governance units (taking into consideration types of schools and institutions that are under jurisdiction of those units, expenses for teachers, number of students in schools etc.) is decided by the Minister of Finance after consultations with the Minister of Education.

**Development share of general subsidies**, which aim at reducing differences between richest and poorest local governance units, can be received by all types of units, but municipalities, counties and regions use different methods of calculation. However, the structure of development share of general subsidies is equal for all levels of local governance and it consists of **basic and additional quota**. Municipality is entitled to **basic quota** in case when the level of tax revenues per inhabitant of municipality is lower than 92% of indicators of tax revenues per inhabitant for all municipalities. Counties and regions receive basic quota in case when the indicator of tax revenues per inhabitant is lower than indicator of tax revenues per inhabitant for all counties. Other criteria were accepted with the aim to enable municipalities, counties and regions to **additional quotas** of development share of general subsidies. Municipalities are entitled to additional quota of development subsidies when the population density is lower than medium population density in the country, except for the municipalities that have indicator of tax revenues per inhabitant 150% higher than the same indicator for all municipalities. Counties are entitled to additional quota if rate of unemployment in the county, calculated as KOLICNIK of unemployment rate in the county and unemployment rate in the country is higher than 1,1. In case of regions, criteria for recognizing additional quota of development share of general subsidies is the population, and exclusive right to this quota is held by the regions with the population less than 3 mill.

**Reconciliation share of general subsidies** is exclusively for municipalities and counties while the regions are entitled to regional share of general subsidies. Both in case of reconciliation and regional share, funds come from local governance units that have revenues above average. Obligation to make payments to the state budget is hold by municipalities with ratio of tax revenues per inhabitant higher than 150% of the average for all municipalities (funds for share of general subsidies for reconciliation in municipalities), counties in which ratio of tax revenues per inhabitant is higher than 110% of average for all counties (funds for subsidies for reconciliation in counties), and regions in which ratio of tax revenues per inhabitant is higher than 110% of the average ratio for all regions (funds for regional share of general subsidies).

The Minister of Finance decides about detailed way of allocation for reconciliation share both for municipalities and counties. Reconciliation share for municipalities should be paid after considering the following criteria: financial situation of municipalities and amount of expenditures for social aid, including payments for apartments. In other hand, other criteria for allocation of funds for reconciliation in counties are such as: financial situation in the county, amount of expenditures for social aid, road infrastructure etc.

**Regional share of general subsidies** is exclusively for the regions. Basic assumption is that these should be funds enabling efficient implementation of regional development policy. Regional share is paid from funds provided by the regions in accordance with provisions of the Law on revenues of local governance units. Regional share of general subsidies is divided into four parts. Each of these four shares is allocated to certain regions in accordance with special rules. So, 20% of the regional share is allocated to the regions that have

unemployment rate higher than 110% of average unemployment rate in the country. 40% of the regional share depends on size of roads per inhabitant, and 10% of the regional share is allocated to the regions in which GDP per inhabitant is lower than 75% of the average in the country. The rest 30% is allocated in accordance with the rules set by the Minister of Finance.

State bodies make decision on amount of **on purpose donations** and objectives. Donations are calculated with assistance of certain rules and instruments and there is obligation to return donations that were not spent in accordance with the purpose. Donations are regulated by the Law on revenues of local governance units and are given for implementation of tasks from the scope of government's work and other tasks prescribed by the law as well as for addition to own current and investment tasks of the local governance units.

Source:

*Lemtech Konsulting, Materijali za Seminar iz oblasti finansijskog praćenja i ujednačavanja na poddržavnom nivou za zvaničnike Ministarstva finansija RS i FBiH; Juni 2006, Poljska (financed by USAID)*

## Consolidated reports

### Notes to Table 4:

1. The consolidated report includes:
  - revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
  - transfers from the ITA Single Account for external debt servicing,
  - transfers from the ITA Single Account for financing Brčko District, cantons, municipalities and Road Directorates,
  - revenues of the budget of Bosnia and Herzegovina from the ITA Single Account,
  - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of the Republika Srpska.
2. Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

### Notes to Table 5:

1. The consolidated report includes:
  - revenues and expenditures of the budget of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of Brčko District,
  - revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
  - revenues and expenditures of the budget of the Republika Srpska,
  - revenues and expenditures of the budget of eight cantons in the Federation (missing cantons: Herceg-Bosna and West Herzegovina).

Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

**Monthly Consolidated Report January – June 2006**

(prepared by: Aleksandra Regoje)

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|   | I            | II           | III          | IV           | V            | VI           | Total         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Current Revenues</b>                   | <b>218,1</b> | <b>360,4</b> | <b>384,9</b> | <b>342,7</b> | <b>401,7</b> | <b>386,3</b> | <b>2094,2</b> |
| <i>Taxes</i>                              | 206,0        | 343,9        | 355,1        | 330,5        | 382,5        | 368,1        | <b>1986,0</b> |
| <i>Indirect taxes</i>                     | 190,7        | 322,6        | 323,6        | 315,9        | 366,4        | 351,2        | <b>1870,3</b> |
| VAT                                       | 57,3         | 212,7        | 203,7        | 194,4        | 224,3        | 215,4        | <b>1107,8</b> |
| VAT on imports                            | 56,5         | 102,6        | 136,7        | 134,2        | 165,7        | 159,2        | <b>755,0</b>  |
| VAT from VAT returns                      | 0,8          | 100,7        | 75,9         | 76,6         | 75,4         | 80,2         | <b>409,6</b>  |
| VAT from automatic assessment done by ITA |              |              | 0,1          | 0,7          | 0,1          | 0,3          | <b>1,1</b>    |
| One-off VAT payments                      | 0,1          | 9,4          | 2,1          | 0,3          | 0,1          | 0,2          | <b>12,2</b>   |
| Other                                     |              |              | 0,1          | 0,1          | 0,2          | 0,3          | <b>0,6</b>    |
| VAT refunds                               |              |              | -11,2        | -17,5        | -17,2        | -24,7        | <b>-70,7</b>  |
| Customs duties                            | 33,3         | 30,8         | 41,5         | 39,3         | 49,1         | 47,0         | <b>241,0</b>  |
| Sales tax                                 | 25,0         | 10,6         | 4,4          | 3,0          | 3,2          | 2,2          | <b>48,3</b>   |
| Imported excisable products               | 7,8          | 0,2          | 0,0          | 0,0          | 0,2          | 0,0          | <b>8,3</b>    |
| Domestic excisable products               | 1,1          | 2,0          | 0,2          | 0,1          | 0,1          | 0,1          | <b>3,7</b>    |
| Other products                            | 9,4          | 4,1          | 2,3          | 1,2          | 1,2          | 0,9          | <b>19,1</b>   |
| On services                               | 6,5          | 4,0          | 1,7          | 0,9          | 0,7          | 0,4          | <b>14,2</b>   |
| Others                                    | 0,2          | 0,3          | 0,2          | 0,7          | 0,9          | 0,7          | <b>3,0</b>    |
| Excises                                   | 62,8         | 56,9         | 63,1         | 66,4         | 74,0         | 72,2         | <b>395,3</b>  |
| on imports                                | 50,5         | 45,7         | 48,4         | 54,1         | 58,0         | 57,5         | <b>314,2</b>  |
| on domestic production                    | 12,3         | 11,2         | 14,7         | 12,3         | 16,0         | 14,7         | <b>81,1</b>   |
| Railroad tax                              | 11,9         | 11,2         | 12,1         | 14,3         | 15,9         | 14,3         | <b>79,6</b>   |
| Other                                     | 0,4          | 0,5          | 0,7          | 0,7          | 0,9          | 0,9          | <b>4,1</b>    |
| Other refunds                             |              |              | -1,9         | -2,2         | -1,0         | -0,7         | <b>-5,8</b>   |
| <i>Direct taxes</i>                       | 15,3         | 21,3         | 31,5         | 14,7         | 16,1         | 17,0         | <b>115,7</b>  |
| Income taxes                              | 6,9          | 10,3         | 20,0         | 3,6          | 3,4          | 5,5          | <b>49,7</b>   |
| Other tax revenues                        | 8,4          | 10,9         | 11,4         | 11,0         | 12,7         | 11,5         | <b>66,0</b>   |
| <i>Non-tax income</i>                     | 11,6         | 16,1         | 29,7         | 12,0         | 19,0         | 17,8         | <b>106,2</b>  |
| Others revenues                           | 0,0          | 0,0          | 0,0          | 0,1          | 0,1          | 0,1          | <b>0,3</b>    |
| Grants, gifts                             | 0,0          | 0,3          | 0,1          | 0,0          | 0,0          | 0,2          | <b>0,6</b>    |
| Transfers from higher level of gvmt       | 0,5          | 0,1          | 0,1          | 0,1          | 0,1          | 0,1          | <b>1,0</b>    |

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|   | I            | II           | III          | IV           | V            | VI           | Total         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Current expenditures</b>                   | <b>203,4</b> | <b>298,8</b> | <b>221,3</b> | <b>339,6</b> | <b>402,0</b> | <b>360,5</b> | <b>1825,6</b> |
| <i>Consumption expenditures</i>               | 28,5         | 43,5         | 46,7         | 48,2         | 49,1         | 52,4         | 268,5         |
| <i>Wages and compensations</i>                | 25,8         | 37,4         | 39,6         | 40,5         | 41,7         | 43,5         | 228,5         |
| Wages   | 24,9         | 34,7         | 36,5         | 37,2         | 38,4         | 38,2         | 209,9         |
| o/w: contributions                            | 7,0          | 10,8         | 11,2         | 11,7         | 11,9         | 5,7          | 58,2          |
| o/w: taxes on wages                           | 1,6          | 1,9          | 2,1          | 2,1          | 2,3          | 1,3          | 11,2          |
| Compensations                                 | 0,9          | 2,8          | 3,1          | 3,3          | 3,3          | 5,3          | 18,7          |
| <i>Purchases of goods and services</i>        | 2,8          | 6,0          | 7,1          | 7,6          | 7,4          | 8,9          | 39,9          |
| <i>Grants</i>                                 | 37,5         | 10,3         | 51,3         | 60,5         | 90,1         | 70,6         | 320,3         |
| Transfers to households                       | 32,5         | 3,6          | 45,2         | 38,3         | 68,7         | 53,7         | 241,9         |
| Transfers to institutions/organizations       | 0,8          | 0,8          | 2,3          | 6,0          | 4,7          | 3,2          | 17,7          |
| Subsidies                                     | 4,2          | 5,9          | 3,9          | 16,2         | 16,7         | 13,7         | 60,6          |
| <i>Interest payments</i>                      | 0,0          | 0,4          | 0,2          | -0,3         | 0,1          | 0,6          | 1,1           |
| <i>Other outlays</i>                          | 0,8          | 2,3          | 1,7          | 6,7          | 3,6          | 3,4          | 18,5          |
| <i>Transfers from Single Account</i>          | 126,4        | 209,7        | 95,3         | 174,6        | 198,2        | 194,3        | 998,4         |
| BiH Budget                                    | 41,1         | 39,2         | 43,1         | 59,4         | 48,5         | 48,5         | 279,7         |
| FBiH / Cantons, Road Fund                     | 67,6         | 145,7        | 23,7         | 94,3         | 113,9        | 115,9        | 561,1         |
| RS / Cities, Municipalities, Road Fund        | 13,1         | 15,6         | 18,7         | 11,6         | 24,3         | 19,7         | 103,1         |
| Brcko Distrikt                                | 4,5          | 9,3          | 9,8          | 9,2          | 11,6         | 10,2         | 54,6          |
| <i>Amortization of debt</i>                   | 8,0          | 27,4         | 21,8         | 17,4         | 34,8         | 20,3         | 129,7         |
| Transfers to lower levels of government       | 3,1          | 4,8          | 4,7          | 37,7         | 25,0         | 18,8         | 94,0          |
| <i>Net domestic lending*</i>                  | -0,9         | 0,4          | -0,5         | -5,2         | 1,1          | 0,2          | -4,9          |
| <b>Net acquisition of nonfinancial assets</b> | <b>-22,9</b> | <b>0,4</b>   | <b>0,5</b>   | <b>0,4</b>   | <b>1,5</b>   | <b>3,9</b>   | <b>-16,2</b>  |
| <b>Government surplus(+)/deficit (-)</b>      | <b>37,6</b>  | <b>61,2</b>  | <b>163,1</b> | <b>2,7</b>   | <b>-1,8</b>  | <b>21,9</b>  | <b>284,7</b>  |
| o/w: Reserves from ITA Single Account         | 16,2         | 31,6         | 20,6         | 13,7         | 20,8         | 12,5         | 115,4         |
| <b>Net domestic financing**</b>               |              | <b>19,1</b>  | <b>-0,6</b>  | <b>-1,4</b>  | <b>-1,3</b>  | <b>-1,2</b>  | <b>14,6</b>   |

\*Net domestic lending = lending - repayment of borrowing  
\*\*Net domestic financing = Credits received - repayment of debts (doesn't include foreign debt)

Table 4. Monthly Consolidated report January - June 2006



## Monthly Consolidated Report General Government+Cantons January – May 2006

(prepared by: Aleksandra Regoje)

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|  | I                  | II                 | III                | IV                 | V                  | Total                |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Current Revenues</b>  | <b>208.614.226</b> | <b>202.490.020</b> | <b>474.215.674</b> | <b>374.199.952</b> | <b>405.165.791</b> | <b>1.664.685.664</b> |
| <b>Taxes</b>   | <b>179.149.157</b> | <b>165.416.682</b> | <b>420.985.468</b> | <b>321.558.848</b> | <b>364.356.871</b> | <b>1.451.467.027</b> |
| Income & profit tax  | 10.869.644         | 15.336.529         | 26.242.906         | 8.805.289          | 8.423.609          | 69.677.977           |
| Social security contributions (Brcko)                                | 1.159.755          | 1.159.755          | 1.159.755          | 1.451.012          | 1.434.132          | 6.364.408            |
| Taxes on personal income and self-employment                         | 17.587.400         | 18.902.445         | 21.020.856         | 22.441.617         | 23.491.965         | 103.444.282          |
| Property tax   | 1.860.187          | 3.069.885          | 2.286.621          | 2.287.088          | 2.299.965          | 11.803.746           |
| Sales tax (incl.excises) (according to Regulations until 31,12,2005) | 66.606.544         | 30.906.213         | 16.437.171         | 11.196.162         | 10.203.143         | 135.349.233          |
| Transfers from Single Account  | 80.474.755         | 95.169.890         | 351.415.982        | 274.196.264        | 317.118.595        | 1.118.375.487        |
| Other taxes  | 590.872            | 871.966            | 2.422.178          | 1.181.416          | 1.385.463          | 6.451.895            |
| <b>Non-tax revenues</b>  | <b>28.449.926</b>  | <b>35.815.137</b>  | <b>52.640.776</b>  | <b>52.184.942</b>  | <b>40.297.458</b>  | <b>209.388.238</b>   |
| of which: Dividends of public enterprises                            | 58.024             | 138                | 22.201             | 2.584              | 6.954              | 89.901               |
| of wick: Licenses  | 134.733            | 409.905            | 54.224             | 70.207             | 81.608             | 750.677              |
| <b>Grants</b>  | <b>893.842</b>     | <b>1.211.231</b>   | <b>574.021</b>     | <b>361.555</b>     | <b>417.555</b>     | <b>3.458.205</b>     |
| of which: Grants from abroad   | 394.863            | 1.086.954          | 466.651            | 284.172            | 341.782            | 2.574.423            |
| of which: Grants from other levels of government                     | 498.979            | 124.277            | 107.370            | 77.383             | 75.773             | 883.782              |
| <b>Other revenues</b>  | <b>121.302</b>     | <b>46.970</b>      | <b>15.409</b>      | <b>94.607</b>      | <b>93.907</b>      | <b>372.195</b>       |
| <b>Total expenditures</b>  | <b>200.453.667</b> | <b>211.079.350</b> | <b>256.663.577</b> | <b>302.201.767</b> | <b>318.956.405</b> | <b>1.289.354.766</b> |
| <b>Current expenditures</b>  | <b>200.624.303</b> | <b>208.613.527</b> | <b>258.368.842</b> | <b>305.369.235</b> | <b>318.058.903</b> | <b>1.291.034.810</b> |
| Wages and compensations  | 112.676.502        | 123.682.945        | 131.135.104        | 132.348.968        | 122.084.524        | 621.928.043          |
| of which: Gross wages  | 98.496.451         | 106.219.733        | 112.327.888        | 114.140.103        | 102.269.351        | 533.453.526          |
| of which: Compensations  | 14.180.052         | 17.463.212         | 18.807.216         | 18.208.865         | 19.815.173         | 88.474.517           |
| Other taxes and contributions  | 5.217.129          | 6.085.833          | 6.319.050          | 6.482.911          | 6.489.245          | 30.594.167           |
| Purchases of goods and services                                      | 20.082.663         | 28.690.876         | 28.649.018         | 31.963.071         | 32.121.592         | 141.507.220          |
| Current transfers  | 62.273.007         | 48.290.990         | 87.090.038         | 131.090.987        | 151.283.864        | 480.028.887          |
| of which: Grants to other levels of government                       | 6.272.393          | 8.079.508          | 5.476.492          | 39.648.570         | 28.481.607         | 87.958.571           |
| of which: Grants to households                                       | 43.403.169         | 13.676.246         | 58.963.797         | 50.424.753         | 80.619.893         | 247.087.858          |
| of which: Grants to non-profit organizations                         | 3.217.982          | 13.325.620         | 11.303.282         | 13.463.606         | 14.788.658         | 56.099.148           |
| of which: Grants to public enterprises                               | 8.674.322          | 13.030.958         | 10.954.823         | 22.686.063         | 23.783.056         | 79.129.221           |
| Capital grants   | 0                  | 1.026.722          | 4.300.294          | 3.128.041          | 5.238.492          | 13.693.548           |
| of which: Capital grants to other levels of government               | 0                  | 0                  | 105.683            | 1.184.332          | 247.933            | 1.537.947            |
| Interest   | 132.070            | 472.788            | 445.669            | -253.812           | 158.282            | 954.996              |
| <b>Transfers to lower spending units</b>                             | <b>242.932</b>     | <b>363.373</b>     | <b>429.670</b>     | <b>609.069</b>     | <b>682.905</b>     | <b>2.327.949</b>     |
| <b>Net lending*</b>  | <b>-913.376</b>    | <b>287.470</b>     | <b>-3.425.273</b>  | <b>-5.820.841</b>  | <b>-1.095.298</b>  | <b>-10.967.317</b>   |
| <b>Other expenditures</b>  | <b>742.739</b>     | <b>2.178.353</b>   | <b>1.720.008</b>   | <b>2.653.373</b>   | <b>1.992.799</b>   | <b>9.287.272</b>     |
| <b>Net acquisition of nonfinancial assets</b>                        | <b>-20.758.846</b> | <b>1.302.751</b>   | <b>2.401.460</b>   | <b>2.774.834</b>   | <b>4.669.228</b>   | <b>-9.610.574</b>    |
| <b>Government surplus(+)/deficit(-)</b>                              | <b>28.919.406</b>  | <b>-9.892.080</b>  | <b>215.150.637</b> | <b>69.223.351</b>  | <b>81.540.159</b>  | <b>384.941.473</b>   |
| <b>Net financing**</b>   | <b>-34.802</b>     | <b>19.073.571</b>  | <b>-412.710</b>    | <b>-1.410.605</b>  | <b>-979.034</b>    | <b>16.236.420</b>    |

\*Net domestic lending = lending-repayment of borrowing

\*\*Net domestic financing= Credits received – repayment of debts

Table 5. Monthly Consolidated Report General Government+Cantons January-May 2006. godine

## Monthly Consolidated Report, Tuzla Canton, January – May 2006

(prepared by Aleksandra regoje)

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|   | I                 | II                | III                | IV                | V                 | Total              |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| <b>Total revenues</b>   | <b>15.178.261</b> | <b>12.321.061</b> | <b>11.819.635</b>  | <b>53.892.776</b> | <b>44.770.317</b> | <b>137.982.050</b> |
| <b>Tax revenues</b>   | <b>12.508.362</b> | <b>8.562.735</b>  | <b>6.572.383</b>   | <b>47.002.464</b> | <b>39.455.445</b> | <b>114.101.390</b> |
| Income & profit tax   | 435.859           | 554.525           | 669.732            | 717.821           | 679.984           | <b>3.057.921</b>   |
| Taxes on personal income and self-employment                        | 2.237.678         | 2.257.538         | 2.413.105          | 2.528.782         | 2.636.834         | <b>12.073.936</b>  |
| Property tax  | 733.417           | 600.188           | 736.950            | 829.376           | 827.462           | <b>3.727.393</b>   |
| Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 7.447.212         | 5.111.557         | 2.655.847          | 2.606.310         | 3.158.602         | <b>20.979.528</b>  |
| Transfers from Single Account                                       | 1.629.766         | 0                 | 22.833             | 39.916.128        | 32.101.228        | <b>73.669.954</b>  |
| Other taxes   | 24.430            | 38.928            | 73.916             | 404.048           | 51.335            | <b>592.657</b>     |
| <b>Non-tax revenues</b>   | <b>2.669.861</b>  | <b>3.747.891</b>  | <b>5.225.827</b>   | <b>6.888.956</b>  | <b>5.330.640</b>  | <b>23.863.175</b>  |
| <b>Grants</b>   | <b>37</b>         | <b>10.435</b>     | <b>21.425</b>      | <b>407</b>        | <b>-15.768</b>    | <b>16.537</b>      |
| of which: Grants from abroad  | 0                 | 3.435             | 21.425             | 407               | -15.768           | <b>9.500</b>       |
| of which: Grants from other levels of government                    | 37                | 7.000             | 0                  | 0                 | 0                 | <b>7.037</b>       |
| <b>Capital Grants</b>   | <b>0</b>          | <b>0</b>          | <b>0</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>           |
| <b>Other revenues</b>   | <b>0</b>          | <b>0</b>          | <b>0</b>           | <b>949</b>        | <b>0</b>          | <b>949</b>         |
| <b>Total expenditures</b>   | <b>19.051.202</b> | <b>20.368.884</b> | <b>22.112.384</b>  | <b>23.565.687</b> | <b>24.999.506</b> | <b>110.097.665</b> |
| <b>Current expenditures</b>   | <b>19.093.280</b> | <b>20.420.294</b> | <b>22.127.575</b>  | <b>23.672.767</b> | <b>25.023.553</b> | <b>110.337.468</b> |
| Wages and compensations   | 12.679.162        | 12.608.910        | 14.048.209         | 13.492.221        | 13.870.205        | <b>66.698.706</b>  |
| of which: Gross wages   | 10.677.775        | 10.414.128        | 11.660.446         | 11.115.881        | 11.315.167        | <b>55.183.397</b>  |
| of which: Compensations   | 2.001.386         | 2.194.782         | 2.387.763          | 2.376.340         | 2.555.038         | <b>11.515.309</b>  |
| Other taxes and contributions                                       | 1.278.052         | 1.246.232         | 1.390.041          | 1.320.191         | 1.347.034         | <b>6.581.551</b>   |
| Purchases of goods and services                                     | 2.115.247         | 3.738.563         | 3.662.782          | 3.915.804         | 4.580.489         | <b>18.012.884</b>  |
| Current transfers   | 2.847.496         | 2.417.507         | 2.515.945          | 4.226.669         | 4.279.271         | <b>16.286.888</b>  |
| of which: Transfers to other levels of government                   | 45.110            | 348.764           | 38.329             | 137.978           | 155.740           | <b>725.921</b>     |
| of which: Transfers to households                                   | 2.050.589         | 1.152.987         | 1.158.681          | 1.306.053         | 801.063           | <b>6.469.374</b>   |
| Capital grants  | 55.662            | 152.610           | 280.813            | 314.971           | 515.653           | <b>1.319.710</b>   |
| of which: Capital grants to other levels of government              | 40.662            | 99.342            | 248.272            | 151.428           | 283.260           | <b>822.964</b>     |
| Interest  | 7.063             | 22.570            | 24.576             | 33.022            | 120.278           | <b>207.508</b>     |
| Transfers to lower levels   | 110.597           | 233.902           | 205.209            | 369.889           | 310.624           | <b>1.230.221</b>   |
| <b>Net lending*</b>   | <b>-42.077</b>    | <b>-51.410</b>    | <b>-15.190</b>     | <b>-107.079</b>   | <b>-24.047</b>    | <b>-239.804</b>    |
| <b>Net acquisition of nonfinancial assets</b>                       | <b>278.235</b>    | <b>428.359</b>    | <b>866.163</b>     | <b>876.397</b>    | <b>1.194.119</b>  | <b>3.643.273</b>   |
| <b>Government surplus/deficit</b>                                   | <b>-4.151.177</b> | <b>-8.476.182</b> | <b>-11.158.913</b> | <b>29.450.692</b> | <b>18.576.692</b> | <b>24.241.113</b>  |
| <b>Net financing **</b>   | <b>-46.544</b>    | <b>-76.027</b>    | <b>-57.743</b>     | <b>-147.555</b>   | <b>-113.808</b>   | <b>-441.677</b>    |

\*Net domestic lending=lending-repayment of borrowing  
 \*\*Net domestic financing= Credits received – repayment of debts

Table 6. Monthly Consolidated Report, Tuzla Canton, January-May 2006

**Notes to table 6:** Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";

Since the **expenditure item "Grants to individuals" contains grants directed through municipal budgets**, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way:

-Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".

**Monthly Consolidated Report, Zenica-Doboj Canton, January – May 2006**

(prepared by Aleksandra regoje)

|   | KM                |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | I                 | II                | III               | IV                | V                 | Total             |
| <b>Total revenues</b>   | <b>14.298.847</b> | <b>7.613.052</b>  | <b>37.168.513</b> | <b>18.659.127</b> | <b>20.835.779</b> | <b>98.575.318</b> |
| <b>Tax revenues</b>   | <b>11.474.926</b> | <b>4.695.665</b>  | <b>32.619.768</b> | <b>15.637.471</b> | <b>17.870.614</b> | <b>82.298.444</b> |
| Income & profit tax   | 597.651           | 578.673           | 379.738           | 445.291           | 1.184.729         | <b>3.186.083</b>  |
| Taxes on personal income and self-employment                        | 1.644.457         | 297.266           | 2.104.171         | 2.011.875         | 2.284.532         | <b>8.342.300</b>  |
| Property tax  | 372.990           | 1.564.078         | 727.961           | 630.257           | 423.130           | <b>3.718.416</b>  |
| Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 7.370.780         | 2.148.140         | 2.305.680         | 817.063           | 919.597           | <b>13.561.259</b> |
| Transfers from Single Account                                       | 1.448.218         | 40.808            | 26.992.150        | 11.687.781        | 12.994.875        | <b>53.163.832</b> |
| Other taxes   | 40.830            | 66.700            | 110.067           | 45.204            | 63.752            | <b>326.554</b>    |
| <b>Non-tax revenues</b>   | <b>2.817.076</b>  | <b>2.866.430</b>  | <b>4.509.626</b>  | <b>3.021.657</b>  | <b>2.956.747</b>  | <b>16.171.535</b> |
| <b>Grants</b>   | <b>0</b>          | <b>50.957</b>     | <b>39.119</b>     | <b>0</b>          | <b>8.418</b>      | <b>98.494</b>     |
| of which: Grants from abroad  | 0                 | 46.674            | 37.369            | 0                 | 0                 | <b>84.043</b>     |
| of which: Grants from other levels of government                    | 0                 | 4.283             | 1.750             | 0                 | 8.418             | <b>14.451</b>     |
| <b>Capital Grants</b>   | <b>6.845</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>6.845</b>      |
| <b>Other revenues</b>   | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Total expenditures</b>   | <b>13.111.540</b> | <b>15.025.602</b> | <b>16.509.275</b> | <b>16.798.492</b> | <b>16.240.772</b> | <b>77.685.680</b> |
| <b>Current expenditures</b>   | <b>13.116.540</b> | <b>15.025.602</b> | <b>16.509.275</b> | <b>16.798.492</b> | <b>16.240.772</b> | <b>77.690.680</b> |
| Wages and compensations   | 7.519.840         | 8.191.324         | 8.312.479         | 8.210.224         | 8.290.918         | <b>40.524.785</b> |
| of which: Gross wages   | 6.308.354         | 6.775.642         | 6.713.910         | 6.830.023         | 6.835.822         | <b>33.463.751</b> |
| of which: Compensations   | 1.211.485         | 1.415.682         | 1.598.568         | 1.380.201         | 1.455.096         | <b>7.061.034</b>  |
| Other taxes and contributions                                       | 751.679           | 805.822           | 813.840           | 826.219           | 810.511           | <b>4.008.071</b>  |
| Purchases of goods and services                                     | 2.377.377         | 3.315.587         | 3.170.286         | 3.070.810         | 2.981.777         | <b>14.915.837</b> |
| Current transfers   | 2.008.800         | 2.308.270         | 3.415.898         | 3.087.018         | 3.328.275         | <b>14.148.260</b> |
| of which: Transfers to other levels of government                   | 32.908            | 72.146            | 90.057            | 122.937           | 70.488            | <b>388.536</b>    |
| of which: Transfers to households                                   | 1.091.202         | 1.563.486         | 2.058.527         | 1.524.097         | 1.462.144         | <b>7.699.456</b>  |
| Capital grants  | 173.542           | 201.984           | 333.631           | 1.138.907         | 543.435           | <b>2.391.498</b>  |
| of which: Capital grants to other levels of government              | 900               | 55.789            | 4.400             | 8.972             | 89.395            | <b>159.456</b>    |
| Interest  | 75.916            | 5.842             | 3.605             | 19.310            | 7.192             | <b>111.865</b>    |
| Transfers to lower levels   | 209.387           | 196.774           | 459.536           | 446.003           | 278.664           | <b>1.590.364</b>  |
| <b>Net lending*</b>   | <b>-5.000</b>     | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>-5.000</b>     |
| <b>Net acquisition of nonfinancial assets</b>                       | <b>466.307</b>    | <b>-241.976</b>   | <b>612.155</b>    | <b>168.650</b>    | <b>1.672.300</b>  | <b>2.677.436</b>  |
| <b>Government surplus/deficit</b>                                   | <b>721.000</b>    | <b>-7.170.574</b> | <b>20.047.084</b> | <b>1.691.985</b>  | <b>2.922.708</b>  | <b>18.212.202</b> |
| <b>Net financing **</b>   | <b>-25.281</b>    | <b>-12.498</b>    | <b>-12.498</b>    | <b>0</b>          | <b>-24.996</b>    | <b>-75.272</b>    |

\*Net domestic lending = lending - repayment of borrowing  
 \*\*Net domestic financing = Credits received - repayment of debts

Table 7. Monthly Consolidated Report, Zenica- Doboj Canton, January-May 2006

**Notes to table 7:** Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";

Since the **expenditure item "Grants to individuals" contains grants directed through municipal budgets**, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way:

-Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".

**Monthly Consolidated Report, Una-Sana Canton, January – May 2006**

(prepared by Aleksandra regoje)

|   | KM                |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | I                 | II                | III               | IV                | V                 | Total             |
| <b>Total revenues</b>   | <b>9.943.058</b>  | <b>6.614.970</b>  | <b>5.819.896</b>  | <b>27.483.639</b> | <b>23.114.597</b> | <b>72.976.160</b> |
| <b>Tax revenues</b>   | <b>8.153.476</b>  | <b>4.295.133</b>  | <b>3.610.304</b>  | <b>25.070.832</b> | <b>20.780.844</b> | <b>61.910.588</b> |
| Income & profit tax   | 194.395           | 277.480           | 378.266           | 295.324           | 338.648           | 1.484.112         |
| Taxes on personal income and self-employment                        | 838.766           | 731.543           | 828.907           | 1.428.784         | 1.042.911         | 4.870.911         |
| Property tax  | 265.696           | 279.249           | 254.411           | 256.533           | 287.149           | 1.343.039         |
| Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 5.544.602         | 2.971.373         | 1.182.769         | 1.058.126         | 1.140.903         | 11.897.772        |
| Transfers from Single Account                                       | 1.201.978         | 191               | 928.521           | 21.959.410        | 17.921.948        | 42.012.047        |
| Other taxes   | 108.038           | 35.298            | 37.429            | 72.656            | 49.286            | 302.706           |
| <b>Non-tax revenues</b>   | <b>1.776.576</b>  | <b>2.284.982</b>  | <b>2.179.705</b>  | <b>2.412.808</b>  | <b>2.325.356</b>  | <b>10.979.426</b> |
| <b>Grants</b>   | <b>0</b>          | <b>29.338</b>     | <b>29.887</b>     | <b>0</b>          | <b>8.398</b>      | <b>67.622</b>     |
| of which: Grants from abroad  | 0                 | 29.338            | 29.887            | 0                 | 8.398             | 67.622            |
| of which: Grants from other levels of government                    | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| <b>Capital Grants</b>   | <b>13.006</b>     | <b>5.517</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>18.524</b>     |
| <b>Other revenues</b>   | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Total expenditures</b>   | <b>11.067.542</b> | <b>12.360.641</b> | <b>12.760.715</b> | <b>11.028.983</b> | <b>12.806.506</b> | <b>60.024.387</b> |
| <b>Current expenditures</b>   | <b>11.021.260</b> | <b>12.284.005</b> | <b>12.776.715</b> | <b>11.096.641</b> | <b>12.820.582</b> | <b>59.999.203</b> |
| Wages and compensations   | 6.663.563         | 7.274.333         | 8.225.551         | 6.886.844         | 7.192.421         | 36.242.713        |
| of which: Gross wages   | 5.723.924         | 6.132.330         | 6.903.055         | 5.908.645         | 5.936.637         | 30.604.591        |
| of which: Compensations   | 939.640           | 1.142.003         | 1.322.496         | 978.199           | 1.255.784         | 5.638.122         |
| Other taxes and contributions                                       | 688.021           | 1.027.091         | 815.298           | 707.630           | 707.416           | 3.945.457         |
| Purchases of goods and services                                     | 1.262.933         | 1.902.563         | 1.408.646         | 1.077.344         | 2.606.990         | 8.258.476         |
| Current transfers   | 2.314.694         | 1.872.393         | 1.770.353         | 1.701.800         | 2.007.840         | 9.667.080         |
| of which: Transfers to other levels of government                   | 150.755           | 290.649           | 140.034           | 426.195           | 412.669           | 1.420.302         |
| of which: Transfers to households                                   | 1.373.949         | 524.334           | 449.019           | 396.171           | 476.810           | 3.220.283         |
| Capital grants  | 0                 | 11.084            | 227.922           | 551.217           | 207.510           | 997.733           |
| of which: Capital grants to other levels of government              | 0                 | 11.084            | 0                 | 66.579            | 9.746             | 87.409            |
| Interest  | 16.451            | 59.036            | 23.615            | 100.691           | 22.362            | 222.155           |
| Transfers to lower levels   | 75.599            | 137.504           | 305.330           | 71.114            | 76.043            | 665.588           |
| <b>Net lending*</b>   | <b>46.282</b>     | <b>76.636</b>     | <b>-16.000</b>    | <b>-67.658</b>    | <b>-14.076</b>    | <b>25.184</b>     |
| <b>Net acquisition of nonfinancial assets</b>                       | <b>120.578</b>    | <b>127.766</b>    | <b>118.333</b>    | <b>228.656</b>    | <b>347.798</b>    | <b>943.131</b>    |
| <b>Government surplus/deficit</b>                                   | <b>-1.245.063</b> | <b>-5.873.438</b> | <b>-7.059.152</b> | <b>16.226.000</b> | <b>9.960.294</b>  | <b>12.008.642</b> |
| <b>Net financing **</b>   | <b>110.685</b>    | <b>-69.164</b>    | <b>-11.283</b>    | <b>-103.727</b>   | <b>-47.017</b>    | <b>-120.506</b>   |

\*Net domestic lending = lending - repayment of borrowing  
 \*\*Net domestic financing = Credits received - repayment of debts

Table 8. Monthly Consolidated Report, Una-Sana Canton, January-May 2006

**Notes to table 8:** Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";

Since the **expenditure item "Grants to individuals" contains grants directed through municipal budgets**, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way:

-Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".

**Data received from municipality of Bihać are preliminary.**

**Monthly Consolidated Report, Posavina Canton, January – May 2006**

(prepared by Aleksandra regoje)

KM

|   | I                | II               | III              | IV                | V                | Total             |
|---|------------------|------------------|------------------|-------------------|------------------|-------------------|
| <b>Total revenues</b>   | <b>1.815.419</b> | <b>1.922.605</b> | <b>4.995.728</b> | <b>1.322.059</b>  | <b>4.361.437</b> | <b>14.417.248</b> |
| <b>Tax revenues</b>   | <b>1.496.091</b> | <b>985.299</b>   | <b>4.343.963</b> | <b>745.427</b>    | <b>3.539.911</b> | <b>11.110.692</b> |
| Income & profit tax   | 36.023           | 107.810          | 126.959          | 46.250            | 36.851           | <b>353.893</b>    |
| Taxes on personal income and self-employment                        | 186.113          | 139.599          | 150.909          | 249.901           | 178.946          | <b>905.469</b>    |
| Property tax  | 27.089           | 21.356           | 16.931           | 23.003            | 20.221           | <b>108.600</b>    |
| Sales tax (incl.excises)(according to Regulations until 31,12,2005) | 1.011.670        | 678.659          | 452.193          | 161.974           | 328.228          | <b>2.632.723</b>  |
| Transfers from Single Account                                       | 208.569          | 5.712            | 3.528.121        | 238.482           | 2.951.897        | <b>6.932.781</b>  |
| Other taxes   | 26.627           | 32.164           | 68.851           | 25.817            | 23.768           | <b>177.226</b>    |
| <b>Non-tax revenues</b>   | <b>285.113</b>   | <b>438.896</b>   | <b>470.099</b>   | <b>394.965</b>    | <b>458.193</b>   | <b>2.047.265</b>  |
| <b>Grants</b>   | <b>34.215</b>    | <b>498.410</b>   | <b>181.667</b>   | <b>181.667</b>    | <b>363.333</b>   | <b>1.259.291</b>  |
| of which: Grants from abroad  | 34.215           | 312.743          | 0                | 0                 | 0                | <b>346.958</b>    |
| of which: Grants from other levels of government                    | 0                | 185.667          | 181.667          | 181.667           | 363.333          | <b>912.333</b>    |
| <b>Capital Grants</b>   | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>0</b>          |
| <b>Other revenues</b>   | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>0</b>          |
| <b>Total expenditures</b>   | <b>1.930.774</b> | <b>2.081.600</b> | <b>2.595.200</b> | <b>2.425.715</b>  | <b>2.548.258</b> | <b>11.581.547</b> |
| <b>Current expenditures</b>   | <b>1.930.321</b> | <b>2.084.005</b> | <b>2.595.200</b> | <b>2.427.032</b>  | <b>2.549.575</b> | <b>11.586.133</b> |
| Wages and compensations   | 1.212.293        | 1.240.960        | 1.297.876        | 1.269.115         | 1.318.214        | <b>6.338.458</b>  |
| of which: Gross wages   | 986.429          | 1.006.704        | 1.024.321        | 1.025.275         | 1.054.303        | <b>5.097.032</b>  |
| of which: Compensations   | 225.863          | 234.256          | 273.555          | 243.840           | 263.911          | <b>1.241.425</b>  |
| Other taxes and contributions                                       | 119.786          | 122.838          | 124.306          | 128.140           | 130.002          | <b>625.073</b>    |
| Purchases of goods and services                                     | 425.160          | 508.676          | 623.004          | 394.706           | 498.898          | <b>2.450.443</b>  |
| Current transfers   | 168.741          | 207.428          | 547.555          | 608.619           | 552.768          | <b>2.085.111</b>  |
| of which: Transfers to other levels of government                   | 11.610           | 17.198           | 138.385          | 250.517           | 100.801          | <b>518.511</b>    |
| of which: Transfers to households                                   | 35.103           | 75.470           | 83.477           | 141.632           | 148.307          | <b>483.989</b>    |
| Capital grants  | 1.636            | 1.636            | 0                | 23.974            | 47.291           | <b>74.537</b>     |
| of which: Capital grants to other levels of government              | 1.081            | 1.081            | 0                | 18.974            | 42.161           | <b>63.296</b>     |
| Interest  | 2.704            | 2.467            | 2.459            | 2.478             | 2.403            | <b>12.511</b>     |
| <b>Net lending*</b>   | <b>454</b>       | <b>-2.405</b>    | <b>0</b>         | <b>-1.317</b>     | <b>-1.317</b>    | <b>-4.586</b>     |
| <b>Net acquisition of nonfinancial assets</b>                       | <b>260.469</b>   | <b>12.233</b>    | <b>28.995</b>    | <b>35.198</b>     | <b>155.785</b>   | <b>492.681</b>    |
| <b>Government surplus/deficit</b>                                   | <b>-375.824</b>  | <b>-171.228</b>  | <b>2.371.533</b> | <b>-1.138.854</b> | <b>1.657.393</b> | <b>2.343.020</b>  |
| <b>Net financing **</b>   | <b>-3.943</b>    | <b>-3.943</b>    | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>-7.886</b>     |

\*Net domestic lending = lending-repayment of borrowing  
 \*\*Net domestic financing = Credits received – repayment of debts

Table 9. Monthly Consolidated Report, Posavina Canton, January-May 2006

**Notes to table 9:** Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";

Since the **expenditure item "Grants to individuals" contains grants directed through municipal budgets**, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way:

-Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".