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IN ŚWIĘTOKRZYSKIE PROVINCE**

One of the most important determinants of the development of the local government unit is its financial situation, which has an undeniable impact on the whole activities conducted in local government. This can be analyzed both in terms of current or investment expenditure and revenues, as well as incomes and expenses. Inconvenient financial situation may limit the opportunities of the local government development. Municipalities in good financial condition are more competitive and efficient in conducting development policy.

Key words: counties, financial condition, budget, revenue, expenses, synthetic indicator.

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Одним із найбільш важливих чинників, що визначають розвиток органів місцевого самоврядування, є їхній фінансовий стан, який має беззаперечний вплив на усі види діяльності, які проводяться органами місцевого самоврядування. Це може бути проаналізоване з погляду поточних чи інвестиційних витрат і доходів, а також загальних доходів і витрат. Несприятливе фінансове становище може обмежити можливості розвитку органів місцевого самоврядування. Муниципалітети в доброму фінансовому стані більш конкурентоздатні та ефективні у проведенні політики розвитку.

Ключові слова: округи, фінансовий стан, бюджет, дохід, витрати, синтетичний показник.

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Одним из наиболее важных факторов, определяющих развитие органов местного самоуправления, является их финансовое состояние, которое имеет безусловное влияние на все виды деятельности, проводимых органами местного самоуправления. Это может быть проанализировано с точки зрения текущих или инвестиционных затрат и доходов, а также общих доходов и расходов. Неблагоприятное финансовое положение может ограничить возможности развития органов местного самоуправления. Муниципалитеты в хорошем финансовом состоянии более конкурентоспособные и эффективные в проведении политики развития.

Ключевые слова: округа, финансовое состояние, бюджет, доход, затраты, синтетический показатель.

1. Introduction

Development of the local government depends on many factors. We can highlight the following: financial resources, geographical location, demographic situation, economic structure and the activity of the government. Development of local government aims to improve the quality of life of their inhabitants, both in terms of meeting their current needs and providing favorable conditions for life in the future. Sustainable development is more and more often discussed, namely to ensure the achievement of the objectives in three main areas of development: economic, social and environmental, assuming equal importance of each of them. The level of socio-economic development of local government units determines the scale of the problems which can be faced by the local authorities. This greatly affects the prioritization of projects planned for implementation. Eastern areas of the country are characterized by large scale of infrastructure backlog which combined with a low level

of investment is the main barrier to their development. Regions in which appears the accumulation of development barriers are defined by the European Commission as problematic regions.

The structure of local government in Poland is a three-tier (municipalities, districts and provinces). Each unit of local government has a specific statutory range of tasks, as well as available pool of funds, which should secure their implementation. Sources of income between the different tiers of local government units (LGUs) have been differentiated by the legislature. Municipalities are the most favorable in this context. In contrast, the structure of income at other levels of local government, in particular the structure of income counties is unfavorable.

One of the most important determinants of the development is the financial position of local government unit, having an undeniable impact on the overall activities. This can be analyzed both in terms of current or investment expenditure and revenues, as well as incomes and expenses. Inconvenient financial situation may limit the opportunities of the local government development. Municipalities in good financial condition are more competitive and efficient in conducting development policy.

Existing economic situation of local government can be reflected in its budget. Budget as a primary instrument of socio – economic policy indicates how to shape revenues in view of economic effects and social objectives, and how to spread the burden of public expenditure. It is a tool that allows managing the activities of the entities that implement the budget, plan, execute and control individual tasks. At the same time budgets are an expression of public entities activities within the existing system. Budget analysis allows obtaining information about the sources of financing local government and the directions of its development. It is very vital to get to know, evaluate and interpret properly financial phenomena as well as processes and problems related to the management of the financial resources by local governments. Information about financial situation allows entities of local government to manage public financial resources rationally and fulfill its obligations towards the local community appropriately.

Financial condition determines their financial state at a specific time interval. The financial condition of the local government can be described by: the ability to perform the tasks, achieving a balanced budget, as well as expanding the assets. It consists for example of: income level, financial independence, the amount of investment expenditures, ability to raise extra funds, the financial result. There is a feedback between the financial condition of the entity and the level of the local development, understood as a complex of quantitative and qualitative transformations in a given area, relating to both the standard of living of residents and business operation. Finances are means of local governments' policy, where the allocative and redistributive function are carrying out increasingly by local government finances.

The aim of the study is to assess the financial condition of counties in Świętokrzyskie Province by using synthetic index in years 2008-2012. The article presents the theoretical basis and practical application of methods for linear ordering.

2. Research methodology and the research process

In general the research process begins by identifying the purpose of the study, which in turn determines the scope of the examination and selection of variables describing the classified objects. Adopted research methodology assumed selecting appropriate features that would be in the best possible way reflecting the financial condition of the districts. While making the selection of the features it was vital that they would be characterized by:

1. The relevance from the analyzed phenomena point of view,
2. Unambiguity and precision of defining,
3. Completion of the phenomena,
4. Consistency of the phenomena,
5. Maintaining the comparability of representation of the phenomena,
6. Measurability – in a sense of possibility of a numerical expression of level features,
7. Availability and completeness of the statistical information for all objects.

In the analysis the variables of relative terms were chosen, since the consideration of a number of measures in absolute terms could lead to biased results.

In the economic analysis in general we examine complex phenomena- those described by many variables/features. An example of such a phenomenon is certainly the financial condition of the units. For a summary description of the feature the synthetic feature can be used, which is a simple function of the actual characteristics.

Construction of the aggregate feature allows the measurement of multidimensional phenomenon and the linear arrangement of the units, for example, according to their level of their financial condition. As a benefit of their usage a quantification of complex phenomena with a single numerical value that facilitates all comparisons and synthesizes all the partial images can be considered. The financial condition is a complex phenomenon that is difficult to measure on the basis of one measurable characteristic. Therefore for its summary description the taxonomic measurer was used.

While choosing diagnostic formal, substantive and statistics features were taken into account. A correlation matrix was used, where too strong link of two analyzed features (≤ 0.75) indicates that they are carriers of similar information,

which is why one of the variables is removed from the further study. Successively the values of the coefficient of variation were calculated. From the set of variables those values were removed which fulfill the inequality: $\text{ratio} \leq 0.15$. They were considered as a quasi – permanent, not furnishing relevant information about the being investigated phenomenon.

Tabel 1
Variables describing financial condition of the districts

	Full name of the variable		
F1	dochody ogółem na 1 mieszkańca	zł	S
F2	dochody własne na 1 mieszkańca	zł	S
F3	samodzielność dochodowa I (stosunek dochodów własnych do dochodów ogółem)	%	S
F4	udział dotacji w dochodach ogółem	%	D
F5	samodzielność dochodowa II (stosunek sumy dochodów własnych i subwencji do dochodów ogółem)	%	S
F6	udział subwencji w dochodach ogółem	%	D
F7	udział dochodów z PIT w dochodach własnych	%	S
F8	udział dochodów z CIT w dochodach własnych	%	S
F9	udział dochodów z majątku w dochodach własnych	%	S
F10	udział środków z budżetu UE (2006-2009) i środków na finansowanie i współfinansowanie programów i projektów unijnych (2010-2012) w dochodach ogółem	%	S
F11	wydatki ogółem na 1 mieszkańca	zł	S
F12	udział wydatków bieżących w wydatkach ogółem	%	D
F13	udział wynagrodzeń i pochodnych w wydatkach bieżących	%	D
F14	wydatki inwestycyjne na 1 mieszkańca	zł	S
F15	udział wydatków na administrację w wydatkach ogółem	%	D
F16	udział wydatków na bezpieczeństwo publiczne i ochronę przeciwpowodziową w wydatkach ogółem	%	S
F17	udział wydatków na oświatę i wychowanie w wydatkach ogółem	%	S
F18	udział wydatków na ochronę zdrowia w wydatkach ogółem	%	S
F19	udział wydatków na pomoc społeczną w wydatkach ogółem	%	D
F20	udział zobowiązań (lub wydatków na obsługę długu) w dochodach ogółem	%	D
F21	wskaźnik płynności finansowej (I stopnia) stosunek sumy dochodów i przychodów do sumy wydatków i rozchodów	%	S
F22	udział nadwyżki operacyjnej w dochodach bieżących	%	S
F23	powierzchnia	km ²	S
F24	ludność (faktyczne miejsce zamieszkania stan na 30 VI (ogółem))	osoba	S

Wyjaśnienia: F1-F10 – sfera dochodowa budżetu, F11-F21-sfera wydatkowa; dochody bieżące = dochody ogółem – dochody majątkowe; nadwyżka operacyjna = dochody bieżące – wydatki bieżące; S – stymulanta, D – destymulanta
Source: Own elaboration.

In the next stage of the research the variables has been standardized. They deprive of the value titers, leading to the comparability of variables essentially incomparable. These values can then be added then. At the end, a synthetic variable was constructed, which lead to organizing transformed and normalized values of the simple features.

Calculated values of the synthetic index allowed assigning the individuals to the so-called. groups with similar features. Information which of them is in particular groups may have practical importance both for local authorities, tax authorities and investors. The conducted analysis allowed detecting groups of data. In the analysis the objects were classified into groups, not knowing at the beginning the membership of the objects nor the number of groups that arise during the procedure. The use of the analysis of the concentration is conditioned by the source of data and the expected form of the results.

3. Financial management vs financial condition

Success in local development and meeting the needs of the habitants are closely associated with the performance of the management understood as the knowledge and skills of resources control: human, financial, natural spatial and development processes to the optimal use to achieve the intended results (improvement of the living conditions of the population).

The basic condition for the proper execution of local government entities' tasks is the proper management of local government finances, because on the quality of the process depends result of the management of available resources under the given conditions and in economic environment. The essence of financial management is to create conditions for the functioning of local government by creating a variety of financial resources, their distribution and allocation in these areas of activity, which are aimed at achieving the objectives of the organization.

Meeting collective needs of local communities, improving the investment attractiveness of self-government depends largely on held income, both their own and foreign, as well as on their effective use. The financial condition of the entity is understood as the ability to finance services by using collected revenues in the particular socio-economic and institutional environments, or as the ability of territorial authorities to generate the funds necessary to pay liabilities during the given period.

Dilemmas between own and external funding sources of local government and the instruments functioning within them are associated with the need of ensuring financial sources for financing activities associated with implementation tasks of a public nature. A state while leading financial policy creates legal basis of the economic and financial system of the local government contributing in this way to the development of financial policies of the individual cells of public authorities. When choosing a suitable method of gaining financial resources and appropriate external financial sources for local government the authorities should always specify the objectives pursued by their decisions. Creating the best conditions for the expansion of financial independence at all levels of local government both on the basis of their own revenues and transfers from the central budget is vital of all stakeholders.

The consequence of decentralization of public finance is diversification of the economic situation of individual local governments, and the vertical and horizontal fiscal imbalances connected with that. The discrepancy between the sources of income and necessary expenses, arising out of assigned tasks can be very large. The imbalance between revenue and expenditure of the various levels of public authority causes so called problem of inadequacy or a vertical fiscal imbalance. Local government units differ in degree of socio-economic development those differences exacerbate as a result of decentralization and increasing their independence.

To properly manage the finances it is important to make proper decisions to achieve the most favorable relation between effects achieved by local government units and the total inputs on investment, and to provide necessary funds for their implementation. The manner in which a municipality is financially managed is reflected in its ability to timely meet its obligations, its ability to finance its development. A vital fraction in the financial management is a financial analysis, which deals with the assessment of the economic subjects' efficiency and their economic and financial situation.

4. Revenue and expenditure of the county

Creation of the counties was a natural consequence of the solutions adopted in the Constitution of 1997. It was extension of an adopted in art. 15 the principle of decentralization of public authority, as well as making a use of the possibility to create other units of local government, mentioned in art. 164 act 2 of the Constitution.

An act of 5 June 1998 on the county government stating that district alone manages the finances on the basis of the budget of the county, divides the incomes into mandatory and optional. The revenues of the district are:

- Shares from state taxes in the amount specified in separate legislation,
- Direct subsidies from the state budget for the tasks carried out by the district,
- Grants from the state budget for the tasks carried out by the county departments, inspections and guards,
- Revenues of district budgetary units and the payment of other county entities,
- Income from the county assets,
- Interest for untimely transfer of shares, grants and subsidies.

Revenues are vital for financial activities. Local government units' financial policy involves obtaining adequate financial resources to enable the implementation of the certain tasks. Income derived by a local government unit can be therefore divided into two basic categories: own revenues and external funding sources. Distinction between current and property revenue appears reasonable as well.

Own revenues are characterized by the following features:

- Originate from sources situated at the territory of the local government,
- Are made available to local government's administration entirely and indefinitely under the law.

A participation of own revenues in total income determines financial independence and ability to decide on the directions of resources distribution in this way promotes decoupling the municipality from state authorities. Counties own revenues show inter alia a government's thrift. They also have a direct connection with the activity of citizens and their assets which are associated with the level of the local taxes and fees. Own revenues provide independence in decision-making process.

In the light of the Public Finance Act (art.235) current budget revenues of the local government are budgetary revenues that are not property incomes. Similarly, current budget expenditures of the local government

units (art.236) are considered budgetary expenditures that are not property expenses, which include investment expenses and investment purchases.

A factor that affects equally the financial condition of local government are budgetary expenditures, reflecting executing by them the tasks. Current expenditure are sources designed to operate and maintain the existing facilities and their current functioning, such as salaries or costs of living/ maintenance. Current expenditure of the municipality are related to the basic functions of local government which is the execution of the tasks through which the municipality meets the collective needs (provides goods and services necessary for normal, everyday functioning of both its residents as well as businesses located in the area and the wider local development). This group of expenses may include: expenses carried to maintain schools, provide municipal services and smooth operation of existing infrastructure.

Investment expenses are very important as they deplete current spending but serve development objectives. These include the purchase or production of tangible assets necessary for municipalities to fulfill their tasks. To this group we mainly include objects of technical and social nature, which in the future may contribute to increasing municipal revenues by increasing investors' interest in a particular municipality or stimulate local initiative. A proper balance between current and investment expenditure should be maintained. Capital expenditure in the financial management of municipalities – next to their income – is a factor characterizing the possibility of local government units' development. Capital expenditures play an important role while pursuing investment tasks which are expansion of existing infrastructure and creating a new one on the municipal territory. Conducting and investment activities determine the municipalities' performance of the tasks. Thus, investments are the means which enables performance both of current tasks and those that will be valid in the future. Thanks to their conducting a local government can provide access to the services at the highest possible level and at the same time corresponding to their needs to their citizens.

5. Synthetic indicator of financial condition of districts in Świętokrzyskie province

Świętokrzyskie region covers an area of 11.710 sq km (15th in the country), the population is almost 1,270.3 thousand (13th place). It consists of 102 municipalities and 13 counties and one city with county rights- Kielce city.

In the northern part of the province (formerly Old Polish Industrial Region) since many years heavy industry has been developing (it is currently experiencing a difficult period) and metallurgical (ostrowiecki district), metal (skarżyski district), mechanical (starachowicki district), foundry (konecki district). The southern and eastern parts of the region are dominated by agriculture, particularly well- developed gardening and fruit-growing industry (district of Sandomierz). Presented characteristics of the region is reflected in the statistics showing data: total revenue per capita; own revenues per 1 inhabitant; population; entities registered in REGON per 10 thousand population; average monthly gross salary; registered unemployment rate; spending on one person and the surface of the county (Table 2).

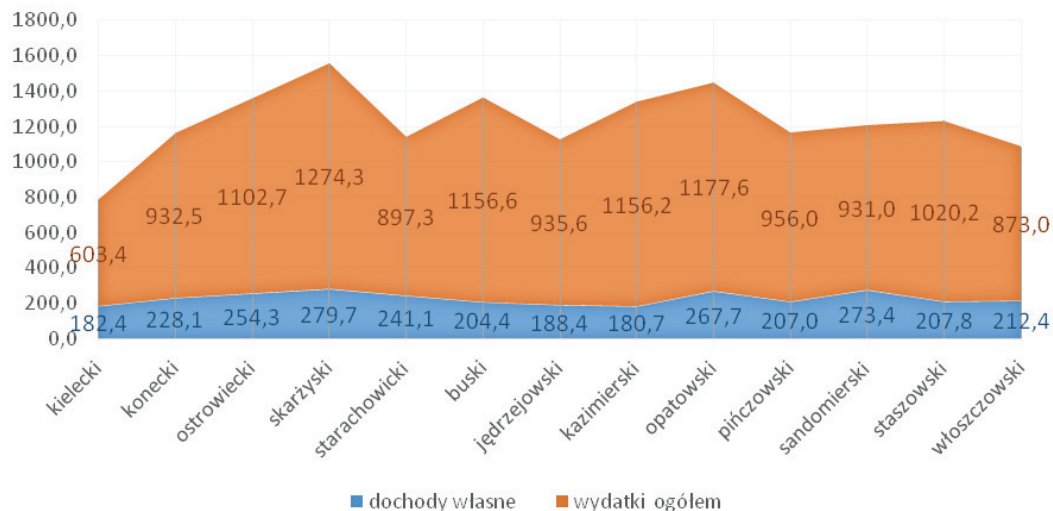
Tabela 2
Basic information about the counties in voivodship Świętokrzyskie in 2012 year

Powiat	dochody ogółem na 1 mieszkańca [zł]	dochody własne na 1 mieszkańca [zł]	faktyczne miejsce zamieszkania stan na 31 XII na 2012 r. [osoba]	podmioty wpisane do rejestru REGON na 10 tys. ludności [jed. gospo.]	Przeciętne miesięczne wynagrodzenia brutto [zł]	Stopa bezrobocia rejestrowanego [%]	Wydatki na 1 mieszkańca [zł]	Powierzchnia [km ²]
kielecki	563,1	182,4	207085	704	2914,4	19,7	603,4	2246
konecki	926,8	228,1	83927	756	3031,6	22,6	932,5	1140
ostrowiecki	1038,8	254,3	115154	912	3084,3	22,2	1102,7	617
skarżyski	1201,8	279,7	78636	962	3119,3	27,4	1274,3	395
starachowicki	879,7	241,1	93805	745	2964,0	18,8	897,3	523
buski	1122,4	204,4	73934	740	2902,8	9,1	1156,6	968
jędrzejowski	892,3	188,4	88285	662	3611,2	13,9	935,6	1257
kazimierski	1139,9	180,7	35275	503	2876,7	12,6	1156,2	422
opatowski	1226,6	267,7	55082	589	3014,4	22,6	1177,6	911
pińczowski	942,6	207	40930	602	3100,9	9,8	956,0	613
sandomierski	958,3	273,4	80566	780	3397,4	12,8	931,0	676
staszowski	950,7	207,8	73858	692	3490,8	12,9	1020,2	925
włoszczowski	910,3	212,4	46520	718	3259,6	14,3	873	908

Source: Own elaboration based on: BDL, GUS, Warszawa 2013.

Counties' revenues depend largely on the economic situation in the entire region. While assessing the financial position of districts the level of own revenues, income and total expenditure is important. The current system of income may indicate differences in the quality of public services provided by counties, as well as an excessive dependence of counties' finances on transfers from the state budget.

The level of own income which is vital from the point of view of financial independence was highly diversified in Świętokrzyskie (Table 2 and Figure 1).



Picture 1. Own revenues and total expenditures per capita in 2012

Source: Own elaboration based on: BDL, GUS, Warszawa 2013.

Expenditure is the second element strongly affecting the financial condition of the districts. Investment expenditures are very significant here (for development purposes, increasing the income of the county, increasing its attractiveness) and current (associated with responding to consumer collective needs, providing goods and services to the regular, everyday functioning of both residents and businesses, as well as with the execution and performance of basic tasks).

Tabel 3
Selected indicators characterizing features of counties in Świętokrzyskie Voivodship in years 2008 and 2012.

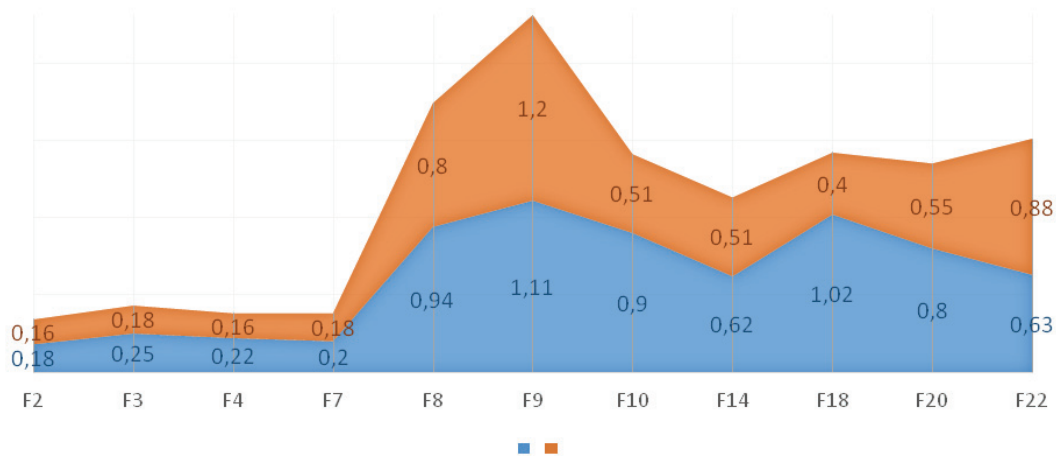
	min		max		\bar{x}_i		S_j		W_z	
	2008	2012	2008	2012	2008	2012	2008	2012	2008	2012
F2	119,95	181,40	268,49	280,29	214,93	225,57	39,34	35,02	0,18	0,16
F3	0,14	0,16	0,43	0,32	0,28	0,23	0,07	0,04	0,25	0,18
F4	0,17	0,18	0,41	0,28	0,25	0,23	0,06	0,04	0,22	0,16
F7	0,27	0,28	0,60	0,53	0,42	0,43	0,08	0,08	0,20	0,18
F8	0,01	0,01	0,12	0,07	0,04	0,02	0,03	0,02	0,94	0,80
F9	0,01	0,00	0,24	0,27	0,07	0,06	0,08	0,07	1,11	1,20
F10	0,00	0,02	0,05	0,11	0,02	0,05	0,01	0,03	0,90	0,51
F14	13,76	78,69	320,95	358,57	129,92	144,28	80,65	73,77	0,62	0,51
F18	0,02	0,03	0,24	0,10	0,07	0,05	0,07	0,02	1,02	0,40
F20	0,00	0,00	0,02	0,03	0,01	0,01	0,01	0,01	0,80	0,55
F22	0,02	-0,01	0,18	0,11	0,08	0,04	0,05	0,04	0,63	0,88

\bar{x}_i – średnia arytmetyczna cech; S_j – odchylenie standardowe cech; W_z – współczynnik zmienności

Source: Own elaboration based on statistical database containing 21 variables for individual counties in 2008 and 2012 based on BDL, GUS, Warsaw 2013.

Analyzed set of variables has a large span of the coefficient of variation from 0.18 to 1.20 in 2008 and from 0.16 to 1.20 in 2012. The greatest value of this ratio is variable F9 (the share of income from the property in the

own income) in 2008 and 2012. High coefficients of variation are also variables: F18 (the share of health expenditure in total expenditure) in 2008 and F9 (the share of income from the property in the own income) in 2012. The lowest coefficient of variation had F2 and F20 in 2008 and the F2, F4 and F3, F7 in 2012. Graphic depiction of variability of examined diagnostic features is shown in Figure 2.



Picture 2 The coefficient of variability for the 21 variables in 2008 and 2012.

Source: Own elaboration

On the basis of the presented variables it can be seen that counties in Świętokrzyskie Voivodship in the audited period improved their position. Each variable has improved or remained unchanged.

Conducted surveys confirm the existence of disparities in the financial condition among Świętokrzyskie counties, which is presented in Table 3. Best of 2012 were districts staszowski, kielcki and sandomierski and the weakest counties jędrzejowski and kazimierski.

Characterizing the individual counties the agricultural nature of the county staszowski should be emphasized, with a predominance of small farms with multi-plant and animal production. 28% of the county is covered by forests, and in some communes of the district this rate reaches even 32%. On the county grounds there are mineral deposits (deposits of sulfur and dolomite).

Kielcki District is mostly industrial and agricultural, with traditional mining and processing of mineral resources and food production departments. There is a clear distinction between industrial – the central part of the county, surrounding Kielce, and the southern part mostly agricultural. Within the Holy Cross Mountains climatic conditions, soil and water are detrimental to crops. Crop production is dominated by the cultivation of cereals, potatoes and strawberries, but it is not of big importance. The main directions of livestock in the district of Kielce are: milk production, production of pork, beef and poultry.

Sandomierski district is a typical agricultural region. Tillage and horticulture are the primary sectors of the economy for many communities in this county. In terms of volume of production of fruit (mostly plums, apricots, pears, peaches, apples and nectarines) district of Sandomierz is 2nd in the country after the grójecki county.

Tabela 4
Synthetic indicator of financial condition in districts of Świętokrzyskie region.

Powiaty	2008	2009	2010	2011	2012
buski	0,14	0,13	0,02	-0,05	-0,12
jędrzejowski	-0,45	-0,21	-0,29	-0,20	-0,38
kazimierski	-0,79	-0,62	-0,86	-0,72	-0,74
kielcki	0,42	0,12	0,50	0,20	0,27
konecki	-0,37	-0,12	-0,19	-0,14	0,14
opatowski	0,20	0,17	-0,16	0,20	0,23
ostrowiecki	-0,01	-0,06	-0,49	-0,20	-0,16

pińczowski	-0,15	-0,86	-0,07	0,04	-0,28
sandomierski	0,47	0,25	0,25	-0,08	0,26
skarżyski	0,02	0,09	0,19	0,28	0,23
starachowicki	0,19	0,46	0,58	0,10	-0,08
staszowski	0,30	0,58	0,55	0,67	0,57
włoszczowski	0,04	0,05	-0,04	-0,11	0,05

Source: Own elaboration based on data as in Table 3

District jędrzejowski is also an agricultural region. Tillage and farming remain the primary sector of the economy for many communities in this county. Agricultural character of the region favors terms of the agric-food processing. There is an extensive poultry keeping and pigs farming. Agritourism has become an increasingly common form of activity, due to the ecological values.

Kazimierski district is a typical agricultural area, where 89 % of the land is an agricultural land and only 3% of the forest. Large complexes of soils of good and very good quality are used for the cultivation of the most valuable field crops, such as wheat and vegetables as well as the most valuable fodder and industrial plants. In the county there are proven reserves of natural resources, which are partially being exploited. The presence of minerals in the form of sand and clay raw materials is associated with upgrade of the production of mineral binders, semi-finished and finished components.

In the process of grouping counties the Ward's method and the method of square Euclidean distance were used. Analysis of bond distances in the dendrogram indicated the existence of the three following clusters:

- first agglomeration (group) counties: buski, włoszczowski, opatowski, skarżyski,
- second agglomeration (group) counties: kielcki, sandomierski, starachowicki, staszowski (this group brings together the best districts in the year 2012),
- third agglomeration (group) counties: jędrzejowski, konecki, ostrowiecki, pińczowski, kazimierski (in this group are the two weakest counties in 2012).

6. Summary

In the presented Świętokrzyskie districts the highest level of financial condition has been observed in those that are characterized by: large financial independence (measured by the share of own revenues in total revenues), high levels of business investment (measured by share of capital expenditure in total expenditure), as well as gaining the greatest relative operating surplus (those in where current expenses were charged with current income).

Financial resources are the foundation of local government bodies activity, and a condition of implementing tasks imposed on them. Districts' financial management is of major importance for two reasons. Firstly, it determines the development of the county. Secondly, the financial state is a synthetic expression of the economic development potential of each entity. Through the prism of finance an overall assessment of the functioning of the district and their development opportunities can be made. The financial condition is not only a result of ongoing public tasks, but also a bridge connecting all the activities and projects undertaken by each local government.

Local government in the organizational structure of the state has financial independence and connected with the right to self-regulation of the budget, which is the basis of its financial management. In order to fulfill the set tasks a certain actions are undertaken in relation to revenues gathering and making expenditures. Defining the relationship between generated revenues and expenditures reflects the effect of decisions made by local government bodies. Conclusions of the analysis, comparisons and evaluations of financial condition may become the basis for decision verification and fiscal policies of the state.

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