

Comhairle Chontae Dhún na nGall
Donegal County Council



Annual Financial Statement
2013
(Audited)

**ANNUAL FINANCIAL
STATEMENT
(AUDITED)**

Donegal County Council

For year ending 31st December 2013

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FOREWORD FROM THE DONEGAL COUNTY MANAGER

INTRODUCTION

The Audited Financial Statement including the Financial Accounts and supporting schedules of Policies, Notes and Appendices represents the financial position and condition of Donegal County Council as at 31st December 2013.

Donegal County Council prepares its accounts on an accrual basis for Income and Expenditure and includes a Balance Sheet of Assets and Liabilities as at the end of 2013. This enables performance and trends to be reviewed on a consistent basis over an extended time frame.

The Council is committed to continue to prioritise the delivery of Council services while addressing the significant and evolving financial challenges emerging for the Council's Revenue and Capital Accounts. This is in keeping with the aim to maximise the Council's ability to continue the range of services at the required level of quality to the citizens of the county.

I do not intend in this Foreword to restate much of what is included subsequently in the various Schedules, Notes and Appendices. I will confine my comments to emphasise some important financial issues facing the Council at this time and to highlight some of the key financial information included in this Statement. There have been significant ongoing developments in terms of Government measures taken to deal with the deterioration in the Public Finances generally in the recent past. It is, I believe, important to be cognisant of these in setting out our position as at 31st December 2013 and the implications for the Council's finances in the future.

The impact of such measures will be a key issue, in the first instance, in addressing Budgetary matters in 2014, and in preparing for 2015 and future years. This will include accumulated residual financial issues carried forward from previous years activities as set out in this Annual Financial Statement (AFS). These include working to reduce our accumulated revenue deficit.

REVENUE INCOME & EXPENDITURE ACCOUNT

The dis-improvement on the Revenue Account for 2013 was €0.694m bringing the accumulated position at 31st December 2013 to €17.797m Debit (General Revenue Reserve). The report to the Council at its monthly meeting of the Council on 28th April, 2014 set out the detail of the movement of €0.694m including the contributory reasons as well as the detail of outcomes on this account for all divisions for the year ending 31st December 2013. This report is included as Appendix 9 in the Statement. I wish to acknowledge the assistance and support of the Elected Members, the Head of Finance, the Directors of Service and their staff in such a challenging economic environment. While acknowledging the deterioration in the Revenue Balance I am able to report later in the statement positively in regard to improved cash collections, decrease in some arrears headings and continuing resolution of the Capital Balances.

I am including, as in previous years, the following tabulation (Table 1 below) which sets out some key cost and income drivers in the 2013 Revenue Income & Expenditure account. The corresponding figures for 2012 as reported last year are also shown.

TABLE 1

	Expenditure €	Income €	Nett Surplus / (Deficit) €
2013	131,765,708	131,072,118	(693,591)
2012	140,122,754	135,322,852	(4,799,902)

Major Elements - Expenditure	2013 €	2012 €
Payroll Expenses	53,748,197	58,179,924
Operational Expenses	59,910,377	57,547,576
Loan Charges	6,542,767	9,557,307
Other Non Pay Expenses	11,564,367	14,837,947
Total	131,765,708	140,122,754

Major Elements - Income	2013 €	2012 €
Grants and Subsidies	35,536,816	40,255,248
Goods and Services	38,482,315	39,191,573
Local Government Fund	30,840,363	29,928,965
Rates	21,306,610	21,331,713
County Charge	2,939,944	2,939,944
Contributions from Other Local Authorities	1,966,070	1,675,409
Total	131,072,118	135,322,852

* Standard Rounding Rules have been applied

Total Revenue Expenditure in 2013 of €131.766m represents a decrease of €8.357m on the 2012 total Revenue Expenditure of €140.123m. Every effort has been made to maximise sources of mainstream and non mainstream income to preserve the Council's capacity to provide a wide range of services. Sources include European Union Funds such as Interreg and PEACE 111. The mainstream reductions in funding in fact are occurring in parallel with an increasing regulatory environment within which the Council is required to comply across areas such as Health & Safety, Waste Water Licensing, Environmental Protection and Financial Management.

Payroll Expenses show a net decrease of €4.432m approx. €3.873m of the decrease is attributable to the transfer of the payment function of VEC Pensions and Gratuities from the Council. The balance is made up of a decrease of €1.327m in the Council's Pensions and Gratuities and increases under Salaries and Wages of €0.549m and Voluntary Redundancy Payments of €0.219m. Wholetime Equivalent (WTE) Staffing numbers in Donegal County Council reduced from 1,116.30 at 31st December 2008 to 820.36 at 31st December 2013, a decrease of 295.94

Income from Local Government Fund is €30.840m, an increase of €0.911m on 2012. Net income from grants and subsidies is some €4.718m less than 2012 of which €5.816m is in respect of Department of Education - H.E.G.'s (€1.949m) and V.E.C. Pensions (€3.867m). Road Grants account for €0.815m of an increase.

CAPITAL EXPENDITURE

TABLE 2

	2013	2012
	€m	€m
Capital Expenditure including Transfers	45.867	58.021
Total Outstanding on Mortgage Related Loans	23.296	25.195
Total Outstanding on Non Mortgage Related Loans for Provision of Assets/Grants	88.753	90.045
Unfunded Capital Balances Deficit	1.364	1.337
Development Levies Reserves – General & Specific (Credit)	7.989	11.398

Capital Expenditure is reflected in Table 2 above as well as in Appendix 5 and 6 of the AFS.

Capital expenditure decreased in 2013 compared with 2012 and amounted to €12.154m (2012 - €58.021m). The reduction of €12.154m reflects mainly in net reduced contractors' payments, professional and consultancy fees and an increase in other costs which are predominantly for Roads, Water Services and Community & Enterprise projects.

The trend for capital expenditure in future years will reflect changes in the local authorities role going forward. The timelines associated with the establishment of Irish Water and the interim and long term roles of the local authority in such areas will also have implications for future levels of capital expenditure

UNFUNDED CAPITAL JOBS

In addition to the reduced and reducing capital investment funding available to the Council it has been necessary to accommodate, on an exceptional basis, a means of funding accumulated unfunded balances of €48.6 million, substantially in respect of projects constructed prior to 2011. The presentation made to the Council in October 2010 culminated in the approval by the Department of the Environment, Community & Local Government to the borrowing by way of term loan of an amount of €48,638,737. This loan is being drawn down on a phased basis by the Council in accordance with the conditions applied to the approval for same. €45,138,737 was drawn by 31st December 2013. I am satisfied that the course of action taken to deal with the accumulated unfunded balances as at 31st December 2010 remains the most effective and affordable approach open to the Council and will assist in effectively managing our cash balances at this time.


CASH FLOW & DEBTORS ETC.

I wish to draw your attention to Note 5 and Appendix 7 of this Statement.

It is acknowledged that 2013 was an exceptionally challenging year, not only for the Council but also for many of our customers in the commercial and agricultural sectors. This has been recognised by our policies in dealing with the range of commercial debtors. We aim to continue to work with these customers in a manner commensurate with their particular financial capacity at any given time. The increase in arrears for Rates of €1.940m is a reflection of our ongoing approach in agreeing payment plans with customers over an extended period. Notwithstanding that, the Council has seen an increased cash collection of €0.319m for the year in the commercial rates area. The ongoing work of the centrally managed income collection unit provides a substantial and focussed resource in addressing this and other debtor related issues. It is my intention to continue with a policy of engaging proactively with all our customers while increasing enforcement actions where required and with a view over time, to reducing the level of arrears and maximising the number of performing debtor accounts.

We continue to pursue a programme of cash management having seen the Council's overdraft limit move from €50m in 2010 to €20m in January 2011 and €12m in 2012, 2013 and 2014. Our capacity to retain overdraft costs to negligible levels to date in 2013 is reflective of the management the Council's finances generally.

National obligations under the EU/IMF financing arrangements require bodies such as local authorities to provide substantial reporting information while working within a revised financing regime as dictated by government departments. There are substantial reporting demands placed on the Council on a consistent and sustained basis with associated responsibilities and implications.


Seamus Neely
COUNTY MANAGER

23rd May 2014

Financial Review

FINANCIAL REVIEW

PREPARED BY GARRY MARTIN, HEAD OF FINANCE.

INTRODUCTION

The 2013 Annual Financial Statement (AFS) is the prescribed format for the presentation of the Annual Income and Expenditure figures together with a Balance Sheet for Local Authorities. This Statement must reflect up to date Departmental requirements from the Local Authority Accounting and Financial Management Systems. The 2013 AFS as presented, represents, for Donegal County Council such requirements with every effort made to comply fully therein.

The Capital Account items are now shown in Balance Sheet format in accordance with Departmental Guidelines. The Accounting Policies and the "Notes to and forming part of the Accounts" should be read for further information in this regard and indeed for further details of items in the Income & Expenditure Account and Balance Sheet.

REVENUE ACCOUNT PERFORMANCE

Table 1 of Appendix 9 (Pages 55 - 93) sets out the information on Adopted Budget and the Revised Budget which includes amendments for specific funding reductions and increases after the 2013 Budget was adopted and the Actual Gross Expenditure and Income. In summary, I wish to state in respect of the 2013 Revenue Income and Expenditure Account, the Council's Revenue Balance deteriorated by €693,591. There are a number of main headings that account for the net dis-improvement:

- Water Charges, under-realisation of accrual in the sum of €1.762m.
- Under realisation of income from DBO Grant of €1.578m
- Rates increase in general provision for bad and doubtful debts of €0.634m.
- Under realisation of targeted Revenue expenditure appropriately chargeable to capital for payroll and minor contract works in the amount of €1.766m.
- Under expenditure in Water Services division (€0.712m).
- Reduction in provision for Water Bad/Doubtful Debts of (€1.983m)
- Under expenditure on Road Maintenance and Improvements (€1.370m).
- Under Expenditure in Housing (Div. A) (€0.605m).
- Under Expenditure in Planning (Div. D) (€0.474m).

The main aspects and outcomes of the Annual Financial Statement for 2013 for Revenue items requiring Members approval, (as required by statute), were reported on by the Head of Finance - see Appendix 9 - at the Council meeting of the 28th April, 2014. The Council approved the actual gross expenditure figure of €131,765,708 when compared to the Revised Budget of €135,769,510 (Adopted Budget as amended by reduced/additional funding received for 2012) for all Divisions in accordance with Sub-section 7 of Section 104 of the Local Government Act 2001. See Table 1 as well as Table 2 overleaf which sets out the detail of variances by Division for Gross Expenditure and Income to give the net amount of €693,591.

TABLE 1

	Expenditure 2013				
	Excluding Transfers €	Transfers €	Including Transfers €	Budget €	(Over) / Under Budget €
Housing & Building	13,154,560	180,867	13,335,427	13,694,099	358,672
Roads Transportation & Safety	40,117,581	246,993	40,364,573	41,717,773	1,353,199
Water Services	26,012,149	146,043	26,158,192	28,666,483	2,508,291
Development Management	8,131,239	873,207	9,004,446	9,478,774	474,328
Environmental Services	10,688,361	812,566	11,500,927	11,603,592	102,665
Recreation & Amenity	5,259,859	200,844	5,460,703	5,531,023	70,320
Agriculture, Education, Health & Welfare	6,266,888	921,978	7,188,866	7,311,295	122,429
Miscellaneous Services	17,989,988	762,585	18,752,573	17,766,470	(986,103)
Total Divisions	127,620,625	4,145,083	131,765,708	135,769,510	4,003,802
Local Government Fund - General Purpose Grant	0	0	0	0	0
Pension Related Deduction	0	0	0	0	0
Rates	0	0	0	0	0
County Charge	0	0	0	0	0
Dr/Cr Balance					
(Deficit)/Surplus for Year	127,620,625	4,145,083	131,765,708	135,769,510	4,003,802

Note: Expenditure Transfers are made up of Capital Loan Repayments and transfer of expenditure to the Capital Account

	Income 2013					Net
	Excluding Transfers €	Transfers €	Including Transfers €	Budget €	Over / (Under) Budget €	(Over) / Under Budget €
Housing & Building	14,441,983	458,592	14,900,575	15,066,896	(166,321)	192,351
Roads Transportation & Safety	26,667,555	5,705	26,673,260	26,828,745	(155,485)	1,197,714
Water Services	8,546,418	0	8,546,418	11,725,199	(3,178,781)	(670,490)
Development Management	1,572,824	0	1,572,824	1,470,219	102,605	576,933
Environmental Services	1,998,480	0	1,998,480	1,815,531	182,949	285,615
Recreation & Amenity	896,143	0	896,143	876,011	20,132	90,452
Agriculture, Education, Health & Welfare	4,689,497	0	4,689,497	4,551,338	138,159	260,588
Miscellaneous Services	14,199,154	0	14,199,154	15,811,242	(1,612,089)	(2,598,192)
Total Divisions	73,012,053	464,297	73,476,350	78,145,181	(4,668,831)	(665,029)
Local Government Fund - General Purpose Grant	30,840,363	0	30,840,363	30,840,363	0	0
Pension Related Deduction	2,508,850	0	2,508,850	2,500,000	8,850	8,850
Rates	21,306,610	0	21,306,610	21,344,022	(37,412)	(37,412)
County Charge	2,939,944	0	2,939,944	2,939,944	0	0
Dr/Cr Balance						0
(Deficit)/Surplus for Year	130,607,821	464,297	131,072,118	135,769,510	(4,697,392)	(693,591)

Note: Income Transfers are made up of Capital Receipts transferring to the Revenue Account

CAPITAL ACCOUNT PERFORMANCE

As detailed in Table 3 below, gross expenditure of €45,866,893 and gross income of €39,675,147 in 2013 resulted in an overall dis-improvement of €6,191,746 in the Capital Account. The overall credit balance at 31st December 2013 is €32,635,900 compared to an overall credit balance of €38,827,646 at 31st December 2012.

TABLE 2

	2013 €	2012 €
Expenditure including Transfers	45,866,893	58,021,461
Income	39,675,147	81,151,374
Surplus (Deficit)	(6,191,746)	23,129,913
Opening Debit Balance at 1st January	38,827,646	15,697,733
Capital Account Credit Balance at 31st December, 2013.	32,635,900	38,827,646

* Standard rounding rules have been applied

Expenditure decreased in the Roads and Water Services areas in 2013. There was an increase in the expenditure on projects that are accounted for in the Community and Enterprise area. The dis-improvement in the capital account of €6,191,746 is mainly attributable to the spending of funds in 2013 that were received in 2012.

REQUIREMENT OF UPDATED ACCOUNTING GUIDELINES

The Capital Account as presented in the Balance Sheet sets out the de-aggregation of the Capital Ledger, other than for completed assets transferred without a funding issue to the Asset Register, into the main classes of Assets - WIP/Preliminary Expenses, as well as other balances therein. Until 2003 the Capital Account ledgers also included the Council Loan Book. The following information for 2013 (See Table 4 overleaf) refers only to Capital/Fixed Asset formation activity and is inclusive of brought forward credits and debits.

Table 4 reconciles amounts as shown on the Balance Sheet, which are classified in accordance with information to hand in relation to funding, in the make up of the Capital Balance of €32,635,900 Credit.

TABLE 4			
The Capital Account Balance has been de-aggregated in the Balance Sheet as follows in accordance with the New Accounting Guidelines.			
	Notes No. to the Accounts	2013 €	2012 €
Unfunded Project Balances	Note 11	(1,357,391)	(1,675,577)
Unfunded Non Project Balances	Note 11	(6,911)	0
Agent Works Recoupable	Note 5	(1,495,344)	(1,287,801)
Assets	Note 11	(178,415)	(90,728)
Sub Total Debits		(3,038,061)	(3,054,106)
Funded/Unfunded WIP and Preliminary Expenses	Note 2	1,607,093	10,256,496
General Credit Balances	Note 11	12,130,730	6,858,718
Development Levies	Note 11	7,988,873	11,398,390
Tenant Purchase Annuities currently available as Internal Receipts	Note 11	5,823,596	4,865,490
Funded Non Project Balances	Note 11	7,174,861	5,814,316
Funded Project Balances	Note 11	77,329	1,087,267
Unfunded Non Project Balances	Note 11	0	338,428
Voluntary Housing	Note 11	352,677	328,482
Affordable Housing	Note 11	336,201	678,537
Sub Total Credits		35,491,360	41,626,124
Credit/Debit Balance before Future Receipts for Tenant Purchase Annuities		32,453,299	38,572,018
Future Receipts from Tenant Purchase Annuities (Not available as Internal Receipts)	Note 11	182,599	255,628
Capital Account Credit/(Debit) Balance as at 31st December		32,635,898	38,827,646
*Standard rounding rules have been applied.			

The Capital Balance includes income of €182,599 in respect of the future receipts from repayment of annuities by Tenant Purchasers. Such annuities are used as Internal Receipts when realised. Accordingly these future receipts are not available for current programmes for which such receipts are used. (See also Table 4 above).

For the benefit of the reader of this review "funded"* can be defined as source(s) of funding have been identified and are still available to meet the balance as shown. Unfunded** means all known sources of income have been exhausted and/or projects have over expended known allocations for same.

Where a project is finalised (in the sense an Asset is in existence and operational) and funding is neither received nor receivable, on the basis of available evidence, within a reasonable time frame then the Project/Job is deemed to be unfunded. In

the final analysis the Service Directorates advice on such matters is key to this determination.

As required by local authority accounting standards income can only be realised if certain criteria is met in order to reflect it in the Annual Financial Statement. In many instances this requires us to reflect balances as unfunded despite there being a commitment in regard to funding e.g. from a Government Department to fund such costs at a point in time in the future. This causes a disparity in the figures in respect of Unfunded Capital Balances in Table 4 as opposed to Unfunded Capital Balances which have no prospect of funding from any external source and which required the Council to address, as it did in 2010 by raising a loan.

This is reflected in the 2013 Annual Financial Statement as €1,364,302 (2012 : €1,337,149) unfunded whereas our considered view is that it will be funded from external funding sources or from the remainder of the Unfunded Capital Balances Loan to be drawn in 2014.

FIXED ASSET SUMMARY

A total value of €3,508,491,855 is included in the 2013 Accounts under this heading (2012: €3,516,223,649).

With the implementation of the Agresso Financial Management System and the attendant rollout of the New Accounting Code of Practice at that time also, we have included Fixed Assets in the Council's Balance Sheet in recent years. This initially was those assets purchased/created with "go live" of the Agresso package and in 2003-2012 and now in 2013 the progressive inclusion of Assets which the Council created/purchased in the past, which continue to underpin service provision and thus provide continuing value to the organisation. In the inclusion of such assets the Council follows guidelines as laid down by the Department of the Environment, Community and Local Government with respect to such matters as Valuation, Depreciation and the like.

The Council continues the ongoing work to enumerate all Historical Assets and deal appropriately with issues that may arise on an Inter Local Authority basis within the county. As mentioned in the commentary on the Accounts in previous years, this process of enumeration of Historical Assets in our ownership is a lengthy and often difficult one as we need to trawl through records which are disparate in availability, range and nature.

However, the end result is giving and will give a clearer picture of the Council's options where any such Assets identified may be surplus to current or planned requirements and which could be used/disposed of with appropriate agreements.

Fixed Assets are, as you can see from the balance sheet, classified as follows:

(1) Operational	€ 599,596,442
(2) Infrastructural	€2,887,230,300
(3) Community	€ 1,450,464
(4) Non Operational	€ 20,214,650
Total	€3,508,491,855 (Note 1)

*Standard rounding rules have been applied.

Net additional (assets purchased, additions from Work-In-Progress (W.I.P.), Revaluations, Historical Cost Adjustments less disposals) to the Fixed Assets amounted to €4,763,271 for the year ending 31ST December 2013. Additions from W.I.P., as per Department guidelines where an asset has been completed include accruals/estimations where necessary and where no final account was available.

You should read the "Notes to and forming Part of the Accounts" for further information on above classifications.

LOAN ACCOUNTS

Mortgage Related Loans (See Note 8)

As at 31st December 2013 the Capital outstanding on these loans was €23.296m (2012 : €25.196m) - Movement of €1.900m.

In the financial year ending 31st December 2013 the following transactions summarise the movements in relation to mortgage related loans.

	Borrowings	Redemptions	Adjustments	Repayments etc.	Total
Affordable				294,133	294,133
Loan Annuity	(178,520)			1,032,117	853,597
Shared Ownership		358,416		249,202	607,618
SDA				144,593	144,593
Net Total	(178,520)	358,416	0	1,720,045	1,899,941

*Standard Rounding Rules have been applied.

Non Mortgage Loans (Note 8)

As at 31st December 2013, the Capital outstanding on these loans was €140.979m (2012: €144.923m) - Movement of €3.944m.

In the financial year ended 31st December 2013 the following transactions summarise the movements in relation to non mortgage related loans.

	Borrowings	Redemptions	Adjustments	Repayments etc.	Total
Voluntary Housing			(25,217)	1,482,521	1,457,304
Bridging Finance		304,478			304,478
Assets/ Grants	(2,400,000)		(50,538)	3,742,125	1,291,587
Shared Ownership - Rented				283,900	283,900
Recoupable				606,153	606,153
Net Total	(2,400,000)	304,478	(75,855)	6,114,699	3,943,422

*Standard Rounding Rules have been applied

The balance of principal payable on Non Mortgage loans to be serviced predominantly by the Council's own discretionary Revenue Sources at 31st December 2013 is €91.178m (2012 : €93.075m).

These loans have been used to finance the Council's Decentralisation Building Programme, the implementation of the Council's Waste Management Plan, Capital Investment in Water and Waste Water Infrastructure, the Non Domestic Water Metering Programme, Matching Funding for State Grants in relation to Marine Work and DPG/ERG Grants, Purchase of Landbanks, Provision of an Economic Development Fund and Unfunded Capital Balances at 31st December 2013 and so forth.

The primary material change in balances, year on year, results from the borrowings, redemptions and repayment of principal of non mortgage loans during the year.

CASHFLOW AND DEBTORS

The following Table 4 sets out detail of collections and arrears on the major collection accounts for 2013.

Table 4 - Major Collection Accounts 2013

<i>Category</i>	<i>Collected</i>	<i>Movement over 2012</i>	<i>Arrears b/f 01/01/13</i>	<i>Arrears c/f 31/12/13</i>
Rates	16,828,925	+318,682	10,146,835	12,087,541
Water	7,196,803	+824,317	11,289,265	10,026,776
Rents	8,707,091	+182,016	1,115,129	1,197,623
Loans	2,045,555	- 102,826	1,053,141	1,058,308
TOTAL	34,778,374	+1,222,189	23,604,370	24,370,248

Some of the key points to note for 2013 are:-

- Increased Cash Collection of €1,222,189
- Reduction in Water Charges arrears of €1,262,489
- Increase in Rates arrears of €1,940,706

The increase in cash collection of €1,222,189 is a very positive development and we are targeting to improve further on these collections performances in 2014. When this increase is added to the 2012 performance the cumulative increase over 2011 is €3,409,551.

Arrears of Water Charges has decreased by €1,262,489. As part of the handover of Water Charges Accounts to Irish Water a comprehensive review of all accounts was carried out in accordance with criteria agreed between the Local Authorities and Irish Water. This has resulted in the Council establishing a net position with regard to the amount of water charges debtors that now stand to be paid for by Irish Water to the Council and reflecting balances at 31st December 2013. It is expected that this matter will be closed out during 2014.

Whilst the increase in the level of arrears of Rates by €1,940,706 is regrettable, it is a reflection of an ongoing approach in dealing with Rates' debtors and in allowing them to agree and apply payment plans with the Council over an extended time period, again reflecting the ongoing challenging economic environment. It is the intention to target a reduction in the gross rates arrears figure as part of the 2014 programme.

We understand the very difficult climate that businesses continue to operate in and we appreciate very much the positive and proactive engagement from the majority of our customers. It is only in exceptional circumstances that files have to be referred for enforcement action when there is insufficient or lack of engagement on outstanding monies. However, it is critical that we do collect all monies budgeted for as this facilitates our continuing to provide the various services reflected in our Annual Budget plan. On this basis we will continue to escalate our actions during this year against Customers who do not pay or who do not meaningfully engage with our Collection Staff.

Arrears on Housing Loan accounts increased marginally by €5,167 however, cash collection decreased by €102,826. In the current economic climate the number of customers who are unable to meet their full monthly loan repayment is increasing. As in the case of businesses in arrears with Rates, we will continue to work with borrowers who are in arrears and ask them to engage with us at all times. The Mortgage Arrears Resolution Process (MARP) was introduced in 2012 as a code of conduct to deal with customers in Mortgage arrears.

Housing Rents Arrears increased by €82,494 while Cash collection improved by €182,016. This area will continue to be monitored closely with the objective of monitoring collection rates.

CONCLUSION

In conclusion, this review and the related Appendix 9 sets out the principal issues and the financial information with respect to the (Audited) Annual Financial Statement for 2013 for Donegal County Council. The following Table 5 represents the aggregation of the outcomes on day to day Operational Expenses (Revenue) and the Council's investment in Infrastructure Projects, the provision of long term Financing of social assistance provided to the general public where eligible and required and the creation/purchase of, and improvement in, the Council's Asset Stock (Capital). It represents the total expenditure in 2012 and 2013 respectively with the increase/(decrease) year on year in absolute and percentage terms.

TABLE 5

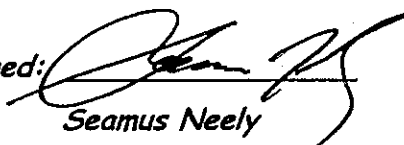
Expenditure	2013	2012	Increase/ (Decrease)	% Increase/ (Decrease)
	€	€	€	
Revenue	131,765,708	140,122,754	(8,357,046)	(5.96)
Capital	45,866,893	58,021,461	(12,154,568)	(20.95)
Total	177,632,601	198,144,215	(20,511,614)	(10.35)

Donegal County Council

Certificate of Manager\Head of Finance

For the year ended 31st December, 2013.

We certify that the Financial Statement of Donegal County Council for the year ended 31st December, 2013 as set out on pages 20 to 53 are in agreement with the books of account and have been prepared in accordance with the accounting requirements as directed by the Minister for the Environment, Community and Local Government. We have also taken reasonable steps for the prevention and detection of fraud and other irregularities.

Signed: 
Seamus Neely
COUNTY MANAGER


Garry Martin CPFA
HEAD OF FINANCE

Dated: 23rd May 2014

Audit Opinion
To the Members of Donegal County Council

I have audited the annual financial statement as set out on pages 20 to 39 for the year ended 31 December 2013 and have also issued a separate report in accordance with section 120 of the Local Government Act, 2001.

Responsibilities of the Council and the Local Government Auditor

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the Annual Financial Statement (AFS). It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with the principles and practice of Local Government Audit. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statement. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statement, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the annual financial statement is free from material misstatement, whether caused by fraud or other irregularity or error.

In my opinion the annual financial statement presents fairly, in accordance with the Code of Practice and Accounting Regulations the financial position of the County Council at 31 December 2013 and its income and expenditure for the year then ended.

Raejd Lavin
Local Government Auditor

Date: 21/11/2014

STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the Accounting Code of Practice on local authority accounting, as revised by the Department of Environment, Community and Local Government (DECLG) at the 31st December 2013.

Non-compliance with accounting policies as set out in ACoP must be stated in the Policies and Notes to the Accounts.

2. Funds Flow Statement

A Funds Flow statement has been introduced as part of AFS 2011. While the guidance of International Accounting Standard 7 Statement of Cash Flows has been followed, the business of local authorities is substantially different to most private sector organisations and therefore some minor changes to the format have been agreed to ensure the data displayed is meaningful and useful within the local government sector. For this reason the statement is being referred to as a 'Funds Flow Statement'. The financial accounts now include a funds flow statement shown after the Balance Sheet. Notes 18 - 23 relate to the funds flow statement and are shown in the Notes on and forming part of the Accounts section of the AFS. Note 20 details Project/Non Project/Affordable/Voluntary balances, which can be either a debit or a credit balance. The funds flow assumes that these are debit balances and bases the (Increase)/Decrease description on this.

3. Accruals

The revenue and capital accounts have been prepared on an accrual basis in accordance with the Code of Practice. The only exception is that not all income in respect of Development Levies (pre 2004 Development Charges) has been accrued, as we continue to determine collectable income for this heading. Liabilities may have been discharged by the performance of works in lieu etc. In relation to expenditure it consists of invoices matched against goods received and a manual accrual for unmatched Goods received Notes. It also includes issues from stores and machinery transfers.

4. Interest Charges

Loans Payable can be divided into the following two categories:

- Mortgage related loans
- Non-mortgage related loans

4.1 Mortgage Related Loans

Mortgage related loans have a corresponding stream of income from long term advances (i.e. monies lent by the Local Authority to borrowers), for the purchase of houses. Only the interest element is charged or credited to the Income & Expenditure Statement.

4.2 Non Mortgage Related Loans

Note 8 to the accounts sets out the types of borrowing under this heading. Loans relating to assets/grants, revenue funding, inter local authority will not have a corresponding stream of income. Bridging finance will eventually become part of permanent funding. Loans in respect of the other headings will have a corresponding value in Note 3. The purpose of these loans is generally to acquire assets. The loan repayment cost of principal and interest is funded through the annual budget process. At the end of the financial year the funding element of the principal is transferred and offset against a loan repayment reserve. This transfer is included in the 'Income & Expenditure Account Statement' under the heading 'Transfers to/from Reserves'.

5. Pensions

Payments in respect of pensions and gratuities are charged to the revenue account in the accounting period in which the payments are made. The cost of salaries and wages in the accounts includes deductions in respect of superannuation (including Widows and Orphans) benefits. Such deductions are credited as receipts to the Income & Expenditure Statement. The requirements of current accounting standards, relating to pensions and their application to local authority accounting is currently under consideration. All pension entitlements of staff are conferred under a defined benefit scheme established under the Local Government (Superannuation) Consolidation Scheme 1998 (and amendments) and pension obligations are met as they arise.

6. Agency and Other Services

Expenditure on services provided or carried out on behalf of other local authorities and other agencies are recouped at cost or in accordance with specific agreements.

7. Insurance

The County Council operates an insurance excess of €6,300 for the 2013 Financial Year in respect of public liability. All known liabilities for excesses arising from finalised claims are accrued.

8. Provision for Bad & Doubtful Debts

Provision has been made in the relevant accounts for Bad and Doubtful debts.

9. Fixed Assets

9.1 Classification of Assets

Fixed assets are classified into categories as set out in the balance sheet. A further breakdown by Asset Type is set out in Note 1 to the accounts.

9.2 Recognition

All expenditure on the acquisition or construction of fixed assets is capitalised on an accrual basis, based on the information available.

9.3 Measurement

A balance sheet incorporating all of the assets of the local authority was included for the first time in the Annual Financial Statement for 2003. The assets were valued based on the 'Valuation Guideline' issued by the DECLG. All assets purchased or constructed as from 1/1/2004 have been included at historical cost. Accounting policies relating to leases are currently being developed and will be reflected in future financial statements.

9.4 Revaluation

As set out in a revision to the Accounting Code of Practice it is policy to show fixed assets at cost. Maintenance and enhancement costs associated with Infrastructure assets are not currently included in fixed assets but will be reviewed in 2014. Due to their physical nature the vast majority of assets are unique to local authorities and were not, historically, subject to disposal. Any loss or gain associated with the net realisable value of the remaining general assets subject to disposal, are accounted for at time of disposal.

9.5 Disposals

In respect of disposable assets, income is credited to a specific reserve and prioritised to the writing down of existing capital debit balances and/or the redemption of high interest loan balances (which were originally drawn down for the purpose of purchasing fixed assets) and finally, if available, to the purchase of new assets. Proceeds of the sale of local authority houses are to be applied as directed by the DECLG.

9.6 Depreciation

Under the current method of accounting, the charge for depreciation is offset by the amortisation of the source of funding the asset. This method has a neutral impact on Income & Expenditure and consequently the charge for depreciation and the corresponding credit from amortisation is excluded from the Income & Expenditure Statement.

The policies applied to assets subject to depreciation are as follows:

Asset Type	Bases	Depreciation Rate
Plant & Machinery		
- Long Life	S/L	10%
- Short Life	S/L	20%
Equipment	S/L	20%
Furniture	S/L	20%
Community Assets		Nil
Library Books		Nil
Playgrounds	S/L	20%
Parks	S/L	2%
Landfill (*See Note)		
Water Assets		
- Water Schemes	S/L	Asset life over 70 years
- Drainage Schemes	S/L	Asset life over 50 years

The Council does not charge depreciation in the year of disposal and will charge a full years depreciation in the year of acquisition.

* The value of landfill sites has been included in Note 1 under land. Depreciation represents the depletion of the landfill asset.

10. Government Grants

Government grants are accounted for on an accrual basis. Grants received to cover day to day operations are credited to the Income and Expenditure Statement. Grants received, relating to the construction of assets, are shown as part of the income of work-in-progress. On completion of the project the income is transferred to a Capitalisation Account.

11. Development Debtors & Income

All Development Debtors are now included in Notes 3 and 5. Income from Development Contributions not due to be paid within the current year is deferred and shown in the balance Sheet under 'Other'. While the majority of Debt is accrued there are instances under the old Development Charges Scheme where income is accounted for on a cash basis.

12. Debt Redemption

The proceeds from the early redemption of loans by borrowers, where possible, are applied in the redemption of mortgage related borrowings from the HFA and OPW.

13. Lease Schemes

Rental payments under operating leases if any are charged to the Revenue Income and Expenditure Account. Assets acquired under a finance lease if any are included in the fixed assets. The amount due on outstanding balances is shown under current liabilities and long-term creditors.

14. Stock

Stocks are valued on an average cost basis. This basis of valuation of issues of materials from Machinery Yard Stores is the average cost plus an overhead recovery charge.

Opening stocks at 1st November, 2000 (go-live date for introduction of Agresso) have been included in the Specific Revenue Reserves in the Balance Sheet.

Credit is not given to the Urban Authorities in respect of stock balances held. Donegal County Council carries the holding costs of its stock.

15. Work-in-Progress & Preliminary Expenditure

Work-in-progress and preliminary expenditure is the accumulated historical cost of various capital related projects. The income accrued in respect of these projects is shown in the balance sheet as 'Income WIP' (Work-in-Progress).

16. Debtors and Creditors

16.1 Debtors

At the close of the financial year, debtors represent income due but not yet received.

16.2 Creditors

At the close of the financial year, creditors represent payments due in respect of goods received and services rendered but not yet paid.

17. Interest in Local Authority Companies

The Interest in the Companies listed in Appendix 8 has not been incorporated in the financial statements. As at the 31st December 2013 Donegal County Council had no shares in any companies listed in Appendix 8.

18. Affordable Housing

The accounting policy for the Affordable Housing Scheme was amended nationally for AFS 2011. The amended policy is being introduced to appropriately reflect the changing circumstances in the housing market, which impact on the scheme, including the deployment of unsold affordable homes for other purposes, including temporary use under the social leasing or RAS schemes.

From AFS 2012 the bridging finance has been brought into the relevant capital jobs. AFS 2013 will show the completion of the accounting policy change and will include the addition of the affordable housing units to the fixed asset register and inclusion in the balance Sheet.

19. General

Every effort has been made to observe the detail of the Accounting Guidelines and the Policies in terms of accounting treatment and the inclusion of all items in the accounts. Matters which may be still outstanding and these are not expected to be material relate to Development Levies. (See Note 3 earlier).

FINANCIAL ACCOUNTS

INCOME & EXPENDITURE ACCOUNT STATEMENT FOR YEAR ENDING 31st DECEMBER 2013

The Income and Expenditure Account Statement brings together all the revenue related income and expenditure. It shows the surplus/(deficit) for the year. Transfers to/from reserves are shown separately and not allocated by service division. Note 17 allocates transfers by service division in the same format as Table A of the adopted Local Authority budget.

Expenditure by Division

	Notes	Gross Expenditure	Income	Net Expenditure	Net Expenditure
		2013 €	2013 €	2013 €	2012 €
Housing & Building		13,154,560	14,441,983	(1,287,423)	(1,185,876)
Roads Transportation & Safety		40,117,581	26,667,555	13,450,026	11,131,686
Water Services		26,012,149	8,546,418	17,465,731	17,963,519
Development Management		8,131,239	1,572,824	6,558,415	6,942,253
Environmental Services		10,688,361	1,998,480	8,689,881	8,711,668
Recreation & Amenity		5,259,859	896,143	4,363,716	4,324,010
Agriculture, Education, Health & Welfare		6,266,888	4,689,497	1,577,391	1,789,071
Miscellaneous Services		17,989,988	14,199,164	3,790,824	6,830,229
Total Expenditure/Income	16	127,620,625	73,012,053		
Net cost of Divisions to be funded from Rates & Local Government Fund				54,608,572	56,506,559
Rates				21,306,610	21,331,713
Local Government Fund - General Purpose Grant				30,840,363	29,928,965
Pension Related Deduction				2,508,850	2,503,054
County Charge				2,939,944	2,939,944
Surplus/(Deficit) for Year before Transfers	17			2,987,195	197,117
Transfers from/(to) Reserves	15			(3,680,788)	(4,997,018)
Overall Surplus/(Deficit) for Year				(693,591)	(4,799,902)
General Reserve @ 1st January 2013				(17,103,245)	(12,303,343)
General Reserve @ 31st December 2013				(17,796,835)	(17,103,245)

BALANCE SHEET AT 31st DECEMBER 2013

	Notes	2013 €	2012 €
Fixed Assets	1		
Operational		599,596,442	601,659,243
Infrastructural		2,887,230,300	2,892,813,803
Community		1,450,464	1,536,467
Non-Operational		20,214,650	20,214,137
		3,508,491,855	3,516,223,649
Work in Progress and Preliminary Expenses	2	211,531,243	208,339,565
Long Term Debtors	3	73,546,941	77,305,663
Current Assets			
Stocks	4	561,048	641,168
Trade Debtors & Prepayments	5	25,806,266	26,919,346
Bank Investments		19,611,361	23,646,238
Cash at Bank		-	-
Cash in Transit		341,263	543,579
Urban Account	7	0	0
		46,319,938	51,750,332
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		2,547,476	2,125,226
Creditors & Accruals	6	26,718,413	25,008,157
Urban Account	7	-	-
Finance Leases		-	-
		29,265,889	27,133,383
Net Current Assets / (Liabilities)		17,054,048	24,616,949
Creditors (Amounts falling due after more than one year)			
Loans Payable	8	156,050,791	163,069,485
Finance Leases		-	-
Refundable deposits	9	6,184,412	5,785,710
Other		3,892,885	4,133,963
		166,128,089	172,989,158
Net Assets		3,644,495,999	3,653,496,668
Represented by			
Capitalisation Account	10	3,508,491,855	3,516,223,649
Income WIP	2	213,138,336	218,596,060
Specific Revenue Reserve		2,242,889	2,242,889
General Revenue Reserve		(17,796,835)	(17,103,245)
Other Balances	11	(61,580,246)	(66,462,687)
Total Reserves		3,644,495,998	3,653,496,667

**FUNDS FLOW STATEMENT
AS AT 31ST DECEMBER 2013**

	Note	2013 €	2013 €
REVENUE ACTIVITIES			
Net Inflow/(outflow) from operating activities	18		2,417,410
CAPITAL ACTIVITIES			
Returns on Investment & Servicing of Finance			
Increase/(Decrease) in Fixed Asset Capitalisation Funding		(7,731,794)	
Increase/(Decrease) in WIP/Preliminary Funding		(5,457,725)	
Increase/(Decrease) in Reserves Balances	19	2,659,887	
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance			(10,529,632)
Capital Expenditure & Financial Investment			
(Increase)/Decrease in Fixed Assets		7,731,794	
(Increase)/Decrease in WIP/Preliminary Funding		(3,191,678)	
(Increase)/Decrease in Agent Works Recoupable		(207,543)	
(Increase)/Decrease in Other Capital Balances	20	5,313	
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment			4,337,886
Financing			
Increase/(Decrease) in Loan Financing	21	(3,501,050)	
(Increase)/Decrease in Reserve Financing	22	2,217,241	
Net Inflow/(Outflow) from Financing Activities			(1,283,809)
Third Party Holdings			
Increase/(Decrease) in Refundable Deposits			398,702
Net Increase/(Decrease) in Cash and Cash Equivalents	23		(4,659,444)

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. Fixed Assets

	Land	Parks	Housing	Buildings	Plant & Machinery (Long & Short Life)	Computers, Furniture & Equipment	Heritage	Roads & Infrastructure	Water & Sewerage Network	Total
€	€	€	€	€	€	€	€	€	€	€
Accumulated Costs @ 1/1/2013	40,290,901	1,458,563	407,565,462	177,731,146	14,074,108	3,392,554	1,340,538	2,538,656,750	728,813,076	3,913,323,097
Additions										
- Purchased	-	-	975,500	27,798	294,125	7,872	-	-	-	1,305,295
- Transfers WIP	-	29,228	1,361,201	-	-	-	-	4,109,161	-	5,499,590
Disposals	-	-	(3,812,602)	(30,000)	(152,494)	(154,585)	-	-	-	(4,149,681)
Revaluations	-	-	25,000	-	-	-	-	-	-	25,000
Historical Cost Adjustments	513	-	105,502	32,591	-	-	-	1,826,328	118,132	2,083,067
Accumulated Costs @ 31/12/2013	40,291,414	1,487,791	406,220,063	177,761,535	14,215,739	3,245,941	1,340,538	2,544,592,239	728,931,208	3,918,086,368
Depreciation										
Depreciation @ 1/1/2013	7,710,798	1,262,635	-	-	10,373,878	3,096,115	-	-	374,656,022	397,099,448
Provision for Year	-	115,230	-	-	907,307	142,481	-	-	11,637,124	12,802,143
Disposals	-	-	-	-	(152,494)	(154,585)	-	-	-	(307,078)
Accumulated Depreciation @ 31/12/2013	7,710,798	1,377,865	-	-	11,128,691	3,084,011	-	-	386,293,147	409,594,513
Net Book Value @ 31/12/2013	32,580,616	109,926	406,220,063	177,761,535	3,087,048	161,830	1,340,538	2,544,592,239	342,638,061	3,508,491,855
Net Book Value @ 31/12/2012	32,580,103	195,928	407,565,462	177,731,146	3,700,230	296,439	1,340,538	2,538,656,750	354,157,053	3,516,223,649
Net Book Value by Category										
Operational	12,365,966	-	406,220,063	177,761,535	3,087,048	161,830	-	-	-	599,596,442
Infrastructural	-	-	-	-	-	-	-	2,544,592,239	342,638,061	2,887,230,300
Community	-	109,926	-	-	-	-	1,340,538	-	-	1,450,464
Non-Operational	20,214,650	-	-	-	-	-	-	-	-	20,214,650
Net Book Value @ 31/12/2013	32,580,616	109,926	406,220,063	177,761,535	3,087,048	161,830	1,340,538	2,544,592,239	342,638,061	3,508,491,855

The fixed assets included relate to assets purchased since 1/1/2001 and historical assets. All historical assets as at 31/12/2013 are included as far as is possible in the Annual Financial Statement for 2013. Possible exceptions are small portions of land but these are not expected to be material in the overall context of the Balance Sheet. Work continues in identifying all such assets for inclusion in future years statements. Please also refer to 'statement of accounting policies' no. 17. Where movements have occurred from WIP (Work in Progress) to Fixed Assets completed during 2013 all efforts have been made in conjunction with Directorates to ensure that these amounts have been accrued where the final accounts from suppliers/contractors were not to hand.

NOTES TO AND FORMING PART OF THE ACCOUNTS

2. Work in Progress and Preliminary Expenses

A summary of work in progress and preliminary expenditure by asset category is as follows:

	Funded 2013 €	Unfunded 2013 €	Total 2013 €	Total 2012 €
Expenditure				
Work in Progress	195,150,979	75,150,979	270,301,958	192,944,368
Preliminary Expenses	86,390,864	86,390,864	172,781,728	76,395,207
	281,541,843	161,541,843	443,083,686	269,339,575
Income				
Work in Progress	124,794,745	124,794,745	249,589,490	199,182,763
Preliminary Expenses	88,344,189	88,344,189	176,688,378	79,413,297
	213,138,934	213,138,934	426,727,868	278,596,060
Net Expended				
Work in Progress	65,956,234	50,356,234	116,312,468	(6,238,405)
Preliminary Expenses	(1,963,825)	(1,963,825)	(3,927,650)	(4,018,000)
	(1,907,891)	(1,907,891)	(3,835,300)	(10,256,405)

Every effort was made to correctly analyse capital jobs between (i) preliminary expenses (ii) work in progress and (iii) completed jobs in the capital account. However, due to the nature and volume of work involved, a best estimate of stage of completion was used in some cases. Every effort has been made with Directorate to ensure that all accruals of income and expenditure have been completed.

3. Long Term Debtors

A breakdown of the long-term debtors is as follows:

	Balance @ 1/1/2013 €	Loans 1/1/2013 €	Principal Repayments €	Equity Repayments €	Other Adjustments €	Balance @ 31/12/2013 €
Long Term Mortgage Advances*	25,153,769	176,511	(1,269,038)	(235,237)	(61,514)	25,153,769
Tenant Purchases Advances	210,713	(54,956)	(113,534)	(113,534)	(14,541)	210,713
Shared Ownership Rented Equity	8,866,579	(123)	(583,065)	(583,065)	(9,275)	8,866,579
	35,261,061	176,394	(1,866,637)	(831,836)	(85,330)	33,695,101
Voluntary Housing**	39,319,512					39,319,512
Development Levy Debtors	4,193,963					4,193,963
Inter Local Authority Loans	-					-
Long-term Investments	-					-
Cash	-					-
Interest in associated companies	-					-
Other	-					-
	43,513,475					43,513,475
	79,714,538					79,714,538
	(1,408,879)					(1,408,879)
	77,305,659					77,305,659

Less: Amounts falling due within one year (Note 5)

Total Amounts falling due after more than one year

* Includes HFA Agency Loans

** There is a corresponding creditor of €37,836,991 in respect of Voluntary Housing (see Note 8). All loan charges in respect of this loan are fully recoverable from the Department and consequently there is a zero impact on the Income and Expenditure Account.

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

A summary of stock is as follows:

	2013 €	2012 €
Central Stores	246,260	282,780
Other Depots	314,788	358,388
Total	561,048	641,168

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2013 €	2012 €
Government Debtors	3,054,808	5,662,545
Commercial Debtors	25,353,101	24,420,330
Non-Commercial Debtors	2,285,700	2,191,032
Development Levy Debtors (Note A)	726,045	659,739
Other Services	1,435,374	1,642,750
Other Local Authorities (Note B&C)	352,003	207,010
Agent Works Recoupable	1,495,344	1,287,801
Revenue Commissioners	-	-
Other	645,482	1,145,499
Add: Amounts falling due within one year (Note 3)	1,269,036	1,408,873
Total Gross Debtors	36,616,873	38,625,579
Less: Provision for Doubtful Debts (NOTE D)	(11,020,129)	(11,933,070)
Total Trade Debtors	25,596,744	26,692,508
Prepayments	209,522	226,838
	25,806,266	26,919,346

Note A

This includes both old and new scheme levies receivable. Amounts receivable greater than 1 year have been moved to Long Term Debtors (Note 3)

Note B

Inter-Authority balances between Donegal County Council and local Town Councils (Buncrana, Letterkenny and Bundoran) have in the main been reconciled, but differ due to a range of issues including cash in transit at year-end, timing differences etc

Note C

I) Balances with other Town Councils with the exception of Ballyshannon Town Council which has received a derogation from preparing its accounts on an accruals basis.

II) Recoupment of Loan Charges to/from Town Councils

Letterkenny Town Council made a contribution towards the loan charges costs on An Grianan Theatre, Donegal County Museum and also contribute 50% of the Museum operating costs.

Note D

The percentage provision for Non-Domestic Water has reduced from 42% to 30% as a result of applying a methodology based upon criteria as issued by Irish Water and applied to all Local Authorities.

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2013 €	2012 €
Trade creditors	5,771,564	6,391,465
Grants	1,215,948	161,020
Revenue Commissioners	2,593,177	2,810,816
Other Local Authorities (Note A)	142,807	54,137
Other Creditors	259,757	367,270
	8,983,253	9,784,708
Accruals	7,002,725	4,157,334
Deferred Income (Note B)	2,508,186	4,017,197
Add: Amounts falling due within one year (Note B)	8,224,249	7,048,917
	26,718,413	25,008,157

Note (A)

Inter-Authority balances between Donegal County Council and Town Councils (Buncrana, Letterkenny & Bundoran) may differ due to "cash in transit" at the year-end and timing differences.

Note (B)

Deferred Income refers to Customer Prepayments e.g. Rents.

7. Urban Account

A summary of the Intercompany account is as follows:

	2013 €	2012 €
Balance at 1 January	0	1,201,170
Charge for Year	2,939,944	2,939,944
Received/Paid	(2,939,944)	(4,141,114)
Balance at 31 December	0	0

8. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2013 €	Balance @ 31/12/2012 €
Balance @ 1/1/2013	141,121,573	578,207	28,418,622	170,118,402	156,614,774
Borrowings	2,578,520			2,578,520	23,613,846
Repayment of Principal	(3,870,816)	(157,438)	(3,636,112)	(7,763,566)	(10,215,649)
Early Redemptions	(734,972)			(734,972)	-
Other Adjustments	75,755			75,755	105,431
Balance @ 31/12/2013	139,071,759	420,772	24,782,510	164,275,041	170,118,402
Less: Amounts falling due within one year (Note 6)				8,224,249	7,048,917
Total Amounts falling due after more than one year				156,050,791	163,069,485

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2013 €	Balance @ 31/12/2012 €
Mortgage loans*	22,874,820	420,772		23,295,59	25,195,531
Non-Mortgage loans					
Asset/Grants	63,970,544		24,782,510	88,753,054	90,044,641
Revenue Funding					
Bridging Finance	2,459,188			2,459,188	2,757,666
Recoupable	2,424,610			2,424,610	3,030,763
Shared Ownership – Rented Equity	9,511,606			9,511,606	9,770,289
Inter-Local Authority					
Voluntary housing	37,836,991			37,836,991	39,319,512
	139,071,759	420,772	24,782,510	164,275,041	170,118,402
Less: Amounts falling due within one year (Note 6)				8,224,249	7,048,917
Total Amounts falling due after more than one year				156,050,791	163,069,485

* Includes HFA Agency Loans

A non-mortgage loan in the amount of €48.6 million was approved in December 2010, to address identified and quantified unfunded balances. At year end 2013, €45.1 million of this had been drawn down.

NOTES TO AND FORMING PART OF THE ACCOUNTS

9. Refundable Deposits

The movement in refundable deposits is as follows:

	2013 €	2012 €
Opening Balance at 1 January	5,785,710	5,637,077
Deposits received	601,385	266,065
Deposits repaid	(202,683)	(117,482)
Closing Balance at 31 December	5,184,412	5,785,710

Note: Short Term Refundable Deposits are included as part of Cash Investments on the Balance sheet

10. Capitalisation Account

The capitalisation account shows the funding of the assets as follows:

	Balance @ 1/1/2013 €	Purchased	Transfers WIP €	Disposals	Revaluations	Historical Cost Adj €	Balance @ 31/12/2013 €	Balance @ 31/12/2012 €
Grants	313,036,135	322,500	4,129,085	(667,602)	25,000	1,982,554	318,627,671	313,036,135
Loans	10,383,521						10,383,521	10,383,521
Revenue funded	11,547,602	35,670		(11,247)			11,572,025	11,547,602
Leases	1,785,757					513	1,786,270	1,785,757
Development Levies								-
Tenant Purchase Annuities								-
Unfunded	3,446,059,187			(2,048,917)			3,443,210,271	3,446,059,187
Historical	130,510,895		1,970,505	(421,915)		100,000	132,506,610	130,510,895
Other		947,125						
Total Gross Funding	3,913,323,097	1,305,295	5,499,590	(4,149,681)	25,000	2,083,067	3,918,086,368	3,913,323,097
Less: Amortised							(409,594,518)	(397,099,448)
Total *							3,508,491,855	3,516,223,649

* Must agree with note 1

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Other Balances

A breakdown of other balances is as follows:

Note	Balance @ 1/1/2013	Capital re-classification*	Expenditure	Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	Balance @ 31/12/2013	Balance @ 31/12/2012
	£	£	£	£	£	£	£	£	£
Tenant Purchase Annuities									
- Realised	4,865,490		27,819	1,552,103		412,440	(183,738)	5,923,596	4,865,490
- Unrealised	255,628		(73,024)	(73,024)				(12,593)	255,628
Development Levies									
(c)	11,398,390		6,576	1,341,076			(5,045,017)	7,998,873	11,398,390
Unfunded Balances									
- Project Balances	(1,674,577)	69,078	(72,131)	(624,028)	89,698		306,598	(1,557,891)	(1,675,577)
- Non-Project Balances	338,428	20,238	616,135	163,397	(3,587)		(11,209)	(6,911)	338,428
Funded Balances									
- Project Balances	1,087,287	(69,078)	(163,545)	(1,118,846)	(23,782)	13,222	50,475	77,829	1,087,287
- Non-Project Balances	5,614,316	823,970	(15,434,541)	(42,133,538)	706,677	25,605	2,078,453	7,174,861	5,614,316
Voluntary & Affordable Housing Balances									
- Voluntary Housing	328,482		332,704	376,638				352,677	328,482
- Affordable Housing	678,537		34,402	(339,4)			(93)	306,301	678,537
Other Balances									
- Assets	(90,728)		15,340	2,400			(74,747)	(178,415)	(90,728)
- Insurance Fund									
- General									
Net Capital Balances	6,858,718	12,169	(12,169)	6,331,697	134,617	1,231,271	16,148	12,100,730	6,858,718
	29,658,951	844,255	(17,418,271)	(22,833,765)	654,633	1,887,015	(2,324,801)	32,324,151	29,658,951
								(62,650,652)	
								(473,645)	
								(94,104,397)	(95,033,070)
								(61,580,246)	(488,569)
								(66,462,687)	

Total Other Balances

* represents a change in the status and/or funding of opening capital balances

- Note (a) Accrued Repayments of annuities by borrowers who have purchased local authority houses.
 Note (b) Future repayments of annuities by borrowers, not yet due, who have purchased local authority houses.
 Note (c) Development contributions to be applied to either specific or general developments.
 Note (d) Balances relating to completed asset codes for which funding has yet to be identified.
 Note (e) Balances relating to capital codes not resulting in assets for which funding has yet to be identified.
 Note (f) Balances relating to completed asset codes for which funding has been identified but not yet received.
 Note (g) Balances relating to capital codes not resulting in assets for which funding has been identified but not yet received.
 Note (h) Relates to reserves provisions and advance funding for future Local Authority assets.
 Note (i) Relates to reserves provisions for future insurance liabilities.
 Note (j) Relates to reserve provisions and miscellaneous credit balances.
 Note (k) Both the principal and interest of non-mortgage loans are funded through the Income and Expenditure account. This represents the outstanding principal on all such loans.
 Note (l) Similar to (k), it represents the future lease liability that remains to be funded.
 Note (m) Relates to the funding position on the Mortgage Loan book on change to Balance Sheet accounting, net of limiting differences and subsequent write offs to Revenue.
 Note (n) Under the shared ownership scheme both the equity element and the corresponding borrowings are indexed linked to the CPI.
 Note (o) This reserve represents the cumulative difference between the value of both indexations and can be attributed mainly to limiting differences. Provision has not been made in the Annual Financial Statement in respect of the associated commitments/liabilities for the spending of these development contributions.

NOTES TO AND FORMING PART OF THE ACCOUNTS

12. Capital Account Analysis

The capital account has been de-aggregated and is comprised of the following accounts in the balance sheet:

	2013 €	2012 €
Net WIP & Preliminary Expenses (Note 2)	1,607,093	10,256,496
Net Capital Balances (Note 11)	32,624,151	29,862,556
Agent Works Recoupable (Note 5)	(1,495,844)	(1,287,801)
Capital Balance Surplus/(Deficit) @ 31 December	32,635,900	38,831,251

A summary of the changes in the Capital account (see Appendix 6) is as follows:

	2013 €	2012 €
Opening Balance @ 1 January	38,827,646	15,697,733
Expenditure	43,866,847	55,368,107
Income		
- Grants	30,966,168	47,591,793
- Loans	2,400,000	26,176,711
- Other	5,367,605	6,664,398
Total Income	38,733,773	80,432,902
Net Revenue Transfers	(1,058,672)	(1,934,882)
Closing Balance @ 31 December	32,635,900	38,827,646

13. Mortgage Loan Funding Surplus/(Deficit)

The mortgage loan funding position on the balance sheet is as follows:

	2013 €	2013 €	2013 Total €	2012 Total €
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	23,706,442	9,234,118	32,940,560	35,050,348
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 8)	(23,295,591)	(9,511,606)	(32,807,197)	(34,965,820)
Surplus/(Deficit) in Funding @ 31st December	410,851	(277,488)	133,363	84,528

€

NOTE: Cash on Hand relating to Redemptions and Relending

14. Summary of Plant & Materials Account

A summary of the operations of the Plant & Machinery account is as follows:

	2013 €	2013 €	2013 Total €	2012 Total €
Expenditure				
Charged to Jobs	(4,045,635)	(310,658)	(4,356,293)	(5,006,181)
	3,784,289	349,751	4,134,040	3,891,506
	(261,346)	39,093	(222,253)	(1,114,675)
Transfers from/(to) Reserves	(500,000)		(500,000)	470,253
Surplus/(Deficit) for the Year	(761,346)	39,093	(722,253)	(644,422)

All Surpluses/(Deficits) are credited/debited to the Income & Expenditure Account in accordance with Departmental Regulations in determining the final outcome in respect of the Income & Expenditure Account for AFS 2013.

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. Transfers from/(to) Reserves

A summary of transfers to/from Reserves is as follows:

	2013 Transfers from Reserves €	2013 Transfers to Reserves €	2013 Net Reserves €	2012 Reserves €
Loan Repayment Reserve (Note A)		(3,117,006)	(3,117,006)	(5,680,143)
Lease Repayment Reserve				(1,207)
Historical Mortgage Funding Write-off				-
Development Levies				-
Other (Note B)	464,297	(1,028,077)	(563,780)	684,332
Surplus/(Deficit) for Year	464,297	(4,145,083)	(3,680,786)	(4,997,018)

Note (A)

This represents the capital element of non-mortgage loan repayments made in 2013.

Note (B)

This represents the element of Fixed Assets (both purchased and non-purchased ie. non-purchased means assets constructed by the Council) funded through Revenue in 2013.

16. Analysis of Revenue Income

A summary of the major sources of revenue income is as follows:

Appendix No	2013		2012	
	€	%	€	%
Grants & Subsidies	35,536,816	27%	40,255,248	30%
Contributions from other local authorities	1,966,070	2%	1,675,409	1%
Goods & Services	35,509,167	27%	35,448,260	26%
	73,012,053	56%	77,378,917	58%
Local Government Fund - General Purpose Grant	30,840,363	24%	29,928,965	22%
Pension Related Deduction	2,508,850	2%	2,503,054	2%
Rates	21,306,610	16%	21,331,713	16%
County Charge	2,939,944	2%	2,939,944	2%
Total Income	130,607,821	100%	134,082,592	100%

NOTES TO AND FORMING PART OF THE ACCOUNTS

17. Over/Under Expenditure

The following table shows the difference between the adopted estimates and the actual outturn in respect of both expenditure and income:

	EXPENDITURE				INCOME				NET (Over)/Under Budget 2013 €	
	Excluding Transfers 2013 €	Transfers 2013 €	Including Transfers 2013 €	Budget 2013 €	(Over)/Under Budget 2013 €	Excluding Transfers 2013 €	Transfers 2013 €	Including Transfers 2013 €		Budget 2013 €
Housing & Building	13,154,560	180,867	13,335,427	13,694,099	358,672	14,441,983	458,592	14,900,575	15,066,896	(166,321)
Roads Transportation & Safety	40,117,581	246,993	40,364,573	41,717,773	1,353,199	26,667,555	5,705	26,673,260	26,828,745	(155,485)
Water Services	26,012,149	146,043	26,158,192	26,666,483	2,508,291	8,546,418	-	8,546,418	11,725,199	(3,178,781)
Development Management	8,131,239	873,207	9,004,446	9,478,774	474,328	1,572,824	-	1,572,824	1,470,219	102,605
Environmental Services	10,688,361	812,566	11,500,927	11,603,592	102,665	1,998,480	-	1,998,480	1,815,531	182,949
Recreation & Amenity	5,259,859	200,844	5,460,703	5,531,023	70,320	896,143	-	896,143	876,011	20,132
Agriculture, Education, Health & Welfare	6,266,888	921,978	7,188,866	7,311,295	122,428	4,669,497	-	4,669,497	4,551,338	138,159
Miscellaneous Services	17,989,986	782,585	18,772,573	17,766,470	(986,103)	14,199,154	-	14,199,154	15,811,242	(1,612,089)
Total Divisions	127,620,625	4,145,083	131,765,708	135,769,510	4,003,802	73,012,053	464,297	73,476,350	79,145,181	(4,668,831)
Local Government Fund - General Purpose Grant	-	-	-	-	-	30,840,363	-	30,840,363	30,840,363	0
Pension Related Deduction	-	-	-	-	-	2,508,650	-	2,508,650	2,500,000	8,650
Rates	-	-	-	-	-	21,306,610	-	21,306,610	21,344,022	(37,412)
County Charge	-	-	-	-	-	2,939,944	-	2,939,944	2,939,944	-
Dr/Cr Balance	127,620,625	4,145,083	131,765,708	135,769,510	4,003,802	130,607,821	464,297	131,072,118	135,769,510	(4,697,392)
(Deficit)/Surplus for Year										(692,591)

NOTES TO AND FORMING PART OF THE ACCOUNTS

2013
€

18. Net Cash Inflow/(Outflow) from Operating Activities

Operating Surplus/(Deficit) for Year	(693,591)
(Increase)/Decrease in Stocks	80,120
(Increase)/Decrease in Trade Debtors	1,113,080
Non operating activity in Trade Debtors (Agent Works)	207,543
Increase/(Decrease) in Creditors Less than One Year	1,710,257
(Increase)/Decrease in Urban Account	-
	<u>2,417,410</u>

19. Increase/(Decrease) in Reserve Balances

Increase/(Decrease) in Tenant Purchase Annuities	885,077
Increase/(Decrease) in Development Contributions	(3,409,517)
Increase/(Decrease) in Other Reserve Balances	5,184,326
	<u>2,659,887</u>

20. (Increase)/Decrease in Other Capital Balances

(Increase)/Decrease in Project Balances - Funded	(1,024,329)
(Increase)/Decrease in Project Balances - Unfunded	332,578
(Increase)/Decrease in Non Project Balances - Funded	1,360,545
(Increase)/Decrease in Non Project Balances - Unfunded	(345,339)
(Increase)/Decrease in Voluntary Housing Balances	24,194
(Increase)/Decrease in Affordable Housing Balances	(342,336)
	<u>5,313</u>

21. Increase/(Decrease) in Loan Financing

(Increase)/Decrease in Long Term Debtors	3,758,722
Increase/(Decrease) in Mortgage Loans	(1,899,940)
Increase/(Decrease) in Asset/Grant Loans	(1,291,587)
Increase/(Decrease) in Revenue Funding Loans	-
Increase/(Decrease) in Bridging Finance Loans	(304,478)
Increase/(Decrease) in Recoupable Loans	(606,153)
Increase/(Decrease) in Shared Ownership Rented Equity Loans	(258,683)
Increase/(Decrease) in Inter-Local Authority Loans	-
Increase/(Decrease) in Voluntary Housing Loans	(1,482,521)
Increase/(Decrease) in Finance Leasing	-
(Increase)/Decrease in Portion Transferred to Current Liabilities	(1,175,332)
Increase/(Decrease) in Long Term Creditors - Deferred Income	(241,078)
	<u>(3,501,050)</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

2013

€

22. (Increase)/Decrease in Reserve Financing

(Increase)/Decrease in Specific Revenue Reserve	-
(Increase)/Decrease in Non-Mortgage Loan Principal to be Amortised	2,202,217
(Increase)/Decrease in Lease Repayment Principal to be Amortised	-
(Increase)/Decrease in Historical Mortgage Funding Surplus/Deficit	-
(Increase)/Decrease in Shared Ownership Rented Equity Account	15,024
(Increase)/Decrease in Reserves in Associated Companies	-
	<u>2,217,241</u>

23. Analysis of Changes in Cash & Cash Equivalents

Increase/(Decrease) in Bank Investments	(4,034,877)
Increase/(Decrease) in Cash at Bank/Overdraft	(422,250)
Increase/(Decrease) in Cash in Transit	(202,317)
	<u>(4,659,444)</u>

APPENDICES

**APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2013**

	2013 G	2012 €
Payroll Expenses		
Salary & Wages	40,136,705	50,133,197
Pensions (incl Gratuities)	7,446,698	2,248,575
Other costs	6,164,794	5,798,151
Total	53,748,197	58,179,924
Operational Expenses		
Purchase of Equipment	1,199,197	1,032,155
Repairs & Maintenance	2,024,815	2,248,467
Contract Payments	12,639,266	9,996,454
Agency services	2,979,051	3,193,125
Machinery Yard Charges incl Plant Hire	9,355,428	8,172,754
Purchase of Materials & Issues from Stores	12,095,801	12,016,433
Payment of Grants	5,473,039	7,266,971
Members Costs	300,675	302,436
Travelling & Subsistence Allowances	1,749,927	1,502,707
Consultancy & Professional Fees Payments	1,448,166	1,173,464
Energy Costs	5,041,992	5,346,227
Other	5,594,005	5,296,384
Total	59,910,377	57,547,576
Administration Expenses		
Communication Expenses	665,468	910,102
Training	515,059	793,222
Printing & Stationery	200,621	230,301
Contributions to other Bodies	1,267,252	1,085,879
Other	1,313,476	1,231,659
Total	4,161,866	4,251,162
Establishment Expenses		
Rent & Rates	1,655,259	1,578,569
Other	523,309	443,696
Total	2,184,568	2,022,265
Financial Expenses	6,892,358	11,707,997
Miscellaneous Expenses	752,764	176,551
Total Expenditure	127,620,625	133,885,475

**APPENDIX 2
SERVICE DIVISION A
HOUSING and BUILDING**

DIVISION	EXPENDITURE	INCOME					TOTAL €
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €			
A01	Maintenance/Improvement of LA Housing	3,337,447	115,817	448,709	-	564,525	
A02	Housing Assessment, Allocation and Transfer	1,103,788	-	80,724	267	80,991	
A03	Housing Rent and Tenant Purchase Administration	1,144,742	202,296	8,274,838	-	8,477,133	
A04	Housing Community Development Support	189,954	-	6,683	-	6,683	
A05	Administration of Homeless Service	256,701	115,510	3,207	2,080	120,796	
A06	Support to Housing Capital & Affordable Prog.	2,034,337	1,061,761	170,912	16,677	1,249,349	
A07	RAS Programme	3,230,186	2,632,711	720,557	-	3,353,268	
A08	Housing Loans	1,224,674	128,481	794,130	-	922,612	
A09	Housing Grants	787,370	-	99,017	-	99,017	
A11	Agency & Recoupable Services	26,228	26,199	-	-	26,199	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		13,335,427	4,282,774	10,598,777	19,024	14,900,575	
Less Transfers to/from Reserves		180,867		458,592		458,592	
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		13,154,560		10,140,185		14,441,983	

**APPENDIX 2
SERVICE DIVISION B
ROAD TRANSPORTATION and SAFETY**

DIVISION	EXPENDITURE	INCOME				TOTAL €
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
B01 NP Road - Maintenance and Improvement	1,668,867	1,316,075	26,965	1,792	1,344,832	
B02 NS Road - Maintenance and Improvement	1,556,824	1,053,451	23,793	-	1,077,244	
B03 Regional Road - Maintenance and Improvement	12,229,382	7,304,754	755,674	37,630	8,098,058	
B04 Local Road - Maintenance and Improvement	20,944,653	15,137,885	382,532	17,915	15,538,332	
B05 Public Lighting	1,933,919	-	186	32,260	32,446	
B06 Traffic Management Improvement	77,469	-	2,947	-	2,947	
B07 Road Safety Engineering Improvement	82,517	-	16,675	-	16,675	
B08 Road Safety Promotion/Education	211,151	-	6,053	-	6,053	
B09 Maintenance & Management of Car Parking	494,410	-	357,780	-	357,780	
B10 Support to Roads Capital Prog.	882,128	-	131,644	-	131,644	
B11 Agency & Recoupable Services	283,253	-	57,980	9,268	67,248	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	40,364,573	24,812,164	1,762,231	98,865	26,673,260	
Less Transfers to/from Reserves	246,993		5,705		5,705	
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	40,117,581		1,756,526		26,667,555	

**APPENDIX 2
SERVICE DIVISION C
WATER SERVICES**

DIVISION	EXPENDITURE	INCOME					TOTAL
		State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	€	€	
C01	Operation and Maintenance of Water Supply	-	806,226	307,000	1,113,226		
C02	Operation and Maintenance of Waste Water Treatment	307,219	306,916	-	614,136		
C03	Collection of Water and Waste Water Charges	-	6,113,685	-	6,113,685		
C04	Operation and Maintenance of Public Conveniences	-	5,589	-	5,589		
C05	Admin of Group and Private Installations	125,553	1,230	-	126,782		
C06	Support to Water Capital Programme	-	85,035	-	85,035		
C07	Agency & Recoupable Services	253,059	130,939	103,967	487,965		
	SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	685,831	7,449,621	410,967	8,546,418		
	Less Transfers to/from Reserves		-		-		
	SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		7,449,621		8,546,418		

APPENDIX 2

SERVICE DIVISION D
DEVELOPMENT MANAGEMENT

DIVISION	EXPENDITURE	INCOME				TOTAL
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €	
D01 Forward Planning	777,565	17,000	31,040	189,409	237,449	
D02 Development Management	2,311,000	-	490,701	182,570	673,271	
D03 Enforcement	1,110,841	-	37,517	-	37,517	
D04 Op & Mtce of Industrial Sites & Commercial Facilities	1,644	-	-	-	-	
D05 Tourism Development and Promotion	223,712	-	5,173	-	5,173	
D06 Community and Enterprise Function	2,534,338	24,510	213,481	-	237,991	
D07 Unfinished Housing Estates	4,884	-	-	-	-	
D08 Building Control	112,108	-	56,881	-	56,881	
D09 Economic Development and Promotion	1,340,872	-	90,836	13,512	104,348	
D10 Property Management	50,216	-	1,213	-	1,213	
D11 Heritage and Conservation Services	94,316	-	3,704	4,582	8,286	
D12 Agency & Recoupable Services	442,950	-	210,696	-	210,696	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	9,004,446	41,510	1,141,241	390,073	1,572,824	
Less Transfers to/from Reserves	873,207					
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	8,131,239		1,141,241		1,572,824	

**APPENDIX 2
SERVICE DIVISION E
ENVIRONMENTAL SERVICES**

DIVISION	EXPENDITURE	INCOME				TOTAL €
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €	
E01	Operation, Maintenance and Aftercare of Landfill	1,719,235	-	13,288	-	13,288
E02	Op & Mtce of Recovery & Recycling Facilities	584,075	166,272	103,845	-	270,117
E03	Op & Mtce of Waste to Energy Facilities	-	-	-	-	-
E04	Provision of Waste to Collection Services	39,843	-	-	-	-
E05	Litter Management	1,131,356	40,500	53,480	-	93,980
E06	Street Cleaning	-	-	-	-	-
E07	Waste Regulations, Monitoring and Enforcement	330,379	242,754	67,107	-	309,861
E08	Waste Management Planning	475	-	-	-	-
E09	Maintenance and Upkeep of Burial Grounds	23,504	-	743	-	743
E10	Safety of Structures and Places	536,833	82,124	15,335	-	97,459
E11	Operation of Fire Service	5,677,842	9,505	426,009	89	435,603
E12	Fire Prevention	376,674	-	213,696	38	213,734
E13	Water Quality, Air and Noise Pollution	1,080,710	475,792	87,903	-	563,695
E14	Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		11,500,927	1,016,947	981,407	127	1,998,480
Less Transfers to/from Reserves		812,566				
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		10,688,361		981,407		1,998,480

APPENDIX 2

SERVICE DIVISION F
RECREATION and AMENITY

DIVISION	EXPENDITURE TOTAL €	INCOME				TOTAL €
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
F01 Operation and Maintenance of Leisure Facilities	222,924	-	29,512	-		29,512
F02 Operation of Library and Archival Service	3,388,251	30,000	187,936	-		217,936
F03 Op, Mice & Imp of Outdoor Leisure Areas	200,091	-	2,825	-		2,825
F04 Community Sport and Recreational Development	2,063	-	-	-		-
F05 Operation of Arts Programme	1,647,374	329,058	108,076	208,736		645,870
F06 Agency & Recoupable Services	-	-	-	-		-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	5,460,703	359,058	328,349	208,736		896,143
Less Transfers to/from Reserves	200,844					-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	5,259,859		328,349			896,143

APPENDIX 2

SERVICE DIVISION G
 AGRICULTURE, EDUCATION, HEALTH and WELFARE

DIVISION	EXPENDITURE TOTAL €	INCOME				TOTAL €
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
G01 Land Drainage Costs	22,707	-	2,055	-		2,055
G02 Operation and Maintenance of Piers and Harbours	2,046,770	-	87,486	-		87,486
G03 Coastal Protection	-	-	-	-		-
G04 Veterinary Service	597,031	34,181	466,842	-		501,023
G05 Educational Support Services	4,522,357	4,075,546	23,387	-		4,098,933
G06 Agency & Recoupable Services	-	-	-	-		-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	7,188,866	4,109,727	579,770	-		4,689,497
Less Transfers to/from Reserves	921,978					
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	6,266,888		579,770			4,689,497

APPENDIX 2
SERVICE DIVISION H
MISCELLANEOUS SERVICES

DIVISION	EXPENDITURE TOTAL €	INCOME				TOTAL €
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
H01 Profit/Loss Machinery Account	5,875,368	-	4,968,919	-		4,968,919
H02 Profit/Loss Stores Account	310,658	-	349,751	-		349,751
H03 Administration of Rates	3,843,580	-	216,158	-		216,158
H04 Franchise Costs	241,402	-	7,770	-		7,770
H05 Operation of Morgue and Coroner Expenses	308,239	-	900	-		900
H06 Weighbridges	471	-	-	-		-
H07 Operation of Markets and Casual Trading	7,600	-	7,537	-		7,537
H08 Malicious Damage	-	-	-	-		-
H09 Local Representation/Civic Leadership	936,663	-	-	-		-
H10 Motor Taxation	1,997,776	39,858	51,929	-		91,787
H11 Agency & Recoupable Services	5,330,816	188,948	7,529,107	838,278		8,556,334
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	18,752,573	228,806	13,132,069	838,278		14,199,154
Less Transfers to/from Reserves	762,585		-			-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	17,989,988		13,132,069			14,199,154
TOTAL ALL DIVISIONS	127,620,625	35,536,816	35,509,167	1,966,070		73,012,053

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2013 €	2012 €
Department of the Environment, Heritage and Local Government		
Road Grants	-	-
Housing Grants & Subsidies	4,221,493	4,605,414
Library Services	5,000	-
Local Improvement Schemes	-	-
Urban and Village Renewal Schemes	-	-
Water Services Group Schemes	637,291	522,553
Environmental Protection/Conservation Grants	908,642	20,000
Miscellaneous	132,220	466,643
	5,954,643	5,614,610
Other Departments and Bodies		
Road Grants	24,329,100	24,113,540
Higher Education Grants	4,075,546	6,025,182
VEC Pensions and Gratuities	-	3,867,384
Community Employment Schemes	-	-
Civil Defence	75,749	93,270
Miscellaneous	501,773	483,281
	29,532,169	34,582,658
Total	35,536,816	40,197,268

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2013	2012
	€	€
Rents from Houses	8,750,044	8,500,073
Housing Loans Interest & Charges	979,216	1,150,314
Domestic Water	-	-
Commercial Water	6,102,915	6,515,545
Domestic Refuse	-	-
Commercial Refuse	-	-
Domestic Sewerage	(113,713)	113,713
Commercial Sewerage	203,526	-
Planning Fees	362,503	341,274
Parking Fines/Charges	344,537	375,986
Recreation & Amenity Activities	831	991
Library Fees/Fines	63,531	87,304
Agency Services	163,493	70,691
Pension Contributions	2,249,293	2,286,649
Property Rental & Leasing of Land	443,693	698,369
Landfill Charges	140	1,682,843
Fire Charges	601,636	494,050
NPPR	4,174,530	3,927,320
Misc. (Detail)	11,116,774	9,203,140
	35,460,034	35,448,260

APPENDIX 5 SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2013	2012
	€	€
EXPENDITURE		
Payment to Contractors	19,527,403	34,431,929
Purchase of Land	3,577,253	1,491,641
Purchase of Other Assets/Equipment	427,791	1,271,033
Professional & Consultancy Fees	3,433,334	4,133,300
Other	16,901,056	14,040,205
Total Expenditure (Net of Internal Transfers)	43,866,847	55,368,107
Transfers to Revenue	2,000,046	2,653,354
Total Expenditure (Incl Transfers) *	45,866,893	58,021,461
INCOME		
Grants	30,966,163	47,591,793
Non - Mortgage Loans	2,400,000	26,176,711
Other Income		
(a) Development Contributions	1,627,333	2,604,193
(b) Property Disposals		
- Land	2,400	28,000
- LA Housing	1,433,056	1,047,679
- Other property	-	45,125
(c) Purchase Tenant Annuities	23,323	46,540
(d) Car Parking	-	-
(e) Other	2,275,932	2,892,861
Total Income (Net of Internal Transfers)	38,733,773	80,432,902
Transfers from Revenue	941,574	718,472
Total Income (Incl Transfers) *	39,675,347	81,151,374
Surplus\ (Deficit) for year	(6,191,546)	23,129,913
Balance (Debit)\Credit @ 1 January	33,827,646	15,697,733
Balance (Debit)\Credit @ 31 December	32,635,900	38,827,646

* Excludes internal transfers, includes transfers to and from Revenue account

**APPENDIX 6
ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT**

	BALANCE @		EXPENDITURE				INCOME				TRANSFERS			BALANCE @
	1/1/2013	31/12/2013	Grants	Non-Mortgage Loans*	Other	Total Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	31/12/2013				
	€	€	€	€	€	€	€	€	€	€	€	€	€	
Housing & Building	7,037,059	7,230,183	2,683,607	-	2,070,824	4,753,981	66,000	763,070	(284,097)	7,230,183				
Road Transportation & Safety	3,363,384	686,374	10,378,116	-	105,697	10,483,813	92,631	5,705	42,387	686,374				
Water Services	8,908,001	8,421,333	6,987,427	(0)	1,136,268	8,123,695	25,000	1,231,271	4,239,161	8,421,333				
Development Management	12,625,340	9,192,194	387,068	-	1,647,409	2,034,476	-	-	(5,044,017)	9,192,194				
Environmental Services	(88,964)	(495,669)	79,989	500,000	-	579,989	7,872	-	-	(495,669)				
Recreation & Amenity	(3,201,625)	(2,526,357)	10,253,391	1,900,000	405,607	12,558,999	53,813	-	1,126,754	(2,526,357)				
Agriculture, Education, Health & Welfare	67,262	(61,879)	88,741	-	-	88,741	105,532	-	-	(61,879)				
Miscellaneous Services	10,113,188	10,189,742	107,829	-	2,400	110,229	590,526	-	(80,188)	10,189,742				
TOTAL	38,827,646	32,635,900	30,866,168	2,400,000	5,367,605	38,733,773	941,374	2,000,046	0	32,635,900				

Note: Mortgage-related transactions are excluded

APPENDIX 7

Summary of Major Revenue Collections for 2013

	Arrears @ 1/1/2013 €	Accrued €	Write Off €	Waivers €	Total for Collection €	Collected €	Arrears @ 31/12/2013 €	% Collected*
Rates	10,146,835	21,306,610	2,536,979	-	28,916,466	16,828,925	12,087,541	58%
Rents & Annuities	1,115,129	8,827,773	38,148	-	9,904,754	8,707,091	1,197,663	88%
Commercial Water	11,289,265	7,245,261	1,311,657	-	17,222,869	7,196,093	10,026,776	42%
<u>Refuse</u>								
Domestic	-	-	-	-	-	-	-	0%
Commercial	575,792	(81)	-	-	575,711	63,166	512,544	11%
Housing Loans	1,053,141	2,056,025	5,303	-	3,103,863	2,045,555	1,058,308	66%

Note 1 The total for collection in 2013 includes arrears b/wrd at 1/1/2013. This will tend to reduce the % collected for 2013

Note 2 Rental income from Shared Ownership has been included under Housing Loans

Note 3 Income from Tenant Purchase Annuities has been included under Rents & Annuities

Note 4 Arrears brought forward is shown net of credit balances.

Appendix 8

Interest of Local Authorities in Companies

Compiled from information provided directly by the various Directorates within the
County Council

APPENDIX 8

INTEREST OF LOCAL AUTHORITIES IN COMPANIES

Where a local authority as a corporate body or its members or officers, by virtue of their office have an interest in a company (controlled, jointly controlled and associated), the following disclosures should be made for each entity:

Name of Company	Proportion of ownership interest	Consolidated in Local Authority accounts (Y/N)	Total Assets	Total Liabilities	Revenue	Expenditure	Cumulative Surplus/Deficit	Reporting date of financial statements
Abbey Centre Management Company Ltd.	Ltd by Guarantee	N	46,130	74,435	84,682	79,573	-17,854	31/12/2012
Ballyshannon Leisure Centre Management Ltd	Ltd by Guarantee	N	20,224	20,224	435,944	435,944	0	31/12/2012
Donegal Community & Cultural Development Company Ltd	Ltd by Guarantee	N	3,944,145	4,020,021	244,963	250,306	-75,876	31/03/2012
County Donegal Tourism Ltd.	Ltd by Guarantee 3 DCC officials on Board & 1 is Company Secretary.	N	20,180	21,659	41,500	44,475	-1,479	31/12/2012
Earagail Arts festival Management Company Ltd	Ltd by Guarantee	N	95,791	7,870	602,360	591,224	87,921	31/12/2013
Ernact EEIG	50%	N	490,371	448,722	410,973	426,122	0	31/12/2013
Finn Valley Swimming Pool Ltd	Limited by Guarantee (6 of 12 Directors)	N	1,079,169	1,081,382	0	2,213	-2,213	30/04/2012
Fort Dunree Military Museum Company Ltd	Ltd by Guarantee. DCC Members on the Board.	N	1,223,712	607,382	146,437	191,062	616,330	31/12/2012
Letterkenny Theatre Management Company Ltd	Ltd by Guarantee. DCC Members & an official on the Board. Annual contribution paid.	N						
NWRCBG	Membership-6 Elected Members & 1 Council official.	N	119,957	198,303	1,350,198	1,347,303	-78,346	31/12/2013
			143,612	93,410	478,032	521,920	50,203	31/12/2013

APPENDIX 9

**Report to the Elected Members on 28th April 2014
including detailed analysis of Income and
Expenditure by Division**

A/1 (2013)

TO: MÉARA & EACH MEMBER OF DONEGAL COUNTY COUNCIL

Re: Authorisation of Donegal County Council to exceed the Revised Revenue Budget in the Local Financial Year ended the 31st December 2013

The following table, for the information of Members, sets out the Adopted Budget for 2013 and its revision following increased/decreased funding across Service Divisions and changes in allocations on a contra basis during 2013.

Table 1

	Expenditure	Income
Adopted Budget 2013	133,123,468	133,123,468
Revised Budget 2013	135,769,510	135,769,510
Movement - Increase	2,646,042	2,646,042

Section 104, Part 12 of the Local Government Act 2001 requires Local Authorities to seek the authorisation of the Elected Council to exceed the Adopted Budget except in certain defined circumstances such as emergencies or where specific extra funding by way of additional grants is made available. In this report, Table 2 overleaf, I set out the gross income and gross expenditure for each Division for the local financial year ended 31st December 2013. The income and expenditure outturn represents a dis-improvement of €693,591 for the Local Financial Year.

This means the accumulated revenue deficit (*General Reserve*) has increased to €17,796,835 at the end of 2013, compared to €17,103,244 at the end of 2012. The reason for the net dis-improvement in 2013 is set out individually under each Division heading in this report as is the movement from the Adopted to Revised Budget in Table 1 above.

Table 2

Actual Gross Expenditure & Income for year ended 31st December 2013

Service Division	Gross Expenditure 2013	Gross Income 2013	Net Variance 2013
	€	€	€
Housing & Building	13,335,427	14,900,575	1,565,148
Road Transport & Safety	40,364,573	26,673,260	(13,691,313)
Water Services	26,158,192	8,546,418	(17,611,774)
Development Management	9,004,446	1,572,824	(7,431,622)
Environmental Services	11,500,927	1,998,480	(9,502,447)
Recreation & Amenity	5,460,703	896,143	(4,564,560)
Agriculture, Education, Health & Welfare	7,188,866	4,689,497	(2,499,369)
Miscellaneous Services	18,752,573	14,199,154	(4,553,419)
Local Government Fund		30,840,363	30,840,363
Pension Related Deduction		2,508,850	2,508,850
Rates		21,306,610	21,306,610
County Charge		2,939,944	2,939,944
Total	131,765,707	131,072,118	(693,589)

*Standard rounding rules have been applied.

	€
Opening Accumulated Revenue Position @ 1st January 2013	(17,103,244) Dr.
Dis-improvement for the year 2013	(693,591) Dr.
Closing Accumulated Revenue Position @ 31st December 2013	(17,796,835) Dr.

*Standard rounding rules have been applied.

Comment

The dis-improvement is accounted for in detail from Page 4 of this report, however, there are a number of main headings that account for the net dis-improvement.

- Water Charges, under-realisation of accrual in the sum of €1.762m.
- Under realisation of income from DBO Grant of €1.578m
- Rates increase in general provision for bad and doubtful debts of €0.634m.
- Under realisation of targeted Revenue expenditure appropriately chargeable to capital for payroll and minor contract works in the amount of €1.766m.
- Under expenditure in Water Services division (€0.712m).
- Reduction in provision for Bad/Doubtful Debts of (€1.795m)
- Under expenditure on Road Maintenance and Improvements (€1.370m).
- Under Expenditure in Housing (Div. A) (€0.605m).
- Under Expenditure in Planning (Div. D) (€0.474m).

This report now sets out the final outturn on our Revenue Income & Expenditure Account for 2013.

Detailed Report

Table 3, overleaf, shows the outturn - surplus or (deficit) - for both Expenditure and Income as against the Revised Budget by Division and General Purpose Funding sources.

Initially in this report we have to deal with the legal requirement, which is that the Elected Members are required to approve the actual gross expenditure against the Revised Budget and consider those Divisions where gross expenditure exceeds the Revised Budget for that Division.

Resolution Required

The Gross Expenditure in Division H exceeds Revised Budget and, therefore, I hereby am seeking the approval of the Council's Elected Members as appropriate to the actual gross expenditure figure of €131,765,707 as set out on Table 2, Page 2 when compared to the Revised Budget of €135,769,510 (Adopted Budget as amended by net increases in funding received for 2013) for all Divisions in accordance with Subsection 7 of Section 104 of the Local Government Act, 2001.

The total Revised Budget is the Adopted Budget of €133,123,468 plus/minus grant adjustments notified as well as other amounts amounting to a net increase of €2,646,042 giving a total Revised Budget of €135,769,510.

This is reflected as originally budgeted plus or minus adjustments in each Division in arriving at the figures for (over)/under expenditure or over/(under-realisation) of income as shown in Table 3. These adjustments are set out in detail for each Division in this report and the outturn figures both for Expenditure & Income for each Division are explained.

Table 3

	Service Division	2013 Expenditure (over)/under Revised Budget	2013 Income over/(under) Revised Budget	2013 Net Position	See Page Nos. for detail
		€	€	€	
A	Housing & Building	358,672	(166,321)	192,351	10-13
B	Road Transport & Safety	1,353,199	(155,485)	1,197,714	14-17
C	Water Services	2,508,291	(3,178,781)	(670,490)	18-21
D	Development Management	474,328	102,605	576,933	22-25
E	Environmental Services	102,665	182,949	285,614	26-29
F	Recreation & Amenity	70,320	20,132	90,452	30-32
G	Agriculture, Education, Health & Welfare	122,429	138,159	260,588	33-34
H	Miscellaneous Services	(986,103)	(1,612,089)	(2,598,192)	6 - 9
	Local Government Fund		0	0	
	Pension Levy		8,850	8,850	
	County Charge		0	0	
	Rates		(37,412)	(37,412)	
	Total	4,003,802	(4,697,392)	(693,592)	

*Standard rounding rules have been applied.

The Local Government Fund was realised in full in 2013.

The shortfall in Rate income is due to the fact that the Rate Warrant total was €37,412 less than the budgeted amount as a result of adjustments to some accounts and net decreases in valuations between the Budget meeting in December 2012 and the issue of the Rate Demands in March 2013.

As indicated earlier the approval of the Elected Members is sought where such gross expenditure figures exceeds the Revised Budget (Adopted Budget as amended by funding and other adjustments notified for 2013) for all relevant Divisions in accordance with Subsection 7 of Section 104 of the Local Government Act 2001.

As you can see from Table 3 on Page 4 these are as follows:

Service Division	€	See Page Nos. for detail
Miscellaneous Services	(986,103)	6 - 9

In the following pages these variances on Expenditure and Income when compared to the revised Budget are explained.

Explanations

Please note Standard rounding rules have been applied.

Division H - Miscellaneous Services

Expenditure Adopted Budget 2013 **€15,466,210**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Transfer to Capital	(€100,000)
(ii) Increase in Machinery & Materials Account	€2,262,675
(iii) LAMA Seminar - Previous Year	€20,814
(iv) Agency Services - Payroll	€18,348
(v) Stranorlar Regional Training Centre	€106,715
(vi) Transfers to and from other Divisions, the Overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	<u>(€8,292)</u>
Total:	<u>€2,300,260</u>

Revised Expenditure Budget 2013 **€17,766,470**

Division H - Miscellaneous Services (Continued)

Revised Budget 2013	€17,766,470
Expenditure 2013	€18,752,573
Over Expenditure	€986,103

Net over-expenditure of approximately €986,000 occurred in the following areas:

<u>Over-Expenditure</u>	
Coroners' Fees and Expenses	€10,876
Register of Electors/Franchise Fees	€26,418
Rates - Bad/Doubtful Debts and Provisions	€634,246
Machinery & Materials Account	€214,556
Office Accommodation - SEAI Energy Conservation	€164,310
NPPR	€49,851
Total	€1,100,257
<u>Under Expenditure</u>	
Service Support Costs - Corporate/Finance/Motor Tax/etc.	€42,285
Members' Costs	€71,869
Total	€114,154
Net Total	€986,103

Division H has a big range of headings that transcend across the organisation particularly in the support services of Corporate and Finance. The above table highlights the main headings contributing to the net overall over expenditure for the division.

The main item of over expenditure is under Rates in the net sum of €634,246.

Over expenditure under the Machinery and Materials Account and the Office Accommodation Energy works are mitigated in full from additional income.

Over expenditure of €49,851 under the Non Principal Private Residences is mainly attributable to the collection costs of monies from this source.

There was net under expenditure on Members' costs and a number of Corporate Services headings.

Division H - Miscellaneous Services (Continued)

Income Adopted Budget 2013 **€13,382,691**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Transfer to Capital	(€100,000)
(ii) Increase in Machinery & Material Account	€2,262,675
(iii) Agency Payroll	€18,348
(iv) LAMA Seminar - Previous Year	€20,814
(v) Stranorlar Regional Training Centre	€106,715
(vi) Transfer to and from other Divisions, the overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined).	<u>€119,999</u>
Total	<u>€2,428,551</u>

Revised Income Budget 2013 **€15,811,242**

Revised Budget 2013	€15,811,242
Income 2013	€14,199,154
Under realisation of Income	(€1,612,088)

Net Under realisation of income of approximately (€1,612,000) is accounted for hereunder:

There is a large number of income headings accounted for in this Division that show additional/reduced income when compared to revised budget.

The significant income shortfall is due to the under realisation of targeted Revenue Expenditure appropriately chargeable for payroll and minor contract works in the amount of €1,766,298 which was reflected as income in this division in the Budget.

There was a shortfall of €99,757 in Property Entry Levies (PEL) Income and €225,420 under NPPR. There is also net under realisation of income of €267,953 for various headings of a corporate nature that are accounted for in this division.

The significant additional income headings are Machinery and Materials Account of €583,030 from an increase in activity and SEAI grant for energy conservation works done on the Council Offices of €164,310.

The overall position on this Division for Expenditure and Income for 2013 is a net dis-improvement of €2,598,192. See last column in Table 3, Page 4.

As indicated earlier I am now setting out in the following pages, for completeness, the outcome for the other seven Divisions A, B, C, D, E, F & G including explanations for (over)/under expenditure and additional/(under-realisation) of income.

For further information on Service Support Costs savings, I have included information on Division J (Appendix A in the Budget Book) in respect of Central Management Charges at the end of this report in Pages 35 to 38.

OTHER DIVISIONS FOR INFORMATION PURPOSES

Division A - Housing and Building

Expenditure Adopted Budget 2013 €14,267,298

Adjustments identified since the Adopted Budget were notified under the following headings:

(i)	Housing Maintenance - Internal Capital Receipts	€250,000
(ii)	Housing Maintenance - Insurance Claims	€67,869
(iii)	Voluntary Housing Loan Charges Recoupment	(€156,788)
(iv)	Voluntary Housing Management & Maintenance	€122,746
(v)	Accommodation of Homeless	(€57,838)
(vi)	RAS headings	(€587,415)
(vii)	Housing Grants - Internal Capital Receipts	€82,440
(viii)	Loan Charges - Transfer to Division C	(€99,000)
(ix)	Transfers to/from other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined).	(€195,213)
	Total:	<u>(€573,199)</u>

Revised Expenditure Budget 2013 €13,694,099

Revised Budget 2013	€13,694,099
Expenditure 2013	€13,335,427
Under-Expenditure	€358,672

Division A - Housing and Building (Continued)

Net Under-expenditure of approximately €359,000 occurred in the following areas:

<u>Under Expenditure</u>	
Loan Charges - Mortgage including MARP Levy & Bridging Finance (Affordable Housing)	€140,764
Loan Charges - Non Mortgage	€10,122
Non Pay Headings - targeted by service	€121,725
Housing Maintenance	€45,443
General Administration & Miscellaneous inc. Service Support Costs allocated from Division J	€287,829
Total	€605,883
<u>Over Expenditure</u>	
Bad/Doubtful Debts and Provisions - Housing Rents	€78,866
Local Property Tax - LA Housing	€168,345
Total	€247,211
Net Total	€358,672

There were savings in expenditure in this Division under Mortgage Loan Charges, Non Mortgage Loan Charges, Targeted Non Pay headings and Administration Costs included in service Support Costs.

The increase in Bad Debts provision under Housing Rents is a recognition of the increase in arrears in 2013. The Local Property Tax expenditure represented 50% of the annual cost of the tax on the Council's housing stock.

Division A - Housing and Building (Continued)

Income Adopted Budget 2013 **€15,345,882**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Housing Maintenance - Internal Capital Receipts	€250,000
(ii) Housing Maintenance - Insurance Claims	€67,869
(iii) Voluntary Housing Loan Charges Recoupment	(€156,788)
(iv) Voluntary Housing Management & Maintenance	€122,746
(v) Accommodation of Homeless	(€57,838)
(vi) RAS headings	€587,415)
(vii) Housing Grants - Internal Capital Receipts	€82,440

Total **€278,986)**

Revised Income Budget 2013 **€15,066,896**

Revised Budget 2013	€15,066,896
Income 2013	€14,900,575
Under Realisation of Income	€166,321

Division A - Housing and Building (Continued)

Net Under Realisation of income of approximately €166,000 occurred in the following areas:

<u>Under Realisation of Income</u>	
Loan Repayments by borrowers	€226,362
Shared Ownership Rent - Historic Reconciliation	€136,623
Others including Overhead, Agency Services, Recoupments, etc.	€9,560
Total	€372,545
<u>Additional Income</u>	
RAS & Long Term Leasing	€92,499
Agency Services - Housing Design Office	€113,725
Total	€206,224
Net Total	€166,321

Housing Loan Repayment accruals are under realised mainly due a decrease in activity and to the current economic downturn. Loan Charges under expenditure of €140,764 part mitigates this income shortfall. There was a marginal increase of €5,167 in the arrears figure from the 2012 amount.

There was under realisation of income under Shared Ownership Rent of €136,623 which is attributable to an accounting reconciliation of indexation of all accounts post 2002. This was a once off transaction.

Work done by the Housing Design Office for external agencies and internal services generated an additional income of €113,725. There was also additional income from RAS and Long Term Leasing.

The overall position on this Division for Expenditure and Income for 2013 is a net improvement of €192,351. See last column in Table 3 Page 4.

Division B - Road, Transport & Safety

Expenditure Adopted Budget 2013 **€37,485,604**

Adjustments identified since the Adopted Budget which were notified under the following headings:

(i) Road Grants and other increases/decreases	€4,337,000
(ii) Transfers within Division B, to and from other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	(€104,831)
Total	<u>€4,232,169</u>

Revised Expenditure Budget 2013 **€41,717,773**

Revised Budget 2013	€41,717,773
Expenditure 2013	€40,364,573
Under Expenditure	€1,353,200

Net under expenditure of approximately €1,353,000 occurred in the following areas:

<u>Under Expenditure</u>	
Maintenance & Improvement of all roads including Specific Improvements, etc.	€700,813
Net of others including Car Parking, Road Openings, LCA, Traffic Management, Other Road Design Office headings & Agency Works.	€210,509
Service Support Costs for Pay and Non Pay inc. Division J allocations	€277,713
Holiday/Sick Pay - Overhead Fund (Contra)	€181,755
Total	€1,370,790
<u>Over Expenditure</u>	
Public Lighting Maintenance/Improvement	€17,590
Total	€17,590
Net Total	€1,353,200

Division B - Road, Transport & Safety (Continued)

The under expenditure of €1,353,200 (3%) in an overall revised budget amount of €41,717,773 is summarised under the main headings on the previous page. Under expenditure on maintenance and improvements of roads is attributable to the fact that additional grant allocations in 2013 contributed to a reduction on the demand from own resources.

There were targeted reductions in expenditure across a large range of headings in 2013 in service support costs and others that did not impact on the delivery of the service.

The under expenditure for Holiday Pay and Sick Pay is a contra item as these costs are funded from the Overhead Fund.

Division B - Road, Transport & Safety (Continued)

Income Adopted Budget 2013 **€22,531,149**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Road Grants and other increases/decreases	€4,337,000
(iii) Transfers within Division B to/from other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	(€39,404)
Total	<u>€4,297,596</u>

Revised Income Budget 2013 **€26,828,745**

Revised Budget 2013	€26,828,745
Income 2013	€26,673,260
Under Realisation of Income	€155,485

Net Under-Realisation of Income of approximately €155,000 occurred in the following areas:

Under realisation of Income	
Car Parking Charges	€38,083
Holiday/Sick Pay - Overhead Fund (Contra)	€181,755
Total	€219,838
Additional Income	
Maintenance & Improvement of all roads including Specific Improvements, etc.	€64,353
Total	€64,353
Net Total	€155,485

Division B - Road, Transport & Safety (Continued)

A detailed review of all income headings in this Division was carried out for 2013 and only income that was received in 2013 is included.

The additional income from Maintenance and Improvement is related in many instances to the multi-annual allocations which can impact positively or negatively in a given year.

The under realisation of income for Holiday Pay and Sick Pay is a contra item as these costs are funded from the Overhead Fund.

The overall position on this Division for Expenditure and Income for 2013 is a net improvement of €1,197,714. See last column in Table 3 Page 4.

Division C - Water Services

Expenditure Adopted Budget 2013 €29,083,193

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Secondments to Irish Water and Domestic Metering	€124,494
(ii) Water Pricing - Transfer to Capital	(€1,119,970)
(iii) Transfer from Divisions A & J - Loan Charges	€507,000
(iv) Transfers from other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined).	<u>€71,766</u>
Total	<u>(€416,710)</u>

Revised Expenditure Budget 2013 €28,666,483

Revised Budget 2013	€28,666,483
Expenditure 2013	€26,158,192
Under-Expenditure	€2,508,291

Net under-expenditure of approximately €2,508,000 occurred in the following areas:

<u>Under-Expenditure</u>	
Maintenance of Water Supply Schemes, Waste Water Schemes and Public Conveniences.	€573,124
DBO Contracts	€89,034
Loan Charges	€126,833
Reduction in Bad/Doubtful Debts provision	€1,794,682
Total	€2,583,673
<u>Over Expenditure</u>	
Various headings in Non Pay and Pay across Water Services	€75,382
Total	€75,382
Net Total	€2,508,291

Division C - Water Services (Continued)

Under expenditure on the maintenance of Water Supply Schemes and Waste Water Schemes was mainly attributable to Payroll, where posts that were budgeted for a full year, were not filled until later in 2013 or in some cases were never filled. Savings under non pay headings were targeted through continuing increased efficiencies.

The under expenditure on DBO's is due to the management of the contracts. Savings under Loan Charges are attributable to the non drawdown of a loan that was budgeted for.

A specific exercise was carried out on all Water Charges accounts with arrears in accordance with criteria agreed between the Local Authorities and Irish Water. This exercise has resulted in a reduction of €1,982,796 in the provisions amount as compared to that reported in the 2012 AFS.

The under expenditure of €2,508,291 mitigates the under realisation of income from Water Charges of €1,762,040 (Pages 20 & 21).

Division C - Water Services (Continued)

Income Adopted Budget 2013 €12,720,675

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Water Pricing - Transfer to Capital (€1,119,970)
(ii) Secondments to Irish Water and Domestic Metering €124,494

Total **(€995,476)**

Revised Income Budget 2013 €11,725,199

Revised Budget 2013	€11,725,199
Income 2013	€8,546,418
Under-Realisation of Income	€3,178,781

Net under-realisation of income of approximately €3,179,000 occurred under the following headings:

<u>Under-Realisation of Income</u>	
Water Charges	€1,762,040
DBO Grant - Domestic Element	€1,578,320
Total	€3,340,360
<u>Additional Income</u>	
GWSS Grants & Other Recoupments	€50,553
Miscellaneous Recoupments inc. Irish Water, Income on Networks, Connection Fees, etc.	€111,026
Total	€161,579
Net Total	€3,178,781

Division C - Water Services (Continued)

The under-realisation of income under Water Charges income is mainly attributable to conservation on the part of the consumers resulting in a decrease in the volume of water used and the transfer of income to the Capital account as required under Water Pricing.

There was a shortfall in the Grants anticipated in the adopted budget from the Department of the Environment, Community and Local Government towards the domestic elements of the DBO's.

There was additional income under a number of headings including Group Water Schemes Administration, Connection Fees and Fittings, Irish Water Recoupment and from the Industrial sector.

The overall position on this Division for Expenditure and Income for 2013 is a Net dis-improvement of €670,490 See last column in Table 3, Page 4.

Division D - Development Management

Expenditure Adopted Budget 2013 €11,054,007

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Agency Services - County Enterprise Board	(€27,825)
(ii) Unfinished Estates - Transfer to Capital	(€1,326,638)
(iii) Transfers to and from other Divisions and adjustments. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	€220,770
Total:	<u>(€1,575,233)</u>

Revised Expenditure Budget 2013 **€9,478,774**

Revised Budget 2013	€9,478,774
Expenditure 2013	€9,004,446
Under-Expenditure Total	€474,328

Net under-expenditure of approximately €474,000 occurred in the following areas:

<u>Under Expenditure</u>	
Service Support Costs including Forward Planning & Planning Control/Enforcement	€137,345
County Development Plan	€56,880
Agency Works - Town Council Plans	€33,292
Community & Enterprise headings and projects	€77,479
Economic Development Unit - Pay & Non Pay Headings	€51,501
County Development Board - Payroll	€32,375
Service Support Costs allocated from Division J	€85,456
Total	€474,328
Net Total	€474,328

Division D - Development Management (Continued)

There were significant savings in Payroll and Non Pay headings across the Planning Service as well as in Service Support Costs allocated from Division J.

Development Plans were under expended by €90,172. Targeted reductions were achieved in the Community & Enterprise section in 2013.

The savings in the Economic Development Unit are attributable mainly to the recharging of Payroll to externally funded projects.

Income Adopted Budget 2013

€3,121,182

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Agency Services - County Enterprise Board	(€27,825)
(ii) Unfinished Estates - Transfer to Capital	(€1,326,638)
(iii) Specific Transfers from Division D to Division H	(€296,500)
Total:	(€1,650,963)

Revised Income Budget 2013

€1,470,219

Revised Budget 2013	€1,470,219
Income 2013	€1,572,824
Additional Income Total	€102,605

Net additional Income of €103,000 approximately occurred in the following areas:

<u>Additional Income</u>	
Planning Fees	€42,472
Community and Enterprise headings and Projects	€48,718
Building Control	€12,417
Economic Development Unit - Rental & Recoupments	€20,488
Coastal Zone Management, Conservation and Others	€30,774
Total	€154,869
<u>Under Realisation of Income</u>	
Agency Works - Town Council Plans	(€52,264)
Total	(€52,264)
Net Total	€102,605

Division D - Development Management (Continued)

There was additional income from Planning Fees which is related to the number and types of applications received.

The other additional income in the division is attributable to the activities listed in Planning and Community & Enterprise areas.

The shortfall in income from Agency Works is part mitigated by expenditure savings of €33,292.

The overall position for this Division for Expenditure and Income for 2013 is a net improvement of €576,933. See last column in Table 3, Page 4.

Division E - Environmental Services

Expenditure Adopted Budget 2013 €11,689,490

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Waste Regulations Grant	€36,449
(ii) Transfer to Other Divisions. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined).	<u>(€122,347)</u>
Total:	(€85,898)

Revised Expenditure Budget 2013 €11,603,592

Revised Budget 2013	€11,603,592
Expenditure 2013	€11,500,927
Under-Expenditure	€102,665

Net under-expenditure of approximately €103,000 occurred in the following areas:

<u>Under Expenditure</u>	
Landfill related activities	€201,581
Waste Awareness, Litter Wardens, Clean Up Campaign, Mobile Litter Unit, etc.	€25,776
Water Safety - Pay	€57,842
Fire Service - Non Pay Headings	€339,140
County Laboratory - Pay & Non Pay Headings	€49,033
Other Miscellaneous headings in Division E inc. Service Support Costs allocated from Division J.	€11,977
Total	€685,349
<u>Over Expenditure</u>	
Fire Service - Payroll	€288,437
Civic Amenity Sites, Recycling, etc.	€199,925
Waste Regulations	€94,322
Total	€582,684
Net Total	€102,665

Division E - Environmental Services (Continued)

Under expenditure on Landfill related activities, Waste Awareness, etc. part mitigates the over expenditure on Civic Amenity Sites, Recycling and Waste Regulations. The remaining three Civic Amenity Sites were operated by the private sector in 2013 following a tender process. Additional expenditure was incurred to effect the handover of the sites.

Under expenditure in Fire Service Non Pay headings mitigates in full the over expenditure on Payroll costs associated with the Gorse Fires in early 2013.

Under expenditure in the County Laboratory and Water Safety is attributable to reduced Payroll and Non Pay expenditure.

Division E - Environmental Services (Continued)

Income Adopted Budget 2013 **€1,779,082**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) **Waste Regulations Grant** **€36,449**

Total **€36,449**

Revised Income Budget 2013 **€1,815,531**

Revised Budget 2013	€1,815,531
Income 2013	€1,998,480
Additional Income	€182,949

Net additional income of approximately €183,000 occurred in the following areas:

<u>Additional Income</u>	
Septic Tank Registrations	€475,742
Fire Service Certificates	€58,242
Total	€533,984
<u>Under Realisation of Income</u>	
Fire Service Charges	€219,606
Recycling Grant	€33,728
County Laboratory	€18,154
Other Miscellaneous Headings inc. VAT Recoupment	€79,547
Total	€351,035
Net Total	€182,949

Division E - Environmental Services (Continued)

Septic Tank Registrations, which were collected centrally were transferred by the Department of Environment, Community and Local Government in the sum of €475,742.

Increased income from Fire Service Certificates is related to activity under this heading.

The under realisation of income from Fire Service Charges is related to a decrease in the number of call outs anticipated in the adopted budget.

The overall position for this Division for Expenditure and Income for 2013 is a net improvement of €285,614. See last column in Table 3, Page 4.

Division F - Recreation and Amenity

Expenditure Adopted Budget 2013 €5,548,330

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) RCC Specific Project with An Geallarai	€40,000
(ii) Loan Charges - Leisure Centre	(€81,744)
(iii) Arts Development - Arts Council Grant	€30,470
(iv) RCC Sharing Stories Project	€19,832
(v) Transfer from/to other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	(€25,865)
Total:	<u>(€17,307)</u>

Revised Expenditure Budget 2013 €5,531,023

Revised Budget 2013	€5,531,023
Expenditure 2013	€5,460,703
Under-Expenditure	€70,320

Net under-expenditure of approximately €70,000 occurred in the following areas:

<u>Under-Expenditure</u>	
Library Services	€67,357
Beach Maintenance, Parks and Open Spaces	€56,904
Service Support Costs allocated from Division J	€27,219
Total	€151,480
<u>Over-Expenditure</u>	
Leisure Centre Contributions and Costs	(€67,895)
Arts Activities inc. RCC	(€13,265)
Total	(€81,160)
Net Total	€70,320

Division F - Recreation and Amenity (Continued)

The net under expenditure for Libraries and Cultural Services headings is €54,092.

There were savings under Beach Maintenance and Service Support Costs allocated from Central Management Charges.

Over expenditure on Ballyshannon Leisure Centre of €52,895 is due to an increase in net operating costs in 2013. An increased contribution €15,000, which is repayable to the Council, was paid to Buncrana Leisure Centre.

Division F - Recreation and Amenity (Continued)

Income Adopted Budget 2013 **€867,453**

Adjustments identified since the Adopted Budget were notified under the following headings:

(ii) RCC Specific Project with An Geallarai	€40,000
(ii) Loan Charges - Leisure Centre	(€81,744)
(iii) Arts Development - Arts Council Grant	€30,470
(iv) RCC Sharing Stories Project	<u>€19,832</u>

Total: **€8,558**

Revised Income Budget 2013 **€876,011**

Revised Budget 2013	€876,011
Income 2013	€896,143
Additional Income	€20,132

Net additional income of approximately €20,000 occurred in the following areas:

<u>Additional Income</u>	
Library Service - Fees & Grant	€50,396
Total	€50,396
<u>Under Realisation of Income</u>	
Arts/Museum/Archives/Heritage/RCC	€30,264
Total	€30,264
Net Total	€20,132

The overall position for this Division for Expenditure and Income for 2013 is a net improvement of €90,452. See last column in Table 3, Page 4.

Division G - Agriculture, Education, Health & Welfare

Expenditure Adopted Budget 2013 €8,529,336

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Higher Education Grants	(€1,199,685)
(ii) Transfer of Payroll to Capital	(€7,721)
(iii) Transfer from/to other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	(€10,635)
Total:	(€1,218,041)

Revised Expenditure Budget 2013 €7,311,295

Revised Budget 2013	€7,311,295
Expenditure 2013	€7,188,866
Under-Expenditure	€122,429

Net Under-expenditure of approximately €122,000 occurred in the following areas:

<u>Under Expenditure</u>	
HEG's Grants, Administration & Service Support Costs	€26,006
Veterinary Service	€52,121
Marine Services including Maintenance & Administration Costs	€20,222
Service Support Costs allocated from Division J	€24,080
Total	€122,429
Net Total	€122,429

There was under expenditure in a number of areas in the Veterinary Services including Dog Control, Abattoir headings and Control of Horses. Other areas of under expenditure were in Marine Services, Higher Education Services and Pay and Non Pay under Central Management Charges.

Division G - Agriculture, Education, Health & Welfare (Continued)

Income Adopted Budget 2013 €5,751,023

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) **Higher Education Grants** €1,199,685
Total: €1,199,685

Revised Income Budget 2013 €4,551,338

Revised Budget 2013	€4,551,338
Income 2013	€4,689,497
Additional Income Total	€138,159

Net additional income of approximately €138,000 occurred in the following areas:

Additional Income	
Dog Licences and Fines	€58,913
Abattoir Fees and Grant	€62,724
Marine Service	€2,298
Control of Horses Grant	€14,181
Service Support Income	€43
Total	€138,159
Net Total	€138,159

The overall position for this Division for Expenditure and Income for 2013 is a net improvement of €260,588. See last column in Table 3, Page 4.

All Expenditure and Income in Division J is assigned to cost pools and thereafter allocated to service costs using appropriate cost drivers defined at national level. The share out of these charges is included in the sub services entitled 'Service Support Costs' in each of the Divisions A to H in Appendix 2 of the Annual Financial Statement. Division J is reported on here by way of further clarification of Service Support Costs and Income.

Division J - (Appendix A) - Central Management Charges

Expenditure Adopted Budget 2013 **€17,634,100**

Adjustments identified since the Adopted Budget were notified under the following headings:

(i) Loan Charges - Transfer to Division C	(€408,000)
(ii) Transfer to Capital	(€100,000)
(iii) Transfers to/from other divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	<u>€204,251</u>
Total	<u>(€303,749)</u>

Revised Expenditure Budget 2013 **€17,330,351**

Revised Budget 2013	€17,330,351
Expenditure 2013	€16,816,452
Under Expenditure	€513,899

Division J - (Appendix A) - Central Management Charges (Continued)

Net Under Expenditure of approximately €514,000 occurred in the following areas:

<u>Under Expenditure</u>	
Facilities Management and Maintenance	€83,806
Secretariat & Corporate Services HQ - Pay and Non Pay Headings	€39,336
Pensions and Gratuities	€63,603
Information Systems - Pay and Non Pay Headings	€56,284
Reprographic Services - Printing, Postage, etc.	€77,620
Human Resources - Pay and Non Pay Headings	€231,377
Overdraft Interest	€75,000
Finance Services - Pay and Non Pay Headings	€67,758
Corporate Services - Electoral Areas	€114,410
Total	€809,194
<u>Over Expenditure</u>	
Legal Fees - Corporate Services	€76,306
Voluntary Redundancy Scheme	€218,989
Total	€295,295
Net Total	€513,899

This positive outturn reflects as under expenditure in Service Support Costs in all services after its allocation.

There were targeted reductions in expenditure across a large number of headings in 2013 in service support costs and other areas that did not impact on the delivery of the service. These include Facilities Management and Maintenance, Corporate Services inc. HQ and Electoral Areas, Information Systems and Financial Services.

The final outturn for Pensions and Gratuities has resulted in under expenditure of €63,603. This saving part mitigates the over expenditure of €218,989 under Voluntary Redundancy payments.

Division J - (Appendix A) - Central Management Charges (Continued)

Savings in Human Resources are mainly under Payroll where employees on Career Breaks were anticipated to return to work, were budgeted for, but did not actually return.

The under expenditure of €75,000 under Overdraft Interest is attributable to efficient cash management throughout 2013.

Ongoing monitoring of postage and printing costs has resulted in significant savings in 2013.

There was over expenditure of €76,306 on legal fees in respect of a particular corporate case.

Division J - (Appendix A) - Central Management Charges (Continued)

Income Adopted Budget 2013 €2,238,300

No adjustments were identified since the Adopted Budget.

Revised Budget 2013	€2,238,300
Income 2013	€2,240,324
Additional Income	€2,024

The income in this area derives from contributions to Pensions by Employees of the Council and a contribution from the Overhead Account. The additional income is explained by actual outcomes for 2013 differing from estimates made circa December 2012 in the Adopted Budget.

The overall position in this Division for Expenditure and Income for 2013 is a net improvement of €515,923.


Transfers to/from Reserves

The following transfers from Revenue during 2013, which were not budgeted for specifically, were used to fund the acquisition of assets and transferred to Capital:

<i>Division</i>	<i>Description</i>	<i>Amount</i>
B	Roads - Contributions to Capital Projects & Accounts	€93,960
C	Group Water Schemes	€954
D	Economic Development - Contributions to Capital Projects & Accounts	€26,075
E	Fire Service Equipment	€7,872
H	Stranorlar Regional Training Centre	€87,980
J	Information Systems Equipment	€4,277
	Total	€221,118

Conclusion:

I hereby am seeking the approval of the Council's Elected Members as appropriate to the actual gross expenditure figure of €131,765,707 as set out on Table 2, Page 2 when compared to the Revised Budget of €135,769,510 (Adopted Budget as amended by net reductions in funding received for 2013) for all Divisions in accordance with Subsection 7 of Section 104 of the Local Government Act, 2001.



Garry Martin, CPFA
HEAD OF FINANCE

This report was adopted by the Council at its meeting on 28th April 2014.

