

Comhairle Chontae Dhún na nGall
Donegal County Council



Annual Financial Statement
2014
(Audited)

**ANNUAL FINANCIAL
STATEMENT
(AUDITED)**

Donegal County Council

For year ending 31st December 2014

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FOREWORD FROM THE DONEGAL COUNTY COUNCIL CHIEF EXECUTIVE

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 2014. It is important to note at the outset that this Annual Financial Statement (AFS) represents the consolidated financial positions of Donegal County Council and the former town councils of Letterkenny, Bundoran, Buncrana and Ballyshannon for 2014.

Donegal County Council prepares accounts on an accruals basis for its Statement of Comprehensive Income (Income and Expenditure), and includes a Statement of Financial Position (Balance Sheet) of Assets and Liabilities as at the end of 2014. This enables performance and trends to be reviewed on a consistent basis over an extended time frame.

The Council is committed to continuing 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 of maximising the Council's ability to continue to provide 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.

REVENUE STATEMENT OF COMPREHENSIVE INCOME (INCOME & EXPENDITURE)

The improvement on the Revenue Account for 2014 was €0.786m, bringing the accumulated position at 31st December 2014 to €14.967m Debit (General Revenue Reserve). The report to the Council at its meeting of 25th May 2015 set out the detail of the movement of €0.786m, including the contributory reasons, as well as the detail of outcomes on the Revenue account, for all divisions for the year ending 31st December 2014. This report is included as Appendix 9 in this Statement. I wish to acknowledge the assistance and support of the Elected Members, the Head of Finance, the Directors of Service and their staff where, despite the challenging economic environment, a positive outturn of €0.786m has been achieved for 2014.

The improvement means that the consolidated accumulated revenue deficit (General Reserve) has decreased from €15,752,132 at the end of 2013 to €14,966,588 at the end of 2014.

Viewed in isolation, Donegal County Council's accumulated general deficit at the end of 2013 was €17,796,835. The net effect of the consolidation with the former

town councils is reflected as an exceptional reduction in the deficit of €2,044,703 as at 31st December 2013.

The net income and expenditure outturn for 2014 resulted in a further reduction of €785,544, bringing the accumulated general deficit to €14,966,588 at 31st December 2014 as stated on the previous page.

I am including, as in previous years, the following tabulation (Tables 1 and 2 below) which sets out some key cost and income drivers in the 2014 Revenue Statement of Comprehensive Income (Income & Expenditure) account. The consolidated figures for 2013, as reported in the individual Annual Financial Statements of Donegal County Council and the former town councils, have been combined and are shown for comparative purposes. Standard rounding rules have been applied.

Table 1 – Revenue Statement of Comprehensive Income (Income & Expenditure): 2014 and 2013

	2014	2013
Expenditure	143,067,526	146,591,653
Income	143,853,070	146,412,916
Net Surplus/(Deficit)	785,544	(178,737)

Table 2 – Major Elements of Statement of Comprehensive Income (Income & Expenditure): 2014 and 2013

Major Elements of Income	2014 €	2013 €
Grants and Subsidies	37,934,332	36,183,203
Goods and Services	49,994,983	43,449,680
Local Government Fund	22,720,760	32,667,843
Commercial Rates	30,729,915	29,206,176
County Charge	0	2,939,944
Contributions from Other Local Authorities	2,473,080	1,966,070
Total	143,853,070	146,412,916
Major Elements of Expenditure	2014 €	2013 €
Payroll Expenses	56,163,066	56,784,475
Operational Expenses	56,668,090	64,566,594
Loan Charges	10,283,054	7,860,774
Other Non-Pay Expenses	19,953,316	17,379,810
Total	143,067,526	146,591,653
Net of Income and Expenditure	785,544	(178,737)

Total Revenue Expenditure in 2014 of €143.068m represents a decrease of €3.524m on the 2013 total Revenue Expenditure of €146.592m.

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 III. The mainstream reductions in funding are occurring in parallel with an increasing regulatory environment, within which the Council is required to comply across areas such as Health & Safety, Environmental Protection and Financial Management.

Payroll Expenses show a net decrease of €0.621m approx. This is made up of a decrease of €1.317m in respect of an Overhead Charge on Water Services Payroll (Accounting Treatment), a decrease in Salaries & Wages of €0.944m, an increase of €1.471m in Voluntary Redundancy payments and an increase of €0.169m in Pensions & Gratuities. A net decrease in WTE staff numbers from 873.31 at the end of 2013 to 832.33 at the end of 2014 is attributable to a combination of a specific Voluntary Redundancy scheme and normal retirements.

CAPITAL EXPENDITURE

Capital Expenditure is reflected in Table 3 below as well as in Appendix 5 and Appendix 6 of the AFS.

Table 3 – Capital Account Information: 2014 and 2013

	2014	2013
Capital Expenditure including Transfers	27.287	48.074
Total Outstanding on Mortgage Related Loans	21.299	23.296
Total Outstanding on Non Mortgage Related Loans for Provision of Assets/Grants	65.439	106.658
Unfunded Capital Balances Deficit	1.688	1.427
Development Levies Reserves – General & Specific (Credit)	6.638	10.874

Capital expenditure was €27.287m in 2014. This represents a decrease of €20.787m on the 2013 figure. The reduction of €20.787m reflects mainly in net reduced contractors' payments and professional & consultancy fees - particularly in the area of Water Services.

The reduction in non-mortgage loans has resulted primarily due to the removal of water/waste water related loans and the transfer of same to Irish Water.

The trend for capital expenditure from 2014 and in future years will reflect changes in the role of local authorities going forward. The timelines associated with the transition of functions to 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 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 2014.

CASH-FLOW & DEBTORS

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

Donegal County Council's cash-flow remains positive as a result of prudent financial management and as evidenced by the fact that no overdraft interest was incurred during 2014.

The Council continues to maintain positive engagements with its debtors, given the often symbiotic nature of our relationships, in order to support the wider business sector in the county through this challenging economic environment. It is my intention to continue with a policy of proactive engagement 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.


Seamus Neely
Chief Executive

29th May 2015

Financial Review

FINANCIAL REVIEW

***PREPARED BY GARRY MARTIN, CPFA, HEAD OF
FINANCE***

INTRODUCTION

The 2014 Annual Financial Statement (AFS) is the prescribed format for the presentation of the Annual Income and Expenditure figures together with a Statement of Financial Position (Balance Sheet) for Local Authorities. This AFS must reflect up-to-date Departmental requirements in respect of Local Authority Accounting and Financial Management Systems. The 2014 AFS represents the consolidated financial position for Donegal County Council and the former town councils as per these requirements.

The Capital Account items are now shown in the Statement of Financial Position (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 Statement of Comprehensive Income (Income & Expenditure Account) and Statement of Financial Position (Balance Sheet).

REVENUE ACCOUNT PERFORMANCE

Table 1 and 2 of Appendix 9 sets out the information on the Adopted Budget and the Revised Budget, and includes amendments for specific funding reductions and increases that occurred after the 2014 Budget was adopted. Table 4 in Appendix 9 sets out the actual Gross Expenditure and Gross Income outturn figures for 2014.

In summary I wish to state that, in respect of the 2014 Statement of Comprehensive Income (Income and Expenditure Account), the Council's Revenue Balance improved by €785,544. For convenience, the main contributors that have shaped the outturn position for 2014 are summarised below and on the next page.

Credits

- Additional income in the sum of **€3.2m** was realised in respect of Irish Water's contribution to Central Management Charges
- Under-expenditure of **€0.552m** occurred in the Planning Section under the heading of Administration & Service Support Costs
- A provision for bad & doubtful debts in the sum of **€0.75m** in the area of Waste Water Charges was eliminated as it was not required
- Additional income of approximately **€3m** was realised in respect of Non-Principal Private Residence (NPPR) Charges
- There were savings in the sum of **€1.6m** under Service Support Costs (Appendix A - Central Management Charges) and a further **€0.5m** under Direct Service Support Costs across all Service Divisions

Debits

- A 'Project Development Fund Reserve' was created in the sum of **€0.981m**
- The general provision in respect of bad & doubtful debts in the area of Commercial Rates was increased by **€1.3m**
- A budget provision targeting income to be transferred from reserves of **€1.9m** was not required
- Additional income and savings budgeted for generally were ultimately reflected/realised in the areas of NPPR Charges and Service Support Costs (see above) in the sum of **€4.6m**

The main aspects and outcomes of the Annual Financial Statement for 2014 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 25th May 2015. The Council approved the actual gross expenditure figure of €143,067,526 when compared to the Revised Budget of €145,140,066 (Adopted Budget as amended by reduced/additional funding received for 2014) for all Divisions in accordance with Sub-section 7 of Section 104 of the Local Government Act 2001 as amended. Table 1 below sets out the detail of variances by Division for Gross Expenditure and Income to give the net amount of €785,544.

Table 1 – Budgeted Income & Expenditure for 2014 versus Actual Income & Expenditure for 2014

Division/Income-Department	Expenditure 2014			Income 2014			Net
	Expenditure Budget 2014	Actual Expenditure 2014	(Over)/ Under Budget	Income Budget 2014	Actual Income 2014	Over / (Under) Budget	(Over) / Under Budget
	€	€	€	€	€	€	€
Housing & Building	15,971,245	14,996,785	974,459	17,993,553	17,783,182	(210,371)	764,088
Roads Transportation & Safety	43,515,604	43,216,984	298,620	26,161,138	27,023,763	862,625	1,161,245
Water Services	22,708,683	21,511,432	1,197,251	18,557,613	18,673,959	116,346	1,313,597
Development Management	12,003,992	11,241,640	762,353	2,312,165	2,488,554	176,389	938,742
Environmental Services	11,948,949	11,663,508	285,441	1,292,792	1,275,638	(17,154)	268,287
Recreation & Amenity	9,303,650	9,097,368	206,282	1,551,915	1,554,228	2,313	208,595
Agriculture, Education, Health & Welfare	5,691,443	5,621,076	70,367	3,415,764	3,408,213	(7,551)	62,816
Miscellaneous Services	23,996,500	25,718,733	(1,722,233)	17,876,320	15,795,768	(2,080,552)	(3,802,786)
Total of all Divisions	145,140,066	143,067,526	2,072,540	89,161,261	88,003,305	(1,157,956)	914,584
Local Government Fund - General Purpose Grant	0	0	0	22,720,760	22,720,760	0	0
Pension Related Deduction	0	0	0	2,578,000	2,399,090	(178,910)	(178,910)
Rates	0	0	0	30,680,045	30,729,915	49,870	49,870
County Charge	0	0	0	0	0	0	0
Total of Divisions/Income-Departments	145,140,066	143,067,526	2,072,540	145,140,066	143,853,070	(1,286,996)	785,544

The figures shown in the above table represent the consolidated figures for Donegal County Council and the former town councils. Actual income and expenditure figures are inclusive of transfers to/from capital. Standard rounding rules apply. More detailed information is available at Note 17 of this AFS if required.

CAPITAL ACCOUNT PERFORMANCE

As detailed in Table 2 below, gross expenditure of €27,286,771 and gross income of €27,845,109 in 2014 resulted in an overall improvement of €558,338 in the Capital Account. The overall credit balance at 31st December 2014 is €38,847,462 compared to an overall credit balance of €38,289,124 at 31st December 2013.

	2014 €	2013 €
Opening Credit Balance at 1st January	38,289,124	44,665,054
Expenditure including Transfers	27,286,771	48,073,697
Income	27,845,109	41,697,767
Surplus (Deficit)	558,338	(6,375,930)
Closing Credit Balance at 31st December	38,847,462	38,289,124

Standard rounding rules have been applied. The year-on-year reduction in capital expenditure of €20.787m reflects mainly in net reduced contractors' payments and professional & consultancy fees - particularly in the area of Water Services.

In summary, there is a net improvement in the Capital Account of €558,338 for 2014.

Table 3 – Capital Account Performance per Division/Programme-Group for 2014

Division	Balance @ 01/01/2014 €	Expenditure 2014 €	Income 2014 €	Balance @ 31/12/2014 €	Net Improvement €
Housing & Building	9,151,097	4,957,572	6,547,103	10,740,629	1,589,531
Road Transportation & Safety	1,621,319	9,900,288	13,769,090	5,490,122	3,868,803
Water Services	8,751,223	2,310,557	(7,429,408)	(988,742)	(9,739,965)
Development Management	11,159,201	468,705	(2,634,973)	8,055,524	(3,103,678)
Environmental Services	(495,689)	415,791	117,809	(793,671)	(297,982)
Recreation & Amenity	(2,251,361)	5,917,473	5,818,820	(2,350,014)	(98,653)
Agriculture, Education, Health & Welfare	(61,879)	1,180,916	1,159,831	(82,964)	(21,085)
Miscellaneous Services	10,415,213	2,135,469	10,496,835	18,776,580	8,361,367
Totals	38,289,124	27,286,771	27,845,109	38,847,462	558,338

The figures shown in Table 3 represent the consolidated expenditure and income figures including transfers to/from revenue for Donegal County Council and the former Town Councils for 2014. More detailed information is available at Appendix 6 of this AFS if required.

There was increased income in Roads in 2014 which is primarily attributable to the transfer of development charges from Development Management in respect of expenditure incurred in 2014 and previous years.

The decrease in income in Water Services is accounted for by the transfer of borrowings that are no longer required by the service, to Miscellaneous services.

FIXED ASSET SUMMARY

The total value of fixed assets in the 2014 Annual Financial Statement is €3,378,074,343 (2013 - €3,721,878,638). Fixed Assets are subdivided on the face of the Statement of Financial Position (Balance Sheet) as below:

(1) Operational	717,498,160
(2) Infrastructural	2,597,728,501
(3) Community	7,019,608
(4) Non Operational	55,828,074
Total	€3,378,074,343

These are further analysed in Note 1 of the Annual Financial Statement.

The opening accumulated costs and opening accumulated depreciation include the balances of Letterkenny, Bundoran & Buncrana Town Councils.

In line with Sections 7.21 of the Water Services (No. 2) Act 2013 (S.I. No. 13 of 2015) the Water Services (No. 2) Act 2013 (Property Vesting Day order 2015), the Accounting Code of Practice and Circular Fin 02/2015, water infrastructure assets have been removed from the books of the local authority in the following categories:

Table 4 – Transfer of Water Infrastructure Assets

Fixed Asset Category	€
Water & Sewerage network	€342,638,061
Buildings	€215,000
Plant & Machinery	€8,488
Total	€342,861,549

LOAN ACCOUNTS

Mortgage Related Loans (See Note 8)

As at 31st December 2014 the Capital outstanding on these loans was €21.299m (2013: €23.296m), a movement of €1.997m.

In the financial year ending 31st December 2014 the following transactions summarise the movements in relation to mortgage related loans.

Table 5a – Mortgage Loans

	Borrowings €	Repayments & Redemptions €	Total €
Mortgage Loans - Income Related		975	975
Mortgage Loans - SDA		161,747	161,747
Mortgage Loans - Annuity (Standard)	-84,437	906,429	821,992
Mortgage Loans - Annuity (Affordable)		310,327	310,327
Mortgage Loans - Shared Ownership (Standard)		701,548	701,548
Total	-84,437	2,081,026	1,996,589

Non-Mortgage Loans (Note 8)

As at 31st December 2014, the Capital outstanding on these loans was €149.717m (2013 €158.884m), a movement of €9.167m.

In the financial year ended 31st December 2014 the following transactions summarise the movements in relation to non-mortgage related loans.

Table 5b – Non-Mortgage Loans

	Year End Irish Water Related Movements €	Interest Capitalised €	Borrowings €	Repayment & Redemptions €	Total €
Voluntary Housing				1,512,700.08	1,512,700.08
Water Loan Related	-8,301,676.91				-8,301,676.91
Bridging Finance				15	15
Shared Ownership- Rented Equity				875,081.14	875,081.14
Assets/Grants	35,045,883.62	-93,027.62	0	6,266,123.81	41,218,979.81
Recoupable	-26,744,206.71			606,152.60	-26,138,054.11
GRAND TOTAL	0.00	-93,027.62	0.00	9,260,072.63	9,167,045.01

Loans previously drawn from the Housing Finance Agency, now deemed to relate to Irish Water have been recoded to Recoupable loans.

Loans previously drawn from Irish Public Bodies Mutual Insurance, now deemed to relate to Irish Water have been recoded to Water related loans similar to the agency status of Voluntary loans.

The remaining 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 6 sets out detail of collections and arrears on the major collection accounts for 2014. The figures shown represent the consolidated figures for Donegal County Council and the former town councils for 2014.

Table 6 - Major Collection Accounts 2014

Income Department	Cash Collected 2014	Arrears c/f at 31/12/2014
Rates	22,608,627	17,578,313
Rents & Annuities	10,948,697	1,317,937
Refuse (Commercial)	43,444	469,100
Housing Loans	1,994,908	1,158,373
Total	35,595,676	20,523,723

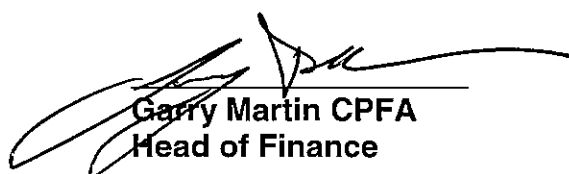
More specific information in respect of collection performance on specific accounts can be obtained by viewing Appendix 7 of this AFS.

While the council continue to collect Non-Domestic water charges on behalf of Irish Water as part of the service level agreement in place, neither the collections nor the arrears figures are reflected in our Statement of Comprehensive Income (Income and Expenditure Account) or in our Statement of Financial Position (Balance Sheet).

It is recognised that businesses continue to operate in a challenging economic environment in Donegal and the positive and proactive engagement from the majority of our customers is acknowledged. It is only in exceptional circumstances that cases have to be referred for enforcement or legal proceedings 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 meaningfully engage with our collection staff.

CONCLUSION


In conclusion, this review and the related Appendix 9 set out the principal issues and the financial information with respect to the (Unaudited) Annual Financial Statement for 2014 for Donegal County Council.

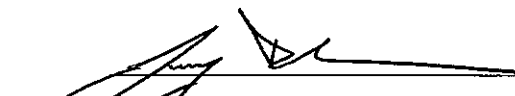

Garry Martin CPFA
Head of Finance

Donegal County Council

Certificate of Chief Executive & Head of Finance for the year ended 31 December 2014

- 1.1 We the Chief Executive and Head of Finance are responsible for preparing an annual financial statement in accordance with the code of practice issued by the Minister under section 107 of the Local Government Act, 2001.
- 1.2 We are responsible for maintaining proper books of account that disclose with reasonable accuracy the financial position of the local authority and enable it to ensure that financial statements prepared comply with the statutory requirements.
- 1.3 We are responsible for the safeguarding of assets of the local authority and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.4 When preparing financial statements we have:
- stated that the financial statements have been prepared in accordance with the Accounting Code of Practice and the accounting policies have been applied consistently; and,
 - made the judgements and estimates that are reasonable and prudent.
- 1.5 We certify that the financial statements of Donegal County Council for the year ended 31 December 2014, as set out on pages 13 to 47, 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.


Seamus Neely
Chief Executive


Garry Martin CPFA
Head of Finance

Dated: 29th May 2015

Independent Auditor's Opinion to the Members of Donegal County Council

I have audited the annual financial statement of Donegal County Council for the year ended 31 December 2014 as set out on pages 13 to 32, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Statement of Funds Flow and Notes on and forming part of the Accounts. The financial reporting framework that has been applied in its preparation is the Code of Practice and Accounting regulations as prescribed by the Minister for the Environment, Community and Local Government.

Responsibilities of the Council and the Local Government Auditor

The Council, in accordance with Section 107 of the Local Government Act, 2001, is responsible for the maintenance of all accounting records including the preparation of the Annual Financial Statement. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion to you.

Scope of the audit of the financial statement

I conducted my audit in accordance with the Code of Audit Practice, as prescribed under Section 117 of the Local Government Act, 2001. 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 error.

Opinion on the financial statement

In my opinion the annual financial statement, which has been prepared in accordance with the Code of Practice and Accounting Regulations for local authorities, presents fairly the financial position of the County Council at 31 December 2014 and its income and expenditure for the year then ended.

Statutory Audit Report

I have also prepared an associated audit report as provided for in Section 120(1)(c) of the Local Government Act, 2001.

Raymond Lavin
Raymond Lavin
Local Government Auditor
Date: 9/7/2015

STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the Accounting Code of Practice ACoP on local authority accounting, as revised by the Department of Environment, Community and Local Government (DECLG) at the 31st December 2014. This has introduced changes in terminology including "Statement of Comprehensive Income" as opposed to Income & Expenditure Account Statement and "Statement of Financial Position" as opposed to Balance Sheet.

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 was introduced as part of AFS 2011. While the guidance of International Accounting Standard & 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 Statement of Comprehensive Income (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 and revenue funding, 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 Statement of Comprehensive Income (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 2014 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 Statement of Financial Position (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 at a future date. 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 Statement of Comprehensive Income (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. 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 Statement of Comprehensive Income (Income and Expenditure Statement). 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. 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 Statement of Financial Position (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 2014 Donegal County Council had no shares in any companies listed in Appendix 8.

18. Transfer of Responsibility for the Delivery of Water Services

The Water Services Act 2013 and the Water Services (No. 2) Act 2013 provides for the establishment of Irish Water as an independent subsidiary within the Bord Gáis Éireann Group. From January 2014, the legislation provides for:

- The transfer of Local Authority water services assets and liabilities to Irish Water.
- That all functions of a Local Authority relating to water services, shall transfer to Irish Water other than those related to rural water services, notably group water schemes and individual domestic waste-water treatment systems.

- Local authorities will deliver services on behalf of Irish Water through service level agreements for an agreed payment. It is provided that these agreements will run for an initial 12 year period with reviews after two years and seven years. This has been reflected in Local Authority revenue budgets adopted for 2014.

The analysis, computation and valuation of assets and liabilities to be transferred to Irish Water will be computed and agreed between Local Authorities and Irish Water. The changes agreed will be reflected in the AFS for Local Authorities. The transfers above will not affect the going concern capacity of Local Authorities.

Short Term water related development contribution debtors balances (less bad debt provision) as at 31 December 2014 are being shown with an equivalent creditor in the AFS to reflect the transfer of water and waste water services to Irish Water. Cash collected in 2014 but not paid over to Irish Water in 2014 is also shown as a creditor.

19. Mergers and Unifications

The Local Government Reform Act 2014 gave effect to significant structural reforms and other changes to the local government system, first detailed in Action Programme for effective Local Government (October 2012). The '2014 establishment day' and the 'transfer date' was 1 June 2014. The '2014 establishment day' order (dissolved the local authorities in Limerick, Tipperary and Waterford and replaced them with new merged local authorities) and the 'transfer date' order activated the dissolution of town councils (Letterkenny, Buncrana, Bundoran & Ballyshannon) and established the local authorities in whose areas the town councils were situated as their successors). Annual Financial Statements for 2014 will report on the financial position of local authorities under the new structure and assumes the existence of the new local authority for the full year. Prior year comparatives have been updated, though not consolidated, accordingly to reflect the new structures.

20. 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.

FINANCIAL ACCOUNTS

**STATEMENT OF COMPREHENSIVE INCOME (INCOME & EXPENDITURE
ACCOUNT STATEMENT)
FOR YEAR ENDING 31st DECEMBER 2014**

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
	2014 €	2014 €	2014 €	2013 €
Housing & Building	14,777,881	17,336,209	(2,558,327)	(2,323,112)
Roads Transportation & Safety	42,690,806	26,851,620	15,839,185	14,655,320
Water Services	18,917,011	18,673,959	243,052	17,781,817
Development Management	10,629,092	2,448,554	8,180,538	7,438,727
Environmental Services	10,784,350	1,260,529	9,523,820	9,129,680
Recreation & Amenity	7,955,881	1,554,038	6,401,842	6,133,483
Agriculture, Education, Health & Welfare	4,865,957	3,408,213	1,457,744	1,577,391
Miscellaneous Services	23,433,258	15,734,599	7,698,659	5,496,421
County Charge				2,939,944
Total Expenditure/Income	134,054,235	87,267,722		
Net cost of Divisions to be funded from Rates & Local Government Fund			46,786,513	62,829,673
Rates			30,729,915	29,206,176
Local Government Fund - General Purpose Grant			22,720,760	32,667,843
Pension Related Deduction			2,399,090	2,637,488
County Charge				2,939,944
Surplus/(Deficit) for Year before Transfers			9,063,251	4,621,779
Transfers from/(to) Reserves			(8,277,707)	(4,791,924)
Overall Surplus/(Deficit) for Year			785,544	(170,145)
General Reserve @ 1st January 2014			(15,752,132)	(15,581,987)
General Reserve @ 31st December 2014			(14,966,588)	(15,752,132)

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31st DECEMBER 2014

	Notes	2014 €	2013 €
Fixed Assets	1		
Operational		717,498,160	711,436,262
Infrastructural		2,597,728,501	2,940,366,562
Community		7,019,608	7,061,242
Non-Operational		55,828,074	63,014,572
		3,378,074,343	3,721,878,638
Work in Progress and Preliminary Expenses	2	86,144,907	212,589,945
Long Term Debtors	3	80,452,123	74,852,589
Current Assets			
Stocks	4	629,073	561,048
Trade Debtors & Prepayments	5	57,124,112	28,872,166
Bank Investments		26,243,066	22,911,171
Cash at Bank		95,202	95,202
Cash in Transit		428,467	341,364
Urban Account	7	0	0
		84,424,718	52,780,951
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		1,818,186	-
Creditors & Accruals	6	54,163,961	28,665,826
Urban Account	7	-	-
Finance Leases		-	-
		55,982,097	28,665,826
Net Current Assets / (Liabilities)		28,442,621	24,115,125
Creditors (Amounts falling due after more than one year)			
Loans Payable	8	136,795,154	173,107,184
Finance Leases		-	-
Refundable deposits	9	5,946,785	6,582,450
Other		5,693,772	3,892,885
		148,437,711	183,582,519
Net Assets		3,424,676,282	3,849,853,779
Represented by			
Capitalisation Account	10	3,378,074,343	3,721,878,638
Income WIP	2	84,758,272	213,446,354
Specific Revenue Reserve		3,374,679	3,374,679
General Revenue Reserve		(14,966,588)	(15,752,132)
Other Balances	11	(26,564,422)	(73,093,760)
Total Reserves		3,424,676,282	3,849,853,779

**STATEMENT OF FUNDS FLOW (FUNDS FLOW STATEMENT)
AS AT 31ST DECEMBER 2014**

	Note	2014 €	2014 €
REVENUE ACTIVITIES			
Net Inflow/(outflow) from operating activities	18		(1,954,774)
CAPITAL ACTIVITIES			
Returns on Investment & Servicing of Finance			
Increase/(Decrease) in Fixed Asset Capitalisation Funding		(343,804,295)	
Increase/(Decrease) in WIP/Preliminary Funding		(128,688,082)	
Increase/(Decrease) in Reserves Balances	19	<u>(3,651,081)</u>	
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance			(476,143,458)
Capital Expenditure & Financial Investment			
(Increase)/Decrease in Fixed Assets		343,804,295	
(Increase)/Decrease in WIP/Preliminary Funding		126,445,039	
(Increase)/Decrease in Agent Works Recoupable		(81,517)	
(Increase)/Decrease in Other Capital Balances	20	<u>6,533,980</u>	
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment			476,701,797
Financing			
Increase/(Decrease) in Loan Financing	21	(40,110,677)	
(Increase)/Decrease in Reserve Financing	22	<u>43,646,438</u>	
Net Inflow/(Outflow) from Financing Activities			3,535,762
Third Party Holdings			
Increase/(Decrease) in Refundable Deposits			(633,665)
Net Increase/(Decrease) in Cash and Cash Equivalents	23		<u><u>1,505,662</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. Fixed Assets

	Land	Parks	Housing	Buildings (Note 2)	Plant & Machinery (Long & Short Life)	Computers, Furniture & Equipment	Heritage	Roads & Infrastructure	Water & Sewerage Network (Note 1)	Total
€	€	€	€	€	€	€	€	€	€	€
Costs										
Accumulated Costs @ 1/1/2014	78,300,431	6,572,950	517,728,637	182,981,272	15,184,960	3,760,897	1,716,157	2,597,728,501	728,931,208	4,132,905,213
Additions										
- Purchased	135,000	-	259,655	225,207	1,140,457	139,421	-	-	-	1,899,740
- Transfers WIP	-	-	-	-	-	-	9,397	-	-	9,397
Disposals	-	-	(2,030,839)	(215,000)	(1,226,619)	(28,184)	-	-	(728,931,208)	(732,431,850)
Revaluations	-	-	195,000	250,000	-	16,391	-	-	-	461,391
Historical Cost Adjustments	-	-	0	0	(0)	0	0	-	-	0
Accumulated Costs @ 31/12/2014	78,435,431	6,572,950	516,152,653	183,241,479	15,098,799	3,888,524	1,725,554	2,597,728,501	-	3,402,843,899
Depreciation										
Depreciation @ 1/1/2014	7,710,798	1,877,865	-	-	11,831,765	3,512,999	-	-	386,293,147	411,026,575
Provision for Year	-	64,144	-	-	983,485	180,467	-	-	(386,293,147)	(385,065,061)
Disposals	-	-	-	-	(1,163,782)	(28,184)	-	-	-	(1,191,966)
Accumulated Depreciation @ 31/12/2014	7,710,798	1,742,009	-	-	11,651,468	3,665,271	-	-	-	24,769,547
Net Book Value @ 31/12/2014	70,724,633	4,830,940	516,152,653	183,241,479	3,447,330	223,253	1,725,554	2,597,728,501	-	3,378,074,343
Net Book Value @ 31/12/2013	70,589,633	4,895,085	517,728,637	182,981,272	3,353,195	247,898	1,716,157	2,597,728,501	342,638,061	3,721,878,638
Net Book Value by Category										
Operational	14,446,559	-	516,152,653	183,241,479	3,447,330	210,140	-	-	-	717,498,160
Infrastructural	-	-	-	-	-	-	-	2,597,728,501	-	2,597,728,501
Community	450,000	4,830,940	-	-	-	13,113	1,725,554	-	-	7,019,608
Non-Operational	55,828,074	-	-	-	-	-	-	-	-	55,828,074
Net Book Value @ 31/12/2014	70,724,633	4,830,940	516,152,653	183,241,479	3,447,330	223,253	1,725,554	2,597,728,501	-	3,378,074,343

Note1
Statutory transfer of Water & Sewerage network as per Water Services Act 2014

Note2
€215k Reduction of assets due to transfer of responsibilities to Irish Water per Water Services Act 2014

Note 3
The fixed assets included relate to assets purchased since 1/1/2001 and historical assets.
All historical assets as at 31/12/2014 are included as far as is possible in the Annual Financial Statement for 2014.
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 2014 all efforts have been made in conjunction with Directories 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 2014 €	Unfunded 2014 €	Total 2014 €	Total 2013 €
Expenditure				
Work in Progress	39,540,652		39,540,652	125,980,515
Preliminary Expenses	45,559,405	44,870	46,004,275	86,609,430
	85,100,057	44,870	85,144,927	212,589,945
Income				
Work in Progress	39,031,636		39,031,636	125,034,146
Preliminary Expenses	45,631,769	44,870	46,076,639	88,412,208
	84,663,405	44,870	84,708,275	213,446,354
Net Expended				
Work in Progress	459,996		459,996	946,368
Preliminary Expenses	927,639		927,639	(1,802,777)
	1,387,635		1,387,635	(856,409)

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 Directorates 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 @ 1/1/2014 €	Loans Issued €	Principal Repaid €	Early Redemptions €	Other Adjustments €	Balance @ 31/12/2014 €	Balance @ 31/12/2013 €
Long Term Mortgage Advances (Note 1)	23,706,442	84,437	(1,229,621)	(203,169)	(27,731)	22,330,335	23,706,442
Tenant Purchases Advances	124,247		(43,651)	(15,638)	(11,123)	113,937	184,247
Shared Ownership Rented Equity	9,284,118			(217,005)	(105,392)	8,961,718	9,284,118
	33,114,808	84,437	(1,273,272)	(435,832)	(145,235)	31,354,906	33,124,808
Voluntary Housing (and repayable Irish Water loans) - Note 2						44,825,968	37,836,991
Capital Advance Leasing Facility						5,693,772	4,132,885
Development Levy Debtors							
Infer Local Authority Loans						6,603	
Long-term Investments						50,225,243	43,000,897
Cash						51,891,241	76,125,705
Interest in associated companies						(1,229,125)	(1,273,116)
Other						80,452,123	74,852,589
Less: Amounts falling due within one year (Note 5)							
Total Amounts falling due after more than one year							

Note 1 Includes HFA Agency Loans

Note 2

There is a corresponding creditor of €44,825,968 in respect of Voluntary Housing & repayable Irish Water loans (see Note 6). All loan charges in respect of this loan are fully repayable 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:

	2014 €	2013 €
Central Stores	340,331	246,260
Other Depots	288,742	314,788
Total	629,073	561,048

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2014 €	2013 €
Government Debtors (Note 1)	32,018,639	3,060,182
Commercial Debtors	31,972,894	30,641,496
Non-Commercial Debtors	2,511,425	2,503,266
Development Levy Debtors (Note 2)	680,346	2,157,993
Other Services	1,572,848	1,690,141
Other Local Authorities	213,126	377,474
Agent Works Recoupable	1,564,235	1,482,717
Revenue Commissioners	-	-
Other	690,135	996,327
Add: Amounts falling due within one year (Note 3)	1,229,125	1,273,116
Total Gross Debtors	72,452,774	44,182,714
Less: Provision for Doubtful Debts	(15,715,662)	(15,566,629)
Total Trade Debtors	56,737,112	28,616,085
Prepayments	387,000	256,081
	57,124,112	28,872,166

Note 1 - €28 million due from DOELG relating to transfer of loans to Irish Water

Note 2 - This includes both old and new scheme levies receivable. Amounts receivable greater than 1 year have been moved to Long Term Debtors (Note 3)

Short Term water related development contribution debtors balances (less bad debt provision) as at 31 December 2014 are being shown with an equivalent creditor in the AFS to reflect the transfer of water and waste water services to Irish Water. Cash collected in 2014 but not paid over to Irish Water in 2014 is also shown as a creditor

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2014 €	2013 €
Trade creditors (Note 1)	7,490,353	5,943,518
Grants	170,409	237,321
Revenue Commissioners	2,192,385	2,747,684
Other Local Authorities	5,279	202,980
Other Creditors	739,822	275,341
	<u>10,588,248</u>	<u>9,406,843</u>
Accruals	5,146,254	7,366,666
Deferred Income	4,296,412	2,819,464
Add: Amounts falling due within one year (Note 8)	34,221,048	9,072,652
	<u>54,163,961</u>	<u>28,665,626</u>

Note 1. €797k due to Irish Water at year end per Circular Fin 02/2015

Short Term water related development contribution debtors balances (less bad debt provision) as at 31 December 2014 are being shown with an equivalent creditor in the AFS to reflect the transfer of water and waste water services to Irish Water. Cash collected in 2014 but not paid over to Irish Water in 2014 is also shown as a creditor

7. Urban Account

A summary of the Intercompany account is as follows:

	2014 €	2013 €
Balance at 1 January	0	0
Charge for Year		355,944
Received/Paid		(355,944)
Balance at 31 December	<u>0</u>	<u>0</u>

8. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2014 €	Balance @ 31/12/2013 €
Balance @ 1/1/2014	150,928,763	426,455	30,824,615	182,179,833	188,832,078
Borrowings	64,437			64,437	2,578,520
Repayment of Principal	(6,072,661)	(160,233)	(3,057,994)	(9,899,888)	(8,613,101)
Early Redemptions	(1,441,112)			(1,441,112)	(734,072)
Other Adjustments	82,829			82,829	116,412
Balance @ 31/12/2014	<u>143,592,355</u>	<u>257,222</u>	<u>27,166,624</u>	<u>171,016,202</u>	<u>182,179,836</u>
Less: Amounts falling due within one year (Note 6)				34,221,048	9,072,652
Total Amounts falling due after more than one year				<u>136,795,154</u>	<u>173,107,184</u>

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2014 €	Balance @ 31/12/2013 €
Mortgage loans*	21,045,578	253,423		21,299,002	23,295,591
<u>Non-Mortgage loans</u>					
Asset/Grants	46,570,124	3,759	18,864,947	65,438,870	106,657,850
Revenue Funding					
Bridging Finance	2,453,173			2,453,173	2,453,188
Recoupable **	28,562,665			28,562,665	2,424,610
Shared Ownership – Rented Equity	8,636,525			8,636,525	9,511,606
Inter-Local Authority					
Voluntary Housing (and recoupable Irish Water loans)	36,324,291		8,301,677	44,625,968	37,836,991
	<u>143,592,355</u>	<u>257,222</u>	<u>27,166,624</u>	<u>171,016,202</u>	<u>182,179,836</u>
Less: Amounts falling due within one year (Note 6) **				34,221,048	9,072,652
Total Amounts falling due after more than one year				<u>136,795,154</u>	<u>173,107,184</u>

* Includes HFA Agency Loans

** Note 1 - €28 million due from DOELG relating to transfer of loans to Irish Water

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:

	2014 €	2013 €
Opening Balance at 1 January	6,582,450	6,171,209
Deposits received	192,186	613,924
Deposits repaid	(625,850)	(202,683)
Closing Balance at 31 December	5,948,785	6,582,450

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 @ 1/1/2014 €	Purchased €	Transfers WIP €	Disposals €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2014 €	Balance @ 31/12/2013 €
Grants	366,801,867	382,730	-	(66,053,931)	-	0	301,130,666	366,801,867
Loans	17,292,198	-	-	(9,254,984)	-	0	8,037,204	17,292,198
Revenue funded	12,993,703	1,130,966	9,397	(25,967)	-	-	14,108,100	12,993,703
Leases	188,601	-	-	-	-	-	188,601	188,601
Development Levies	1,786,270	-	-	-	-	-	1,786,270	1,786,270
Tenant Purchase Annuities	12,500	-	-	-	-	-	12,500	12,500
Unfunded	-	-	-	-	-	-	-	-
Historical	3,594,360,067	-	-	(655,750,408)	481,391	(50,000)	2,939,021,050	3,594,360,067
Other	139,470,008	386,043	-	(1,296,561)	-	-	138,559,501	139,470,008
Total Gross Funding	4,132,905,213	1,899,740	9,397	(732,351,650)	461,391	(50,000)	3,402,843,890	4,132,905,213
Less: Amortised							(24,769,547)	(411,026,575)
Total							3,378,074,343	3,721,878,638

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Other Balances

A breakdown of other balances is as follows:

	Balance @ 1/1/2014	Capital re-classification*	Expenditure	Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	Balance @ 31/12/2014	Balance @ 31/12/2013
	€	€	€	€	€	€	€	€	€
Tenant Purchase Annuities									
- Realised	6,634,110		4,100	694,138	0	490,526	(421,533)	6,462,688	6,634,110
- UnRealised	221,059			(87,042)				(34,017)	221,059
Development Levies									
	10,874,219		(649,628)	(1,475,125)		19,365	(5,694,792)	5,037,543	10,874,219
Unfunded Balances									
- Project Balances	(1,419,690)	71,270	10,954	14,376			0	(1,344,699)	(1,419,690)
- Non-Project Balances	(6,911)	174,410	70	(610,856)			415	(343,042)	(6,911)
Funded Balances									
- Project Balances	153,726	(4,854)	140,755	87,203	104,108		64,489	248,912	153,726
- Non-Project Balances	7,175,323	2,299,065	16,969,221	16,837,786	939,397	175,501	3,226,259	13,333,109	7,175,323
Voluntary & Affordable Housing Balances									
- Voluntary Housing	352,677		737,947	735,769		15		350,499	352,677
- Affordable Housing	386,201		549,342	549,342				385,628	386,201
Other Balances									
- Assets	(178,415)		1,280	8,459,519			(1,276)	8,278,549	(178,415)
- Insurance Fund									
- General	14,773,132		250,349	(6,850,177)	1,082,041	110,272	325,046	7,180,823	14,773,132
Net Capital Balances	38,915,432	2,539,491	17,155,344	16,636,903	2,129,544	752,700	(501,395)	41,799,332	38,915,432
Non-Mortgage Loans - Principal to be Amortised									
- Lease Repayment - Principal to be Amortised								(67,892,042)	(111,535,648)
- Historical Opening Mortgage Funding Surplus/(Deficit)									
- Shared Ownership Rented Equity Account								(670,712)	(473,545)
- Reserves - associated companies									
Total Other Balances								(68,362,753)	(112,009,193)
								(26,564,422)	(73,093,760)

* 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 timing 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. This reserve represents the cumulative difference between the value of both indexations and can be attributed mainly to timing differences.
- Note (o) Provision has not been made in the Annual Financial Statement in respect of the associated commitment/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:

	2014 €	2013 €
Net WIP & Preliminary Expenses (Note 2)	(1,386,635)	856,409
Net Capital Balances (Note 11)	41,798,332	38,915,432
Agent Works Recoupable (Note 5)	(1,564,235)	(1,482,717)
Capital Balance Surplus/(Deficit) @ 31 December	38,847,462	38,289,124

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

	2014 €	2013 €
Opening Balance @ 1 January	38,289,124	44,665,054
Expenditure	26,533,881	46,073,650
Income		
- Grants	23,162,596	31,709,044
- Loans	(0)	2,400,000
- Other	2,349,357	6,385,748
Total Income	25,511,953	40,494,793
Net Revenue Transfers	1,580,267	(797,073)
Closing Balance @ 31 December	38,847,462	38,289,124

13. Mortgage Loan Funding Surplus/(Deficit)

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

	2014 Loan Annuity €	2014 Rented Equity €	2014 Total €	2013 Total €
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	22,330,338	8,910,731	31,241,069	32,940,560
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 8)	(21,299,002)	(8,636,525)	(29,935,527)	(32,807,197)
Surplus/(Deficit) in Funding @ 31st December	1,031,336	274,206	1,305,542	133,363

14. Summary of Plant & Materials Account

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

	2014 Plant & Machinery €	2014 Materials €	2014 Total €	2013 Total €
Expenditure Charged to Jobs	(3,987,498)	(171,909)	(4,159,406)	(4,393,336)
	3,909,836	280,186	4,190,022	4,202,682
	(77,661)	108,277	30,615	(190,653)
Transfers from/(to) Reserves	(428,389)	-	(428,389)	(531,600)
Surplus/(Deficit) for the Year	(506,050)	108,277	(397,774)	(722,253)

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. Transfers from/(to) Reserves

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

	2014	2014	2014	2013
	Transfers from Reserves	Transfers to Reserves	Net	
	€	€	€	€
Loan Repayment Reserve (Note 1)	-	(6,797,155)	(6,797,155)	(3,966,543)
Lease Repayment Reserve	-	-	-	-
Historical Mortgage Funding Write-off	172,142	-	172,142	-
Development Levies	563,442	(2,216,136)	(1,652,694)	(825,380)
Other (Note 2)	735,584	(9,013,290)	(8,277,707)	(4,791,924)
Surplus/(Deficit) for Year				

Note 1

This represents the capital element of non-mortgage loan repayments made in 2014.

Note 2

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 2014.

16. Analysis of Revenue Income

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

Appendix No	2014		2013	
	€	%	€	%
3	37,934,332	27%	36,183,203	25%
4	376,352	0%	2,473,080	2%
	48,957,037	34%	39,722,524	27%
	87,267,722	61%	78,378,806	54%
	22,720,760	16%	32,667,843	22%
	2,399,090	2%	2,637,488	2%
	30,729,915	21%	29,206,176	20%
	-	0%	2,939,944	2%
	143,117,486	100%	145,830,258	100%

Grants & Subsidies

Contributions from other local authorities

Goods & Services

Local Government Fund - General Purpose Grant

Pension Related Deduction

Rates

County Charge

Total Income

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 2014 €	
	Excluding Transfers 2014 €	Transfers 2014 €	Including Transfers 2014 €	Budget 2014 €	(Over)/Under Budget 2014 €	Excluding Transfers 2014 €	Transfers 2014 €	Including Transfers 2014 €		Budget 2014 €
Housing & Building	14,777,881	218,904	14,996,785	15,971,245	974,459	17,336,209	446,973	17,783,182	17,993,553	784,088
Roads Transportation & Safety	42,690,806	526,178	43,216,984	43,515,604	298,620	26,851,620	172,143	27,023,763	26,161,138	1,161,245
Water Services	18,917,011	2,594,421	21,511,432	22,708,683	1,197,251	18,673,959	-	18,673,959	18,557,613	1,313,597
Development Management	10,629,092	612,548	11,241,640	12,003,992	762,353	2,448,554	40,000	2,488,554	2,312,165	938,742
Environmental Services	10,784,350	879,188	11,663,538	11,948,949	285,441	1,260,529	15,109	1,275,638	1,282,792	288,287
Recreation & Amenity	7,955,881	1,141,488	9,097,369	9,303,650	206,282	1,554,038	190	1,554,228	1,551,915	208,595
Agriculture, Education, Health & Welfare	4,865,957	755,119	5,621,076	5,691,443	70,367	3,408,213	-	3,408,213	3,415,764	62,816
Miscellaneous Services	23,433,258	2,285,475	25,718,733	23,996,500	(1,722,233)	15,794,599	61,169	15,795,768	17,876,320	(3,802,786)
Total Divisions	134,054,235	9,013,291	143,067,526	145,140,066	2,072,540	87,267,722	735,584	88,003,305	85,161,261	914,584
Local Government Fund - General Purpose Grant	-	-	-	-	-	22,720,760	-	22,720,760	22,720,760	-
Pension Related Deduction	-	-	-	-	-	2,399,090	-	2,399,090	2,578,000	(178,910)
Rates	-	-	-	-	-	30,729,915	-	30,729,915	30,680,045	49,870
County Charge	-	-	-	-	-	-	-	-	-	-
D/Cr Balance	-	-	-	-	-	-	-	-	-	-
(Deficit)/Surplus for Year	134,054,235	9,013,291	143,067,526	145,140,066	2,072,540	143,117,486	735,584	143,853,070	145,140,066	(1,286,996)

NOTES TO AND FORMING PART OF THE ACCOUNTS

2014

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

Operating Surplus/(Deficit) for Year	785,544
(Increase)/Decrease in Stocks	(68,025)
(Increase)/Decrease in Trade Debtors	(28,251,946)
Non operating activity in Trade Debtors (Agent Works)	81,517
Increase/(Decrease) in Creditors Less than One Year	25,498,136
(Increase)/Decrease in Urban Account	(0)
	(1,954,774)

19. Increase/(Decrease) in Reserve Balances

Increase/(Decrease) in Tenant Purchase Annuities	(259,063)
Increase/(Decrease) in Development Contributions	(4,236,676)
Increase/(Decrease) in Other Reserve Balances	844,659
	(3,651,081)

20. (Increase)/Decrease in Other Capital Balances

(Increase)/Decrease in Project Balances - Funded	90,186
(Increase)/Decrease in Project Balances - Unfunded	74,991
(Increase)/Decrease in Non Project Balances - Funded	6,157,785
(Increase)/Decrease in Non Project Balances - Unfunded	(336,131)
(Increase)/Decrease in Voluntary Housing Balances	(2,178)
(Increase)/Decrease in Affordable Housing Balances	549,327
	6,533,980

21. Increase/(Decrease) in Loan Financing

(Increase)/Decrease in Long Term Debtors	(5,599,534)
Increase/(Decrease) in Mortgage Loans	(1,996,589)
Increase/(Decrease) in Asset/Grant Loans	(41,218,980)
Increase/(Decrease) in Revenue Funding Loans	-
Increase/(Decrease) in Bridging Finance Loans	(15)
Increase/(Decrease) in Recoupable Loans	26,138,054
Increase/(Decrease) in Shared Ownership Rented Equity Loans	(875,081)
Increase/(Decrease) in Inter-Local Authority Loans	-
Increase/(Decrease) in Voluntary Housing Loans	6,788,977
Increase/(Decrease) in Finance Leasing	-
(Increase)/Decrease in Portion Transferred to Current Liabilities	(25,148,395)
Increase/(Decrease) in Long Term Creditors - Deferred Income	1,800,887
	(40,110,677)

NOTES TO AND FORMING PART OF THE ACCOUNTS

2014

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22. (Increase)/Decrease in Reserve Financing

(Increase)/Decrease in Specific Revenue Reserve	-
(Increase)/Decrease in Non-Mortgage Loan Principal to be Amortised	43,643,605
(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	2,833
(Increase)/Decrease in Reserves in Associated Companies	-
	<u>43,646,438</u>

23. Analysis of Changes in Cash & Cash Equivalents

Increase/(Decrease) in Bank Investments	3,331,895
Increase/(Decrease) in Cash at Bank/Overdraft	(1,913,338)
Increase/(Decrease) in Cash in Transit	87,103
	<u>1,505,661</u>

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2014

	2014 €	2013 €
Payroll Expenses		
Salary & Wages	41,808,144	42,864,828
Pensions (incl Gratuities)	9,356,782	7,716,394
Other costs	4,998,139	6,203,253
Total	56,163,066	56,784,475
Operational Expenses		
Purchase of Equipment	1,068,495	1,262,538
Repairs & Maintenance	1,641,696	2,239,431
Contract Payments	11,710,145	13,137,546
Agency services	1,483,776	4,359,585
Machinery Yard Charges incl Plant Hire	10,215,800	9,817,064
Purchase of Materials & Issues from Stores	11,473,384	12,492,581
Payment of Grants	5,109,879	6,001,893
Members Costs	338,319	399,801
Travelling & Subsistence Allowances	1,758,322	1,795,316
Consultancy & Professional Fees Payments	1,703,151	1,595,962
Energy Costs	3,557,010	5,259,655
Other	6,608,113	6,205,221
Total	56,668,090	64,566,594
Administration Expenses		
Communication Expenses	828,787	884,434
Training	489,389	519,197
Printing & Stationery	253,132	227,693
Contributions to other Bodies	1,293,339	1,294,702
Other	1,476,119	1,353,350
Total	4,340,760	4,279,375
Establishment Expenses		
Rent & Rates	2,596,593	1,717,438
Other	878,995	599,789
Total	3,470,588	2,317,227
Financial Expenses	13,028,017	9,510,312
Miscellaneous Expenses	383,714	810,552
County Charge		2,939,944
Total Expenditure	134,054,235	141,208,479

APPENDIX 2
SERVICE DIVISION A
HOUSING and BUILDING

DIVISION	EXPENDITURE	INCOME				
		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
A01 Maintenance/Improvement of LA Housing	4,712,742	1,026,259	1,237,522	-	2,263,781	
A02 Housing Assessment, Allocation and Transfer	1,246,597	-	83,753	-	83,753	
A03 Housing Rent and Tenant Purchase Administration	1,123,488	182,293	9,550,664	-	9,732,957	
A04 Housing Community Development Support	209,448	-	6,979	-	6,979	
A05 Administration of Homeless Service	283,764	(18,984)	4,453	111,159	96,628	
A06 Support to Housing Capital & Affordable Prog.	1,841,042	933,205	76,259	-	1,009,465	
A07 RAS Programme	3,360,778	2,788,647	818,643	-	3,607,290	
A08 Housing Loans	1,377,991	138,838	711,765	-	850,603	
A09 Housing Grants	815,884	-	109,131	-	109,131	
A11 Agency & Recoupable Services	25,052	22,595	-	-	22,595	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	14,996,785	5,072,854	12,599,169	111,159	17,783,182	
Less Transfers to/from Reserves	218,904		446,973		446,973	
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	14,777,881		12,152,195		17,336,209	

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 €	TOTAL €	
B01 NP Road - Maintenance and Improvement	1,416,981	1,046,630	26,761	2,115	1,075,507	
B02 NS Road - Maintenance and Improvement	1,623,913	1,061,870	32,183	-	1,094,053	
B03 Regional Road - Maintenance and Improvement	13,075,922	7,276,582	895,171	61,515	8,173,268	
B04 Local Road - Maintenance and Improvement	22,095,862	14,580,355	603,362	21,152	15,204,868	
B05 Public Lighting	2,494,098	217,323	32,414	-	249,737	
B06 Traffic Management Improvement	42,187	-	2,707	-	2,707	
B07 Road Safety Engineering Improvement	277,891	201,049	2,417	-	203,466	
B08 Road Safety Promotion/Education	222,918	-	5,457	450	5,907	
B09 Maintenance & Management of Car Parking	995,752	-	871,083	9,006	880,089	
B10 Support to Roads Capital Prog.	926,811	-	121,757	-	121,757	
B11 Agency & Recoupable Services	44,650	-	12,405	-	12,405	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	43,216,984	24,383,809	2,545,716	94,238	27,023,763	
Less Transfers to/from Reserves	526,178		172,143		172,143	
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	42,690,806		2,373,574		26,851,620	

APPENDIX 2
SERVICE DIVISION C
WATER SERVICES

DIVISION	EXPENDITURE	INCOME				
		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€	
C01	Operation and Maintenance of Water Supply	14,311,961	2,459,270	467,535	-	2,926,805
C02	Operation and Maintenance of Waste Water Treatment	3,652,037	592,282	97,880	-	690,162
C03	Collection of Water and Waste Water Charges	898,260	-	19,174	-	19,174
C04	Operation and Maintenance of Public Conveniences	252,003	-	87,218	-	87,218
C05	Admin of Group and Private Installations	104,337	43,453	4,048	-	47,501
C06	Support to Water Capital Programme	1,637,563	-	80,301	-	80,301
C07	Agency & Recoupable Services	655,270	43,470	14,779,329	-	14,822,799
C08	Local Authority Water and Sanitary Services	-	-	-	-	-
	SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	21,511,432	3,138,474	15,535,485	-	18,673,959
	Less Transfers to/from Reserves	2,594,421				
	SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	18,917,011		15,535,485		18,673,959

APPENDIX 2
SERVICE DIVISION D
DEVELOPMENT MANAGEMENT

DIVISION	EXPENDITURE TOTAL €	INCOME				TOTAL €
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
D01 Forward Planning	717,899	-	25,084	-		25,084
D02 Development Management	2,561,162	-	856,263	-		856,263
D03 Enforcement	994,823	-	34,157	426		34,583
D04 Op & Mice of Industrial Sites & Commercial Facilities	1,251	-	127	-		127
D05 Tourism Development and Promotion	1,083,989	65,887	57,495	-		123,382
D06 Community and Enterprise Function	3,031,592	15,561	183,053	-		198,614
D07 Unfinished Housing Estates	151,435	-	-	-		-
D08 Building Control	117,333	-	54,452	-		54,452
D09 Economic Development and Promotion	1,978,073	753,596	232,953	-		986,549
D10 Property Management	43,506	-	-	-		-
D11 Heritage and Conservation Services	201,123	100,000	3,357	-		103,357
D12 Agency & Recoupable Services	359,654	5,337	100,808	-		106,144
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	11,241,640	940,381	1,547,748	426		2,488,554
Less Transfers to/from Reserves	612,548		40,000			40,000
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	10,629,092		1,507,748			2,448,554

APPENDIX 2
SERVICE DIVISION E
ENVIRONMENTAL SERVICES

DIVISION	EXPENDITURE TOTAL €	INCOME				TOTAL €
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €		
E01 Operation, Maintenance and Aftercare of Landfill	1,992,684	-	22,947	-		22,947
E02 Op & Mtce of Recovery & Recycling Facilities	527,836	37,350	69,139	-		106,489
E03 Op & Mtce of Waste to Energy Facilities	-	-	-	-		-
E04 Provision of Waste to Collection Services	27,602	-	-	-		-
E05 Litter Management	1,177,306	41,200	45,892	-		87,092
E06 Street Cleaning	442,249	-	25,871	-		25,871
E07 Waste Regulations, Monitoring and Enforcement	266,551	202,000	69,556	-		271,556
E08 Waste Management Planning	29,127	-	-	-		-
E09 Maintenance and Upkeep of Burial Grounds	32,349	-	411	-		411
E10 Safety of Structures and Places	586,489	92,957	10,675	-		103,632
E11 Operation of Fire Service	5,606,027	11,094	388,153	122		399,370
E12 Fire Prevention	411,230	-	162,211	-		162,211
E13 Water Quality, Air and Noise Pollution	563,759	-	96,059	-		96,059
E14 Agency & Recoupable Services	298	-	-	-		-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	11,663,508	384,601	890,915	122		1,275,638
Less Transfers to/from Reserves	879,158		15,109			15,109
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	10,784,350		875,806			1,260,529

APPENDIX 2

SERVICE DIVISION F RECREATION and AMENITY

DIVISION	EXPENDITURE	INCOME				TOTAL
	€	€	€	€	€	
F01	Operation and Maintenance of Leisure Facilities	1,400,576	(5,374)	53,280	(50,000)	(2,094)
F02	Operation of Library and Archival Service	3,516,876	27,700	185,504	-	213,204
F03	Op, Mice & Imp of Outdoor Leisure Areas	2,162,178	732,539	107,186	600	840,326
F04	Community Sport and Recreational Development	114,264	-	-	-	-
F05	Operation of Arts Programme	1,903,474	281,576	219,317	1,900	502,793
F06	Agency & Recoupable Services	-	-	-	-	-
	SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	9,097,368	1,036,441	565,287	(47,500)	1,554,228
	Less Transfers to/from Reserves	1,141,488		190		190
	SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	7,955,881		565,097		1,554,038

APPENDIX 2
SERVICE DIVISION G
AGRICULTURE, EDUCATION, HEALTH and WELFARE

DIVISION	EXPENDITURE	INCOME				
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €	
G01 Land Drainage Costs	107,658	85,394	-	-	85,394	
G02 Operation and Maintenance of Piers and Harbours	1,715,261	1,500	82,733	-	84,233	
G03 Coastal Protection	562,423	562,423	-	-	562,423	
G04 Veterinary Service	600,820	7,490	343,179	-	350,669	
G05 Educational Support Services	2,634,914	2,318,384	7,109	-	2,325,493	
G06 Agency & Recoupable Services	-	-	-	-	-	
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	5,621,076	2,975,191	433,022	-	3,408,213	
Less Transfers to/from Reserves	755,119					
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	4,865,957		433,022		3,408,213	

APPENDIX 2
SERVICE DIVISION H
MISCELLANEOUS SERVICES

DIVISION	EXPENDITURE	INCOME			
		State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
H01 Profit/Loss Machinery Account	TOTAL € 6,028,853	-	5,409,244	-	5,409,244
H02 Profit/Loss Stores Account	171,909	-	280,186	-	280,186
H03 Administration of Rates	9,946,825	-	118,700	-	118,700
H04 Franchise Costs	395,672	-	9,222	-	9,222
H05 Operation of Morgue and Coroner Expenses	368,627	-	511	-	511
H06 Weighbridges	550	-	-	-	-
H07 Operation of Markets and Casual Trading	7,701	-	8,507	-	8,507
H08 Malicious Damage	-	-	-	-	-
H09 Local Representation/Civic Leadership	1,508,134	-	1,084	-	1,084
H10 Motor Taxation	1,927,192	55,350	59,513	-	114,863
H11 Agency & Recoupable Services	5,363,268	(52,768)	9,688,313	217,907	9,853,451
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	25,718,733	2,582	15,575,279	217,907	15,795,768
Less Transfers to/from Reserves	2,285,475		61,169		61,169
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	23,433,258		15,514,110		15,734,599
TOTAL ALL DIVISIONS	134,054,235	37,934,332	48,957,037	376,352	87,267,722

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2014 €	2013 €
Department of the Environment, Heritage and Local Government		
Road Grants	150,000	15,810
Housing Grants & Subsidies	5,050,090	4,248,771
Library Services	-	5,000
Local Improvement Schemes	-	0
Urban and Village Renewal Schemes	-	0
Water Services Group Schemes	43,453	687,291
Environmental Protection/Conservation Grants	420,550	908,642
Miscellaneous	3,142,021	132,520
	8,806,114	5,998,034
Other Departments and Bodies		
Road Grants	24,908,705	25,532,100
Local Enterprise Office	753,596	0
Higher Education Grants	2,318,384	4,075,546
Community Employment Schemes	-	0
Civil Defence	81,092	75,749
Miscellaneous	1,066,443	501,773
	29,128,219	30,185,169
Total	37,934,332	36,183,203

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2014	2013
	€	€
Rents from Houses	10,810,580	10,752,510
Housing Loans Interest & Charges	939,532	979,582
Domestic Water	-	-
Commercial Water	-	6,102,915
Irish Water	17,884,423	-
Domestic Refuse	-	-
Commercial Refuse	-	-
Domestic Sewerage	-	(113,713)
Commercial Sewerage	-	208,526
Planning Fees	472,278	446,850
Parking Fines/Charges	852,298	814,196
Recreation & Amenity Activities	824	18,976
Library Fees/Fines	99,795	68,551
Agency Services	7,693	174,182
Pension Contributions	2,324,987	2,344,303
Property Rental & Leasing of Land	604,343	493,194
Landfill Charges	-	140
Fire Charges	517,778	601,636
NPPR (Note1)	3,213,370	5,248,200
Misc. (Detail)	11,229,138	11,722,506
	48,957,037	39,862,554

Note 1

The comparative figure in the 2013 column represents the cumulative income of Donegal County Council and the Town Councils, not the true consolidated income as is the case for 2014.

APPENDIX 5

SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2014	2013
	€	€
EXPENDITURE		
Payment to Contractors	12,886,209	20,526,153
Purchase of Land	1,798,066	3,577,258
Purchase of Other Assets/Equipment	1,535,596	569,776
Professional & Consultancy Fees	1,683,480	3,497,258
Other	8,630,531	17,903,205
Total Expenditure (Net of Internal Transfers)	26,533,881	46,073,650
Transfers to Revenue	752,890	2,000,046
Total Expenditure (Incl Transfers) *	27,286,771	48,073,697
INCOME		
Grants	23,162,596	31,709,044
Non - Mortgage Loans	**	2,400,000
Other Income		
(a) Development Contributions	(1,058,067)	2,164,062
(b) Property Disposals		
- Land	141,572	2,400
- LA Housing	553,633	1,660,184
- Other property	37,000	0
(c) Purchase Tenant Annuities	18,825	28,665
(d) Car Parking		0
(e) Other	2,656,393	2,530,438
Total Income (Net of Internal Transfers)	25,511,953	40,494,793
Transfers from Revenue	2,333,156	1,202,974
Total Income (Incl Transfers) *	27,845,109	41,697,767
Surplus\ (Deficit) for year	558,338	-6,375,930
Balance (Debit)\Credit @ 1 January	38,289,124	44,665,054
Balance (Debit)\Credit @ 31 December	38,847,462	38,289,124

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

APPENDIX 6
ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT

	BALANCE @ 1/1/2014	EXPENDITURE	INCOME				TRANSFERS			BALANCE @ 31/12/2014
	€	€	Grants €	Non-Mortgage Loans*	Other €	Total Income €	Transfer from Revenue €	Transfer to Revenue €	Internal Transfers €	€
Housing & Building	9,151,097	4,510,561	5,216,256	-	1,266,240	6,482,496	66,000	447,011	(1,393)	10,740,629
Road Transportaiton & Safety	1,621,319	9,728,145	9,987,109	489,114	195,359	10,672,562	384,713	172,143	2,711,795	5,490,122
Water Services	8,751,223	2,308,617	1,542,959	(8,881,347)	(91,020)	(7,429,408)	0	1,941	(0)	(988,742)
Development Management	11,159,201	399,497	845,241	-	(489,530)	405,711	7,299	69,209	(3,047,983)	8,055,524
Environmental Services	(495,689)	414,373	117,809	-	-	117,809	-	1,418	-	(793,671)
Recreation & Amenity	(2,251,361)	5,917,473	4,565,761	(0)	1,064,333	5,630,094	111,122	-	77,605	(2,350,014)
Agriculture, Education, Health & Welfare	(61,879)	1,180,916	747,793	-	(4,476)	749,316	155,264	-	261,251	(82,964)
Miscellaneous Services	10,415,213	2,074,299	139,669	8,392,233	357,450	8,889,352	1,605,759	61,169	(1,276)	18,776,580
TOTAL	38,289,124	26,533,881	23,162,596	-	2,349,357	25,511,953	2,333,156	752,890	0	38,847,462

Note: Mortgage-related transactions are excluded

APPENDIX 7

Summary of Major Revenue Collections for 2014

	Arrears @ 1/1/2014	Accrued	Write Off	Waivers	Total for Collection	Collected	Arrears @ 31/12/2014	% Collected
	€	€	€	€	€	€	€	
Rates	17,278,205	30,729,915	7,821,181	-	40,186,939	22,608,627	17,578,313	56%
Rents & Annuities	1,423,390	10,898,450	55,207	-	12,266,634	10,948,697	1,317,937	89%
<u>Refuse</u>								
Domestic	-	-	-	-	-	-	-	0%
Commercial	512,544	-	-	-	512,544	43,444	469,100	8%
Housing Loans	1,058,308	2,095,009	36	-	3,153,281	1,994,908	1,158,373	63%

- Note 1 The total for collection in 2014 includes arrears b/wrd at 1/1/2014. This will tend to reduce the % collected for 2014
- 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 Trust Ltd	Ltd by Guarantee	N	70,800	15,866	103,616	12,011	54,934	31/12/2014
Ballyshannon Leisure Centre Management Ltd	Ltd by Guarantee	N	11,492	11,492	457,750	457,750	0	31/12/2014
Bundoran Waterworld Ltd	Ltd by Guarantee	N	100,308	100,308	538,801	538,801	0	31/12/2014
Donegal Community & Cultural Development Company Ltd	Ltd by Guarantee	N	3,798,586	3,887,550	245,728	252,736	(88,964)	31/03/2014
County Donegal Tourism Ltd.	Ltd by Guarantee 3 DCC officials on Board & 1 is Company Secretary.	N	45,064	38,877	102,651	94,985	6,187	31/12/2013
Earagail Arts festival Management Company Ltd	Ltd by Guarantee	N	90,835	8,880	340,796	341,397	(1,644)	31/12/2014
Ernact EEIG	50%	N	916,185	916,185	459,730	459,730	0	31/12/2013
Finn Valley Swimming Pool Ltd	Limited by Guarantee (6 of 12 Directors)	N	6,207,239	6,258,048	303,738	348,674	(50,811)	31/12/2013
Fort Dunree Military Museum Company Ltd	Ltd by Guarantee. DCC Members on the Board.	N	1,070,959	517,709	160,034	192,589	(272,817)	31/12/2014
Letterkenny Theatre Management Company Ltd	Ltd by Guarantee. DCC Members & an official on the Board. Annual contribution paid.	N	97,060	179,752	1,332,891	1,337,237	(82,692)	31/12/2014
Letterkenny Sports Complex Development Ltd	Ltd by Guarantee	N	17,126,501	19,992,536	13,058	477,177	(2,866,035)	31/12/2013

APPENDIX 9

**Report to the Elected Members on 25th May 2015
including detailed analysis of Income and Expenditure
by Division**

A/1 (2014)

TO: CATHAOIRLEACH & 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 2014

Introduction

Section 104 of the Local Government Act 2001, as amended by the Local Government Reform Act 2014, requires Local Authorities to seek the authorisation of the Elected Members to exceed the Adopted Budget, except in certain defined circumstances such as where specific additional funding which would substantially offset such additional expenditure is made available to the local authority by the Minister or any other public authority for that service or function.

This report sets out the amendments to the Adopted Budget that occurred during 2014, together with the outturn figures for Gross Income and Gross Expenditure for the year ended 31st December 2014.

The figures shown represent the consolidated budgetary/financial positions of Donegal County Council and the former town councils for 2014. Standard rounding rules apply to all figures/tables presented in this document.

Overview – Adopted Budget versus Revised Budget 2014

Table 1 below sets out the Adopted Budget for 2014 and summarises the revisions made to it arising from increased/decreased funding provisions and changes in allocations on a contra basis across Service Divisions during 2014.

	Expenditure €	Income €
Adopted Budget 2014	151,902,123	151,902,123
Less inter-authority transactions eliminated upon consolidation	(5,619,264)	(5,619,264)
Amended Adopted Budget	146,282,859	146,282,859
Revised Budget 2014	145,140,066	145,140,066
Movement (Decrease)	(1,142,793)	(1,142,793)

The Revised Budget figure is the Adopted Budget of €151,902,123 less inter-authority transactions eliminated upon consolidation (€5,619,264 – See Table 2 below), less grant adjustments notified and other amounts (totalling €1,142,793), resulting in a total net decrease of €6,762,057. These adjustments result in a Revised Budget total of €145,140,066 for 2014.

The movement from the Adopted Budget to the Revised Budget arises as a result of net increases and decreases across all Service Divisions. A detailed explanation for the net decrease of €1,142,793 is provided per Service Division later in this report.

Table 2 – Summary of Movements from Adopted Budget to Revised Budget per Service Division for 2014				
Div	Description	Expenditure €	Income €	Net €
A	Housing & Building	1,039,102	1,117,799	(78,697)
B	Road, Transport & Safety	3,446,617	3,116,454	330,163
C	Water Services	(11,844,206)	(11,881,887)	37,681
D	Development Management	945,568	997,625	(52,057)
E	Environmental Services	92,848	(25,001)	117,849
F	Recreation & Amenity	718,151	648,772	69,379
G	Agriculture, Education, Health & Welfare	262,807	235,207	27,600
H	Miscellaneous Services	4,196,321	2,163,473	2,032,848
	Commercial Rates		2,484,763	(2,484,763)
	Totals	(1,142,793)	(1,142,793)	0

Standard rounding rules apply.

Table 3 – Inter-authority transactions eliminated upon consolidation	
Description	Amount €
County Charge	2,939,944
Local Government Fund	1,827,480
NPPR	851,840
Total	5,619,264

Overview – Actual Gross Income and Gross Expenditure for Year Ended 31st December 2014

Table 4 overleaf sets out the gross income and gross expenditure for each Service Division for the financial year ended 31st December 2014. The income and expenditure outturn represents a net improvement of €785,544 for the year ended 31st December 2014.

This improvement means that the consolidated accumulated revenue deficit (General Reserve) has decreased from €15,752,132 at the end of 2013 to €14,966,588 at the end of 2014 (see Table 5).

Viewed in isolation, Donegal County Council's accumulated general deficit at the end of 2013 was €17,796,835. The net effect of the consolidation with the former town councils resulted in an exceptional reduction in the deficit of €2,044,703 for 2013. The net income and expenditure outturn for 2014 resulted in a further reduction of €785,544, bringing the accumulated general deficit to €14,966,588 at 31st December 2014.

Table 4 - Actual Gross Expenditure & Gross Income for year ended 31st December 2014

Service Division	Gross Expenditure 2014 €	Gross Income 2014 €	Net Variance 2014 €
Housing & Building	14,996,785	17,783,182	2,786,397
Road Transport & Safety	43,216,984	27,023,763	(16,193,221)
Water Services	21,511,432	18,673,959	(2,837,473)
Development Management	11,241,640	2,488,554	(8,753,086)
Environmental Services	11,663,508	1,275,638	(10,387,870)
Recreation & Amenity	9,097,368	1,554,228	(7,543,140)
Agriculture, Education, Health & Welfare	5,621,076	3,408,213	(2,212,863)
Miscellaneous Services	25,718,733	15,795,768	(9,922,965)
Local Government Fund		22,720,760	22,720,760
Pension Related Deduction		2,399,090	2,399,090
Rates		30,729,915	30,729,915
County Charge	nil	nil	nil
Total	143,067,526	143,853,070	785,544

Table 5 - Movement in the Accumulated Revenue Reserve

Description	€
Opening Accumulated Reserve Position at 01/01/14	(15,752,132)
Improvement for the year 2014	785,544
Closing Accumulated Revenue Position at 31/12/14	(14,966,588)

General Commentary on Outturn Figures for 2014

The net improvement of €785,544 is accounted for in detail at Table 6 and the text that follows. It is reiterated that the figures shown represent the consolidated position of Donegal County Council and the former town councils for 2014.

For convenience, the main contributors that have shaped the outturn position for 2014 are summarised below.

Credits

- Additional income in the sum of **€3.2m** was realised in respect of Irish Water's contribution to Central Management Charges
- Under-expenditure of **€0.552m** occurred in the Planning Section under the heading of Administration & Service Support Costs
- A provision for bad & doubtful debts in the sum of **€0.75m** in the area of Waste Water Charges was eliminated as it was not required
- Additional income of approximately **€3m** was realised in respect of Non-Principal Private Residence (NPPR) Charges
- There were savings in the sum of **€1.6m** under Service Support Costs (Appendix A - Central Management Charges) and a further **€0.5m** under Direct Service Support Costs across all Service Divisions

Debits

- A 'Project Development Fund Reserve' was created in the sum of **€0.981m**
- The general provision in respect of bad & doubtful debts in the area of Commercial Rates was increased by **€1.3m**
- A budget provision targeting income to be transferred from reserves of **€1.9m** was not required
- Additional income and savings budgeted for generally were ultimately reflected/realised in the areas of NPPR Charges and Service Support Costs (see above) in the sum of **€4.6m**

Income and Expenditure Outturn per Service Division for 2014

Table 6 overleaf shows the 2014 outturn [surplus or (deficit)] for both Income and Expenditure as against the 2014 Revised Budget for each Service Division. The outturn figures in respect of 2014 'General Purpose Funding' sources as against the 2014 Revised Budget are also shown.

Division H 'Miscellaneous Services' recorded over-expenditure in the sum of €1,722,233. The reasons for the over-expenditure are explained in detail on pages 7 & 8 of this report.

As stated in the introduction to this report, Section 104 of the Local Government Act 2001, as amended by the Local Government Reform Act 2014, requires Local Authorities to seek the authorisation of the Elected Members to exceed the Adopted Budget.

Therefore, there is a legal requirement for the Elected Members to consider and approve the actual Gross Expenditure for 2014 as against the Revised Budget for 2014 and, where applicable, to consider those Divisions where Gross Expenditure exceeds the Revised Budget for that Service Division.

Table 6 – Income & Expenditure Outturn per Service Division					
Service Division		2014 Expenditure (over)/under Revised Budget	2014 Income over/(under) Revised Budget	2014 Net Position	See Page No.
		€	€	€	Page
A	Housing & Building	974,459	(210,371)	764,088	11
B	Road Transport & Safety	298,620	862,625	1,161,245	14
C	Water Services	1,197,251	116,346	1,313,597	17
D	Development Management	762,353	176,389	938,742	20
E	Environmental Services	285,441	(17,154)	268,287	23
F	Recreation & Amenity	206,282	2,313	208,595	26
G	Agriculture, Education, Health & Welfare	70,367	(7,551)	62,816	29
H	Miscellaneous Services	(1,722,233)	(2,080,552)	(3,802,785)	7
	Local Government Fund		0	0	
	Pension Levy		(178,910)	(178,910)	
	County Charge		0	0	
	Rates		49,870	49,870	
Totals		2,072,540	(1,286,995)	785,544	

Commentary on General Purpose Funding Income for 2014

The Local Government Fund was realised in full in 2014.

There was marginal under-realisation of income from Pension Related Deductions (PRD) in the sum of €178,910. This was due to a change in the PRD rates from 1st January 2014, and employees availing of the Voluntary Redundancy Scheme (VRS).

The increase in Commercial Rates income is due to the fact that the total of the 2014 Rate Warrant exceeded the budgeted amount by €49,870. This arose as a result of adjustments made to some accounts during the year and to net increases in valuations between the Budget Meeting in January 2014 and the issuing of the Rate Demands in February 2014.

Resolution Required

The 2014 Gross Expenditure in Division H exceeds 2014 Revised Budget and therefore:

I am hereby seeking the approval of the Council's Elected Members as appropriate for the actual gross expenditure figure of €143,067,526 as set out on Table 4, Page 3 when compared to the Revised Budget of €145,140,066 (Adopted Budget as amended by net decreases in funding received for 2014) for all Divisions in accordance with Subsection 7 of Section 104 of the Local Government Act 2001 as amended by the Local Government Reform Act 2014.

Actual Income and Expenditure figures for each Service Division are now examined in detail in the following pages, starting with Division H.

Explanations are provided where there are variations between actual Income and Expenditure figures and the Revised Budget figures for 2014. The figures provided represent the consolidated position of Donegal County Council and the former town councils. Standard rounding rules have been applied.

Division H - Miscellaneous Services

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division H during 2014.

Adopted Expenditure Budget 2014		€19,800,179
1	Increase in Irrecoverable Rates Provision	€2,484,763
2	Increase in Machinery & Materials Account	€1,742,552
3	Budget transfer from Division C	€640,810
4	Training Grant transferred to Division B	(€67,365)
5	Stranorlar Regional Training Centre (Transfer to Capital)	(€375,000)
6	Transfers to and from other Divisions, the Overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	(€229,439)
Total Net Adjustments		€4,196,321
Revised Expenditure Budget 2014		€23,996,500

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division H is compared to the Revised Budget for Division H in the tables below.

Revised Expenditure Budget 2014	€23,996,500
Actual Expenditure 2014	€25,718,733
Over-Expenditure	€1,722,233

Net over-expenditure of €1,722,233 occurred in the following areas:

<u>Over-Expenditure</u>	
Coroners' Fees and Expenses	€63,674
Register of Electors/Franchise Fees/Local Elections	€27,496
Creation of Project Development Fund Reserve	€981,000
Rates – Bad/Doubtful Debts and Provisions	€1,741,824
Machinery & Materials Account	€111,954
Total	€2,925,948
<u>Under Expenditure</u>	
Direct Service Support Costs – Corporate/Finance/Motor-Tax/etc. and various administration headings including the former town councils	€480,289
Elected Members' Costs	€76,163
Re-chargeability of PL and EL Insurance	€262,550
Facilities Management & Maintenance	€69,716

General Administration of the Rates Account	€88,983
Service Support Costs allocated from Division J	€226,014
Total	€1,203,715
Total Net Over-Expenditure	€1,722,233

Commentary

Division H encompasses a wide range of headings that transcend across the organisation, particularly in terms of Support Services in the areas of Corporate and Finance. The above table highlights the main headings contributing to the net over-expenditure for Division H.

The main item of over-expenditure was under the Commercial Rates heading and was in the net sum of €1,741,824. As stated, this refers to bad & doubtful debts (provisions and write-offs).

Over expenditure of €63,674 was incurred in Coroners' Fees and Expenses.

A 'Project Development Fund' Reserve in the sum of €981,000 was created in Division H.

Over-expenditure under the Machinery & Materials Account is mitigated in full from additional income.

There was net under-expenditure on Members' costs and a number of service support cost headings

There was under-expenditure of €226,014 under Service Support Costs for Division H. There was under-expenditure of €1.6m approx in Service Support Costs in Division J (Appendix A) which, when allocated, is reflected across all Service Divisions. The detail of the under-expenditure in Division J will be outlined later in this report.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division H during 2014.

Adopted Income Budget 2014		€15,712,847
1	Increase in Machinery & Materials Account	€1,742,552
2	Training Grant budget transferred to Division B	(€67,365)
3	Budget Transfer from Division C - Loan Charges	€640,810
4	Stranorlar Regional Training Centre (Transfer to Capital)	(€375,000)
5	Transfers to and from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€222,476
Total Net Adjustments		€2,163,473
Revised Income Budget 2014		€17,876,320

Actual Income versus Revised Budget for 2014

Actual income in Division H is compared to the Revised Budget for Division H in the tables below.

Revised Income Budget 2014	€17,876,320
Actual Income 2014	€15,795,768
Under-Realisation of Income	€2,080,552

Net under-realisation of income of €2,080,552 is accounted for hereunder.

Additional Income	
Non Principal Private Residence Charge	€3,063,370
Irish Water - Contribution to Central Management Charges	€3,254,869
Total	€6,318,239
Under-Realisation of Income	
Property Entry Levies (PEL)	€216,483
Utilisation of Internal Capital Receipts/Reserves	€1,900,000
Income targeted in Division H (See Note*)	€468,424
Agency Services – Town Councils	€196,917
Income targeted at Budget time under various headings including NPPR, Commercial Rates, Re-chargeables and efficiencies etc.	€4,565,435
Unfunded Capital Balances - Loan Charges Recoupment	€640,810
Overhead Account Transfers and other Miscellaneous Headings	€333,209
Redundancy Costs not funded	€77,513
Total	€8,398,791
Total Net Under-Realisation of Income	€2,080,552

Commentary

A wide range of income headings accounted for in Division H show additional or reduced income amounts when compared to the Revised Budget.

Additional income from Non-Principal Private Residence Charges (NPPR) during 2014 amounted to €3,063,370.

Additional income in the sum of €3,254,869 was received from Irish Water for 2014. This additional income is in respect of Irish Water's contribution to Central Management Charges.

There was a shortfall of €216,483 in Property Entry Levies (PEL) Income.

The targeted utilisation of Internal Capital Receipts and Reserves of €1.9m was not required.

*Income of €468,424 was reflected in the budget for Division H. The under-realisation of income in Division H is matched by under-expenditure in other divisions under re-chargeability of payroll and insurance premiums.

Summary of Outturn Position in Division H

The overall position on Division H for Income and Expenditure in 2014 has resulted in a net disimprovement of €3,802,785 as against the Revised Budget for 2014.

Net Over-Expenditure	€1,722,233
Net Under-Realisation of Income	€2,080,552
Total Net Disimprovement in Division H for 2014	€3,802,785

Other Service Divisions for Information Purposes

As indicated earlier I am now setting out in the following pages, for completeness, the outturn for the other seven Service 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 32 - 34.

Division A - Housing and Building

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division A during 2014.

Adopted Expenditure Budget 2014		€14,932,143
1	Voluntary Housing Loan Charges	€15,126
2	Voluntary Housing Management & Maintenance	€23,992
3	Housing Grants – Internal Capital Receipts	€90,526
4	Improvements to Vacant Properties	€919,797
5	Transfers to and from other Divisions, the Overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	(€10,339)
Total Net Adjustments		€1,039,102
Revised Expenditure Budget 2014		€15,971,245

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division A is compared to the Revised Budget for Division A in the tables below.

Revised Budget 2014	€15,971,245
Actual Expenditure 2014	€14,996,785
Under-Expenditure	€974,460

Net under-expenditure of €974,460 occurred in the following areas:

Over-Expenditure	
Bad/Doubtful Debts and Provisions – Housing Loans	€200,000
Total	€200,000
Under-Expenditure	
Loan Charges – Mortgage	€56,259
Provision for Bad/Doubtful Debts - Housing Rents	€93,506
RAS – Voluntary & Private Properties	€206,736
Housing Maintenance	€293,387
General Administration & Miscellaneous including Service Support Costs allocated from Division J	€524,572
Total	€1,174,460
Net Total Under-Expenditure	€974,460

Commentary

The increase of €200,000 in the provision for bad/doubtful debts under Housing Loans repayments is in recognition of increased arrears of approximately €100,000 on the 2013 amount.

An amount of €919,797 in external funding from the Department of Environment, Community & Local Government was sourced in 2014 for the purposes of returning vacant properties to productive use. The effect of this additional income was to lessen the demand on own resources for housing maintenance during 2014. This resulted in a saving of €293,387.

There was under-expenditure of €524,572 under Service Support Costs for Division A. There was under-expenditure of approximately €1.6m in Service Support Costs in Division J (Appendix A) which, when allocated, is reflected across Service Divisions. The detail of the under-expenditure in Division J will be outlined later in this report.

Under-expenditure of €206,736 under the heading 'RAS – Voluntary & Private Properties' is partly offset by an under-realisation of income in the same area.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division A during 2014.

Adopted Income Budget 2014		€16,875,754
1	Voluntary Housing Loan Charges Recoupment	€15,126
2	Voluntary Housing Management & Maintenance	€23,992
3	Housing Grants – Internal Capital Receipts	€90,526
4	Improvements to vacant properties	€919,797
5	Transfers to and from other Divisions, the Overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€68,358
Total Net Adjustments		€1,117,799
Revised Income Budget 2014		€17,993,553

Actual Income versus Revised Budget for 2014

Actual income in Division A is compared to the Revised Budget for Division A in the tables below.

Revised Income Budget 2014	€17,993,553
Actual Income 2014	€17,783,182
Under-Realisation of Income	€210,371

Net under-realisation of income of €210,371 is accounted for hereunder.

<u>Additional Income</u>	
Long Term Leasing	€35,076
Other headings including Agency Services, Traveller Accommodation etc.	€61,927
Total	€97,003
<u>Under-Realisation of Income</u>	
Housing Loan Repayments by borrowers	€52,951
Housing Rents	€62,095
Shared Ownership Rent	€114,692
RAS – Voluntary & Private Properties	€77,636
Total	€307,374
Total Net Under-Realisation of Income	€210,371

Commentary

Housing Loan repayment accruals are under-realised mainly due a decrease in activity and to the current economic downturn. Loan Charges under-expenditure of €56,259 mitigates this income shortfall.

There was under-realisation of income under Shared Ownership Rent of €114,692, which is attributable to the indexation of all accounts post-2002 and was not budgeted for.

Under-realisation of Housing Rents in the sum of €62,095 is the net position for all Donegal local authorities for the year 2014.

Summary of Outturn Position in Division A

The overall position on Division A for Income and Expenditure in 2014 shows a net improvement of €764,088 as against the Revised Budget for 2014.

Net Under-Expenditure	€974,460
Net Under-Realisation of Income	€210,371
Total Net Improvement in Division A for 2014	€764,088

Division B - Road, Transportation & Safety

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division B during 2014.

Adopted Expenditure Budget 2014		€40,068,987
1	Road Grants and other increases/decreases	€3,036,682
2	Public Lighting Grant	€55,270
3	Transfers within Division B and to/from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€354,665
Total Net Adjustments		€3,446,617
Revised Expenditure Budget 2014		€43,515,604

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division B is compared to the Revised Budget for Division B in the tables below.

Revised Expenditure Budget 2014	€43,515,604
Actual Expenditure 2014	€43,216,984
Under Expenditure	€298,620

Net under-expenditure of €298,620 occurred in the following areas:

<u>Over-Expenditure</u>	
Public Lighting Maintenance/Improvement	€133,192
Total	€133,192
<u>Under-Expenditure</u>	
Maintenance & Improvement of Roads - including Specific Improvements, etc.	€41,387
Net miscellaneous headings including Car Parking, LCA, Traffic Management, Other Road Design Office headings & Agency Works	€210,780
Service Support Costs for Pay and Non Pay inc. Division J allocations	€179,645
Total	€431,812
Net Total Under-Expenditure	€298,620

Commentary

The net total under-expenditure of €298,620 represents approximately 0.7% of the overall revised budget amount of €43,515,604 for Division B

The net under-expenditure of €41,387 under the heading 'Maintenance and Improvement of Roads' arose in connection with works on National and Non-National Roads

The sourcing of additional external funding for activities in the Road Design area contributed to the under-expenditure of €210,780, negating as it did the requirement to use own resources funding.

Over-expenditure of €133,192 on Public Lighting Maintenance/Improvement is fully mitigated by additional income realised within this Service Division.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division B during 2014.

Adopted Income Budget 2014		€23,044,684
1	Road Grants and other increases/decreases	€3,036,682
2	Public Lighting Grant	€55,270
3	Transfers within Division B and to/from other Divisions, etc. (Information only becomes available after the Budget is adopted and when the outcome for the year is determined)	€24,502
Total Net Adjustments		€3,116,454
Revised Income Budget 2014		€26,161,138

Actual Income versus Revised Budget for 2014

Actual income in Division B is compared to the Revised Budget for Division B in the tables below.

Revised Income Budget 2014	€26,161,138
Actual Income 2014	€27,023,763
Additional Income	€862,625

Net additional Income of €862,625 is accounted for hereunder.

Additional Income	
Maintenance & Improvement of Non-National Roads (Net)	€500,988
Public Lighting Maintenance/Improvement Grant	€154,018
Service Support Income allocated from Division J	€138,559
Non-National Specific Improvements	€69,060
Total Additional Income	€862,625

Commentary

A detailed review of all income headings in this Division was carried out for 2014. Only income that was attributable to 2014 is included.

The additional income from 'Maintenance and Improvement of Non-National Roads' is related in many instances to the multi-annual nature of funding allocations, which can impact positively or negatively in any given year. The Department of Transport, Tourism & Sport operates within a financial year that runs from December to November each year, whereas Donegal County Council operates within a financial year that runs to the calendar year.

Additional grant income in the sum of €154,018 was received in respect of Public Lighting Maintenance/Improvement.

There was additional income of €138,559 allocated to Division B under 'Service Support Income' for 2014. This relates to Pension Contributions allocated from Division J.

Summary of Outturn Position in Division B

The overall position on Division B for Income and Expenditure in 2014 shows a net improvement of €1,161,245 as against the Revised Budget for 2014.

Net Under-Expenditure	€298,620
Net Additional Income	€862,625
Total Net Improvement in Division B for 2014	€1,161,245

Division C - Water Services

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division C during 2014.

Adopted Expenditure Budget 2014		€34,552,889
1	Goods/Services accounted for directly by Irish Water	(€11,881,887)
2	Secondments of staff to Irish Water	€669,167
3	Budget transferred to Division H	(€640,810)
4	Maintenance of Public Conveniences	€9,324
Total Net Adjustments		(€11,844,206)
Revised Expenditure Budget 2014		€22,708,683

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division C is compared to the Revised Budget for Division C in the tables below.

Revised Expenditure Budget 2014	€22,708,683
Actual Expenditure 2014	€21,511,432
Under-Expenditure	€1,197,251

Net under-expenditure of €1,197,251 occurred in the following areas:

Over-Expenditure	
Net expenditure incurred in 2014 relating to previous years and not recoupable from Irish Water	€36,894
Increase in provision for bad/doubtful debts – Water Charges	€44,267
Total	€81,161
Under-Expenditure	
Operation & Maintenance of Public Conveniences	€90,638
Administration of Group Schemes	€20,470
Agency Services – Buncrana Town Council	€141,781
Elimination of Expenditure Accruals not required	€207,912
Reduction in Bad/Doubtful Debts provision for Waste Water Charges	€750,000
Service Support Costs allocated from Division J	€67,611
Total	€1,278,412
Net Total Under-Expenditure	€1,197,251

Commentary

The due diligence audit of Water Charges arrears revealed an under-provision of €44,267, which is now included in the 2014 Annual Financial Statement.

The operation of public conveniences and the administration of group schemes remain the responsibility of Donegal County Council. There was under-expenditure of €90,638 and €20,975 respectively in these areas for 2014.

Payroll costs in the sum of €141,781 which were formerly accounted for in Buncrana Town Council were accounted for in Donegal County Council for 2014 and as such were recoupable from Irish Water. The decrease in expenditure is matched by a similar decrease in income.

Expenditure accruals were included in the 2013 AFS in recognition of potential liabilities as anticipated at that time. During the course of 2014 these were dealt with resulting in under-expenditure of €207,912.

A specific exercise was carried out on all Waste Water Charges accounts with arrears, in accordance with criteria agreed between local authorities and Irish Water. This exercise has resulted in a reduction of €750,000 in the bad/doubtful debt provision as compared to that reported in the 2013 AFS.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division C during 2014.

Adopted Income Budget 2014		€30,439,500
1	Irish Water Budget Reduction – Contra	(€11,881,887)
2	Budget transfer to Division H	(€640,810)
3	Secondments to Irish Water	€486,696
4	Transfers to/from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€154,114
Total Net Adjustments		(€11,881,887)
Revised Income Budget 2014		€18,557,613

Actual Income versus Revised Budget for 2014

Actual income in Division C is compared to the Revised Budget for Division C in the tables below.

Revised Income Budget 2014	€18,557,613
Actual Income 2014	€18,673,959
Additional Income	€116,346

Commentary

Net additional income of €116,346 is primarily made up of income relating to Water Services in respect of 2013 and previous years realised in 2014.

Summary of Outturn Position in Division C

The overall position on Division C for Income and Expenditure in 2014 shows a net improvement of €1,313,597 as against the Revised Budget for 2014.

Net Over-Expenditure	€1,197,251
Net Additional Income	€116,346
Total Net Over-Expenditure in Division C for 2014	€1,313,597

Division D - Development Management

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division D during 2014.

Adopted Expenditure Budget 2014		€11,058,424
1	Local Enterprise Office Expenditure Budget	€901,900
2	Buildings at Risk Grant	€80,000
3	Public Enhancement Grant	€58,507
4	Agency Services – County Enterprise Board	(€125,790)
5	Transfers from Capital	€63,000
6	Energy Research Development Programme	€18,936
7	Transfers to/from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	(€50,985)
Total Net Adjustments		€945,568
Revised Expenditure Budget 2014		€12,003,992

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division D is compared to the Revised Budget for Division D in the tables below.

Revised Budget 2014	€12,003,992
Actual Expenditure 2014	€11,241,640
Under-Expenditure	€762,352

Net under-expenditure of €762,352 occurred in the following areas:

<u>Over-Expenditure</u>	
Unfinished Estates – Pay and Non-Pay	€34,802
Total	€34,802
<u>Under-Expenditure</u>	
Direct Service Support Costs including Forward Planning & Planning Control/Enforcement	€189,275
County Development Plan	€47,821
Various Tourism Initiatives	€80,984
Economic Development Unit – Pay and Non Pay Headings	€72,024
Community & Enterprise Headings and Projects	€95,244
Conservation Services and Coastal Zone Management	€51,581
Service Support Costs allocated from Division J	€260,226
Total	€797,155
Total Net Under-Expenditure	€762,353

Commentary

There were significant savings in Pay and Non-Pay headings across the Planning Service as well as in Service Support Costs allocated from Division J. These savings amounted to €189,275.

Under-expenditure of €47,821 arose under the County Development Plan heading.

There was under-expenditure of €80,984 under various headings classified as Tourism Development. It should be noted that the 2014 budget under this heading has been repeated in 2015 to ensure the delivery of intended outcomes.

The savings in the Economic Development Unit and Community & Enterprise Section are mainly attributable to the recharging of payroll costs to externally-funded projects.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division D during 2014.

Adopted Income Budget 2014		€1,314,540
1	Local Enterprise Office Income Budget	€901,900
2	Buildings at Risk Grant	€80,000
3	Public Enhancement Grant	€58,507
4	Agency Services – County Enterprise Board	(€125,790)
	Transfers from Capital	€63,000
	Energy Research Development Programme	€18,936
5	Transfers to and from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€1,072
Total Net Adjustments		€997,625
Revised Income Budget 2014		€2,312,165

Actual Income versus Revised Budget for 2014

Actual income in Division D is compared to the Revised Budget for Division D in the tables below.

Revised Income Budget 2014	€2,312,165
Actual Income 2014	€2,488,554
Additional Income	€176,389

Net additional Income of €176,389 occurred in the following areas:

Additional Income	
Planning Fees	€80,278
Recoupment of Legal Fees	€73,317
Service Support Income allocated from Division J	€63,443
Total	€217,038
Under-Realisation of Income	
Agency Works – Town Council Plans	(€40,649)
Total	(€40,649)
Total Net Additional Income	€176,389

Commentary

There was additional income of €80,278 from Planning Fees. This is related to the number and types of applications received.

Additional income of €73,317 was realised from the recoupment of legal fees that had been expended in previous years.

Additional income of €63,443 arose under the heading of Service Support Income (Pension Contributions allocated from Division J).

The under-realisation of income under the heading 'Agency Works – Town Council Plans' is fully mitigated by expenditure savings in the same area.

Summary of Outturn Position in Division D

The overall position on Division D for Income and Expenditure in 2014 shows a net improvement of €938,742 as against the Revised Budget for 2014.

Net Under-Expenditure	€762,353
Net Additional Income	€176,389
Total Net Improvement in Division H for 2014	€938,742

Division E - Environmental Services

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division E during 2014.

Adopted Expenditure Budget 2014		€11,856,101
1	Transfer from Capital	€60,000
2	Transfers to/from other Divisions (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€32,848
Total Net Adjustments		€92,848
Revised Expenditure Budget 2014		€11,948,949

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division E is compared to the Revised Budget for Division E in the tables below.

Revised Expenditure Budget 2014		€11,948,949
Actual Expenditure 2014		€11,663,508
Under-Expenditure		€285,441

Net under-expenditure of €285,441 occurred in the following areas:

Over-Expenditure	
Increase in Bad Debt Provision – Landfill	€223,079
Total	€223,079
Under-Expenditure	
Landfill related activities	€91,132
Waste Awareness, Litter Wardens, Clean-Up Campaign, Mobile Litter Unit, etc.	€26,178
Water Safety – Payroll Costs	€60,097
Fire Service – Pay & Non-Pay Headings	€223,164
County Laboratory – Pay & Non Pay Headings	€41,379
Other Miscellaneous headings in Division E including Service Support Costs allocated from Division J.	€66,570
Total	€508,520
Total Net Under-Expenditure	€285,441

Commentary

The provision for bad/doubtful debts for Landfill Charges was increased by €223,079.

There was under-expenditure on landfill related activities of €91,932.

There was under-expenditure of €60,097 in Water-Safety payroll expenditure.

Under-expenditure in Fire Service Pay and Non-Pay headings amounted to €223,164.

Under-expenditure in the County Laboratory is attributable to reduced expenditure in the areas of both pay and non-pay headings.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division E during 2014.

Adopted Income Budget 2014		€1,317,793
1	Transfers to/from other Divisions (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	(€25,001)
Total Net Adjustments		(€25,001)
Revised Income Budget 2014		€1,292,792

Actual Income versus Revised Budget for 2014

Actual income in Division E is compared to the Revised Budget for Division E in the tables below.

Revised Income Budget 2014	€1,292,792
Actual Income 2014	€1,275,638
Under-realisation of Income	€17,154

Net under-realisation of income of €17,154 occurred in the following areas:

<u>Additional Income</u>	
County Laboratory	€31,711
Fire Service – Miscellaneous Headings	€36,587
Waste Management Related Income	€37,535
Total	€105,833
<u>Under Realisation of Income</u>	
Fire Service Certificates	€66,469
Litter Fines	€22,210
Total	€88,679
Total Net Under-Realisation of Income	€17,154

Commentary

The County Laboratory, Fire Service and Waste Management headings realised combined additional income of €105,833.

Under-realisation of income from Fire Service Certificates is related to activity under this heading.

There was under-realisation of income in the sum of €22,210 from Litter Fines.

Summary of Outturn Position in Division E

The overall position on Division E for Income and Expenditure in 2014 shows a net improvement of €268,287 as against the Revised Budget for 2014.

Net Under-Expenditure	€285,441
Net Under-Realisation of Income	€17,154
Total Net Improvement in Division E for 2014	€268,287

Division F - Recreation and Amenity

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division F during 2014.

Adopted Expenditure Budget 2014		€8,585,499
1	Wild Atlantic Way	€573,600
2	Loan Charges - Leisure Centres	(€77,346)
3	Arts Development - Arts Council Grant	(€11,250)
4	Storm Damage Repair	€120,000
5	Public Enhancement Scheme - Letterkenny	€26,747
6	Transfers to/from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€86,400
Total Net Adjustments		€718,151
Revised Expenditure Budget 2014		€9,303,650

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division F is compared to the Revised Budget for Division F in the tables below.

Revised Expenditure Budget 2014	€9,303,650
Actual Expenditure 2014	€9,097,368
Under-Expenditure	€206,282

Net under-expenditure of €206,282 occurred in the following areas:

<u>Over-Expenditure</u>	
Leisure Centre Contributions and Costs	(€113,733)
Total	(€113,733)
<u>Under-Expenditure</u>	
Library Services	€44,600
Arts Activities inc. RCC	€14,530
Beach Maintenance, Parks and Open Spaces	€140,001
Service Support Costs allocated from Division J	€120,884
Total	€320,015
Total Net Under-Expenditure	€206,282

Commentary

There was over-expenditure of €113,733 under the heading of Leisure Centre Contributions and Costs. This is primarily made up of additional loan charges.

The net under-expenditure for Libraries and Arts Activities headings is €59,130.

There was under-expenditure of €140,001 under Beach Maintenance and Parks & Open Spaces.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division F during 2014.

Adopted Income Budget 2014		€903,143
1	Wild Atlantic Way	€573,600
2	Loan Charges - Leisure Centre	(€77,346)
3	Arts Development – Arts Council Grant	(€11,250)
4	Storm Damage Repair	€120,000
	Public Enhancement Scheme – Letterkenny	€26,747
5	Transfers to and from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€17,021
Total Net Adjustments		€648,772
Revised Income Budget 2014		€1,551,915

Actual Income versus Revised Budget for 2014

Actual income in Division F is compared to the Revised Budget for Division A in the tables below.

Revised Income Budget 2014	€1,551,915
Actual Income 2014	€1,554,228
Additional Income	€2,313

Net additional income of €2,313 arose across various headings in the division.

Summary of Outturn Position in Division F

The overall position on Division F for Income and Expenditure in 2014 shows a net improvement of €208,595 as against the Revised Budget for 2014.

Net Under-Expenditure	€206,282
Net Additional Income	€2,313
Total Net Improvement in Division F for 2014	€208,595

Division G - Agriculture, Education, Health & Welfare

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division G during 2014.

Adopted Expenditure Budget 2014		€5,428,636
1	Higher Education Grants	(€394,616)
2	Coastal Storm Damage	€562,423
3	OPW Flood Mitigation	€65,900
4	Transfers to and from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€29,100
Total Net Adjustments		€262,807
Revised Expenditure Budget 2014		€5,691,443

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division G is compared to the Revised Budget for Division G in the tables below.

Revised Budget 2014	€5,691,443
Actual Expenditure 2014	€5,621,076
Under-Expenditure	€70,367

Net Under-expenditure of €70,367 occurred in the following areas:

Over-Expenditure	
Marine Services	€21,588
Direct Service Support Costs Including Allocation from Division J	€30,919
Total	€52,507
Under-Expenditure	
Higher Education Grants (HEG) & Administration	€33,648
Veterinary Service	€58,297
Contribution to the VEC	€30,929
Total	€122,874
Total net Under-Expenditure	€70,367

Commentary

Over-expenditure of €52,507 occurred in Marine Services and other Service Support Costs.

There was under-expenditure in HEG Grants and Administration of €33,648.

There was under-expenditure in a number of areas in the Veterinary Services including Dog Control, Abattoir headings and Control of Horses.

The budgeted contribution of €30,929 was not payable to the VEC in 2014.

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division G during 2014.

Adopted Income Budget 2014		€3,180,557
1	Higher Education Grants	(€394,616)
2	Coastal Storm Damage	€562,423
3	OPW Flood Mitigation	€65,900
4	Transfers to and from other Divisions etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€1,500
Total Net Adjustments		€235,207
Revised Income Budget 2014		€3,415,764

Actual Income versus Revised Budget for 2014

Actual income in Division G is compared to the Revised Budget for Division G in the tables below.

Revised Income Budget 2014	€3,415,764
Actual Income 2014	€3,408,213
Under-Realisation of Income	€7,551

Net under-realisation of income of €7,551 occurred in the following areas:

<u>Additional Income</u>	
Marine Services	€23,717
Other Income	€17,706
Total	€41,423
<u>Under-Realisation of Income</u>	
Abattoir Fees, Dog Licences, Control of Horses and Grants	€48,974
Total	€48,974
Total Net Under-Realisation of Income	€7,551

Summary of Outturn Position in Division G

The overall position on Division G for Income and Expenditure in 2014 shows a net improvement of €62,816 as against the Revised Budget for 2014.

Net Under-Expenditure	€70,367
Net Under-Realisation of Income	€7,551
Total Net Improvement in Division A for 2014	€62,816

Division J - Central Management Charges (Appendix A)

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.

Adopted Expenditure Budget versus Revised Expenditure Budget

The following adjustments to the Adopted Expenditure Budget occurred in Division J during 2014.

Adopted Expenditure Budget 2014		€20,953,648
1	Transfers to and from other Divisions, the Overhead Account, etc. (Information only becomes available after the Budget is adopted and when the outturn for the year is determined)	€44,222
Total Net Adjustments		€44,222
Revised Expenditure Budget 2014		€20,997,870

Actual Expenditure versus Revised Budget for 2014

Actual expenditure in Division J is compared to the Revised Budget for Division J in the tables below.

Revised Expenditure Budget 2014	€20,997,870
Actual Expenditure 2014	€19,424,658
Under-Expenditure	€1,573,212

Net under-Expenditure of €1,573,212 occurred in the following areas:

<u>Under Expenditure</u>	
Facilities Management and Maintenance	€222,295
Secretariat & Corporate Services – Pay and Non-Pay Headings	€34,520
Pensions and Gratuities	€397,139
Voluntary Redundancy Scheme (VRS)	€205,146
Reprographic Services – Printing, Postage, etc.	€109,149
Human Resources – Pay and Non Pay Headings	€262,021
Overdraft Interest	€75,000
Finance Services – Pay and Non Pay Headings	€147,267
Corporate Services – Electoral Areas	€120,675
Total Net Under-Expenditure	€1,573,212

This positive outturn reflects as under-expenditure in Service Support Costs allocated to all services. Savings in service support costs do not impact on the delivery of front-line services.

Under-expenditure in the area of Facilities Management and Maintenance totalled €222,295. This included the non-use of some budget provisions that were not required.

The final outturn for Pensions and Gratuities has resulted in under expenditure of €397,139. This is made up of savings under pensions and gratuities expenses that were budgeted for but did not materialise.

Under-expenditure of €205,146 under Voluntary Redundancy Schemes arose as result of a number of applicants not proceeding with their applications.

Under-expenditure in the area of Reprographics arose primarily as a result of savings in postage costs. Ongoing monitoring of postage and printing costs has resulted in significant savings in 2014.

The under expenditure of €75,000 under Overdraft Interest is attributable to efficient cash management throughout 2014.

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

Adopted Income Budget versus Revised Income Budget

The following adjustments to the Adopted Income Budget occurred in Division J during 2014.

Adopted Income Budget 2014		€1,864,000
1	Payments towards pension contribution arrears shown in Division H	(€19,000)
Total Net Adjustments		(€19,000)
Revised Income Budget 2014		€1,845,000

Actual Income versus Revised Budget for 2014

Actual income in Division J is compared to the Revised Budget for Division J in the tables below.

Revised Income Budget 2014		€1,845,000
Actual Income 2014		€2,287,337
Additional Income		€442,337

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 2014 differing from estimates made circa December 2013 in the Adopted Budget. One reason for this is the increase in grant amounts during 2014 resulting in increased income in the Overhead Account and additional contributions from employees.

Summary of Outturn Position in Division J

The overall position on Division J for Income and Expenditure in 2014 shows a net improvement of €2,015,549 as against the Revised Budget for 2014.

Net Under-Expenditure	€1,573,212
Net Additional Income	€442,337
Total Net Improvement in Division J for 2014	€2,015,549

Transfers to/from Reserves

The following table summarises transfers from Revenue to Capital during 2014, which were not budgeted for specifically in the 2014 Adopted Budget.

<i>Division</i>	<i>Description</i>	<i>Amount</i>
A	Housing & Building	Nil
B	Roads Transportation & Safety	€246,471
C	Water Services	€3,500
D	Development Management	Nil
E	Environmental Services	Nil
F	Recreation & Amenity	Nil
G	Agriculture, Education, Health & Welfare	€56,400
H	Miscellaneous Services	€1,022,960
J	Central Management Charges (Appendix A)	Nil
	Total	€1,329,331

Division B – Roads & Transportation

An amount of €124,156 was transferred from Revenue to clear unfunded Capital balances.

An amount of €122,315 was transferred from Revenue Car Parking Charges to create a reserve for infrastructure improvements.

Division C – Water Services

An amount of €3,500 was transferred from Revenue in Water Services to fund Capital Works in Roads. The amount was subsequently recouped in full from Irish Water.

Division G – Agriculture, Education, Health & Welfare

An amount of €56,400 was transferred from Revenue to co-fund Capital expenditure on Marine Dredging works.

Division H – Miscellaneous Services

An amount of €981,000 was transferred from Revenue to create a Project Development Fund Reserve.

An amount of €41,960 was transferred from Revenue to Capital which was funded from the sale of scrap/old-plant.

Conclusion:

I am hereby seeking the approval of the Council's Elected Members as appropriate for the actual gross expenditure figure of €143,067,526 as set out on Table 4, Page 3 when compared to the Revised Budget of €145,140,066 (Adopted Budget as amended by net decreases in funding received for 2014) for all Divisions in accordance with Subsection 7 of Section 104 of the Local Government Act 2001 as amended by the Local Government Reform Act 2014.


**Garry Martin, CPFA
HEAD OF FINANCE**

This report was adopted by the Council at its meeting on 25th May 2015.

