

LOUTH COUNTY COUNCIL

AUDIT COMMITTEE REPORT (pursuant to section 121 of the local Government act)

The audit committee was provided with a copy of the 2018 audited financial statements and auditor's report by the chief executive.

The audit committee considered the financial statements and the auditor's report and deliberated on the key issues at meetings held on the 12th. December 2019 and 13th. February 2020.

The auditor's opinion is that the financial statements presents fairly in accordance with the Code of Practice and accounting regulations, the financial position of the Council at 31st December 2018 and its income and expenditure for the year then ended.

The local government auditor Mr. Patrick McCabe, who conducted the audit attended the meeting on 12th. December 2019 and provided further clarification on the report findings and the overall audit opinion. In the statutory audit report Mr. McCabe asserted that he had "sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error."

Ms. Bernie woods, head of finance attended the meeting on 13th. February 2020 and provided explanations on the main figures and notes contained in the audited financial statements.

The committee's deliberations included a review of the clarifications provided by the auditor and the explanations provided by Ms. Woods.

Based on these deliberations, the committee consider that the following areas be brought to the attention of the Council:

The auditor noted that an amount of €443k was charged to the capital account in respect of the settlement of a planning compensation claim in 2018. An amount of €100k was funded by a transfer from revenue account leaving a debit balance of €343k of expenditure in the relevant job code. In the opinion of the auditor this balance of 343k should have been charged to the revenue account. The CE's response was to acknowledge this and state that the planning compensation claim will be funded from revenue in 2019.

The Council has €69.1m in mortgage loans of which €65.3m comprise loans on interest only repayment. This €65.3m comprises 8 loans, the repayment basis on which changes, from interest only to capital and interest repayment on various dates between December 2019 and June 2023. Interest totaling €816k was charged on these loans in 2018 and of this €708k was funded from the Council's internal receipts. Such receipts are used to fund housing maintenance and refurbishment programmes, so the use of same to fund interest payment depletes what is available to the Council for this work. This problem was highlighted by the auditor in his report on the 2017 financial statements.

As a condition of the granting of a planning permission, a company was required to provide a refundable approved insurance bond or a cash deposit of €500k. The company did not comply with this condition and is now in liquidation. The aforementioned €500k that should have been available to ensure satisfactory de-commissioning of the site is not now available to the Council.

In this regard the CE responded "the significant decommissioning of this site as approved under planning permission has not been undertaken. The environment compliance section is currently following up on this case".

The audit committee wish to confirm that the report contents, management responses and follow-

up actions will inform in part the committee's work programme and specific audit reviews which may be undertaken in the future.

Signed Ronald Bowden

Audit Committee Chairperson

Dated 28th February 20



Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Louth County Council

for the

Year Ended 31 December 2018

Department of Housing, Planning and Local Government

housing.gov.ie

CONTENTS

AUDITOR'S REPORT TO THE MEMBERS OF LOUTH COUNTY COUNCIL	1
1 Introduction	1
2 Financial Standing	1
2.1 Statement of Comprehensive Income	1
2.2 Statement of Financial Position	1
3 Income Collection	2
3.1 Summary of Income Collection	2
3.2 Rates.....	2
3.3 Rents and Annuities	2
3.4 Housing Loans	3
3.5 Provision for Bad Debts.....	3
4 Debtors.....	3
4.1 Government Debtors	3
4.2 Other Debtors	4
5 Plant and Machinery Account.....	4
6 Transfer of Water and Sewerage Functions to Irish Water (IW)	4
7 Capital Account	5
7.1 Static Capital Balances	5
7.2 Debit Balances - Land Purchases.....	5
7.3 Funding of Debit Balances	6
7.4 Housing Capital Balances	6
7.5 Housing Capital Debit Balances for Investigation	7
7.6 Housing Capital Projects – Deferred Income	8
7.7 Expenditure Charged to the Capital Account.....	8
7.8 Construction of Colaiste Cu Chulainn Dundalk	8
8 Fixed Assets.....	9
8.1 Land / Property Register	9
8.2 Housing Acquisitions - Compulsory Purchase Acquisition Process (CPO).....	9
8.3 Housing Stock Reconciliation	9
8.4 Proof of Title	10
9 Loans Payable.....	10
9.1 Loans Payable Summary	10
9.2 Loans Borrowed to Fund the Purchase of Land	10
9.3 Variable Housing Affordable Loans.....	11

10	Non Compliance with Planning Permission	12
11	Pay-Parking Income	12
12	Payment of Stamp Duty Tax.....	12
13	Procurement	12
14	Ethics Register.....	13
15	Local Authority Companies	13
15.1	Local Authority Companies	13
15.2	An Tain Arts Centre	13
16	Governance and Propriety.....	13
16.1	Governance.....	13
16.2	Protected Disclosures Procedures	13
17	Risk Registers	14
18	Internal Audit.....	14
	Acknowledgement	14

AUDITOR'S REPORT TO THE MEMBERS OF LOUTH COUNTY COUNCIL

1 Introduction

I have audited the Annual Financial Statement (AFS) of Louth County Council for the year ended 31 December 2018, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Funds Flow Statement and notes to 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 for Local Authorities, as prescribed by the Minister for Housing, Planning, and Local Government.

My main statutory responsibility, following completion of the audit work, is to express my independent audit opinion on the AFS of the Council, as to whether it presents fairly the financial position at 31 December 2018 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 5 of the AFS.

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the AFS. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion. I conducted my audit in accordance with the Code of Audit Practice. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the AFS. It also includes an assessment of the significant estimates and judgments made by the Council's management in the preparation of the AFS, 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 to provide sufficient evidence to give reasonable assurance that the financial statement is free from material misstatement, whether caused by fraud or error.

This report is prepared in accordance with Section 120(1) (c) of the Local Government Act, 2001 and should be read in conjunction with the audited AFS.

2 Financial Standing

2.1 Statement of Comprehensive Income

The Council recorded a surplus of €150k for the year after net transfers to reserves of €603k. Details of over/under expenditure are contained in note 16 to the AFS and were approved at the April 2019 Council meeting.

2.2 Statement of Financial Position

Significant movements in the finances of the Council are set out below:

- There was a net increase in long term debtors of €9.6m. This included an increase of €10.9m in capital asset leasing facilities to approved housing bodies (AHBs), for which there is also a corresponding amount included in long term creditors in respect of this amount. There was also an increase of €1.6m in long term mortgage advances coupled with a decrease of €2.7m in recoupable loan advances

- There was a decrease of €3.5m in trade debtors and prepayments. This was due in the main to a decrease in rates arrears of €3m
- Bank investments increased by €13.1m while there was a decrease in cash at bank of €1.4m.

3 Income Collection

3.1 Summary of Income Collection

Income Source	Yield %		Debtors €m	
	2018	2017	2018	2017
Rates	80	75	9.5	12.5
Rents & Annuities	76	69	3.8	5.1
Housing Loans	76	75	0.4	0.4

3.2 Rates

There has been an ongoing improvement in the collection yield with regard to rates with an increase of 5% in 2018 compared to the previous year. The table below highlights the improvement in the collection yield over the last four years:

Year	2018	2017	2016	2015
Collection Yield	80%	75%	68%	60%

Gross arrears, (net of credit balances) which amounted to €9.8m (€12.9m in 2017) are being actively pursued for collection. A provision for bad debts of €8.0m was made in the accounts representing 81% of total gross arrears outstanding at year end.

Chief Executive's Response

Our collection procedures in place have proven successful in addressing the poor collection rates in past years and we are well on the way to returning to the collection levels of the pre-economic downturn. We continue to monitor the process and every opportunity to improve our collection levels is implemented as it arises.

3.3 Rents and Annuities

There was marked improvement in the collection yield in respect of rents and annuities in 2018. Details of the collection yield in respect of the last four years are as follows:

Year	2018	2017	2016	2015
Collection Yield	76%	69%	71%	73%

Gross arrears (net of credit balances) amounted to €4.2m in 2018 (€5.4m in 2017). A review of a sample of rent accounts revealed that the Council is vigorously pursuing these arrears. A provision for bad debts of €3.1m was made in the accounts representing 74% of gross arrears outstanding at year end.

Chief Executive's Response

The auditor's comment is welcomed and Louth County Council will continue to vigorously pursue the arrears.

The new collection procedures introduced in late 2017 have proven successful in improving our collection rates. The number of customers on payment plans continues to increase but as previously advised it will take most customers a number of years to clear their arrears in full.

3.4 Housing Loans

The collection yield in relation to housing loans increased by 1% to 76% at the end of 2018 (75% in 2017). Details of the percentage collection yield between 2018 and 2015 are included on the table below:

Year	2018	2017	2016	2015
Collection Yield	76%	75%	73%	69%

The Council is actively pursuing the recovery of arrears. Gross arrears (net of credit balances) decreased to €421k compared to €444k in 2017. A provision for bad debts of €300k representing 71% of total arrears outstanding at year end was made in the accounts.

Chief Executive's Response

The comment is welcome and Louth County Council will continue to pursue the recovery of the arrears.

Again, our debt collection procedures continue to show improvements in our collection rates. We will continue to work with our customers to ensure the improvement continues in the coming years.

3.5 Provision for Bad Debts

The provision for bad debts in respect of the above collection accounts, while considered adequate, should be kept under review for possible over provision as arrears decrease.

Chief Executive's Response

This is due to the commitment given in previous audit reports to address the shortfall in our bad debt provisions through prudent budgeting and improvements in our debt collection. We will continue to review our provisions and keep them in line with the outstanding customer balances at year end.

4 Debtors

4.1 Government Debtors

At the end of 2018, there was an amount of €5.6m outstanding from the Department of Housing, Planning and Local Government (the Department), in relation to invoices issued with regard to housing activities. Currently €1.5m of this amount remains outstanding with €927k of this relating to invoices issued in 2016.

Chief Executive's Response

Correspondance is ongoing at present with the Department to address any outstanding amounts due and ensure that recoupments going forward are paid within a resonable time frame.

4.2 Other Debtors

It was highlighted at previous audits, debtor balances outstanding for long periods, including some balances that were transferred from the former town councils as part of their amalgamation with Louth County Council. A review of these at the current audit indicated that the Council is continuing to examine these as to their collectability and where appropriate carry out any necessary adjustments including adjusting the provision for bad debts. This work should continue pending a full review of all of these balances.

Chief Executive's Response

As stated above, this work is ongoing at present and we hope to have all accounts examined as to their collectability and make any necessary adjustments by year end.

5 Plant and Machinery Account

The plant and machinery account adjustment (an adjustment made to remove income and expenditure from this account) was not made to the accounts, resulting in an overstatement of both income and expenditure of €1.1m in the category of 'Miscellaneous Services' in the income and expenditure account. It should be noted that this does not affect the overall surplus for the year of €150k.

Chief Executive's Response

The plant and machinery account has always been reported as part of the budget and the annual financial statement. The adjustment set out in accounting manual was not implemented in previous years. The above adjustment will be introduced in budget 2020 as it was not included in the budget for 2019.

6 Transfer of Water and Sewerage Functions to Irish Water (IW)

Transfer of Title of Properties

The Council is continuing to engage with IW to address issues such as sub-division of folios, first registration of assets and the sub-division of sites for the purpose of transfer of title. A total of 29 properties have transferred to date to IW with a further 12 properties prepared for transfer subject to agreement and all necessary approvals. I have been informed that in addition to this, progress has been made on the transfer of a number of underground pumping stations and that there are approximately 70 assets remaining to be considered for transfer to IW.

Land Sites

Five sites were identified in fixed assets in the accounts with a total cost of €1.7m that are subject to subdivision of folio, whereby a portion of these lands will transfer to IW while the remainder will be retained by Louth County Council. The percentage of land to be transferred to IW has not yet been agreed by both parties.

Chief Executive's Response

The transferring of assets to IW is a slow process due to the registering of properties, transfer of title, ministerial approvals and updating of the Property Registration Authority records. Work is also delayed where there are right of way issues and subdivision of folios required. This work is ongoing and we will continue until all assets are transferred. Work on the five land sites above is progressing but we are prioritising the straight forward asset transfers first.

7 Capital Account

7.1 Static Capital Balances

Total net capital balances at the end of the year amounted to a surplus of €29.1m. This sum includes €29.5m in respect of debit (adverse) balances on job codes where the balance has either increased or remained static over the last three years.

Chief Executive's Response

Work continues on reviewing all outstanding capital balances and identifying funding sources for each capital scheme.

7.2 Debit Balances - Land Purchases

At the end of the year, debit balances totalling €12.92m were identified relating to land acquisitions. The following is a breakdown of these:

Project Description	Closing Balance at 31/12/2018 €m
Land Acquisition - Drogheda	5.64
Land at Mullavelley Louth	5.13
Land at Kilkerley	1.13
Land at Dunleer	0.13
Land at Marlbog Haggardstown	0.52
Land at Mount Avenue - Dundalk	0.19
Land at Lower Point Road - Dundalk	0.04
Land at Collon	0.14
Total	12.92

These balances form part of the static balances total of €29.5m mentioned at paragraph 7.1 above.

Chief Executive's Response

The Council continues to apply to the Department for housing schemes for our lands and priority is given to the lands on which there are outstanding loans, as the repayment of interest on these loans are depleting our internal capital receipts.

7.3 Funding of Debit Balances

In excess of €15.5m of capital debit balances are currently being funded or are planned to be funded from the revenue account in the future (€1.8m of this amount is included in the figure of €29.5m categorised as static balances mentioned above.) The balances on these projects range from €4k to €6.7m, with the largest balances relating to the Whiteriver Landfill site, €6.7m and New County Offices €2.6m. In addition, there is a static debit balance of €1.3m relating to the rejuvenation of the Market Square, Dundalk. It is planned to fund this balance from the revenue account and development contributions, in the future.

Chief Executive's Response

It is usual for some capital projects to be funded from the revenue account over a number of years. We continue to budget for these projects as part of the annual budget within the limitation of our resources.

7.4 Housing Capital Balances

A number of capital housing projects with debit balances totalling €3.4m have to be resolved with the Department. Details of these are as follows:

Project Description	Closing Balance at 31/12/2018 €m
Greenore Rd Carlingford Social Housing	1.0
Toberona Housing Scheme	0.7
Cappocks Gate Phase 2 Social Housing	0.7
Barrack Street Smart Home Project	0.5
Gort Uaine - Phase 3	0.3
Termonfeckin Housing Phase 2	0.1
Tierney Street Ardee Communal Facility	0.1
Total	3.4

These balances are included in the static capital balances figure of €25.9m mentioned at paragraph 7.1 above.

Chief Executive's Response

Louth County Council is actively progressing a resolution of these outstanding balances.

The review of all housing capital balances continues and, as previously stated, final account claims will be lodged with the Department in respect of any outstanding amounts.

7.5 Housing Capital Debit Balances for Investigation

There are a number of housing projects with debit balances that require examination. Included in these are the following:

Project Name	Balance at 31/12/2018 €m
Tierney Street Ardee Sites	0.29
Tierney Street Ardee Affordable Housing	0.16
Oriel Road Collon (Voluntary)	0.23
CPO for 2 Slieveroe Crescent	0.01
Land at Armagh Road Part V Voluntary Housing	0.09
Turnkey Social Housing at Rock Road (46 units)	0.04
Clanmil Voluntary Housing Tom Bellew Avenue	0.22
Respond Housing Toberona	0.11
Stamarran Blackrock Capital Acquisition Leasing Facility Scheme	0.04
Blackrock Phase 2- Private Sites Gort Na Glaise (5)	0.34
Oaklee Voluntary Housing Tierney Street Ardee (48)	0.12
Respond Marley's Lane 18 Affordable Houses	0.22
Disabled Persons Grants - Private Houses Capital	0.13
Tredagh View Phase 2 - Community Facility	0.03
Tredagh View Phase 2 - 16 Affordable Houses	0.27
Tredagh View Phase 2 - 8 Loan Subsidy Scheme	0.06
Tredagh View Phase 2-25 Capital Assistance Scheme Houses	0.16
Total	2.52

All of the above debit balances are included in the figure for static balances of €29.5m mentioned at paragraph 7.1 above.

Chief Executive's Response

Louth County Council is actively pursuing the resolution of these outstanding balances. The above are also being reviewed as part of the housing schemes review and final account claims will be submitted to the Department in respect of any outstanding balances.

7.6 Housing Capital Projects – Deferred Income

A review of housing capital projects identified an amount of €2.9m which continues to be treated as deferred income in the accounts. €2.0m of this sum relates to amounts transferred from the former town councils in 2014 while €0.9m pertains to Louth County Council which includes amounts deferred since 2009 and 2016.

This deferred income should be reviewed as part of the examination and elimination of housing capital debit balances which have been in existence for years.

Chief Executive's Response

The deferred income is being reviewed as part of the capital balances examination referred to above and will form part of the elimination of the debit balances on the different housing schemes.

7.7 Expenditure Charged to the Capital Account

Planning Compensation Claim

An amount of €443k was charged to the capital account in respect of the settlement of a planning compensation claim in 2018. €100k of this amount was funded by a transfer from the revenue account, leaving a debit balance of €343k of expenditure in the relevant job code. This in my opinion is revenue expenditure and as such should be charged to the revenue account.

Fleadh Cheoil

County Louth hosted the Fleadh Cheoil Irish Music Festival in Drogheda during 2018, and will do so again in 2019. It was noted that a total of €803k was charged to the capital account in 2018 leaving a debit balance of this amount on the relevant project code relating to this festival. This is due to Louth County Council agreeing to cash flow the Fleadh for these two years. The Head of Finance has confirmed to me in writing that it is anticipated that the Fleadh committee will raise sufficient funding over the cumulative two-year period to clear this expenditure. This will be reviewed at the next audit.

Chief Executive's Response

The planning compensation claim will be funded from the revenue account in 2019. With regard to the Fleadh Cheoil funding, it was agreed that the Council would cash flow the Fleadh Cheoil committee over the two years the Fleadh would run and the Fleadh committee will raise sufficient funding to clear this capital balance over this two year period.

7.8 Construction of Colaiste Cu Chulainn Dundalk

Louth County Council acted as Project Executive for the Department of Education and Skills in overseeing the construction of a post primary school in Dundalk. This also included making the necessary payments to the contractor involved in its construction with subsequent recoupment of this expenditure from the Department of Education and Skills. The approved tender contract for this scheme was €16.3m.

In December 2018, a claim for €1.2m was submitted by the contractor for additional works. In May 2019, a conciliation hearing was held to address this matter. The conciliator recommended that a payment of €568k be made to the contractor in full and final settlement of this claim. This cost as well as all the professional fees incurred in relation to this matter are being funded by the Department of Education and Skills.

The above figures are inclusive of VAT.

8 Fixed Assets

8.1 Land / Property Register

While work continues on updating the Council's land register, I have been informed that consideration is being given to the implementation of a new computerised system to more accurately record all acquisitions and disposals of property. This system is separate from the financial management system used in the recording of fixed assets in the accounts.

Weaknesses in controls were noted with regard to updating the property register currently in operation in the Council. These weaknesses should be addressed.

Chief Executive's Response

The updating of the current property register is cumbersome but it was the most suitable system to meet our needs at the time it was introduced. Advancement in technology has resulted in more user friendly systems now available and the Council is currently looking at options to upgrade/replace the current register. Work is continuing to identify and register all properties owned by the Council.

8.2 Housing Acquisitions - Compulsory Purchase Acquisition Process (CPO)

During 2018, the Council added 37 houses to its housing stock, 28 being acquired through the compulsory purchase order process (CPO). To date 50 such acquisitions have been capitalised to fixed assets. The Council took possession of each individual property by means of a 'Vesting Order', a court order that passes legal title in lieu of a legal conveyance.

The Council obtains an independent valuation for each property and uses this in the calculation of the cost to be capitalised to fixed assets. The amount of this valuation is accrued as both income and expenditure in the accounts until an agreed amount for payment to the previous owner of the property is reached.

8.3 Housing Stock Reconciliation

A housing stock reconciliation, agreeing the number of houses included in fixed assets to the number of houses included on the Council's rent register was not made available at audit. This is an important control and should be prepared annually at the end of the year.

Chief Executive's Response

A procedure to ensure this will be carried out on an annual basis will be introduced in 2019.

8.4 Proof of Title

Evidence of proof of title was sought in relation to a number of properties of the Council. However in the case of three properties, namely, Land at Toberona, Carlingford Courthouse and Dundalk Library Bookstore, there was no evidence on file that the Council held proof of title in respect of these.

Chief Executive's Response

These properties have been in the ownership of the Council for a number of years. We will investigate the reason why the evidence is not on the relevant files and address this during 2019.

9 Loans Payable

9.1 Loans Payable Summary

A breakdown of loans payable is analysed as follows:

Loan Type	Balance Outstanding at 31/12/2018 €m
Mortgage Loans	16.01
Non Mortgage Loans	76.14
Bridging Finance	5.74
Voluntary Housing Loans	54.05
Share Ownership - Rented Equity	0.02
Total	151.96

The Council had a mortgage loan funding surplus at the end of 2018 of €1.1m (€2.7m in 2017). Further details of this are included in note 12 to the AFS. Voluntary housing loans are fully recoupable from the Department.

9.2 Loans Borrowed to Fund the Purchase of Land

(a) Financing of Land Loans

At the end of 2018, non mortgage loans included an amount of €69.1m relating to the purchase of land for housing. €3.8m of this sum relates to a loan that forms part of the land aggregation scheme and as such, both the capital (principal) and interest charges pertaining to this loan are fully recoupable from the Department. No capital repayments were made by the Council in respect of the remaining balance of €65.3m as these loans are currently on an interest only basis. The position at the end of 2018 with regard to the commencement of capital repayment of these loans was as follows:

Loan No.	Amount Outstanding at 31/12/2018 €m	Date of Commencement of Repayment of Capital (Principal)
1	19.8	Dec-19
2	16.8	Dec-19
3	4.2	Jun-20
4	7.4	Jun-20
5	1.5	Jun-20
6	8.7	Jun-21
7	6.2	Dec-22
8	0.7	Jun-23
Total	65.3	

Interest totalling €816k was charged to the Council in respect of these loans in 2018. €108k of this amount was added to the principal sum while the balance of €708k was funded from the Council's internal capital receipts. As highlighted at the previous audit, this is having a significant impact on the Council's internal capital receipts, which are used to fund housing maintenance and refurbishment programmes.

(b) Loan Borrowed to Purchase Land for Affordable / Social Housing Scheme

€1.53m remains outstanding on a loan borrowed in 2002 to purchase land which was used to construct an affordable / social housing scheme at Lisdo, Dundalk. The housing units pertaining to this scheme have since been sold or let. Therefore, the amount outstanding on this loan should be redeemed.

Chief Executive's Response

As responded to at paragraph 7.2 above, the Council continues to apply to the Department for housing schemes for our lands in an effort to eliminate the finance charges associated with the loans borrowed to acquire these.

The loan of €1.53m outstanding to purchase land at Lisdo will be redeemed with the Housing Finance Agency in 2019.

9.3 Variable Housing Affordable Loans

The Council borrowed two variable affordable housing loans in 2009 and 2012 in error, in lieu of bridging finance to construct affordable houses at Lis na Dara. While bridging loans incur interest only, which is recoupable from the Department, variable affordable loans incur both capital and interest. The interest on these affordable loans is recoupable, the capital repayable element is not and is borne by the Council. In 2018, the Council paid a total of €150k in capital repayments. I understand that the Council is working with the Department with a view to reclassifying these loans.

Chief Executive's Response

We will continue to liaise with the Department to attempt to resolve this issue.

10 Non Compliance with Planning Permission

During a review of planning bonds, it was noted that planning permission was granted in January 2017 for the decommissioning and removal of fixtures and other production elements associated with a business that had previously been carried out on the site. One of the conditions associated with this permission was that, prior to the decommissioning of the site, a refundable approved insurance company bond or a cash deposit of €500k be lodged with the Council. These monies would act as security, ensure the satisfactory completion of the decommissioning of the site and if necessary, empower the Council to apply any part thereof to achieve this.

Decommissioning of the site did commence, however, this condition of the planning permission was not complied in that the bond was not lodged with the Council by the relevant party who is now in liquidation.

Chief Executive's Response

This matter was investigated by the planning enforcement section when they were notified that some production elements were being removed from the site. It was found that the permission had commenced but the company had not complied with a number of pre-commencement conditions pertaining to this permission, which included the payment of a €500k bond. Legal proceedings were quickly considered and proposed but the company went into liquidation before the injunction proceedings could be instigated and subsequently legal opinion advised that the planning enforcement route had been exhausted in this instance. The significant decommissioning of this site as approved under planning permission has not been undertaken. The environment compliance section is currently following up on this case.

11 Pay-Parking Income

In 2018, due to issues regarding the bye-laws in operation, pay parking was suspended in Drogheda for a period in excess of four months. This resulted in a loss of approximately €300k in income during the period.

Chief Executive's Response

The bye-laws have since been updated and approved by the Drogheda Borough District and they are now in force in Drogheda.

12 Payment of Stamp Duty Tax

In 2018, the Council made a payment to the Revenue Commissioners of €231k in full and final settlement in relation to stamp duty due in respect of a number of acquisitions of lands associated with the Port Access Northern Cross Route road scheme.

13 Procurement

A central procurement unit has been put in place in the Council.

The new financial management system (Milestone 4) which became operational in the Council in 2017 includes a procurement module for use in the procuring of goods and services. However this module has only been partially implemented. As one of the key

controls is to ensure compliance with recommended public procurement practice in the tendering for goods and services, it is recommended that this module be fully implemented.

Chief Executive's Response

It is proposed to commence the full roll out of the procurement module in 2019.

14 Ethics Register

A number of declarations were not returned by the statutory deadline of end of February 2019. While some of these have since been received, others remain outstanding. In addition, a number of donation statement forms were not returned by the statutory deadline of the end of January 2019.

Chief Executive's Response

Those that have not returned their forms are being pursued and their obligations outlined to them.

15 Local Authority Companies

15.1 Local Authority Companies

The Council's interest in companies is set out in appendix 8 in the AFS. None of these companies are consolidated in the Council's AFS.

15.2 An Tain Arts Centre

The Council owns 43% of the voting shares in this company which is limited by guarantee. The principal activity of this company is the management of An Tain Arts Centre Dundalk and the advancement of arts and culture in Dundalk and the wider region.

The company's most recent audited accounts, for the year ended 31 December 2017 recorded a deficit for the year of €51k (€15k in 2016).

The Council made payments totalling €150k in grants to this company in 2018.

16 Governance and Propriety

16.1 Governance

Corporate governance comprises the systems and procedures by which enterprises are directed and controlled. It is the responsibility of management to ensure that such systems and procedures exist and are robust.

16.2 Protected Disclosures Procedures

During 2018, the Council developed a policy and procedures document with regard to dealing with protected disclosures. This was adopted by the Audit Committee in February 2019.

17 Risk Registers

The corporate risk register, which encompasses the risks of all directorates / areas of the local authority, is updated on an ongoing basis. A copy of this register was provided at audit. The registers pertaining to the individual directorates however were in need of significant updating at the time of audit.

Chief Executive's Response

The updating of the risk registers is an ongoing process. During 2019 all directorates' risk registers will be updated in line with the corporate risk register. The audit committee review the risk registers as part of their annual programme and the Directors of Services present their directorate's risk register at the audit committee's meetings.

18 Internal Audit

The Council has in place a contract with a firm of professional service providers who carry out the internal audit function for 58 days per annum. The internal audit plan, which was provided to me, was approved by the Chief Executive and Audit Committee. Eight reports including a follow up review report were completed. These reports have been reviewed by the Audit Committee.

Delays between the scheduled completion date and the actual completion date of some audit reports were noted. It is important that management responses in relation to issues raised be completed in a timely manner to assist in the completion of these reports.

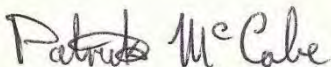
I have taken account of the work of internal audit in carrying out my audit.

Chief Executive's Response

The issue of delays in finalising responses to audit reports will be addressed in 2019.

Acknowledgement

I wish to record my appreciation for the courtesy and co-operation extended to the audit team by the management and staff of the Council.



Patrick McCabe
Local Government Auditor
2 July 2019

AUDITED

ANNUAL FINANCIAL STATEMENT

Louth County Council

For the year ended 31st December 2018

CONTENTS

AUDITED

	Page
Financial Review	3
Certificate of Chief Executive/Head of Finance	4
Audit Opinion	5
Statement of Accounting Policies	6-9
Financial Accounts	10
Statement of Comprehensive Income (Income & Expenditure Account)	11
Statement of Financial Position (Balance Sheet)	12
Statement of Funds Flow (Funds Flow Statement)	13
Notes on and forming part of the Accounts	14-24
Appendices	25
1 Analysis of Expenditure	26
2 Expenditure and Income by Division	27-34
3 Analysis of Income from Grants and Subsidies	35
4 Analysis of Income from Goods and Services	36
5 Summary of Capital Expenditure and Income	37
6 Capital Expenditure and Income by Division	38
7 Major Revenue Collections	39
8 Interest of Local Authorities in Companies	40

Louth County Council

Financial Review

Annual Financial Statement for Financial Year ended 31st December 2018

General

The Annual Financial statement of Louth County Council for the 2018 financial year gives details of the end of year accounts, as extracted from the Council's records. The explanatory forward is a guide to the most significant items included in the Revenue and Capital Accounts.

The Statement of Accounting Policies on pages 6 to 9 help to explain the basis of both the Revenue and Capital Accounts and the Notes to the Accounts on pages 14 to 24 provide detailed analysis and explanations of the performance for the year.

Balance Sheet

The Balance Sheet is included in the Annual Financial Statement and it outlines the assets and liabilities of the Council as at the 31st December, 2018.

Income and Expenditure Account

The Income and Expenditure Account Statement on Page 11 summarises all revenue expenditure and receipts for the year including Commercial Rates, Local Government Fund Income surplus or deficit for the year and the opening and closing balances. The performance against Budget is explained on note 16 to the accounts

Capital Account

The summary of Capital Payments and Receipts analyses the expenditure and income under the 8 Programme Groups together with opening and closing balances and the outcome for the year. Detailed analysis of expenditure and income identifying the sources of income is set out in Appendix 6.

Interest of Local Authorities in Companies

The Council is represented on the Board of certain companies. Details are shown on Appendix 8.

Louth County Council

Certificate of Chief Executive & Head of Finance for the year ended 31 December 2018

- 1.1 We the Chief Executive and Head of Finance are responsible for preparing an annual financial statement in accordance with the accounting 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 judgments and estimates that are reasonable and prudent;
- 1.5 We certify that the financial statements of Louth County Council for the year ended 31 December 2018, as set out on pages 6 to 24, are in agreement with the books of account and have been prepared in accordance with the accounting requirements as directed by the Minister for Housing, Planning, Community and Local Government.



Chief Executive



Head of Finance

Date 02nd July 2019

Date 02nd July 2019,

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

I have audited the annual financial statement of Louth County Council for the year ended 31 December 2018 as set out on pages 6 to 24, 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.

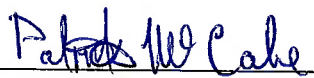
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the annual financial statement is free from material misstatement, whether caused by fraud or error.

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 Louth County Council at 31 December 2018 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.



Patrick McCabe
Local Government Auditor
Date: 2nd July 2019

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 Housing, Planning, Community and Local Government (DHPCLG) at 31st December 2018.

2. Statement of Funds Flow (Funds Flow Statement)

A Statement of Funds Flow was introduced as part of AFS 2011. While the guidance of International Accounting Standard 7 Statement of Cash Flows has been followed, the business of local authorities is substantially different to most private sector organisations and therefore some minor changes to the format have been agreed to ensure the data displayed is meaningful and useful within the local government sector. For this reason the statement is being referred to as a 'Statement of Funds Flow'. The financial accounts now include a Statement of Funds Flow shown after the Statement of Financial Position (Balance Sheet). Notes 17 – 22 relate to the Statement of Funds Flow and are shown in the Notes on and forming part of the Accounts section of the AFS. Note 19 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.

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 authorities to borrowers), for the purchase of houses. Only the interest element is charged or credited to the Statement of Comprehensive Income (Income and Expenditure Statement).

4.2 Non Mortgage Related Loans

Note 7 to the accounts sets out the types of borrowing under this heading. Loans relating to assets/grants, 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.

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 pension contributions (including Widows and Orphans) benefits under the Local Government Superannuation Scheme and the Single Public Service Pension Scheme.

The Single Public Service Pension Scheme ("Single Scheme") commenced with effect from 1 January 2013. Employee contributions for the Single Scheme continue to be deducted by local authorities but are remitted centrally to DPER.

6. Agency and Other Services

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

7. Provision for Bad & Doubtful Debts

Provision has been made in the relevant accounts for bad & doubtful debts.

8. Fixed Assets

8.1 Classification of Assets

Fixed assets are classified into categories as set out in the Statement of Financial Position (Balance Sheet). A further breakdown by asset type is set out in note 1 to the accounts.

8.2 Recognition

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

8.3 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 DHPCLG. 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 the financial statements at a future date.

8.4 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 are not 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.

8.5 Disposals

In respect of disposable assets, income is credited to a specific reserve and is generally applied in the purchase of new assets. Proceeds of the sale of local authority houses are to be applied as directed by the DHPCLG.

8.6 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 Statement of Comprehensive Income (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%
Heritage Assets		Nil
Library Books		Nil
Playgrounds	S/L	20%
Parks	S/L	2%
Landfill sites (*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 year's 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.**

9. 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 & 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.

10. Development Debtors & Income

Short term development levy debtors are included in note 5. Income from development contributions not due to be paid within the current year is deferred and not separately disclosed in the financial statements.

11. Debt Redemption

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

12. Lease Schemes

Rental payments under operating leases are charged to the Statement of Comprehensive Income (Income & Expenditure Statement). Assets acquired under a finance lease are included in fixed assets. The amount due on outstanding balances is shown under current liabilities and long-term creditors.

13. Stock

Stocks are valued on an average cost basis.

14. 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'.

15. Interest in Local Authority Companies

The interest of Louth County Council in companies is listed in Appendix 8.

16. Related Parties

A related party transaction is a transfer of resources, services or obligations between the local authority and a related party. The main related parties for a local authority include the following:

- i. Management and Personnel
- ii. Council members
- iii. Government Departments
- iv. Local Authority Companies

Local Authority council members and key personnel are bound under the relevant sections of the Local Government Act 2001 and subsequent amending legislation to:

- a. furnish an annual declaration of 'declarable interests' set out in section 175 of the Act;
- b. disclose under sections 167, 178 and 179 any beneficial interests that they or a connected person has; and
- c. follow a code of conduct issued by the Minister for the Environment, Community and Local Government under section 169 of the Local Government Act 2001 in 2004.

'Declarable interests' cover both financial and certain other interests such as land etc.

Local authority management and personnel salary and remuneration is determined by the Department of Housing, Planning, Community and Local Government in line with central government policy on rates of pay.

Local Authority interests in companies and joint ventures are disclosed in Appendix 8 to the Annual Financial Statements.

Local Authority transactions with government departments are governed by central government controls and procedures driven by government accounting rules.

FINANCIAL ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME (INCOME & EXPENDITURE ACCOUNT STATEMENT)

FOR YEAR ENDING 31st DECEMBER 2018

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 16 allocates transfers by service division in the same format as Table A of the adopted Local Authority budget.

Expenditure by Division

		Gross Expenditure	Income	Net Expenditure	Net Expenditure
	Notes	2018 €	2018 €	2018 €	2017 €
Housing & Building		24,837,954	24,932,192	(94,238)	1,105,280
Roads Transportation & Safety		23,925,079	12,512,744	11,412,335	8,822,013
Water Services		5,570,877	5,015,463	555,415	(104,384)
Development Management		11,834,242	6,546,470	5,287,771	5,121,531
Environmental Services		15,008,931	1,950,566	13,058,366	13,167,897
Recreation & Amenity		7,623,254	986,150	6,637,104	6,759,627
Agriculture, Education, Health & Welfare		947,735	435,013	512,722	545,849
Miscellaneous Services		11,260,774	6,417,438	4,843,336	5,934,526
	15	101,008,846	58,796,035		
Net cost of Divisions to be funded from Rates & Local Property Tax				42,212,811	41,352,337
Rates				31,894,008	31,806,290
Local Property Tax				9,866,198	9,866,198
Surplus/(Deficit) for Year before Transfers	16			(452,605)	320,151
Transfers from/(to) Reserves	14			602,530	75,443
Overall Surplus/(Deficit) for Year				149,926	395,594
General Reserve @ 1st January 2018				395,594	-
General Reserve @ 31st December 2018				545,520	395,594

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31st DECEMBER 2018

	Notes	2018 €	2017 €
Fixed Assets	1		
Operational		690,513,431	687,286,565
Infrastructural		1,355,364,519	1,355,364,519
Community		4,293,182	4,351,176
Non-Operational		50,035,497	50,035,497
		<u>2,100,206,629</u>	<u>2,097,037,757</u>
Work in Progress and Preliminary Expenses	2	20,036,453	18,040,677
Long Term Debtors	3	90,452,617	80,890,123
Current Assets			
Stocks	4	-	-
Trade Debtors & Prepayments	5	25,450,211	28,993,209
Bank Investments		42,525,469	29,425,054
Cash at Bank		3,585,945	5,034,666
Cash in Transit		317,092	321,870
		<u>71,878,717</u>	<u>63,774,798</u>
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		-	-
Creditors & Accruals	6	27,282,154	25,052,365
Finance Leases		-	-
		<u>27,282,154</u>	<u>25,052,365</u>
Net Current Assets / (Liabilities)		<u>44,596,563</u>	<u>38,722,433</u>
Creditors (Amounts falling due after more than one year)			
Loans Payable	7	147,837,154	147,826,980
Finance Leases		-	-
Refundable deposits	8	14,506,606	13,505,951
Other		24,205,505	14,352,456
		<u>186,549,265</u>	<u>175,685,388</u>
Net Assets		<u>2,068,742,998</u>	<u>2,059,005,604</u>
Represented by			
Capitalisation Account	9	2,100,206,629	2,097,037,757
Income WIP	2	18,951,290	16,556,763
Specific Revenue Reserve		469,071	469,071
General Revenue Reserve		545,520	395,594
Other Balances	10	(51,429,513)	(55,453,583)
Total Reserves		<u>2,068,742,998</u>	<u>2,059,005,604</u>

**STATEMENT OF FUNDS FLOW (FUNDS FLOW STATEMENT)
AS AT 31ST DECEMBER 2018**

	Note	2018 €	2018 €
REVENUE ACTIVITIES			
Net Inflow/(outflow) from operating activities	17		5,922,713
CAPITAL ACTIVITIES			
Returns on Investment & Servicing of Finance			
Increase/(Decrease) in Fixed Asset Capitalisation Funding		3,168,872	
Increase/(Decrease) in WIP/Preliminary Funding		2,394,528	
Increase/(Decrease) in Reserves Balances	18	<u>4,270,037</u>	
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance			9,833,436
Capital Expenditure & Financial Investment			
(Increase)/Decrease in Fixed Assets		(3,168,872)	
(Increase)/Decrease in WIP/Preliminary Funding		(1,995,776)	
(Increase)/Decrease in Other Capital Balances	19	<u>(832,421)</u>	
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment			(5,997,069)
Financing			
Increase/(Decrease) in Loan Financing	20	300,728	
(Increase)/Decrease in Reserve Financing	21	<u>586,454</u>	
Net Inflow/(Outflow) from Financing Activities			887,182
Third Party Holdings			
Increase/(Decrease) in Refundable Deposits			1,000,655
Net Increase/(Decrease) in Cash and Cash Equivalents	22		<u><u>11,646,918</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. Fixed Assets

	Land	Parks	Housing	Buildings	Plant & Machinery (Long & Short Life)	Computers, Furniture & Equipment	Heritage	Roads & Infrastructure	Water & Sewerage Network	Total
	€	€	€	€	€	€	€	€	€	€
Costs										
Accumulated Costs @ 1/1/2018	99,631,432	3,433,273	533,967,801	152,139,039	7,782,473	5,370,854	2,372,464	1,306,431,402	-	2,111,128,738
Additions										
- Purchased	-	-	1,923,362	-	242,395	78,487	-	-	-	2,244,244
- Transfers WIP	-	-	5,402,891	-	-	-	-	-	-	5,402,891
Disposals\Statutory Transfers	-	-	(3,658,335)	-	-	-	-	-	-	(3,658,335)
Revaluations	-	-	-	-	-	-	-	-	-	-
Historical Cost Adjustments	-	-	-	-	-	-	-	-	-	-
Accumulated Costs @ 31/12/2018	99,631,432	3,433,273	537,635,719	152,139,039	8,024,868	5,449,341	2,372,464	1,306,431,402	-	2,115,117,539
Depreciation										
Depreciation @ 1/1/2018	1,857,242	1,459,030	-	-	7,021,360	3,753,348	-	-	-	14,090,981
Provision for Year	195,808	147,000	-	-	174,264	302,857	-	-	-	819,929
Disposals\Statutory Transfers	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation @ 31/12/2018	2,053,050	1,606,030	-	-	7,195,624	4,056,205	-	-	-	14,910,909
Net Book Value @ 31/12/2018	97,578,382	1,827,243	537,635,719	152,139,039	829,244	1,393,136	2,372,464	1,306,431,402	-	2,100,206,629
Net Book Value @ 31/12/2017	97,774,190	1,974,243	533,967,801	152,139,039	761,113	1,617,506	2,372,464	1,306,431,402	-	2,097,037,757
Net Book Value by Category										
Operational	45,524,099	1,347,758	536,646,593	104,712,362	829,244	1,393,136	60,238	-	-	690,513,431
Infrastructural	2,018,786	-	-	46,914,331	-	-	-	1,306,431,402	-	1,355,364,519
Community	-	479,485	989,126	512,346	-	-	2,312,226	-	-	4,293,182
Non-Operational	50,035,497	-	-	-	-	-	-	-	-	50,035,497
Net Book Value @ 31/12/2018	97,578,382	1,827,243	537,635,719	152,139,039	829,244	1,393,136	2,372,464	1,306,431,402	-	2,100,206,629

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 2018 €	Unfunded 2018 €	Total 2018 €	Total 2017 €
Expenditure				
Work in Progress	10,136,076	-	10,136,076	8,824,056
Preliminary Expenses	9,900,377	-	9,900,377	9,216,622
	20,036,453	-	20,036,453	18,040,677
Income				
Work in Progress	9,571,629	-	9,571,629	8,612,573
Preliminary Expenses	9,379,661	-	9,379,661	7,944,189
	18,951,290	-	18,951,290	16,556,763
Net Expended				
Work in Progress	564,447	-	564,447	211,483
Preliminary Expenses	520,716	-	520,716	1,272,432
	1,085,163	-	1,085,163	1,483,915

3. Long Term Debtors

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

	Balance @ 1/1/2018 €	Loans Issued €	Principal Repaid €	Early Redemptions €	Other Adjustments €	Balance @ 31/12/2018 €	Balance @ 31/12/2017 €
Long Term Mortgage Advances*	15,129,065	2,415,600	(754,780)	(62,358)	(42,691)	16,684,836	15,129,065
Tenant Purchases Advances	95,877	-	(46,792)	(12,135)	-	36,951	95,877
Shared Ownership Rented Equity	480,399	-	-	-	-	480,399	480,399
	15,705,341	2,415,600	(801,572)	(74,493)	(42,691)	17,202,186	15,705,341
Recoupable Loan Advances						54,052,004	56,799,403
Capital Advance Leasing Facility						19,973,246	9,120,197
Long-term Investments						-	-
Cash						-	-
Interest in associated companies						-	-
Other						25,182	25,182
						74,050,432	65,944,782
						91,252,617	81,650,123
Less: Amounts falling due within one year (Note 5)						(800,000)	(760,000)
Total Amounts falling due after more than one year						90,452,617	80,890,123

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

A summary of stock is as follows:

	2018 €	2017 €
Central Stores	-	-
Other Depots	-	-
Total	<u>-</u>	<u>-</u>

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2018 €	2017 €
Government Debtors	5,800,490	7,849,819
Commercial Debtors	11,022,913	14,430,263
Non-Commercial Debtors	5,664,957	6,950,410
Development Levy Debtors	13,238,237	9,791,344
Other Services	770,258	915,416
Other Local Authorities	105,124	63,193
Revenue Commissioners	-	-
Other	6,142,404	3,586,649
Add: Amounts falling due within one year (Note 3)	800,000	760,000
Total Gross Debtors	<u>43,544,384</u>	<u>44,347,095</u>
Less: Provision for Doubtful Debts	<u>(19,497,828)</u>	<u>(16,279,480)</u>
Total Trade Debtors	<u>24,046,556</u>	<u>28,067,615</u>
Prepayments	1,403,654	925,594
	<u>25,450,211</u>	<u>28,993,209</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2018 €	2017 €
Trade creditors	7,928,124	6,642,089
Grants	143,454	34,875
Revenue Commissioners	1,701,553	1,519,464
Other Local Authorities	1,850	-
Other Creditors	258,412	2,007
	10,033,394	8,198,436
Accruals	6,163,221	4,492,961
Deferred Income	6,955,540	8,060,968
Add: Amounts falling due within one year (Note 7)	4,130,000	4,300,000
	27,282,154	25,052,365

7. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2018 €	Balance @ 31/12/2017 €
Balance @ 1/1/2018	148,585,906	(1)	3,541,075	152,126,980	156,192,259
Borrowings	3,861,824	-	-	3,861,824	140,000
Repayment of Principal	(3,730,996)	1	(398,290)	(4,129,286)	(4,304,626)
Early Redemptions	-	-	-	-	(27,979)
Other Adjustments	53,650	-	53,985	107,636	127,326
Balance @ 31/12/2018	148,770,383	-	3,196,771	151,967,154	152,126,980
Less: Amounts falling due within one year (Note 6)				4,130,000	4,300,000
Total Amounts falling due after more than one year				147,837,154	147,826,980

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2018 €	Balance @ 31/12/2017 €
Mortgage loans*	16,007,333	-	-	16,007,333	12,857,615
Non-Mortgage loans					
Asset/Grants	72,940,378	-	3,196,771	76,137,149	76,698,518
Revenue Funding	-	-	-	-	-
Bridging Finance	5,743,558	-	-	5,743,558	5,743,558
Recoupable	54,052,003	-	-	54,052,003	56,799,402
Shared Ownership – Rented Equity	27,112	-	-	27,112	27,887
	148,770,383	-	3,196,771	151,967,154	152,126,980
Less: Amounts falling due within one year (Note 6)				4,130,000	4,300,000
Total Amounts falling due after more than one year				147,837,154	147,826,980

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

8. Refundable Deposits

The movement in refundable deposits is as follows:

	2018 €	2017 €
Opening Balance at 1 January	13,505,951	13,232,337
Deposits received	1,187,159	1,074,968
Deposits repaid	(186,504)	(801,354)
Closing Balance at 31 December	14,506,606	13,505,951

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

9. Capitalisation Account

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

	Balance @ 1/1/2018 €	Purchased €	Transfers WIP €	Disposals\Statutory Transfers €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2018 €	Balance @ 31/12/2017 €
Grants	419,503,706	2,123,757	5,402,891	(1,687,820)	-	-	425,342,534	419,503,706
Loans	56,797,344	-	-	-	-	-	56,797,344	56,797,344
Revenue funded	4,208,007	-	-	-	-	-	4,208,007	4,208,007
Leases	-	-	-	-	-	-	-	-
Development Levies	3,308,971	-	-	-	-	-	3,308,971	3,308,971
Tenant Purchase Annuities	7,469,155	-	-	-	-	-	7,469,155	7,469,155
Unfunded	-	-	-	-	-	-	-	-
Historical	1,573,165,016	-	-	(1,970,515)	-	-	1,571,194,501	1,573,165,016
Other	46,676,540	120,487	-	-	-	-	46,797,027	46,676,540
Total Gross Funding	2,111,128,738	2,244,244	5,402,891	(3,658,335)	-	-	2,115,117,539	2,111,128,738
Less: Amortised							(14,910,909)	(14,090,981)
Total *							2,100,206,629	2,097,037,757

* Must agree with note 1

NOTES TO AND FORMING PART OF THE ACCOUNTS

10. Other Balances

A breakdown of other balances is as follows:

		Balance @ 1/1/2018 €	Capital re-classification * €	Expenditure €	Income €	Net Transfers €	Balance @ 31/12/2018 €	Balance @ 31/12/2017 €
Development Levies balances	(i)	26,017,892	-	2,415,858	6,945,831	(406,688)	30,141,177	26,017,892
Capital account balances including asset formation and enhancement	(ii)	(33,646,274)	(1,292)	21,836,855	17,911,804	2,833,799	(34,738,817)	(33,646,274)
Voluntary & Affordable Housing Balances	(iii)							
- Voluntary Housing		(1,882,802)	-	10,829,504	11,011,203	40,000	(1,661,103)	(1,882,802)
- Affordable Housing		(3,900,953)	-	150,390	188,812	-	(3,862,530)	(3,900,953)
Reserves created for specific purposes	(iv)	40,149,936	-	1,461,385	5,643,599	(4,035,462)	40,296,687	40,149,936
A. Net Capital Balances		26,737,798	(1,292)	36,693,993	41,701,250	(1,568,350)	30,175,414	26,737,798
Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	(v)						(81,604,927)	(82,191,381)
Interest in Associated Companies	(vi)						-	-
B. Non Capital Balances							(81,604,927)	(82,191,381)
Total Other Balances							(51,429,513)	(55,453,583)

***() Denotes Debit Balances**

- (i) This represents the cumulative balance of development levies i.e. income less expenditure and transfers to date.
- (ii) This represents the cumulative position on funded and unfunded capital jobs consisting of project (completed assets) and non-project (enhancement of assets) balances. Debit balances will require sources of funding to clear.
- (iii) This represents the cumulative position on voluntary and affordable housing projects.
- (iv) Relates to reserves and advance funding for future Local Authority assets, insurance liabilities, other purposes and includes realised tenant purchase annuities.
- (v) Loan related balances including outstanding principal on leases and non-mortgage loans remaining to be funded, historical mortgage funding gap, unrealised principal on tenant purchase annuities to be repaid in the future and shared ownership rented equity.
- (vi) Represents the local authority's interest in associated companies.

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Capital Account Analysis

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

	2018	2017
	€	€
Net WIP & Preliminary Expenses (Note 2)	(1,085,163)	(1,483,915)
Net Capital Balances (Note 10)	30,175,414	26,737,798
Capital Balance Surplus/(Deficit) @ 31 December	29,090,251	25,253,883

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

	2018	2017
	€	€
Opening Balance @ 1 January	25,253,884	21,434,689
Expenditure	38,432,740	27,144,169
Income		
- Grants	30,463,306	21,644,185
- Loans	-	-
- Other	13,172,080	9,501,538
Total Income	43,635,386	31,145,723
Net Revenue Transfers	(1,366,280)	(182,359)
Closing Balance @ 31 December	29,090,251	25,253,884

12. Mortgage Loan Funding Surplus/(Deficit)

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

	2018	2018	2018	2017
	Loan Annuity	Rented Equity	Total	Total
	€	€	€	€
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	16,684,836	480,399	17,165,235	15,609,464
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 7)	(16,007,333)	(27,112)	(16,034,445)	(12,885,502)
Surplus/(Deficit) in Funding @ 31st December	677,503	453,287	1,130,790	2,723,962

NOTE: Cash on Hand relating to Redemptions and Relending

€

-

13. Summary of Plant & Materials Account

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

	2018	2018	2018	2017
	Plant & Machinery	Materials	Total	Total
	€	€	€	€
Expenditure	(1,016,466)	-	(1,016,466)	(1,338,362)
Charged to Jobs	1,107,873	-	1,107,873	1,248,987
	91,407	-	91,407	(89,375)
Transfers from/(to) Reserves	(90,000)	(20,000)	(110,000)	(25,000)
Surplus/(Deficit) for the Year	1,407	(20,000)	(18,593)	(114,375)

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. Transfers from/(to) Reserves

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

	2018 Transfers from Reserves €	2018 Transfers to Reserves €	2018 €	2017 €
Principal Repayments of Non-Mortgage Loans (Own Asset)	-	(151,160)	(151,160)	(139,898)
Principal Repayments of Non-Mortgage Loans (Recoupable Non Asset)	-	-	-	-
Principal Repayments of Finance Leases	-	-	-	-
Transfers to Other Balance Sheet Reserves	-	-	-	-
Transfers to/from Capital Account	4,682,032	(3,928,342)	753,690	215,341
Surplus/(Deficit) for Year	4,682,032	(4,079,501)	602,531	75,444

15. Analysis of Revenue Income

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

	Appendix No	2018		2017	
		€	%	€	%
Grants & Subsidies	3	29,856,094	30%	25,084,015	26%
Contributions from other local authorities		205,124	0%	69,194	0%
Goods & Services	4	28,734,818	29%	30,069,923	31%
		58,796,035	58%	55,223,132	57%
Local Property Tax		9,866,198	10%	9,866,198	10%
Rates		31,894,008	32%	31,806,290	33%
Total Income		100,556,242	100%	96,895,620	100%

From 2017 onwards, local authorities will no longer retain PRD locally. Accordingly, an upward adjustment was made to the LPT baseline of each local authority, to include an additional amount equivalent to the PRD income retained by local authorities in 2014.

NOTES TO AND FORMING PART OF THE ACCOUNTS

16. Over/Under Expenditure

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

	EXPENDITURE					INCOME					NET
	Excluding Transfers	Transfers	Including Transfers	Budget	(Over)/Under Budget	Excluding Transfers	Transfers	Including Transfers	Budget	Over/(Under) Budget	(Over)/Under Budget
	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €	2018 €
Housing & Building	24,837,954	525,325	25,363,278	23,072,404	(2,290,874)	24,932,192	1,957,966	26,890,158	25,488,641	1,401,517	(889,357)
Roads Transportation & Safety	23,925,079	566,187	24,491,266	19,613,150	(4,878,116)	12,512,744	2,545,794	15,058,538	10,979,713	4,078,825	(799,291)
Water Services	5,570,877	166,582	5,737,460	7,034,240	1,296,780	5,015,463	-	5,015,463	6,762,465	(1,747,003)	(450,223)
Development Management	11,834,242	808,176	12,642,417	16,197,124	3,554,707	6,546,470	10,371	6,556,841	9,328,492	(2,771,651)	783,056
Environmental Services	15,008,931	602,363	15,611,294	15,700,738	89,444	1,950,566	-	1,950,566	2,009,350	(58,784)	30,660
Recreation & Amenity	7,623,254	633,718	8,256,971	8,284,259	27,288	986,150	60,000	1,046,150	847,827	198,322	225,610
Agriculture, Education, Health & Welfare	947,735	260,529	1,208,264	1,384,695	176,431	435,013	-	435,013	452,133	(17,120)	159,311
Miscellaneous Services	11,260,774	516,623	11,777,397	11,937,862	160,465	6,417,438	107,901	6,525,340	5,573,406	951,934	1,112,399
Total Divisions	101,008,846	4,079,502	105,088,348	103,224,472	(1,863,876)	58,796,035	4,682,032	63,478,068	61,442,027	2,036,041	172,165
Local Property Tax	-	-	-	-	-	9,866,198	-	9,866,198	9,866,198	-	-
Rates	-	-	-	-	-	31,894,008	-	31,894,008	31,916,247	(22,239)	(22,239)
Dr/Cr Balance	-	-	-	-	-	-	-	-	-	-	-
(Deficit)/Surplus for Year	101,008,846	4,079,502	105,088,348	103,224,472	(1,863,876)	100,556,242	4,682,032	105,238,274	103,224,472	2,013,802	149,926

NOTES TO AND FORMING PART OF THE ACCOUNTS

	2018 €
17. Net Cash Inflow/(Outflow) from Operating Activities	
Operating Surplus/(Deficit) for Year	149,926
(Increase)/Decrease in Stocks	-
(Increase)/Decrease in Trade Debtors	3,542,998
Increase/(Decrease) in Creditors Less than One Year	2,229,790
	<u>5,922,713</u>
18. Increase/(Decrease) in Reserve Balances	
Increase/(Decrease) in Development Levies balances	4,123,285
Increase/(Decrease) in Reserves created for specific purposes	146,752
	<u>4,270,037</u>
19. (Increase)/Decrease in Other Capital Balances	
(Increase)/Decrease in Capital account balances including asset formation and enhancement	(1,092,543)
(Increase)/Decrease in Voluntary Housing Balances	221,699
(Increase)/Decrease in Affordable Housing Balances	38,423
	<u>(832,421)</u>
20. Increase/(Decrease) in Loan Financing	
(Increase)/Decrease in Long Term Debtors	(9,562,494)
Increase/(Decrease) in Mortgage Loans	3,149,718
Increase/(Decrease) in Asset/Grant Loans	(561,370)
Increase/(Decrease) in Revenue Funding Loans	-
Increase/(Decrease) in Bridging Finance Loans	-
Increase/(Decrease) in Recoupable Loans	(2,747,400)
Increase/(Decrease) in Shared Ownership Rented Equity Loans	(775)
Increase/(Decrease) in Finance Leasing	-
(Increase)/Decrease in Portion Transferred to Current Liabilities	170,000
Increase/(Decrease) in Long Term Creditors - Deferred Income	9,853,049
	<u>300,728</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

	2018
	€
21. (Increase)/Decrease in Reserve Financing	
(Increase)/Decrease in Specific Revenue Reserve	-
(Increase)/Decrease in Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	586,454
(Increase)/Decrease in Reserves in Associated Companies	-
	<u>586,454</u>
22. Analysis of Changes in Cash & Cash Equivalents	
Increase/(Decrease) in Bank Investments	13,100,416
Increase/(Decrease) in Cash at Bank/Overdraft	(1,448,721)
Increase/(Decrease) in Cash in Transit	(4,778)
	<u>11,646,918</u>

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2018

	2018 €	2017 €
Payroll Expenses		
Salary & Wages	32,091,281	30,488,535
Pensions (incl Gratuities)	5,857,936	5,715,818
Other costs	1,879,186	1,956,631
Total	39,828,403	38,160,983
Operational Expenses		
Purchase of Equipment	573,446	649,210
Repairs & Maintenance	1,266,879	1,873,402
Contract Payments	14,964,703	15,916,850
Agency services	7,564,082	4,426,185
Machinery Yard Charges incl Plant Hire	2,209,099	2,352,632
Purchase of Materials & Issues from Stores	1,346,705	1,384,481
Payment of Grants	4,134,601	4,364,152
Members Costs	218,679	221,006
Travelling & Subsistence Allowances	813,724	823,907
Consultancy & Professional Fees Payments	1,638,092	1,558,929
Energy / Utilities Costs	2,013,725	1,907,031
Other	10,959,550	8,988,069
Total	47,703,283	44,465,852
Administration Expenses		
Communication Expenses	517,055	480,663
Training	412,116	396,659
Printing & Stationery	201,185	163,757
Contributions to other Bodies	803,636	977,659
Other	656,298	590,418
Total	2,590,290	2,609,157
Establishment Expenses		
Rent & Rates	437,451	412,331
Other	972,152	924,952
Total	1,409,603	1,337,283
Financial Expenses	9,173,736	9,772,005
Miscellaneous Expenses	303,532	230,189
Total Expenditure	101,008,846	96,575,469

**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	6,293,237	320,809	1,461,856	-	1,782,666
A02 Housing Assessment, Allocation and Transfer	996,782	-	24,130	-	24,130
A03 Housing Rent and Tenant Purchase Administration	1,247,902	-	10,320,517	-	10,320,517
A04 Housing Community Development Support	645,007	-	35,934	-	35,934
A05 Administration of Homeless Service	3,975,686	3,474,003	21,655	-	3,495,658
A06 Support to Housing Capital & Affordable Prog.	2,338,460	1,119,457	36,408	-	1,155,866
A07 RAS Programme	6,555,600	6,305,643	906,593	-	7,212,236
A08 Housing Loans	1,361,375	268,612	1,150,132	-	1,418,744
A09 Housing Grants	1,502,298	1,056,792	221,721	-	1,278,513
A11 Agency & Recoupable Services	10,485	-	-	-	-
A12 HAP Programme	436,446	154,100	11,795	-	165,895
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	25,363,278	12,699,417	14,190,741	-	26,890,158
Less Transfers to/from Reserves	525,325		1,957,966		1,957,966
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	24,837,954		12,232,775		24,932,192

APPENDIX 2

**SERVICE DIVISION B
ROAD TRANSPORTATION and SAFETY**

DIVISION	EXPENDITURE	INCOME			
	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
B01 NP Road - Maintenance and Improvement	467,202	179,126	6,164	-	185,290
B02 NS Road - Maintenance and Improvement	498,734	143,995	9,713	-	153,708
B03 Regional Road - Maintenance and Improvement	4,330,709	2,157,559	103,836	-	2,261,395
B04 Local Road - Maintenance and Improvement	14,225,585	6,798,821	2,427,918	217	9,226,955
B05 Public Lighting	1,596,545	80,506	1,802	-	82,308
B06 Traffic Management Improvement	237,518	-	29,866	-	29,866
B07 Road Safety Engineering Improvement	481,200	189,725	8,687	-	198,412
B08 Road Safety Promotion/Education	419,087	-	5,940	38,544	44,484
B09 Maintenance & Management of Car Parking	1,199,265	-	2,134,047	-	2,134,047
B10 Support to Roads Capital Prog.	527,066	-	14,191	-	14,191
B11 Agency & Recoupable Services	508,355	131,175	569,676	27,031	727,882
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	24,491,266	9,680,907	5,311,840	65,791	15,058,538
Less Transfers to/from Reserves	566,187		2,545,794		2,545,794
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	23,925,079		2,766,046		12,512,744

**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	3,026,528	-	3,017,656	-	3,017,656
C02 Operation and Maintenance of Waste Water Treatment	1,698,393	-	1,518,702	-	1,518,702
C03 Collection of Water and Waste Water Charges	121,518	-	3,920	-	3,920
C04 Operation and Maintenance of Public Conveniences	205,357	-	6,490	-	6,490
C05 Admin of Group and Private Installations	95,772	56,728	2,902	-	59,630
C06 Support to Water Capital Programme	359,888	-	298,938	-	298,938
C07 Agency & Recoupable Services	230,005	-	110,127	-	110,127
C08 Local Authority Water and Sanitary Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	5,737,460	56,728	4,958,734	-	5,015,463
Less Transfers to/from Reserves	166,582		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	5,570,877		4,958,734		5,015,463

**APPENDIX 2
SERVICE DIVISION D
DEVELOPMENT MANAGEMENT**

DIVISION	EXPENDITURE	INCOME			
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
D01 Forward Planning	890,063	-	27,938	45,346	73,284
D02 Development Management	2,185,917	-	713,568	-	713,568
D03 Enforcement	875,904	-	110,281	-	110,281
D04 Op & Mtce of Industrial Sites & Commercial Facilities	95,337	-	-	-	-
D05 Tourism Development and Promotion	324,171	-	4,871	-	4,871
D06 Community and Enterprise Function	3,998,891	2,728,909	55,125	-	2,784,034
D07 Unfinished Housing Estates	309,380	-	227,944	-	227,944
D08 Building Control	247,843	-	136,800	-	136,800
D09 Economic Development and Promotion	3,411,225	2,104,736	211,591	-	2,316,327
D10 Property Management	5,449	-	62,390	-	62,390
D11 Heritage and Conservation Services	298,238	118,756	8,587	-	127,343
D12 Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	12,642,417	4,952,401	1,559,094	45,346	6,556,841
Less Transfers to/from Reserves	808,176		10,371		10,371
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	11,834,242		1,548,723		6,546,470

**APPENDIX 2
SERVICE DIVISION E
ENVIRONMENTAL SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
		€	€	€	€	€
E01	Operation, Maintenance and Aftercare of Landfill	813,749	1,204	2,323	-	3,527
E02	Op & Mtce of Recovery & Recycling Facilities	184,500	60,479	2,647	-	63,126
E03	Op & Mtce of Waste to Energy Facilities	505,925	-	16,636	-	16,636
E04	Provision of Waste to Collection Services	-	-	-	-	-
E05	Litter Management	1,220,549	120,529	74,059	-	194,588
E06	Street Cleaning	2,458,075	-	14,436	-	14,436
E07	Waste Regulations, Monitoring and Enforcement	670,119	130,000	135,655	-	265,655
E08	Waste Management Planning	19,744	-	-	-	-
E09	Maintenance and Upkeep of Burial Grounds	483,909	-	150,278	-	150,278
E10	Safety of Structures and Places	305,737	111,688	14,001	-	125,690
E11	Operation of Fire Service	8,095,512	33,797	607,531	85,056	726,384
E12	Fire Prevention	381,892	-	189,955	1,731	191,686
E13	Water Quality, Air and Noise Pollution	471,583	192,233	6,327	-	198,560
E14	Agency & Recoupable Services	-	-	-	-	-
E15	Climate Change and Flooding	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		15,611,294	649,931	1,213,848	86,787	1,950,566
Less Transfers to/from Reserves		602,363		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		15,008,931		1,213,848		1,950,566

APPENDIX 2

**SERVICE DIVISION F
RECREATION and AMENITY**

	EXPENDITURE	INCOME			
DIVISION	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
F01 Operation and Maintenance of Leisure Facilities	475,538	-	64,007	-	64,007
F02 Operation of Library and Archival Service	2,644,657	21,854	130,417	7,200	159,471
F03 Op, Mtce & Imp of Outdoor Leisure Areas	1,446,419	15,040	16,411	-	31,451
F04 Community Sport and Recreational Development	1,492,896	176,054	259,507	-	435,561
F05 Operation of Arts Programme	2,197,461	126,774	228,887	-	355,661
F06 Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	8,256,971	339,722	699,227	7,200	1,046,150
Less Transfers to/from Reserves	633,718		60,000		60,000
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	7,623,254		639,227		986,150

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

DIVISION	EXPENDITURE	INCOME			
	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
G01 Land Drainage Costs	-	-	-	-	-
G02 Operation and Maintenance of Piers and Harbours	370,171	-	68,222	-	68,222
G03 Coastal Protection	146,697	-	4,479	-	4,479
G04 Veterinary Service	609,505	209,262	137,529	-	346,791
G05 Educational Support Services	81,891	15,000	521	-	15,521
G06 Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	1,208,264	224,262	210,751	-	435,013
Less Transfers to/from Reserves	260,529		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	947,735		210,751		435,013

**APPENDIX 2
SERVICE DIVISION H
MISCELLANEOUS SERVICES**

		EXPENDITURE	INCOME		
DIVISION	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
H01 Profit/Loss Machinery Account	1,106,466	-	1,111,961	-	1,111,961
H02 Profit/Loss Stores Account	20,000	-	-	-	-
H03 Administration of Rates	5,951,192	585,997	71,540	-	657,538
H04 Franchise Costs	196,353	-	2,738	-	2,738
H05 Operation of Morgue and Coroner Expenses	216,217	-	1,167	-	1,167
H06 Weighbridges	-	-	-	-	-
H07 Operation of Markets and Casual Trading	56,977	-	12,523	-	12,523
H08 Malicious Damage	97,319	80,226	17,093	-	97,319
H09 Local Representation/Civic Leadership	915,629	-	12,293	-	12,293
H10 Motor Taxation	1,011,272	-	55,442	-	55,442
H11 Agency & Recoupable Services	2,205,972	586,503	3,987,857	-	4,574,360
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES	11,777,397	1,252,726	5,272,614	-	6,525,340
Less Transfers to/from Reserves	516,623		107,901		107,901
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES	11,260,774		5,164,712		6,417,438
TOTAL ALL DIVISIONS	101,008,846	29,856,094	28,734,818	205,124	58,796,035

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2018 €	2017 €
Department of Housing, Planning, Community and Local Government		
Road Grants	12,000	36,818
Housing Grants & Subsidies	12,131,053	9,924,781
Library Services	16,854	0
Local Improvement Schemes	-	0
Urban and Village Renewal Schemes	-	0
Water Services Group Schemes	56,728	53,337
Environmental Protection/Conservation Grants	972	15,475
Miscellaneous	2,305,222	3,265,250
	<u>14,522,830</u>	<u>13,295,661</u>
Other Departments and Bodies		
Road Grants	9,441,962	7,228,413
Local Enterprise Office	1,067,125	854,741
Higher Education Grants	3,000	3,451
Community Employment Schemes	-	0
Civil Defence	111,688	77,369
Miscellaneous	4,709,489	3,624,380
	<u>15,333,264</u>	<u>11,788,354</u>
Total	<u>29,856,094</u>	<u>25,084,015</u>

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2018	2017
	€	€
Rents from Houses	11,132,120	12,193,209
Housing Loans Interest & Charges	439,746	411,602
Domestic Water	-	-
Commercial Water	-	-
Irish Water	4,462,883	6,229,135
Domestic Refuse	-	87
Commercial Refuse	-	-
Domestic Sewerage	-	-
Commercial Sewerage	-	-
Planning Fees	768,093	723,036
Parking Fines/Charges	2,099,725	2,401,468
Recreation & Amenity Activities	302,039	181,252
Library Fees/Fines	44,781	42,319
Agency Services	-	-
Pension Contributions	1,190,797	1,146,694
Property Rental & Leasing of Land	69,043	443,284
Landfill Charges	-	-
Fire Charges	591,902	584,517
NPPR	1,538,946	1,281,974
Misc. (Detail)	6,094,742	4,431,346
	28,734,818	30,069,923

APPENDIX 5

SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2018	2017
	€	€
EXPENDITURE		
Payment to Contractors	14,696,981	11,929,568
Purchase of Land	856,823	1,280,041
Purchase of Other Assets/Equipment	2,391,813	3,989,204
Professional & Consultancy Fees	2,995,934	1,408,555
Other	17,491,190	8,536,801
Total Expenditure (Net of Internal Transfers)	38,432,740	27,144,169
Transfers to Revenue	5,123,128	5,037,012
Total Expenditure (Incl Transfers) *	43,555,867	32,181,181
INCOME		
Grants and LPT	30,463,306	21,644,185
Non - Mortgage Loans	-	-
Other Income		
(a) Development Contributions	6,945,831	4,739,599
(b) Property Disposals		
- Land	15,320	225,912
- LA Housing	1,087,625	212,525
- Other property	-	-
(c) Purchase Tenant Annuities	10,415	15,539
(d) Car Parking	-	-
(e) Other	5,112,888	4,307,963
Total Income (Net of Internal Transfers)	43,635,386	31,145,723
Transfers from Revenue	3,756,848	4,854,653
Total Income (Incl Transfers) *	47,392,234	36,000,376
Surplus\ (Deficit) for year	3,836,367	3,819,195
Balance (Debit)\Credit @ 1 January	25,253,884	21,434,689
Balance (Debit)\Credit @ 31 December	29,090,251	25,253,884

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

APPENDIX 6

ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT

	BALANCE @ 1/1/2018	EXPENDITURE	INCOME				TRANSFERS			BALANCE @ 31/12/2018
			Grants and LPT	Non-Mortgage Loans*	Other	Total Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	
	€	€	€	€	€	€	€	€	€	€
Housing & Building	(13,086,226)	19,828,466	19,490,791	-	2,034,057	21,524,847	202,085	2,216,287	(31,765)	(13,435,811)
Road Transportation & Safety	6,644,576	3,595,141	1,568,521	-	722,737	2,291,258	334,376	649,897	369,498	5,394,670
Water Services	1,899,010	401,386	411,560	-	-	411,560	24,000	-	-	1,933,184
Development Management	23,919,202	3,009,377	5,017	-	6,948,541	6,953,558	590,000	81,891	(339,213)	28,032,279
Environmental Services	(7,409,312)	469,764	228,378	-	150,649	379,027	337,475	193,145	-	(7,355,719)
Recreation & Amenity	422,445	690,033	206,274	-	3,500	209,774	230,000	-	1,481	173,667
Agriculture, Education, Health & Welfare	(792,557)	8,488,437	8,471,669	-	(250)	8,471,419	70,000	-	-	(739,575)
Miscellaneous Services	13,656,746	1,950,136	81,096	-	3,312,846	3,393,941	1,968,911	1,981,908	-	15,087,554
TOTAL	25,253,884	38,432,740	30,463,306	-	13,172,080	43,635,386	3,756,848	5,123,128	0	29,090,251

Note: Mortgage-related transactions are excluded

APPENDIX 7
Summary of Major Revenue Collections for 2018

A Debtor type	B Incoming arrears @ 1/1/2018	C Accrued - current year debit (Gross)	D Vacant property adjustments	E Write offs	F Waivers	G Total for collection =(B+C-D-E-F)	H Amount collected	I Closing arrears @ 31/12/2018 = (G-H)	J Specific doubtful arrears*	K % Collected = (H)/(G-J)
	€	€	€	€	€	€	€	€	€	
Rates	12,504,700	31,894,008	3,711,268	780,888	-	39,906,551	30,367,831	9,538,720	1,913,929	80%
Rents & Annuities	5,089,880	11,183,990	-	135,077	-	16,138,793	12,332,703	3,806,090	-	76%
Housing Loans	362,039	1,176,205	-	8	-	1,538,235	1,176,402	361,833	-	76%

*Specific doubtful arrears = (i) Vacancy applications pending/criteria not met & (ii) Accounts in examinership/receivership/liquidation and no communication regarding likely outcome

APPENDIX 8

INTEREST OF LOCAL AUTHORITY IN COMPANIES AND JOINT VENTURES

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 or Entity	Voting Power %	Classification: Subsidiary / Associate / Joint Venture	Total Assets	Total Liabilities	Revenue Income	Revenue Expenditure	Cumulative Surplus/Deficit	Currently Consolidated Y / N	Date of Financial Statements
East Border Region	17%	Joint Venture	637,222	598,834	361,269	361,269	34,667	N	31.12.2017
Highlanes Gallery Limited	100%	Subsidiary	4,064,555	4,171,124	392,390	395,185	(106,569)	N	31.12.2017
An Tain Arts Centre Limited	43%	Associate	83,783	81,867	524,680	575,244	1,916	N	31.12.2017
Business Investment District Scheme Dundalk Limited	22%	Associate	156,552	7,281	253,134	217,268	149,271	N	31.12.2017
Drogheda Port Company *See Below		Wholly Owned	26,358,985	6,354,022	3,703,649	3,000,523	5,432,586	N	31.12.2017

* In accordance with a ministerial order (Statutory Instrument no. 424 of 2017) all shares in the share capital of Drogheda Port Company were vested in Louth County Council on 2 October 2017

2018 Annual Financial Statement (Audited)

Details of Transfers to and from the Revenue Account

Below is a breakdown of the transfers from the Revenue account to the Capital account and from the Capital Account to the Revenue account. A summary of these transfer is shown in Note 14 to the accounts and details of transfers by programme group is shown in Note 16.

Transfers from Revenue to Capital

	Transfer Amount	Budget Provision	Difference
Loan Repayment Reserves	€151,160	€160,000	€ 8,840

Loan repayment reserves represent the principal element of loan charges provisions for 2018.

RAS	€ 93,159	€ Nil	€ 93,159
-----	----------	-------	----------

Surplus for 2018 transferred to capital provision account to meet future costs.

Roads Capital Schemes	€288,500	€ Nil	€288,500
Piers & Harbours	€ 50,000	€ 50,000	Nil
Facilities	€ 55,000	€ Nil	€ 55,000

The above transfers were to Clear Capital Balances on completed projects.

CCTV Works	€ 50,000	€ Nil	€ 50,000
Tourist Projects	€ 40,000	€ Nil	€ 40,000
TII Overhead Provision	€ 5,980	€ Nil	€ 5,980

The above transfers are done to create provisions for future projects.

Irish Public Bodies Dividend	€145,000	€ Nil	€145,000
------------------------------	----------	-------	----------

The increase in the dividend in 2018 was transferred to Capital to provide for the outstanding Retro and Excess on insurance claims.

	Transfer Amount	Budget Provision	Difference
Public/Traffic Lighting	€ 100,000	€ 120,000	€ 20,000
Car Park Improvements	€ 20,000	€ 20,000	€ Nil
Public Convenience	€ 24,000	€ 24,000	€ Nil
Economic Development Projects	€ 95,000	€ Nil	€ 95,000
Unfinished Estates	€ 220,049	€ Nil	€220,049
Landfill*	€ 110,000	€ 50,000	€ 60,000
Renewable Energy	€ 50,000	€ Nil	€ 50,000
Burial Grounds*	€ 150,000	€ Nil	€150,000
Fire Services Projects	€ 113,696	€ 12,000	€101,696
Libraries Projects	€ 15,000	€ 15,000	€ Nil

Swimming Pools	€ 50,000	€ 177,000	€127,000
M/More Sports Centre Dev	€ 70,000	€ 70,000	€ Nil
Sports Facilities*	€ 65,000	€ 35,000	€ 30,000
MD Allocations	€ 285,000	€ Nil	€285,000
Thatching & Heritage Projects*	€ 40,000	€ Nil	€ 40,000
Animal Pound*	€ 20,000	€ Nil	€ 20,000
Local Election Provision	€ 40,000	€ 40,000	€ Nil
Disability Strategy	€ 30,000	€ Nil	€ 30,000
Infrastruture Projects	€ 118,000	€ Nil	€118,000
Corporate Buildings*	€1,042,500	€ 589,500	€453,000
HR Projects*	€ 54,000	€ 45,000	€ 9,000
Legal Costs*	€ 201,000	€ Nil	€201,000
Finance Project*	€ 77,190	€ 40,000	€ 33,190
IT Capital Projects*	€ 170,000	€ 264,000	€ 94,000

The above transfers are budgeted transfers to capital to fund projects and clear outstanding balances on capital projects.

*Additional savings on revenue expenditure transferred to capital to reduce capital balances and provide for future works.

Transfers from Capital to Revenue

	Transfer Amount	Budget Provision	Difference
Housing Maintenance Programme	€ 991,404	€ 655,000	€336,404
Land Loans Payments	€ 708,535	€ 950,000	€241,465
Housing Adaption LA Houses	€ 39,085	€ Nil	€ 39,085
Housing Adaption Grants	€ 218,942	€ 338,000	€119,058

Transfer of internal capital receipts to match fund grants/claims being drawn down for the following planned maintenance, recurring maintenance, energy fabric upgrades, damages to LA house and vacant houses/relets/voids, land loans, HAGs, MAGs and HOPs. Land loans interest payments were below budget as only interest is being paid at present. Housing adaptations grants were below budget as only match funding for grants received required.

Insurance	€1,903,903	€1,000,000	€903,903
-----------	------------	------------	----------

Release of capital provision for Retro and excess on insurance claims for previous years.

Local & Regional Road Works Prog	€ 550,000	€ 500,000	€ 50,000
----------------------------------	-----------	-----------	----------

Transfer of Development levies and Road Opening Reserves to Road Works programme for 2018.

Concillors' Gratuities	€ 8,005	€ Nil	€ 8,005
Traffic Lights & Road Works	€ 91,891	€ Nil	€ 91,891
Economic Development	€ 60,000	€ 60,000	€ Nil
Stale Cheque Release	€ 70,000	€ 70,000	€ Nil

Capital provisions for the above projects were transferred to Revenue in 2018 to match expenditure.