

UNAUDITED

ANNUAL FINANCIAL STATEMENT

Laois County Council

For the year ended 31st December 2006

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UNAUDITED

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Laois County Council

Financial Review

Annual Financial Statement for Financial Year ended 31st December 2006

I am pleased to present the Annual Financial Statements (A.F.S) of Laois County Council for the year ended 31st December 2006. The A.F.S. contains an Income and Expenditure Account Statement, Balance sheet, Statement of Accounting Policies, Notes to the Accounts and Appendices.

The format of the 2006 A.F.S. is in line with modern accounting reporting practices. All revenue debtors including those relating to rents, rates, loans and water charges are reflected in the balance sheet and adequate provision has been made for bad and doubtful debts.

The following table summarises the movements in the Income and Expenditure Account Statement in 2006:

Opening deficit at 1st January '06	-€574,796
Expenditure	-€60,574,953
Transfer from (to) Reserves	-€3,765,690
Income	€64,361,196
Closing deficit at 31st December '06	€554,244

Included in the balance sheet are fixed and current assets, liabilities and reserves. The value of the fixed assets at the 31/12/2006 is 1,573 million of which 1,309 million refers to infrastructural assets such as the roads, water and sewerage networks.

The Summary of Capital Expenditure and Income (Appx 5) shows a credit balance of €2,660,105 compared to a credit balance of €163,829 at the end of 2005. The movement in the capital account is summarised below:

Opening debit balance at 1 st January '06	€163,829
Expenditure	-€126,227,986
Income	€125,020,849
Transfer from revenue (net)	€3,703,412
Closing credit balance at 31 st December '06	€2,660,105

The improvement in the capital account is mainly due to development contributions.

The total indebtedness of the Council on foot of loans outstanding at the 31/12/06 was €86,004,477 an increase of 11% on the corresponding figure for 2005. (Note 8)

This is due to the increased activity in housing loans, shared ownership and voluntary housing schemes.

Peter Carey

County Manager
3/23/2007

Laois County Council

Certificate of Manager/Head of Finance

for the year ended 31 December 2006

We certify that the financial statement of the Laois County Council for the year ended 31 December 2006 as set out on pages 6 to 34 are in agreement with the books of account and have been prepared in accordance with the accounting requirements as directed by the Minister for the Environment Heritage and Local Government.

We have also taken reasonable steps for the prevention and detection of fraud and other irregularities.

Signed: _____
Manager

Head of Finance

Dated: _____

#REF!

Audit Opinion to be prepared separately and inserted

STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the Accounting Code of Practice on local authority accounting, as revised by the Department of Environment, Heritage and Local Government (DEHLG) at 31st December 2006

Exceptions to this are stated in the Policies and Notes to the Accounts.

2. Accruals

The revenue and capital accounts have been prepared on an accrual basis in accordance with the Code of Practice. The basis of accounting for income from Development Contributions is on a receipts basis.

3. Interest Charges

Loans payable can be divided into the following two categories:

- Mortgage related loans
- Non- mortgage related loans

3.1 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 Income & Expenditure Statement.

3.2 Non Mortgage Related Loans

Note 8 to the accounts sets out the types of borrowing under this heading. Loans relating to assets/grants, revenue funding, inter local authority will not have a corresponding stream of income. Bridging finance will eventually become part of permanent funding. Loans in respect of the other headings will have a corresponding value in Note 3.

4. Pensions

Payments in respect of pensions and gratuities are charged to the revenue account in the accounting period in which the payments are made. The cost of salaries and wages in the accounts includes deductions in respect of superannuation (including Widows and Orphans) benefits. Such deductions are credited as receipts to the Income & Expenditure Statement. The requirements of current accounting standards relating to pensions and their application to local authority accounting is currently under consideration.

5. Overheads

Within the programme group structure there are certain costs that can be attributed to more than one programme. These costs are defined as a Central Management Charge (CMC). The net expenditure of the CMC is allocated on the basis of net expenditure of each programme group, excluding the CMC.

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. Insurance

The County/City/Borough/Town Council operates an insurance excess of €6,300

8. Provision for Bad & Doubtful Debts

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

9. Fixed Assets

9.1 Classification of Assets

Fixed assets are classified into categories as set out in the balance sheet. A further breakdown by asset type is set out in note 1 to the accounts.

9.2 Recognition

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

9.3 Measurement

A balance sheet incorporating all of the assets of the local authority was included for the first time in the Annual Financial Statement for 2003. The assets were valued based on the 'Valuation Guideline' issued by the DEHLG. 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 for 2007.

9.4 Revaluation

As set out in the Accounting Code of Practice it will be the policy to revalue assets where appropriate, at intervals of not more than five years.

9.5 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 DEHLG.

9.6 Depreciation

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

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

Asset Type	Bases	Depreciation Rate
Plant & Machinery		
- Long life	S/L	10%
- Short life	S/L	20%
Equipment	S/L	20%
Furniture	S/L	20%
Heritage Assets		Nil
Library Books		Nil
Playgrounds	S/L	20%
Parks	S/L	2%
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 charges a full year's depreciation in the year of acquisition.

10. Government Grants

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

11. 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 Income & Expenditure. 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 Balance Sheet as 'Income WIP'.

15. Debtors and Creditors

15.1 Debtors

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

15.2 Creditors

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

16. Interest in Local Authority Companies

The interest in the companies listed in Appendix 8 have not been incorporated in the financial statements

FINANCIAL ACCOUNTS

INCOME & EXPENDITURE ACCOUNT STATEMENT FOR YEAR ENDING 31st DECEMBER 2006

The Income and Expenditure Account Statement brings together all the revenue related income and expenditure. It shows the surplus/(deficit) for the year.

Expenditure by Programme Group

	Notes	Gross Expenditure	Income	Net Expenditure	Net Expenditure
		2006 €	2006 €	2006 €	2005 €
Housing & Building		9,469,862	8,253,690	1,216,172	1,104,371
Roads Transportation & Safety		19,208,002	12,947,525	6,260,477	5,698,469
Water & Sewerage		7,729,898	2,195,055	5,534,843	3,863,941
Development Incentives & Controls		3,722,799	1,995,765	1,727,034	1,450,355
Environmental Protection		9,068,067	7,629,939	1,438,128	1,002,973
Recreation & Amenity		3,318,667	713,761	2,604,906	2,358,727
Agriculture, Education, Health & Welfare		3,642,377	2,946,057	696,320	570,280
Miscellaneous		4,415,281	2,602,683	1,812,598	3,112,588
		-	-	-	-
Total Expenditure/Income	16	60,574,953	39,284,474		
Net cost of programmes to be funded from Rates & Local Government Fund				21,290,479	19,161,704
Rates				8,057,640	6,982,372
Local Government Fund - General Purpose Grant				17,019,082	15,968,328
County Charge				-	-
Surplus/(Deficit) for Year before Transfers	17			3,786,243	3,788,996
Transfers from/(to) Reserves	15			(3,765,690)	(3,713,288)
Overall Surplus/(Deficit) for Year				20,553	75,708
General Reserve @ 1st January 2006				(574,796)	(650,504)
General Reserve @ 31st December 2006				(554,244)	(574,796)

BALANCE SHEET AT 31st DECEMBER 2006

	Notes	2006 €	2005 €
Fixed Assets	1		
Operational		229,370,522	222,992,095
Infrastructural		1,309,537,982	1,316,283,377
Community		11,542,400	11,542,400
Non-Operational		23,347,408	21,025,431
		1,573,798,312	1,571,843,302
Work in Progress and Preliminary Expenses	2	162,091,252	79,880,934
Long Term Debtors	3	64,548,542	51,045,437
Current Assets			
Stocks	4	411,143	270,655
Trade Debtors & Prepayments	5	22,277,360	20,151,514
Bank Investments		33,382,428	21,794,586
Cash at Bank		-	-
Cash on Hand		13,869	2,594
Urban Account	7	-	-
		56,084,800	42,219,349
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		11,839,001	2,290,191
Creditors & Accruals	6	25,332,778	24,651,074
Urban Account	7	-	-
Finance Leases		-	-
		37,171,779	26,941,265
Net Current Assets / (Liabilities)		18,913,021	15,278,084
Creditors (Amounts falling due after more than one year)			
Loans Payable	8	70,734,133	60,791,090
Finance Leases		-	42,649
Refundable deposits	9	2,950,575	1,664,666
Other		-	-
		73,684,708	62,498,405
Net Assets		1,745,666,420	1,655,549,352
Financed by			
Capitalisation Account	10	1,573,798,312	1,571,843,302
Income WIP	2	154,089,243	79,049,987
Specific Revenue Reserve		3,686,738	3,686,738
General Revenue Reserve		(554,244)	(574,796)
Other Balances	11	14,646,370	1,544,120

Total Reserves

1,745,666,420	1,655,549,352
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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 Network	Water & Sewerage Network	Total
	€	€	€	€	€	€	€	€	€	€
Costs										
Accumulated Costs @ 1/1/2006	26,673,887	-	163,203,288	53,311,006	1,779,335	1,089,910	11,527,000	1,238,870,000	166,472,678	1,662,927,105
Additions										
- Purchased	580,000	-	5,728,179	141,752	458,905	46,592	-	-	-	6,955,426
- Transfers WIP	-	-	9,730,519	-	-	-	-	-	-	9,730,519
Disposals	(4,056,879)	-	(4,136,460)	-	-	-	-	-	-	(8,193,339)
Revaluations	-	-	-	-	-	-	-	-	-	-
Historical Cost Adjustments	-	-	581,122	-	-	-	-	-	-	581,122
Accumulated Costs @ 31/12/2006	23,197,008	-	175,106,648	53,452,758	2,238,240	1,136,502	11,527,000	1,238,870,000	166,472,678	1,672,000,834
Depreciation										
Depreciation @ 1/1/2006	-	-	-	-	1,338,321	686,181	-	-	89,059,302	91,083,804
Provision for Year	-	-	-	-	195,320	178,004	-	-	6,745,394	7,118,718
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation @ 31/12/2006	-	-	-	-	1,533,640	864,186	-	-	95,804,696	98,202,522
Net Book Value @ 31/12/2006	23,197,008	-	175,106,648	53,452,758	704,600	272,316	11,527,000	1,238,870,000	70,667,982	1,573,798,312
Net Book Value @ 31/12/2005	26,673,887	-	163,203,288	53,311,006	441,015	403,729	11,527,000	1,238,870,000	77,413,377	1,571,843,302
Net Book Value by Category										
Operational	-	-	175,106,648	53,286,958	704,600	272,316	-	-	-	229,370,522
Infrastructural	-	-	-	-	-	-	-	1,238,870,000	70,667,982	1,309,537,982
Community	-	-	-	15,400	-	-	11,527,000	-	-	11,542,400
Non-Operational	23,197,008	-	-	150,400	-	-	-	-	-	23,347,408
Net Book Value @ 31/12/2006	23,197,008	-	175,106,648	53,452,758	704,600	272,316	11,527,000	1,238,870,000	70,667,982	1,573,798,312

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 2006 €	Unfunded 2006 €	Total 2006 €	Total 2005 €
Expenditure				
Work in Progress	31,384,699	23,295	31,407,994	22,812,026
Preliminary Expenses	125,981,377	4,701,881	130,683,258	57,068,908
	157,366,076	4,725,176	162,091,252	79,880,934
Income				
Work in Progress	29,400,731	23,295	29,424,026	20,803,428
Preliminary Expenses	124,293,618	371,599	124,665,217	58,246,559
	153,694,349	394,894	154,089,243	79,049,987
Net Expended				
Work in Progress	1,983,968	-	1,983,968	2,008,598
Preliminary Expenses	1,687,760	4,330,282	6,018,042	(1,177,651)
Net Over/(Under) Expenditure	3,671,727	4,330,282	8,002,009	830,947

3. Long Term Debtors

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

	Balance @ 1/1/2006 €	Loans Issued €	Principal Repaid €	Early Redemptions €	Other Adjustments €	Balance @ 31/12/2006 €	Balance @ 31/12/2005 €
Long Term Mortgage Advances*	27,834,538	13,704,499	(1,083,078)	(3,657,920)	(31,776)	36,766,262	27,834,538
Tenant Purchases Advances	634,809	-	(73,068)	(49,200)	-	512,541	634,809
Shared Ownership Rented Equity	11,367,320	2,236,294	-	(1,804,959)	93,962	11,892,618	11,367,320
	39,836,667	15,940,793	(1,156,146)	(5,512,079)	62,186	49,171,421	39,836,667
Voluntary Housing						17,157,833	13,176,937
Inter Local Authority Loans						-	-
Long-term Investments						-	-
Cash						-	-
Interest in associated companies						-	-
Other						248,181	8,181
						17,406,014	13,185,118
						66,577,435	53,021,785
Less: Amounts falling due within one year (Note 5)						(2,028,893)	(1,976,348)
Total Amounts falling due after more than one year						64,548,542	51,045,437

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

(a) A summary of stock is as follows:

	2006 €	2005 €
Central Stores	11,359	10,945
Other Depots	399,784	259,710
Total	411,143	270,655

(b) A summary of the movement in stock is as follows:

	2006 €	2005 €
Opening Stock at 1 January	270,655	217,191
Purchases	1,459,816	1,202,611
Returns to Stores	185,805	7,554
Issues from Stores	(1,433,774)	(1,073,561)
Stocktake Adjustments	-	-
Other adjustments	(71,360)	(83,140)
Closing Stock at 31 December	411,143	270,655

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2006 €	2005 €
Government Debtors	6,223,357	358,489
Commercial Debtors	1,451,196	1,337,813
Non-Commercial Debtors	604,824	558,416
Development Levy Debtors	-	-
Other Services	-	240,000
Other Local Authorities	126,180	-
TRS Refundable	4,799	105,758
Agent Works Recoupable	11,056,271	12,922,469
Other	1,311,554	3,202,324
Add: Amounts falling due within one year (Note 3)	2,028,893	1,976,348
Total Gross Debtors	22,807,074	20,701,616
Less: Provision for Doubtful Debts	(703,733)	(555,311)
Total Trade Debtors	22,103,341	20,146,305

Prepayments

174,019	5,209
22,277,360	20,151,514

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2006 €	2005 €
Trade creditors	5,024,600	2,755,515
Grants	147,190	645,878
Revenue Commissioners	218,219	305,132
Other Local Authorities	2,108,808	1,904,823
Other Creditors	34,136	150,047
	7,532,953	5,761,396
Accruals	2,461,291	1,877,334
Deferred Income	68,188	-
Add: Amounts falling due within one year (Note 8)	15,270,344	17,012,345
	25,332,778	24,651,074

7. Urban Account

A summary of the Intercompany account is as follows:

	2006 €	2005 €
Balance at 1 January	-	-
Charge for Year	-	-
Received/Paid	-	-
Balance at 31 December	-	-

8. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2006 €	Balance @ 31/12/2005 €
Balance @ 1/1/2006	77,173,654	377,520	252,261	77,803,435	55,831,990
Borrowings	35,269,599	-	-	35,269,599	25,873,117
Repayment of Principal	(1,648,915)	(148,588)	(49,531)	(1,847,034)	(1,511,679)
Early Redemptions	(25,590,946)	-	-	(25,590,946)	(2,473,932)
Other Adjustments	369,423	-	-	369,423	83,939
Balance @ 31/12/2006	85,572,815	228,931	202,731	86,004,477	77,803,435
Less: Amounts falling due within one year (Note 6)				15,270,344	17,012,345
Total Amounts falling due after more than one year				70,734,133	60,791,090

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2006 €	Balance @ 31/12/2005 €
Mortgage loans*	37,479,086	228,931	-	37,708,018	26,976,866
Non-Mortgage loans					
Asset/Grants	7,236,549	-	107,500	7,344,049	12,692,839
Revenue Funding	-	-	-	-	-
Bridging Finance	11,868,627	-	-	11,868,627	14,986,416
Recoupable	-	-	-	-	-
Shared Ownership – Rented Equity	11,830,720	-	-	11,830,720	9,875,147
Inter-Local Authority	-	-	95,230	95,230	95,230
Voluntary housing	17,157,833	-	-	17,157,833	13,176,937
	85,572,815	228,931	202,731	86,004,477	77,803,435
Less: Amounts falling due within one year (Note 6)				15,270,344	17,012,345
Total Amounts falling due after more than one year				70,734,133	60,791,090

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

9. Refundable Deposits

The movement in refundable deposits is as follows:

	2006 €	2005 €
Opening Balance at 1 January	1,664,666	496,322
Deposits received	1,431,562	1,168,344
Deposits repaid	(145,654)	-
Closing Balance at 31 December	2,950,575	1,664,666

10. Capitalisation Account

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

	Balance @ 1/1/2006 €	Purchased €	Transfers WIP €	Disposals €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2006 €	Balance @ 31/12/2005 €
Grants	61,308,255	5,847,912	9,730,519	(608,913)	-	-	76,277,773	61,308,255
Loans	3,877,344	450,000	-	-	-	-	4,327,344	3,877,344
Revenue funded	1,016,064	130,063	-	-	-	-	1,146,127	1,016,064
Leases	8,000,000	-	-	-	-	-	8,000,000	8,000,000
Development Levies	3,306	-	-	-	-	-	3,306	3,306
Tenant Purchase Annuities	-	-	-	-	-	-	-	-
Unfunded	129,089	-	-	-	-	-	129,089	129,089
Historical	1,585,476,872	-	-	(7,584,426)	-	581,122	1,578,473,568	1,585,476,872
Other	3,116,176	527,452	-	-	-	-	3,643,627	3,116,176
Total Gross Funding	1,662,927,105	6,955,426	9,730,519	(8,193,339)	-	581,122	1,672,000,834	1,662,927,105
Less: Amortised							(98,202,522)	(91,083,804)
Total *							1,573,798,312	1,571,843,302

* Must agree with note 1

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Other Balances

A breakdown of other balances is as follows:

Note	Balance @ 1/1/2006 €	Capital re-classification * €	Expenditure €	Income €	Transfer from Revenue €	Transfer to Revenue €	Internal Transfers €	Balance @ 31/12/2006 €	Balance @ 31/12/2005 €
Tenant Purchase Annuities									
- Realised	(a) 3,303,925	0	1,481,646	3,502,270	-	667,178	(2,681,482)	1,975,890	3,303,925
- UnRealised	(b) 634,809	-	-	-	-	-	(122,268)	512,541	634,809
Development Levies	(c) 16,638,045	0	54,329	14,488,109	9,901	-	(4,588,639)	26,493,087	16,638,045
Unfunded Balances									
- Project Balances	(d) (5,167,229)	0	728,980	331,750	213,873	-	759,619	(4,590,967)	(5,167,229)
- Non-Project Balances	(e) (489,324)	(0)	16,151	-	89,025	-	553	(415,897)	(489,324)
Funded Balances									
- Project Balances	(f) (6,197,844)	169,897	11,071,541	8,927,041	793,334	-	1,215,872	(6,163,241)	(6,197,844)
- Non-Project Balances	(g) (446,836)	(0)	10,528,337	7,010,758	1,617,751	414,168	1,399,001	(1,161,830)	(446,836)
Other Balances									
- Assets	(h) 462,614	(0)	2,412	-	-	-	(21,278)	438,924	462,614
- Insurance Fund	(i) -	-	-	-	-	-	-	-	-
- General	(j) 5,179,084	0	3,601,234	4,108,085	344,447	240,137	(1,160,368)	4,629,878	5,179,084
Net Capital Balances	13,917,244	169,898	27,484,629	38,368,013	3,268,332	1,321,482	(5,198,991)	21,718,385	13,917,244
Non-Mortgage Loans - Principal to be Amortised	(k)							(7,344,049)	(12,692,839)
Lease Repayment - Principal to be Amortised	(l)							-	(42,649)
Historical Opening Mortgage Funding Surplus/(Deficit)	(m)							328,592	375,534
Shared Ownership Rented Equity Account	(n)							(56,558)	(13,170)
Reserves - associated companies	(n)							-	-
								(7,072,015)	(12,373,124)
Total Other Balances								14,646,370	1,544,120

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

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

12. Capital Account Analysis

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

	2006 €	2005 €
Net WIP & Preliminary Expenses (Note 2)	(8,002,009)	(830,947)
Net Capital Balances (Note 11)	21,718,385	13,917,245
Agent Works Recoupable (Note 5)	(11,056,271)	(12,922,469)
Capital Balance Surplus/(Deficit) @ 31 December	2,660,105	163,829

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

	2006 €	2005 €
Opening Balance @ 1 January	163,829	(2,561,590)
Expenditure	126,227,986	98,547,738
Income		
- Grants	85,139,904	72,474,721
- Loans	4,245,043	4,443,704
- Other	35,635,903	20,804,357
Total Income	125,020,849	97,722,781
Net Revenue Transfers	3,703,412	3,550,376
Closing Balance @ 31 December	2,660,105	163,829

13. Mortgage Loan Funding Surplus/(Deficit)

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

	2006 Loan Annuity €	2006 Rented Equity €	2006 Total €	2005 Total €
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	36,766,262	11,892,618	48,658,880	39,201,858
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 8)	(37,708,018)	(11,830,720)	(49,538,737)	(36,852,013)
Surplus/(Deficit) in Funding @ 31st December	(941,755)	61,898	(879,858)	2,349,846

NOTE: Cash on Hand relating to Redemptions and Relending

€

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14. Summary of Plant & Materials Account

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

	2006 Plant & Machinery €	2006 Materials €	2006 Total €	2005 Total €
Expenditure	(935,714)	(157,518)	(1,093,232)	(1,085,337)
Charged to Jobs	1,050,645	187,196	1,237,841	1,228,506
	114,931	29,678	144,610	143,169
Transfers from/(to) Reserves	(114,931)	-	(114,931)	(143,169)
Surplus/(Deficit) for the Year	-	29,678	29,678	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. Transfers from/(to) Reserves

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

	2006 Transfers from Reserves €	2006 Transfers to Reserves €	2006 Net €	2005 €
Loan Repayment Reserve	-	(109,220)	(109,220)	(162,912)
Lease Repayment Reserve	-	-	-	-
Historical Mortgage Funding Write-off	46,942	-	46,942	-
Development Levies	-	-	-	192,839
Other	1,321,482	(5,024,894)	(3,703,412)	(3,743,215)
Surplus/(Deficit) for Year	1,368,424	(5,134,114)	(3,765,690)	(3,713,288)

16. Analysis of Revenue Income

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

	Appendix No	2006		2005	
		€	%	€	%
Grants & Subsidies	3	18,908,048	29%	14,198,709	25%
Contributions from other local authorities		564,901	1%	469,474	1%
Goods & Services	4	19,811,525	31%	18,654,213	33%
		39,284,474	61%	33,322,395	59%
Local Government Fund - General Purpose Grant		17,019,082	26%	15,968,328	28%
Rates		8,057,640	13%	6,982,372	12%
County Charge		-	0%	-	0%
Total Income		64,361,196	100%	56,273,096	100%

17. Over/Under Expenditure

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

	2006 Expenditure (Over)/Under Estimates €	2006 Income Over/(Under) Estimates €	2006 Net Position €
Housing & Building	(1,971,552)	991,690	(979,861)
Roads Transportation & Safety	(1,608,002)	1,811,525	203,523
Water & Sewerage	(1,022,946)	(10,945)	(1,033,891)
Development Incentives & Controls	(518,904)	424,765	(94,139)
Environmental Protection	(593,856)	1,551,939	958,082
Recreation & Amenity	82,812	(27,239)	55,572
Ag/Edc/Health	129,623	(89,943)	39,680
Miscellaneous	97,378	389,683	487,062
Total Programme Groups	(5,405,447)	5,041,474	(363,972)
Local Government Fund - General Purpose Grant	-	-	-
Rates	-	28,092	28,092
County Charge	-	-	-
Transfers from/(to) Reserves	(395,621)	1,368,424	972,803
Dr/Cr Balance			(616,370)
(Deficit)/Surplus for Year			20,553

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2006

	2006 €
Payroll Expenses	
Salary & Wages	18,206,429
Pensions (incl Gratuities)	3,931,416
Other costs	1,496,057
Total	23,633,902
Operational Expenses	
Purchase of Equipment	1,299,933
Repairs & Maintenance	366,864
Contract Payments	4,910,912
Agency services	329,797
Machinery Yard Charges incl Plant Hire	3,735,638
Purchase of Materials & Issues from Stores	5,852,587
Payment of Grants	4,714,945
Members Costs	779,766
Travelling & Subsistence Allowances	563,634
Consultancy & Professional Fees Payments	1,171,809
Other	2,112,376
Total	25,838,262
Administration Expenses	
Communication Expenses	552,139
Training	465,160
Printing & Stationery	393,950
Contributions to other Bodies	987,472
Other	1,112,290
Total	3,511,011
Establishment Expenses	-
Rent & Rates	322,518
Energy Costs	1,958,890
Other	311,445
Total	2,592,853
Financial Expenses	2,729,089

Miscellaneous Expenses

2,269,836

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Total Expenditure

60,574,953

NOTE: Comparative figures for this schedule will not be available until 2007.

**APPENDIX 2
PROGRAMME GROUP 1
HOUSING and BUILDING**

		EXPENDITURE	INCOME		
PROGRAMME	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
1.1 Local Authority Housing	2,611,742	1,261,727	2,680,860	-	3,942,587
1.2 Assistance to Persons Housing Themselves	2,145,167	731,613	1,656,774	-	2,388,387
1.3 Assistance to Persons Improving Houses	2,510,397	1,664,841	40	-	1,664,881
1.8 Administration and Misc.	2,202,556	133,973	121,966	1,896	257,834
TOTAL	9,469,862	3,792,155	4,459,640	1,896	8,253,690

**PROGRAMME GROUP 2
ROAD TRANSPORTATION and SAFETY**

		EXPENDITURE	INCOME		
PROGRAMME	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
2.1 Road Upkeep	6,106,105	4,347,857	63,164	-	4,411,021
2.2 Road Improvement	7,205,309	6,510,301	149,891	-	6,660,193
2.3 Road Traffic	326,980	-	624,706	32,881	657,588
2.8 Administration and Misc.	5,569,607	47,408	1,171,316	-	1,218,724
TOTAL	19,208,002	10,905,566	2,009,077	32,881	12,947,525

**APPENDIX 2
PROGRAMME GROUP 3
WATER SUPPLY and SEWERAGE**

		EXPENDITURE	INCOME		
PROGRAMME	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
3.1 Public Water Supply Schemes	2,695,335	142,577	1,490,241	164,175	1,796,994
3.2 Public Sewerage Schemes	2,475,385	-	34,728	148,505	183,234
3.3 Private Installations	-	-	-	-	-
3.8 Administration and Misc.	2,559,178	-	214,828	-	214,828
TOTAL	7,729,898	142,577	1,739,797	312,680	2,195,055

**PROGRAMME GROUP 4
DEVELOPMENT INCENTIVES and CONTROLS**

		EXPENDITURE	INCOME		
PROGRAMME	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
4.1 Land Use Planning	1,889,582	-	1,501,025	-	1,501,025
4.2 Industrial Development	653,382	69,061	176,162	-	245,223
4.3 Other Development and Promotion	339,451	128,139	-	-	128,139
4.4 Representational Functions	-	-	-	-	-
4.5 Promotion of Interest of the Local Community	-	-	-	-	-
4.6 Twinning of Local Authorities Areas	-	-	-	-	-
4.8 Administration and Misc.	840,384	-	121,378	-	121,378
TOTAL	3,722,799	197,199	1,798,566	-	1,995,765

**APPENDIX 2
PROGRAMME GROUP 5
ENVIRONMENTAL PROTECTION**

PROGRAMME	EXPENDITURE	INCOME			
	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
5.1 Waste Disposal	3,048,614	23,438	6,326,802	-	6,350,240
5.2 Burial Grounds	140,319	-	72,962	-	72,962
5.3 Safety of Structures and Places	134,735	81,619	-	-	81,619
5.4 Fire Protection	3,108,474	-	848,652	167,524	1,016,177
5.5 Pollution Control	565,184	-	13,867	-	13,867
5.8 Administration and Misc.	2,070,740	-	95,073	-	95,073
TOTAL	9,068,067	105,058	7,357,357	167,524	7,629,939

**PROGRAMME GROUP 6
RECREATION and AMENITY**

PROGRAMME	EXPENDITURE	INCOME			
	TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
	€	€	€	€	€
6.1 Swimming Pools	27,441	-	-	-	-
6.2 Libraries	1,297,770	98,860	101,768	19,799	220,427
6.3 Parks, Open Spaces, Recreation Centres, etc.	381,051	41,953	33,635	-	75,588
6.4 Other Recreation and Amenity	1,057,173	249,605	114,349	-	363,953
6.8 Administration and Misc.	555,232	-	53,792	-	53,792
TOTAL	3,318,667	390,418	303,544	19,799	713,761

APPENDIX 2
PROGRAMME GROUP 7
AGRICULTURE, EDUCATION, HEALTH and WELFARE

PROGRAMME	EXPENDITURE	INCOME			
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
7.1 Agriculture	313,740	-	-	-	-
7.2 Education	2,974,813	2,931,106	14,951	-	2,946,057
7.3 Health and Welfare	-	-	-	-	-
7.8 Administration and Misc.	353,825	-	-	-	-
TOTAL	3,642,377	2,931,106	14,951	-	2,946,057

PROGRAMME GROUP 8
MISCELLANEOUS SERVICES

PROGRAMME	EXPENDITURE	INCOME			
	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
8.1 Land Acquisition and Development	-	-	-	-	-
8.2 Plant and Materials	1,093,232	-	1,237,841	-	1,237,841
8.3 Financial Management	725,180	-	22,554	-	22,554
8.4 Elections	74,706	74,706	182	-	74,888
8.5 Administration of Justice & Consumer Protection	473,624	248,631	87,558	-	336,189
8.6 Property Damage	-	-	-	-	-
8.7 Markets, Fairs & Abattoirs	-	-	-	-	-
8.8 Administration and Misc.	1,284,280	120,633	777,435	-	898,067
8.9 Chairman's Allowance	45,821	-	-	-	-
8.10 Entertainment and Associated Expenses	-	-	-	-	-
8.11 Expenses of Members and Representation at Conferences	698,336	-	3,024	30,120	33,144
8.12 Expenses of Members, Attending Conferences Abroad	20,102	-	-	-	-
TOTAL	4,415,281	443,969	2,128,594	30,120	2,602,683
OVERALL TOTAL PROGRAMMES 1 - 8	60,574,953	18,908,048	19,811,525	564,901	39,284,474

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2006 €
Department of the Environment, Heritage and Local Government	
Road Grants	8,902,453
Housing Grants & Subsidies	3,792,155
Library Services	-
Local Improvement Schemes	-
Urban and Village Renewal Schemes	-
Water Services Group Schemes	-
Environmental Protection/Conservation Grants	23,438
Miscellaneous	364,108
	13,082,153
Other Departments and Bodies	
Road Grants	2,003,114
Higher Education Grants	1,931,479
VEC Pensions and Gratuities	999,627
Community Employment Schemes	-
Civil Defence	81,619
Miscellaneous	810,056
	5,825,895
Total	18,908,048

NOTE: Comparative figures for this schedule will not be available until 2007.

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2006	2005
	€	€
Rents from Houses	2,465,154	2,204,255
Housing Loans Interest & Charges	1,681,410	1,365,851
Domestic Water	-	-
Commercial Water	1,259,822	1,215,316
Domestic Refuse	-	-
Commercial Refuse	-	-
Domestic Sewerage	-	-
Commercial Sewerage	-	-
Planning Fees	1,179,102	1,072,195
Parking Fines/Charges	616,351	585,641
Recreation & Amenity Activities	990	-
Library Fees/Fines	59,858	57,311
Agency Services	257,023	209,805
Pension Contributions	761,966	743,248
Property Rental & Leasing of Land	26,711	32,712
Landfill Charges	5,891,403	6,046,842
Fire Charges	344,533	346,509
Misc. (Detail)	5,267,203	4,774,528
	19,811,525	18,654,213