

# Carlow County Council Financial Review

## Annual Financial Statement for year ending 31<sup>st</sup> December 2017

The Carlow County Council financial accounts for year ending 31<sup>st</sup> December 2017 have been prepared in accordance with the Local Government Act 2001, the Local Government Reform Act 2014, the Local Authority Accounting in Ireland Code of Practice & Accounting Regulations and the Local Government (Financial and Audit Procedures) Regulations 2014.

### Format of 2017 Accounts

The 2017 accounts include an Income and Expenditure (*Revenue*) Account, Balance Sheet, Statement of Accounting Policies, notes to the accounts and appendices and are in line with the best modern financial reporting and accounting practices.

### Fixed Assets

The Council's policies on fixed assets are set out in section 8 of the "Statement of Accounting Policies". The value of the Council's assets (*net of depreciation*) at 31<sup>st</sup> December 2017 amounted to € 1,047,998 m. € 728.595 m are Infrastructure assets. The remaining € 319.403 m are Operational, Non Operational, and Community assets, which include Local Authority Houses, Corporate Property, Land Bank etc. The ongoing operational and maintenance costs of these assets are included in the Council's Income & Expenditure (*Revenue*) Account and are provided for each year in the Annual Budget.

Net Book Value of Fixed Assets at 31/12/2017		
	€ Million	%
ROADS	728,595,331	69.52%
HOUSING	242,975,283	23.18%
CORPORATE BUILDINGS	37,219,242	3.55%
LANDPARKS	37,787,980	3.61%
PLANT /EQUIP/HERITAGE	1,421,120	0.14%
<b>Total</b>	<b>1,047,998,956</b>	<b>100%</b>

## Income and Expenditure Account 2017 (Revenue Account)

Revenue expenditure in 2017 amounted to €45.72 m excluding transfers from/to reserves. The closing balance on the Income and Expenditure Account at the 31<sup>st</sup> December 2017 was € 649,387 (credit) with a surplus of €38,880 (0.1% of expenditure) recorded within the year. This was a significant result in the context of the current operating environment. The effort made by each department to remain within budget in 2017 while fulfilling the various work programmes agreed by Council is acknowledged.

## Expenditure in Excess of Annual Budget

In 2017 expenditure in excess of the Annual Budget occurred on a number of individual services, which was offset by additional funding/income or by savings in other areas. The following table summarises services where expenditure exceeded the Annual Budget and approval is now requested to this expenditure pursuant to Section 104 of the Local Government Act 2001 and Local Government (Reform) Act 2014.

SERV	SERVICE	BUDGET 2017	OUTTURN 2017	BUDGET V OUTTURN 2017	DETAILS
A01	MTCE. & IMP OF LA HOUSING UNITS	1,790,744.08	2,050,339.53	259,595.45	ADDITIONAL FUNDING / INCOME
A04	HOUSING TENANCY SUPPORT	178,639.97	203,075.96	24,435.99	ADDITIONAL FUNDING / INCOME
A05	ADMIN. OF HOMELESS SERVICE	264,469.35	323,909.07	59,439.72	ADDITIONAL FUNDING / INCOME
B02	NS ROAD - MTCE. AND IMP.	569,250.38	1,731,667.65	1,162,417.27	ADDITIONAL FUNDING / INCOME
B03	REGIONAL ROAD - MTCE. AND IMP.	1,680,085.44	1,972,518.06	292,432.62	ADDITIONAL FUNDING / INCOME
B04	LOCAL ROAD - MTCE. AND IMP.	4,542,238.51	5,043,940.71	501,702.20	ADDITIONAL FUNDING / INCOME
B06	TRAFFIC MANAGEMENT IMP.	115,983.78	116,109.77	125.99	ADDITIONAL FUNDING / INCOME
B08	ROAD SAFETY & EDUCATION	213,063.87	220,099.37	7,035.50	OFFSET - SAVINGS IN OTHER SERVS
B10	SUPPORT TO ROADS CAPITAL PROG	91,276.45	97,674.36	6,397.91	OFFSET - SAVINGS IN OTHER SERVS
C04	PUBLIC CONVENIENCES	91,947.24	95,052.08	3,104.84	OFFSET - SAVINGS IN OTHER SERVS
C05	ADMIN OF GROUP SCHEMES	1,242.92	1,250.43	7.51	ADDITIONAL FUNDING / INCOME
D02	DEVELOPMENT MANAGEMENT	965,345.06	975,366.27	10,021.21	OFFSET - SAVINGS IN OTHER SERVS
D09	ECONOMIC DEV. AND PROMOTION	1,528,356.05	1,809,394.33	281,038.28	ADDITIONAL FUNDING / INCOME
E01	LANDFILL OPERATIONS & AFTERCARE	3,473,492.01	4,152,560.51	679,068.50	ADDITIONAL FUNDING / INCOME
E05	LITTER MANAGEMENT	227,123.71	232,920.33	5,796.62	ADDITIONAL FUNDING / INCOME
E08	WASTE MANAGEMENT PLANNING	86,386.77	98,430.09	12,043.32	OFFSET - SAVINGS IN OTHER SERVS
E09	MTCE. OF BURIAL GROUNDS	226,375.03	251,362.53	24,987.50	OFFSET - SAVINGS IN OTHER SERVS
E11	OPERATION OF FIRE SERVICE	2,653,600.65	2,782,598.60	128,997.95	ADDITIONAL FUNDING / INCOME
E12	FIRE PREVENTION	165,159.38	212,641.82	47,482.44	OFFSET - SAVINGS IN OTHER SERVS
F04	SPORT AND RECREATION	33,144.90	38,688.86	5,543.96	OFFSET - SAVINGS IN OTHER SERVS
H07	MARKETS AND CASUAL TRADING	19,450.87	28,075.35	8,624.48	OFFSET - SAVINGS IN OTHER SERVS

## Debtors

In recent years debtor accounts were adversely affected by the economic down turn. In keeping with the Council's business support culture every effort has been made to work with our customers through challenging times. In 2017 € 17.65 m was collected in respect of commercial rates, housing rents and housing loans and collection performance has returned to 90% levels. Overall gross debtors have reduced by € 3.685 m principally due to a reduction in Government Debtors in respect of Social Housing provision and the completion of the Irish Water due diligence process. A summary of the major collection accounts is set out in Appendix 7. € 4.835 m is included as a provision for doubtful debts.

TRADE DEBTORS			
	31/12/2017	31/12/2016	MOVEMENT
GOVERNMENT DEBTORS	2,979,678	4,016,948	- 1,037,269
COMMERCIAL DEBTORS	1,963,116	2,223,834	- 260,717
NON COMMERCIAL DEBTORS	725,470	823,413	- 97,943
DEVELOPMENT DEBTORS	3,159,011	2,732,339	426,672
OTHER SERVICES	617,876	3,176,714	- 2,558,837
OTHER LOCAL AUTHORITIES	99,877	116,362	- 16,485
REVENUE COMMISSIONERS	-	-	-
OTHER	-	8,133	- 8,133
CURRENT PORTION OF LONG TERM DEBTORS	1,535,262	1,666,566	- 131,304
<b>TOTAL GROSS DEBTORS</b>	<b>11,080,291</b>	<b>14,764,309</b>	<b>- 3,684,018</b>
			-
PROVISION FOR DOUBTFUL DEBTS	- 4,835,005	- 4,629,972	- 205,033
			-
<b>TOTAL TRADE DEBTORS</b>	<b>6,245,286</b>	<b>10,134,337</b>	<b>- 3,889,051</b>

## Development Contributions

In accordance with the Council's accounting policy development contribution debtors amounting to € 3.16 m are accrued in the 2017 accounts. Due to the prevailing market conditions it will be difficult to secure payment in the short term and accordingly a provision of € 2.84 m has been made for doubtful debts. In 2017 receipts from development contributions amounted to € 911,007 (*including € 127,456 as an agent for Irish Water*).

## Capital Account

Capital expenditure in 2017 amounted to €22.545 m. The timing of expenditure on individual schemes and the funding of those schemes through Government grants and recoupments or internal resources determine the outturn on the Capital Account. The closing balance on the Capital Account at 31<sup>st</sup> December 2017 was € 26.863 m (*credit*) and a cash inflow of € 3.13 m was recorded within the year.

CAPITAL ACCOUNT BALANCES 31/12/2017		
DETAILS	31/12/2017	31/12/2016
COMPLETED ASSET AC BALANCES	11,057,305	9,673,454
PRELIMINARY COSTS	108,686	-
WORK IN PROGRESS	2,098,561	1,705,757
NON ASSETT AC BALANCES	938,503	283,699
VOLUNTARY HOUSING	655,991	544,747
AFFORDABLE HOUSING	251,896	251,896
AGENCY WORKS	836,644	22,088
<b>RESERVES</b>		
HOUSING ANNUITIES RED. RESERVE	2,435,100	2,043,129
DEVELOPMENT LEVIES RESERVE	7,407,806	6,804,905
OTHER RESERVES	31,307,585	25,907,046
INSURANCE FUND	12,950	891,695
<b>TOTAL</b>	<b>26,863,243</b>	<b>23,732,532</b>

## Development Credits - Sections 47 & 245 of the Planning Act 2000

Pursuant to sections 47 & 245 of the Planning Act 2000 credits in the sum of € 11.621 m have been advanced to developers in lieu of the provision of infrastructure. The development credits will be offset against future development contributions payable by those developers to the Council. At 31<sup>st</sup> December 2017 credits in the sum of € 597,800 had been drawn down. The balance of € 11.023 m is shown as a contra entry in the Capital Account.

## Capital Debt

At the 31<sup>st</sup> December 2017, the Council held loans with lending institutions to the value of €38.78 m.

CAPITAL DEBT 31/12/2017	
BALANCE JAN 1 st	40,051,061
NEW BORROWING	1,857,000
REPAYMENT OF PRINCIPAL	-1,756,771
REDEMPTIONS	-1,371,516
<b>BALANCE DEC 31st</b>	<b>38,779,774</b>


## Summary

In 2017 Capital and Revenue expenditure amounted to €68.27 m. The Income and Expenditure (*Revenue*) Account improved by €38,880 and there was a cash inflow of € 3.13 m on the Capital Account. Notwithstanding the significant financial challenges in recent years the Council is overall **in a stable financial position** and has consistently maintained high standards across all services.

The 2017 accounts will be forwarded to the Department of Housing, Planning and Local Government for audit purposes. When the 2017 statutory audit is completed the Audit Committee report on the 2017 Annual Financial Statement and on the Local Government Auditors Report will be submitted to Council for consideration pursuant to section 121 of the Local Government Act 2001 as amended by section 60 of the Local Government (Reform) Act 2014.

*Signed*

  
Chief Executive

  
Head of Finance

Dated 29<sup>th</sup> March 2018

