



Please see attached Appendices A and B to report 256/2018.

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| 8 | Report No. 256/2018 of the Audit Committee (B. Foster) - With reference to the consideration by the Audit Committee of the Audited Annual Financial Statement (AFS) for 2017 and the Local Government Auditor's report on the Accounts of Dublin City Council for 2017. | 3 - 74 |
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Rialtas na hÉireann
Government of Ireland

LOCAL GOVERNMENT AUDIT SERVICE

Statutory Audit Report

to the

Members of Dublin City Council

for the

Year Ended 31 December 2017

Department of Housing, Planning and Local Government

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AUDITOR'S REPORT TO THE MEMBERS OF DUBLIN CITY COUNCIL

1 Introduction

I have audited the Annual Financial Statement (AFS) of Dublin City Council for the year ended 31 December 2017, which comprise 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 the 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 2017 and its income and expenditure. My audit opinion, which is unmodified, is stated on page 8 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 judgements 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 Financial position

The Council recorded a deficit of €2.9m in 2017, after net transfers to Reserves of €36.3m leaving a credit balance of €23.2m on General Revenue Reserve. The main variances between the adopted budget and the AFS are detailed in Note 16 of the AFS. The variances have been approved by the members at their meeting on the 11th June 2018, pursuant to S104 of the Local Government Act, 2001.

2.2 Government Debtors

Government Debtors increased from €80m in 2016 to €136m in 2017, of which €126.1m is owed by the Department of Housing, Planning and Local Government (the Department) to Dublin City Council.

Chief Executive's Response

Claims are regularly submitted to the department across the City Council for projects, including revenue and capital, which are at various stages of completion. Continuous engagement is on-going with the Department to resolve outstanding claims.

2.3 Bank Investments

Bank Investments have increased from €118m to €131m, while cash at bank has reduced from €24m to €1m in 2017 from the previous year. The difference is reflected in the net decrease in cash and cash equivalents in the Funds Flows Statement.

2.4 Local Property Tax (LPT)

With effect from 2017, the Pension Related Deduction (PRD) was not retained locally and to compensate for this, the LPT baseline was adjusted upwards in all local authorities in line with the PRD income in 2014. Consequently, the LPT figure increased from €7m in 2016 to €23m in 2017.

3 Income Collection

3.1 A summary of the revenue collections are as follows:

Income Source	Yield %		Debtors €m	
	2017	2016	2017	2016
Rates	91	90	32.4	41.0
Rents & Annuities	76	78	26.2	22.5
Housing Loans	66	66	10.8	12.4

3.2 Rates

The rates collection yield shows a positive improvement of 1%, reducing the debtors from €41m in 2016 to €32.4m in 2017. These debtors have been analysed as follows:

Rates Collection Status	Arrears
Settlements agreed / Pending / Being Discharged by	10.4
Court Proceedings	5.9
Decree Obtained	4.1
Under Investigation	3.5
Liquidations / Receiverships / Ceased Trading	2.5
Revisions / Appeals / VTA	1.9
Other	4.1
Total	32.4

Chief Executive's Response

Commercial rates account for 37% of revenue income in 2017 and are therefore a critical source of funding for revenue services. The Rates Office staff is focused and proactive in maximising the collection and actively managing the arrears in order to reducing the level of arrears.

3.3 Rents & Annuities

The collection yield for rents and annuities reduced by 2% resulting in a monetary increase of €3.7m in the arrears figure at the end of 2017. Every effort should be made to improve collections.

As highlighted at previous audits, it is important to have up to date and reliable tenant income information, in order to avoid inaccurate rent assessments. Incorrect assessments often give rise to significant retrospective adjustments and consequent arrears difficulties.

Chief Executive's Response

Dublin City Council has in place an Arrears Collection policy including early intervention for arrears under €500, warning notices, tenancy notices leading to legal proceedings. Tenants are responsible under the terms of their Tenancy Agreement to supply us with details of their income / employment status and household composition. Tenants are frequently reminded of the importance of submitting correct details and a reminder is issued with every quarterly statement to all tenants.

From October 2018 the Department for Employment and Social Protection (DEASP) will provide Dublin City Council with access to the Local Authority Verification Application (LAVA) which will enable Dublin City Council to view the income details of tenants. This development will greatly assist with rent reviews and result in fewer assumed incomes being applied, arrears accruing and more accurate weekly rent charges being applied.

3.4 Housing Loans

The collection yield is low at 66% and showed no improvement from the previous year. This warrants attention.

In addition, the credit balance total in 2017 is €617k. Of this, there were 52 accounts with credit balances greater than €2,500 amounting to €347k. It is noted that where credit balances are in excess of €5,000, a policy exists whereby the customer is encouraged to reduce the loan principal, and either reduce the term of the loan or monthly instalments.

Chief Executive's Response

The collection yield has improved from 59% in 2015 to 66% and remained consistent in this reporting period. Every effort is made by a dedicated team to reduce the long term arrears and options under the Mortgage Arrears Resolution Process (MARP) continue to be provided to clients.

3.5 Bad Debt Provisions

Bad Debt provision for trade debtors has increased from €105m to €135m, reflecting an increase mainly in provisions for development contributions, rents and loans.

There is a further bad debt provision of €29.7m. This relates to the total outstanding housing loan principal of €230.8m recorded in long term debtors in the AFS.

Chief Executive's Response

The City Council has a prudent approach to the provisioning against potential bad debts. In line with this policy our overall provision increased due to an increase in our-year end trade debtors from €235m to €320m. The provision against the long term housing loan principal is just under 13% and the need for this provision will be reviewed again in 2018.

4. Transfer of Water and Sewerage Functions to Irish Water

Pursuant to Statutory Instrument No. 13 of 2015, all underground assets relating to water and wastewater services but excluding assets relating to surface water have been transferred to Irish Water.

4.1 Asset Transfer Status

There are sixty-two over-ground assets remaining which are at various stages of assessment. It is evident that considerable work has been put into this area and is still ongoing. A number of assets cannot be transferred, due to third party ownership, while other assets are unregistered and require considerable work regarding title, boundaries etc.

4.2 Irish Water Non HFA Loans

Non Housing Finance Agency water related loans payable at the end of 2017 amounted to €12.4m. The repayments are fully recoupable from the Department. These loans still remain outstanding on Dublin City Council's Balance Sheet. However, the water related assets have been taken off the Council's Balance Sheet and are in the process of being transferred to Irish Water.

Chief Executive's Response

The servicing of these loans is fully recouped from the Department of Housing Planning & Local Government in line with their Circular L3-14.

4.3 Work in Progress

The Work in Progress figure in Note 2 to the AFS, includes €10.3m in respect of a water related fixed asset which is no longer in the ownership of Dublin City Council. The Income and Expenditure account is inflated by this amount and should be adjusted in the 2018 AFS.

Chief Executive's Response

The Spencer Dock Pumping Station is in the ownership of Dublin City Council and is currently in the process of being transferred to Irish Water. It has been agreed that this asset will be removed from Work in Progress in the 2018 AFS.

5. Capital Account

The capital account recorded a credit balance of €31m at the 31st December 2017, which represented an increase of €66.45m on the previous year's closing debit balance figure of €35.4m. The movement can be explained by total income including transfers from revenue of €403m in 2017 (2016, €275m) and capital expenditure of €333m in 2017(2016, €230m).

The improvement in closing balance can be attributed to:

- Development contribution receipts
- Reserves
- Monies received from Dublin Waste to Energy Ltd

Chief Executive's Response

There has been an overall improvement on the Capital Account of €66.45m. This is mainly due to the pace of development activity in the City in 2018 resulting in Development Management group balance improving by €26m, mainly due to development contribution receipts. It should be noted that these funds (development contribution receipts) will finance capital works in Dublin City as part of future capital programmes. Other areas that saw improvements were Housing Building €17m, due to debit balances being written off, and Miscellaneous Services €15m partially due to transfer to reserves of €7.4m.

5.1 Loan Redemption Debit Balances

Debit balances on the two accounts listed below, are a result of, the redemption of two HFA loans where no corresponding income was available in the capital account. These comprise of:

- Land acquisition loan redemptions €29.3m, (2016, €29.3m)
- Housing loan redemptions €14.5m (2016, €19.6m)

The housing loans debit balance has decreased from €19.6m in 2016 to €14.5m in 2017. The Land acquisition loan redemptions account, however, has shown no movement. It is recommended that where no source of funding is identified, arrangements are put in place to reduce this debit balance over a planned period of time.

Chief Executive's Response

Sources of funding have been identified for these debit balances. Housing loan redemption debit balance has been reducing by a revenue contribution to capital of €5.1m each year. The balance will reduce again in 2018 by €5.1m, and this arrangement will continue until 2020 when the debit balance will be eliminated. The land

acquisition loan balance will be cleared from the sale of the lands purchased with these funds.

5.2 Unfunded Debit Balances

At audit, a schedule of unfunded debit balances was identified by the housing finance unit totaling €45m. As part of their review they identified certain costs centres which could be offset against these debit balances. This resulted in an offset of €20.4m, leaving an outstanding balance now of €24.6m which is analysed as follows:

There are six large balances over €1m totaling €18.8m.

Department	Debit Balance €m
RATOATH ROAD SCRIBBLES TOWN	4.9
CONVENT LANDS MOURNE ROAD	4.3
BERRYFIELD/VALEVIEW	4.2
PLAZA APARTMENTS (PLOTS 12,14 &15)	2.1
ST HELENAS FINGLAS SOUTH	1.9
PROSPECT HILL	1.4

In addition, there are a further 41 debit balances under €1million, totaling €5.8m. These are categorised under the relevant departments.

Department	No of Debit Balances	Amt €m
Housing	18	4.9
Roads	23	0.9

Arrangements should be put in place to address these outstanding debit balances.

Chief Executive's Response

Extensive work was undertaken in 2017 to reduce the amount of debit balances in Housing, resulting in the balance moving from €45m to €24.6m. This work will continue in 2018 and funds will be sourced and allocated, where possible to further reduce this figure.

5.3 Dublin District Heating Project

The purpose of the Dublin District Heating Project is to facilitate the use of thermal energy from the Waste to Energy Project at Poolbeg to provide heating for homes in the surrounding areas. As highlighted in last year's audit, the above project has a debit balance of €10.9m. It is recommended that arrangements are put in place to reduce this debit balance over a planned period of time.

Chief Executive's Response

Dublin City Council is currently investigating the most appropriate business model and commercial arrangements that will deliver the Dublin District Heating Scheme for Dublin, a scheme which has significant environmental benefits. The Council has engaged a Consultant who has completed a draft report on this matter, and have recommended that the project proceeds, so the Council is currently considering the options recommended. As part of these options the Council are completing a project plan, which will include a plan to reduce this debit balance over a planned period of time. In order to finance the development of this project, this plan will also identify sources of capital funding, and a programme of when this funding is required.

6. Fixed Assets

The fixed asset register does not agree with the figures in Note 1 of the AFS for housing. These assets need to reconcile with the Oracle Financial Management System to ensure that the correct property valuations are recorded. I have recommended that an exercise be undertaken to address this before the next audit.

It is also recommended that the process for recording valuations and adjustments should be documented and appropriate controls put in place to ensure accountability for all adjustments to this database. In addition, the insurance register needs to be reconciled with fixed assets to verify the completeness of the assets insured.

Chief Executive's Response

A working group has been established to scope out the necessary requirements to improve the accuracy of the Fixed Assets Register as part of the preparation of Note 1 of the AFS, and to address issues around recording and controls as raised by the Local Government Auditor.

7. Dublin Docklands Development Authority (DDDA)

The above company was dissolved on the 29th February 2016 pursuant to the Dublin Docklands Development Authority (Dissolution) Act 2015. It also provided for the transfer of assets and liabilities to Dublin City Council. The final Annual Report and Financial Statements as at the 29th February 2016 were audited by the Comptroller and Auditor General.

Net asset values totaling €3.2m from the former Dublin Docklands Development Authority were brought into Dublin City Council accounts in 2017. As documentary evidence of the full audit trail was unavailable to us at audit, we were unable to verify the completeness and accuracy of these transactions.

The full documented audit trail needs to be provided to ensure that all financial activities and transactions pertaining to DDDA are brought within the Council's accounting systems as a matter of urgency.

Chief Executive's Response

Compiling the required data in the format requested by the Local Government Auditor took the former Financial Advisors to the DDDA longer than expected and as a result was not provided in time for the Auditor to review it.

On 30.07.18 the Docklands Office furnished the Local Government Auditor with the financial data in the format that was requested for the period under Audit.

8. Dublin Waste to Energy Limited

In December 2017, Dublin Waste to Energy Limited (the PPP Co) refinanced the debt associated within the Dublin Waste to Energy Project. Under the terms of the PPP contract, the Dublin Local Authorities are entitled to a share of any refinancing gain associated with the debt restructure. Dublin City Council, on behalf of the four Dublin Local Authorities appointed the National Development Finance Agency and Philip Lee as financial and legal advisor respectively, to advise on this refinancing transaction. As a result of the gains made on the refinancing and under the terms of the PPP Contract, Dublin Waste to Energy Limited paid €8m to the Dublin Local Authorities in December 2017.

I am informed that Dublin City Council's portion of the refinancing gain will finance their costs associated with the construction and commissioning phases of the project and any additional monies will be used to reduce the debit balance of the pre-construction phase, which is currently circa €13.5m.

In addition, it is noted that up to December 2017, Covanta owned 100% equity in Dublin Waste to Energy Limited being the Public Private Partnership Company (PPP Co.) responsible for the Design, Build, Finance, Operation and Maintenance of the Dublin Waste to Energy Facility. In December, Covanta announced, their intention to sell 50% of the shares in Dublin Waste to Energy Limited to the Green Investment Group. This was subsequently approved in 2018. Covanta retains ownership of the remaining 50% of Dublin Waste to Energy Limited.

Chief Executive's Response:

Dublin City Council's portion of the refinancing gain was €3.3m and our cost for the construction and commissioning phase are €1.8m. The balance of €1.5m will be utilised to reduce the debit balance of the pre-construction phase. It is also noted that under the structure of the Dublin Waste to Energy contract, Dublin City Council will receive some of the facility revenues post the commencement of commercial operation, from Q1 2018. The clearing of the debit balance will be prioritized from this income stream.

9. Loans Payable

9.1 Affordable Housing

It is noted that €73m of loans relating to affordable housing matured in 2017. This amount has been rolled over for a further year to 2018 with the agreement of the Department. The interest is fully recoupable from the Department.

In addition, there is a debit balance of €14.3m in Note 10 to the AFS that remains to be funded.

Chief Executive's Response

A review of the market value of the unsold affordable housing is on-going and, where appropriate and feasible, properties be transferred to housing stock or will be sold and the proceeds of sales / recoupment will be used to address the outstanding loan balances. We continue to liaise with the Department and the Housing Finance Agency to finalise a long term agreement on these units and associated loans.

9.2 Shared Ownership Loans

During 2017, one hundred and sixty-eight shared ownership loans were restructured and redeemed. These were replaced with annuity loans totaling €25.8m. This amount included capitalised arrears of €928k

Chief Executive's Response

Work will continue to transition shared ownership loans to annuity loans in line with government policy.

10. Development Contributions

The development contribution debtor increased from €23.8m to €40.2m in 2017. Whilst it is acknowledged that improvements have been made, reconciliation needs to be developed between the APAS Planning system and the Oracle Financial Management System to verify the completeness of this debtor.

Chief Executive's Response

The development contribution debtor increased substantially due to the increase in activity in the sector. The integrity of information relating to contributions is continually reviewed and recommendations from previous audits have been implemented where possible. Development contributions are triggered by BCMS commencement notices. The Levy calculations are recalculated and checked against the records in APAS with APAS being corrected for any information errors. This is carried out on a weekly basis, and an additional quarterly BCMS review and check will be implemented. Furthermore the potential use of Swift Query Builder will be investigated to ascertain the feasibility of report generation on development contributions to assist with the reconciliation process.

11. Procurement

Dublin City Council has a dedicated central procurement unit which offers an advisory support role to the departments in the preparation of tenders and the guidance on contract award procedures.

A review was undertaken at audit and a number of weaknesses were identified both in Legal and Environment, regarding public procurement procedures as follows:

- Legal services including the procurement of barristers did not comply with Circular 05/2013. It is incumbent on the local authority to ensure that all legal services are procured in accordance with this circular.
- The final cost of a cycle-way was €9m where the original contract tender price was €4.3m.

- The contracts for both parking tags and the Pay & Display collections expired in 2014 and were not retendered.
- The contracts for repair and maintenance of electric vehicles in addition to the hire of vehicle have expired since 2013 and were not retendered.
- The contract for the service provider for a toll bridge was not in accordance with the Procurement Directive.

Chief Executive's Response

- **Legal Services**

- Legal services are primarily exempt for the provisions of the EU Public Procurement Directive.

Circular 05/13 provides that in procuring legal services public tendering should be the norm.

DCC has established a framework for the provision of legal services from solicitors, and when it expires will use the framework set up by the Office of Government Procurement (OGP).

The charging system Barristers use is different from that used by solicitors or other professionals. They charge a brief fee which is meant to deal with the work undertaken to look at the papers and furnish advices. Then they charge a retainer for each day the case is in court. Also DCC need to have a broad range of barristers available and to retain them at short notice due to cases of sudden court proceedings being served on the Council. Barristers could also be conflicted due to acting for the other party or because they acted for them in the past. A barrister might not be able to take on a case due to pressure of work.

It has not been our practice to publicly procure barristers. I note that the OGP has chosen not to form a framework for barristers' services and the Office of Director of Public Prosecutions and the HSE do not publicly procures barristers services.

- **Final Cost of Cycleway**

- During the construction phase the Engineer's Representative (ER) issued a number of Change Orders to the contractor agreed to by DCC. The contractor submitted 140 No. of claims which were determined by the ER as "Compensation & Delay Events" under the contract. The contractor disputed 186 No. of the ER's determinations and these were referred for conciliation and it was determined that the contractor be awarded additional costs. The defect period is now over and the contractor is due 2.5% of the contract sum as part of the retention money under the contract.

Under the Capital Projects Procedures, the Close Out Report can now to be compiled.

- **Contract for Parking Tag**

- Market Discussion with potential service providers was completed in Q4 2017. A draft RFT seeking submission of tender documents has been forwarded to the Central Procurement Unit for advice and approval prior to publication on eTenders website. It is expected to have a new contract in place before year end 2018.

- **Contract for Pay & Display Collections**
 - The rollout of new P&D ticket machines leased by DCC under another contract will result in a reduction in the number of coin collections to be completed by G4S. When fully rolled out the number of collections likely to be required will inform the tender process. A new tender is expected to be issued in Q1 2019.

- **Contracts for repair and maintenance of vehicles**
 - Waste Management is currently working on publication of a tender to rectify the situation regarding expenditure on repair and maintenance of electric vehicles owned by the department. These vehicles were purchased at the expiration of the previous contract in 2013. The level of spending on repair and maintenance of these vehicles was identified as being in excess of procurement thresholds during the audit process and the fleet management section within waste management are currently compiling the specifications of the tender document required to put in place a services contract. The tender is due to be published by mid September 2018.

- **Contract for the service provider for a toll bridge.**
 - DCC kept the existing operator (EGIS) in place following takeover of the company. There is a procurement process initiated to secure an operator. This process is on-going.

12. Local Authority Companies

Dublin City Council has an interest in eleven subsidiaries and three associated companies as outlined in Appendix 8 to the AFS. Audited accounts have not been received for year ended 31 December 2017 for thirteen of the fourteen companies reviewed in the course of the audit.

Chief Executive's Response

The accounts for 13 of the 14 companies have been received for 2016. It is anticipated that the 2017 account will be received by September 2018, which is in line with the statutory deadline for filing accounts with the Company's Office.

12.1 Temple Bar Cultural Trust Designated Activity Company

The above company is a fully owned subsidiary of Dublin City Council. According to the company accounts, it is envisaged that this company will transfer into the ownership of Dublin City Council in the future. The timing of this transfer is subject to the approval of the Planning and Development (No. 2) Bill and a commencement order.

The total assets owned by this company are €57m as at year end 2016 and have not been consolidated with the Council's accounts.

Chief Executive's Response

Dublin City Council is awaiting the relevant legislation from Central Government to enable the dissolution of the Temple Bar Cultural Trust. In the meantime, the orderly transition of the company's functions to Dublin City Council continues and all company legislative requirements continue to be complied with.

13. Governance

13.1 Ethics Register

Pursuant to the Local Government Act, 2001 (as amended), all elected members and staff of certain grades within the Council are required to make annual declarations to the Ethics Registrar.

A number of staff statutory declaration forms have not been returned for 2017.

Chief Executive's Response

A small percentage of declarations are still outstanding, approx. 25 out of 830. The Ethics Officer is following up on these which are mainly due to staff absent on extended leave.

The current system is a manual one and we are working with IS to replace this paper based system with an on-line system.

13.2 Internal Audit

In accordance with the Internal Audit Charter, the Head of Internal Audit reports to the Head of Finance for administrative purposes and has direct and independent access to the Chief Executive and the Chair of the Audit Committee. This unit is staffed with 7.1 Full Time Equivalent (FTE) staff personnel.

Internal Audit completed five reports in 2017. I have taken account of their work in the audit.

13.3 Audit Committee

The Audit Committee comprises seven members, four external members and three elected members. The committee met four times during 2017 and operate under a written charter. It has an annual work programme and works closely with Internal Audit to ensure its implementation.

This committee is critical to the independent oversight and corporate governance within Dublin City Council. It presented its Annual Report to Council on the 9th April 2018.

13.4 Risk Management

There is an established Risk Steering Group chaired by the Chief Executive operating effectively within Dublin City Council. Its members consist of Assistant Chief Executives, Head of Finance, City Engineer, Law Agent, Head of HR and Corporate Services. The Risk Steering Group met four times during 2017. They undertook to identify and discuss key corporate risks arising during the year.

Dublin City Council is currently undergoing a comprehensive review of their risk registers with a view to ensuring that all risks are identified and recorded.

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.



Ita Howe
Principal Local Government Auditor

31st July 2018

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ANNUAL FINANCIAL STATEMENTS

Dublin City Council

For the year ended 31st December 2017

Audited



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Introduction

I am pleased to present the Annual Financial Statements of Dublin City Council for the financial year ended 31st December 2017. Comparative figures are given for 2016. Dublin City is the economic hub of the Dublin Region, which in turn is the economic hub of the State. Dublin City has a diverse economy, a source of employment and income for an area well beyond the City itself. Dublin is a centre for retail, financial, higher education, medical, cultural and entertainment activities.

Review of Dublin City Council's Financial Performance in 2017

Dublin City Council had an overall deficit for the year of €2.9m, which when added to our opening general reserve of €26.1m gave a closing reserve of €23.2m. The Council's bank position at the end of 2017 was a credit balance of €1.5m, and the Council operated in credit for 365 days in 2017. At the year-end, the Council had €130.9m invested with Financial Institutes on our behalf and on joint deposit. The City Council's bank/investment balance included €2.4m relating to Loan Redemptions and Relending, €2.9 working capital received from Irish Water in relation to the operation of the Service Level Agreement, and €8.9m refundable deposits. Further detail is available in the Statement of Funds Flow.

The value of trade debtors at year-end 2017 increased to €320m gross from €235m in 2016, and to €185.3m net of bad debt provision from €130.3m in 2016. This increase relates largely to an increase in government debtors at the end of 2017 of €80.4m, from €55.9m in 2016 to €136.4m in 2017.

Dublin City Council adjusts and matches both operational day to day spend and its long-term capital investment programme with available funding and resources. Central to all of Dublin City Council's services is the objective to maintain and support businesses and households through the provision of quality value driven services.

Financial Management Measures 2017

Over the course of 2017 Dublin City Council managed its resource base effectively. The City Council have in place a programme of prudent expenditure controls, strengthened debt collection measures, limited exposure to capital projects and accelerated a review process of work practices and resource demands. This programme continues into the future. It has been a key enabler in the City Council's capacity to limit the impact of reduced resources on services to the relatively low level that has occurred. The programme is critical to continuing to make changes in how Dublin City Council works. It will assist in further service

reviews over the course of 2018 and beyond. These effective controls have enabled Dublin City Council to bring forward the advantage of once off issues such as additional income that arose with regard to the Non Principal Private Residence charges.

Accounting Statements, Notes & Appendices

The aim of the Annual Financial Statement is to fairly present the financial position of Dublin City Council as at the end of 2017. This is achieved through the production of Statements, Notes and Appendices, as required by the regulatory accounting framework set by the Minister for Housing, Planning, Community and Local Government. The purpose of each of these documents is set out in the glossary.

Changes to Accounting Policies

There are no changes to accounting policies effective for the 2017 Annual Financial Statement.

Revenue Expenditure

During 2017, Revenue (i.e. day to day operations) Expenditure amounted to €874.4m with income of €871.5m, giving an excess of expenditure over income of €2.9m (see Table 1). This demonstrates a decrease in General Reserves of €2.9m

Table 1: Revenue Expenditure 2017

	€m
Revenue Expenditure on City Council Service	874.4
Revenue Income (Government Grants, Service Charges & Rates)	871.5
Excess of Expenditure over Income	(2.9)

Transfers to Reserve Fund

As required by the regulatory accounting framework set by the Minister for Housing, Planning, Community & Local Government, expenditure shown in the 2017 Statement of Comprehensive Income is net of transfer to reserves i.e. transfer to reserves are excluded. Note 14 "Transfers from / (to) Reserves" provides greater detail on these transfers. The movement from gross expenditure to net expenditure indicated in the AFS is set out in Table 2.

Table 2: Analysis of Expenditure 2017

	€m
Expenditure	834.8
Transfers to Reserve	39.6
Final Expenditure	874.4

Income is also expressed in the AFS net of transfers from reserves, as presented in Table 3.

Table 3: Analysis of Income 2017

	€m
Income	523.6
Rates Income	321.5
Local Property Tax	23.1
Pension Levy	0.0
Income before Transfers	868.2
Plus Transfers from Reserves	3.3
Final Income	871.5

Capital Expenditure

Expenditure in 2017 on Capital projects and investment net of internal transfers was €333.1m. This spend forms part of the Capital Programme 2017 to 2019 of €1,088m. This expenditure of €333.1m was funded through income net of transfers of €376.1m and net transfers of €23.4m, giving an excess of income over expenditure of €66.4m. (See Table 4).

Table 4: Capital Account 2017

	€m
Opening Balance (Debit)	(35.4)
Expenditure as at 31 st December 2017	333.1
Income	376.1
Net Transfers (€26.7 - €3.3)	23.4
Closing Balance 31 st December 2017 (Credit)	31.0

Accounting Policies

The Accounting Policies used in the preparation of the AFS are set out in the Statement of Accounting Policies. Dublin City Council is fully compliant with the regulatory accounting framework as determined by the Department of the Housing, Planning, Community and Local Government.

Statutory Audit

Dublin City Council undergoes an annual audit, required by statute, carried out by the Local Government Audit Service (LGAS). The Audit for the financial year 2017 commenced in January 2018. This Audit provides an independent review to help assure a fair presentation of Dublin City Council's financial position. Dublin City Council is also subject to audit in relation to EU funding, NRA funding, tax compliance and audits with a Value For Money objective through the LGAS.

In December 2017 as part of Auditor reassignment in line with good governance, Mr Richard Murphy, Principal Local Government Auditor, was assigned to another local

authority. Mr Murphy had led Dublin City Council's audit in recent years, bringing professionalism and diligence to the role. Ms Ita Howe is the assigned Principal Local Government Auditor for Dublin City Council with effect from December 2017. Ms Howe brings considerable experience across the local government sector to the role.

Development Contributions

Section 48 of the Planning and Development Act 2000 enables Dublin City Council when granting a planning permission under Section 34 of the Act to include conditions requiring the payment of a contribution. This contribution is in respect of public infrastructure and facilities benefiting development in the area of the planning authority and that is provided, or that is intended will be provided by or on behalf of a Local Authority (regardless of other sources of funding for the infrastructure and facilities). Dublin City Council's first Development Contributions Scheme under the 2000 Act came into operation on 1st January 2004 and a subsequent scheme (2010 – 2017) came into operation on 1st January 2010.

Following a review of the 2010-2017 Scheme, the Development Contribution Scheme 2013-2016 was adopted by the Elected Members in December 2012. The 2013-2016 scheme was reviewed in 2016 and the current scheme is now the Development Contribution Scheme 2016-2020 which was adopted by the Elected Members in December 2016. The Annual Financial Statement for the financial year 2017 includes values for development contributions debtors as set out in Table 5.

Table 5: Development Contributions Debtors 2017

	€m
Development Contributions Outstanding at the Year End	40.2

Rates

Rates are levied by Dublin City Council on the occupiers and owners (in some cases) of commercial properties in Dublin City. Rates income in 2017 amounted to €321.5m, and accounts for 37% of Dublin City Council's funding for day-to-day services.

Rates are based on rateable valuations of properties as set by the Commissioner of Valuation, and the annual rate on valuation (the multiplier) is determined each year by reserved function of the elected members of Dublin City Council (see Table 6).

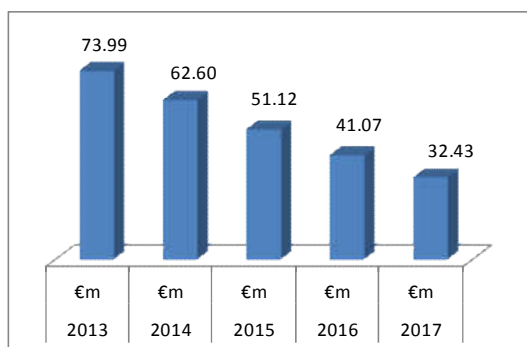
Table 6: Rates Income 2014 – 2017

	2014	2015	2016	2017
	€m	€m	€m	€m
Commercial Rateable Valuation of City	1,332	1,313	1,267	1,246
ARV (multiplier)	0.257	0.256	0.256	0.258
Rates Income	342.00	336.26	324.5	321.5

Trading conditions for business in 2017 involved many pressures and varied extensively. Commercial rates underpin all services provided by Dublin City Council. All rate payers are pursued so that compliant rate payers can be assured that non compliant rate payers will discharge their liability. Dublin City Council's collection of the current year charge increased from 90% to 91.4% in 2017. Arrears reduced from €41.1m at 1/1/2017 to €32.4m at 31/12/17. (See Table 7)

Table 7: Rates arrears 2013 – 2017

2013	2014	2015	2016	2017
€m	€m	€m	€m	€m
73.99	62.60	51.12	41.07	32.43



The 2017 target for Dublin City Council was a collection of 89.5%. The actual outturn in 2017 exceeded the target levels with a collection of 91.4% and year-end arrears of €32.4m, a reduction of €8.7m (21%) on the 2016 arrears outturn. The 2017 DCC collection at 91.4% represents an improvement of 2% on 2016 which equates to a value of approx. €7m. The reduction in arrears to €32.4m in 2017 is primarily due to an improvement in the annual % collection, a focused debt management approach, improvement in economic factors and the conclusion of liquidation / receivership cases. Arrears have reduced by 56% since 2013. Whilst noting the improvement in collection, it is also acknowledged that some sectors and locations have not benefitted from improving economic factors.

Financial Management

System of Internal Controls

The Executive of Dublin City Council acknowledges its responsibility for systems of internal control in Dublin City Council including putting in place processes and procedures for the purpose of ensuring that control systems are effective. These systems can provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely period. Effective internal control systems enable Dublin City Council to meet its responsibilities for the integrity and accuracy of its accounting records.

Dublin City Council has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining and documenting Management's responsibilities and powers
- Strengthening a strong culture of accountability across all levels of the organisation
- The work of Internal Audit
- The work of the Central Procurement office
- The work of the Risk Management Unit
- The work of the Ethics Officer
- The work of the Audit Committee
- The work of the Corporate Projects Support Office
- The Public Spending Code
- External Audit and scrutiny through many channels including NOAC.

Financial management reporting in Dublin City Council is robust and thorough. A rigorous system of monthly financial monitoring ensures that any significant budget variances are identified and appropriate actions are taken to minimise any adverse financial impact. The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the elected members
- Regular financial reviews; weekly, monthly and quarterly financial reports which indicate financial performance against forecasts on both expenditure and income and variance analysis evaluation
- Setting targets to measure financial and other performances
- Clearly defined capital investment control guidelines
- Formal project management disciplines
- Strict policies and procedures for the receipt, recording and control of monies. These procedures are regularly reviewed and audited.

Internal Audit

The primary role of Internal Audit is to provide assurance to Senior Management and to the Audit Committee that the various risks facing the Council have been identified and appropriate internal controls are in place to manage those risks.

Internal Audit is a key player in the Corporate Governance process and makes a valuable contribution to the effective management of Dublin City Council. The concepts of accountability and transparency are important principles in responsible governance, implying openness to scrutiny and a requirement to report on performance. Internal Audit facilitates this process by providing an independent review function to Management, to assure that services are being provided in an efficient, effective and economic manner and in conformity with legal requirements. In 2017, 5 Internal Audit reports were issued, including 3 in-depth checking reports as required under the Public Spending Code.

Management and Staff

Dublin City Council acknowledges the committed work of staff. The high quality of services, projects and interaction is due to their dedication and tremendous contribution. Dublin City Council is fully committed to the development of staff. Dublin City Council wishes to be considered as a destination employer, attracting the best staff to achieve our vision for Dublin City and is an equal opportunities employer. The Finance Department and others operate a Continuing Professional Development support scheme for staff to assist in retaining and developing professional skills and knowledge.

Finance Strategic Policy Committee

The Finance Strategic Policy Committee provides leadership and direction on key areas relating to the financing of Dublin City Council. Key topics pursued during 2017 were:

Funding issues:

- Revenue Grant Funding of Local Authorities 2016 – 2017
- Review of Dublin City Council's Rates Vacancy Refund
- Report providing the collection performance of rates due on vacant properties
- Rates Revaluation – the impact on Dublin City Council's Rates Income
- Report on Rates Debtors year end 31/12/2016
- Rates Legislative Framework - update
- Rates Liabilities – NAMA Properties
- Rates Accounts – Legal Proceedings 2016 and legal costs of rates debtors

- Report on properties that may previously have been valued as commercial, that are now occupied or owned by the State, thereby resulting in a loss of rate income for Dublin City Council
- Area Discretionary Fund Report
- LPT exemptions for new and unused properties
- Digital Economy – presentation by Stephen Brennan, Chief Digital Advisor

Governance Issues:

- Annual Financial Statements 2016 including Debtors Report 2016
- Dublin Docklands Development Authority – dissolution update
- Community Group Lettings and Licences – update
- Audit Committee minutes for review

Development Issues:

- Development Contributions Scheme – annual update
- Development Contributions – highest and the lowest value of Development Contributions
- Compliance with requirements of building regulations – update

Procurement Issues:

- Construction Industry Federation re pyrite remedial works, compliance with workplace related legislation for employees of subcontractors on public contracts (whether supplies, services or works) and the structure of public sector construction contracts with regard to the making and settling of contract related claims.
- Cost of Pyrite Remedial Works – updates from Housing and Community Services Department
- Ballyfermot Leisure Centre – update
- Social Inclusion Clause in Public Procurement – presentation by Jeanne Copeland | Greenville Procurement Partners Ltd.

Motor Tax Issues:

- Special Report of the Comptroller and Auditor General - Administration and Collection of Motor Tax
- Motor Tax UK Disc abolition – update

Resourcing Issues:

- Chief Executive's Special Report on Resourcing – discussion document
- Service Delivery Plan and Resources Working Group – Update

Motions Dealt with:

Councillor Dermot Lacey

'This Council requests the Government to progress the Coroners Bill 2015 as a matter of urgency, and to ensure that the Coroners Bill

will provide for an automatic inquest into EVERY Maternal Death in the State’.

Overview of Priorities for 2018

Local Property Tax

The expected revenue from Local Property Tax in 2018 was dealt with in detail when the LPT rate for the City Council area in 2018 was determined by the Elected Members (report 309/2017 refers). The impact of the approach taken by the Department in the allocation of LPT receipts to Dublin City Council is disappointing given that the net LPT allocation available to Dublin City Council is increased on the 2017 value by €16k, as set out in Table 2. The issue of the loss in revenue to Dublin City Council as a result of all new builds being exempt from Local Property Tax for the period 2013 – 2019 is particularly noted culminating in an estimated loss of €15m. This provision requires prompt attention to remove the inequity among householders and address the loss of funds.

Table 8 – Net LPT Allocation

Local Property Tax Dublin City Council 2017 and 2018			
Year:	2017	2018	Movement
	€m	€m	€m
Value of LPT Receipts estimated by Revenue Commissioners	79.5	79.8	0.3
20% to Central Equalisation Fund	15.9	15.9	0.1
80% LPT retained i.e assigned to DCC	63.6	63.8	0.3
Value of 15% reduction	11.9	11.9	0.5
LPT Available funding (at 15% reduction applied)	51.7	51.9	0.2
Self funding (already notified by Department)	28.6	28.8	0.2
Historic Funding (General Purpose Grant)	2.7	2.7	-
Pension Related Deduction (PRD)	16.4	16.4	-
Discretionary Funding (at 15% reduction)	4.0	4.0	0.0

Commercial Rates

Details of commercial ratepayers in Dublin City by band in 2017 are set out in Table 3. Almost 77% of commercial ratepayers had a rates charge in 2017 of €10k or under, almost 58% had a 2017 rates charge of €5k or less while almost 40% had a rates charge in 2017 of under €3,000. By contrast, almost 50% of the total rates debit was paid by 2% of commercial rate payers or 426 accounts. The Annual Rate on Valuation did not increase in the 2018 Budget.

Table 9 – Commercial Rate Payer Bands

CHARGE 2017	No Of A/Cs	Cumul. total	% per band	Cumul. Total %	Total debit per band	% of Debit	Cumul. Total %
€1 - €999	2112	2112	10.3	10.3	€1.3m	0.4	0.4
€1,000 - €3,000	5959	8071	29.1	39.4	€11.6m	3.6	4.0
€3,000 - €5,000	3722	11793	18.2	57.6	€14.5m	4.5	8.5
€5,000 - €10,000	3910	15703	19.1	76.7	€27.5m	8.6	17.1
€10,000 - €25,000	2742	18445	13.4	90.1	€42.2m	13.1	30.2
€25,000 - €50,000	1062	19507	5.2	95.3	€37.1m	11.5	41.8
€50,000 - €75,000	370	19877	1.8	97.1	€22.1m	6.9	48.7
€75,000 - €100,000	173	20050	0.8	97.9	€14.9m	4.6	53.3
€100,000 - €500,000	371	20421	1.8	99.7	€72.2m	22.5	75.7
€500,000 -	55	20476	0.3	100.0	€78m	24.3	100.0
TOTAL	20476		100.0		€321.5m	100.0	

Homeless Services

The numbers of persons presenting as homeless has increased in 2017 due to continuing shortages in housing supply and rent values. The costs of service provision for homeless persons increased in line with demand. Trends in demand for homeless related services have been well documented and debated. Addressing homelessness is a key pillar of the Government's Action Plan for Housing and Homelessness: Rebuilding Ireland. There is undoubted government commitment to tackling homelessness and also to Dublin City Council's services for those presenting as homeless.

Dublin Fire Brigade Emergency Ambulance Service

The HSE now pay the City Council €9.18m per annum in respect of the cost of providing the DFB emergency ambulance service. In 2017 Dublin City Council provided for a further income of €4m from the HSE towards the cost of the service i.e. income of €13.18m reflecting the actual incurred cost of service provision. However the HSE continues to pay the lower amount. This has resulted in a shortfall in 2017 of €4m and the revenue revised budget was adjusted to reflect this.

Payroll – Funding of National Pay Agreements

The implementation of the Haddington Road Agreement and Public Sector Stability Agreement will increase pay related spend by €16.8m in 2018. Elements of these costs have not been wholly funded by Government (currently at an 84% rate of costs). Unfunded pay costs arising from national pay agreements, in particular in relation to fire fighters, are being pursued (amounting to €2.6m).

Area Committees

The Area Committee structure is an essential aspect of City governance, being closer to initiatives that bring considerable local community and business benefits. Area discretionary funding has facilitated resources to be targeted to local priorities in an open and transparent process. Funding for Area Committees discretionary to each locality has been increased in 2018 to €6.3m for all areas from €1m in 2014.

Insurances

Dublin City Council moved in February 2017 from a 'self insured' basis with regard to major risk areas (e.g. public liability, employer liability, property, professional indemnity) with insurance cover only being purchased in respect of individual claims above a certain level. Following a review of insurance arrangements, Dublin City Council moved to a 'ground up' insurance cover across all risk areas. This change has resulted in moving from low premiums, high excesses and high pay out values to significantly higher premiums, low or zero excesses and low to nil pay out values. Funding is provided in this budget to meet the premium costs of ground up cover and claims costs from self insured arrangements. Funding for this issue will be reviewed regularly to assess future requirements.

Irish Water

With the establishment of Irish Water (IW) local authorities are no longer responsible for water and foul drainage related services. Water services assets, previously held by Dublin City Council are being transferred to IW. The Department of Housing, Planning & Local Government has directed that IW will not be liable for rates on the facilities transferred to the company from local authorities that previously had a rates liability. The grant in lieu of lost rates related to these properties was paid in 2015, 2016 and 2017. This grant amounts to €14.4m. The Department has given a further commitment to funding the rates income foregone by the exemption of IW related rateable properties in 2018 only i.e. there is no certainty after 2018. It is important that the Government recognise that it is simply not possible for Dublin City Council to absorb a loss of funding on this matter and that this funding should be confirmed into the future.

Conclusion

Dublin City Council services support business, residential and visitor life in the City. Service demand remained high in 2017 notwithstanding economic pressures, and this remains the case in 2018. Dublin City Council will continue to closely link service provision with available resources. Notwithstanding movements in resources, services will be delivered to the highest quality and represent value for money.

The staff of Dublin City Council is committed to supporting the ongoing development of the Dublin economy. During the past year many notable events were held here in Dublin and in the process the City's international reputation and image has been significantly enhanced.

I would like to thank the staff of all Departments for their co-operation and especially my colleagues in the Finance Department for their work in producing the Annual Financial Statement, in particular Antoinette Power, Head of Financial Accounting and the staff of the Financial Accounting Unit. I also wish to thank the members of Dublin City Council in relation to their consideration in resolving the many financial issues which arose during 2017. I also wish to acknowledge the contribution made by Members of the Audit Committee and its Chairperson Brendan Foster. Finally I would like to thank in particular the Members of the Finance Strategic Policy Committee and its chairperson Cllr Ruairi McGinley, for their contribution and commitment.

Kathy Quinn, FCPFA
Head of Finance

Changes to Accounting Policies AFS 2017

There are no changes to Accounting Policies for AFS 2017.

Dublin City Council

Certificate of Chief Executive & Head of Finance for the year ended 31 December 2017

- 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 Dublin City Council for the year ended 31 December 2017, as set out on pages 14 to 31, 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.


Owen P Keegan
Chief Executive


Kathy Quinn CPFA
Head of Finance

22/03/2018
Date

22/03/2018.
Date

Independent Auditor's Opinion to the Members of Dublin City Council

I have audited the annual financial statement of Dublin City Council for the year ended 31 December 2017 as set out on pages 14 to 31, which comprises the Statement of Accounting Policies, Statement of Comprehensive Income, Statement of Financial Position, Statement of Funds Flow 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 as prescribed by the Minister for Housing, Planning 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.

Scope of the audit of the financial statement

I conducted my audit in accordance with the Code of Audit Practice, as prescribed under Section 117 of the Local Government Act, 2001. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statement. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statement, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

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

Opinion on the financial statement

In my opinion the annual financial statement, which has been prepared in accordance with the Code of Practice and Accounting Regulations for local authorities, presents fairly the financial position of the Dublin City Council at 31 December 2017 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.



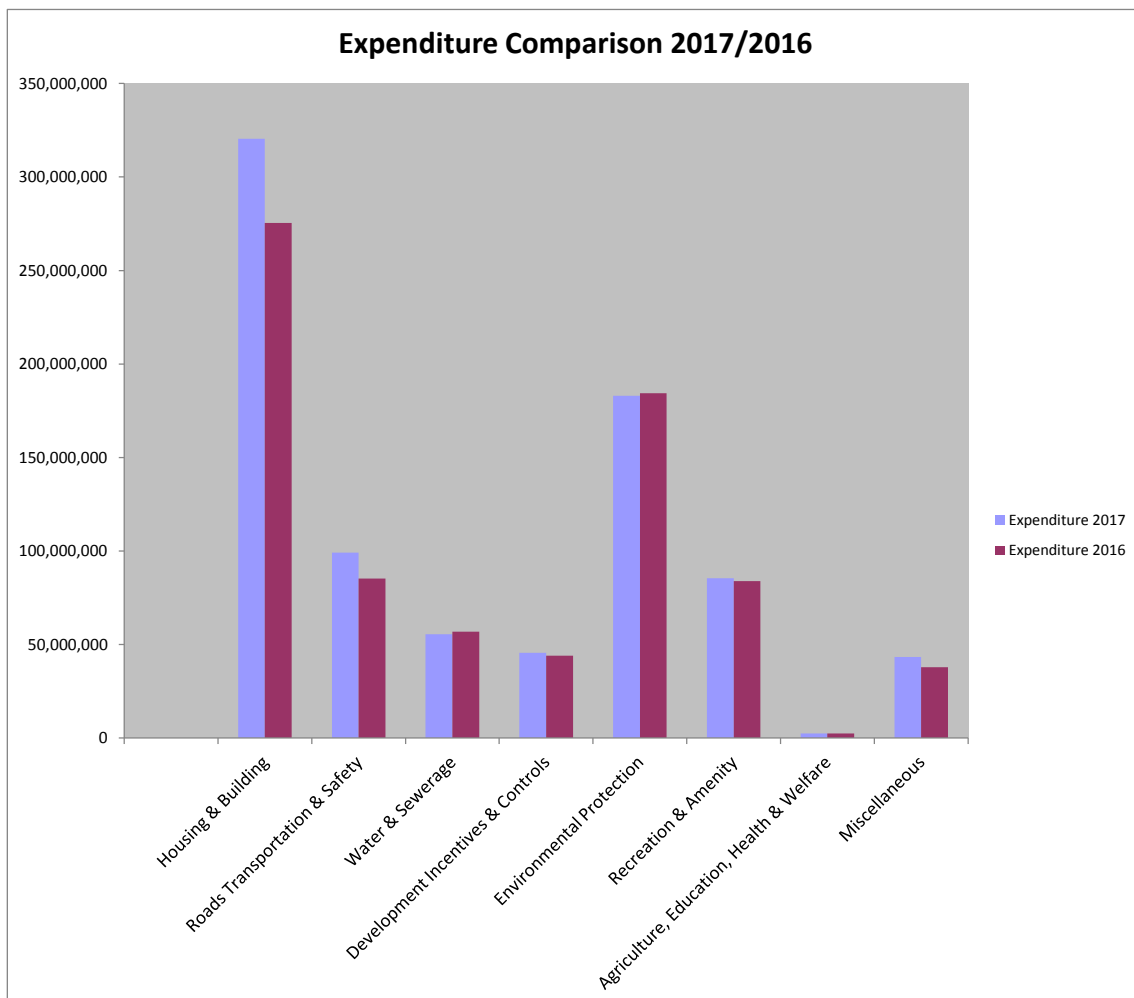
Ita Howe
Principal Local Government Auditor
31 July 2018

GRAPHS

Revenue Accounts 2017 / Financial Profile at a glance

	Expenditure 2017	Expenditure 2016
Housing & Building	320,374,445	275,486,058
Roads Transportation & Safety	99,080,443	85,304,184
Water & Sewerage	55,540,325	56,763,864
Development Incentives & Controls	45,553,715	43,926,879
Environmental Protection	183,061,250	184,358,194
Recreation & Amenity	85,418,214	83,896,518
Agriculture, Education, Health & Welfare	2,427,900	2,440,404
Miscellaneous	43,333,959	37,773,359
Total Expenditure	834,790,251	769,949,460

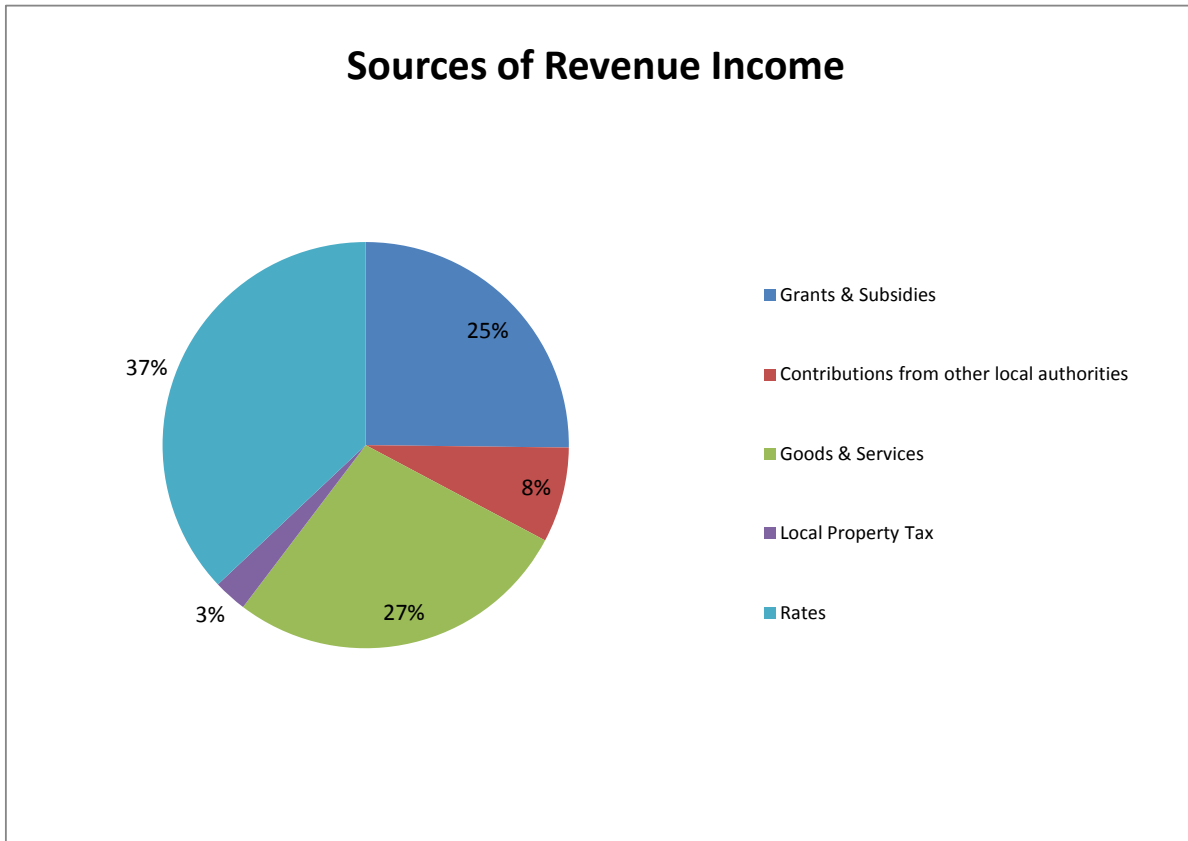
As per Income & Expenditure Account



Main Sources of Revenue Income

	2017
	€
Grants & Subsidies	218,709,942
Contributions from other local authorities	65,835,868
Goods & Services	239,123,263
Local Property Tax	23,068,969
Rates	321,481,363
	<u>868,219,405</u>

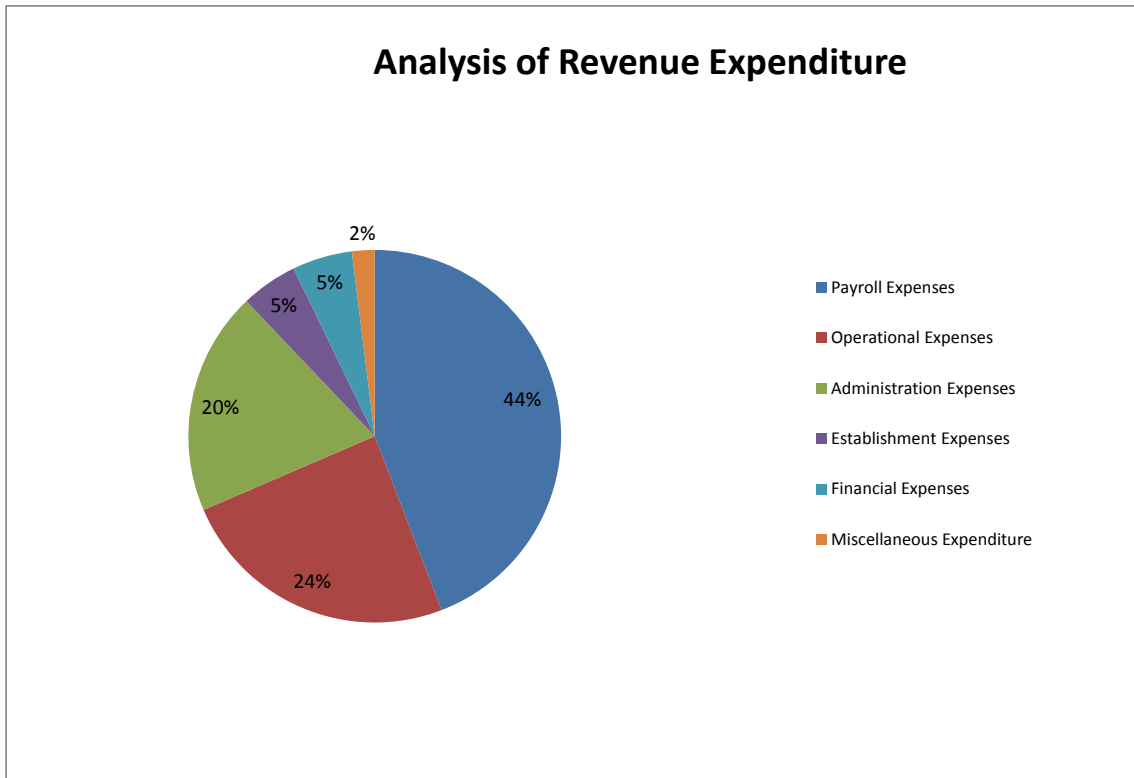
As per Note 15



Main Categories of Revenue Expenditure

	2017
	€
Payroll Expenses	368,614,397
Operational Expenses	203,428,401
Administration Expenses	161,829,825
Establishment Expenses	41,092,253
Financial Expenses	43,484,389
Miscellaneous Expenditure	16,340,986
Total Expenditure	<u>834,790,251</u>

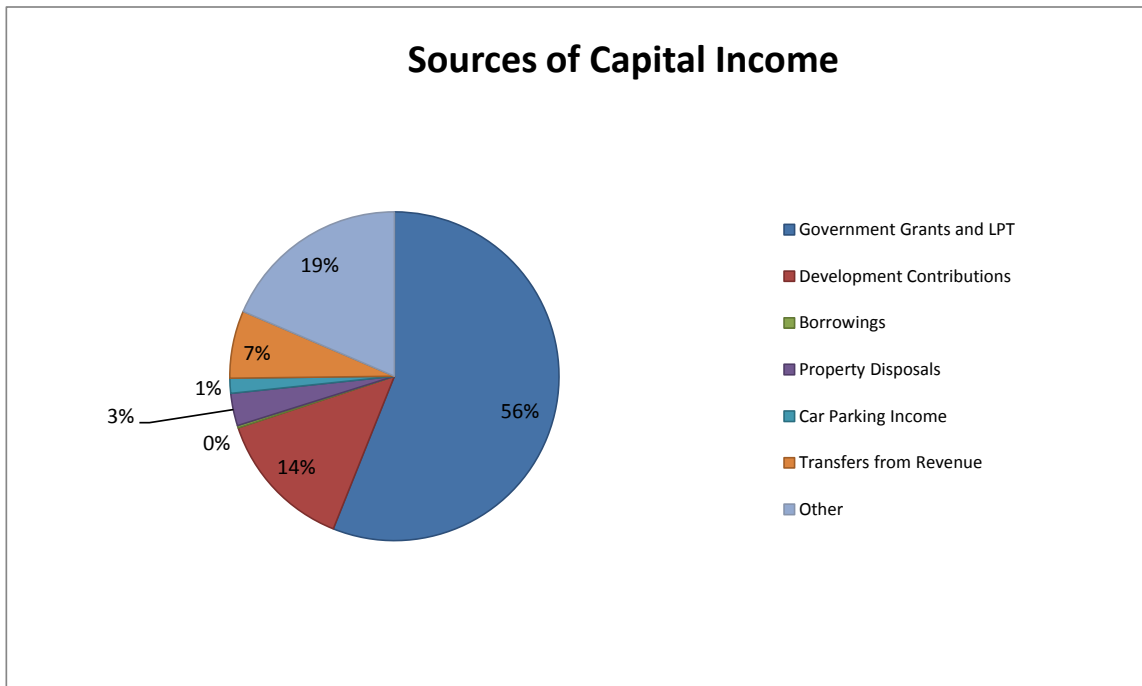
As per Appendix 1



Sources of Capital Income

	2017
	€
Government Grants and LPT	225,808,040
Development Contributions	55,802,964
Borrowings	938,626
Property Disposals	12,850,761
Car Parking Income	5,927,769
Transfers from Revenue	26,735,698
Other	74,729,795
	<u>402,793,653</u>

As per Appendix 5

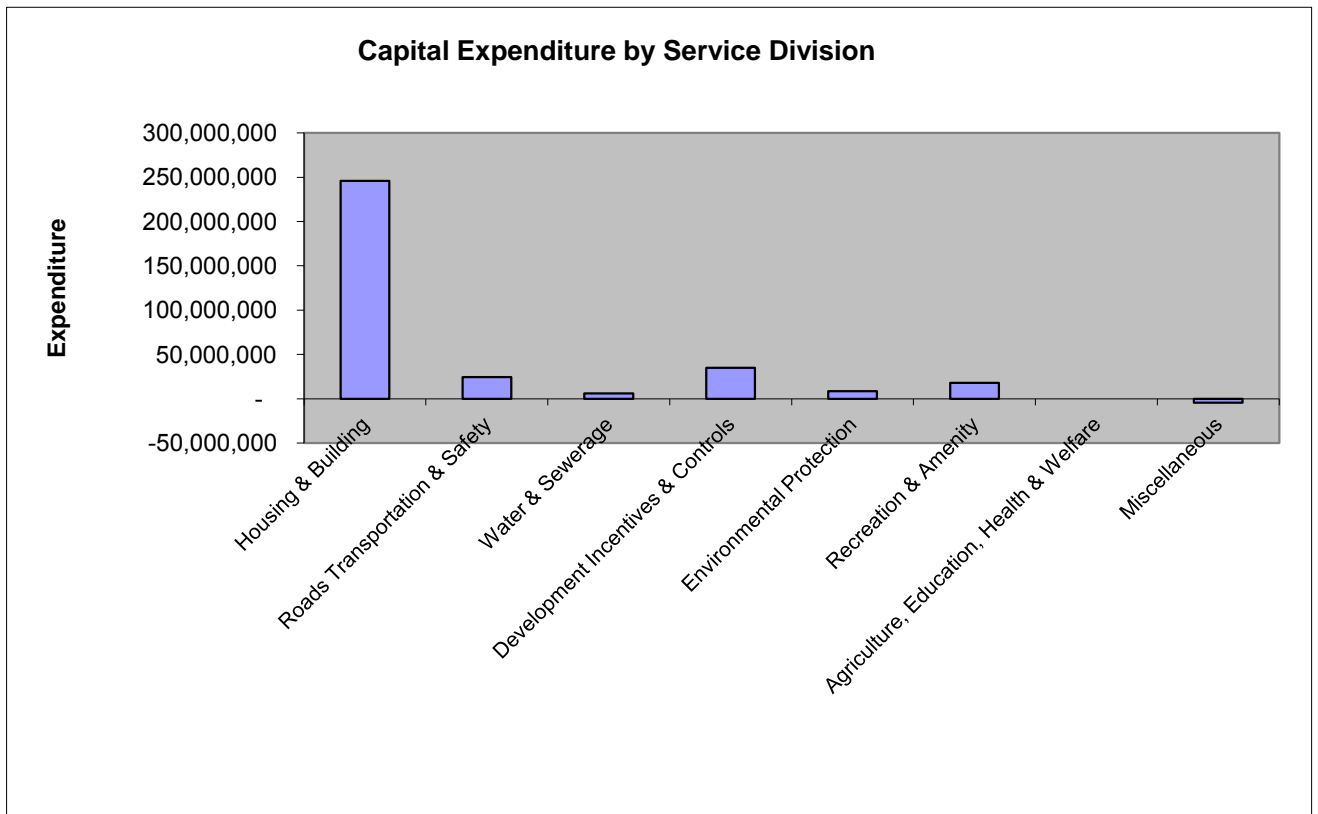


Capital Expenditure by Service Division

	2017
	€
Housing & Building	245,738,496
Roads Transportation & Safety	24,592,797
Water & Sewerage	6,092,670
Development Incentives & Controls	34,788,651
Environmental Protection	8,364,241
Recreation & Amenity	17,847,443
Agriculture, Education, Health & Welfare	-
Miscellaneous	(4,373,587)

333,050,711

As per Appendix 6



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 2017. Non-compliance with accounting policies as set out in ACoP must be stated in the Policies and Notes to the Accounts.

2. Statement of Funds Flow (Funds Flow Statement)

A Statement of Funds Flow has been introduced as part of AFS 2011. While the guidance of International Accounting Standard 7 Statement of Cash Flows has been followed, the business of local authorities is substantially different to most private sector organisations and therefore some minor changes to the format have been agreed to ensure the data displayed is meaningful and useful within the local government sector. For this reason the statement is being referred to as a '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 Accounting 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 the Department of Public Expenditure and Reform.

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 prior to 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 charges 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 Dublin City 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 2017

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

	Notes	Gross Expenditure	Income	Net Expenditure	Net Expenditure
		2017 €	2017 €	2017 €	2016 €
Housing & Building		320,374,445	272,311,990	48,062,455	47,409,102
Roads Transportation & Safety		99,080,443	53,942,598	45,137,845	35,814,145
Water Services		55,540,325	46,290,998	9,249,327	8,718,372
Development Management		45,553,715	17,925,984	27,627,731	25,658,905
Environmental Services		183,061,250	84,898,745	98,162,505	104,117,842
Recreation & Amenity		85,418,214	14,301,118	71,117,096	70,468,753
Agriculture, Education, Health & Welfare		2,427,900	921,173	1,506,727	1,678,792
Miscellaneous Services		43,333,959	33,076,467	10,257,492	7,588,638
Total Expenditure/Income	16	834,790,251	523,669,073	311,121,178	301,454,549
Net cost of Divisions to be funded from Rates & Local Property Tax					
Rates				321,481,363	324,501,784
Local Property Tax	15			23,068,969	6,800,295
Pension Related Deduction	15			-	12,291,085
Surplus/(Deficit) for Year before Transfers				33,429,154	42,138,615
Transfers from/(to) Reserves	14			(36,290,496)	(44,637,645)
Overall Surplus/(Deficit) for Year	16			(2,861,342)	(2,499,030)
General Reserve @ 1st January 2017				26,101,486	28,600,516
General Reserve @ 31st December 2017				23,240,144	26,101,486

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31st DECEMBER 2017

	Notes	2017 €	2016 €
Fixed Assets	1		
Operational		6,672,645,406	6,562,452,714
Infrastructural		2,922,907,297	2,926,987,449
Community		101,998,791	101,862,693
Non-Operational		468,959,136	380,792,245
		10,166,510,630	9,972,095,101
Work in Progress and Preliminary Expenses	2	244,997,338	432,853,360
Long Term Debtors	3	443,755,749	446,071,748
Current Assets			
Stocks	4	4,777,323	4,846,374
Trade Debtors & Prepayments	5	192,961,854	136,552,297
Bank Investments		130,925,526	117,779,123
Cash at Bank		1,478,887	23,756,007
Cash in Transit		46,337	590,935
		330,189,927	283,524,736
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		-	-
Creditors & Accruals	6	199,069,496	198,891,503
Finance Leases		-	-
		199,069,496	198,891,503
Net Current Assets / (Liabilities)		131,120,431	84,633,233
Creditors (Amounts falling due after more than one year)			
Loans Payable	7	497,689,169	527,989,902
Finance Leases		-	-
Refundable deposits	8	8,925,527	6,933,313
Other		38,002,334	21,036,302
		544,617,030	555,959,517
Net Assets		10,441,767,118	10,379,693,925
Represented by			
Capitalisation Account	9	10,166,510,630	9,972,095,101
Income WIP	2	234,173,980	378,719,262
Specific Revenue Reserve		29,013,653	37,328,385
General Revenue Reserve		23,240,144	26,101,486
Other Balances	10	(11,171,289)	(34,550,309)
Total Reserves		10,441,767,118	10,379,693,925

**STATEMENT OF FUNDS FLOW (FUNDS FLOW STATEMENT)
AS AT 31ST DECEMBER 2017**

	Note	2017 €	2017 €
REVENUE ACTIVITIES			
Net Inflow/(outflow) from operating activities	17	<u>(59,023,855)</u>	
CAPITAL ACTIVITIES			
Returns on Investment & Servicing of Finance			
Increase/(Decrease) in Fixed Asset Capitalisation Funding		194,415,529	
Increase/(Decrease) in WIP/Preliminary Funding		(144,545,282)	
Increase/(Decrease) in Reserves Balances	18	<u>34,517,394</u>	
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance		84,387,641	
Capital Expenditure & Financial Investment			
(Increase)/Decrease in Fixed Assets		(194,415,529)	
(Increase)/Decrease in WIP/Preliminary Funding		187,856,022	
(Increase)/Decrease in Other Capital Balances	19	<u>(11,377,527)</u>	
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment		(17,937,034)	
Financing			
Increase/(Decrease) in Loan Financing	20	(11,018,702)	
(Increase)/(Decrease) in Reserve Financing	21	<u>(8,075,579)</u>	
Net Inflow/(Outflow) from Financing Activities		(19,094,281)	
Third Party Holdings			
Increase/(Decrease) in Refundable Deposits		1,992,214	
Net Increase/(Decrease) in Cash and Cash Equivalents	22	(9,675,315)	<u>(9,675,315)</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 @ 1/1/2017	156,686,885	44,678,866	5,879,053,717	902,728,631	31,707,973	17,743,687	69,600,479	2,478,520,076	816,030,285	10,396,750,599
Additions										
- Purchased	4,855,000	-	80,341,757	92,067,891	1,900,431	26,098	400,000	-	-	179,591,177
- Transfers WIP	-	4,257,261	23,925,868	7,285,262	-	-	-	-	-	35,468,391
Disposals\Statutory Transfers	(5,021,000)	-	(39,513,758)	(3,044,000)	(4,671,436)	(1,768,936)	-	-	-	(54,019,130)
Revaluations	-	-	33,180,000	-	-	-	433,763	-	-	33,613,763
Historical Cost Adjustments	-	(4,348,000)	-	4,348,000	-	-	-	-	-	-
Accumulated Costs @ 31/12/2017	156,520,885	44,588,127	5,976,987,584	1,003,385,784	28,936,968	16,000,849	70,434,242	2,478,520,076	816,030,285	10,591,404,800
Depreciation										
Depreciation @ 1/1/2017	-	12,416,652	-	-	27,796,542	16,879,392	-	-	367,562,912	424,655,498
Provision for Year	-	606,926	-	-	1,551,461	360,394	-	-	4,080,152	6,598,933
Disposals\Statutory Transfers	-	-	-	-	(4,591,325)	(1,768,936)	-	-	-	(6,360,261)
Accumulated Depreciation @ 31/12/2017	-	13,023,578	-	-	24,756,678	15,470,850	-	-	371,643,064	424,894,170
Net Book Value @ 31/12/2017	156,520,885	31,564,549	5,976,987,584	1,003,385,784	4,180,290	529,999	70,434,242	2,478,520,076	444,387,221	10,166,510,631
Net Book Value @ 31/12/2016	156,686,885	32,262,214	5,879,053,717	902,728,631	3,911,431	864,295	69,600,479	2,478,520,076	448,467,373	9,972,095,101
Net Book Value by Category										
Operational	-	-	5,976,987,584	690,947,533	4,180,290	529,999	-	-	-	6,672,645,407
Infrastructural	-	-	-	-	-	-	-	2,478,520,076	444,387,221	2,922,907,297
Community	-	31,564,549	-	-	-	-	70,434,242	-	-	101,998,791
Non-Operational	156,520,885	-	-	312,438,251	-	-	-	-	-	468,959,136
Net Book Value @ 31/12/2017	156,520,885	31,564,549	5,976,987,584	1,003,385,784	4,180,290	529,999	70,434,242	2,478,520,076	444,387,221	10,166,510,631

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 2017 €	Unfunded 2017 €	Total 2017 €	Total 2016 €
Expenditure				
Work in Progress	188,950,999	22,851,314	211,802,313	313,614,374
Preliminary Expenses	25,379,189	7,815,836	33,195,025	119,238,986
	214,330,188	30,667,150	244,997,338	432,853,360
Income				
Work in Progress	189,628,368	15,852,958	205,481,326	280,965,311
Preliminary Expenses	27,410,408	1,282,246	28,692,654	97,753,951
	217,038,776	17,135,204	234,173,980	378,719,262
Net Expended				
Work in Progress	(677,369)	6,998,355	6,320,986	32,649,063
Preliminary Expenses	(2,031,219)	6,533,589	4,502,370	21,485,035
Net Over/(Under) Expenditure	(2,708,588)	13,531,944	10,823,356	54,134,098

3. Long Term Debtors

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

	Balance @ 1/1/2017 €	Loans Issued €	Principal Repaid €	Early Redemptions €	Other Adjustments €	Balance @ 31/12/2017 €	Balance @ 31/12/2016 €
Long Term Mortgage Advances*	183,669,887	30,433,539	9,915,859	22,500,724	-	181,686,843	183,669,887
Tenant Purchases Advances	3,698,611	-	1,269,026	-	-	2,429,585	3,698,611
Shared Ownership Rented Equity	68,155,869	-	2,382,652	19,040,485	-	46,732,732	68,155,869
	255,524,367	30,433,539	13,567,537	41,541,209	-	230,849,160	255,524,367
Recoupable Loan Advances						229,604,255	240,211,083
Capital Advance Leasing Facility						38,002,334	21,036,298
Long-term Investments							
Cash						-	-
Interest in associated companies						-	-
Other						(29,700,000)	(29,700,000)
						468,755,749	487,071,748
Less: Amounts falling due within one year (Note 5)						(25,000,000)	(41,000,000)
Total Amounts falling due after more than one year						443,755,749	446,071,748

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

A summary of stock is as follows:

	2017 €	2016 €
Central Stores	-	-
Other Depots	4,777,323	4,846,374
Total	4,777,323	4,846,374

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2017 €	2016 €
Government Debtors	136,329,100	55,890,808
Commercial Debtors	55,965,123	63,329,196
Non-Commercial Debtors	39,306,524	38,188,721
Development Levy Debtors	40,196,354	23,823,089
Other Services	11,577,156	7,557,136
Other Local Authorities	11,630,987	5,618,236
Revenue Commissioners	-	-
Other	-	-
Add: Amounts falling due within one year (Note 3)	25,000,000	41,000,000
Total Gross Debtors	320,005,244	235,407,186
Less: Provision for Doubtful Debts	(134,706,211)	(105,177,979)
Total Trade Debtors	185,299,033	130,229,207
Prepayments	7,662,821	6,323,090
	192,961,854	136,552,297

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2017 €	2016 €
Trade creditors	29,154,919	39,626,185
Grants	-	-
Revenue Commissioners	18,684,083	14,424,206
Other Local Authorities	1,317,606	312,447
Other Creditors	5,491,517	9,111,565
	54,648,125	63,474,403
Accruals	70,328,040	66,409,178
Deferred Income	48,093,331	41,007,922
Add: Amounts falling due within one year (Note 7)	26,000,000	28,000,000
	199,069,496	198,891,503

7. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2017 €	Balance @ 31/12/2016 €
Balance @ 1/1/2017	539,686,360	-	16,303,542	555,989,902	620,969,354
Borrowings	20,369,981	-	-	20,369,981	9,955,409
Repayment of Principal	(23,522,945)	-	(2,833,235)	(26,356,180)	(27,538,391)
Early Redemptions	(26,314,534)	-	-	(26,314,534)	(47,396,470)
Other Adjustments	-	-	-	-	-
Balance @ 31/12/2017	510,218,862	-	13,470,307	523,689,169	555,989,902
Less: Amounts falling due within one year (Note 6)				(26,000,000)	(28,000,000)
Total Amounts falling due after more than one year				497,689,169	527,989,902

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2017 €	Balance @ 31/12/2016 €
Mortgage loans*	160,296,274	-	-	160,296,274	164,804,349
Non-Mortgage loans					
Asset/Grants	5,982,254	-	1,083,333	7,065,587	8,486,488
Revenue Funding	-	-	-	-	-
Bridging Finance	73,872,753	-	-	73,872,753	73,872,753
Recoupable	217,217,282	-	12,386,974	229,604,256	240,211,083
Shared Ownership – Rented Equity	52,850,299	-	-	52,850,299	68,615,229
	510,218,862	-	13,470,307	523,689,169	555,989,902
Less: Amounts falling due within one year (Note 6)				(26,000,000)	(28,000,000)
Total Amounts falling due after more than one year				497,689,169	527,989,902

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

8. Refundable Deposits

The movement in refundable deposits is as follows:

	2017 €	2016 €
Opening Balance at 1 January	6,933,313	5,836,373
Deposits received	2,414,277	1,201,760
Deposits repaid	(422,063)	(104,820)
Closing Balance at 31 December	8,925,527	6,933,313

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 @ 1/1/2017 €	Purchased €	Transfers WIP €	Disposals\Statutory Transfers €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2017 €	Balance @ 31/12/2016 €
Grants	2,181,459,316	81,460,499	25,649,660	(21,470,250)	-	-	2,267,099,225	2,181,459,316
Loans	-	-	-	-	-	-	-	-
Revenue funded	20,764,099	584,641	-	(2,683,180)	-	-	18,665,561	20,764,099
Leases	-	-	-	-	-	-	-	-
Development Levies	550,000	223,146	4,932,070	-	-	-	5,705,216	550,000
Tenant Purchase Annuities Unfunded	-	-	-	(13,078,758)	-	-	(13,078,758)	-
Historical	7,780,723,074	-	-	(8,087,942)	-	-	7,772,635,132	7,780,723,074
Other	413,254,110	97,322,891	4,886,661	(8,699,000)	33,613,763	-	540,378,425	413,254,110
Total Gross Funding	10,396,750,599	179,591,177	35,468,391	(54,019,129)	33,613,763	-	10,591,404,801	10,396,750,599
Less: Amortised							(424,894,170)	(424,655,498)
Total *							10,166,510,631	9,972,095,101

* 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 @ 1/1/2017 €	Capital re-classification * €	Expenditure €	Income €	Net Transfers €	Balance @ 31/12/2017 €	Balance @ 31/12/2016 €
Development Levies balances	(i)	68,190,258	-	(18,680,932)	55,631,274	(17,629,134)	87,511,466	68,190,258
Capital account balances including asset formation and enhancement	(ii)	(91,241,581)	(52,045,037)	(219,116,354)	220,263,816	38,638,221	(103,500,935)	(91,241,581)
Voluntary & Affordable Housing Balances	(iii)							
- Voluntary Housing		(1,506,332)	1,463,801	(23,551,279)	23,567,332	-	(26,478)	(1,506,332)
- Affordable Housing		(13,744,052)	42,790	(1,165,737)	818,982	(294,062)	(14,342,079)	(13,744,052)
Reserves created for specific purposes	(iv)	57,004,621	5,571,724	(3,052,095)	17,835,539	(5,158,982)	72,200,807	57,004,621
A. Net Capital Balances		18,702,914	(44,966,722)	(265,566,397)	318,116,943	15,556,043	41,842,781	18,702,914
Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	(v)						(53,014,070)	(53,253,223)
Interest in Associated Companies	(vi)						-	-
B. Non Capital Balances							(53,014,070)	(53,253,223)
Total Other Balances							(11,171,289)	(34,550,309)

*() 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:

	2017 €	2016 €
Net WIP & Preliminary Expenses (Note 2)	(10,823,356)	(54,134,098)
Net Capital Balances (Note 10)	41,842,781	18,702,914
Capital Balance Surplus/(Deficit) @ 31 December	31,019,425	(35,431,184)

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

	2017 €	2016 €
Opening Balance @ 1 January	(35,431,188)	(77,474,792)
Expenditure	333,050,711	229,717,755
Income		
- Grants	225,808,040	157,631,103
- Loans	938,626	-
- Other	149,311,288	84,028,372
Total Income	376,057,954	241,659,475
Net Revenue Transfers	23,443,370	30,101,884
Closing Balance @ 31 December	31,019,425	(35,431,188)

12. Mortgage Loan Funding Surplus/(Deficit)

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

	2017 Loan Annuity €	2017 Rented Equity €	2017 Total €	2016 Total €
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note 3)	181,686,843	46,732,732	228,419,575	251,825,756
Mortgage Loans/Equity Payable (Mort Loans Shared Own Note 7)	(160,296,274)	(52,850,299)	(213,146,573)	(233,419,578)
Surplus/(Deficit) in Funding @ 31st December	21,390,569	(6,117,567)	15,273,002	18,406,178

NOTE: Cash on Hand relating to Redemptions and Relending

€
2,400,888

13. Summary of Plant & Materials Account

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

	2017 Plant & Machinery €	2017 Materials €	2017 Total €	2016 Total €
Expenditure Charged to Jobs	-	-	-	-
Transfers from/(to) Reserves	-	-	-	-
Surplus/(Deficit) for the Year	-	-	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. Transfers from/(to) Reserves

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

	2017 Transfers from Reserves €	2017 Transfers to Reserves €	2017 Net €	2016 €
Principal Repayments of Non-Mortgage Loans (Own Asset)	-	1,420,926	1,420,926	1,411,219
Principal Repayments of Non-Mortgage Loans (Recoupable Non Asset)	-	11,426,200	11,426,200	11,084,551
Principal Repayments of Finance Leases	-	-	-	-
Transfers to Other Balance Sheet Reserves	-	-	-	2,039,991
Transfers to/from Capital Account	(3,292,328)	26,735,698	23,443,370	30,101,884
Surplus/(Deficit) for Year	(3,292,328)	39,582,824	36,290,496	44,637,645

15. Analysis of Revenue Income

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

	Appendix No	2017		2016	
		€	%	€	%
Grants & Subsidies	3	218,709,942	25%	172,976,081	21%
Contributions from other local authorities		65,835,868	8%	63,621,206	8%
Goods & Services	4	239,123,263	28%	231,897,624	29%
		523,669,073	60%	468,494,911	58%
Local Property Tax *		23,068,969	3%	6,800,295	1%
Pension Related Deduction (PRD) *		-	0%	12,291,085	2%
Rates		321,481,363	37%	324,501,784	40%
Total Income		868,219,405	100%	812,088,075	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. Dublin City Council PRD in 2014 was €16,428,262.

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 outturn 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
	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €	2017 €
Housing & Building	320,374,445	18,155,315	338,529,760	323,030,014	(15,499,746)	272,311,990	321,643	272,633,633	260,360,713	12,272,920	(3,226,826)
Roads Transportation & Safety	99,080,443	4,960,407	104,040,850	94,990,657	(9,050,193)	53,942,598	1,508,492	55,451,090	49,316,495	6,134,595	(2,915,598)
Water Services	55,540,325	1,587,488	57,127,813	61,746,524	4,618,711	46,290,998	-	46,290,998	48,469,072	(2,178,074)	2,440,637
Development Management	45,553,715	214,938	45,768,653	47,658,552	1,889,899	17,925,984	381,000	18,306,984	17,365,808	941,176	2,831,075
Environmental Services	183,061,250	4,962,129	188,023,379	184,522,062	(3,501,317)	84,898,745	637,000	85,535,745	83,502,327	2,033,418	(1,467,899)
Recreation & Amenity	85,418,214	1,936,179	87,354,393	86,815,743	(538,650)	14,301,118	-	14,301,118	13,013,126	1,287,992	749,342
Agriculture, Education, Health & Welfare	2,427,900	-	2,427,900	2,740,540	312,640	921,173	-	921,173	1,133,912	(212,739)	99,901
Miscellaneous Services	43,333,959	7,766,368	51,100,327	61,072,238	9,971,911	33,076,467	444,193	33,520,660	23,594,729	9,925,931	19,897,842
Total Divisions	834,790,251	39,582,824	874,373,075	862,576,330	(11,796,745)	523,669,073	3,292,328	526,961,401	496,756,182	30,205,219	18,408,474
Local Property Tax						23,068,969	-	23,068,969	23,068,969	-	-
Pension Related Deduction						-	-	-	-	-	-
Rates						321,481,363	-	321,481,363	320,667,649	813,714	813,714
Dr/Cr Balance											(22,083,530)
(Deficit)/Surplus for Year	834,790,251	39,582,824	874,373,075	862,576,330	(11,796,745)	868,219,405	3,292,328	871,511,733	840,492,800	31,018,933	(2,861,342)

NOTES TO AND FORMING PART OF THE ACCOUNTS

2017

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

Operating Surplus/(Deficit) for Year	(2,861,342)
(Increase)/Decrease in Stocks	69,051
(Increase)/Decrease in Trade Debtors	(56,409,557)
Increase/(Decrease) in Creditors Less than One Year	177,993
	<u>(59,023,855)</u>

18. Increase/(Decrease) in Reserve Balances

Increase/(Decrease) in Development Levies balances	19,321,208
Increase/(Decrease) in Other Reserve Balances	15,196,186
	<u>34,517,394</u>

19. (Increase)/Decrease in Other Capital Balances

(Increase)/Decrease in Capital account balances including asset formation and enhancement	(12,259,354)
(Increase)/Decrease in Voluntary Housing Balances	1,479,854
(Increase)/Decrease in Affordable Housing Balances	(598,027)
	<u>(11,377,527)</u>

20. Increase/(Decrease) in Loan Financing

(Increase)/Decrease in Long Term Debtors	2,315,999
Increase/(Decrease) in Mortgage Loans	(4,508,075)
Increase/(Decrease) in Asset/Grant Loans	(1,420,901)
Increase/(Decrease) in Revenue Funding Loans	-
Increase/(Decrease) in Bridging Finance Loans	-
Increase/(Decrease) in Recoupable Loans	(10,606,827)
Increase/(Decrease) in Shared Ownership Rented Equity Loans	(15,764,930)
Increase/(Decrease) in Finance Leasing	-
(Increase)/Decrease in Portion Transferred to Current Liabilities	2,000,000
Increase/(Decrease) in Long Term Creditors - Deferred Income	16,966,032
	<u>(11,018,702)</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

2017

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21. Increase/(Decrease) in Reserve Financing

Increase/(Decrease) in Specific Revenue Reserve	(8,314,732)
(Increase)/Decrease in Balance Sheet accounts relating the loan principal outstanding (including Unrealised TP Annuities)	239,153
(Increase)/Decrease in Reserves in Associated Companies	-
	<u>(8,075,579)</u>

22. Analysis of Changes in Cash & Cash Equivalents

Increase/(Decrease) in Bank Investments	13,146,403
Increase/(Decrease) in Cash at Bank/Overdraft	(22,277,120)
Increase/(Decrease) in Cash in Transit	(544,598)
	<u>(9,675,315)</u>

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31st DECEMBER 2017

	2017 €	2016 €
Payroll Expenses		
Salary & Wages	267,803,209	260,106,069
Pensions (incl Gratuities)	89,075,054	90,065,419
Other costs	11,736,134	11,504,435
Total	368,614,397	361,675,923
Operational Expenses		
Purchase of Equipment	1,016,238	968,200
Repairs & Maintenance	17,347,706	16,795,907
Contract Payments	49,978,472	50,497,681
Agency services	2,969,706	3,294,849
Machinery Yard Charges incl Plant Hire	8,682,521	9,783,784
Purchase of Materials & Issues from Stores	18,911,601	19,343,884
Payment of Grants	17,003,139	17,406,608
Members Costs	494,921	489,136
Travelling & Subsistence Allowances	10,818,282	11,014,175
Consultancy & Professional Fees Payments	6,955,989	9,806,996
Energy / Utilities Costs	13,093,180	14,068,221
Other	56,156,645	26,277,647
Total	203,428,401	179,747,088
Administration Expenses		
Communication Expenses	4,319,198	4,999,340
Training	2,427,305	2,264,730
Printing & Stationery	2,421,938	2,849,771
Contributions to other Bodies	138,052,419	113,006,624
Other	14,608,965	12,287,485
Total	161,829,825	135,407,950
Establishment Expenses		
Rent & Rates	27,914,685	22,457,134
Other	13,177,568	12,631,742
Total	41,092,253	35,088,876
Financial Expenses	43,484,389	43,400,698
Miscellaneous Expenses	16,340,985	14,628,925
Total Expenditure	834,790,251	769,949,460

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

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
		€	€	€	€	€
A01	Maintenance/Improvement of LA Housing	73,315,181	660,414	829,507	-	1,489,921
A02	Housing Assessment, Allocation and Transfer	5,818,296	450,000	497,656	-	947,656
A03	Housing Rent and Tenant Purchase Administration	9,745,859	-	81,046,000	-	81,046,000
A04	Housing Community Development Support	22,028,100	559,299	143,473	-	702,772
A05	Administration of Homeless Service	130,111,131	103,242,034	481,067	6,221,702	109,944,804
A06	Support to Housing Capital & Affordable Prog.	23,857,677	13,428,567	(1,736)	-	13,426,831
A07	RAS Programme	38,208,995	33,602,334	3,716,794	-	37,319,128
A08	Housing Loans	12,296,486	255,879	7,082,275	-	7,338,154
A09	Housing Grants	10,975,161	5,910,063	-	-	5,910,063
A11	Agency & Recoupable Services	22,727	-	2,350,567	-	2,350,567
A12	HAP Programme	12,150,146	12,157,737	-	-	12,157,737
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		338,529,759	170,266,327	96,145,603	6,221,702	272,633,632
Less Transfers to/from Reserves		18,155,314		321,642		321,642
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		320,374,445		95,823,961		272,311,990

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

		EXPENDITURE	INCOME			
DIVISION		TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €
B01	NP Road - Maintenance and Improvement	-	-	-	-	-
B02	NS Road - Maintenance and Improvement	-	-	-	-	-
B03	Regional Road - Maintenance and Improvement	8,474,272	-	535,482	-	535,482
B04	Local Road - Maintenance and Improvement	37,402,078	5,780,599	3,012,957	-	8,793,556
B05	Public Lighting	9,667,813	-	7,496	-	7,496
B06	Traffic Management Improvement	25,494,505	270,652	9,299,452	494,590	10,064,694
B07	Road Safety Engineering Improvement	-	-	-	-	-
B08	Road Safety Promotion/Education	3,564,089	-	-	-	-
B09	Maintenance & Management of Car Parking	12,807,698	-	33,730,240	-	33,730,240
B10	Support to Roads Capital Prog.	4,070,370	15,737	13,819	-	29,556
B11	Agency & Recoupable Services	2,560,025	597,782	1,692,284	-	2,290,066
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		104,040,850	6,664,770	48,291,731	494,590	55,451,090
Less Transfers to/from Reserves		4,960,407		1,508,492		1,508,492
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		99,080,443		46,783,238		53,942,598

**APPENDIX 2
SERVICE DIVISION C
WATER SERVICES**

		EXPENDITURE	INCOME			
DIVISION	TOTAL €	State Grants & Subsidies €	Provision of Goods and Services €	Contributions from other local authorities €	TOTAL €	
C01	Operation and Maintenance of Water Supply	30,342,507	1,726,374	28,728,146	-	30,454,520
C02	Operation and Maintenance of Waste Water Treatment	12,293,138	-	12,293,138	-	12,293,138
C03	Collection of Water and Waste Water Charges	195,012	-	193,402	-	193,402
C04	Operation and Maintenance of Public Conveniences	146,579	-	2,830	-	2,830
C05	Admin of Group and Private Installations	-	-	-	-	-
C06	Support to Water Capital Programme	-	-	-	-	-
C07	Agency & Recoupable Services	3,329,582	-	2,883,846	275,563	3,159,410
C08	Local Authority Water and Sanitary Services	10,820,995	-	187,699	-	187,699
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		57,127,813	1,726,374	44,289,061	275,563	46,290,998
Less Transfers to/from Reserves		1,587,488		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		55,540,325		44,289,061		46,290,998

**APPENDIX 2
SERVICE DIVISION D
DEVELOPMENT MANAGEMENT**

		EXPENDITURE	INCOME			
			State Grants & Subsidies	Provision of Goods and Services	Contributions from other local authorities	TOTAL
DIVISION		TOTAL				TOTAL
		€	€	€	€	€
D01	Forward Planning	5,590,657	-	183,802	-	183,802
D02	Development Management	6,729,428	-	2,623,665	-	2,623,665
D03	Enforcement	2,480,822	-	61,929	-	61,929
D04	Op & Mtce of Industrial Sites & Commercial Facilities	10,306,031	-	4,465,445	619,056	5,084,500
D05	Tourism Development and Promotion	3,059,342	-	130,063	-	130,063
D06	Community and Enterprise Function	8,077,401	5,716,968	55,067	-	5,772,035
D07	Unfinished Housing Estates	-	-	-	-	-
D08	Building Control	1,523,047	-	887,890	-	887,890
D09	Economic Development and Promotion	5,791,752	1,686,476	180,884	210,825	2,078,185
D10	Property Management	275,771	-	525,497	-	525,497
D11	Heritage and Conservation Services	1,934,119	400,227	57,752	-	457,979
D12	Agency & Recoupable Services	283	-	501,436	-	501,436
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		45,768,653	7,803,671	9,673,432	829,881	18,306,984
Less Transfers to/from Reserves		214,938		381,000		381,000
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		45,553,715		9,292,432		17,925,984

**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	5,480,471	-	637,080	-	637,080
E02	Op & Mtce of Recovery & Recycling Facilities	3,672,261	22,559	1,168,760	1,675	1,192,994
E03	Op & Mtce of Waste to Energy Facilities	-	-	-	-	-
E04	Provision of Waste to Collection Services	2,251,643	-	25,739	-	25,739
E05	Litter Management	4,148,196	124,895	154,286	-	279,181
E06	Street Cleaning	39,108,090	-	486,340	-	486,340
E07	Waste Regulations, Monitoring and Enforcement	3,977,665	982,000	3,222,802	24,926	4,229,728
E08	Waste Management Planning	1,225,167	832,130	771	264,543	1,097,444
E09	Maintenance and Upkeep of Burial Grounds	2,651	-	4,352	-	4,352
E10	Safety of Structures and Places	3,734,435	385,218	2,532,859	459,761	3,377,838
E11	Operation of Fire Service	119,738,020	3,129,990	13,582,217	56,251,644	72,963,851
E12	Fire Prevention	2,621,207	-	-	-	-
E13	Water Quality, Air and Noise Pollution	751,462	-	3,230	13,200	16,430
E14	Agency & Recoupable Services	1,312,111	-	1,224,768	-	1,224,768
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		188,023,379	5,476,792	23,043,203	57,015,750	85,535,745
Less Transfers to/from Reserves		4,962,129		637,000		637,000
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		183,061,250		22,406,203		84,898,745

**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	11,080,085	-	3,111,801	-	3,111,801
F02	Operation of Library and Archival Service	23,838,481	691,766	475,065	53,725	1,220,556
F03	Op, Mtce & Imp of Outdoor Leisure Areas	23,365,685	22,850	1,245,209	68,450	1,336,509
F04	Community Sport and Recreational Development	17,330,303	4,177,737	1,517,868	-	5,695,605
F05	Operation of Arts Programme	11,739,839	245,976	1,168,413	-	1,414,389
F06	Agency & Recoupable Services	-	-	1,522,258	-	1,522,258
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		87,354,393	5,138,329	9,040,614	122,175	14,301,118
Less Transfers to/from Reserves		1,936,179		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		85,418,214		9,040,614		14,301,118

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

		EXPENDITURE	INCOME			
DIVISION		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	-	-	-	-	-
G03	Coastal Protection	-	-	-	-	-
G04	Veterinary Service	749,578	31,915	204,596	-	236,511
G05	Educational Support Services	1,678,322	684,662	-	-	684,662
G06	Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		2,427,900	716,577	204,596	-	921,173
Less Transfers to/from Reserves		-		-		-
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		2,427,900		204,596		921,173

**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	-	-	-	-	-
H02	Profit/Loss Stores Account	-	-	-	-	-
H03	Adminstration of Rates	30,304,517	14,255,865	2,074,081	-	16,329,946
H04	Franchise Costs	872,240	-	502	-	502
H05	Operation of Morgue and Coroner Expenses	2,671,138	-	6,504	800,000	806,504
H06	Weighbridges	-	-	-	-	-
H07	Operation of Markets and Casual Trading	1,559,064	-	624,162	-	624,162
H08	Malicious Damage	3,158	-	-	-	-
H09	Local Representation/Civic Leadership	4,839,384	-	-	-	-
H10	Motor Taxation	5,933,703	-	250	-	250
H11	Agency & Recoupable Services	4,917,123	6,661,237	9,021,852	76,207	15,759,296
SERVICE DIVISION TOTAL INCLUDING TRANSFERS TO/FROM RESERVES		51,100,327	20,917,102	11,727,351	876,207	33,520,660
Less Transfers to/from Reserves		7,766,368		444,193		444,193
SERVICE DIVISION TOTAL EXCLUDING TRANSFERS TO/FROM RESERVES		43,333,959		11,283,158		33,076,467
TOTAL ALL DIVISIONS		834,790,251	218,709,942	239,123,263	65,835,868	523,669,073

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2017 €	2016 €
Department of Housing, Planning, Community and Local Government		
Road Grants	5,780,600	5,780,644
Housing Grants & Subsidies	169,285,835	127,301,943
Library Services	293,083	313,500
Local Improvement Schemes	-	-
Urban and Village Renewal Schemes	1,667,495	1,700,000
Water Services Group Schemes	1,726,374	1,743,511
Environmental Protection/Conservation Grants	2,842,268	1,994,876
Miscellaneous	26,343,827	24,304,854
	207,939,481	163,139,328
Other Departments and Bodies		
Road Grants	878,713	317,189
Local Enterprise Office	1,566,145	1,389,317
Higher Education Grants	-	(126,095)
Community Employment Schemes	-	-
Civil Defence	385,218	71,782
Miscellaneous	7,940,385	8,184,560
	10,770,460	9,836,753
Total	218,709,942	172,976,081

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2017 €	2016 €
Rents from Houses	85,160,807	80,303,864
Housing Loans Interest & Charges	7,036,046	8,208,687
Domestic Water	-	-
Commercial Water	-	-
Irish Water	42,865,002	44,699,876
Domestic Refuse	100,283	81,309
Commercial Refuse	3,784,996	4,027,697
Domestic Sewerage	-	-
Commercial Sewerage	-	-
Planning Fees	3,439,666	3,966,020
Parking Fines/Charges	38,679,363	37,055,355
Recreation & Amenity Activities	7,200,853	6,831,927
Library Fees/Fines	98,613	96,035
Agency Services	9,182,000	8,416,833
Pension Contributions	11,189,458	11,075,221
Property Rental & Leasing of Land	6,151,902	5,953,815
Landfill Charges	-	-
Fire Charges	2,876,893	2,536,520
NPPR	6,747,304	5,556,340
Miscellaneous	14,610,078	13,088,125
	239,123,263	231,897,624

APPENDIX 5

SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2017	2016
	€	€
EXPENDITURE		
Payment to Contractors	138,709,513	84,002,515
Purchase of Land	2,381,087	2,766,400
Purchase of Other Assets/Equipment	88,539,330	71,729,447
Professional & Consultancy Fees	12,104,855	9,798,679
Other	91,315,927	61,420,713
Total Expenditure (Net of Internal Transfers)	333,050,711	229,717,754
Transfers to Revenue	3,292,328	2,891,045
Total Expenditure (Incl Transfers) *	336,343,039	232,608,799
INCOME		
Grants and LPT	225,808,040	157,631,103
Non - Mortgage Loans	938,626	-
Other Income		
(a) Development Contributions	55,631,274	25,747,442
(b) Property Disposals		
- Land	7,371,039	3,679,915
- LA Housing	5,479,722	-
- Other property	-	-
(c) Purchase Tenant Annuities	1,004,031	1,109,739
(d) Car Parking	5,927,769	5,868,418
(e) Other	73,897,452	47,622,856
Total Income (Net of Internal Transfers)	376,057,954	241,659,473
Transfers from Revenue	26,735,698	32,992,930
Total Income (Incl Transfers) *	402,793,652	274,652,403
Surplus\Deficit for year	66,450,613	42,043,604
Balance (Debit)\Credit @ 1 January	(35,431,188)	(77,474,792)
Balance (Debit)\Credit @ 31 December	31,019,425	(35,431,188)

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

APPENDIX 6
ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT

	BALANCE @ 1/1/2017	EXPENDITURE	INCOME				TRANSFERS			BALANCE @ 31/12/2017
			Grants and LPT	Non-Mortgage Loans*	Other	Total Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	
	€	€	€	€	€	€	€	€	€	€
Housing & Building	(84,737,265)	245,738,496	205,556,943	938,626	45,997,208	252,492,777	7,945,016	294,062	2,668,413	(67,663,617)
Road Transportation & Safety	25,231,231	24,592,797	7,076,676	-	15,979,619	23,056,295	4,084,992	309,916	1,514,369	28,984,174
Water Services	4,032,834	6,092,670	1,201,825	-	6,858,118	8,059,943	-	-	(1,062,151)	4,937,956
Development Management	16,633,173	34,788,651	1,453,524	-	63,984,695	65,438,219	505,088	381,000	(5,326,220)	42,080,609
Environmental Services	(25,027,869)	8,364,241	1,717,577	-	8,300,360	10,017,937	3,877,244	637,000	827,456	(19,306,473)
Recreation & Amenity	3,684,964	17,847,443	8,766,495	-	4,780,552	13,547,047	2,968,923	1,670,350	1,439,633	2,122,774
Agriculture, Education, Health & Welfare	-	-	-	-	-	-	-	-	-	-
Miscellaneous Services	24,751,744	(4,373,587)	35,000	-	3,410,736	3,445,736	7,354,435	-	(61,500)	39,864,002
TOTAL	(35,431,188)	333,050,711	225,808,040	938,626	149,311,288	376,057,954	26,735,698	3,292,328	-	31,019,425

Note: Mortgage-related transactions are excluded

APPENDIX 7
Summary of Major Revenue Collections for 2017

A Debtor type	B Incoming arrears @ 1/1/2017	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 @ 31/12/2017 = (G-H)	J Specific doubtful arrears*	K % Collected = (H)/(G-J)
	€	€	€	€	€	€	€	€	€	
Rates	41,071,365	321,481,363	9,909,272	13,277,951	-	339,365,505	306,931,580	32,433,925	3,600,000	91%
Rents & Annuities	22,544,787	85,865,796	-	557,941	-	107,852,642	81,620,926	26,231,717	-	76%
Housing Loans	12,406,365	19,353,878	-	-	-	31,760,243	20,981,400	10,778,844	-	66%

*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
Ballymun Regeneration Limited	100%	Subsidiary	-	-	-	-	-	Y	31/12/2016
Poppintree Neighbour Centre Management Company Limited	6%	Associate	66,791	17,451	50,424	86,208	49,340	N	31/12/2016
Coultry Neighbourhood Centre Management Company Limited	12%	Associate	77,188	9,531	40,716	42,910	67,657	N	31/12/2016
Shangan Neighbourhood Centre Management Company Limited	43%	Associate	59,517	8,556	48,340	52,931	50,961	N	31/12/2016
Forestwood Management Company Limited	67%	Subsidiary	22,545	22,977	19,761	18,793	432	N	31/05/2017
City of Dublin Energy Management Agency (CODEMA) Limited	60%	Subsidiary	440,777	228,610	1,196,181	1,143,804	212,167	N	31/12/2016
Hugh Lane Gallery Trust Limited	100%	Subsidiary	2,476	2,476	-	-	-	Y	31/12/2016
Temple Bar Cultural Trust Limited	100%	Subsidiary	57,066,594	37,568,374	1,265,957	1,336,232	19,498,220	N	31/12/2016
Fishamble Music Limited	100%	Subsidiary	1,322,698	333,759	25,786	42,788	988,939	N	31/12/2016
Irish Film Centre Development Limited	100%	Subsidiary	289,477	289,474	56,492	56,492	3	N	31/12/2016
Dublin City Sports and Leisure Services Limited	100%	Subsidiary	1,957,744	281,441	2,318,614	1,961,111	1,676,303	N	31/12/2016
Parnell Square Foundation Limited	50%	Subsidiary	207,563	13,641	300,000	107,327	193,922	N	31/12/2016
PSQ Development Ltd	50%	Subsidiary	1,987,014	1,999,214	-	9,645	12,200	N	31/12/2016
The Ringsend Toll Bridge Designated Activity Company	100%	Subsidiary	1,333,000	996,000	3,766,000	3,429,000	337,000	N	31/12/2016

Glossary of Terms

Accruals (Matching)

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing fixed asset.

Community Assets

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Contingency

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate and Democratic Services

The corporate and democratic services comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Deferred Charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. Examples of deferred charges are expenditure on items such as preliminary expenses on proposed capital schemes.

Depreciation

The measure of the wearing out, consumption, or other

reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

Exceptional Items

Material items which arise from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts. Example - redundancies, uninsured damage, uninsured structural failure of operational buildings, deficits arising on the settlement of uninsured claims, cost of industrial action and losses on investments.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

Fixed Assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments which do not meet the above criteria should be classified as current assets.

Investment Properties

Interest in land and/or buildings:

(a) in respect of which construction work and development have been completed; and

(b) which is held for its investment potential, any rental income being negotiated at arm's length.

Long-Term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be

accounted for as long-term contracts if they are sufficiently material to the activity of the period.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation. Current value can be either "net current replacement cost" or "net realisable value".

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Operational Assets

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

A lease other than a finance lease.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the AFS is

signed by the responsible financial officer.

Prior Year Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Stocks

Comprise the following categories:

- (a) goods or other assets purchased for resale;
- (b) consumable stores;
- (c) raw materials and components purchased for incorporation into products for sale;

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.