

NOTES TO AND FORMING PART OF THE ACCOUNTS

7. Urban Account

A summary of the Intercompany account is as follows:

	2004 €	2003 €
Balance at 1 January	678,194	633,825
Charge for Year	2,173,178	834,988
Received/Paid	(2,407,584)	(790,619)
Balance at 31 December	443,788	678,194

The 2003 Annual Financial Statement contained a sum of €54,754 in the Miscellaneous Debtors which was not accrued. This amount related to Town Council balances calculated under the old County Demand Regulations going back many years which were considered uncollectable at 1st January 2002, the date on which Donegal County Council converted to the accrued basis for the inclusion of income in the accounts.

This amount was written off by Manager's Order No.04/1351, dated 26th October 2004 on the basis of advice as received from the Finance Unit, Department of Environment, Heritage and Local Government. County Charges under the Local Government Act 2001 for subsequent years are calculated for Services provided by the County Council which have a county wide remit and are proportionately shared on the basis of total income received for each Authority from the Local Government Fund allocations (current year) and Commercial Rate Income (previous year).

The calculation for the adjustment to achieve revenue neutrality for the Letterkenny Town Boundary extension is also dealt with in the context of County Charge in the Urban Account.