

FOREWORD FROM THE DONEGAL COUNTY MANAGER

INTRODUCTION

The Draft Unaudited Financial Statement including the Financial Accounts and supporting schedules of Policies, Notes and Appendices represents for Donegal County Council its Financial position and condition as at 31st December 2007.

Donegal County Council now as in recent years prepares its accounts on an Income and Expenditure basis and includes a Balance Sheet of our Assets and Liabilities as at the end of 2007.

With the preparation of the Council's accounts on an accrual basis there is less opportunity for ambiguity in their interpretation and the accounts provide a more consistent basis to review progress on an annual basis and indeed over a longer time frame.

As in previous years I do not intend in this Foreword to restate much of what is included subsequently in terms of the commentary by the Head of Finance and the various schedules and appendices. I will confine this Foreword to underline some important Financial issues facing the Council as I write and to highlight some of the key Financial information included in this Statement.

REVENUE INCOME & EXPENDITURE ACCOUNT

With the achievement of a surplus of €0.581m on this account our accumulated position at 31st December 2007 is €10.897m Debit. This represents an improvement for the 4th successive year in this account. This is a very positive outcome given the continuing difficulties we had in some areas during 2007 for example a shortfall of €0.856m in Budgeted Water Income and over expenditures in Roads (€0.586m), Water Services (€0.714) and Miscellaneous Services (€0.937m).

I acknowledge the assistance of the Directors of Service and their staff and the support of the Elected Members in achieving this outcome.

The revenue deficit of €10.897m at 31st December 2007 is 6.3% of total Revenue Expenditure of €174.197m for 2007. The corresponding information for 2006 was the Accumulated Revenue Deficit stood at €11.478m representing 6.8% of total Revenue Expenditure of €168.117m for 2006.

I am including as in previous years the following Tabulation which sets out some key cost and income drivers in the 2007 Income & Expenditure account alongside similar figures for 2006.

Table 1

	Expenditure €	Income €	Nett Surplus €
2007	174,197,421	174,778,769	581,348
2006	168,016,869	168,795,123	778,255

Major Elements - Expenditure	2007 €	2006 €
Payroll Expenses	67,155,352	62,417,855
Operational Expenses	73,378,054	75,260,169
Loan Charges	9,615,190	10,067,090
Other Non Pay Expenses	24,048,825	20,271,755
Total	174,197,421	168,016,869

Major Elements - Income	2007 €	2006 €
Grants and Subsidies	63,020,436	64,893,194
Goods and Services	48,427,372	44,734,700
Local Government Fund	41,556,957	38,547,272
Rates	19,233,216	18,186,169
County Charge	2,540,788	2,433,788
Total	174,778,769	168,795,123

*Standard rounding rules have been applied.

Total Revenue Expenditure in 2007 of €174.197m represents an increase for example of 243% in the total for 1999 when many of the current elected Members were first elected on to the Council. (See Table 3 Page 9 in the commentary by the Head of Finance).

These increases year on year as per Table 3 on Page 9 are evident of both the growth in services and asset stock. (€3.4 billion as per the Balance Sheet for 2007). What perhaps is not so evident is the increasingly complex regulatory environment Local Authorities operate in and in many cases such regulatory requirements are key cost drivers for the organisation for example in the area of the requirements of the Environmental Protection Agency including licensing issues of Waste Water Treatment Plants etc.

CASH FLOW & DEBTORS ETC.

I wish to draw your attention to Note 5 and Appendix 7 of this Statement.

The Council is showing a significant disimprovement in Debtor Balances for Commercial Water with €4.206m outstanding at 31st December 2007 (2006: €2.238m). The problems in the Water area arise as we progress the installation of Metering for the Non Domestic Sector and obtain the changeover to the metering service as provided by the Non Domestic Metering Service provider. We have to ensure that our accounting systems and the Service Provider systems are such so as to populate our Customer database with common information for both systems. This in turn leads to a proper basis for billing and provision of the necessary Audit trails. This work is proving to be slow and painstaking with resulting delays in the issuing of bills. These delays have continued in 2008 and it is expected that over the coming months we should be fully up to date with the issuing of bills for water services to the Non Domestic Sector. Large customers - monthly and quarterly billing frequency - will be up to date for 2007 and 2008 billing by the end of July 2008.

A report and some follow ups were furnished to the Elected Members earlier this year in relation to Irrecoverable Rates in the amount of €2.137m. As set out in that report €1.784 of this amount was due to properties closed. Some were closed as they were for lease or were under repair. Others had reverted to Domestic and/or were closed due to other reasons.

In this statement an amount of €861,300 is included as expended in 2007 on Overdraft interest as compared to an original budget of €350,000. This is not a welcome outcome and represents an unfavourable use of scarce resources. Our average Overdraft for 2007 was €25m with the likelihood of this being greater in 2008. The Council's cash flow position is pressurised by levels of expenditure in the Capital area which are not being fully recouped and/or we require loan funding approval as well as obtaining a sufficient yield from Development Levies and their actual collection. The Capital Accounts area would be a major cause of difficulties with our current cash flow position. We continue to work with funding agencies for Capital Works to assist in allowing for regular drawdowns of allocated monies. Loan approvals where required are subject to levels of borrowings allocated by the Department of Finance to the Department of the Environment, Heritage & Local Government and other Departments. At national level borrowings generally are monitored in the context of General Government Balances data with the view to meeting the Government's obligations under the EU Stability and Growth Pact which Ireland has signed up to. Like many other Local Authorities we are experiencing delays in obtaining loan approvals. Specifically for Donegal County Council this is in the area of infrastructure investment for Water and Waste Water where we currently have an exposure. This may very well increase in future years as we endeavour to meet our requirements for the Marginal Capital Costs of Water and Waste Water schemes investment.

We also work internally to maximise revenue collection including Development levies for all the Council's Directorates and through Housing and Corporate Directorates on maximising outputs from the Revenue collection staff in the field.

The current economic climate at the time of writing is making collection of monies more difficult. However we work with customers to alleviate difficulties if at all possible but the Council ultimately needs to recover monies legally due to it which underpin Revenue expenditure programmes directly and Capital Expenditures indirectly as agreed with Elected Members through the Revenue and Capital Budget processes.

CAPITAL EXPENDITURES, LOANS & OTHER MATTERS

Table 2

	<u>2007</u>	<u>2006</u>
▪ Capital expenditure (including Transfers)	€270.668m	€147.756m
▪ The total outstanding on Mortgage Related Loans	€19.512m	€16.178m
▪ The total outstanding on Non Mortgage Related Loans for provision of Assets/Grants	€52.956m	€56.274m
▪ Unfunded Capital Items Deficit	€4.473m	€7.253m
▪ Historic Funding Gap	Nil	€2.507m

It will be noted from above that progress continued in 2007 in addressing problem issues in our accounts which became particularly evident on translation to the new format of accounts in 2002.

UNFUNDED CAPITAL JOBS

Unfunded Capital items deficit as reported in previous years has improved from €7.253m to €4.473m at the end of 2007. We are currently examining all Capital Jobs including those that are flagged as Funded in the context of the aforementioned Cash Flow issues and we are reviewing and updating the Funding Status of each Job.

FUNDING GAP IN THE MORTGAGE LOAN BOOK

The Historic Funding Gap in our Mortgage Loan Book of €5.8m has now been eliminated through the application of sale of Surplus Asset proceeds to the redemption of old Mortgage Related Loans - approved by the Department of the Environment, Heritage and Local Government - as set out in our Adopted Budgets for 2006, 2007 and 2008. This use of such proceeds has:

- (i) Dealt with this difficult matter relatively quickly.
- (ii) Provides ongoing benefits to the Ratepayers as otherwise we would have had to make Revenue provisions over a 10 year period of circa €580,000 to eliminate this Funding Gap of €5.8m.

In June 2007 we redeemed €6m of Non Mortgage loans from Overdraft. We are currently awaiting proceeds from sale of assets to deal with this redemption and other costs carried forward in relation to previous redemptions. This amounts to €5.7m at time of writing.

It is noteworthy with the redemptions of approximately €15.0m for both Mortgage Related and Non Mortgage Related Loans over 2006 and 2007 almost €2.0m was available for other purposes in the 2008 Revenue Budget proposals by way of savings in loan and other charges/provisions in respect of this €15.0m. We would otherwise have had to include for these loans and other charges in our 2008 Budget calculations.



M. McLoone
COUNTY MANAGER

11th July 2008.

FINANCIAL REVIEW

PREPARED BY: AIDAN MCNICHOLAS, HEAD OF FINANCE

INTRODUCTION

The 2007 Annual Financial Statement (AFS) is the prescribed format for the presentation of the Annual Income and Expenditure figures together with a Balance Sheet for Local Authorities. This Statement must reflect up to date Departmental requirements from the Local Authority Accounting and Financial Management Systems. The 2007 AFS represents, as presented, for Donegal County Council such requirements with every effort made to comply fully therein.

The Capital Account items are now shown in Balance Sheet format in accordance with Departmental Guidelines. The Accounting Policies and the "Notes to and forming part of the Accounts" should be read for further information in this regard and indeed for further details of items in the I & E Account and Balance Sheet.

Table 1 on Page 8 sets out the information on Adopted Budget and the Revised Budget which includes amendments for specific extra funding received after the 2007 Budget was adopted and the Actual Gross Expenditure and Income. In summary I wish to state in respect of the 2007 Revenue Income and Expenditure Account the Council achieved a surplus of €581,348 for 2007.

The main aspects and outcomes of the Annual Financial Statement for 2007 requiring Members approval were reported on by the Head of Finance - see Appendix 9 - at the Council meeting of 23rd June 2008. The Council's Elected Members approved the actual gross expenditure figure of €174,197,421 when compared to the Revised Budget of €174,238,788 (Adopted Budget as amended by additional funding received for 2007) for all Programme Groups in accordance with Sub-section 7 of Section 104 of the Local Government Act 2001 - Table 2 overleaf sets out the detail of variances by Programme Group for Gross Expenditure.

REVENUE INCOME & EXPENDITURE ACCOUNT

The following Table 1 sets out the outcomes for above for each Programme Group.

TABLE 1

<u>Expenditure</u>					
Programme Group	Adopted Budget	Additional Grants & Fully Recoupable Items	Revised Budget inc. Prog. 9 Adjustment	Gross Expenditure	Variance
	€	€	€	€	€
Housing & Building	18,960,124	893,687	19,853,811	19,016,787	837,025
Roads Trans. & Safety	60,194,524	2,814,614	63,009,138	63,594,663	(585,526)
Water & Sewerage	21,010,608	(132,771)	20,877,837	21,592,235	(714,398)
Planning	8,182,420	61,658	8,244,078	7,804,428	439,649
Environ. Protection	14,281,556	66,373	14,347,929	13,514,130	833,799
Recreation & Amenity	9,402,904	184,049	9,586,953	9,417,265	169,688
Agric., Ed., Health & Welfare	12,443,988	2,221,315	14,665,303	14,667,554	(2,250)
Miscellaneous	22,877,092	776,647	23,653,739	24,590,359	(936,620)
Debit Balance Provision	0	0	0	0	0
Total	167,353,216	6,885,572	174,238,788	174,197,421	41,367
<u>Income</u>					
Programme Group	Adopted Budget	Additional Grants & Fully Recoupable Items	Revised Budget inc. Prog. 9 Adjustment	Gross Income	Variance
	€	€	€	€	€
Housing & Building	14,635,906	786,306	15,422,212	16,423,392	1,001,180
Roads Trans. & Safety	46,006,756	3,120,246	49,127,002	49,372,790	245,788
Water & Sewerage	8,496,152	227,844	8,723,996	8,095,308	(628,688)
Planning	3,669,230	77,344	3,746,574	3,648,688	(97,886)
Environ. Protection	6,457,814	(18,992)	6,438,822	6,472,699	33,877
Recreation & Amenity	2,302,476	188,472	2,490,948	2,543,828	52,880
Agric., Ed., Health & Welfare	10,044,622	2,275,384	12,320,006	12,293,808	(26,198)
Miscellaneous	12,575,953	228,968	12,804,921	12,597,295	(207,626)
Local Government Fund	41,556,957	0	41,556,957	41,556,957	0
County Charge	2,540,788	0	2,540,788	2,540,788	0
Rates	19,066,562	0	19,066,562	19,233,216	166,654
Total	167,353,216	6,885,572	174,238,788	174,778,769	539,981
Net Overall Total				581,348	581,348

Note: The Revised Budget is the Adopted Budget plus net additional grants notified plus amounts spent which are fully recoupable

TABLE 2

<u>Net</u>			
Programme Group	Variance Expenditure	Variance Income	Net
Housing & Building	837,025	1,001,180	1,838,205
Roads Trans. & Safety	(585,526)	245,788	(339,738)
Water & Sewerage	(714,398)	(628,688)	(1,343,085)
Planning	439,649	(97,886)	341,763
Environ. Protection	833,799	33,877	867,675
Recreation & Amenity	169,688	52,880	222,568
Agric., Ed., Health & Welfare	(2,250)	(26,198)	(28,448)
Miscellaneous	(936,620)	(207,626)	(1,144,246)
Debit Balance Provision	0	0	0
Local Government Fund		0	0
County Charge		0	0
Rates		166,654	166,654
Total	41,367	539,981	581,348

* Standard rounding rules have been applied

Table 3 sets out the Income & Expenditure Account Balance as reported in the Annual Financial Statements over the period 1994 - 2007 inclusive. It also illustrates the balances as a % of overall expenditure each year in the Revenue Income & Expenditure Account. For consistency year on year the expenditure figure of €174,197,421 is inclusive of amounts classified as Income and Expenditure and some items that are now included in the Balance Sheet in accordance with national guidelines since 2003.

Table 3

Income & Expenditure Account Balance over the period 1994 - 2007

Year	Debit Balances as reported at 31/12 each year	Total Revenue Expenditure for year on Adopted Budget Format	Debit Balances as a % of Total Revenue Expenditure
1994	€4,688,232 Dr	€44,413,532	10.56%
1995	€4,370,309 Dr	€50,451,353	8.66%
1996	€4,284,886 Dr	€52,434,123	8.17%
1997	€1,086,832 Dr	€58,707,690	1.85%
1998	€935,603 Dr	€62,270,716	1.50%
1999	€1,746,727 Dr	€71,504,280	2.44%
2000	€3,383,586 Dr	€82,087,401	4.12%
2001	€9,959,593 Dr	€103,846,590	9.59%
2002	€9,620,599Dr	€114,647,751	8.39%
2003	€14,102,949Dr	€122,865,414	11.48%
2004	€13,069,928Dr	€130,512,865	10.01%
2005	€12,256,091Dr	€144,454,321	8.48%
2006	€11,477,838Dr	€168,016,869	6.83%
2007	€10,896,490Dr	€174,197,421	6.26%

Notes to Table 3

- 2003, 2004 and 2005 are shown including for full accrual of all known collectable income as at 31st December each year. All prior years for income are stated on the basis of cash collected.
- 2000 as shown in above table varies with the figures as reported on a cash basis for that year. An allowance of the Local Government Fund Allocation for 2001 was received in 2000 and the above reflects the treatment of such income in 2001 rather than 2000 which we were obliged to do at that time.

CAPITAL ACCOUNT/FIXED ASSET FORMATION **ACTIVITY**

This account is largely presented on an Income and Expenditure basis with the exception of some Development charges/levies which are shown on a receipts basis and in respect of some over expended old unfunded balances, we have not accrued any income because we are not certain such will materialise as cash. As stated last year in this context, application has been made to the Department for funding. This application was submitted some years ago. It may be that such unfunded balances may have to be dealt with either through the raising of loans, use of Sale of Assets Proceeds or where legal through the existing Development Contribution Scheme and/or future schemes. On a prudence basis we are not anticipating any funding from the Department at this stage.

There was gross expenditure of €270,668,424 and gross income of €260,045,350 in 2007 resulting in an overall disimprovement of €10,623,074 (See Table 4). The overall credit balance at 31st December 2007 is €6,257,236 compared to an overall credit balance of €16,880,310 at 31st December 2006. The net disimprovement in the balance arose mainly in Housing and Environment and increases in credit balances under Recreation and Amenity.

Table 4

	2007 €	2006 €
Expenditure including Transfers	270,668,424	147,756,276
Income	260,045,350	159,135,399
Surplus (Deficit)	(10,623,074)	11,379,123
Opening Credit Balance at 1st January	16,880,310	5,501,187
Capital Account Credit Balance at 31st December, 2007	6,257,236	16,880,310

*Standard rounding rules have been applied.

The Capital Account as presented in the Balance Sheet sets out the de-aggregation of the Capital Ledger, other than for completed assets transferred without a funding issue to the Asset Register, into the main classes of Assets - WIP/Preliminary Expenses, as well as other balances therein. Until 2003 the Capital Account ledgers also included the Council Loan Book. The following information for 2007 (See Table 5 overleaf) refers only to Capital/Fixed Asset formation activity and is inclusive of brought forward credits and debits.

Table 5 reconciles amounts as shown on the Balance Sheet which are classified in accordance with information to hand in relation to funding, in the make up of the Capital balance of €6,257,236 Credit.

Table 5

The Capital Account Balance has been de-aggregated in the Balance Sheet as follows in accordance with the New Accounting Guidelines.

	Notes No. to the Accounts	2007 €	2006 €
* Funded/Unfunded WIP and Preliminary Expenses	Note 2.	(5,735,916)	(848,650)
* Funded Project Balances	Note 11.	(3,517,800)	(2,942,550)
** Unfunded Project Balances	Note 11.	(3,165,776)	(5,036,306)
** Unfunded Non Project Balances	Note 11.	(1,307,508)	(2,216,430)
Funded Non Project Balances	Note 11.	--	--
Agent Works Recoupable	Note 5.	(8,606,283)	(5,732,428)
Assets	Note 11.	(4,135,334)	(2,007,999)
Sub Total Debits		(26,468,617)	(18,784,363)
General Credit Balances	Note 11.	4,486,527	4,598,329
Development Levies	Note 11.	18,954,130	20,357,574
Tenant Purchase Annuities currently available as Internal Receipts	Note 11.	6,076,875	9,368,960
Funded Non Project Balances	Note 11.	2,273,573	148,855
Sub Total Credits		31,791,105	34,473,718
Credit/(Debit) Balance before Future Receipts for Tenant Purchase Annuities		5,322,488	15,689,355
Future receipts from Tenant Purchase Annuities (Not available as Internal Receipts)	Note 11.	934,750	1,190,955
Capital Account Credit/(Debit) Balance as at 31st December		6,257,236	16,880,310

*Standard rounding rules have been applied.

It is also noteworthy that the Capital Account is inclusive of many credits (€47.5m) that when applied for the purposes for which payments were received could have a major impact on our Capital/Fixed Assets and on the Council's cash flow. The Capital Balance includes income of €934,750 in respect of the future receipts from repayment of annuities by Tenant Purchasers. Such annuities are used as Internal Receipts when realised. Accordingly these future receipts are not available for current programmes for which such receipts are used. (See also Table 5).

For the benefit of the reader of this review "funded"* can be defined as source(s) of funding have been identified and are still available to meet the balance as shown. Unfunded** means all known sources of income have been exhausted and/or projects have over expended known allocations for same.

Where jobs have a mixture of funded and unfunded elements we have classified such jobs as overall unfunded and this can explain movements in unfunded balance amounts from €8.9m in 2003 to €8.3m in 2004, to €8.1m in 2005, €7.2m in 2006 and to €4.5m in 2007 as we clarify exact funding position for each job and/or feasibility, legitimacy of applying a local funding source is determined. See Note 11 - "Notes to and forming part of the accounts". It was possible in 2007 to deal with some old Capital Balances in the Culture & Library and Corporate Areas.

Table 6 Trend Analysis Capital Expenditure Trends: 1994-2007

This table shows expenditure for Capital Purposes for 1994-2007.

Table 6

Capital Works Expenditure 1994 - 2007	
Year	€m
1994	22.867
1995	28.288
1996	39.508
1997	44.498
1998	50.232
1999	66.821
2000	84.845
2001	113.614
2002	89.612
2003	83.310
2004	104.498
2005	138.308
2006	147.756
2007	270.668

FIXED ASSETS
Historical and those purchased/created since Agresso
went live.

A total value of €3,415,059,055 is included in the 2007 Accounts under this heading (2006 €3,387,212,117).

With the implementation of the Agresso Financial Management System and the attendant rollout of the New Accounting Code of Practice we have included Fixed Assets in the Council's Balance Sheet in recent years. This initially was those assets purchased/created with "go live" of the Agresso package and in 2003, 2004, 2005, 2006 and now in 2007 the progressive inclusion of Assets which the Council created/purchased in the past, which continue to underpin service provision and thus provide continuing value to the organisation. In the inclusion of such assets the Council follows guidelines as laid down by the Minister for Environment, Heritage and Local Government with respect to such matters as Valuation, Depreciation and the like.

The Council continues, the ongoing work, to enumerate all Historical Assets and deal appropriately with issues that may arise on an Inter Local Authority basis within the county. As mentioned in the commentary on the Accounts for 2003, 2004, 2005 and 2006 this process of enumeration of Historical Assets in our ownership is a lengthy and often difficult one as we need to trawl through records which are disparate in availability, range and nature.

However, the end result is giving and will give a clearer picture of the Councils options where any such Assets identified may be surplus to requirements or can be used/disposed with appropriate agreements including the Elected Members.

Fixed Assets are, as you can see from the balance sheet, classified as follows:

(1) Operational	€543,054,606	
(2) Infrastructural	€2,850,833,766	
(3) Community	€1,202,770	
(4) Non Operational	€19,967,913	
Total	€3,415,059,055	(Note 1)

Net additions (assets purchased, additions from Work-In-Progress (W.I.P.), less disposals) to the Fixed Assets amounted to € 38,773,770 or the year ending 31ST December 2007. Additions from W.I.P., as per Department guidelines where an asset has been completed included accruals estimations where necessary where no final account was available.

You should read the "Notes to and forming Part of the Accounts" for further information on above classifications.

LOAN ACCOUNT

Mortgage Related Loans

As at 31st December 2007 the Capital outstanding on these loans is €19.512m (2006: €16.178m). When this Council converted its accounts to the new format for the 2002 Financial Year a historical funding gap of €5,847,432 was determined as existing at 01/01/2002 in the Council's Mortgage Loan Book. The gap arose in the 1980's or thereabouts from the use of monies, redeemed by borrowers to the Council, for Revenue purposes which cannot definitively be itemised at this stage. Donegal County Council was one of a minority of Local Authorities who had a funding gap as at 01/01/02 on conversion to the new format of accounts. It was required that such a funding gap would be written off by annual provisions in the revenue budget.

However with the redemption of €6,666,887 to the Office of Public Works in 2006 with monies sourced from the Disposal of Surplus Assets the Historical funding gap of €5,847,432 is now eliminated in this Annual Financial Statement. As a result the need for us to provide €580,000 from Revenue sources over a 10 year period is avoided which means it is not a burden on the Commercial Ratepayers on an Annual basis.

In addition by the redemption of what was relatively high fixed rate loans the Council has saved, and was included fully in the 2008 Budget proposals, approximately €1,250,000 annually in Loan Charges.

Non Mortgage Loans

In 2007 a €6m Non Mortgage loan was redeemed from Overdraft facilities. In 2006 €2.3m was redeemed and funded from Disposal of Asset Proceeds. The total of these redemptions - €9.3m - is providing €704,000 in annual savings on Loan Charges and were included in the 2008 Adopted Budget.

The balance of principal payable on Non Mortgage loans to be serviced predominantly by the Council's own discretionary Revenue Sources at 31st December 2007 is €52.956m (2006 : €56.274m).

These loans have been used to finance the Council's Decentralisation Building Programme, Implementation of the Council's Waste Management Plan, Capital Investment in Water and Waste Water Infrastructure, the Water Non Domestic Metering Programme, Matching funding for State Grants in relation to Marine Work and DPG/ERG Grants, Purchase of Landbanks, development of Letterkenny Theatre, provision of an Economic Development Fund and so forth.

Elected Members will be well aware of the significant asset base created/replaced by Donegal County Council from the use of some of these loans. It is the disposal and realisation of such replaced assets in addition to other surplus Assets that was the basis for the Budgetary strategy in 2006 and 2007 to effect savings in loan charges for both Mortgage Related and Non Mortgage Loans to live within available annual funding sources for the Council's Revenue account.

General

In the redemption of both Mortgage and Non Mortgage Loans to the value of €15.0m approximately, some residual matters remain. €5.7m is needed as at July 2008, from realisation of future Disposal of Assets Proceeds to deal with the overdraft situation following the redemption of €6m in June 2007, with costs of Disposals and the provision of replacement assets e.g. Civil Defence Headquarters and some other transactions costs related to Assets on the Market whose sales have not been completed.

CONCLUSION

In conclusion this review and the related Appendix 9 sets out the principal issues and the financial information with respect to the Draft Unaudited Annual Financial Statement for 2007 for Donegal County Council. The following Table 7 represents the aggregation of the outcomes on day to day Operational Expenses (Revenue) and the Council's investment in Infrastructure Projects, the provision of long term Financing of social assistance provided to the general public where eligible and required and the creation/purchase of, and improvement in, the Council's Asset Stock (Capital). It represents the total expenditure in 2006 and 2007 with the increase year on year in absolute and percentage terms.

Table 7

Expenditure	2007	2006	Increase/ Decrease	% Increase/ Decrease
	€	€	€	
Revenue	174,197,421	168,016,869	6,180,552	3.68
Capital	270,668,424	147,756,276	122,912,148	83.18
Total	<u>444,865,845</u>	<u>315,773,145</u>	<u>129,092,700</u>	<u>40.88</u>

Table 8 shows aggregated expenditure in tabular and graphical form each year for the period 1994-2007.

The total Expenditure for Revenue and Capital in 2007 amounted to €444.866 m (see Table 8) and reflects an increase of 321.6% on the amount expended in 1999 (€138.325m) and 648.9% on the amount expended in 1994 (€68.550m).

Table 8

Revenue & Capital Expenditure Trend

<u>Year</u>	<u>€m</u>
1994	68.550
1995	78.739
1996	91.942
1997	103.206
1998	112.503
1999	138.325
2000	166.932
2001	217.161
2002	204.260
2003	206.175
2004	235.011
2005	282.762
2006	315.773
2007	444.866

