



REYKJAVIK CITY

BUDGET AND FIVE YEAR PLAN 2018-2022

Approved by the City Council on December 5th 2017

Reykjavik Group

Budget and Five Year Plan 2018-2022

Income Statement

Reykjavík Group

	Actual 2016	Revised Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Operating revenues							
Tax revenues.....	75.881	83.037	90.815	97.349	103.255	109.236	115.421
Contributions from Municipal Equalisation Fund.....	6.704	6.994	7.296	7.759	8.188	8.617	9.062
Other revenues.....	72.972	78.029	79.294	83.229	87.601	92.679	93.313
Total operating revenues	155.556	168.061	177.405	188.337	199.043	210.532	217.796
Operating expenses							
Wage cost and wage-related expenses.....	63.475	71.530	76.464	81.529	85.999	90.387	94.746
Change in pension obligations.....	5.115	10.962	5.392	4.642	3.392	3.192	3.092
Other operating expenses.....	49.887	49.899	55.985	57.833	60.816	63.297	65.738
Total operating expenses	118.477	132.390	137.841	144.004	150.207	156.875	163.576
Operating result before depreciation, EBITDA	37.080	35.670	39.563	44.333	48.837	53.657	54.220
Depreciation	(16.257)	(15.087)	(15.971)	(17.364)	(18.478)	(19.511)	(20.231)
Operating results before financial items	20.823	20.583	23.593	26.970	30.358	34.146	33.989
Net financial items	890	5.952	(11.645)	(11.207)	(11.373)	(11.426)	(11.275)
Operating results before tax, adjustments and effects of associated companies	21.713	26.536	11.948	15.763	18.986	22.720	22.714
Income tax.....	(4.748)	(7.427)	(1.516)	(1.859)	(2.305)	(2.405)	(2.801)
Value adjustments of investment properties	10.942	8.899	5.603	5.083	3.439	2.424	2.589
Share in associated companies operating results	(237)	0	0	0	0	0	0
Minority interests	(1.299)	0	0	0	0	0	0
Operating results.....	26.372	28.008	16.035	18.987	20.120	22.739	22.502

Amounts are in ISK M

Statement of financial Position (Balance sheet)

Assets	Revised		Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
	Actual 2016	Budget 2017					
Fixed assets:							
Intangible assets	1.504	1.725	1.924	2.106	2.275	2.433	2.578
Fixed tangible assets:							
Real estate	111.058	119.621	134.604	139.889	142.219	141.945	140.059
Utilities	262.150	250.551	251.797	254.573	259.125	263.514	264.163
Investment properties	65.654	78.417	89.592	99.693	109.217	116.161	120.036
Road systems	13.186	15.718	19.173	22.313	25.395	29.988	32.451
Machinery and equipment	8.039	10.420	13.393	14.716	15.963	16.768	16.753
Lease properties	7.028	6.407	5.783	5.184	4.597	4.011	3.429
	467.115	481.135	514.342	536.368	556.516	572.386	576.891
Investments and long-term receivables:							
Shares in companies	5.466	6.031	6.193	7.544	6.770	7.137	7.915
Derivative contracts	365	438	452	454	454	454	454
Deferred tax assets	3.715	0	1.770	3.120	3.538	4.025	4.604
Other long-term receivables	5.980	13.314	13.025	12.966	12.576	11.924	11.522
	15.527	19.783	21.440	24.083	23.338	23.541	24.495
Total fixed assets	484.145	502.643	537.706	562.557	582.129	598.359	603.964
Current assets:							
Inventories.....	975	853	861	851	861	871	876
Short-term receivables:							
Unclaimed revenues and receivables	15.112	15.320	15.876	16.360	17.437	17.912	18.451
Next year's paym. of other long-term receivables	1.021	4.813	793	529	738	535	320
Pre-paid cost	365	736	636	548	448	348	248
Derivative contracts	393	513	513	513	513	513	513
Other short-term receivables	2.747	3.070	3.172	3.228	3.285	3.360	3.427
Restricted bank deposits	4.132	4.132	4.132	4.132	4.132	4.132	4.132
Cash.....	26.588	18.280	18.427	19.248	22.130	28.301	38.895
Total current assets	51.333	47.718	44.411	45.410	49.545	55.971	66.863
Total assets.....	535.478	550.361	582.117	607.967	631.673	654.330	670.827
				Amounts are in ISK M			

	Actual	Revised	Budget	Budget	Budget	Budget	Budget
	2016	Budget	2018	2019	2020	2021	2022
		2017					
Equity and liabilities							
Equity:							
Equity account.....	231.536	239.994	250.795	280.441	298.219	319.224	339.826
Minority interest.....	13.477	27.500	31.981	21.935	23.383	24.866	26.481
Total equity	245.013	267.494	282.776	302.377	321.603	344.090	366.307
Obligations:							
Pension obligations.....	29.354	33.825	36.147	37.566	37.593	37.261	36.692
Deferred tax liabilities	8.504	8.752	8.572	8.750	8.806	8.905	9.250
Other obligations.....	273	305	343	394	455	494	533
Total obligations	38.131	42.882	45.062	46.711	46.854	46.660	46.476
Long-term liabilities:							
Long-term debts.....	183.857	181.519	195.163	202.825	209.571	209.958	202.516
Lease liabilities.....	11.575	11.188	10.730	10.234	9.673	9.004	8.207
Embedded derivatives in electricity contracts	8.913	1.392	1.409	1.467	1.579	1.559	1.387
Derivative contracts	2.713	2.745	2.712	2.697	2.697	2.697	2.697
Total long- term liabilities	207.058	196.844	210.014	217.223	223.520	223.218	214.808
Current liabilities:							
Debts to credit institutions.....	3.960	0	600	200	0	0	0
Accounts payable.....	6.584	7.061	7.361	7.627	8.499	8.779	9.099
Embedded derivatives in electricity contracts	1.406	68	85	140	179	211	223
Next year's payment on long-term debts.....	15.725	14.174	13.548	14.169	13.604	13.449	15.370
Next year's payment on lease liabilities.....	765	699	666	619	554	504	504
Next year's payment on pension obligations	2.162	2.334	2.519	2.674	2.819	2.979	3.119
Derivative contracts	2.312	2.467	2.473	2.474	2.474	2.474	2.474
Other payables.....	12.363	16.338	17.013	13.754	11.568	11.965	12.447
Total current liabilities	45.276	43.141	44.265	41.657	39.697	40.362	43.236
Total liabilities and obligations	290.465	282.866	299.341	305.591	310.071	310.240	304.520
Total equity and liabilities	535.478	550.361	582.117	607.967	631.673	654.330	670.827
				Amounts are in ISK M			

Statement of Cash flow

	Actual 2016	Revised Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Cash flow from operating activities:							
Operating result according to Income Statement.....	26.372	28.008	16.035	18.987	20.120	22.739	22.502
Adjustments not affecting cash flow:							
Gain on sold assets	(1.838)	(4.851)	(3.172)	(3.182)	(3.743)	(4.998)	(2.062)
Depreciation	16.257	15.087	15.971	17.364	18.478	19.511	20.231
Indexation, discounts and exch.rate differences ..	(2.419)	(2.893)	2.661	4.082	3.911	4.141	4.214
Embedded derivatives, change	(2.873)	(7.693)	1.278	249	176	22	(158)
Value adjustments of investments properties	(10.942)	(8.899)	(5.603)	(5.083)	(3.439)	(2.424)	(2.589)
Effect of own companies and minority interests .	1.536	0	0	0	0	0	0
Changes in pension obligations	5.115	6.992	5.042	4.294	3.047	2.849	2.751
Changes in deferred taxes	2.995	5.490	(1.960)	(1.610)	(1.133)	(270)	(62)
Other changes	50		0	0	0	0	0
Working capital provided by operating activities	34.252	31.242	30.252	35.101	37.417	41.570	44.826
Changes in operating assets and liabilities:							
Inventories decrease (increase)	(13)	115	(10)	10	(10)	(10)	(5)
Unclaimed revenues decrease (increase)	(1.739)	(1.084)	(646)	(481)	(1.066)	(468)	(533)
Current liabilities increase (decrease)	235	4.931	1.068	(2.513)	(458)	610	707
Contributions to pension payments	(2.086)	(2.350)	(2.535)	(2.720)	(2.875)	(3.020)	(3.180)
Change in operating assets and liabilities	(3.603)	1.612	(2.123)	(5.704)	(4.409)	(2.888)	(3.011)
Net cash provided by operating activities	30.650	32.853	28.129	29.398	33.008	38.682	41.816
Investment activities:							
Investments in fixed tangible assets.....	(24.256)	(34.938)	(44.259)	(34.590)	(32.229)	(30.683)	(22.783)
Investment in investment properties	(1.276)	(3.927)	(5.639)	(5.089)	(6.159)	(4.596)	(1.286)
Investment in intangible assets	(208)	(327)	(318)	(312)	(311)	(310)	(310)
Road construction fees and building permits	4.789	5.099	5.974	6.309	6.194	5.837	4.062
Proceeds from sale of fixed and tangible assets	922	3.461	1.116	2.103	861	1.604	56
Change in share holdings	15	(223)	(167)	(689)	111	(367)	(778)
Restricted bank deposits	(2.079)	0	0	0	0	0	0
Long-term receivables, change	4.366	(11.119)	4.542	327	184	862	619
Other investment activities.....							
Investment activities	(17.728)	(41.974)	(38.750)	(31.941)	(31.348)	(27.653)	(20.421)
Financing activities:							
New long-term borrowings.....	15.280	23.030	26.565	19.161	17.382	11.003	4.674
Repayment of long-term liabilities	(17.150)	(16.050)	(14.551)	(14.362)	(14.883)	(14.665)	(14.232)
Payment on lease liabilities	(732)	(771)	(830)	(864)	(910)	(975)	(1.025)
Paid-in capital	0	0	400	300	0	0	0
Short-term borrowings, change.....	1.796	(4.035)	658	(350)	(109)	39	70
Dividends paid	(76)	(204)	(207)	(218)	(231)	(252)	(285)
Other financing activities	0	(1.144)	(1.265)	(137)	(26)	(9)	(1)
Financing activities	(880)	826	10.770	3.531	1.223	(4.859)	(10.800)
Increase (decrease) in cash and cash equivalents	12.042	(8.295)	149	987	2.883	6.170	10.595
Cash and cash equivalents at beginning of year	14.817	26.588	18.280	18.427	19.248	22.130	28.301
Effect of currency fluctuations on cash	(270)	(13)	(3)	(166)	0	0	0
Cash and cash equivalents at year-end	26.588	18.280	18.427	19.248	22.130	28.301	38.895
				Amounts are in ISK M			

Reykjavik Municipal

Budget and Five Year Plan 2018-2022

Income Statement

A-operation

	Actual 2016	Revised Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Operating revenues							
Tax revenues.....	76.382	83.718	90.815	97.349	103.255	109.236	115.421
Contributions from Municipal Equalisation Fund.....	6.704	6.994	7.296	7.759	8.188	8.617	9.062
Other revenues.....	17.481	19.126	18.488	19.266	20.290	22.023	19.559
Total operating revenues	100.567	109.838	116.598	124.374	131.733	139.877	144.043
Operating expenses							
Wage cost and wage-related expenses.....	51.608	57.835	62.134	66.268	69.973	73.564	77.343
Change in pension obligations.....	5.038	10.962	5.392	4.642	3.392	3.192	3.092
Other operating expenses.....	36.566	36.130	41.430	42.614	44.611	46.079	47.660
Total operating expenses	93.212	104.926	108.956	113.524	117.976	122.834	128.095
Operating result before depreciation, EBITDA	7.354	4.911	7.643	10.850	13.757	17.042	15.948
Depreciation	(4.494)	(4.589)	(4.890)	(5.496)	(6.071)	(6.656)	(7.034)
Operating results before financial items	2.860	323	2.753	5.354	7.686	10.386	8.914
Net financial items	(224)	193	(442)	228	(38)	396	898
Operating results before tax, adjustments and effects of associated companies	2.637	516	2.311	5.581	7.648	10.782	9.812
Income tax.....	0	0	0	0	0	0	0
Value adjustments of investment properties	0	0	0	0	0	0	0
Share in associated companies operating results	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0
Operating results.....	2.637	516	2.311	5.581	7.648	10.782	9.812
				Amounts are in ISK M			

Statement of financial Position (balance sheet)

	Actual	Revised Budget	Budget	Budget	Budget	Budget	Budget
Assets							
Fixed assets:							
Intangible assets							
Fixed tangible assets:							
Real estate	93.677	100.601	106.500	109.768	112.076	111.694	109.729
Road systems	12.256	14.787	18.243	21.382	24.464	29.057	31.520
Machinery and equipment	4.204	5.999	7.464	8.369	8.882	8.982	8.776
Lease properties	7.028	6.407	5.783	5.184	4.597	4.011	3.429
	117.164	127.795	137.989	144.703	150.019	153.744	153.454
Investments and long-term receivables:							
Shares in companies	7.589	8.336	9.240	10.591	11.285	12.245	13.165
Long-term receivables from own companies	11.553	10.549	9.504	8.406	7.225	5.965	4.644
Other long-term receivables	1.274	12.566	12.376	11.798	11.673	11.196	10.971
	20.416	31.451	31.121	30.795	30.183	29.406	28.780
Total fixed assets	137.581	159.246	169.110	175.498	180.202	183.149	182.233
Current assets:							
Short-term receivables:							
Unclaimed revenues and receivables	9.520	10.345	10.852	11.170	11.499	11.838	12.187
Next year's paym. of own long-term receivables ..	881	1.215	1.352	1.391	1.429	1.466	1.488
Next year's paym. of other long-term receivables	810	520	578	339	488	279	61
Receivables from own companies	252	205	206	207	207	207	208
Other short-term receivables	2.460	2.681	2.815	2.899	2.986	3.076	3.168
Cash.....	8.678	2.764	1.952	2.860	6.699	12.625	21.365
Total current assets	22.600	17.729	17.756	18.866	23.308	29.491	38.477
Total assets.....	160.181	176.975	186.866	194.364	203.509	212.641	220.710
				Amounts are in ISK M			

	Actual 2016	Revised Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Equity and liabilities							
Equity:							
Equity account.....	76.415	76.931	79.242	84.823	92.471	103.253	113.065
Minority interest.....							
Total equity	76.415	76.931	79.242	84.823	92.471	103.253	113.065
Obligations:							
Pension obligations.....	28.762	33.202	35.482	36.857	36.837	36.457	35.837
Total obligations	28.762	33.202	35.482	36.857	36.837	36.457	35.837
Long-term liabilities:							
Long-term debts.....	29.056	35.945	40.761	44.201	47.578	46.449	45.647
Skuldir við eigin fyrirtæki.....							
Lease liabilities.....	11.575	11.188	10.730	10.234	9.673	9.004	8.207
Total long- term liabilities	40.630	47.134	51.490	54.435	57.251	55.454	53.854
Current liabilities:							
Accounts payable.....	3.164	3.633	3.803	3.910	4.021	4.134	4.252
Next year's payment on long-term debts.....	1.402	1.514	1.411	1.584	1.432	1.515	1.507
Next year's payment on lease liabilities.....	765	699	666	619	554	504	504
Next year's payment on pension obligations	2.137	2.309	2.494	2.649	2.794	2.954	3.094
Account payable to own companies	578	578	578	578	578	578	578
Other payables.....	6.328	10.977	11.700	8.909	7.572	7.792	8.020
Total current liabilities	14.373	19.709	20.652	18.249	16.950	17.478	17.954
Total liabilities and obligations	83.766	100.044	107.624	109.541	111.038	109.388	107.645
Total equity and liabilities	160.181	176.975	186.866	194.364	203.509	212.641	220.710

Amounts are in ISK M

Statement of Cash flow

	Actual 2016	Revised Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Cash flow from operating activities:							
Operating result according to Income Statement.....	2.637	516	2.311	5.581	7.648	10.782	9.812
Adjustments not affecting cash flow:							
Gain on sold assets	(1.826)	(4.851)	(3.172)	(3.182)	(3.743)	(4.998)	(2.062)
Depreciation	4.494	4.589	4.890	5.496	6.071	6.656	7.034
Indexation, discounts and exch.rate differences ..	542	628	858	898	860	839	830
Changes in pension obligations	5.038	6.961	5.000	4.250	3.000	2.800	2.700
Working capital provided by operating activities	10.933	7.842	9.887	13.043	13.837	16.079	18.315
Changes in operating assets and liabilities:							
Unclaimed revenues decrease (increase)	(1.484)	(1.058)	(641)	(403)	(416)	(428)	(441)
Current liabilities increase (decrease)	(848)	5.130	894	(2.684)	(1.227)	334	345
Contributions to pension payments	(2.058)	(2.350)	(2.535)	(2.720)	(2.875)	(3.020)	(3.180)
Change in operating assets and liabilities	(4.390)	1.722	(2.282)	(5.807)	(4.517)	(3.114)	(3.277)
Net cash provided by operating activities	6.542	9.564	7.605	7.237	9.319	12.965	15.038
Investment activities:							
Investments in fixed tangible assets.....	(9.494)	(18.518)	(18.718)	(15.548)	(14.097)	(12.694)	(8.744)
Road construction fees and building permits	4.111	5.099	5.974	6.309	6.194	5.837	4.062
Proceeds from sale of fixed and tangible assets	826	3.050	832	211	259	1.474	0
Change in share holdings	(144)	(223)	(905)	(1.351)	(695)	(960)	(920)
Long-term receivables, change	1.212	(10.106)	1.364	2.177	1.370	2.122	1.910
Investment activities	(3.490)	(20.698)	(11.452)	(8.202)	(6.968)	(4.221)	(3.692)
Financing activities:							
New long-term borrowings.....	2.201	7.946	5.714	4.664	4.229	0	0
Repayment of long-term liabilities	(1.330)	(1.478)	(1.848)	(1.927)	(1.831)	(1.842)	(1.581)
Payment on lease liabilities	(732)	(771)	(830)	(864)	(910)	(975)	(1.025)
Paid-in capital	0	(523)	0	0	0	0	0
Other financing activities	(111)	47	(1)	(0)	(0)	(0)	(0)
Financing activities	28	5.220	3.035	1.873	1.488	(2.817)	(2.607)
Increase (decrease) in cash and cash equivalents	3.081	(5.914)	(812)	908	3.839	5.927	8.740
Cash and cash equivalents at beginning of year	5.597	8.678	2.764	1.952	2.860	6.699	12.625
Effect of currency fluctuations on cash							
Cash and cash equivalents at year-end	8.678	2.764	1.952	2.860	6.699	12.625	21.365
				Amounts are in ISK M			

