



City of Reykjavik

Budget and Five Year Plan 2019-2023

Approved by the City Council on December 4th 2018

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Reykjavik Group

Budget and Five Year Plan 2019-2023

Reykjavik Group

Income Statement

Reykjavik Group

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Operating revenues							
Tax revenues.....	84.515	91.723	100.078	106.688	113.164	119.734	126.298
Contributions from Municipal Equalisation Fund.....	7.218	7.296	7.629	8.057	8.494	8.954	9.405
Other revenues.....	81.187	84.324	84.160	88.645	93.181	96.626	101.434
Total operating revenues	172.920	183.342	191.867	203.390	214.839	225.314	237.136
Operating expenses							
Wage cost and wage-related expenses.....	75.219	77.407	85.255	89.668	93.872	98.120	102.216
Change in pension obligations.....	7.045	5.392	4.142	3.092	2.892	2.792	2.692
Other operating expenses.....	51.058	56.545	58.443	62.675	65.673	68.696	71.732
Total operating expenses	133.322	139.343	147.840	155.435	162.437	169.607	176.639
Operating result before depreciation, EBITDA	39.598	43.999	44.027	47.955	52.402	55.707	60.497
Depreciation	(15.097)	(15.933)	(16.929)	(17.993)	(19.066)	(20.131)	(20.990)
Operating results before financial items	24.501	28.066	27.098	29.962	33.336	35.577	39.507
Financial Items							
Net financial items	2.055	(14.057)	(14.977)	(12.980)	(13.239)	(13.707)	(13.069)
Operating results before tax, adjustments and effects of associated companies	26.556	14.009	12.122	16.982	20.096	21.870	26.438
Income tax.....	(5.463)	(1.912)	(1.428)	(2.011)	(1.992)	(1.963)	(2.195)
Value adjustments of investment properties	8.497	2.218	1.378	1.474	1.603	1.683	1.752
Share in associated companies operating results	(25)	1	1	1	1	1	1
Minority interests	(1.538)	0	0	0	0	0	0
Operating results.....	28.027	14.316	12.072	16.446	19.708	21.590	25.996
				Amounts are in ISK M			

Statement of financial Position (Balance sheet)

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Assets							
Fixed assets:							
Intangible assets	1.608	2.095	2.583	3.074	3.559	4.036	4.505
Fixed tangible assets:							
Real estate	128.456	136.140	146.014	151.242	153.210	153.537	153.659
Utilities	269.194	279.759	289.545	295.538	300.775	306.117	309.991
Investment properties	77.265	82.395	87.701	94.537	98.974	102.863	105.686
Road systems	14.030	16.312	21.250	25.783	30.416	34.303	38.258
Machinery and equipment	8.500	13.305	15.727	17.266	18.092	18.537	18.943
Lease properties	6.432	5.807	5.204	4.600	3.996	3.393	2.789
	503.877	533.718	565.442	588.965	605.463	618.749	629.325
Investments and long-term receivables:							
Shares in companies	6.166	8.673	8.375	9.476	9.452	8.991	8.866
Prepaid cost	10.659	10.261	9.863	9.465	9.067	8.669	8.271
Long-term receivables from own companies	0	0	0	0	0	0	0
Derivative contracts	2.617	1.628	715	696	641	601	601
Deferred tax assets	1.265	1.925	3.327	3.966	4.690	5.473	6.126
Other long-term receivables	4.646	7.078	7.520	6.266	5.403	4.688	2.612
	25.352	29.564	29.800	29.869	29.253	28.422	26.475
Total fixed assets	530.837	565.377	597.825	621.909	638.274	651.207	660.306
Current assets:							
Inventories.....	1.429	1.430	1.121	1.111	1.121	1.131	1.136
Short-term receivables:							
Unclaimed revenues and receivables	17.827	17.069	17.208	17.318	17.526	17.613	17.778
Next year's paym. of own comp. long-term receivables	0	0	0	0	0	0	0
Next year's paym. of other long-term receivables	5.815	1.687	1.693	1.547	1.509	1.496	1.496
Receivables from own companies	0	0	0	0	0	0	0
Pre-paid cost	388	388	388	388	388	388	388
Derivative contracts	382	97	18	18	18	18	18
Other short-term receivables	3.228	2.082	2.062	1.899	1.893	1.883	1.870
Restricted bank deposits	6.125	6.127	6.125	6.125	6.125	6.125	6.125
Cash.....	17.903	24.020	20.818	23.179	28.861	33.882	42.809
Total current assets	53.097	52.900	49.434	51.585	57.441	62.537	71.621
Total assets.....	583.934	618.277	647.259	673.493	695.716	713.744	731.927
				Amounts are in ISK M			

Reykjavik Group

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Equity and liabilities							
Equity:							
Equity account.....	270.123	286.142	297.170	312.705	330.754	350.602	375.007
Minority interest.....	15.304	16.303	17.129	17.838	18.646	19.728	20.969
Total equity	285.428	302.445	314.299	330.543	349.400	370.330	395.976
Obligations:							
Pension obligations.....	34.217	36.339	37.317	37.147	36.677	35.859	34.943
Deferred tax liabilities	11.265	10.856	10.974	10.961	10.948	10.937	10.927
Other obligations.....	426	357	411	483	545	617	699
Total obligations	45.908	47.552	48.702	48.591	48.170	47.413	46.569
Long-term liabilities:							
Long-term debts.....	192.243	209.798	222.150	232.975	234.096	234.978	230.558
Lease liabilities.....	11.166	10.678	10.216	9.591	8.874	8.084	7.194
Embedded derivatives in electricity contracts	0	0	116	315	427	447	123
Derivative contracts	737	688	657	630	630	630	630
Total long- term liabilities	204.146	221.164	233.139	243.511	244.027	244.139	238.505
Current liabilities:							
Debts to credit institutions.....	1.881	1.881	1.980	2.095	2.259	2.465	2.679
Accounts payable.....	7.709	8.347	8.556	8.700	8.887	9.063	9.240
Embedded derivatives in electricity contracts	0	0	117	156	211	278	294
Next year's payment on long-term debts.....	15.952	14.307	15.949	15.868	20.218	18.248	17.644
Next year's payment on lease liabilities.....	824	824	824	824	824	824	824
Next year's payment on pension obligations	2.220	2.675	2.825	2.925	3.025	3.275	3.275
Account payable to own companies	0	0	0	0	0	0	0
Derivative contracts	2.898	2.949	2.998	2.998	2.998	2.998	2.998
Other payables.....	16.967	16.133	17.870	17.283	15.697	14.711	13.923
Total current liabilities	48.452	47.115	51.119	50.848	54.119	51.862	50.877
Total liabilities and obligations	298.506	315.831	332.959	342.950	346.316	343.414	335.951
Total equity and liabilities	583.934	618.277	647.259	673.493	695.716	713.744	731.927
				Amounts are in ISK M			

Statement of Cash flow

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Cash flow from operating activities:							
Operating result according to Income Statement.....	28.027	14.316	12.072	16.446	19.708	21.590	25.996
Adjustments not affecting cash flow:							
Gain on sold assets	(7.226)	(6.785)	(3.875)	(4.264)	(4.254)	(2.879)	(2.508)
Depreciation	15.097	15.933	16.929	17.993	19.066	20.131	20.990
Indexation, discounts and exch.rate differences	5.987	4.724	6.027	4.553	4.714	4.960	5.068
Embedded derivatives, change	(12.543)	1.242	1.215	238	167	87	(308)
Value adjustments of investments properties	(8.497)	(2.218)	(1.378)	(1.474)	(1.603)	(1.683)	(1.752)
Effect of own companies and minority interests	1.563	(1)	(1)	(1)	(1)	(1)	(1)
Changes in pension obligations	7.045	5.027	3.778	2.730	2.531	2.432	2.333
Changes in deferred taxes	3.941	(986)	(1.031)	(546)	(563)	(665)	(581)
Other changes	1	0	0	0	0	0	0
Working capital provided by operating activities	33.395	31.252	33.736	35.674	39.765	43.972	49.238
Changes in operating assets and liabilities:							
Inventories decrease (increase)	(457)	1	310	10	(10)	(10)	(5)
Unclaimed revenues decrease (increase)	(1.559)	1.324	(74)	37	(209)	(90)	(165)
Current liabilities increase (decrease)	4.501	288	1.913	(443)	(1.399)	(810)	(611)
Contributions to pension payments	(2.124)	(2.450)	(2.650)	(2.800)	(2.900)	(3.000)	(3.250)
Prepaid contribution to pensionfund, changes	(11.047)	398	398	398	398	398	398
Change in operating assets and liabilities	(10.686)	(439)	(103)	(2.798)	(4.120)	(3.511)	(3.633)
Net cash provided by operating activities	22.709	30.813	33.633	32.876	35.645	40.461	45.605
Investment activities:							
Investments in fixed tangible assets.....	(37.292)	(39.797)	(44.045)	(37.956)	(33.967)	(31.536)	(30.629)
Investment in investment properties	(2.304)	(2.977)	(3.995)	(5.428)	(2.903)	(2.207)	(1.071)
Investment in intangible assets	(210)	(597)	(624)	(650)	(667)	(684)	(701)
Road construction fees and building permits	9.854	9.256	7.973	7.580	6.631	4.600	4.388
Proceeds from sale of fixed and tangible assets	914	1.835	332	143	657	433	176
Change in share holdings	(402)	(985)	(1.081)	(474)	(328)		
Restricted bank deposits	(1.000)	0	0	0	0	0	0
Long-term receivables, change	(3.403)	1.519	(396)	1.435	932	941	2.128
Other investment activities.....	(547)	(2)	2	0			
Investment activities	(34.390)	(31.748)	(41.832)	(35.351)	(29.645)	(28.453)	(25.710)
Financing activities:							
New long-term borrowings.....	22.282	31.940	25.945	21.747	16.967	14.243	8.686
New lease liabilities	29	0	0	0	0	0	0
Repayment of long-term liabilities	(15.622)	(22.931)	(19.620)	(16.025)	(16.446)	(20.505)	(18.671)
Payment on lease liabilities	(774)	(856)	(867)	(914)	(979)	(1.031)	(1.102)
Paid-in capital	0	117	67	0	50	167	33
Short-term borrowings, change.....	(913)	49	162	211	261	314	332
Dividends paid	(139)	(151)	(203)	(202)	(226)	(215)	(246)
Other financing activities	(1.838)	(1.118)	(488)	20	55	40	0
Financing activities	3.025	7.050	4.994	4.836	(319)	(6.988)	(10.967)
Increase (decrease) in cash and cash equivalents	(8.656)	6.114	(3.205)	2.361	5.682	5.021	8.927
Cash and cash equivalents at beginning of year	26.588	17.903	24.020	20.818	23.179	28.861	33.882
Effect of currency fluctuations on cash	(30)	3	3	0	0	0	0
Cash and cash equivalents at year-end	17.902	24.020	20.818	23.179	28.861	33.882	42.809
				Amounts are in ISK M			

Reykjavik Municipal
Budget and Five Year Plan 2019-2023

Income Statement

A-operation

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Operating revenues							
Tax revenues.....	85.021	92.362	100.764	107.415	113.922	120.523	127.119
Contributions from Municipal Equalisation Fund.....	7.218	7.296	7.629	8.057	8.494	8.954	9.405
Other revenues.....	23.572	20.875	18.335	20.684	21.652	21.269	21.853
Total operating revenues	115.811	120.533	126.728	136.156	144.068	150.747	158.377
Operating expenses							
Wage cost and wage-related expenses.....	61.085	62.806	69.222	73.131	76.765	80.460	83.976
Change in pension obligations.....	7.002	5.392	4.142	3.092	2.892	2.792	2.692
Other operating expenses.....	38.534	42.145	44.179	47.624	49.448	51.186	52.612
Total operating expenses	106.621	110.343	117.543	123.847	129.105	134.438	139.280
Operating result before depreciation, EBITDA	9.190	10.190	9.185	12.309	14.963	16.309	19.096
Depreciation	(4.664)	(4.890)	(5.138)	(5.534)	(6.011)	(6.592)	(7.039)
Operating results before financial items	4.527	5.301	4.047	6.775	8.951	9.717	12.057
Financial Items							
Net financial items	445	(329)	(475)	(619)	(189)	(184)	315
Operating results before tax, adjustments and effects of associated companies	4.971	4.972	3.572	6.155	8.762	9.533	12.372
Operating results.....	4.971	4.972	3.572	6.155	8.762	9.533	12.372
				Amounts are in ISK M			

Statement of financial Position (balance sheet)

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Assets							
Fixed assets:							
Intangible assets							
Fixed tangible assets:							
Real estate	103.868	110.191	115.154	117.789	118.043	118.578	119.199
Investment properties		0	0	0	0	0	0
Road systems	13.463	15.707	20.614	25.145	29.647	33.362	37.131
Machinery and equipment	4.287	8.123	9.445	10.357	11.162	11.718	12.264
Lease properties	6.432	5.807	5.204	4.600	3.996	3.393	2.789
	128.050	139.828	150.415	157.890	162.849	167.050	171.383
Investments and long-term receivables:							
Shares in companies	8.117	10.414	12.135	13.235	13.985	14.469	14.546
Long-term receivables	0	0	0	0	0	0	0
Long-term receivables from own companies	10.555	9.510	8.476	7.329	6.104	4.808	3.434
Derivative contracts	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0
Other long-term receivables	14.275	15.803	16.144	14.520	13.304	12.227	9.778
	32.947	35.727	36.755	35.084	33.394	31.503	27.758
Total fixed assets	160.996	175.555	187.171	192.975	196.242	198.554	199.140
Current assets:							
Short-term receivables:							
Unclaimed revenues and receivables	11.025	11.020	11.020	11.020	11.020	11.020	11.020
Next year's paym. of own long-term receivables	1.199	1.355	1.404	1.404	1.404	1.404	1.404
Next year's paym. of other long-term receivables	1.496	1.496	1.496	1.496	1.496	1.496	1.496
Receivables from own companies	388	389	389	389	389	389	389
Derivative contracts	0	0	0	0	0	0	0
Other short-term receivables	2.982	1.782	1.782	1.782	1.782	1.782	1.782
Restricted bank deposits	0	0	0	0	0	0	0
Cash.....	7.220	7.088	6.241	8.302	10.056	14.043	22.182
Total current assets	24.310	23.130	22.331	24.392	26.147	30.133	38.273
Total assets.....	185.307	198.685	209.502	217.367	222.389	228.687	237.413
				Amounts are in ISK M			

Reykjavik Municipal

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Equity and liabilities							
Equity:							
Equity account.....	85.480	90.451	94.024	100.179	108.941	118.474	130.845
Minority interest.....							
Total equity	85.480	90.451	94.024	100.179	108.941	118.474	130.845
Obligations:							
Pension obligations.....	33.609	35.704	36.654	36.454	35.954	35.104	34.154
Total obligations	33.609	35.704	36.654	36.454	35.954	35.104	34.154
Long-term liabilities:							
Long-term debts.....	35.752	42.520	47.566	50.671	49.658	48.815	47.810
Long-term debts - to own companies.....	140	84	18	5	3		
Lease liabilities.....	11.166	10.678	10.216	9.591	8.874	8.084	7.194
Total long- term liabilities	47.058	53.282	57.800	60.267	58.535	56.900	55.004
Current liabilities:							
Accounts payable.....	4.507	4.501	4.502	4.502	4.502	4.502	4.502
Next year's payment on long-term debts.....	1.628	1.628	1.628	1.628	1.628	1.628	1.628
Next year's payment on long-term debts to own companies ..	64	64	64	7	0	0	0
Next year's payment on lease liabilities.....	824	824	824	824	824	824	824
Next year's payment on pension obligations	2.195	2.650	2.800	2.900	3.000	3.250	3.250
Account payable to own companies	421	421	421	421	421	421	421
Other payables.....	9.522	9.159	10.785	10.185	8.585	7.585	6.785
Total current liabilities	19.161	19.248	21.024	20.467	18.960	18.210	17.410
Total liabilities and obligations	99.827	108.233	115.478	117.188	113.448	110.213	106.568
Total equity and liabilities	185.307	198.685	209.502	217.367	222.389	228.687	237.413
				Amounts are in ISK M			

Statement of Cash flow

	Actual 2017	Revised Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Cash flow from operating activities:							
Operating result according to Income Statement.....	4.971	4.972	3.572	6.155	8.762	9.533	12.372
Adjustments not affecting cash flow:							
Gain on sold assets	(8.067)	(6.183)	(3.875)	(4.264)	(4.254)	(2.879)	(2.508)
Depreciation	4.664	4.890	5.138	5.534	6.011	6.592	7.039
Indexation, discounts and exch.rate differences	636	830	1.432	1.258	1.272	1.079	1.177
Provisions for investments and long-term receivabl.	0	0	0	0	0	0	0
Embedded derivatives, change	0	0	0	0	0	0	0
Value adjustments of investments properties	0	0	0	0	0	0	0
Effect of own companies and minority interests	0	0	0	0	0	0	0
Changes in pension obligations	7.002	5.000	3.750	2.700	2.500	2.400	2.300
Other changes	2	0					
Working capital provided by operating activities	9.208	9.508	10.018	11.383	14.291	16.724	20.380
Changes in operating assets and liabilities:							
Inventories decrease (increase)	0	0	0	0	0	0	0
Unclaimed revenues decrease (increase)	(624)	0	0	0	0	0	0
Other current receivables decrease (increase)	0	0	0	0	0	0	0
Current liabilities increase (decrease)	3.382	837	1.626	(600)	(1.600)	(1.000)	(800)
Contributions to pension payments	(2.098)	(2.450)	(2.650)	(2.800)	(2.900)	(3.000)	(3.250)
Prepaid contributions to pension fund, changes	(10.877)	392	392	392	392	392	392
Change in operating assets and liabilities	(10.217)	(1.221)	(632)	(3.008)	(4.108)	(3.608)	(3.658)
Net cash provided by operating activities	(1.008)	8.287	9.386	8.375	10.183	13.116	16.722
Investment activities:							
Investments in fixed tangible assets.....	(15.420)	(20.302)	(19.920)	(16.349)	(13.883)	(12.894)	(13.371)
Investment in investment properties	0	0	0	0	0	0	0
Investment in intangible assets	0	0	0	0	0	0	0
Road construction fees and building permits	9.488	9.256	7.973	7.580	6.631	4.600	4.388
Proceeds from sale of fixed and tangible assets	2.544	562	97	24	536	379	120
Change in share holdings	(729)	(2.297)	(1.721)	(1.100)	(750)	(483)	(78)
Restricted bank deposits	0	0	0	0	0	0	0
Long-term receivables, change	(2.300)	(702)	652	2.642	2.263	2.344	3.590
Other investment activities.....		0	0	0	0	0	0
Investment activities	(6.418)	(13.484)	(12.919)	(7.203)	(5.202)	(6.054)	(5.352)
Financing activities:							
New long-term borrowings.....	8.133	7.520	5.500	3.900	0	0	0
New lease liabilities	29	0	0	0	0	0	0
Repayment of long-term liabilities	(1.468)	(1.598)	(1.947)	(2.097)	(2.247)	(2.045)	(2.129)
Payment on lease liabilities	(774)	(856)	(867)	(914)	(979)	(1.031)	(1.102)
Paid-in capital	0	0	0	0	0	0	0
Short-term borrowings, change.....	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0
Other financing activities	48		0	0	0	0	(0)
Financing activities	5.968	5.066	2.685	888	(3.226)	(3.076)	(3.232)
Increase (decrease) in cash and cash equivalents	(1.458)	(131)	(848)	2.061	1.755	3.986	8.139
Cash and cash equivalents at beginning of year	8.678	7.220	7.088	6.241	8.302	10.056	14.043
Effect of currency fluctuations on cash							
Cash and cash equivalents at year-end	7.220	7.088	6.241	8.302	10.056	14.043	22.182
				Amounts are in ISK M			