

Reykjavíkurborg

(City of Reykjavik)

Financial Statements 2023



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Reykjavíkurborg

(City of Reykjavik)

Financial Statements 2023

Table of contents

	Page
Income Statement	1
Statement of Financial Position	2-3
Statement of Cash Flows	4

Please note:

This is an English translation of the Icelandic Financial Statements of Reykjavíkurborg (the City of Reykjavik). In the event of any discrepancy between the English and Icelandic versions the original Icelandic text shall prevail.

Income Statement for the year 2023

Notes	Reykjavik Municipal (A operation)			Reykjavik Group (A and B operations)		
	2023	2023	2022	2023	2023	2022*
	Financial Statements	Budget with Annexes	Financial Statements	Financial Statements	Budget with Annexes	Financial Statements
Operating revenue						
Tax revenues	135.320.671	130.595.535	118.591.219	134.506.968	129.783.649	117.882.991
Contributions from Municipal Equalisation Fund	13.382.834	12.120.612	10.608.301	13.382.834	12.120.612	10.608.301
Other revenues	27.704.254	26.112.067	27.046.674	103.735.134	102.892.360	93.772.385
Total operating revenues	176.407.759	168.828.215	156.246.194	251.624.936	244.796.621	222.263.676
Operating expenses						
Wage cost and wage-related expenses	98.280.407	98.439.330	91.544.444	115.870.720	115.744.335	106.354.668
Changes in pension obligations, LsRb	3.759.602	1.500.000	5.466.822	4.005.713	1.500.000	5.543.616
Other operating expenses	66.417.857	61.521.856	61.395.933	84.161.983	79.205.420	72.983.978
Total operating expenses	168.457.866	161.461.186	158.407.199	204.038.417	196.449.755	184.882.261
Operating result before depreciation, EBITDA	7.949.893	7.367.029	(2.161.005)	47.586.520	48.346.866	37.381.414
Depreciation	(8.775.759)	(8.094.782)	(7.691.164)	(26.016.580)	(24.097.083)	(23.487.827)
Operating result before financial items.....	(825.866)	(727.753)	(9.852.169)	21.569.939	24.249.783	13.893.587
Net financial items	(4.143.481)	(3.806.079)	(5.705.022)	(29.418.078)	(19.112.674)	(26.311.042)
Operating result before tax, adjustments and effects of associated companies	(4.969.347)	(4.533.832)	(15.557.192)	(7.848.139)	5.137.109	(12.417.455)
Income tax	0	0	0	(242.887)	(2.761.349)	(1.562.849)
Value adjustment of investment properties	0	0	0	4.966.581	7.753.503	20.534.457
Share in associated companies' operating results	0	0	(47.353)	42.403	0	(36.234)
Minority interests	0	0	0	(303.332)	(550.494)	(496.653)
Operating results.....	(4.969.347)	(4.533.832)	(15.604.545)	(3.385.374)	9.578.768	6.021.266

*Comparative amounts have been adjusted

Statement of Financial Position 31 December 2023

Assets

	Notes	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operations)	
		31.12.2023 Financial Statements	31.12.2022 Financial Statements	31.12.2023 Financial Statements	31.12.2022* Financial Statements
Fixed assets					
Intangible assets		5.272.080	3.776.942	11.114.604	6.883.721
Fixed tangible assets:					
Real estate		162.241.089	149.614.554	188.038.699	173.917.036
Utilities		0	0	416.885.856	393.549.252
Investment properties		0	0	157.086.147	148.620.258
Road systems		38.250.309	34.372.029	38.705.015	34.823.546
Machinery and equipment		8.727.652	7.361.892	14.679.189	13.100.228
Lease properties		5.899.166	5.153.620	6.857.269	6.036.675
		<u>215.118.217</u>	<u>196.502.096</u>	<u>822.252.175</u>	<u>770.046.995</u>
Investments and long-term receivables:					
Capital contributions and shares in companies		15.546.740	14.817.627	5.964.566	5.560.599
Pre-paid costs		8.092.608	8.474.839	8.495.866	8.896.143
Derivative contracts		0	0	50.239	78.545
Deferred tax assets		0	0	4.792.230	3.759.231
Other long-term receivables		1.228.185	1.296.581	1.402.847	1.460.293
		<u>24.867.534</u>	<u>24.589.047</u>	<u>22.619.875</u>	<u>21.203.607</u>
Total fixed assets		<u>245.257.831</u>	<u>224.868.085</u>	<u>855.986.654</u>	<u>798.134.323</u>
Current assets					
Inventories		0	0	1.876.626	2.486.363
Short-term receivables:					
Unclaimed revenues and receivables		19.016.139	18.048.559	26.666.348	25.249.646
Next year's payment of other long-term receivables		411.577	860.707	455.481	913.452
Receivables from own companies		265.818	274.975	2.590	473
Pre-paid costs		385.156	388.081	783.106	639.974
Embedded derivatives		0	0	15.306	110.312
Derivative contracts		0	0	218.901	346.984
Shares in companies for sale		624.200	0	6.831.200	5.632.000
Other receivables		2.260.131	2.435.681	3.758.027	3.470.498
Bank deposits and marketable securities		0	0	8.670.016	11.070.605
Cash and cash equivalents		11.505.818	10.220.904	27.084.881	21.922.047
Total current assets		<u>34.468.838</u>	<u>32.228.906</u>	<u>76.362.484</u>	<u>71.842.355</u>
Total assets		<u>279.726.670</u>	<u>257.096.991</u>	<u>932.349.137</u>	<u>869.976.678</u>

*Comparative amounts have been adjusted

Statement of Financial Position 31 December 2022

Equity and liabilities

	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operations)		
	Notes	31.12.2023	31.12.2022	31.12.2023	31.12.2022*
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
Equity					
Equity account		81.253.976	82.610.418	419.892.773	408.378.060
Minority interest		0	0	17.195.856	16.349.745
Total equity		81.253.976	82.610.418	437.088.628	424.727.805
Obligations					
Pension obligations		38.745.232	36.939.280	39.601.689	37.607.740
Deferred tax liabilities		0	0	23.399.924	21.362.811
Capital contributions from state		0	0	6.457.488	5.377.478
Other obligations		0	0	85.890	77.783
Total obligations		38.745.232	36.939.280	69.544.991	64.425.813
Long-term liabilities					
Long-term debts		111.752.513	96.829.378	342.089.494	307.006.732
Lease liabilities		11.258.268	10.492.407	11.391.824	10.496.635
Prepaid		0	0	1.896.603	0
Derivative contracts		0	0	110.834	40.275
Total long-term liabilities		123.010.781	107.321.784	355.488.754	317.543.642
Current liabilities					
Debts to credit institutions		26.757	27.060	28.141	47.176
Accounts payable		7.073.456	6.150.087	12.468.014	11.322.029
Next year's payments on long-term debts		11.188.614	4.913.967	29.974.516	26.392.854
Next year's payments on lease liabilities		1.649.613	1.352.812	1.713.908	1.506.743
Pension obligations, short-term		1.908.000	2.664.000	1.961.124	2.701.000
Accounts payable to own companies		882.255	1.631.315	167.129	301.292
Prepayments		80.409	80.409	391.915	683.350
Derivative contracts		0	0	82.057	150.384
Other payables		13.907.578	13.405.858	23.439.960	20.174.590
Total current liabilities		36.716.682	30.225.509	70.226.763	63.279.417
Total liabilities and obligations		198.472.694	174.486.573	495.260.509	445.248.872
Total equity and liabilities		279.726.670	257.096.991	932.349.137	869.976.678
Obligations off the Statement of Financial Position					

*Comparative amounts have been adjusted

Statement of Cash Flows for the year 2023

Notes	Reykjavik Municipal (A operation)			Reykjavik Group (A and B operations)		
	2023 Financial statements	2023 Budget with annexes	2022* Financial statements	2023 Financial statements	2023 Budget with annexes	2022* Financial statements
Cash flows from operating activities						
Operating results.....	(4.969.347)	(4.533.832)	(15.604.545)	(3.385.374)	9.578.768	6.021.266
Adjustments not affecting cash flow:						
Gain on sold assets	(2.998.075)	(5.250.000)	(5.509.227)	(2.997.784)	(5.250.000)	(5.584.933)
Depreciation	8.775.759	8.094.782	7.691.164	26.016.581	24.097.083	23.487.827
Indexation, discounts and exch.rate differences	6.618.389	5.676.281	6.640.918	18.369.185	10.591.063	17.444.157
Embedded derivatives, change	0	0	0	(231.082)	(255.660)	(587.908)
Value adjustment of investment properties	0	0	0	(4.918.371)	(7.753.503)	(20.534.501)
Effect of own companies and minority interests	0	0	47.353	260.929	274.336	532.887
Changes in pension obligations	3.759.602	1.500.000	5.466.822	4.005.713	1.500.000	5.543.616
Prepaid contribution to Brú pension fund, changes	385.156	385.156	385.156	404.334	404.285	404.282
Changes in deferred taxes	0	0	0	(1.740.729)	1.214.982	(260.888)
Provision for losses	(30.000)	0	(1.000)	(30.000)	0	(1.000)
Depreciated capital contributions from state	0	0	0	(9.436)	0	(7.914)
Working capital provided by operating activities	11.541.483	5.872.386	(883.358)	35.743.965	34.401.356	26.456.892
Changes in operating assets and liabilities:						
Inventories decrease (increase)	0	0	0	193.102	50.000	(795.717)
Current receivables (increase) decrease	(782.873)	0	(526.839)	(2.354.082)	(215.160)	(229.859)
Current liabilities (decrease) increase	1.660.831	0	1.779.481	2.951.941	869.557	(1.234.871)
Contributions to pension payments	(2.709.650)	(2.600.000)	(2.566.587)	(2.751.640)	(2.600.000)	(2.603.800)
Change in operating assets and liabilities	(1.831.692)	(2.600.000)	(1.313.945)	(1.960.679)	(1.895.603)	(4.864.247)
Net cash provided by operating activities	9.709.791	3.272.386	(2.197.303)	33.783.286	32.505.753	21.592.644
Investment activities						
Investments in fixed tangible assets	(23.381.413)	(23.159.000)	(23.989.312)	(52.059.452)	(62.052.179)	(44.402.259)
Investment in investment properties	0	0	0	(4.012.237)	(6.766.629)	(3.552.513)
Investments in intangible assets	(2.450.108)	(2.220.000)	(2.286.449)	(3.807.947)	(2.864.906)	(2.894.271)
Paid road construction fees	1.841.737	2.500.000	1.686.962	1.841.737	2.500.000	1.686.962
Sales of building rights	2.341.291	5.000.000	4.843.708	2.293.081	5.000.000	4.843.708
Proceeds from sale of fixed tangible assets	833.656	250.000	265.675	1.797.014	1.153.550	713.667
Change in shareholdings	(729.113)	(2.150.215)	(971.723)	(361.534)	4.484.437	(318.549)
Short-term investments	(1.609.000)	(984.800)	984.408	2.143.388	(241.037)	3.024.108
Long-term receivables, change	754.696	1.022.094	(170.995)	758.630	1.071.414	(87.746)
Investment activities	(22.398.255)	(19.741.921)	(19.637.727)	(51.407.321)	(57.715.349)	(40.986.891)
Financing activities						
Capital contributions from state	0	0	0	450.308	1.037.938	1.017.353
New long-term borrowings	20.850.111	21.000.000	21.895.069	54.085.590	46.350.650	33.258.550
Repayments of long-term liabilities	(5.288.696)	(5.334.008)	(3.878.653)	(31.596.487)	(33.948.945)	(21.946.075)
Payments on lease liabilities	(1.587.731)	(1.333.949)	(1.223.527)	(1.630.867)	(1.333.949)	(1.223.904)
Paid-in capital	0	0	0	0	50.000.000	400
Prepaid revenue	0	0	0	1.896.603	0	0
Dividends paid	0	0	0	(355.355)	(323.050)	(258.439)
Other financing activities	(306)	0	(13.068)	18.728	6.589	92.669
Financing activities	13.973.377	14.332.044	16.779.822	22.868.520	61.789.233	10.940.552
(Decrease) Increase in cash and cash equivalents.....	1.284.914	(2.137.490)	(5.055.208)	5.244.484	36.579.637	(8.453.695)
Cash and cash equivalents at beginning of year.....	10.220.904	14.913.942	15.276.111	21.922.047	22.122.559	30.423.739
Effect of changes in ownership ratio on cash.....	0	0	0	3.643	0	(66)
Effect of currency fluctuations on cash.....	0	0	0	(85.293)	(27.950)	(47.931)
Cash and cash equivalents at year-end.....	11.505.818	12.776.452	10.220.904	27.084.881	58.674.246	21.922.047
Investment and financing activities without cash flow effect						
New lease assets	(1.666.947)	0	(814.363)	(1.864.756)	0	(1.072.829)
New lease liabilities	1.666.947	0	814.363	1.864.756	0	1.072.829
Proceeds from sale of fixed tangible assets	205.745	0	0	205.745	0	0
Long-term receivables, change	(205.745)	0	0	(205.745)	0	0
Investments in fixed tangible assets	0	0	0	(192.806)	0	0
Current liabilities (decrease) increase	0	0	0	192.806	0	0
Investments in fixed tangible assets	0	0	0	(1.869.000)	0	0
Current liabilities (decrease) increase	0	0	0	1.869.000	1.500.000	0

*Comparative amounts have been adjusted