

# City of Reykjavik

## Interim Financial Statement 1 January - 30 September 2016



City of Reykjavik  
Reg. no. 530269-7609  
City Hall  
Tjarnargötu 11  
101 Reykjavík



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## Interim Financial Statement 1 January - 30 September 2016

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**Please note:**

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



# Income Statement 1 January - 30 September 2016

	Reykjavik Municipal (A operation)			Reykjavik Group (A and B operation)		
	Interim Financial Statement	Budget with annexes	Interim Financial Statement	Interim Financial Statement	Budget with annexes	Interim Financial Statement
	Jan.-Sep. 2016	Jan.-Sep. 2016	Jan.-Sep. 2015	Jan.-Sep. 2016	Jan.-Sep. 2016	Jan.-Sep. 2015
<b>Operating revenue</b>						
Tax revenues .....	56.931.092	56.969.189	51.488.539	56.554.947	56.542.644	51.170.887
Contributions from						
Municipal Equalisation Fund .....	4.567.812	4.604.381	4.145.187	4.567.812	4.604.381	4.145.187
Other revenues .....	12.312.020	11.903.766	11.088.063	52.094.595	53.191.185	49.816.184
<b>Total operating revenues</b>	<b>73.810.924</b>	<b>73.477.337</b>	<b>66.721.788</b>	<b>113.217.353</b>	<b>114.338.210</b>	<b>105.132.257</b>
<b>Operating expenses</b>						
Wage cost and wage-related expenses .....	38.038.647	38.265.752	35.063.922	46.776.146	47.538.160	42.329.211
Changes in pension obligations .....	4.509.053	3.759.750	10.009.752	4.573.385	3.810.000	10.066.167
Other operating expenses .....	26.279.995	27.169.130	26.239.821	35.189.359	37.246.563	35.469.804
<b>Total operating expenses</b>	<b>68.827.696</b>	<b>69.194.632</b>	<b>71.313.495</b>	<b>86.538.890</b>	<b>88.594.723</b>	<b>87.865.182</b>
Operating result before depreciation, EBITDA	4.983.229	4.282.705	( 4.591.706 )	26.678.464	25.743.487	17.267.075
Depreciation .....	3.370.856	3.248.297	3.107.474	12.026.611	11.807.083	11.308.073
Operating result before financial items .....	1.612.373	1.034.408	( 7.699.180 )	14.651.852	13.936.404	5.959.002
Net financial items .....	( 570.200 )	( 967.499 )	( 793.703 )	72.075	( 6.703.025 )	( 10.628.219 )
Operating result before tax, adjustments and effects of associated companies .....	1.042.173	66.909	( 8.492.883 )	14.723.927	7.233.379	( 4.669.217 )
Income tax .....	0	0	0	( 3.464.337 )	( 1.606.973 )	( 10.798 )
Value adjustment of investment properties .....	0	0	0	7.275.556	2.839.500	2.855.779
Share in associated companies						
operating results .....	0	0	0	( 3.413 )	0	3.643
Minority interests .....	0	0	0	( 982.999 )	0	( 605.469 )
<b>Operating results</b> .....	<b>1.042.173</b>	<b>66.909</b>	<b>( 8.492.883 )</b>	<b>17.548.733</b>	<b>8.465.906</b>	<b>( 2.426.061 )</b>

# Statement of Financial Position 30 September 2016

## Assets

	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operation)	
	Interim Financial Statement	Financial Statement	Interim Financial Statement	Financial Statement
	30.9.2016	2015	30.9.2016	2015
<b>Fixed assets</b>				
Intangible assets .....	0	0	1.428.099	1.366.036
Fixed tangible assets:				
Real estate .....	92.868.880	90.746.308	109.350.749	107.080.231
Utilities .....	0	0	263.115.187	276.088.982
Investment assets .....	0	0	61.476.689	53.494.476
Road systems .....	12.136.755	12.811.060	13.193.682	13.812.143
Machinery and equipment .....	4.056.006	4.070.189	7.738.670	7.865.634
Lease properties .....	7.182.714	7.653.336	7.182.714	7.653.336
	<u>116.244.355</u>	<u>115.280.893</u>	<u>462.057.692</u>	<u>465.994.803</u>
Investments and long-term receivables:				
Shares in companies .....	7.332.608	7.342.608	5.324.378	5.333.244
Long-term receivables from own companies .....	11.716.737	12.178.896	0	0
Derivative contracts .....	0	0	312.860	443.324
Deferred tax assets .....	0	0	3.362.788	5.499.678
Other long-term receivables .....	1.522.670	2.036.253	2.142.355	2.488.280
	<u>20.572.015</u>	<u>21.557.757</u>	<u>11.142.381</u>	<u>13.764.526</u>
<b>Total fixed assets</b>	<u>136.816.370</u>	<u>136.838.650</u>	<u>474.628.172</u>	<u>481.125.365</u>
<b>Current assets</b>				
Inventories .....	0	0	989.774	962.988
Short-term receivables:				
Unclaimed revenues and receivables .....	8.819.964	8.145.401	14.512.464	13.539.374
Next year's paym. of own comp. long-term receivab. ....	879.880	646.992	0	0
Next year's payment of other long-term receivables .....	646.755	646.350	8.975.003	9.512.263
Receivables from own companies .....	50.956	274.746	0	0
Pre-paid costs .....	0	0	27.994	39.419
Derivative contracts .....	0	0	519.023	805.795
Restricted bank deposits .....	0	0	0	554.381
Other short-term receivables .....	2.472.847	2.330.834	3.094.551	2.849.778
Cash .....	<u>11.035.779</u>	<u>5.596.949</u>	<u>25.611.893</u>	<u>16.170.503</u>
<b>Total current assets</b>	<u>23.906.180</u>	<u>17.641.272</u>	<u>53.730.703</u>	<u>44.434.501</u>
<b>TOTAL ASSETS</b> .....	<u>160.722.549</u>	<u>154.479.922</u>	<u>528.358.875</u>	<u>525.559.866</u>

# Statement of Financial Position 30 September 2016

## Equity and liabilities

	Reykjavik Municipal (A operation)		Reykjavik Group (A and B operation)	
	Interim Financial Statement	Financial Statement	Interim Financial Statement	Financial Statement
	30.9.2016	2015	30.9.2016	2015
<b>Equity</b>				
Equity account .....	74.820.035	73.777.863	222.993.006	211.307.443
Minority interest .....	0	0	13.165.940	12.699.686
<b>Total equity</b>	<b>74.820.035</b>	<b>73.777.863</b>	<b>236.158.946</b>	<b>224.007.129</b>
<b>Obligations</b>				
Pension obligations .....	28.891.308	25.851.628	29.479.931	26.394.289
Deferred tax liabilities .....	0	0	8.081.376	7.773.713
Other obligations .....	0	0	267.784	238.412
<b>Total obligations</b>	<b>28.891.308</b>	<b>25.851.628</b>	<b>37.829.091</b>	<b>34.406.414</b>
<b>Long-term liabilities</b>				
Long-term debts .....	29.305.327	27.735.826	185.248.268	194.179.918
Lease liabilities .....	11.792.613	12.119.302	11.792.613	12.119.302
Embedded derivatives in electricity contracts .....	0	0	7.099.981	11.095.112
Derivative contracts .....	0	0	2.674.388	2.320.623
<b>Total long-term liabilities</b>	<b>41.097.941</b>	<b>39.855.128</b>	<b>206.815.250</b>	<b>219.714.954</b>
<b>Current liabilities</b>				
Debts to credit institutions .....	0	0	829.679	1.114.211
Accounts payable .....	1.778.594	3.180.825	4.156.653	6.878.008
Embedded derivatives in electricity contracts .....	0	0	1.412.981	2.097.051
Next year's payment of long-term debts .....	1.360.111	1.266.270	15.829.919	20.717.068
Next year's payment of lease liabilities .....	756.817	725.216	756.817	725.216
Next year's payment of pension obligations .....	2.068.400	2.068.400	2.093.400	2.093.400
Accounts payable to own companies .....	8.879	9.024	0	0
Derivative contracts .....	0	0	2.160.082	1.755.978
Other payables .....	9.940.465	7.745.570	20.316.056	12.050.437
<b>Total current liabilities</b>	<b>15.913.265</b>	<b>14.995.304</b>	<b>47.555.588</b>	<b>47.431.368</b>
<b>Total liabilities and obligations</b>	<b>85.902.514</b>	<b>80.702.060</b>	<b>292.199.929</b>	<b>301.552.737</b>
<b>Total equity and liabilities</b>	<b>160.722.549</b>	<b>154.479.922</b>	<b>528.358.875</b>	<b>525.559.866</b>

# Statement of Cash Flows 1 January - 30 September 2016

	Reykjavik Municipal (A operation)			Reykjavik Group (A and B operation)		
	Interim Financial Statement	Budget with annexes	Interim Financial Statement	Interim Financial Statement	Budget with annexes	Interim Financial Statement
	Jan.-Sep. 2016	Jan.-Sep. 2016	Jan.-Sep. 2015	Jan.-Sep. 2016	Jan.-Sep. 2016	Jan.-Sep. 2015
<b>Cash flows from operating activities</b>						
Operating result according to Income Statement.....	1.042.173	66.909	( 8.492.883 )	17.548.733	8.465.906	( 2.426.061 )
Adjustments not affecting cash flow:						
Gain on sold assets .....	( 1.598.483 )	( 2.261.245 )	( 731.222 )	( 1.611.409 )	( 1.626.708 )	( 755.556 )
Depreciation .....	3.370.856	3.248.297	3.107.474	12.026.611	11.810.338	11.308.073
Indexation, discounts and exch.rate differences .....	496.239	683.656	796.109	777.147	3.742.906	( 668.367 )
Provisions for investments and long-term receivables .....	0	0	231.820	0	0	231.820
Embedded derivatives, change .....	0	0	0	( 4.679.201 )	( 6.095.733 )	6.773.121
Value adjustment of investment properties .....	0	0	0	( 7.275.556 )	( 2.839.500 )	( 2.855.779 )
Effect of own companies and minority interests .....	0	0	0	986.412	0	601.826
Changes in pension obligations .....	4.509.053	3.759.750	10.009.752	4.573.385	3.810.000	10.066.167
Changes in deferred taxes .....	0	0	0	2.802.791	1.606.973	( 5.736 )
Other changes .....	0	0	0	328	0	( 130 )
<b>Working capital provided by operating activities</b>	<b>7.819.838</b>	<b>5.497.367</b>	<b>4.921.049</b>	<b>25.149.242</b>	<b>18.874.183</b>	<b>22.269.378</b>
Changes in operating assets and liabilities:						
Inventories decrease (increase) .....	0	0	0	( 27.513 )	( 22.500 )	( 161.896 )
Unclaimed revenues (increase) decrease .....	856.920	0	53.955	417.843	161.210	( 289.076 )
Other current receivables (increase) decrease .....	( 1.506.829 )	0	( 1.784.260 )	( 1.269.617 )	13.029	( 1.407.104 )
Current liabilities (decrease) increase .....	965.667	0	2.085.520	2.898.426	241.193	5.223.845
Contributions to pension payments .....	( 1.469.373 )	( 1.462.500 )	( 1.270.695 )	( 1.487.743 )	( 1.462.500 )	( 1.287.377 )
<b>Change in operating assets and liabilities</b>	<b>( 1.153.615 )</b>	<b>( 1.462.500 )</b>	<b>( 915.480 )</b>	<b>531.396</b>	<b>( 1.069.568 )</b>	<b>2.078.391</b>
<b>Net cash provided by operating activities</b>	<b>6.666.223</b>	<b>4.034.867</b>	<b>4.005.570</b>	<b>25.680.638</b>	<b>17.804.615</b>	<b>24.347.769</b>
<b>Investment activities</b>						
Investments in fixed tangible assets .....	( 6.646.305 )	( 7.276.602 )	( 6.846.953 )	( 16.569.745 )	( 17.398.630 )	( 14.785.471 )
Investment in investment properties .....	0	0	0	( 707.497 )	( 2.061.000 )	( 664.472 )
Investments in intangible assets .....	0	0	0	( 111.828 )	0	( 71.390 )
Road construction fees and building permits .....	3.122.954	2.756.730	2.044.928	3.792.222	2.756.730	2.255.570
Proceeds from sale of fixed tangible assets .....	780.953	2.492.245	9.651	797.695	101.361	80.228
Change in share holdings .....	( 133.438 )	( 192.000 )	( 50.148 )	12.313	( 192.000 )	( 148 )
Restricted bank deposits .....	0	0	0	548.512	0	1.494.991
Long-term receivables, change .....	953.326	680.798	( 29.365 )	310.090	5.583.316	( 62.774 )
Other investment activities .....	0	0	0	29.064	803.567	0
<b>Net cash provided by investment activities</b>	<b>( 1.922.509 )</b>	<b>( 1.538.830 )</b>	<b>( 4.871.887 )</b>	<b>( 11.899.176 )</b>	<b>( 10.406.656 )</b>	<b>( 11.753.464 )</b>
<b>Financing activities</b>						
New long-term borrowings .....	2.178.919	2.246.020	2.803.202	8.844.759	10.413.765	3.002.123
Repayments of long-term liabilities .....	( 969.776 )	( 1.114.421 )	( 704.274 )	( 13.735.613 )	( 16.525.534 )	( 11.743.710 )
Payments on lease liabilities .....	( 548.003 )	( 372.391 )	( 496.152 )	( 548.003 )	( 372.391 )	( 496.152 )
Paid-in capital .....	0	0	0	0	1.334.660	0
Short-term borrowings, change .....	0	0	0	1.303.490	0	( 1.071.932 )
Dividends paid .....	0	0	0	( 75.779 )	0	( 42.290 )
Other financing activities .....	33.976	0	12.501	0	0	0
<b>Net cash provided by financing activities</b>	<b>695.115</b>	<b>759.208</b>	<b>1.615.277</b>	<b>( 4.211.147 )</b>	<b>( 5.149.499 )</b>	<b>( 10.351.961 )</b>
<b>Increase (decrease) in cash and cash equivalents.....</b>	<b>5.438.830</b>	<b>3.255.245</b>	<b>748.960</b>	<b>9.570.315</b>	<b>2.248.460</b>	<b>2.242.344</b>
<b>Cash and cash equivalent at beginning of year.....</b>	<b>5.596.949</b>	<b>5.621.728</b>	<b>8.004.670</b>	<b>16.170.504</b>	<b>20.236.619</b>	<b>19.877.287</b>
<b>Effect of currency fluctuations on cash.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 128.925 )</b>	<b>0</b>	<b>( 136.463 )</b>
<b>Cash and cash equivalent at year-end.....</b>	<b>11.035.779</b>	<b>8.876.973</b>	<b>8.753.630</b>	<b>25.611.893</b>	<b>22.485.079</b>	<b>21.983.168</b>
<b>Investment and financing activities without cash flow affect</b>						
Investments in fixed tangible assets .....	0	0	0	( 844.869 )	0	( 364.916 )
Short-term borrowings (change) .....	0	0	0	844.869	0	364.916
New borrowings .....	0	0	0	2.701.725	0	0
Repayment of long-term liabilities .....	0	0	0	( 2.701.725 )	0	0