City of Reykjavik

Budget and Five Year Plan 2025-2029

Approved by the City Council on December 4th 2024

Reykjavik City Department of Finance and Risk Management
January 2025

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Income Statement

Reykjavík Group

	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Operating revenues							
Tax revenues..	134.507	145.363	155.652	164.582	174.556	185.083	196.312
Contributions from Municipal Equalisation Fund......................	13.383	15.269	17.096	17.767	18.859	20.019	21.252
Other revenues..	103.735	116.596	119.380	126.011	132.491	138.878	145.846
Total operating revenues	**251.625**	**277.228**	**292.128**	**308.359**	**325.907**	**343.980**	**363.410**
Operating expenses							
Wage cost and wage-related expenses....................................	115.871	125.352	130.065	134.053	141.261	148.531	156.346
Changes in pension obligations, LsRb.......................................	4.006	2.100	2.900	2.150	2.100	2.100	2.050
Other operating expenses..	84.162	92.553	96.465	102.649	107.213	111.648	116.771
Total operating expenses	**204.038**	**220.005**	**229.431**	**238.852**	**250.574**	**262.279**	**275.167**
Operating result before depreciation, EBITDA	47.587	57.223	62.698	69.507	75.333	81.702	88.243
Depreciation	(26.017)	(27.965)	(29.778)	(31.339)	(32.844)	(33.829)	(34.920)
Operating results before financial items	21.570	29.258	32.920	38.168	42.489	47.872	53.323
Financial Items							
Net financial items	(29.418)	(25.328)	(25.615)	(24.524)	(26.385)	(30.880)	(32.197)
Operating results before tax, adjustments and effects of associated companies	(7.848)	3.930	7.305	13.644	16.104	16.992	21.126
Income tax..	(243)	(339)	(873)	(1.120)	(916)	(872)	(935)
Value adjustments of investment properties	4.967	4.999	7.943	9.385	5.906	6.089	6.253
Share in associated companies' operating results.....................	42	0	0	0	0	0	0
Minority interests	(303)	(498)	(475)	(492)	(293)	(131)	115
Operating results...	**(3.385)**	**8.092**	**13.899**	**21.416**	**20.802**	**22.079**	**26.559**

Amounts are in ISK M

Statement of financial Position (Balance sheet)

Assets	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Fixed assets:							
Intangible assets	11.115	11.125	10.995	10.538	9.919	9.129	8.542
Fixed tangible assets:							
Real estate	188.039	200.653	214.641	228.002	242.082	253.735	263.440
Utilities	416.886	428.785	447.371	473.695	501.151	524.540	550.664
Investment properties	157.086	164.133	178.398	193.598	205.525	217.700	229.513
Road systems	38.705	41.701	44.559	45.104	43.978	42.413	40.691
Machinery and equipment	14.679	16.205	17.084	17.271	17.776	17.325	16.685
Lease properties	6.857	6.002	5.090	4.222	3.528	2.890	2.253
	822.252	857.480	907.143	961.893	1.014.039	1.058.604	1.103.247
Investments and long-term receivables:							
Capital contributions and shares in companies	5.965	13.710	14.394	14.849	15.304	15.559	15.615
Long-term receivables from own companies	0	0	0	0	0	0	0
Prepaid cost	8.496	8.092	7.687	7.299	6.910	6.521	6.133
Embedded derivatives	1.914	1.662	1.910	2.370	2.644	2.680	2.508
Derivative contracts	50	28	7	0	0	0	0
Deferred tax assets	4.792	6.558	7.822	9.263	11.179	13.480	15.844
Other long-term receivables	1.403	1.683	1.687	1.692	1.697	1.702	1.707
	22.620	31.734	33.508	35.473	37.734	39.943	41.806
Total fixed assets	**855.987**	**900.339**	**951.645**	**1.007.904**	**1.061.691**	**1.107.675**	**1.153.594**
Current assets:							
Inventories	1.877	1.879	1.721	1.721	1.721	1.721	1.721
Short-term receivables:							
Unclaimed revenues and receivables	26.666	26.087	26.261	26.737	27.247	27.779	28.371
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	455	135	105	100	100	100	100
Receivables from own companies	3	0	0	0	0	0	0
Pre-paid cost	783	783	783	783	783	783	783
Embedded derivatives	15	0	126	394	467	188	221
Derivative contracts	219	124	30	0	0	0	0
Other short-term reiceivables	10.589	3.977	3.953	3.624	3.606	3.583	3.078
Bank deposits and marketable securities	8.670	8.670	8.670	5.670	5.670	5.670	5.670
Cash and cash equivalents	27.085	31.467	34.961	32.413	36.470	32.270	36.208
Total current assets	**76.362**	**73.122**	**76.610**	**71.441**	**76.063**	**72.094**	**76.152**
Total assets	**932.349**	**973.461**	**1.028.255**	**1.079.346**	**1.137.754**	**1.179.769**	**1.229.746**

Amounts are in ISK M

Equity and liabilities	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Equity:							
Equity account...	419.893	429.549	450.676	473.978	495.526	518.650	545.650
Minority interest..	17.196	17.160	19.008	26.214	34.351	42.016	50.029
Total equity	**437.089**	**446.709**	**469.684**	**500.193**	**529.877**	**560.666**	**595.678**
Obligations:							
Pension obligations..	39.602	39.771	40.662	40.726	40.685	40.580	40.430
Deferred tax liabilities	23.400	22.546	21.853	21.150	20.586	20.098	19.356
Capital contributions from state...	6.457	7.105	8.573	9.695	10.706	11.729	12.664
Other obligations..	86	89	92	92	95	95	98
Total obligations	**69.545**	**69.511**	**71.180**	**71.663**	**72.072**	**72.501**	**72.549**
Long-term liabilities:							
Long-term debts..	342.089	378.013	403.897	424.897	444.327	463.000	477.035
Long-term debts, own companies..	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Prepayments (long term)...	1.897	0	0	0	0	0	0
Lease liabilities...	11.392	10.580	9.065	7.827	6.595	5.237	3.901
Embedded derivatives in electricity contracts	0	0	0	0	0	0	0
Derivative contracts	111	63	39	0	0	0	0
Total long- term liabilities	**355.489**	**388.655**	**413.002**	**432.724**	**450.921**	**468.236**	**480.936**
Current liabilities:							
Debts to credit institutions..	28	315	265	215	1.630	1.630	130
Accounts payable..	12.468	10.850	11.070	11.200	11.330	11.479	11.728
Embedded derivatives in electricity contracts	0	0	0	0	0	0	0
Next year's payment on long-term debts................................	29.975	29.387	34.787	35.321	43.085	35.319	37.294
Next year's payment on long-term debts to own companies ...	0	0	0	0	0	0	0
Next year's payment on lease liabilities....................................	1.714	1.919	1.969	1.629	1.567	1.662	1.608
Pension obligations, short-term..	1.961	2.053	2.122	2.192	2.252	2.322	2.322
Account payable to own companies	167	0	0	0	0	0	0
Derivative contracts	82	46	11	0	0	0	0
Pre-paid cost...	392	87	87	87	87	87	87
Other payables..	23.440	23.927	24.078	24.122	24.933	25.866	27.413
Total current liabilities	**70.227**	**68.585**	**74.390**	**74.766**	**84.884**	**78.365**	**80.582**
Total liabilities and obligations	**495.261**	**526.752**	**558.572**	**579.153**	**607.877**	**619.103**	**634.068**
Total equity and liabilities	**932.349**	**973.461**	**1.028.255**	**1.079.346**	**1.137.754**	**1.179.769**	**1.229.746**

Amounts are in ISK M

(0)	(0)	(0)	(0)	(0)	(0)	(0)

Statement of Cash flow

	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Cash flow from operating activities:							
Operating results	(3.385)	8.092	13.899	21.416	20.802	22.079	26.559
Adjustments not affecting cash flow:							
Gain on sold assets	(2.998)	(6.700)	(3.300)	(4.953)	(4.500)	(4.500)	(4.500)
Depreciation	26.017	27.965	29.778	31.339	32.844	33.829	34.920
Indexation, discounts and exch.rate differences	18.369	11.994	10.304	7.597	8.265	9.613	10.120
Embedded derivatives, change	(231)	0	0	0	0	0	0
Value adjustments of investments properties	(4.918)	(4.999)	(7.943)	(9.385)	(5.906)	(6.089)	(6.253)
Effect of own companies and minority interests	261	553	475	487	288	126	(121)
Changes in pension obligations	4.006	2.174	2.966	2.221	2.176	2.181	2.137
Prepaid contribution to Brú pension fund, changes	404	385	385	385	385	385	385
Changes in deferred taxes	(1.741)	(700)	(912)	(998)	(1.129)	(1.281)	(998)
Other changes	(9)	0	0	0	0	0	0
Write-down of long-time demands	(30)	50	0	0	0	0	0
Working capital provided by operating activities	**35.744**	**38.815**	**45.653**	**48.110**	**53.225**	**56.342**	**62.250**
Changes in operating assets and liabilities:							
Inventories decrease (increase)	193	(3)	159	0	0	0	0
Current receivables increase (decrease)	(2.354)	848	(174)	(476)	(510)	(532)	(593)
Current liabilities increase (decrease)	2.952	(1.958)	336	136	232	154	256
Contributions to pension payments	(2.752)	(1.913)	(2.007)	(2.087)	(2.157)	(2.217)	(2.287)
Prepaid contribution to Brú pension fund, changes	0	19	19	3	3	3	3
Change in operating assets and liabilities	(1.961)	(3.007)	**(1.667)**	(2.424)	(2.432)	(2.591)	(2.620)
Net cash provided by operating activities	**33.783**	**35.808**	**43.986**	**45.686**	**50.793**	**53.751**	**59.630**
Investment activities:							
Investments in fixed tangible assets	(52.059)	(56.234)	(66.072)	(73.332)	(75.455)	(68.819)	(70.633)
Investment in investment properties	(4.012)	(2.705)	(6.663)	(5.624)	(6.018)	(6.083)	(5.558)
Investment in intangible assets	(3.808)	(2.737)	(2.328)	(2.220)	(2.108)	(1.731)	(1.649)
Road construction fees	1.842	2.800	3.100	5.000	5.000	5.000	5.000
Building permits	2.293	4.500	3.000	4.000	4.000	4.000	4.000
Proceeds from sale of fixed and tangible assets	1.797	4.847	1.146	953	500	500	500
Capital in associated companies - change	(362)	(1.593)	(683)	(450)	(450)	(250)	(50)
Other investment activities	2.143	(1.796)	0	3.000	0	0	0
Restricted bank deposits	0	0	0	0	0	0	0
Long-term receivables, change	759	35	28	2	(3)	(4)	(4)
Investment activities	**(51.407)**	**(52.882)**	**(68.473)**	**(68.670)**	**(74.534)**	**(67.386)**	**(68.394)**
Financing activities:							
Capital contributions from state	450	771	1.098	930	1.008	1.020	934
New long-term borrowings	54.086	52.136	51.223	47.922	54.163	44.839	41.847
New lease liabilities	0	0	0	0	0	0	0
Repayment of long-term liabilities	(31.596)	(29.545)	(31.041)	(35.100)	(35.857)	(43.541)	(35.592)
Payment on lease liabilities	(1.631)	(1.749)	(1.852)	(1.865)	(1.524)	(1.463)	(1.558)
Paid-in capital	0	0	9.021	9.021	9.021	9.021	9.021
Pre-paid revenue	1.897	0	0	0	0	0	0
Short-term borrowings, change	19	230	(47)	(50)	1.418	0	(1.497)
Dividents paid	(355)	(388)	(420)	(420)	(430)	(441)	(452)
Paid hedging contracts	0	0	0	0	0	0	0
Other financing activities	0	0	0	0	0	0	0
Financing activities	**22.869**	**21.455**	**27.981**	**20.436**	**27.798**	**9.435**	**12.702**
Increase (decrease) in cash and cash equivalents	**5.244**	**4.381**	**3.494**	**(2.548)**	**4.057**	**(4.200)**	**3.938**
Cash and cash equivalents at beginning of year	**21.922**	**27.085**	**31.467**	**34.961**	**32.413**	**36.470**	**32.270**
Effect of changes in proportion of holdings on cash	**4**	**0**	**0**	**0**	**0**	**0**	**0**
Effect of currency fluctuations on cash	**(85)**	**1**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at year-end	**27.085**	**31.467**	**34.961**	**32.413**	**36.470**	**32.270**	**36.208**

Amounts are in ISK M

Reykjavik Municipal

Budget and Five Year Plan 2025-2029

Income Statement

A-operation

	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Operating revenues							
Tax revenues	135.321	146.206	156.524	165.496	175.510	186.077	197.346
Contributions from Municipal Equalisation Fund	13.383	15.269	17.096	17.767	18.859	20.019	21.252
Other revenues	27.704	32.190	26.691	28.255	28.537	28.776	29.033
Total operating revenues	**176.408**	**193.665**	**200.310**	**211.519**	**222.907**	**234.872**	**247.631**
Operating expenses							
Wage cost and wage-related expenses	98.280	105.522	109.003	114.146	120.075	126.085	132.666
Change in pension obligations	3.760	2.100	2.900	2.150	2.100	2.100	2.050
Other operating expenses	66.418	71.693	73.574	76.717	80.160	83.262	86.333
Total operating expenses	**168.458**	**179.315**	**185.477**	**193.012**	**202.335**	**211.448**	**221.048**
Operating result before depreciation, EBITDA	7.950	14.350	14.834	18.506	20.572	23.425	26.583
Depreciation	(8.776)	(9.361)	(10.200)	(10.551)	(10.521)	(10.353)	(10.198)
Operating results before financial items	(826)	4.989	4.634	7.955	10.051	13.072	16.385
Financial Items							
Net financial items	(4.143)	(4.458)	(3.335)	(3.313)	(3.379)	(3.448)	(3.387)
Operating results before tax, adjustments and effects of associated companies	(4.969)	531	1.298	4.642	6.672	9.624	12.998
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	**(4.969)**	**531**	**1.298**	**4.642**	**6.672**	**9.624**	**12.998**

Amounts are in ISK M

Statement of financial Position (balance sheet)

Assets	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Fixed assets:							
Intangible assets	5.272	5.001	4.508	3.719	2.822	2.070	1.619
Fixed tangible assets:							
Real estate	162.241	172.124	183.503	194.959	208.258	218.843	228.408
Utilities	0	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0	0
Road systems	38.250	41.282	44.175	44.755	43.663	42.133	40.446
Machinery and equipment	8.728	9.178	8.355	7.773	7.400	7.039	6.599
Lease properties	5.899	5.470	4.558	3.691	2.996	2.359	1.722
	215.118	228.054	240.592	251.177	262.316	270.373	277.174
Investments and long-term receivables:							
Capital contributions and shares in companies	15.547	17.324	18.740	20.353	22.046	22.999	23.672
Long-term receivables from own companies	0	0	0	0	0	0	0
Prepaid cost	8.093	7.707	7.322	6.937	6.552	6.167	5.782
Embedded derivatives	0	0	0	0	0	0	0
Derivative contracts	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0
Other long-term receivables	1.228	1.490	1.490	1.490	1.490	1.490	1.490
	24.868	26.522	27.553	28.780	30.089	30.656	30.944
Total fixed assets	**245.258**	**259.577**	**272.653**	**283.677**	**295.226**	**303.099**	**309.737**
Current assets:							
Short-term receivables:							
Unclaimed revenues and receivables	19.016	18.141	18.141	18.141	18.141	18.141	18.141
Next year's paym. of own long-term receivables	0	0	0	0	0	0	0
Next year's paym. of other long-term receivables	412	100	100	100	100	100	100
Receivables from own companies	266	152	152	152	152	152	152
Pre-paid cost	385	385	385	385	385	385	385
Embedded derivatives	0	0	0	0	0	0	0
Derivative contracts	0	0	0	0	0	0	0
Other short-term reiceivables	2.884	3.045	3.045	3.045	3.045	3.045	3.045
Bank deposits and marketable securities	0	0	0	0	0	0	0
Cash and cash equivalents	11.506	10.512	10.415	10.957	9.212	9.972	11.957
Total current assets	**34.469**	**32.335**	**32.238**	**32.780**	**31.035**	**31.795**	**33.780**
Total assets	**279.727**	**291.912**	**304.891**	**316.457**	**326.261**	**334.895**	**343.517**

Amounts are in ISK M

Equity and liabilities	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Equity:							
Equity account........	81.254	85.061	86.360	91.002	97.674	107.298	120.296
Minority interest........							
Total equity	**81.254**	**85.061**	**86.360**	**91.002**	**97.674**	**107.298**	**120.296**
Obligations:							
Pension obligations........	38.745	38.843	39.663	39.663	39.553	39.373	39.143
Deferred tax liabilities	0	0	0	0	0	0	0
Other obligations........	0	0	0	0	0	0	0
Total obligations	**38.745**	**38.843**	**39.663**	**39.663**	**39.553**	**39.373**	**39.143**
Long-term liabilities:							
Long-term debts........	111.753	126.251	137.066	141.023	145.349	144.077	141.416
Long-term debts, own companies........	0	0	0	0	0	0	0
Lease liabilities........	11.258	10.375	8.897	7.659	6.426	5.068	3.733
Embedded derivatives in electricity contracts	0	0	0	0	0	0	0
Derivative contracts	0	0	0	0	0	0	0
Total long- term liabilities	**123.011**	**136.626**	**145.963**	**148.682**	**151.775**	**149.145**	**145.149**
Current liabilities:							
Debts to credit institutions........	27	27	27	27	1.527	1.527	27
Accounts payable........	7.073	5.084	5.084	5.084	5.084	5.084	5.084
Embedded derivatives in electricity contracts	0	0	0	0	0	0	0
Next year's payment on long-term debts........	11.189	7.732	9.061	13.537	12.091	13.746	15.152
Next year's payment on long-term debts to own companies ...	0	0	0	0	0	0	0
Next year's payment on lease liabilities........	1.650	1.852	1.865	1.524	1.463	1.558	1.503
Pension obligations, short-term........	1.908	2.000	2.080	2.150	2.210	2.280	2.280
Account payable to own companies	882	8	8	8	8	8	8
Derivative contracts	0	0	0	0	0	0	0
Pre-paid cost........	80	80	80	80	80	80	80
Other payables........	13.908	14.600	14.700	14.700	14.796	14.796	14.796
Total current liabilities	**36.717**	**31.382**	**32.904**	**37.109**	**37.258**	**39.078**	**38.929**
Total liabilities and obligations	**198.473**	**206.851**	**218.531**	**225.455**	**228.587**	**227.596**	**223.221**
Total equity and liabilities	**279.727**	**291.912**	**304.891**	**316.457**	**326.261**	**334.895**	**343.517**

Amounts are in ISK M

Statement of Cash flow

	Actual 2023	Outcome Forecast 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
Cash flow from operating activities:							
Operating results..	(4.969)	531	1.298	4.642	6.672	9.624	12.998
Adjustments not affecting cash flow:							
Gain on sold assets	(2.998)	(6.700)	(3.300)	(4.500)	(4.500)	(4.500)	(4.500)
Depreciation	8.776	9.361	10.200	10.551	10.521	10.353	10.198
Indexation, discounts and exch.rate differences	6.618	4.854	3.764	2.780	2.647	2.674	2.658
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	55	0	0	0	0	0
Changes in pension obligations	3.760	2.100	2.900	2.150	2.100	2.100	2.050
Prepaid contribution to Brú pension fund, changes	385	385	385	385	385	385	385
Changes in deferred taxes	0	0	0	0	0	0	0
Other changes	(30)	50	0	0	0	0	0
Working capital provided by operating activities	**11.541**	**10.637**	**15.247**	**16.009**	**17.825**	**20.636**	**23.789**
Changes in operating assets and liabilities:							
Inventories decrease (increase)	0	0	0	0	0	0	0
Current receivables increase (decrease)	(783)	650	0	0	0	0	0
Current liabilities increase (decrease)	1.661	(2.198)	100	0	96	0	0
Contributions to pension payments	(2.710)	(1.910)	(2.000)	(2.080)	(2.150)	(2.210)	(2.280)
Change in operating assets and liabilities	(1.832)	(3.459)	(1.900)	(2.080)	(2.054)	(2.210)	(2.280)
Net cash provided by operating activities	**9.710**	**7.178**	**13.347**	**13.929**	**15.772**	**18.426**	**21.509**
Investment activities:							
Investments in fixed tangible assets...	(23.381)	(20.855)	(24.275)	(24.463)	(25.047)	(22.110)	(21.080)
Investment in investment properties	0	0	0	0	0	0	0
Investment in intangible assets	(2.450)	(1.912)	(1.070)	(885)	(715)	(548)	(468)
Road construction fees	1.842	2.800	3.100	5.000	5.000	5.000	5.000
Building permits...	2.341	4.500	3.000	4.000	4.000	4.000	4.000
Proceeds from sale of fixed and tangible assets	834	3.858	300	500	500	500	500
Capital in associated companies - change................................	(729)	(1.833)	(1.416)	(1.613)	(1.693)	(953)	(672)
Other investment activities..	(1.609)	204	0	0	0	0	0
Restricted bank deposits	0	0	0	0	0	0	0
Long-term receivables, change	755	0	0	0	0	0	0
Investment activities	**(22.398)**	**(13.238)**	**(20.361)**	**(17.461)**	**(17.955)**	**(14.111)**	**(12.720)**
Financing activities:							
Capital contributions from state...	0	0	0	0	0	0	0
New long-term borrowings...	20.850	16.500	16.500	15.000	14.000	10.000	10.000
New lease liabilities	0	0	0	0	0	0	0
Repayment of long-term liabilities	(5.289)	(9.685)	(7.732)	(9.061)	(13.537)	(12.091)	(13.746)
Payment on lease liabilities	(1.588)	(1.749)	(1.852)	(1.865)	(1.524)	(1.463)	(1.558)
Derivative contracts paid..	0	0	0	0	0	0	0
Paid-in capital	(0)	0	0	0	1.500	0	(1.500)
Short-term borrowings, change..	0	0	0	0	0	0	0
Dividents paid	0	0	0	0	0	0	0
Other financing activities	(0)	0	0	0	0	0	0
Financing activities	**13.973**	**5.066**	**6.916**	**4.074**	**439**	**(3.554)**	**(6.804)**
Increase (decrease) in cash and cash equivalents	**1.285**	**(994)**	**(97)**	**542**	**(1.745)**	**761**	**1.985**
Cash and cash equivalents at beginning of year	**10.221**	**11.506**	**10.512**	**10.950**	**9.317**	**8.826**	**9.587**
Effect of currency fluctuations on cash	**0**	**0**	**0**				
Cash and cash equivalents at year-end	**11.506**	**10.512**	**10.415**	**11.492**	**7.572**	**9.587**	**11.572**

Amounts are in ISK M