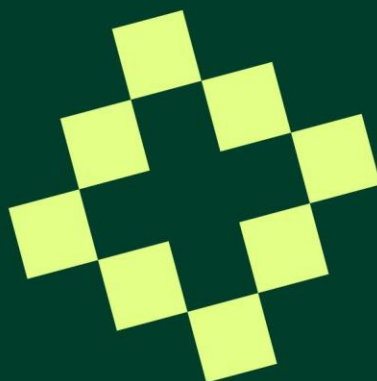


Riga State City Municipality Annual Report 2022



RIGA



APPROVED
with Riga State City Council decision
of 28/06/2023 No. RD-23-2685-lē



Riga, 2023

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THE CHAIRMAN OF THE RIGA STATE CITY COUNCIL INTRODUCTION TO THE PUBLIC REPORT

In 2022, Riga State City Municipality was significantly affected by geopolitical events, Russia's launched a full-scale war in Ukraine. Prices of energy resources and materials increased, inflation rose, also affecting the growth of the municipality's budget expenditure. The municipality hosted refugees from Ukraine, facilitated their integration into the labor market and education system, and ensured favorable living conditions. The municipality and its companies donated financial resources and provided assistance to Ukraine.

The past year showed that the Municipality's financial and budgetary stability and sufficient cash balances provided a solid basis for managing financial and economic risks. This was also evaluated by the international credit rating agency "Standard & Poor's", which, after assessing the City's financial and budget situation despite the negative events in geopolitics and the global economy, in October upgraded the rating assigned to the city by one level from "A-" to "A", defining the development perspective as "stable".

The main risks for the municipal budget concerning the impact of inflation on the various budget expenditure items, pressure on wages to compensate the outperforming inflation effects of the previous year, as well as the cost of credit resources due to rising interest rates. The share of municipal budget expenditure is also negatively affected by increasing deposits to Municipal financial cohesion fund, as the financial needs of the capital city municipality are not fully reflected, especially in the area of infrastructure development, due to the system faults.

A major challenge for the Riga State City Municipality in the coming years will be the renewal of the city's transport infrastructure facilities, using the financial resources available under the European Union funds and The Recovery and Resilience Facility, as well as borrowing and issuing municipal bonds.

In the reporting year, Riga State City Municipality, its structural units and subordinate institutions implemented the financial policy, ensuring the necessary financing for the execution of the basic municipal functions and the coverage of the municipality's debts, as well as for the implementation of development projects within the available financial resources.

The reporting year showed that the city's development is gradually moving in the direction of coordinated, sustainable, environmentally and people-friendly development by means of cooperation between the municipality and the city's Inhabitants.

M. Staķis

Chairman of the Riga State City Council

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

RIGA STATE CITY POPULATION

POPULATION

At the beginning of 2023, according to data of The Office of Citizenship and Migration Affairs 679,1 thousand inhabitants lived in Riga, increasing by 7,2 thousand per year (by 1,1%) as a result of Ukraine influx of refugees. Decreasing trend of the previous year's continued in other population categories.

Natural decrease of city population is still observed in Riga which was 8,8 inhabitants per 1000 population in 2021, slightly lower than average in State – 9,1 inhabitants per 1000 population. The migration balance was 5,5 in Riga in 2021 – significantly higher than the average in State where it was just 0,2.

There were 375,1 thousand working age inhabitants in Riga State City at the beginning of the reporting year, by 5,6 thousand less than in the previous year. Proportion of this group from all inhabitants remained at 61,9% level. The number of children and youth (inhabitants below working age) was 92,4 thousand, reducing by 2,1 thousand within a year. At the beginning of the reporting year, the number of inhabitants of above working age was 138,3 thousand (22,8% from all the inhabitants) in Riga State City is reducing by 1,1 thousand within a year.

ETHNICAL COMPOSITIONS

Ethnical composition of Riga State City inhabitants hasn't changed significantly during the recent years. In 2022, largest nationalities were Latvians – 48% and Russians – 35%.

EMPLOYMENT

In 2022, the number of employed was 301,5 thousand, increasing by 0,6 thousand within a year. Total increase in State was by 22,2 thousand.

During the reporting year, the greatest decrease of the employed was in construction – by 9%, number of the employed in education decreased by 3,2%, but in transportation and ICT services it increased by 5,6% and 4% correspondingly.

UNEMPLOYMENT

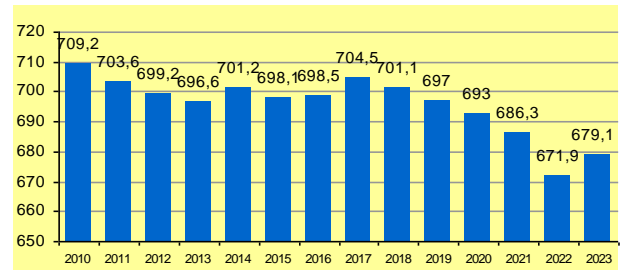
In 2022, the number of unemployed decreased by 0,8 thousand. There were 12,8 thousand unemployed in the city by the end of the year (4,3% from economically active city inhabitants). In total the unemployment rate was 6,1% in State by the end of 2022.

COMPENSATION

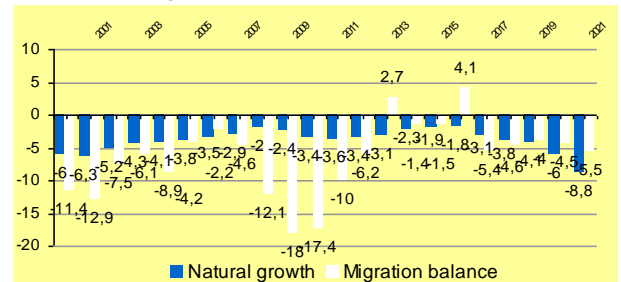
During the reporting year, despite the decreasing speed of economic growth, compensation continued to increase in Riga State City. The average monthly gross compensation in Riga State City reached 1 535 euro, increasing by 7% compared with the previous year. As in the previous year, growth of compensation was faster in the capital's private sector – by 7,7%, in public sector it increased by 5,8%.

Despite the more rapid growth of compensation, average compensation in public sector was still higher by 4% than in private sector in Riga State City.

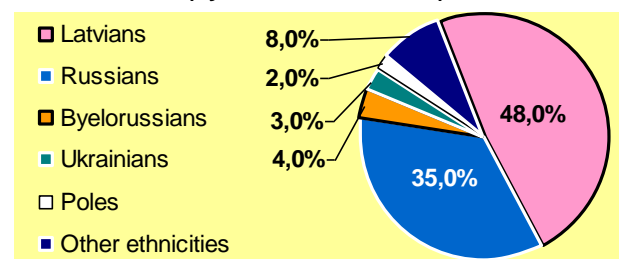
The number of Riga inhabitants (according to OCMA, k people)



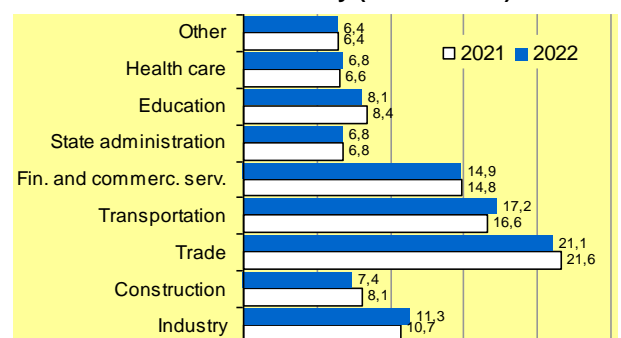
Effect of natural growth and migration on the number of Riga inhabitants (people on k inhabitants)



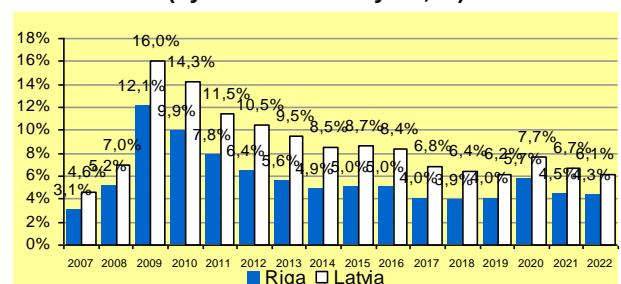
Ethnical composition of Riga inhabitants (by the end of 2022, %)



Distribution of employed inhabitants in Riga by type of economic activity (% from total)



Unemployment rate* in Riga and Latvia (by the end of the year, %)



*Unemployment rate against the economically active population
(Data from the State Employment department)

During the reporting year, average compensations in Riga State City was higher by 11,8% than in the country on average. The most rapid growth of compensation in Riga State City was in transportation and processing industry – by 10,8% and 9,2% correspondingly. Growth of compensation in health care sector was just 0,6%, but it should be noted that the growth of compensation in this sector was 28,3% during the previous year.

Highest gross compensation level in Riga State City still was in financial sector exceeding the city's average level by 60%, but the lowest – in education sector where it was 78% below the average level.

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

In 2022, Riga's economic development was negatively affected by geopolitical events, Russia's war against Ukraine, as well as inflation and processes in financial markets. In the first months of the reporting year, the economy grew, gradually recovering from the Covid-19 crisis, but slowed down in the following months of the year. In 2022, gross domestic product increased by 2% in Latvia (by 4,1% in 2021). The biggest drop of economic activity was in the construction sector – by 11,3%, and in trade – by 6,3%. Economic activity increased sharply in accommodation and catering industries – by 57,5% and in arts, entertainment and recreation – by 26,6%, due to the low 2021 baseline caused by the Covid-19 restrictions.

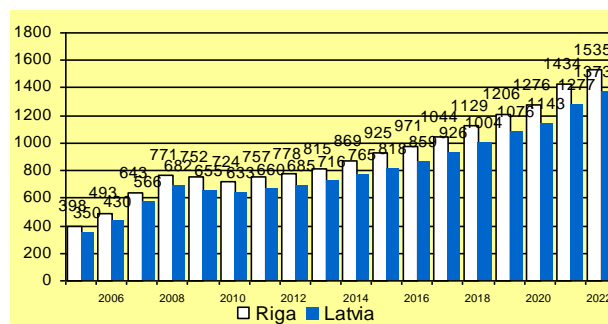
The biggest proportion in Riga State City economic structure by value added has trade (retail sales and wholesale sales) sector – 16,7%. Professional scientific and technical services, administrative services – 12,3%, information and communication services – 10,1%, real estate operations – 8,9%. As a result of various economic factors processing industry has increased its proportion in structure of value added – from 8,3% to 9,5%, as well as proportion of transportation sector has slightly increased – from 7,5% to 7,8%. Proportion of value added created in Riga State City comprises around 52,8% from the total value added in the State according to 2020 data, however the proportion in particular sectors is even higher, for example in information and communication services – 88,3%, in finance and insurance – 84,5%, however in processing industry it is just 34,9% from value added in this sector in State.

TRANSPORTATION AND COMMUNICATIONS

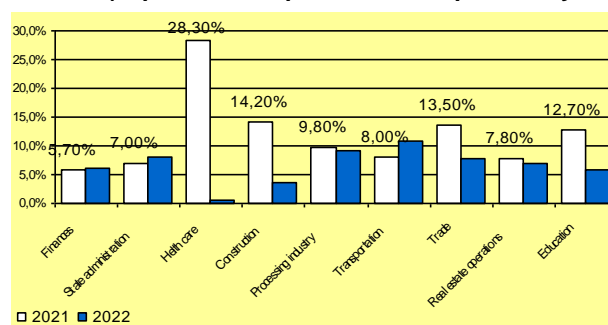
RIGA PORT

During the reporting year, after the decrease by 7% in 2021, cargo turnover in Latvia's ports increased by 15,2%, but the turnover of received cargo increased even by 43,5%. In 2022, cargo turnover in Riga port increased by 9,4% compared with the previous year – turnover of sent cargo by 1,9%, but turnover of received cargo by 31,1%, reaching the highest turnover of received cargo over the last 30 years in Riga port. The proportion of received cargo from the total cargo turnover increased from 10% in 2015 to 31% in 2022.

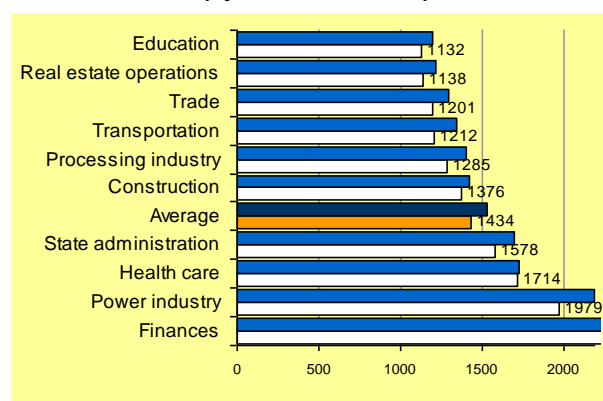
Monthly average gross compensation in Riga
2005 – 2022 (in euro)



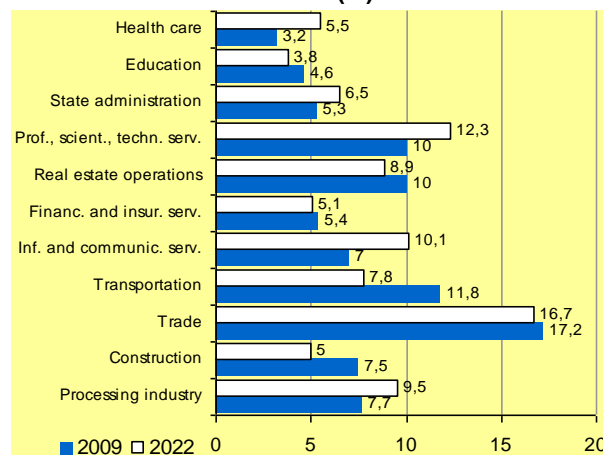
Monthly average gross compensation in Riga by sectors (in percent compared with the previous year)



Monthly average gross compensation in Riga
(by sectors, in euro)



Riga economic sectors by share in the total value added (%)



*2022 – estimation

Since cargo turnover in Ventspils port increased even by 33,1%, the share of Riga port in the total Latvia port turnover slightly decreased to 49% in 2022. In 2022, the biggest proportion in Riga port was coal – 21,9% which amount increased by 4,6 times within a year. Cargo containers – 18,5%, which amount increased by 9%, grain and grain products – 11,3%, which amount decreased by 5%, timber – 11,3%, which amount increased by 3%, petroleum products – 5,7%.

AIRPORT

Riga International Airport is not located in capital's administrative territory, yet it plays significant role in urban economics, in particular in the fields of tourism and transport. In 2022, turnover of serviced passengers in Riga Airport increased 2,3 times compared with the previous year due to reduction and cancellation of Covid-19 travel restrictions, however it was by 31% lower than the pre-crisis highest result in 2019. In 2022, turnover of serviced passengers sharply increased also in other capitals of Baltic States – Vilnius and Tallinn – 2,1 times.

During the reporting year, amount of shipped and received cargo decreased by 24% compared with the previous year.

PUBLIC TRANSPORTATION

In 2022, 93,27 million passengers were transported in Riga public transportation (bus, tram, trolleybus), by 18,98 (by 25,6%) million less than in the previous year.

In 2022, 94% of the total number of vehicles being in use in public transportation service was adjusted for persons with functional disorder, pregnant women and persons with little children (including with prams).

During the reporting year, Riga State City Municipality Ltd. "Rīgas satiksme" provided passengers' transportation services on 5 tram, 21 trolleybus and 51 city bus and 11 improved service bus routes. In 2022, the total length of the City's transportation network was 1 315,84 kilometers.

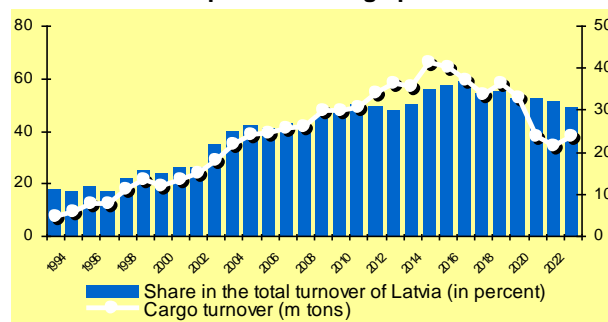
TOURISM

After lifting Covid-19 restrictions on tourism a rapid growth of served tourists was observed. After two-year pause the number of serviced tourists in Riga State City exceeded one million once again, increasing more than two times within a year. 77% from all the serviced tourists in Riga State City were foreign tourists which number increased 2,5 times within a year. During the reporting year, after the drop in 2020 and stabilization in 2021 the number of the number of tourists' lodgings increased by 13 (by 16%), reaching 93 lodgings by the end of the year, the number of accommodations increased by 793 (by 13%) reaching 6 725 accommodations.

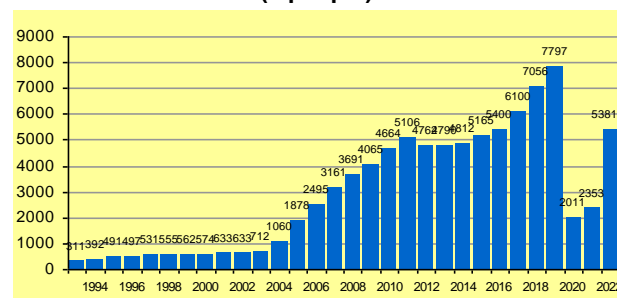
CONSTRUCTION

In 2022, the space of commissioned new-built dwelling houses in Riga State City was 146,5 thousand square meters, increasing by 22,4% compared with the previous year. In 2022, the proportion of built dwelling houses in Riga remained at 34% of the state overall result.

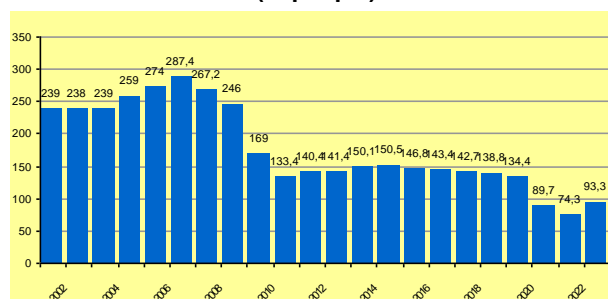
Operation of Riga port



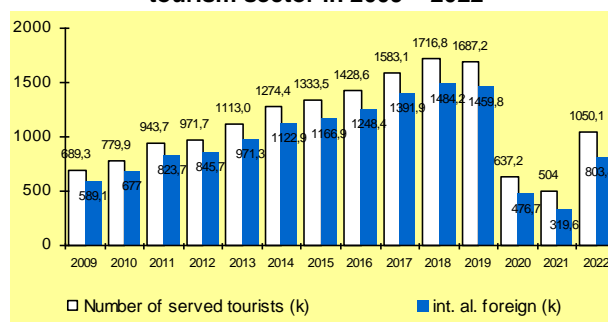
Riga International Airport: passenger turnover (k people)



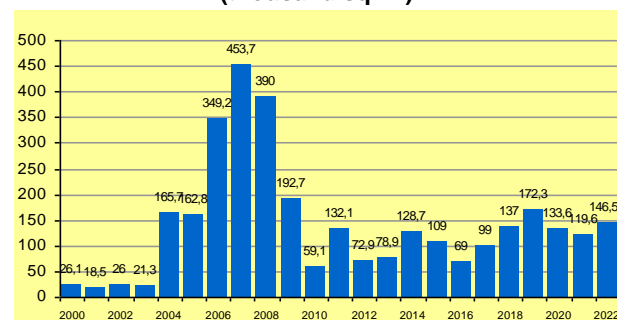
Passenger carriage in Riga public transportation (m people)



Characteristics of development of Riga State City tourism sector in 2009 – 2022



Dwelling houses constructed in Riga 2000 – 2022 (thousand sq. m)



RIGA MUNICIPALITY ADMINISTRATION STRUCTURE, FUNCTIONS, PERSONNEL

Riga State City Municipality administration organization, order of decision making, inhabitants' rights in local administration, as well as other municipality's work organizational issues, which goal is to approximate management to service recipients, are defined by binding regulations "Riga State City Municipality regulations".

Operation of Riga Council is provided by Chairman of City Council, his deputies, as well as officials of municipal administration according to administration structure of municipality. Riga State City Council forms subordinate municipal administration, determining its organizational structure and competence, which consists of Council departments, their subordinate institutions, municipal agencies and municipal administration's special status institutions.

Implementation of Municipal functions is organized by forming departments of the respective sectors:

- ▼ Riga State City Council Finance Department – leading institution in management of municipal financial resources;
- ▼ Riga State City Council Property Department – leading institution in management of municipal property and in arrangement of buildings that degrade environment in municipal territory;
- ▼ Riga State City Council Education, Culture and Sports Department – implements municipal policy in education, culture and sports sectors, in youth and work and in sphere of integration of society;
- ▼ Riga State City Council Housing and Environment Department – implements municipal policy in housing and environment spheres and is leading institution in provision of power supply, water supply and sewerage services, as well as administration of municipal residential buildings;
- ▼ Riga State City Council Welfare Department – leading institution in, within the framework of competence defined for municipality, social services, social help and health care sphere;
- ▼ Riga State City Council City Development Department – leading institution in Riga State City development and territory planning sphere;
- ▼ Riga State City Council Transport Department – leading institution in traffic and transportation sphere.

Riga Municipality ensures execution of all the autonomous functions, int. al.:

- ▼ Organizes municipal services for inhabitants, realizes municipal housing management and maintenance of cemeteries and provides support on housing issues for inhabitants;
- ▼ Provides environmental protection and management, territory improvement and sanitation within the administrative territory of Riga State City and establishes regulations for the order of use of publicly accessible forests and waters;
- ▼ Provides the rights of children who have reached scholar age to receive preschool education, elementary education and secondary education, as well as opportunities of useful and creative passing of free time for all the residents of the city of Riga;
- ▼ Provides diversity and accessibility of City's cultural events, as well as provides preservation of cultural values and cultural heritage and promotes preservation

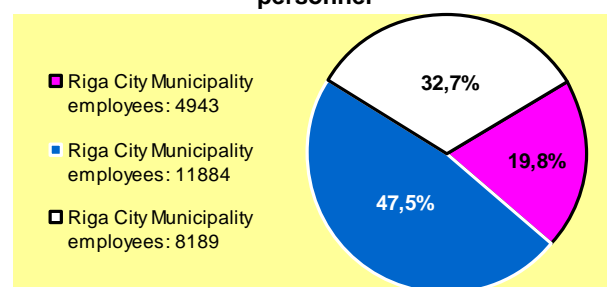
of the traditional cultural heritage and participates in maintenance and development of the historical objects of national importance, as well as support and development of cultural infrastructure;

- ▼ Provides protection of children rights, ensures guardianship, custody, adoption, as well as protection of children's' private and property rights and interests;
- ▼ Ensures accessibility of health care and promotes healthy lifestyle among inhabitants and disease prevention measures, organizes social assistance (social care) and improves families support system;
- ▼ Coordinates employment issues, facilitates economical activities in Riga State City Municipality;
- ▼ Issues permits and licenses for commercial activities;
- ▼ Provides public order and security for individuals within according to competence, performs measures to prevent violation of law, takes part in provision of civil defense measures, rescue operations and renders assistance to victims;
- ▼ Manages, coordinates and defines the order of utilization of and building on land, protection of cultural monuments and requirements to environmental visual quality, as well as ensures the legacy of construction works within the administrative territory;
- ▼ Organizes maintenance, designing and construction of transport infrastructure objects, provides public transportation services and realizes maintenance of transport infrastructure and city's public transportation system.

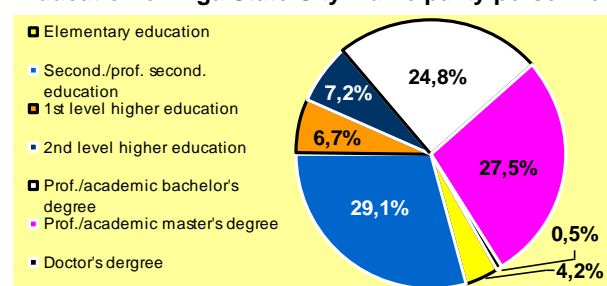
In 2022, actual availability of employees in Riga Municipality was 25 016, int. al. 11 884 pedagogues and 8 189 technical staff of institutions subordinate to Riga State City Council Education, Culture and Sports Department.

In 2022, (except pedagogues and technical staff of institutions subordinate to Riga State City Council Education, Culture and Sports Department) there were 814 employees recruited and labor relations were terminated with 792 employees. During the reporting year 2 211 pedagogues and 2 694 technical staff were recruited and labor relations were terminated with 2 280 pedagogues and 2 934 technical staff.

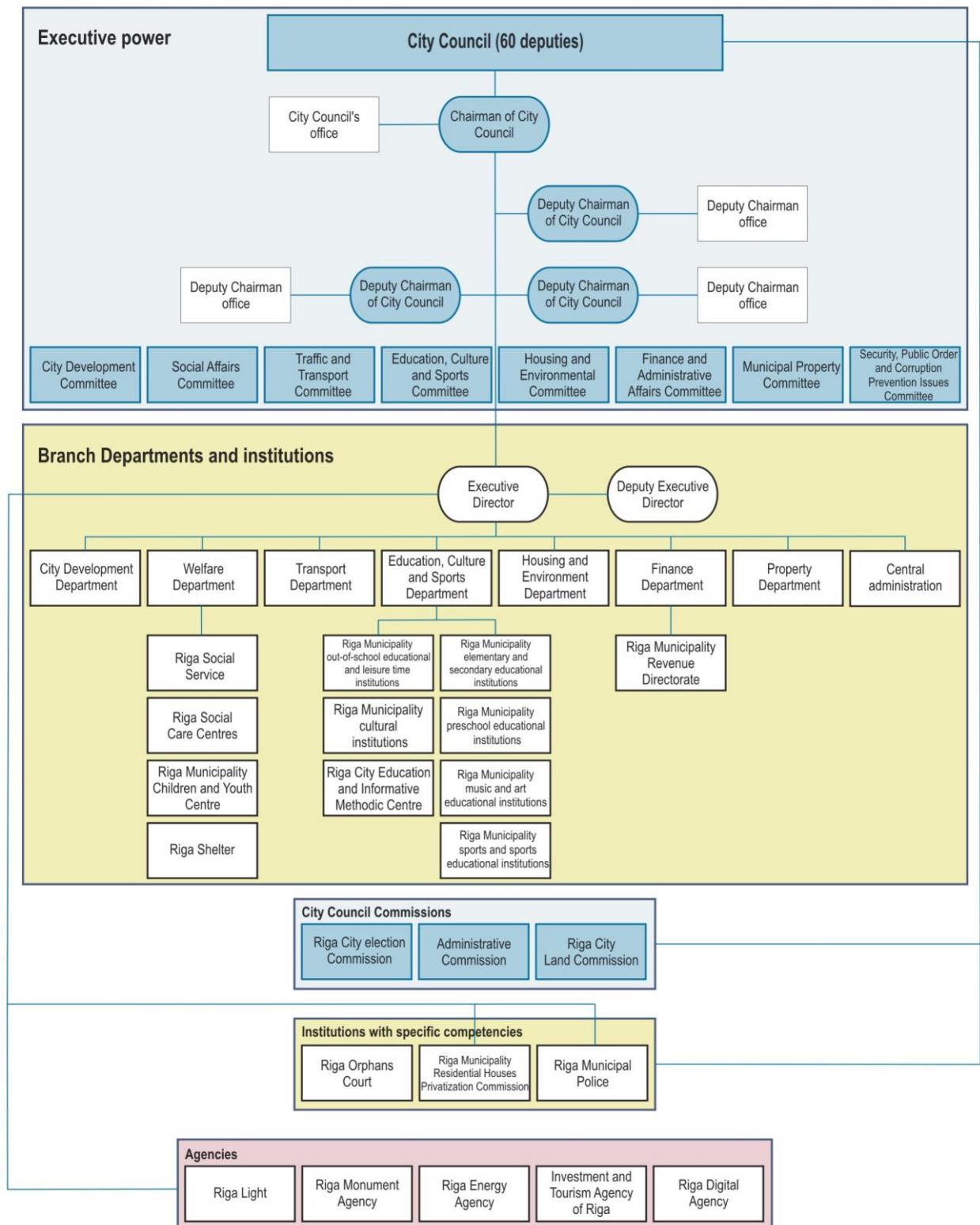
Distribution of Riga State City Municipality personnel



Education of Riga State City Municipality personnel



ADMINISTRATION STRUCTURE OF RIGA STATE CITY MUNICIPALITY



VALUE OF RIGA STATE CITY MUNICIPALITY EQUITY CAPITAL AND ITS ANTICIPATED CHANGES

By the end of 2022, the book value of Riga State City Municipality fixed assets was 2 417,0 million euro, increasing by 44,2 million euro within the year. The total value of Municipality's assets, including other positions of balance sheet assets comprised 3 602,1 million euro by the end of 2022.

RIGA STATE CITY MUNICIPALITY INVESTMENTS IN ENTERPRISE EQUITY CAPITAL

By the end of 2022, long-term share of Riga State City Municipality in equity capital of related and associated enterprises was 806,7 million euro.

RIGA STATE CITY MUNICIPALITY SHARE IN MUNICIPAL ENTERPRISE EQUITY CAPITAL

By the end of 2022, long-term investments in equity capital of related enterprises was 736,7 million euro, increasing by 20,6 million euro within a year but long-term investments in equity capital of associated enterprises was 66,9 million euro, increasing by 3,1 million euro within a year.

By the end of the reporting year, Riga State City Municipality balance sheet reflected 10 investments into the equity capital of related enterprises with 100% ownership by Riga State City Municipality, 1 investment into the equity capital of enterprise with more than 50% ownership by Riga State City Municipality (Ltd. "Getlini EKO" – 97,7%).

By end of 2022, investment in equity share capital of one associated enterprise reflected in Riga State City Municipality balance sheet – JSC "Rigas siltums" (49%).

IMPLEMENTED AND PLANNED CHANGES

According to the Riga City Council Decision No 1105 of 15.12.2021 "On the inception of the reorganization of Ltd. "Rigas nami", Ltd. "Rigas pilsetbuvnieks", Ltd. "Rigas Centrtirgus" and Ltd. "Rigas serviss", the reorganization process of the four capital companies has been concluded and the reorganization has entered into force in 2022. As a result of the reorganization, the capital companies Ltd. "Rigas Centrtirgus", Ltd. "Rigas pilsetbuvnieks" and Ltd. "Rigas serviss" were incorporated in Ltd. "Rigas nami", thus changing the structure of Ltd. "Rigas nami" and expanding its scope of activity. By the end of the reporting year, Ltd. "Rigas nami" employed 585 persons.

According to the reorganization agreement of enterprises involved in the reorganization, starting from 01.07.2022, the transactions of the merging enterprises are considered as transactions of Ltd. "Rigas nami", as a result of which Ltd. "Rigas nami" reached turnover of 17 657 678 euro in the reporting year and closed the reporting year with a net profit of 188 718 euro.

CHARACTERISTICS OF RIGA STATE CITY MUNICIPALITY REAL ESTATE

To ensure execution of Riga Municipality's autonomous functions, in 2022 Riga State City Municipality obtained 12 real estate properties to implement traffic infrastructure construction projects. New real estate property lease agreements were managed and concluded (295 were managed in total) with third parties in order to execute Municipality's functions.

In 2022, evaluation and selling of Municipality's real estate properties that are not necessary for execution of Municipality's autonomous functions was performed. 132 sales agreements of Riga State City Municipality's real estate property were concluded. 22 public sales were announced which resulted in selling of 32 real estate properties. By the end of the reporting year, there were 5 237 valid lease agreements on real estate property rent.

In 2022, Riga State City Council Property Department continued first registration of municipal real estate properties in Land Register, int. all: 191 land lots with total area of 191,02 ha and total assessed value of real estate of 4,22 million euro, 35 buildings, 1 apartment, 4 land lots and 10 apartments. 32 real estate properties (land and buildings) were registered in Land Register as a result of division, merging or reorganization of borders of properties with total area of 16,45 ha and total assessed value of real estate of 648,5 thousand euro. Amendments for 160 Riga State City Municipality's real estate properties were done in Land Register, int. al. erasing nonexistent on-site buildings, strengthening lending and easement rights.

More than 259 cadastral objects have been updated in the State real estate cadastre information system. Amendments were made to 516 Land Register sections of municipal real estate property concerning privatized municipality's residential buildings.

287 certificates were issued on permission to obtain or maintain property rights on land lots and 722 applications on Municipality's preemption rights were evaluated.

EXECUTION OF TERRITORY DEVELOPMENT PLAN

Following work was performed during development of new Riga territory plan (RTP) in 2022:

- ▼ Presentations were prepared and informative seminars were organized to introduce with RTP solutions and their differences from the effective RTP;
- ▼ A draft decision of the Riga City Council was prepared to challenge the order issued by The Ministry of Environmental Protection and Regional Development "On Suspension of Riga City Council Binding Regulation No. 103 "Binding Regulations on the Land Use and Construction in Riga" of 15 December 2021" in the Constitutional Court;
- ▼ Information prepared and municipality's opinion presented on RTP solutions and Order to the Latvian Association of Territory Planners;
- ▼ Application prepared and submitted to the Constitutional Court;
- ▼ Brochure and video on RTP development and public discussion was prepared and published on website www.rdpad.lv.

12 Riga State City Municipality's decisions prepared and made in 2022 on launch of local plan development:

- ▼ land lot on Balteglu Street 30;
- ▼ land lot on Dzelzavas Street 131;
- ▼ land lot on Incukalna Street 2;
- ▼ land lot on Mores Street 28;
- ▼ land lots on Kandavas Street 14B, Kandavas Street 14C, Kandavas Street 16B and Kandavas Street without number;
- ▼ territory on Augusta Deglava Street 106;
- ▼ territory on Kuldigas Street 9A, Kuldigas Street 9B and Kuldigas Street without number;
- ▼ land lot on Priedaines Street 11;
- ▼ land lot on Silikatu Street 5C;
- ▼ territory on Asotes Street 12 and Dzirkalu Street 3;
- ▼ land lot on Hipokrata Street 18 and land lots without addresses.

2 decisions prepared and made in 2022 on approval of local plans on Historic Centre of Riga and its protection area:

- ▼ Improvement of local plan edition of southern part of Eksportosta;
- ▼ Local plan of Riga Technical University complex in Kipsala.

4 Riga State City Council's decisions made in 2022 on handing editions of local plan over public discussions, 4 Riga State City Council's decisions were prepared and made on approval of local plans, 1 Riga State City Council's decision was prepared and made on repealing local plan, 2 decisions were made on development of detail plan and 2 on suspension of development of detail plan.

In 2022, work on development of local plan of Historic Centre of Riga and its protection area was launched. It included discussions with public and experts, study to define future planning tasks was launched and schedule of activities for the development of the plan was prepared. A considerable amount of work was done on involvement of society in project "Border extension of local plan of railway route territory of public rail line "Rail Baltica" and development of local plan of extended territory", int. al. – on development of local plan, development of requirements for various integration solutions into city's environment.

In 2021, participation of representatives of Riga State City Council City Development Department in work of preservation and development of Historic Centre of Riga board within management of cultural heritage of Historic Centre of Riga and its protection area, in work of Monument board.

Within plan of balanced mobility, work on development of plan of Riga public transport route network reform, development of program of introduction of Low emission zone, development of solutions for European stability and recovery mechanism, conditions and opinion on sections of local plans and detail plans, local plan of Rail Baltica and integration of Rail Baltica into city's intown infrastructure, cycling concepts and other issues was performed.

In 2022, Riga Development program 2022 - 2027 (hereinafter – Program) was approved and update of Investment plan 2022 - 2024 of Development program was performed; development of Action plan and Investment plan of Development program was launched; work on annual update of Riga Development program 2023 - 2025 was continued.

Report on introduction of Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027 was prepared within Strategy Supervisory system (SSS), what is the first report of the new supervisory period.

Together with the new supervisory period, changes have also been introduced in the SSS. Three of the nine Program's priorities were deeply examined, while information on the progress of the other six priorities was summarized and presented in the report. Report was developed based on information provided by Riga State City Council institutions and structural units, research "Quality and availability of services in 58 Riga neighborhoods characterizing development of city environment", opinion of 5 branch experts and statistic data, statistic data from Central Statistical Bureau of Latvia, Lursoft and other data sources. Report is available on website www.sus.lv.

In 2022, Riga State City Council City Development Department continued to perform monitoring functions concerning legality of construction process. 869 decisions were made in total, whereof:

- ▼ 122 administrative provisions, which remains in effect decisions made by Riga State City Construction Directorate and Department;
- ▼ 66 administrative provisions on reversing decisions made by Riga State City Construction Directorate due to violation of substantive and procedural rules;
- ▼ 141 interim judgments;
- ▼ 63 other definitive decision on administrative matters;
- ▼ 193 legal decisions;
- ▼ as well as 47 business letters and other documents were prepared in process of legal supervision of construction process;
- ▼ 63 decisions on infrastructure charge;
- ▼ 81 answers to legal and physical entities on legal issues;
- ▼ 90 decisions on administrative violations.

RIGA STATE CITY MUNICIPALITY INVESTMENT PROJECTS

CAPITAL INVESTMENTS FROM MUNICIPAL BUDGET

During the reporting year, 123,1 million euro were allocated for Riga State City Municipality budget capital expenditure, by 15,1 3 million euro less (by 11%) than in 2021. During the reporting year, capital expenditures of projects co-financed by European Union (EU) decreased by 26,3 million euro (by 43) compared with the previous year and were 35,9 million euro.

During the reporting year, largest share in the structure of sectors of municipal capital expenditures as in the previous year has economic activity sector (55,4% from all the capital investment), education sector is in the second place (19,4% from all the capital investment). Share of other sectors was less than 10%.

During the reporting year, the major projects were renovation of the Daile Theatre Square, renovation of the Latvian Riflemen Square, energy efficiency improvement works in Riga Municipality educational institutions, etc.

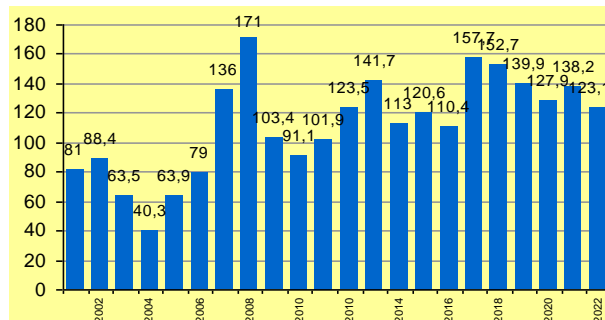
FOREIGN INVESTMENT IN RIGA

Early in the year, according to Lursoft data, direct investments of foreign investors into the registered equity capital of enterprises in Riga were around 9,5 billion euro, remaining at the same level within a year.

EU AND OTHER EXTERNAL FINANCIAL SOURCES' CO-FINANCED PROJECTS

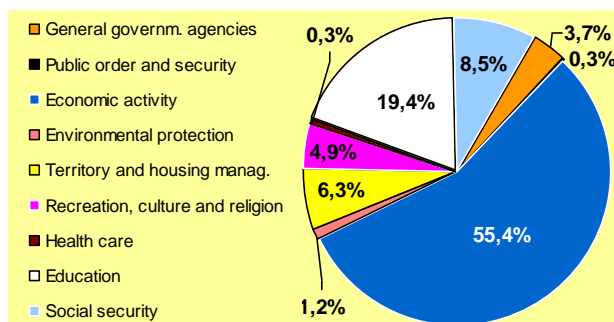
42,5 million euro were allocated from the municipality's budget for execution of co-financing and pre-financing of projects financed by EU Funds, by 26,2 million euro less than in the previous year. From the total co-financing and pre-financing amount capital expenditure formed 35,7 million euro (or 84%).

Capital expenditures from Riga Municipality budget (m euro)



*Excluding payments for construction of the South Bridge and principal sum of financing liabilities, which were included in capital expenditure item according to budget accounting methodology from 2010 to August of 2019

Capital expenditures from Riga Municipality consolidated budget structure by sector, 2022 (%)



RIGA STATE CITY MUNICIPALITY FINANCIAL AND BUDGET POLICY

REVENUE

In 2022, total Riga State City Municipality basic budget revenue was 1 161,6 million euro, by 176,8 million euro (by 17,9%) more than in 2021, exceeding updated plan by 124,1 million euro (by 12%).

In 2022, total municipal budget tax revenues were 818,2 million euro, more by 95,7 million euro (by 13,2%) than in 2021 and more by 127,4 million euro (by 18,4%) than planned. In 2022, municipal budget revenue from personal income tax was 704,7 million euro, by 93,9 million euro (by 15,4%) more than in 2021. During the reporting year, RET revenue was 112,6 million euro, by 1,3 million euro (by 3,0%) more than in the previous year. Municipal budget gambling tax revenue was 0,5 million euro, natural resources tax revenue 0,4 million euro. Early in the year, gambling sector was still affected by Covid-19 pandemics restrictions but due to changes in tax policies, the proportion of municipal share in distribution of natural resources tax reduced significantly. In 2022, Riga State City Municipality budget revenue from earmarked subsidy from the State budget was 280,6 million euro, more by 74,9 million euro (by 36,4%) than in 2021.

EXPENSE

In 2022, total Riga State City Municipality budget expense was 1 112,1 million euro or 94,1% from annual plan, what is less by 69,8 million euro than planned. In 2022, execution of capital expenditures was 123,1 million euro, what is less by 24,7 million euro than planned. They were more by 10,9% compared with the results off the previous year. A result of City's investment program execution was 79% from the planned amount. In 2022, operative expenses were planned at the amount of 1 034,1 million euro what is 95,6% from annual plan or less by 45,1 million euro. In 2022, Riga State City Municipality closed their annual budget with a surplus of 49,5 million euro. In 2022, Riga State City Municipality revenues exceeded operative expenses by 172,9 million euro (by 17,5%), but budget cash surplus was 191,5 million euro at the end of 2022, increasing by 37,7 million euro within a year.

MUNICIPALITY'S DEBT DYNAMICS

Despite rapid growth of interest rates in financial markets, at the end of 2022, the total amount of Riga State City Municipality's future liability payments was 740,8 million euro increasing by 19,6 million euro within a year.

Rapid growth of municipal liabilities in 2007 is related with growth of undertaken liabilities due to construction of the South Bridge. Gradual repayment of these liabilities has reduced their proportion in the total amount of financial commitments from 76% in 2009 to 27% by the end of the reporting year. During the reporting year, Riga State City Municipality continued implementation of municipal loans, guarantees and other long-term debt management strategy for 2018 - 2022, by fulfilling all the criteria defined by liabilities portfolio management. The total amount of overall Riga State City Municipality liabilities (evaluating by principal amount of liabilities) was around 63,7% from municipal revenues, by end of 2022, not exceeding 100% limit defined by the Strategy.

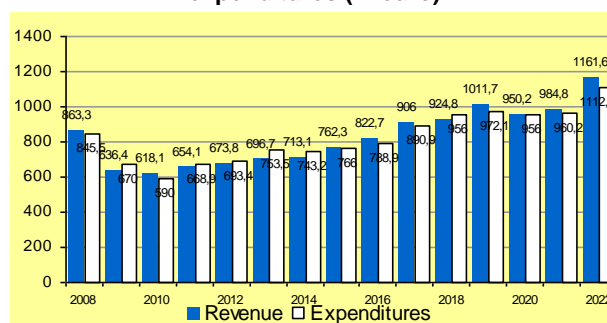
CREDIT-RATING

During the reporting year, international credit rating agency "Standard & Poor's" continued evaluation of Riga State City Municipality's budget and financial and budget policy. In October of 2021, credit rating agency "Standard & Poor's" evaluated Riga State City Municipality's budget and financial situation and raised credit rating assigned to Riga State City from "A-" to "A" and evaluated its development perspective as stable despite geopolitical and economical situation. Riga Municipality has discharged contract with credit rating agency "Moody's Investors Service".

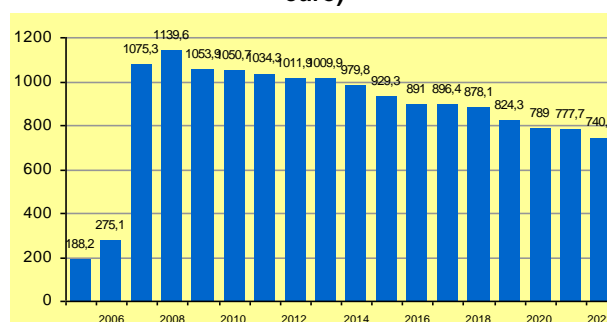
History of Riga State City credit-rating

Year of granting the rating	Standard & Poor's rating for liabilities in local and foreign currencies	Moody's Investors Service rating for liabilities in local and foreign currencies
1997	BBB-/Positive/A-3	-
1999	BBB/Stable/A-3	-
2001	BBB/Positive/A-3	-
2003	BBB-/Stable/A-3	-
2004	BBB-/Stable/A-3	-
2005	BBB/Stable/A-3	-
2006	BBB/Stable/A-3	A2 Stable
2007	BBB/Stable/A-3	A2 Stable
2008	BBB-/Negative/A-3	A3 Negative
2009	BB/Negative/B	Baa3 Negative
2010	BB/Stable/B	Baa3 Stable
2011	BB+/Stable/B	Baa3 Stable
2012	BBB/Positive/A-2	Baa3 Stable
2013	BBB/Positive/A-2	Baa3 Positive
2014	BBB+/Stable/A-2	Baa2 Stable
2015	BBB+/Stable/A-2	Baa1 Stable
2016	BBB+/Stable/A-2	Baa1 Stable
2017	BBB+/Stable/A-2	Baa1 Stable
2018	BBB+/Positive/A-2	Baa1 Stable
2019	A-/Stable/A-2	Baa1 Stable
2020	A-/Stable/A-2	Baa1 Stable
2021	A-/Positive/A-2	Baa1 Stable
2022	A/Stable/A-2	-

Riga State City consolidated budget revenue and expenditures (m euro)



Dynamics of total amount of Riga State City Municipality's financial commitments 2005 - 2022 (m euro)



RIGA STATE CITY MUNICIPALITY BUDGET EXECUTION PERFORMANCE

The results of Riga economical development and Riga State City Municipality's fiscal policy in 2022 are characterized by achievements in ensuring budget revenues and purposeful use in provision of municipal operations according to the budget approved by Riga State City Municipality. Budget is a tool for realization of Riga Municipality economic policy by means of financial methods. Riga State City Municipality budget includes Municipality's revenue and expenditure. Riga State City Municipality budget is prepared based on the cash flow principle, simultaneously in compliance with State Treasury instructions, ensuring accounting based on accrual principle.

RIGA MUNICIPALITY BUDGET REVENUES

Riga State City Municipality budget main revenue portion is formed by the basic budget revenue.

In accordance with laws and regulations, Riga State City Municipality performs administration of real estate tax.

Basic budget revenue mostly comprises:

Tax revenues:

- ▼ personal income tax;
- ▼ real estate tax on land, buildings, constructions and housing.

Non-tax revenues:

- ▼ State and municipality fees;
- ▼ charges for utilization of Municipality's capital;
- ▼ other revenues (fines, sales of property, etc.).

Riga State City Municipality also has budget revenue consisting of donations and endowments.

SUMMARY OF COMPOSITION OF RIGA STATE CITY MUNICIPALITY BASIC BUDGET REVENUE

Cash flow basis (k EUR)	2021 actual	2022 budget	2022 actual
Total revenues	984 831.7	1 037 538.3	1 161 627.2
Total tax revenues	722 530.3	690 834.7	818 216.5
Personal income tax	610 737.0	579 604.6	704 675.3
Real estate taxes	111 298.4	110 403.1	112 629.0
int.al. real estate tax on land	45 731.3	47 280.7	46 511.7
int.al. real estate tax on buildings	41 987.9	39 857.5	42 170.6
int.al. real estate tax on housing	23 579.2	23 264.9	23 946.7
Other tax revenue	494.9	827.0	912.2
Total non-tax revenues	27 917.6	23 455.8	28 723.0
Government (municipality) fees	5 341.8	3 236.8	5 396.1
Other non-tax revenues	22 575.8	20 219.0	23 326.9
Charges for paid and other own revenues	20 050.1	23 973.9	24 919.0
Transfers	214 333.7	299 273.9	289 768.7
Transfers of public entities partially financed by State budget and institutions not financed by budget	3.1	–	2.2
State budget transfers, int.al.	205 678.5	289 695.0	280 609.7
state budget transfers received by municipalities	173 395.4	221 863.6	217 155.8
transfers received from state institutions for projects coo-financed by EU policies' instruments and other foreign financial aid	32 283.1	24 044.8	19 667.3
subsidy from municipal cohesion fund received by municipality's budget	–	43 786.6	43 786.6
Municipal budget transfers	8 652.1	9 578.9	9 156.8

SUMMARY OF COMPOSITION OF RIGA STATE CITY MUNICIPALITY SPECIAL BUDGET REVENUES FROM DONATIONS AND ENDOWMENTS

Cash flow basis (k EUR)	2021 actual	2022 budget	2022 actual
Total revenues	160.9	375.2	300.4
Donations and endowments from legal entities and individuals	52.2	375.2	300.4
Donations and endowments for education	39.6	100.3	25.4
Donations and endowments for social care	9.9	5.5	6.6
Other donations from legal entities and individuals	2.7	269.4	268.4
Internal municipal budget transfers between different budgets of a single municipality	108.7	–	–

RIGA MUNICIPALITY BUDGET EXPENSES

Riga State City Municipality budget expense of 2022 in this report is reflected according to the functional categories, which correspond to the structure of expenses by government function or sector – education, economic activity, environmental protection, social security, management of Municipality territories and housing facilities, health care, recreation, culture and religion, public order and security, etc.

Budget forms the basis for financial operation and management of the Municipality and it serves as financial means of ensuring Municipality's operations. Performing municipal budget preparation approval, execution, and control procedures, a unified, transparent and effective approach shall be applied by all budget executors. Such an approach ensures that there are unified principles used throughout the entire Riga State City Municipality budgeting process, including budget requests preparation and evaluation, as well as budget monitoring and control. This regulation serves as a basis for preparation of annual methodological guidelines for particular budgeting process steps.

In the same way economical and efficient utilization of municipal funds is already provided by performance indicators' system realized by Municipality defined by law "On municipalities".

Providing execution of municipal autonomous functions, municipal budget programs, which regularly are providing the necessary services for inhabitants and city guests have defined particular performance results, have set particular goals and performance indicators (services), execution of which are subordinated to performance indicators (service activities) – number of units and expenses of one accessible unit.

Riga as the capital City has special importance that is related to hosting of national holiday celebrations, as well as provision of other traditional cultural events and visits of foreign representatives and state and officials.

In 2022, the main prior directions of Riga State City Municipality's budget were social security and accessibility of social services, accessibility of preschool education and finishing the launched infrastructure projects, as well as development of new ones. Riga State City Municipality's budget revenues are allocated for provision of execution of municipal functions – expenses for operation of institutions financed from budget. int. al. municipal education, culture and sports institutions, departments and social care services, for financing city's events, for operation of city's infrastructure, for payment of services necessary for city, int. al. for execution of municipal functions in social and education spheres, nongovernmental organizations and private sector, benefits for population of moderate means, for financing investments, for co-financing of EU projects as well as subsidies for public transport. In order to reduce impact of Covid-19 crisis, Municipality continued to allocate additional funds for education, public order and security and social security sectors, int. al. for additional payment for those who are working in these sectors. Due to the rapid increase in energy prices, expenditure was increased to cover the higher costs of heating, water supply and municipal waste collection.

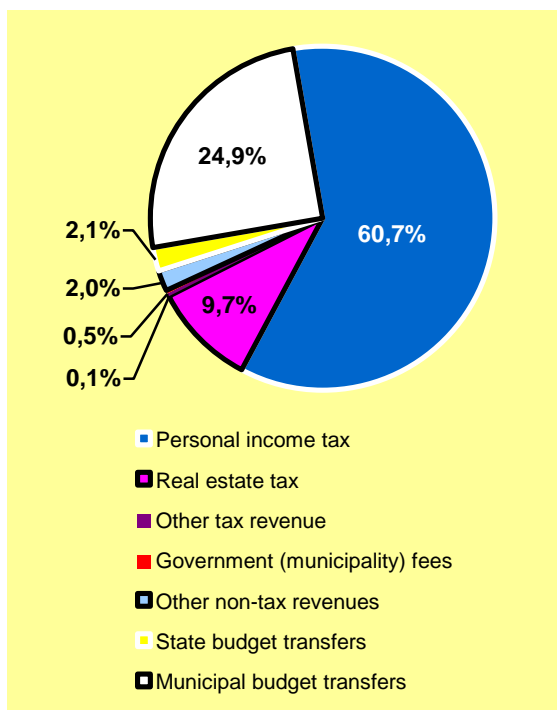
SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY BASIC BUDGET EXPENSES

Expenses by government function Cash flow basis (k EUR)	2021 actual	2022 budget	2022 actual
Total expenses	960 199.2	1 181 892.2	1 112 078.7
General governmental agencies int.al.	142 991.6	196 855.1	210 173.5
deposits to municipal financial cohesion fund	46 787.0	95 680.1	116 326.6
Public order and security	19 105.9	21 561.1	20 501.4
Economic activity	229 194.0	280 969.1	259 330.6
Environment protection	8 258.8	6 199.4	5 094.1
Municipal territory and housing management	34 361.0	47 978.1	30 793.5
Health care	5 352.4	5 968.7	5 058.4
Recreation, culture and religion	40 371.9	37 309.8	34 764.8
Education	371 871.9	428 449.4	402 800.1
Social security	108 691.7	156 601.5	143 562.3

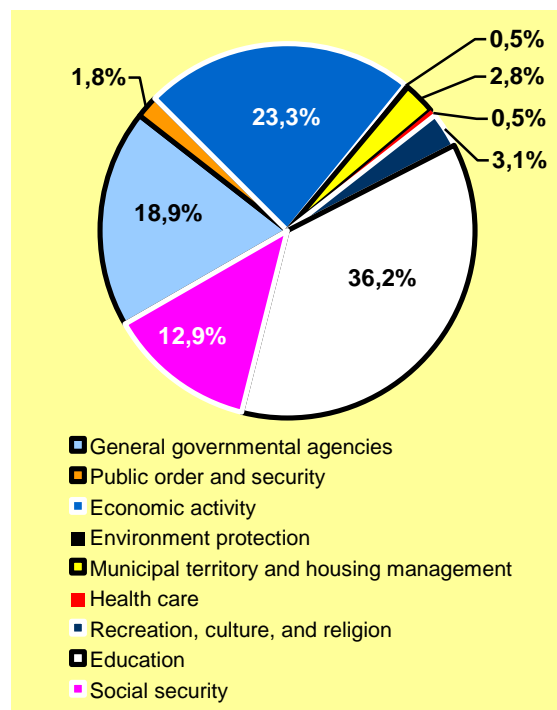
SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY SPECIAL BUDGET EXPENSES FROM DONATIONS AND ENDOWMENTS

Expenses by government function Cash flow basis (k EUR)	2021 actual	2022 budget	2022 actual
Total expenses	84.6	541.3	281.7
General governmental agencies	1.2	0.2	–
Environment protection	35.0	–	–
Recreation, culture and religion	9.6	282.7	269.8
Education	32.2	241.7	6.8
Social security	6.6	16.7	5.1

Composition of Riga Municipality basic budget revenue in 2022



Composition of Riga Municipality basic budget expenses in 2022



RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

EDUCATION AND SPORTS

Riga State City Council Education, Culture and Sports Department (ECSD) implements municipal policy in education, culture and sports sector and in youth work. Functions of ECSD includes qualitative and modern education, support for youth's initiative and organized leisure time, recognizable and involving culture environment, social integration and support for families, varied sporting opportunities, effective, responsible and guided to multilateral cooperation management. Function of qualitative and modern education is to provide qualitative education for preschooler of all the City families, accessible and qualitative elementary education, focused on excellence comprehensive secondary education, accessibility of exhaustive out-of-school and vocational education, promote society's understanding about necessity of lifelong education and improve inhabitants' involvement in adult education.

PRESCHOOL EDUCATIONAL INSTITUTIONS

In 2022, preschool education services were available at 148 Riga State City Municipality preschool educational institutions subordinate to ECSD, 19 comprehensive schools and 1 Riga interest educational institution. Preschool education program in municipal preschool educational institutions was provided for 24 546 children in total. Special preschool education programs were implemented in 28 educational institutions, which were mastered by 1 096 children. In 2022, 2 new preschool educational institutions were opened, creating additional places for 300 children and 15 preschool educational groups.

In 2022, Riga State City Municipality continued co-financing of private preschool educational institutions, concluded an agreement with 176 private preschool education service renderers. Riga State City Municipality continued to render baby-sitting co-financing service, which was provided on average for 855 children monthly.

COMPREHENSIVE SCHOOLS

At the beginning of the school year 2022/2023, 101 Riga State City Municipality elementary and secondary comprehensive schools started work – 58 secondary schools, 6 State grammar schools, 34 elementary schools and 3 primary schools, where education programs were mastered by 68 671 students at the beginning of the school year. Cooperation with private educational institutions was continued, where 4 200 students who are declared city's residents. Special education programs were implemented in 32 Riga State City Municipality elementary and secondary comprehensive schools which were mastered by 3 120 children.

In 2022, 7 educational institutions were changed from secondary school to elementary school, 3 institutions were liquidated and one was renamed in accordance with activities of optimization of educational institutions' network.

In order to provide up-to-date and modern learning process a rapid growth of use of all kind of digital resources, tools and platforms has occurred either in learning or in administrative processes. In 2022, ECSD provided use of learning e-environment "Training Cloud", "Mykoob" social network for learning and e-classroom systems.

OUT-OF-SCHOOL EDUCATION AND SPORTS

In 2022, in order to provide diversity and accessibility of out-of-school and vocational education there were 8 Riga Municipality's out-of-school educational institutions, 10 vocational schools majoring in sports, 9 music and art schools working in Riga Municipality as well as out-of-school education programs were implemented in 101 comprehensive schools and 87 368 students participated in programs realized by these schools.

Sports schools implemented professional education sports programs in 19 types of sports, involving 7 907 students. In 2022, financial support was provided for 25 educational institutions for provision of operation of outdoor sports grounds and public accessibility. During the winter season, ski runs and equipment rental in Uzvaras Park, Lucavsala, as well as at Lielvarde Street 141 near the Riga Secondary School No 84 opened by ECSD were publicly available to residents, along with public skating-rink.

In 2022, open competitions of organization of sports events of various scales were announced and 60 local and 13 international events were supported. Co-financing of training sessions for veteran sports clubs in Riga and support for 4 sports organizations implementing vocational sports education programs in Riga was provided. Participation in world, European championships and other major competitions of 158 best Riga's athletes and sports team members were supported. Free sports activities were organized for city residents in Riga's neighborhoods. In 2022, Riga supported the FIA World Rallycross Championship at the Bikernieki track.

Implementation of youth non-formal education programs are performed by Youth centre "Kanieris" where 35 non-formal education events were organized in 2022 activities for 749 youth on participation opportunities, projects, non-formal education, volunteering and event organization. In addition, youth organizations used the opportunities provided by the Youth Centre "Kanieris" to organize 101 events for youth. In cooperation with the association "Resilience Centre", street work with youth groups at risk continued in the city parks, as well as in the vicinity of malls "Origo" and "Akropole".

ECSD supported organization of youth's leisure time, informal education and employment, providing co-financing for 166 children and youth camps organized by the Riga State City Municipality educational institutions and 37 youth camps organized by non-government and religious organizations which total number of participants reached 7 199. Financial support was provided for 21 project what ensured free time activities for more than 2 900 children and youth during summer.

The Riga Education and Information Methodological Centre provided professional development for Riga teachers and non-formal adult education for Riga residents.

The most significant investment projects and programs:

- ▼ Renovation of sports infrastructure in territory of Riga Estonian School on Atgazeņu Street 26;
- ▼ Development of network structure in s of Riga State City Council Education, Culture and Sports Department subordinate institutions;

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

- ▼ Provision of technologies necessary for implementation of competency-based learning;
- ▼ Construction of sports grounds and territory improvement works in Riga Secondary school No 75 on Ogres Street 6;
- ▼ Provision of standards of hygiene in 3 preschool educational institutions;
- ▼ Renovation of interior of buildings of 21 preschool educational institutions;
- ▼ Territory improvement of 24 Riga State City Municipality preschool educational institutions;
- ▼ Construction of ventilation systems in 3 educational institutions;
- ▼ Renovation and restoration of 5 buildings within activities of optimization of educational institutions' network.

Budget expense allocated to education (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Preschool education	117 859.5	127 319.0	136 631.6	132 078.0
Elementary, comprehensive and professional education	200 812.2	196 364.9	230 807.1	213 576.2
Higher education	2.6	–	–	–
Education undefined by educational levels	43 304.5	43 293.8	53 889.4	50 416.9
Other education, not classified above	4 972.7	4 894.2	7 121.3	6 729.0
Total basic budget expense	366 951.5	371 871.9	428 449.4	402 800.1
int.al. investment	5 646.1	12 259.4	15 778.6	14 996.4

SOCIAL SECURITY

In 2022, 92,1 million euro (including 14 million euro of state funding) was planned for social services, what is by 16,2 million euro more than in 2021, to cover increase in prices for social services, social services for different social and age groups, limiting the spread of the Covid-19 infection, covering public utilities liabilities, support to the Ukrainian civilian population, salary increases for staff of subordinate authorities and other objectives.

SOCIAL PROTECTION IN RIGA

In 2022, like during the previous years the number of recipients of social services increased. In 2022, increased the number of recipients of services for children with functional disabilities, int. al. home care service, transport for the disabled, long-term social care and social rehabilitation service in institution for adults (hereinafter – SSC), family and state assistant services and psychologist services.

In 2022, 43 586 persons received social benefits, including 26 425 residents of Riga and 17 161 Ukrainian civilians. In 2022, 86 271 276 euro were spent on social services (including 75 907 076 euro financed by the municipality).

Although the total number of children receiving institutional care in Riga is decreasing, the number of children newly placed in long-term social care and social rehabilitation institutions and crisis centers is increasing. In 2022, 35 children in total, mostly adolescents aged 11 and above, were placed in institutional care.

In 2022, 4 165 people in Riga received the guaranteed minimum income (GMI) benefit at a total sum of 1 803 792 euro. Compared to the previous year, the number of the GMI benefit recipients decreased by 32% and the amount of spent financing by 10%. 60% of all the GMI recipients were families with children, which accounted for 57% of the total GMI funding. In 2022, the number of housing benefit recipients increased by 79% compared with 2021, reaching 15 091 persons. The amount spent financing reached 11 572 414 euro, an increased by 90% compared with 2021.

The waiting list for SCC is still in progress, group home/apartment services and day-care centre places for people with mental disabilities remained high.

With the end of the Covid-19 restrictions, the number of recipients of the health benefit and the amount spent on it increased sharply in 2022. In 2022, 3 881 persons received the health benefit, by 41% more than in 2021, and the spent financing was 337 523 euro, by 78% more than in 2021.

In accordance with the Law on Support to Ukrainian Civilians, support was also provided to Ukrainian civilians and their family members who leave Ukraine or who are unable to return to Ukraine due to the armed conflict caused by the Russian Federation. In 2022, the Riga Social Service granted and paid social benefits to 17 161 Ukrainian civilians at the amount of 13 069 897 euro.

By the end of 2022, as a part of The Recovery and Resilience Facility plan, a project application was submitted to the Central Finance and Contracting Agency to improve the accessibility of 13 social service facilities in Riga. The total planned costs of the project are 2 350 000 euro and it is planned to be implemented by 31 December 2024.

In 2022, several evaluations were performed – a study on the effectiveness of the Supporting person service for families raising a child with functional disorder. An evaluation of youth activities of the Riga Municipality's Children and Youth Centre and analysis of the workload of Riga Social Care Centers personnel in comparison with the number of clients. As a result of the evaluations, it was possible to identify the dynamics of development and to develop suggestions for the social services improvements.

EMPLOYMENT FACILITATION ACTIVITIES

In cooperation with the Society Integration Fund, Riga State City Municipality launched a pilot project "Provision of Support Measures for Homeless People", which aims to provide up to 60 homeless people with housing and individual support program to integrate them into society. The project will run until 31 December 2023 and the total available Riga State City Municipality's funding is 226 574 euro.

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

The most significant investment projects and programs:

- ▼ Provision of standards of hygiene in Riga Social Care Centre "Gailezers" on Hipokrata Street 6;

- ▼ Renovation and improvement of infrastructure of Riga Social Care Centre "Mezciems" on Malienas Street 3 and Riga Social Care Centre "Stella Maris" on Birzes Street 54.

Budget expense allocated to social security (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Social security in case of inability to work	6 742.4	8 628.9	16 436.2	12 656.5
Assistance to elderly people	13 407.4	15 425.2	18 696.5	17 154.9
Assistance to families with children	10 791.5	12 245.8	15 907.5	15 321.5
Assistance in unemployment case	489.4	334.6	193.9	178.6
Housing allowance	11 233.6	13 521.4	9 603.2	9 588.2
Other support for socially repudiated persons not classified above	47 531.0	56 101.7	84 929.8	79 478.4
Other social care not classified above	2 084.8	2 434.1	10 834.4	9 184.2
Total basic budget expense	92 280.1	108 691.7	156 601.5	143 562.3
int.al. investment	2 065.3	826.3	866.8	638.5

HEALTH CARE

In 2022, Riga City Council Welfare Department continued implementation of municipality's function to take care of inhabitant's health, implementation of measures promoting healthy lifestyles and organize access to healthcare services, providing evidence-based and diverse health promotion and disease prevention activities.

In 2022, 2 143 activities promoting society's health took place in various spheres, i.e. educational institutions, workplaces, subordinate authorities, events organized by social partners, public places, etc., which were attended in-person or on-line by more than 32 000 different target groups, including children, young and expectant families, working age inhabitants, seniors. 202 022 euro were spent on health promotion and disease prevention activities.

In 2022, public health activities were carried out in the municipality, offering various health promotion activities, in. al. online, thereby facilitating access to services for different target groups. Intensive work continued to promote inhabitant's health skills and public health education. Principles of service planning and organization:

- ▼ Accessibility – distance to a health care service;
- ▼ Organizational accessibility – including provision of information in mass media;
- ▼ Affordability – determining factor is availability of the service free of charge.

139 discussions on addiction prevention and 213 interactive and educational sessions on aggression

intervention, life skills promotion and other topics were conducted, which were attended by more than 6 270 students. For public education purposes, 6 awareness-raising seminars on the prevention of trauma and dementia were held.

During the reporting year, in order to prevent inhabitants from potential health risks and to promote reduction of HIV, type C and B hepatitis provision of addiction prevention services launched in the previous years was continued. In 2022, psychologist, social worker consultations, HIV specialist consultations were rendered, syringes exchange and handing out of condoms were performed as well as social workers on streets was provided.

In 2022, 5 online lectures were held for residents on various health-promoting topics, incl. educational lectures on reproductive health, skin health, prevention of dementia and teenager health on the Facebook account "Healthy Rigan – in healthy Riga".

Welfare Department continued provision of 5 Health rooms provided by "The Latvian Red Cross", offering quick and together in one place professional consultations and preventive medical examinations for any inhabitant, which were visited by 3 992 inhabitants. In three Health rooms provided by "The Latvian Red Cross" there also are HIV prevention points.

The most significant investment projects and programs:

- ▼ Renovation of Riga Municipality Ltd. "Riga 1st hospital" on Bruninieku Street 5;
- ▼ Renovation of engineer networks of Riga Municipality Ltd. "Riga 2nd hospital" on Gimnastikas Street 1.

Budget expenses allocated to health care (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Operation and services of ambulatory medical institutions, and public health-care agency services	3.5	3.5	8.8	3.4
Hospital services. Health-care services for mother and child	1 102.8	1 374.8	455.6	391.6
Services provided by social health care services	3 324.3	3 974.1	5 504.3	4 663.4
Total basic budget expense	4 430.6	5 352.4	5 968.7	5 058.4
int.al. investment	1 032.8	1 374.8	101.3	83.2

MUNICIPAL TERRITORY AND HOUSING MANAGEMENT

In 2022, financing of 247 727 euro were utilized within Riga State City Municipality budget program "Management of residential and nonresidential accommodations owned by Riga State City Municipality", int.al. compensated management expenses of social apartment houses' and apartment houses' with separate social apartments, which do not exceed the established rent for lodgers, 50% compensation of water and sewerage expenses and 25% compensation of heating expenses.

In 2022, Riga State City Municipality co-financing for connecting private property to centralized sewerage and water supply system was allocated to 243 real estate owners at a sum of 278 489 euro.

In 2022, 598 applications from legal and physical entities were reviewed in Riga State City heat supply issues committee on establishing alternative heating system:

- ▼ 109 extracts from a protocol were issued on establishing heating system in apartments and non-residential space;
- ▼ 489 extracts from a protocol were issued on establishing heating system in houses and buildings.

In 2022, Riga State City Council City Development Department compensated house managers' losses which occurred because of free and not being rented out premises for a prolonged period owned by Riga State City Municipality. Amount of compensation was 743 617 euro.

1 964 persons/families (149 lodgers of denationalized buildings) for receiving support on solving housing issues were recorded. In 2022, 359 residential apartments were rented out based on decisions made by Riga State City Council Commission of rental apartments. 5 accommodation units are rented to people in need of emergency assistance. 4 temporary accommodation units were rented out. 685 000 euro were spent on housing release allowances for 35 families.

Methodic support for the apartment owners was continued on transferring administration rights of the privatized residential buildings. Personnel of management administration took part in 85 apartment owners' meetings on transferring administration rights of residential buildings to the apartment owners, creating joint ownership administration structures and other matters concerning administration of residential buildings. In 2022, with support of Management directorate 80 residential apartments being in possession of Municipality were transferred to apartment owners. 24 contracts of authorization of management were concluded on management of unprivatized parts of residential buildings.

31 new rental agreements were concluded on application of Riga State City Municipality's residential buildings which administration rights were transferred to possession of apartment owners.

In residential buildings which administration rights are transferred to apartment owners, many lodgers of Riga State City Municipality housing are not fulfilling rental agreement obligations, resulting in accumulation of arrears of rent and paid services, in 2022, committee for evaluation of lodgers' arrears examined 60 cases concerning necessity of payment of lodgers of Riga State City Municipality's housing and repayment of debt was done for a total sum of 57 936 euro.

The most significant investment projects and programs:

- ▼ Renovation of Esplanade pedestrian road in sectors 2 and 7;
- ▼ Revitalization of cultural and natural heritage of the Sarkandaugava neighborhood and introduction of new services, rebuilding of Aldaris Park;
- ▼ Renovation of building and territory improvement works on Ojara Vaciesa Street 2;
- ▼ Digitization of the register of cemeteries and burial places of Riga State City Municipality cemeteries – Plavnieki, Jaunciems and Bolderaja.

Budget expenses allocated to municipality territory management and housing facilities (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Territory development	–	–	50.0	32.4
Street illumination	7 432.6	7 522.3	11 330.7	9 961.9
Other activities concerning municipality territory management and housing facilities not classified above	36 332.9	26 838.7	36 597.4	20 799.2
Total basic budget expense	43 765.5	34 361.0	47 978.1	30 793.5
int.al. investment	14 003.5	758.5	5 583.2	2 483.3

ENVIRONMENTAL PROTECTION

Riga State City can be proud of great number of various overground water objects, there are either artificial or natural reservoirs among them. To provide efficient exploitation of reservoirs both for recreation and commercial purposes, management principles were worked out, coordination of introduction and realization of which was provided by Riga State City Council Housing and Environment Department. In 2022, following projects were implemented:

- ▼ Lifting out of underwater objects were performed in aquatorium of the Riga channel;
- ▼ Cleaning of small water courses in Riga;
- ▼ Cleaning Riga channel from garbage;
- ▼ Collection works of petroleum products in The Daugava river.

In 2022, during the exploitation and maintenance works of water objects in Riga territory were developed project of coastal anti-erosion measures on Umurgas Street 6A, cleaning of Riga small water courses, cleaning of protective bars, repair works of The Jugla lake bank promenade, liquidation of dangerous trees in hydrographic network lifting out pipe from The Zunda channel, sawing of The Marupite river at Arkadija park, development of design for two boat launching points, urgent emergency operations in Riga hydrographic network and other works.

Riga State City Council Housing and Environment Department is responsible for the establishment, maintenance and water quality management of 3 bathing sites in The Gulf of Riga and 5 inland bathing sites in the territory of the Riga State City Municipality.

To maintain and renew Riga State City Municipality's greenery management of City's greenery was performed – upkeep of 1 605 young trees of street greeneries, planted 155 trees, upkeep of crowns of 1 069 growing trees, liquidation of damaged, dangerous and dead trees – 391 trees, sawing of 162 dangerous trees and 137 dangerous boughs, improved growth conditions for 70 chestnut-trees and other works.

In 2022, waste management achievements: additional established additional public sorted waste collection points; organized seasonal hazardous waste collection; development of the textile collection system was continued; amendments of Riga City Council binding regulations "On Municipal Waste Management in the Riga City" were made; control of implementation of separate waste collection in apartment buildings were performed in cooperation with waste management companies; work on the development design of 8 sorting yards was continued; and other.

In 2022, mowing of biologically valuable meadows and reed in specially protected natural territories was performed in area of 137 ha, improvement of territories, scavenging, localization of invasive species and tending of protected trees was performed within Riga State City basic budget program "Maintenance of biological diversity".

Riga State City Municipality provides control of animals' population in Riga State City according to laws and regulations of Republic of Latvia, within it catching of 524 runabout dogs and 569 cats was performed, 871 ownerless dogs and cats were housed at City's paid animal shelter. 865 ownerless cats were caught and sterilized, 328 cats and dogs suffered an accident were brought to veterinary hospitals from City streets, support was provided for 861 wild animals. Riga State City Municipality also provided services of picking up and utilization of animal corpses, euthanasia and sterilization of low-income inhabitants' pets and maintenance of walking grounds for dogs.

Municipality organizes exploitation of fishing rights in the waters of the Gulf of Riga and inland waters of Republic of Latvia owned by state in accordance with fishing laws and regulations. Greatest part of the collected revenues from exploitation of industrial fishing rights Riga State City Council Housing and Environment Department used for replenishing of fish resources.

Air quality and noise pollution supervision is performed in Riga State City. In 2022, action program of improvement of air quality in Riga State City 2021-2025 was provided, operation of 3 air monitoring stations was provided; action plan of reduction of noise in Riga agglomeration 2017-2022 was provided; public service agreement was signed on development of action plan of reduction of noise pollution in Riga agglomeration for a time period from 2023 to 2027.

Budget expenses allocated to environmental protection (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Waste management	60.3	81.1	77.6	77.6
Waste-water management	100.1	221.6	102.5	101.3
Prevention and reduction of environmental pollution	120.5	517.3	768.8	704.2
Protection of biodiversity and landscape	115.5	161.1	172.6	172.3
Other expenditures related to environmental protection	3 203.5	7 277.7	5 077.9	4 038.7
Total basic budget expense	3 599.9	8 258.8	6 199.4	5 094.1

CULTURE

Municipality's priorities in cultural sphere are organization of cultural events, promotion of amateur art and preservation of diverse cultural values, provision of balanced and diverse cultural services for inhabitants, paying special attention to cultural events in Riga neighborhoods.

In 2022, following important events were organized:

- ▼ Events dedicated to Easter Sunday and Easter in various Riga neighborhoods, which were visited by 18 227 residents;
- ▼ Events dedicated to the Anniversary of Declaration on the Restoration of Independence of the Republic of Latvia, which were attended by 18 227 visitors;
- ▼ 17 events dedicated to Midsummer Eve in Riga neighborhoods, after a two-year break, the 25th Herbs and Grass Market was held at Dome Square, attended by 15 000 residents and city visitors. Midsummer celebrations took place on both banks of the Daugava – at Green Theatre in Mezaparks and in Dzeguzkalns. Total number of visitors – 20 000;
- ▼ Contemporary art festival "White Night 2022" offered 30 events in Riga centre and neighborhoods, which were attended by 26 000 visitors;
- ▼ Events dedicated to the Anniversary of Proclamation of the Latvia Republic in Riga centre, Arkadija Park, park of Cultural palace "Ziemeļblazma", Latgale Park and near the VEF Cultural palace;
- ▼ After a two-year break, 70 various events supported by municipality took place during the Advent and Christmas season in 2022, one of them was environmental staging "Christmas Light Trail". New Year events at the Riga Congress Centre and Town Hall Square attracted around 50 000 visitors.

Within Riga summer culture program Neighbourhood Festivals were organized in six Riga neighborhoods – Vecmilgravis, Agenskalns, Bolderāja, Maskavas Forstate, Imanta and Plavnieki, which were attended by around 28 400 people. In four Riga neighborhoods – Viesturdarzs, Vermanes Park, Nordeki Park and at Mazjumpravas Manor, Moments of Joy Parks were organized, which were visited by Prieka Moments Parks, which were visited by around 27 400 residents. Culture and educational events in the cultural spaces "Strops" in Ebeldmuiza Park, Plavnieki Green Grove, at the RCB Bolderaja branch library and RCB Ciekurkalns branch library, which were attended by around 12 000 visitors. In total, 100 200 visitors attended the Riga summer cultural program.

In 2022, instead of traditional Riga Festival, Riga Birthday picnic was organized on 20th of August. It was attended by around 25 000 residents and city guests.

To express solidarity with Ukraine, supporting events were organized in Riga: supporting concerts for Ukraine "For Ukraine's Freedom", a concert "Prayer for Ukraine" at the Riga Dome, a large-scale photo exhibition "Glory to Ukraine! Glory to the Heroes!", exhibitions of Ukraine flags in support for Ukraine in front of the Russian Embassy.

In 2022, Riga supported the largest popular music and art festival in the Baltic "Positivus", gathering around 20 000 music lovers from Latvia and abroad in Lucavsala on 15 and 16 of July.

In 2022, a new co-funding procedure for cultural and artistic projects and events was established, 192 projects were supported in total.

In 2022, the continuity of the process of Song and Dance Festival was provided by 174 Riga State City Municipality's amateur art collectives. In 2022, International Folklore Festival "Baltica 2022" took place in Riga.

In 2022, the Riga Central Library's branch network was expanded in the neighborhoods by opening a branch in Agenskalns and renovation works of the Tornakalns branch were started.

The most significant investment projects and programs:

- ▼ Reconstruction of Grand stage of Mezaparks 2nd section of B stage;
- ▼ Design of outbuilding of the Latvian National Theatre on Simtgades Avenue 3.

Budget expense allocated to recreation, culture and religion (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Recreational and sports events	4 150.0	3 480.7	5 940.4	5 754.5
Culture	37 827.0	36 888.9	31 369.4	29 010.3
Services of religious organizations and other associations and foundations	304.2	–	–	–
Other recreational, cultural, and religion-related services not classified above	–	2.3	–	–
Total basic budget expense	42 281.2	40 371.9	37 309.8	34 764.8
int.al. investment	16 494.9	16 573.5	2 971.9	2 509.2

ECONOMIC ACTIVITY

Riga State City Municipality's public transport systems serve either for Riga inhabitants or for City's nearest area. City Municipality public transport network in Riga is well developed and provides good coverage of City's territory. In 2022 Riga State City Municipality public transport network was formed by:

- ▼ 51 bus routes with total length of 874,97 km, provided by 250 buses in the daytime;
- ▼ 11 improved service bus routes with total length of 171,11 km, provided by 78 buses in the daytime;
- ▼ 5 tram routes with total length of 59,05 km, provided by 49 trams in the daytime;
- ▼ 21 trolleybus routes with total length of 210,71 km, provided by 145 trolleybuses in the daytime.

Total length of transportation network was 35,74 million km.

In 2022, 93,27 million passengers were transported in Riga State City public transport, which is by 18,98 million passengers (by 25,6%) more than a year earlier, including 1,5 million passengers transported by improved service buses, which is by 0,66 million (by 31%) passengers less than a year earlier in the corresponding period.

In 2022, 94% from all the public transportation vehicle, 100% of them trolleybuses and 48% trams, which were used to provide public transportation service were adjusted for use for persons with functional impairments, pregnant women and persons with little children and perambulators.

During the reporting year, work on following infrastructure objects was performed:

- ▼ Cross-over on A. Deglava Street 2nd stage was put into operation (total construction expense – 1st stage 5 490 582,92 euro and 2nd stage 7 040 047,47 euro);
- ▼ Construction of East Motorway section "Ieriku Street - Vietalvas Street" 1st and 2nd stages (1st stage – 37 873 029,78 euro, 2nd stage – 27 759 470,65 euro);
- ▼ Reconstruction of cross-over over railway near Brasa railway station 2nd stage (initial construction expense – 10 871 006,61 euro, 2nd stage – 13 128 980,73 euro);
- ▼ Finished reconstruction of Island Bridge complex 2nd stage (construction expense 1 035 558,96 euro);
- ▼ Finished construction of cross-over over railway "Riga-Skulte" with access roads 1st stage (42 489 053,78 euro);

- ▼ Finished reconstruction of cross-over over K. Ulmana Avenue on Jurkalnes Street – 1 003 835,36 euro;
- ▼ Reconstruction of crossing of Maskavas Street and Krustpils Street (1 063 563,56 euro).

During the reporting year, Riga's infrastructure was improved with various newly constructed objects, including the construction of sidewalks on 2 streets, establishing of 2 pedestrian crossings with additional lighting, construction of 3 new streets, construction of bicycle infrastructure and establishing of street improvement elements on various Riga streets.

In 2022, a number of improvements of public transport traffic were performed, including improvement of pedestrians' safety, reduction of maximum traffic speed, etc. activities, int. al. in 19 locations maximum speed was reduced, in 35 locations prohibition to stop/to stand was established, 7 temporary parking-lots were erected, 4 parking places for delivery were erected, 8 parking-lots for disabled were erected, cargo transport traffic was limited in 4 locations, traffic organization was improved in 16 locations, 7 new traffic lights objects were built, renewed 12 traffic lights.

Other traffic organization system works done in 2022: established 2 new unregulated pedestrian crossings, improvement of safety of 1 existing pedestrian crossings was performed, parking-lots were liquidated or moved from sidewalks to carriageway in 2 locations.

The most significant investment projects and programs:

- ▼ Development of digital twin of administrative territory of Riga State City Municipality;
- ▼ Reconstruction of cross-over over K. Ulmana Avenue on Jurkalnes Street;
- ▼ Construction of East Motorway section "Ieriku Street - Vietalvas Street" 2nd stage;
- ▼ Construction of bikeway "Imanta - Daugavgriva";
- ▼ Construction of bikeway "Centrs - Ziepniekkalns";
- ▼ Reconstruction of crossing of Maskavas Street and Krustpils Street;
- ▼ Development of construction plan of reconstruction of Jorga Zemitana bridge;
- ▼ 2nd stage of reconstruction of Brasa bridge;
- ▼ Renewal of street paving on Gertrudes Street;
- ▼ Reconstruction of Dandales Street;
- ▼ Construction of Laivu Street and a new street in Lucavsala.

Budget expense allocated to economic activity (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
Agriculture, forestry, fishery and hunting	8.6	8.8	9.0	9.0
Mining, industry and construction	4 728.6	3 364.9	11 140.3	9 619.7
Transportation	204 257.2	223 826.3	265 583.5	246 689.9
Other sectors	2 221.8	1 059.1	2 995.4	2 215.2
Other economic activity not classified above	713.6	934.9	1 240.9	796.8
Total basic budget expense	211 929.8	229 194.0	280 969.1	259 330.6
int.al. investment	4 235.8	6 506.9	43 391.5	34 072.2

PUBLIC ORDER AND SECURITY

During the reporting year, Riga Municipality Police officials secured public order during important mass gathering events, rendering support also for the state law enforcement institutions together with their direct responsibilities int. al. during State Holidays of the Republic of Latvia, visits of foreign delegations, events organized by Riga State City Municipality, meetings, street processions, sports games and recreation events and during other important mass events. 99 Riga Municipal Police event plans were prepared to ensure public order at the most important events of the year.

In 2022, Riga Municipality Police officials secured public order near 188 Riga State City educational institutions' complexes of buildings. 630 educating events were organized in Riga State City educational institutions; 1 611 preventive discussions were held for minors.

During the reporting year, 126 374 calls were maintained, and 10 190 applications were received. In 2022, Riga Municipality Police recorded 10 217 persons who committed administrative violations or crimes, 661 of them were wanted persons, 62 of them were juvenile persons.

By means of Riga Municipality Police video surveillance center 3 531 cases of law violation were recorded, 1 446 video records were submitted to law enforcement institutions. In 2022, Riga Municipality Police recorded 16 314 administrative violations, 1 046 of them administrative violations committed by minors and 451 administrative violations against minors recorded. 59 662 decisions on administrative violation matters were made, 47 411 administrative violations protocols on violating stopping and parking regulations were issued.

In 2022, 1 331 inspections of epidemiological safety measures for arrivals and inspections of epidemiological safety measures in 6 379 public transportation vehicles were performed.

In 2022, 21 administrative violations of water traffic rules were recorded, during raids 98 illegal fishing tools were confiscated, including poaching nets at total lengths of 1,8 km, 84 administrative violations were recorded, and 1 poacher was detained.

In 2022, 5 swimmers were rescued, medical aid was rendered to 48 persons and 20 lost children were found.

In 2022, phone service of Tourism Information Center served 760 phone calls and police rendered help to 2 877 foreign tourists among them 2 290 refugees from Ukraine.

Information is regularly updated in Riga Municipality Police internet home page.

In 2022, uploaded videos were viewed 1 112 000 times. Around 1 000 answers to inhabitants' questions were prepared in social media and home page. Riga Municipality Police Youtube account subscribers reached 7 970 persons, followers of Riga Municipality Police Facebook account – 25 760, but followers of Riga Municipality Police Twitter account – 14 118.

The most significant investment projects:

- ▼ Construction plan of Riga Municipality Police building on Ledurgas Street 26.

Budget expenses allocated to public order and security (k EUR)	2020 actual	2021 actual	2022 budget	2022 actual
The police	18 490.9	19 094.0	21 511.1	20 501.4
Fire protection, fire-fighting, rescue and civil protection services	–	–	50.0	–
Other public order and security services not classified above	28.4	11.9	–	–
Total basic budget expense	18 519.3	19 105.9	21 561.1	20 501.4
int.al. investment	302.0	324.9	250.1	47.4

RIGA STATE CITY MUNICIPALITY MANAGEMENT AND OPERATION IMPROVEMENT IN ORDER TO PROVIDE EFFECTIVE OPERATION, INTERNAL AUDIT, CORRUPTION PREVENTION ETC.

CORRUPTION PREVENTION

In 2022, Riga State City Council Internal Control and Corruption Prevention Department continued provision of coordination of Riga State City Municipality institutions' corruption prevention activities and control of execution of corruption risks prevention plan, performing inspection and deliver opinions on execution of corruption prevention plan of individual Riga State City Municipality institutions.

Riga State City Council Security, Public Order and Corruption Prevention Issues Committee approved Riga Municipality's anti-corruption strategy 2022-2025 developed by Riga State City Council Internal Control and Corruption Prevention Department.

Riga State City Council Internal Control and Corruption Prevention Department developed an action plan to identify functions and areas of activity in central administration and departments of Riga State City Municipality that are exposed to corruption risks, to identify positions exposed to corruption risks, to develop an assessment of positions and functions exposed to corruption risks and to develop an anti-corruption action plan for 2022-2025. Most of the planned institutions have been assessed in 2022.

During the reporting year, Riga State City Council Internal Control and Corruption Prevention Department reviewed applications submitted by individuals, employees of Riga State City Council and legal entities on work and purchasing procedures of Riga State City Council departments' and institutions' and performed 2 inspections of Riga State City Municipality institutions. Conclusions of the inspections delivered opinion and suggestions to eliminate shortages.

In 2022, Riga State City Municipality received 16 applications in total with whistleblowing note, 6 of them were recognized as whistleblowing reports, but 10 applications didn't comply with whistleblowing criteria and were examined or were forwarded for regular examination. Several applications were forwarded to The Corruption Prevention and Combating Bureau.

INTERNAL AUDIT

According to the Riga State City Council Audit Directorate 2022 plan of internal audit realization approved by Chairman of Riga State City Council, in 2022, Riga State City Council Audit Directorate performed 7 internal audits, int. al. 1 audit in specific Riga Municipality institutions and 6 separate system audits (1 - 4 institutions were audited within each audit, 14 in total). In 2022, 3 audits that started in 2021 were completed: 2 audits in specific municipal institutions and 1 separate system audit.

Audit reports gave evaluation of the audited systems and suggestions on improvement of operation and control mechanisms of these systems. As a result of audits introduction schedule of suggestions was developed, where 50 suggestions were included.

In 2022, procedure of development of internal audit strategic plan was improved – as of 2022 internal audit strategic plan timetable also includes such individual system audits that are planned to be carried out simultaneously in several Riga City State Municipality institutions (horizontal system audits). This makes the internal audit environment more transparent, with a clear prioritization of the systems to be audited and the planned timing of the audits.

In 2022, Riga State City Council Audit Directorate performed 5 inspections of financial and economic activities in Riga State City Municipality's enterprises, as well inspection of financial and economic activities that started in 2021 were completed.

As a result of performed audit 43 suggestions on elimination of the found offences and flaws were suggested. Riga State City Council Audit Directorate assesses and gives an opinion to Riga State City Municipality's enterprises and to representative of the capital share holder on the plan prepared by Municipality's enterprises for elimination of deficiencies identified in the audit and implementation of recommendations, as well as on the report of Municipality's enterprises on the implementation of the action plan.

OPERATION IMPROVEMENT

In 2022, following improvements were made:

- ▼ New functionality of electronic record management information circulation and meeting support system (ELISS) was introduced. ELISS replaces the previous document management application RDLIS, which had been in use for more than 20 years. The application is integrated with the other core modules of RDVIS, including e-services.
- ▼ Functional additions to the Municipal resource management system.
- ▼ Work was carried out on the development of GEO RIGA public portal for viewing and using geospatial information on Riga administrative territory held by the municipality.
- ▼ Works on introduction of tourism fee e-service was performed.
- ▼ Project "Digitization of education system in order to provide quality studying process". The aim of the project was to provide teaching staff and students of educational institutions with the extension of wireless internet zones and the installation of new ports. In total, extensions were provided in 52 educational institutions.
- ▼ To improve the quality of the video service, the latest generation ICT technology Felxstor units were purchased.
- ▼ Technical support and assistance was provided to the Riga Support Centre for Ukrainians.
- ▼ Preparation works were started for development of the "Resource accounting and monitoring information system" (RUMIS), which will be implemented in partnership with the Ministry of Education and Science within the framework of the European Regional Development Fund project "Improvement of the state examination organization process".

RIGA STATE CITY MUNICIPALITY PARTICIPATION IN INTERNATIONAL COOPERATION PROJECTS

In 2022, Riga State City Municipality continued cooperation with international institutions and cooperation networks, as well as cities of various countries, in areas of culture, education, sports, city planning and development, transportation and traffic, police, order and security issues, environment protection, tourism, as well as other areas.

The most significant international projects and events Riga State City Municipality's participated during 2022 in association with execution of Riga territory plan:

- ▼ Reconstruction project of Aldara Park – 3rd stage construction works were continued;
 - ▼ Revitalization of Skanste territory 1st stage where goal is to enable environmentally friendly and sustainable growth of territory's economical potential and creating new working places. In 2022, construction of new streets was performed and construction of rainwater drainage system was continued;
 - ▼ Measures for flood protection project in Bolderaja, which goal is to adapt to climate changes by preventing flood risks and to ensure quality living environment. In 2022, construction was finished and object was commissioned;
 - ▼ "Development of infrastructure objects that reduce anthropogenic load and improvement in the status of biotopes in natural park "Piejura" (Natura 2000)"; in 2022, project financing was approved, project realization and planning of biotope management was started;
 - ▼ Development of construction plan of riverside promenade on Muksalas Street, In 2022, development of construction plan was started;
 - ▼ Project "Development of multifunctional open space in Riga State City neighborhoods";
 - ▼ Project "Pedestrians/cyclists' bridge over the Kileveina ditch";
 - ▼ "Development of infrastructure construction projects included in Riga State City Municipality RAS transportation system greening reform";
 - ▼ "Integration of European level railway infrastructure into infrastructure of Centre of Riga State City";
 - ▼ "Promotion of development and accessibility of public open space of Old Riga";
 - ▼ "Development of industrial quarter on Granita Street";
 - ▼ "Development of Zunda channel waterside";
 - ▼ "Promotion of development and accessibility of public open space of Riga Centre and Brasa neighborhood";
 - ▼ "Testing new storm water treatment solutions for reduction of hazardous substances and toxins inflows into the Baltic Sea (CleanStormWater)";
 - ▼ "Development of resource-efficient city environment policy (EURE)".
- ▼ "Support for reduction of untimely breakup of studies";
 - ▼ "Career support in comprehensive and vocational educational institutions";
 - ▼ "Support for development of students' personal competencies";
 - ▼ "Digitization of educational institutions for 7-9 grades";
 - ▼ "European Pact for Integration";
 - ▼ "Integrating of migrants with locally shaped experiences";
 - ▼ "Access to culture for everyone".

In 2021, Riga State City Municipality continued cooperation with international organizations and cooperation networks:

- ▼ Participation in Organization of World Cultural Heritage Cities OWHC and League of Historical Cities (LHC);
- ▼ Cooperation with Latvian National Commission for UNESCO;
- ▼ Remote participation in conference and General Assembly of League of Historical Cities (LHC) "Future-Oriented Historical City Based on Community" in Andong (South Korea);
- ▼ Participation in meetings and General Assembly of European Network of Cultural Centres (ENCC);
- ▼ Participation in work of Organization of World Cultural Heritage Cities (OWHC);

In 2022, specialists from City Development Department took part in the following international cooperation promoting activities:

- ▼ Participation in planning Union of Baltic Cities (UBC) commission's work;
- ▼ Participation in meeting of management group seminary "District of the Future" in cooperation with Commission "Smart and Prospering Cities" in Kiel, as well as in webinar on energy crisis affect on city's development organized by Commission;
- ▼ Participation in the network of European metropolis – METREX. Coordination of the METREX Nordic-Baltic Metropolitan Network is taken over from the Stockholm region, setting the agenda and chairing meetings;
- ▼ Participation in advisory board of Sustainable Cities Commission of Union of Baltic Cities (UBC) commission's;
- ▼ Participation in EUROCITIES platform, which regularly hosts discussions and seminars on experiences of the platform members in implementation of low emission zones;
- ▼ Participation with RTU representatives in the EIT Climate-KIC educational program for professionals on learning and applying a system approach in developing a pilot area cooperation model;
- ▼ Participation in EIT UM 2022 Innovation Call as consortium partner in 4 project proposals. EIT supported 3 projects;
- ▼ Participation in EIT UM RAPTOR Pilot 2 program, which included the "Novality" smart bike stand pilot project in Riga.

In 2022, 15 project applications were handed in for LIFE, HORIZON, Interreg programs. 9 from all the handed in projects were approved early in 2023 with total financing of 3 951 963 euro, int, al. attracted financing of EU programs was 2 596 355 euro.

In 2022, Riga City Council Education, Culture and Sports Department implemented 12 projects co-financed by the EU and other financial instruments with a total budget of 23 117 890 euro, of which 20 969 655 euro was financed by the EU and other external financial sources and 2 148 235 euro by the Riga City Municipality. The most significant projects:

PROMOTION OF INHABITANTS' AWARENESS AND EDUCATION AND COOPERATION WITH PRIVATE SECTOR

PROMOTION OF INHABITANTS' AWARENESS AND EDUCATION

All the most important information about City and Municipality is available on internet portals, internet social networks, published in newspapers, broadcasted on radio, TV as well as outdoor advertising and digital screens in city environment and public transport. Normative acts, Riga State City Council's and its committees' meeting schedule, documents to be revised, resolutions and resolution projects, information about planned and actual events are available on Riga State City Municipality's home page www.riga.lv. Information is updated several times a day. Portal supplies information on Municipality structure, competences of municipal structures, officials and contacts, as well as other important information either for businessmen and inhabitants or nongovernmental organizations (NGO).

By means of various information media all the interested persons were informed about planning and execution of the Municipality budget, City Council work priorities, improvement of city's environment, new development projects and construction plans, as well as important investment and cultural projects. Information about issues on social help, opportunities to receive real estate tax allowances, paid service discounts, availability of kindergartens, education sphere, sports and cultural events, various project competitions, business environment, raise of EU funds, traffic restrictions or repair works on City's streets, information update on Covid-19 restrictions, prevention measures and changes in working hours of institutions is reflected.

Information on possibilities to receive real estate tax allowances, paid service discounts was provided, availability of kindergartens, requirements for children registration and enrollment, new catering system pusdienlaiks.lv, municipal support for private kindergartens was shown. Information on education sphere, sports and cultural events was provided. Inhabitants were informed also about traffic restrictions or repair works on City's streets, for example by publishing digital maps with repair works on City's streets and bypass routes. Detailed information was provided on the transition to centralized cleaning of pavements in the historic centre of Riga.

In 2022, cooperation with mass media was continued. Most topical and important events of Municipality were reflected in mass media, press conferences were regularly held in the Riga State City Council, a lot of them were broadcasted on online media: Facebook, LETA, Delfi and other online media, interviews and comments were provided, as well as journalists were provided with various informative materials on municipal issues.

In order to provide feedback between municipality and society, in cooperation with research centre SKDS inhabitants' opinion surveys and researches were continued in 2021 as well. Survey results as well as residents' of Riga opinion expressed in public discussions are used in further activities; they affect Riga State City Municipality decisions, as well as development and their progress.

In 2021, information of inhabitants on Municipality's topical issues was continued by means of social media. Topical and important information for inhabitants as well as answers on various inhabitants' questions was published in Riga Council Facebook and Twitter accounts. Information on Riga State City Municipality's institutions and their services in sign language is available for residents of Riga in several sites.

Active information work of inhabitants is continued by Neighborhoods Inhabitants' Centre (NIC). NIC employees receive visitors in-person, by phone or electronically. NIC also offers gratis legal aid. Riga Council gratis informative phone 80000800 is at inhabitants' service.

Active cooperation with NGO was carried out in order to enable closer society's participation in development and adoption of Riga State City Municipality's decisions and evaluation of its performance.

COOPERATION WITH PRIVATE SECTOR

Riga State City Municipality render support for civic society activities, promotes society's participation in municipality's activities – in development and introduction of municipal policy, decision making and implementation, int. al. involvement of minorities, in strengthening of national identity.

In 2022, Riga State City Council City Development Department on the spot and remotely implemented a series of society's awareness and involvement activities: development of local plan of railway route territory, preliminary research of infrastructure projects included in Recovery and stability mechanism plan, improvement of Riga territory plan, reparation of Riga development program and other projects.

In January 21 of 2020, civic participation events were organized in relation to cooperation memorandum signed between Riga State City Council and NGO: informative events in cooperation with project Rail Baltica representatives were organized to inform on development of city's landscape; on progress in development of local plan and design; online public discussion with NGO and professional organizations on integration of international railway Rail Baltica into area of Riga Central Terminal; online discussion with representatives of association "City for people" on solutions of crossing of Lacpesa Street and Satekles Street in Rail Baltica project.

ACTIVITIES PLANNED FOR THE NEXT YEAR

LAUNCHED PROJECTS THAT WILL BE CONTINUED

In 2023, work on following projects is planned to be continued:

- ▼ Renovation of Daile Square;
- ▼ Work on railway "Rail Baltica" project;
- ▼ Renovation of Latvian Riflemen Square;
- ▼ Development of infrastructure of society based services in Priedenes Street 11;
- ▼ Reconstruction of building on Kalnciema Street 160C in order to create educational institution;
- ▼ Improvement of territory (construction of sports ground) used by in Riga Secondary school No 75 on Ogres Street 9;
- ▼ Reconstruction of Victory Park including territory improvement;
- ▼ Improvement of energy efficiency of 8 preschool educational institution buildings;
- ▼ Creation of a new educational centre of natural sciences and technologies;
- ▼ Renovation works of interior and territory improvement of preschool educational institutions;
- ▼ Construction of ventilation system in 2 educational institutions;
- ▼ Renovation/restoration of 9 buildings within activities of optimization of educational institutions' network;
- ▼ Creation of outdoor sports infrastructure in 4 comprehensive schools;
- ▼ Provision of accessibility in 3 educational institutions.

MAIN TASKS OF THE NEXT YEAR AND PLANNED COOPERATION PROJECTS

- ▼ Improvement of energy efficiency of "Riga" ice hockey school's ice hall;
- ▼ Improvement of energy efficiency of gym-hall of Riga Hanza Secondary school on Grostonas Street 5;
- ▼ Improvement of energy efficiency of gym-hall of Riga children and youth sports school "Ridzene" on Barona Street 99A;
- ▼ Improvement of energy efficiency of Riga Social Care Centre "Mezciems" on Malienas Street 3A;
- ▼ Improvement of energy efficiency of Riga Maternity Hospital on Miera Street 45 k-2;
- ▼ Improvement of energy efficiency of Riga Municipality Ltd. "Riga 1st hospital" building 14A;
- ▼ Provision of accessibility in buildings of Riga State City Municipality's social service institutions (17 objects).

RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2022 (SUMMARY)

RIGA MUNICIPALITY SUMMARY BALANCE SHEET	At the beginning of the accounting period (k EUR)	At the end of the accounting period (k EUR)
ASSETS	3 505 223.5	3 602 089.1
Non-current assets	3 315 130.9	3 366 041.2
Intangible assets	18 266.5	17 465.5
Licenses, concessions and patents, trademarks and similar rights	17 810.4	17 134.2
Other intangible assets	155.3	191.8
Unfinished intangible assets	145.8	139.5
Advances for intangible assets	155.0	-
Fixed assets	2 372 823.8	2 416 983.2
Land and construction	1 676 797.3	1 749 154.6
Technological equipment and machinery	6 745.3	10 257.0
Other fixed assets	79 436.9	76 720.1
Construction in progress, unfinished fixed assets	109 718.5	155 272.1
State and municipal real estate property assigned for actual possession	487 021.2	412 716.0
Biological and underground assets	11 789.9	11 920.0
Long-term investments in leased assets	94.2	56.8
Advances for fixed assets	1 220.5	886.6
Long-term financial investments	783 055.7	806 735.5
Investments in equity capital of related enterprises	716 103.5	736 667.2
Investments in equity capital of associated enterprises	66 952.2	70 068.3
Long-term receivables	770.4	789.4
Other long-term receivables	770.4	789.4
Investment property	140 214.5	124 067.6
Investment property	132 962.3	117 021.5
Investment property assigned for actual possession	7 252.2	7 046.1
Current assets	190 092.6	236 047.9
Inventory	18 865.4	22 665.5
Short-term receivables	13 962.9	15 508.8
Deferred expenses and advances for services and projects	3 372.5	6 331.8
Cash	153 891.8	191 541.8
LIABILITIES	3 505 223.5	3 602 089.1
Equity	2 633 884.9	2 774 556.3
Reserves	111 575.0	111 575.0
Results of the budget execution	2 522 309.9	2 662 981.3
Retained results of the budget execution	2 595 271.7	2 522 309.9
Results of the budget execution in current period	-72 961.8	140 671.4
Provisions	394.4	323.0
Liabilities	870 944.2	827 209.8
Non-current liabilities	642 378.5	576 243.0
Long-term borrowings	517 501.5	492 834.9
Long-term liabilities to suppliers and contractors	15 499.1	13 167.9
Long-term accrued liabilities	87 688.9	63 214.8
Long-term deferred income and received advances	12 930.9	149.1
Other long-term liabilities	8 758.1	6 876.3
Current borrowings and current portion of long-term debt	62 611.5	69 220.9
Current liabilities to suppliers and contractors	29 926.7	39 871.7
Current accrued liabilities	54 553.4	59 446.3
Salaries and deduction payments (excluding taxes)	12 036.8	13 262.0
Tax, fees and other payment liabilities	13 686.2	15 521.1
Other current liabilities	3 371.7	3 196.7
Deferred income and received advances	52 379.4	50 448.1

RIGA MUNICIPALITY SUMMARY BALANCE SHEET	At the beginning of the accounting period (k EUR)	At the end of the accounting period (k EUR)
OFF-BALANCE SHEET		
Leased assets	564.8	670.5
Off-balance sheet assets	16 615.5	14 430.1
Demurrages, fines, penalties and late payment interest receivable	7 746.9	10 059.5
Actions of detainee	46.2	38.3
Other off-balance sheet assets	8 822.4	4 332.3
Off-balance sheet liabilities	206 298.2	171 678.7
Future liabilities according to agreements concluded on projects financed by foreign financial aid and EU policies' instruments	65 591.6	67 790.3
Future liabilities and payments according to agreements and government decisions on purchase and creation of long-term assets, except those concluded on projects financed by foreign financial aid and EU policies' instruments	98 137.4	75 960.6
Future liabilities and payments according to agreements and government decisions on purchase of widgets, except those concluded on projects financed by foreign financial aid and EU policies' instruments	408.2	13.8
Received and not paid invoices for advance payments	0.8	32.1
Warranties issued	26.4	41.3
Other off-balance sheet liabilities	42 133.8	27 840.7

BASIC BUDGET INCOME STATEMENT	2021 actual	2022 budget	2022 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	984 831.7	1 037 538.3	1 161 627.2
Total tax revenues	722 530.3	690 834.7	818 216.5
Personal income tax	610 737.0	579 604.6	704 675.3
Real estate taxes	111 298.4	110 403.1	112 629.0
int.al. real estate tax on land	45 731.3	47 280.7	46 511.7
int.al. real estate tax on buildings	41 987.9	39 857.5	42 170.6
int.al. real estate tax on housing	23 579.2	23 264.9	23 946.7
Other tax revenue	494.9	827.0	912.2
Total non-tax revenues	27 917.6	23 455.8	28 723.0
Government (municipality) fees	5 341.8	3 236.8	5 396.1
Other non-tax revenues	22 575.8	20 219.0	23 326.9
Charges for paid and other own revenues	20 050.1	23 973.9	24 919.0
Total transfers	214 333.7	299 273.9	289 768.7
Transfers of public entities partially financed by State budget and institutions not financed by budget	3.1	–	2.2
State budget transfers, int.al.	205 678.5	289 695.0	280 609.7
state budget transfers received by municipalities	173 395.4	221 863.6	217 155.8
transfers received from state institutions for projects co-financed by EU policies' instruments and other foreign financial aid	32 283.1	24 044.8	19 667.3
subsidy from municipal cohesion fund received by municipality's budget	–	43 786.6	43 786.6
Municipal budget transfers	8 652.1	9 578.9	9 156.8
Total expenses by government functions			
Total expenses	960 199.2	1 181 892.2	1 112 078.7
General governmental agencies, int.al.:	142 991.6	196 855.1	210 173.5
contributions to municipal cohesion fund	46 787.0	95 680.1	116 326.6
Public order and security	19 105.9	21 561.1	20 501.4
Economic activity	229 194.0	280 969.1	259 330.6
Environmental protection	8 258.8	6 199.4	5 094.1
Territory and housing management	34 361.0	47 978.1	30 793.5
Health care	5 352.4	5 968.7	5 058.4
Recreation, culture, and religion	40 371.9	37 309.8	34 764.8
Education	371 871.9	428 449.4	402 800.1
Social security	108 691.7	156 601.5	143 562.3
INCOME STATEMENT ON DONATIONS AND ENDOWMENTS	2021 actual	2022 budget	2022 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	160.9	375.2	300.4
Donations and endowments from legal entities and individuals	52.2	375.2	300.4
Donations and endowments for education	39.6	100.3	25.4
Donations and endowments for social care	9.9	5.5	6.6
Other donations from legal entities and individuals	2.7	269.4	268.4
Internal municipal budget transfers between different budgets of a single municipality	108.7	–	–
Total expenses by government functions			
Total expenses	84.6	541.3	281.7
General governmental agencies	1.2	0.2	–
Environmental protection	35.0	–	–
Recreation, culture, and religion	9.6	282.7	269.8
Education	32.2	241.7	6.8
Social security	6.6	16.7	5.1

EXPLANATION OF BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS 2022

This financial statements summary including Riga State City Municipality's summary balance sheet as of 31 December 2022, basic budget income statement for 2022 (cash flow basis) and income statement of donations and endowments (cash flow basis) for 2021 are prepared on the basis of audited Riga State City Municipality financial statement, based on following principles:

- ▼ Balance sheet is presented identical to the included in audited statements of Riga State City Municipality 2022 (k EUR) (Form No 1);
- ▼ Basic budget income statements on cash flow basis are prepared based on information included in Riga State City Municipality statement 2022 (Form No 2) "Budget execution statement" (basic budget). Income is classified in groups characterizing the type of the income in terms of economic activities, in compliance with Regulations of Cabinet of Ministers of LR No 1032 dated 27.12.2005. "Regulations on classification of budget income". Expenses are declared according to groups of functional categories by administrative, functional and sector features in compliance with Regulations of Cabinet of Ministers of LR No 934 dated 13.12.2005. "Regulations on classification of budget expense classification accordingly functional categories";

- ▼ Income statement of donations and endowments is prepared on cash flow basis and based on information included in Riga State City Municipality statement 2022 (Form No 2) "Budget execution statement" (donations and endowments). Income is classified in groups characterizing the type of the income of economic activities, in compliance with LR CM Regulations No 1032 dated 27.12.2005. "Regulations on classification of budget income". Expenses are declared according to groups of functional categories by administrative, functional and sector features in compliance with Regulations of Cabinet of Ministers of LR No 934 dated 13.12.2005. "Regulations on classification of budget expense classification accordingly functional categories";

According to paragraph 38 of Cabinet of Ministers regulations No 344 dated 19.06.2018. "Procedure for the preparation of an annual report", information on Riga State City Municipality's financial statements 2022 is available at the State treasury's home page from 1 July 2023.

INDEPENDENT AUDITOR'S REPORT ON RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2022

INDEPENDENT AUDITOR'S REPORT

Riga
No. 1/2023

Municipality of Riga:

Our Opinion

In our opinion, the accompanying financial statements of the accompanying annual report give a true and fair view of the financial position of Riga State City Municipality (the "Municipality") as at 31 December 2022, and the Municipality's financial performance and cash flows for the year ended 31 December 2022 in accordance with the Cabinet of Ministers regulation no. 344 dated 19 June 2018 Procedure for Preparation of the Annual Report.

What we have audited

The Municipality's financial statements comprise:

- ▼ the balance sheet as at 31 December 2022,
- ▼ the statement of financial results for the year ended 31 December 2022,
- ▼ the statement of changes in equity for the year ended 31 December 2022,
- ▼ the cash flow statement for the year ended 31 December 2022, and
- ▼ the notes to the financial statements which include explanatory information on financial statement line items, a summary of significant accounting policies, a summary of financial statements preparation principles and information on financial instrument risk management.

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions adopted in the Republic of Latvia (ISSAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Municipality in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Audit Services that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law on Audit Services.

Reporting on Other Information

Management is responsible for the other information. The other information comprises:

- ▼ the Management Report as set out in system e-Parskati section Documents "1. Management Report",
- ▼ the Explanation on the Budget Execution Report as set out in system e-Parskati section Documents "5. Explanation on the Budget Execution Report",
- ▼ the Budget Execution Report as set out in system e-Parskati section Budget execution – Budget execution reports,

but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Management Report, we also performed the procedures required by the Law on Audit Services. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of the Cabinet of Ministers regulation no. 344 dated 19 June 2018 Procedure for Preparation of the Annual Report.

Based on the work undertaken in the course of our audit, in our opinion, in all material respects:

- ▼ the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▼ the Management Report has been prepared in accordance with requirements of Ministers regulation no. 344 dated 19 June 2018 Procedure for Preparation of the Annual Report.

In addition, in light of the knowledge and understanding of the entity and its operating environment obtained in the course of our audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Cabinet of Ministers regulation no.344 dated 19 June 2018 Procedure for Preparation of the Annual Report and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAI, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▼ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▼ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- ▼ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▼ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- ▼ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Translation note: This version of our report is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Member of the Board
Certified auditor in charge
Certificate No.168

Riga, Latvia
26 April 2023

Lejiņa
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371-67094400

INDEPENDENT AUDITOR'S REPORT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP