

Public Report 2024 of Riga State City Municipality



RIGA

APPROVED

with Riga State City Council decision
of 2025.05.21 No. RD-25-4674-lē



Riga, 2025

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THE CHAIRMAN OF THE RIGA COUNCIL INTRODUCTION TO THE PUBLIC REPORT 2024

During the reporting year, the Riga State City Municipality operated in accordance with the Riga State City Municipality Statute, which determines the organization of the Riga State City Municipality administration, the decision-making procedure, the rights of citizens in local administration, as well as other issues of the organization of work of the municipality, with the aim to bring the administration closer to the recipients of municipal services.

In 2024, Riga State City Municipality was affected by economical and financial situation, with economic activity declining due to external factors. During the reporting year, gross domestic product was lower by 0,4% than in the previous year. In some sectors economic activity reduced more sharply, e.g. transport sector – by 7,9%, construction – by 6,9% and manufacturing industry – by 4,6% compared to the same period of the previous year. Economic activity in the trade sector increased by 3,4%, as well as a slight increase of 1,3% in accommodation and catering services, which was facilitated by the increase in the number of tourists in Riga.

Inflation in the economy decreased from 8,9% in 2023 to 1,3% in 2024. Average wages continued to grow at a relatively strong pace, increasing by 9,7% in 2024, facilitating over-execution of the initial personal income tax revenue plan by 55,3 million euro (6,7%).

In 2024, Riga State City Municipality basic budget revenue was 1 399,9 million euro, assessed according to the cash flow principle. Compared to the initial budget plan, it was higher by 45,6 million (3,4%). The municipal budget revenue in the reporting year exceeded the previous year's level by 114,5 million euro (8,9%).

In 2024, Riga State City Municipality budget revenue from personal income tax reached 882,3 million euro, 84,7 million euro (10,6%) more than in the previous year. During the reporting year, budget revenue from real estate tax reached 116,4 million euro, by 0,8 million euro (0,69%) less than in the previous year, but the planned annual revenue from this tax exceeded by 0,9 million euro.

In 2024, total municipal budget tax revenue reached 999,8 million euro, by 83,9 million euro (9%) more than in the previous year. During the reporting year, non-tax revenue was 29,6 million euro, what is by 0,5 million euro more than in 2023, paid services and other own revenue were collected in the amount of 39,1 million euro in 2024, by 10 million euro more than in the previous year.

In 2024, State budget transfers to the municipal budget reached 316 million euro, by 18 million euro more than in the previous year but by 13,8% less than planned, as the transfer revenue plan for European Union (EU) policy instrument projects was only fulfilled by 36% due to delays in the start of construction in several projects.

In 2024, as in previous years, the largest share of municipal budget expenditure were allocated to education – 539,4 million euro (37,6% from the total budget expenditure). During the reporting year, the second largest area of municipal budget expenditure was economic activity, where 313,4 million euro (21,9% of total budget expenditure) were allocated. In 2024, municipal budget capital expenditure was 192 million euro (6,8% more than in the previous year).

The municipality closed 2024 with a basic budget deficit of 33,1 million euro, what was significantly lower than the planned deficit of 163,8 million euro. The municipality basic budget cash balance was 124,9 million euro at the end of the year.

During the reporting year, international credit rating agency "Standard & Poor's" continued evaluation of Riga State City Municipality's financial and budget policy, in October of 2024, evaluating Riga State City Municipality's budget and financial situation credit rating agency "Standard & Poor's" reaffirmed credit rating assigned to Riga State City Municipality at "A" level and with stable development perspective. This is a confirmation of continuous successful municipality's financial and budget policy, providing a basis for stability in a changing economic and financial environment.

The main risks in the municipal budget revenue side are currently not related to the main source of municipal budget revenue – personal income tax revenues (as the State guarantees them in 100% amount), but rather to the execution of certain items of the revenue side of the budget in the area of non-tax revenues and state budget transfers to EU policy instrument projects, whose execution depends on the implementation and financing progress of these projects. In the area of expenditure, the main risks are the execution of capital expenditure projects and their impact on the cash-flow smoothing by month.

A significant challenge for the Riga State City Municipality remains the renewal of the city's traffic infrastructure, using all financial attraction options – EU funds, loans from the State Treasury and commercial banks, municipal investment resources, as well as potentially the issuance of municipal securities.

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.

V. Kirsis

Chairman of the Riga State City Council

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

RIGA POPULATION

POPULATION

At the beginning of 2025, according to data of The Office of Citizenship and Migration Affairs 672,5 thousand inhabitants lived in Riga, decreasing by 2 thousand per year (by 0,3%). The State's overall population decreased by 17 thousand (0.8%) over the past year.

The Ukrainian refugee factor also determined the positive balance of migration in Riga in 2022, when it reached 14,3 people per 1 000 inhabitants. In 2023, balance of migration reduced to 0,4 people per 1 000 inhabitants and natural decrease of the due to fertility and mortality trends in Riga was 7,4 people per 1 000 inhabitants

There were 376,2 thousand working age inhabitants in Riga State City at the beginning of the reporting year, by 1,9 thousand less than in the previous year. Proportion of this group from all inhabitants remained at 62% level. The number of children and youth (inhabitants below working age) was 89,2 thousand, decreasing by 3,2 thousand within a year. At the beginning of the reporting year, the number of inhabitants above working age was 139,9 thousand (23,1% from all the inhabitants) in Riga, increasing by 1 thousand within a year.

During the reporting year, the average age of the population in Riga was 43,3 years, the average age of the State – 43,1 years.

ETHNICAL COMPOSITIONS

Ethnical composition of Riga State City inhabitants hasn't changed significantly during the recent years. In 2024, largest nationalities were Latvians – 46,6% and Russians – 34,1%. The number of Ukrainians has increased from 4,9% to 5,3% of the city's population due to refugee immigration.

EMPLOYMENT

In 2024, the number of employed in Riga was 308 thousand, increasing by 0,7 thousand within a year.

During the reporting year, the greatest decrease of the employed was in transportation and storage industry – by 2,1 thousand (by 3,9%), in financial and insurance services sector – by 0,9 thousand (by 1,9%), but the largest increase was in health and social care sector, where the number of employees increased by 1,9 thousand (by 8,2%).

UNEMPLOYMENT

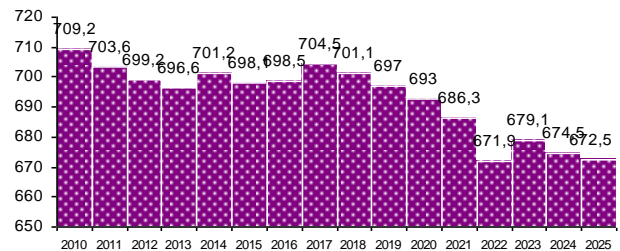
During the reporting year, the number of unemployed decreased by 0,6 thousand. There were 11,9 thousand unemployed in the city at the end of the year (3,1% from economically active city inhabitants). In total the unemployment rate was 4% in State at the end of 2024.

WAGE

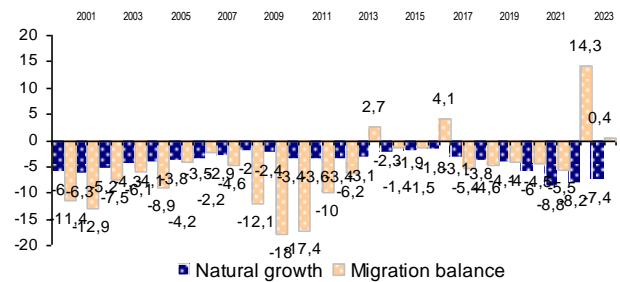
The average monthly gross wage in Riga reached 1 869 euro, increasing by 9,6% compared to the previous year. Growth of wage was faster in the public sector – by 11,1%, in the private sector it increased by 8,8%.

During the reporting year, average wage of employees in public sector was still higher by 6,9% than in private sector in Riga.

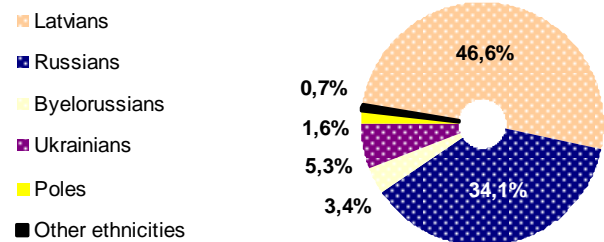
**The number of Riga inhabitants
(according to OCMA, k people)**



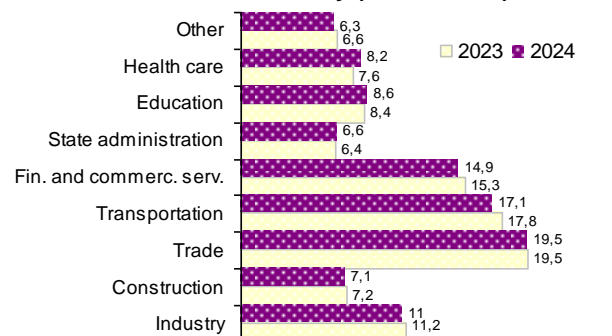
**Effect of natural growth and migration on the
number of Riga inhabitants (people on k inhabitants)**



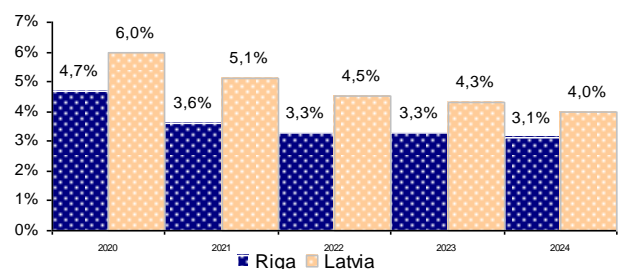
**Ethnical composition of Riga inhabitants
(at the end of 2024, %)**



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



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



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

With decreasing inflation, the average real wage of workers in Riga increased by 8,1% in 2024, compared to a 2,1% increase in real wages in 2023. During the reporting year, average wage in Riga was higher by 10,9% than in the country on average. The most rapid growth of wage in Riga was in sectors with the relatively lowest wage level. In education sector wages increased by 15,2% and by 13,8% in real estate operation sector.

Highest gross wage level in Riga still was in financial sector exceeding the city's average level by 58%, but the lowest – in education sector where it was 78% below the average level.

ECONOMIC DESCRIPTION OF RIGA STATE CITY MUNICIPALITY

In 2024, gross domestic product decreased by 0,4% in Latvia. The most rapid decrease of economic activity was in the transportation sector, where gross value added decreased by 7,9%, in construction – by 6,9%, in processing industry – by 4,6%. Rise of economic activity, in its turn, was in trade – by 3,4% and in financial and insurance service sector – by 3,1%.

In 2024, the biggest proportion in Riga economic structure by value added had trade (retail sales and wholesale sales) sector – 13%. Professional scientific and technical services, administrative services – 13%, information and communication services – 11,8%, real estate operations – 10,2%.

Compared to 2023, the share of manufacturing in the sectoral structure of Riga decreased - from 8.9% to 8.5%, as well as the share of the trade sector - from 13.7% to 13%, but the share of the state administration, education and health sectors increased. According to the latest available statistical data, the added value created in the Riga economy is around 53% of the total added value in the country.

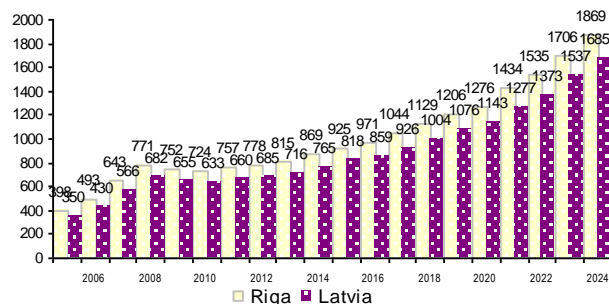
TRANSPORTATION AND COMMUNICATIONS

RIGA PORT

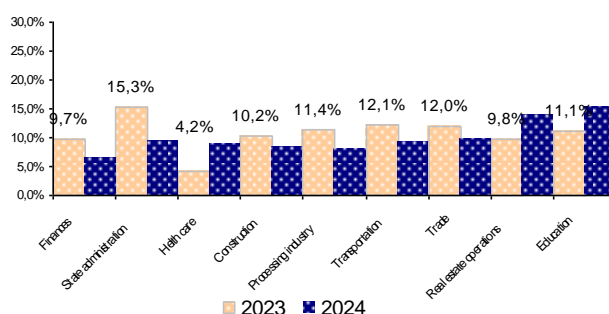
During the reporting year, cargo turnover decreased by 3,9% as the volume of cargo received dropped significantly – by 29.1%, but the volume of cargo shipped increased by 7.7% the volume of cargo shipped at the Riga Port in the reporting year was about 77% of the total cargo volume. Of the total cargo turnover of Latvian ports, 50% of cargo was transshipped at the Riga Port in the reporting year.

In 2024, the biggest proportion of transferred cargo in Riga port, as in the previous year, was cargo containers – 25,8%, grain and grain products – 18,8%, timber – 16,1%, which amount increased by 12% within a year.

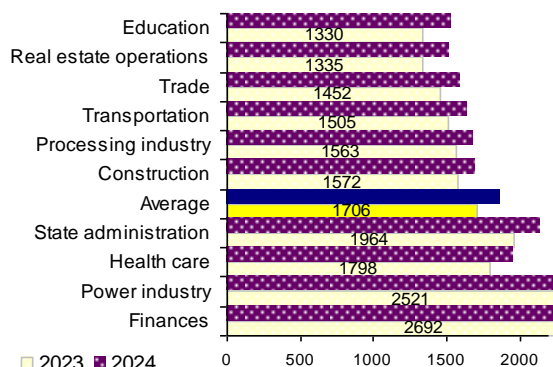
Monthly average gross wage in Riga
2005 – 2024 (in euro)



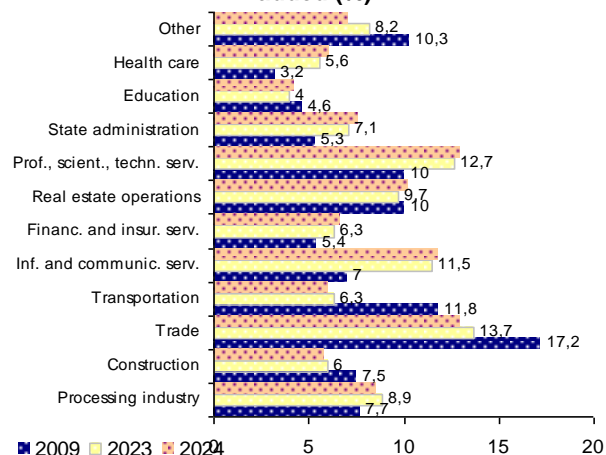
Monthly average gross wage in Riga by sectors (in percent compared with the previous year)



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



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



AIRPORT

Riga International Airport is not located in the capital's administrative territory, yet it plays significant role in urban economics, in particular in the fields of tourism and transport. In 2024, turnover of serviced passengers in Riga Airport increased by 7% compared with the previous year, however it was by 9% lower than the pre-crisis highest result in 2019.

During the reporting year, amount of shipped and received cargo was 18,8 thousand tons, by 2% less than in the previous year and just 35% from the maximum of the amount of shipped cargo, that was reached in 2014.

PUBLIC TRANSPORTATION

In 2024, 116 million passengers were transported in Riga public transportation, by 1,2 million (by 1%) more than in the previous year. Although the number of transported passengers in Riga public transportation has increased by 41,7 million, however it still was less by 18,4 million passengers than the amount of transported passengers before Covid-19 crisis.

In 2024, 93% 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 6 tram, 22 trolleybus and 50 city bus routes. In 2024, the total distance managed in Riga's transportation network was 35,5 million kilometers, by 2,4% more than in the previous year.

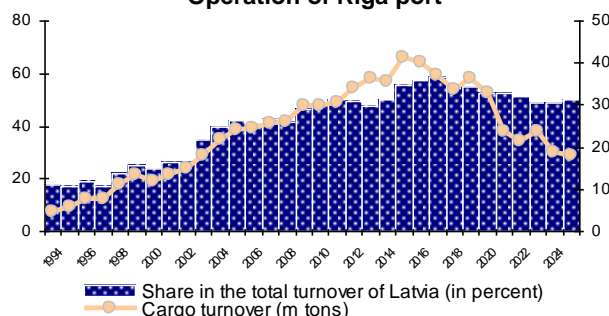
TOURISM

During the reporting year, growth of served tourists continued, increasing by 182,9 thousand (by 15%). The number of serviced tourists in Riga increased by 154,9 thousand (by 16%). 80% from all the serviced tourists in Riga were foreign tourists. 71,5% from all the tourists that have used tourists' lodgings stayed in Riga. During the reporting year, the number of the City's tourists' lodgings increased by 5, reaching 109 lodgings at the end of the year, the number of accommodations increased by 291 reaching 7 475 accommodations (around 42% from the entire number of accommodations in state).

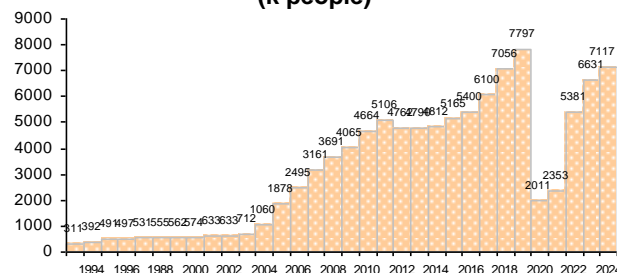
CONSTRUCTION

In 2024, the space of commissioned new-built dwelling houses in Riga was 83,3 thousand square meters, decreasing by 19% compared with the previous year. Since this number has decreased by 43% in the state during the previous year, in 2024, the proportion of built dwelling houses in Riga increased to 39% of the state overall result. The space of commissioned single apartment dwelling houses in Riga dropped for the second year in a row, decreasing by 43% and was 8,2 thousand square meters.

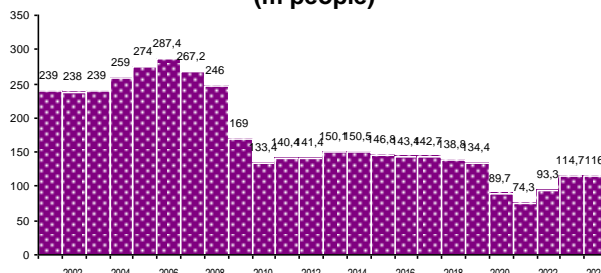
Operation of Riga port



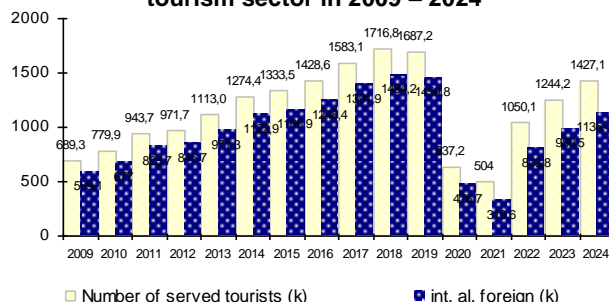
Riga International Airport: passenger turnover (k people)



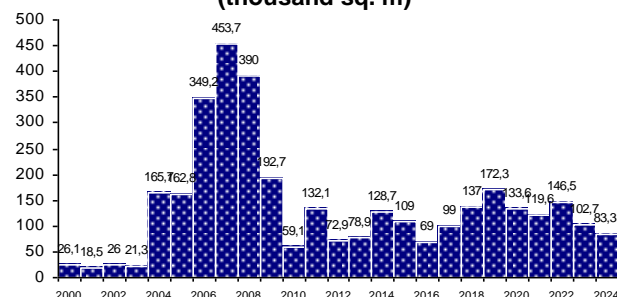
Passenger carriage in Riga public transportation (m people)



Characteristics of development of Riga State City tourism sector in 2009 – 2024



Dwelling houses constructed in Riga 2000 – 2024 (thousand sq. m)



RIGA MUNICIPALITY ADMINISTRATION STRUCTURE, FUNCTIONS, PERSONNEL

Riga State City Municipality institutional system and work organization are defined by binding regulations "Riga State City Municipality regulations" Riga Council regulations "Central Administration of Riga State City Municipality regulations" and Riga Council internal rules "Riga State City Municipality Rules of Procedure".

Operation of Riga Council is provided by Chairman of City Council, his deputies, Riga City Executive director, 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 Central Administration, Neighborhoods Inhabitants' Centre Municipality's departments, their subordinate institutions, municipal agencies and municipal administration's special status institutions.

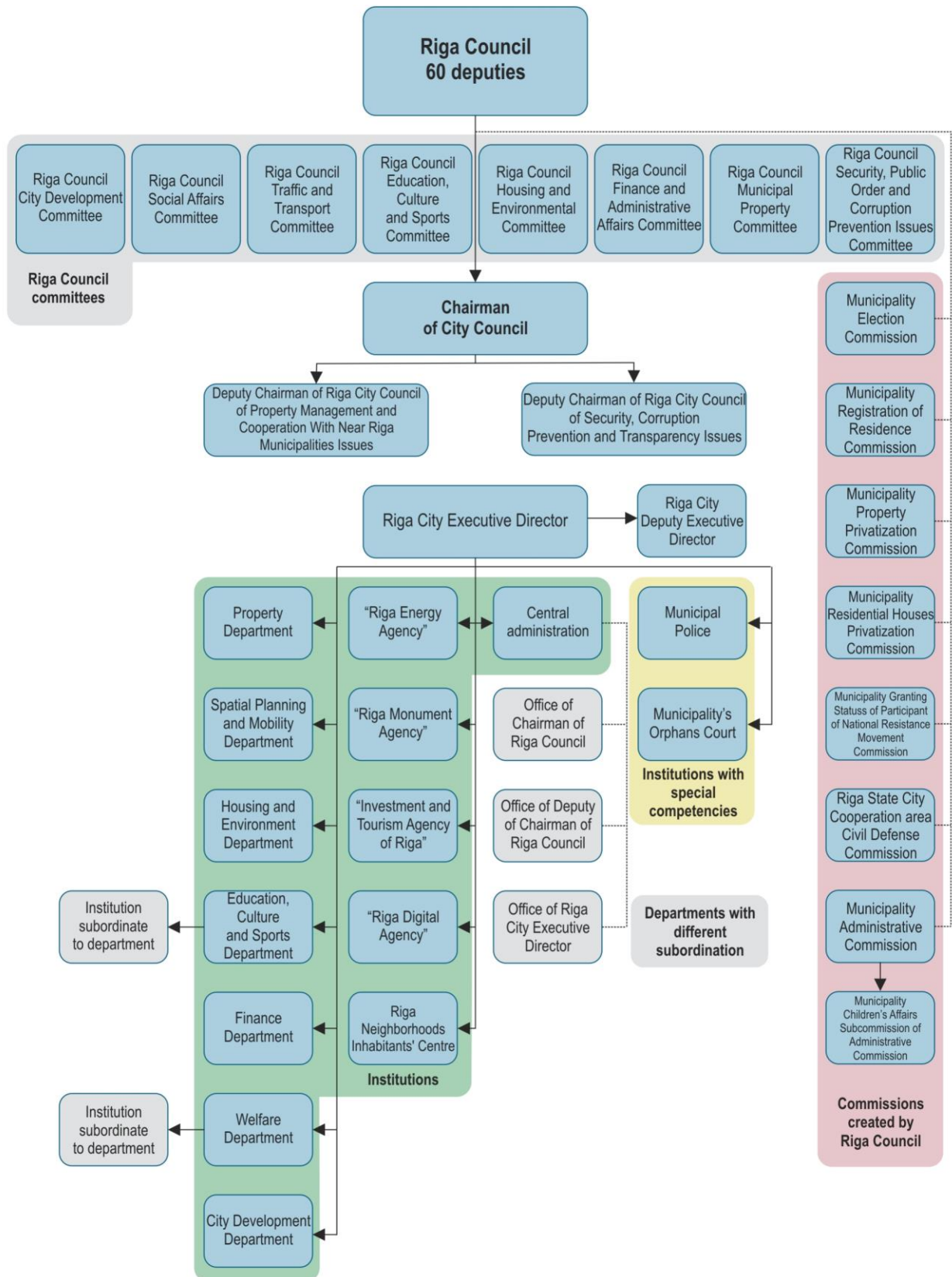
Implementation of Municipal functions is organized by Riga State City Municipality departments of the respective sectors:

- ☐ Riga State City Municipality Finance Department – leading institution in management of municipal financial resources;
- ☐ Riga State City Municipality Property Department – leading institution in management of municipal real estate property and in arrangement of buildings that degrade environment in municipal territory;
- ☐ Riga State City Municipality Education, Culture and Sports Department – leading institution in implementation of municipal policy in education, culture and sports sectors and work with youth;
- ☐ Riga State City Municipality Housing and Environment Department – leading institution in implementation of municipal policy in provision of power supply, water supply and sewerage services, operation of land amelioration system, environment protection, cemetery management and administration of municipal residential buildings and living accommodation;
- ☐ Riga State City Municipality Welfare Department – leading institution in, within the framework of competence defined for municipality, social services, social help and health care sphere;
- ☐ Riga State City Municipality City Development Department – leading institution in Riga development and territory planning sphere;
- ☐ Riga State City Municipality Spatial Planning and Mobility Department – leading institution in traffic infrastructure and transportation sphere.

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

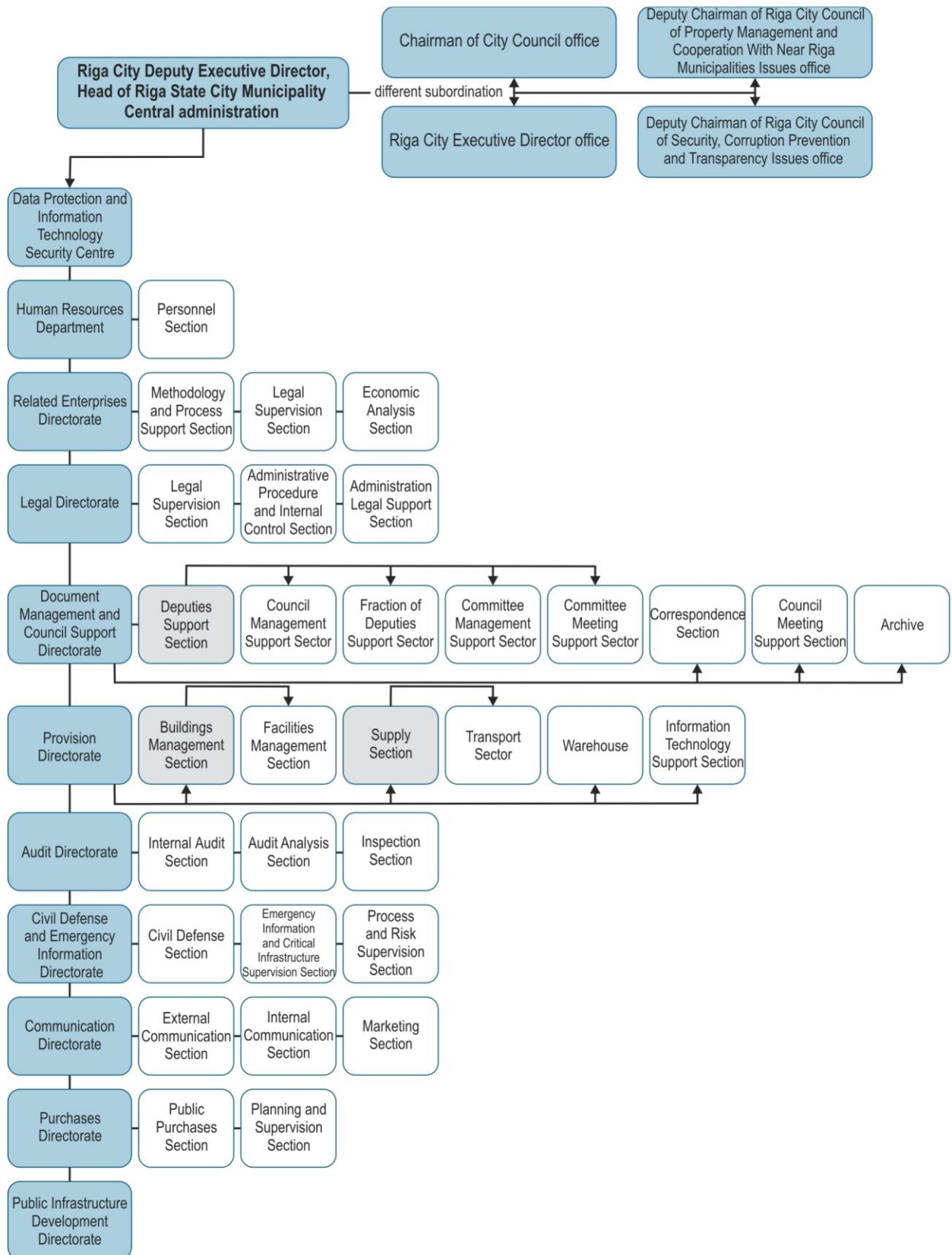
- ☐ Organizes water supply, heat supply and waste management services;
- ☐ Provides support on housing issues, as well as promotes the creation, maintenance and modernization of housing stock;
- ☐ Provides improvement and sanitary cleanliness of Municipality's administrative territory, as well as defines requirements for the maintenance of territories and buildings;
- ☐ Provides access to pre-school, primary and general secondary education, vocational education, interest education and adult education;
- ☐ 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 provides support for cultural events;
- ☐ Implements protection of children rights, provides protection of rights and interests of children under guardianship;
- ☐ Provides accessibility of health care and promotes healthy lifestyle among inhabitants, promotes development of sports, provides support for organization of sports events, performs work with youth;
- ☐ Provides support for social issues and access to social assistance and services;
- ☐ Promotes economic activity in the Municipality's administrative territory, issue permits and licenses for commercial activities, register civil status acts;
- ☐ Take part in provision of public order and security, performs activities in civil defense and disaster management, fire safety and fire-fighting;
- ☐ Defines land use and construction in accordance with Municipality's territory plan, provides the rule of law of the administrative process of construction;
- ☐ Promotes the sustainable management and operation of natural capital as well as determines the use of municipal property held for public use;
- ☐ Organizes maintenance, designing and construction of transport infrastructure objects, provides public transportation services and realizes maintenance of transport infrastructure.

STRUCTURE OF RIGA STATE CITY MUNICIPALITY GOVERNMENT¹



¹ Since 30 August 2023

CENTRAL ADMINISTRATION STRUCTURE OF RIGA STATE CITY MUNICIPALITY



VALUE OF RIGA STATE CITY MUNICIPALITY EQUITY AND ITS ANTICIPATED CHANGES

At the end of 2024, the net book value of Riga State City Municipality fixed assets was 2 576,8 million euro, increasing by 125 million euro within the year. The total value of Municipality's assets, including other line items of the balance sheet comprised 4 045,8 million euro at the end of 2024, increasing by 441,7 million euro within the year.

RIGA STATE CITY MUNICIPALITY SHARE IN MUNICIPAL ENTERPRISE EQUITY

At the end of 2024, Riga State City Municipality long-term investments in equity of related and associates was 1 152,6 million euro.

At the end of 2024, long-term investments in equity of subsidiaries were 1 078,7 million euro, increasing by 360,2 million euro within a year but long-term investments in equity of associates was 74 million euro, increasing by 35,2 thousand euro within a year.

In 2024, the equity of Riga City State Municipality subsidiaries was increased by a total of 320 990 euro and reduced by 612 749 euro (in 2024, the equity of Ltd. "Rigas nami" was increased and reduced).

At the end of the reporting year Riga State City Municipality's balance sheet contains investments accounted for using the equity method. 10 of these investments are into the equity of subsidiaries with 100% ownership by Riga State City Municipality, 1 investment into the equity of enterprise with more than 50% ownership by Riga State City Municipality (Ltd. "Getlini EKO" – 97,7%) and 1 investment into the equity capital of enterprise with more than 50% ownership by Riga State City Municipality (Ltd. "Getlini EKO" – 97,7%) and investment into the equity capital of associate with less than 50% ownership by Riga State City Municipality (JSC "Rigas siitums" – 48,9999%).

In 2024, the underground water management infrastructure of Ltd. "Rigas udens" was revalued, resulting in an increase in the value of assets by 424,63 million euro in 2024.

CHARACTERISTICS OF RIGA STATE CITY MUNICIPALITY REAL ESTATE

To ensure execution of Riga Municipality's autonomous functions, in 2024 Riga State City Municipality obtained real estate properties to implement traffic infrastructure construction projects. A total of 293 land lease agreements with third parties for the performance of Municipality's functions were administered.

In 2024, Property Department has assessed 293 construction projects, construction proposals and spatial planning projects submitted by other persons, examined 88 applications for tree cutting, issued 9 opinions on other persons' local plans, detailed plans or thematic plans and approved more than 200 encumbrance plans.

In 2024, evaluation and selling of Municipality's real estate properties that are not necessary for execution of Municipality's autonomous functions was performed. 106 sales agreements of Riga State City Municipality's real estate property were concluded. 40 public sales were announced which resulted in selling of 23 real estate properties. In 2024, 21 real estate purchase deal was carried out. At the end of the reporting year, there were 4 399 valid lease agreements on real estate property rent.

In 2024, Riga State City Council Property Department continued first registration of municipal real estate properties in Land Register, as a result of it 364 land lots with total area of 340,93 ha and total assessed value of real estate of 3,33 million euro, 29 buildings with total assessed value of 580 691 euro, 3 land lots and 27 apartments, which were taken over from State were registered in Land Register. 17 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 35,27 ha and total assessed value of real estate of 1,39 million euro. Amendments for 70 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 400 cadastral objects have been updated in the State real estate cadastre information system. Amendments were made to 416 Land Register sections of municipal real estate property concerning privatized municipality's residential buildings.

In 2024, the Property Department continued its work on the identification and put in order of buildings that are not used, endangers public safety and spoils urban landscape. A total of 205 objects were put in order in 2024.

204 certificates were issued on permission to obtain or maintain property rights on land lots.

EXECUTION OF TERRITORY DEVELOPMENT PLAN

Following work was performed during development of new Riga territory plan (RTP) in 2024:

- ☐ Information about the RTP Land Use and Development Regulations, which are regularly updated, is published on the website of the City Development Department www.rdpad.lv in an easy-to-understand format for the public;
- ☐ In accordance with the judgment of the Constitutional Court, paragraph 6.8 of the RTP Land Use and Development Regulations has been declared invalid and work has commenced on the preparation of municipality's binding regulations to restrict gambling venues in the administrative territory of Riga State City Municipality.

Decisions taken in the framework of the detail plans administration function:

- ☐ on launching development of 5 detail plans;
- ☐ on submission to public inquiry of 3 detail plans;
- ☐ on approval of 2 detail plans;
- ☐ on cancellation of 1 detail plan.

In 2024, 6 Riga City Council's decisions were made on launching development of local plan, 3 Riga City Council's decisions were made on handing editions of local plan over public discussions, 1 Riga City Council's decision was made on development of local plan on Historic Centre of Riga (HCR) and its protection area, 4 Riga City Council's decisions were made on approval of local plans, 1 Riga City Council's decision was made on cancellation of local plan, 4 Riga City Council's decisions were made on suspension of development of local plan.

In 2024, work on development of local plan of HCR and its protection area were continued.

In 2024, work on development of local plan of HCR and its protection area was continued.

In 2024, the work on the ownership of land units in the territory of "Rail Baltica" railway line project in Riga continued – updating of cadastral data, specifying land unit boundaries, collecting and providing information on the jurisdiction of the state over land units included in the reserve land fund, transferring real estate owned by the municipality to the state free of charge for the construction of the "Rail Baltica" railway line, establishing easements in gross on real estate properties belonging to the municipality and the State, providing authorizations for cadastral surveying of the necessary land units and for registration of ownership rights in the Land Register, as well as participation in working groups related to the development of the local plan for the "Rail Baltica" railway line.

In 2024, work on the criteria for the assessment of degraded areas was finished.

In 2024, work on the development of HCR development zone and Strategic Framework 2050 was continued. In 2024, proposals for stimulating HCR and the protection zone by 2027 were prepared in cooperation with other municipal authorities, including a list of recommended works to promote the active use of Riga city center.

In 2024, Riga Development program 2022 - 2027 was approved and update of annual Investment plan 2024 - 2026 of Development program was carried out. The update focused on the three priorities of the Development program: comfortable and environmentally friendly urban mobility, access to diverse and quality housing and a competitive city with an innovative economy. Annual update of Action plan and Investment plan 2025 - 2027 of Development program was launched.

Report on introduction of Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027 was prepared within Strategy Supervisory system (SSS) and 3 year report on implementation of Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027 within period from 2022 to 2024, where three of the nine Program's priorities were deeply examined. Experts were also involved in assessing the progress of the mentioned priorities and presented their assessments and proposals to Riga City Council experts, deputies and sector representatives. Report is available on website www.sus.lv.

In 2024, Riga State City Council City Development Department continued to perform monitoring functions concerning legality of construction process. 963 decisions were made in total, whereof:

- ☐ 141 administrative provisions, which remains in effect decisions made by departments;
- ☐ 39 administrative provisions on reversing decisions made by City Development Department due to violation of substantive and procedural rules;
- ☐ 166 interim judgments;
- ☐ 63 other definitive decision on administrative matters;
- ☐ 232 legal decisions;
- ☐ 90 business letters and other documents were prepared in process of legal supervision of construction process;
- ☐ 72 decisions on infrastructure charge;
- ☐ 83 answers to legal and physical entities on legal issues;
- ☐ 47 decisions on administrative violations;
- ☐ 23 administrative acts, which left in force the decisions of the Riga City Municipality Residential Housing Privatization Commission;
- ☐ 7 other type of final decisions made by Riga City Municipality Residential Housing Privatization Commission.

The Department is responsible for 103 court cases.

In 2024, the assessment of Riga State City Municipality's real estate properties (10 077 cadastral objects in total) related to privatized residential houses was continued. In 2024, 3 787 objects were examined and the necessary amendments to the land register compartments were provided (it was established that as of 31.12.2024 the work on 6 885 real estate (representing ~ 68% of the total) has been fully completed)) - Municipality property rights were cancelled in the land register.

RIGA STATE CITY MUNICIPALITY INVESTMENT PROJECTS

CAPITAL INVESTMENTS FROM MUNICIPAL BUDGET

During the reporting year, 192 million euro were allocated for Riga State City Municipality budget capital expenditure, by 12,2 million euro more (by 7%) than in 2023.

During the reporting year, largest share in the structure of sectors of municipal capital expenditures as in the previous year has economic activity sector (42,6% from all the capital investment), education sector is in the second place (23,3% from all the capital investment), the third place – territory and housing management – 18,3%.

GROSS INVESTMENT IN TANGIBLE FIXED ASSETS

After decline during the Covid-19 period, total investments in tangible fixed assets by investors from different sectors has increased rapidly in recent years. Over the past two years, gross investments in the Riga economy has increased 2,1 times in real prices. Taking into account inflation, the highest ever level of gross capital investment was reached in the city's economy in 2023.

During the period from 2019 to 2023, the real estate sector in Riga has the highest share of investments (28% of all investments), followed by state administration (around 12%).

The largest projects implemented in the reporting year were the start of construction work on the traffic overpass from Tvaika Street to Kundziņsala, launch of reconstruction works of Jorga Zemitana bridge, reconstruction of Victory Park and territory improvement 2nd stage, energy efficiency improvement works and renovation of interior of buildings of Riga Municipality educational institutions etc.

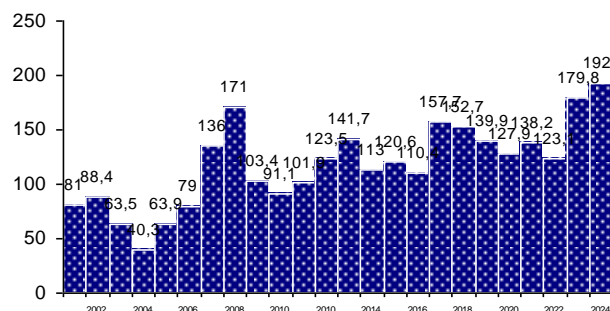
FOREIGN INVESTMENT IN RIGA

Early in 2025, according to Lursoft data, direct investments of foreign investors into the registered equity capital of enterprises in Riga were around 10 billion euro, with the volume remaining unchanged within a year.

EU AND OTHER EXTERNAL FINANCIAL SOURCES' CO-FINANCED PROJECTS

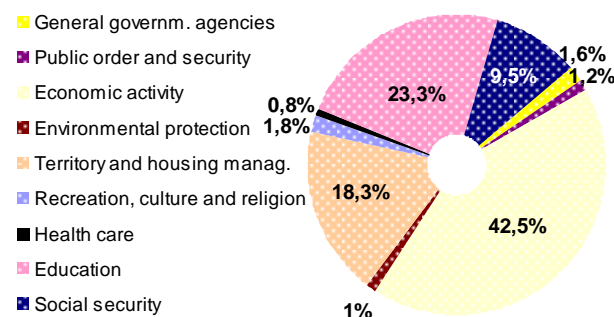
30,2 million euro were allocated from the municipality's budget for execution of co-financing and pre-financing of projects financed by EU Funds, by 61,4 million euro less than in the previous year. From the total co-financing and pre-financing amount capital expenditure formed 23,9 million euro (by 41,7 million euro less than in the previous year).

Capital expenditures from Riga Municipality budget (m euro)

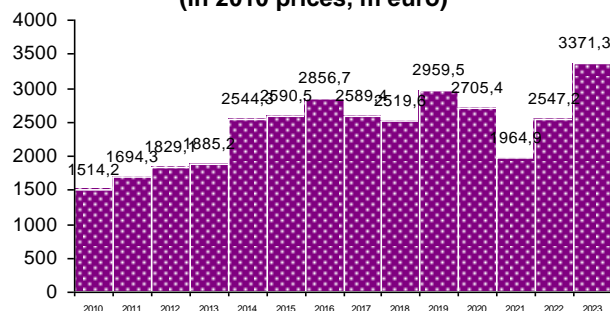


*Excluding payments for construction of the South Bridge and principal sum of financing liabilities, which were included in capital expenditure item according to budget accounting methodology from 2010 to August of 2019

Capital expenditures from Riga Municipality consolidated budget structure by sector, 2024 (%)



Gross investment in tangible fixed assets in Riga (in 2010 prices, m euro)



RIGA STATE CITY MUNICIPALITY FINANCIAL AND BUDGET POLICY

REVENUE

In 2024, total Riga State City Municipality's basic budget revenue was 1 399,9 million euro, by 114,6 million euro (by 8,9%) more than in 2023, however by 19,9 million euro less than planned because plan of revenue from state budget transfers was not executed.

In 2024, municipal budget revenue from personal income tax was 882,3 million euro, by 84,7 million euro (by 10,6%) more than in 2023. Personal income tax revenue plan was overachieved by 14 million euro (1,6%). During the reporting year, RET revenue was 116,4 million euro, by 0,9 million euro (by 0,7%) less than in the previous year. Municipal budget gambling tax revenue was 0,71 million euro, natural resources tax revenue – 0,46 million euro. During the reporting year, budget revenue from paid services and other own revenues was 39,1 million euro, by 10 million euro (by 28,2%) more than in the previous year.

EXPENSES

In 2024, Riga State City Municipality budget expenses were 1 433 million euro or 90,5% from annual plan that is less by 150,5 million euro than planned. In 2024, execution of capital expenditures was 192 million euro that is more by 6,8% than in the previous year. Execution of City's investment program in 2024 was 58,4 million euro (74% from the planned amount). In 2024, operating expenses were planned at the amount of 1 305,7 million euro but were executed at the amount of 1 241 million euro that is 95% from annual plan or less by 64,7 million euro.

In 2024, Riga State City Municipality budget expenses exceeded revenues by 33,1 million euro (by 13,1%), which was significantly less than planned 163,8 million euro. In 2024, Riga State City Municipality continued fulfilling essential municipal budget criteria, exceeding municipal revenue over operating expenses by 158,9 million euro (by 11,4%).

MUNICIPALITY'S DEBT DYNAMICS

At the end of 2024, the total amount of Riga State City Municipality's long-term liabilities were 552,7 million euro.

In 2024, the European Central Bank reduced historically high interest rates, which also affected bank lending rates and reduced payments to borrowers. In order to ensure predictability and stability of payments, in 2024 Riga State City Municipality raised financial resources at fixed interest rates, which were lower than the floating interest rates offered at that time.

Riga State City Municipality Finance Department provides regular supervision and assessment of liabilities portfolio taking into account the current situation in financial market. Although the level of the municipality's total liabilities has increased over the last two years, mainly as a result of rising interest rates, the long-term trend of decreasing liabilities has maintained the potential borrowing capacity of the Riga State City Municipality. The performance of 20% benchmark, which is the ratio of current year principal and interest payments to annual budget revenue, has also improved, and the performance of this benchmark will remain within the range of 8% – 11% in the coming years.

In 2025, the Municipality will have fully repaid the South Bridge 1st stage liabilities, increasing the Municipality's potential ability to take new liabilities for financing projects and investments co-financed by EU funds.

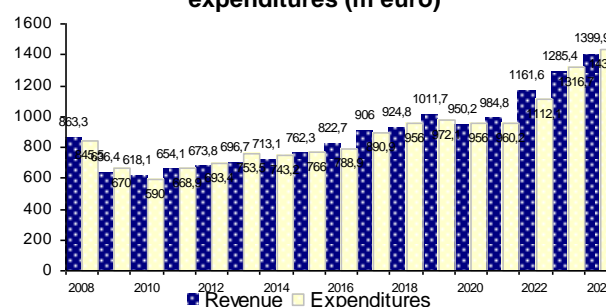
CREDIT-RATING

International credit rating agency "Standard & Poor's" continued evaluation of Riga State City Municipality's budget and financial and budget policy. In 2024, evaluating Riga State City Municipality's budget and financial situation credit rating agency "Standard & Poor's" repeatedly affirmed credit rating assigned to Riga State City Municipality unchanged at "A" level and with stable development perspective.

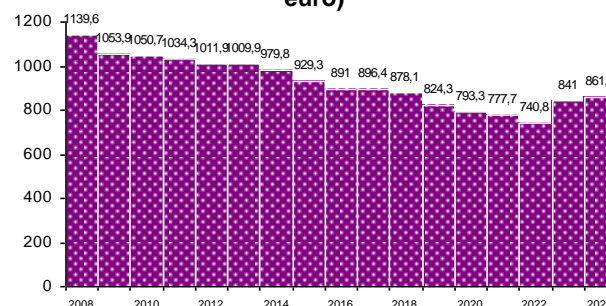
History of Riga State City credit-rating

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	–
2023	A/Stable/A-2	–
2024	A/Stable/A-1	–

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



Dynamics of total amount of Riga State City Municipality's financial commitments 2005 - 2024 (m euro)



RIGA STATE CITY MUNICIPALITY BUDGET EXECUTION PERFORMANCE

The results of Riga economical development and Riga State City Municipality's fiscal policy in 2024 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 also 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 paid services rendered by Municipal institutions;
- ☐ charges for utilization of Municipality's capital;
- ☐ State budget transfers
- ☐ 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)	2023 actual	2024 budget	2024 actual
Total revenues	1 285 364.4	1 419 775.1	1 399 895.5
Total tax revenues	915 859.1	984 832.7	999 768.4
Personal income tax	797 571.3	868 276.8	882 258.3
Real estate taxes int. al.	117 227.4	115 528.9	116 352.0
int.al. real estate tax on land	47 839.0	46 178.9	46 107.8
int.al. real estate tax on buildings	43 694.1	44 200.0	43 837.2
int.al. real estate tax on housing	25 694.3	25 150.0	26 407.0
Other tax revenue	1 060.4	1 027.0	1 158.1
Total non-tax revenues	29 066.8	23 867.1	29 613.2
Government (municipality) fees	5 940.7	5 199.3	6 750.9
Other non-tax revenues	23 126.1	18 667.8	22 862.3
Charges for paid and other own revenues	33 075.3	32 050.2	43 006.7
Transfers	307 363.2	379 025.1	327 507.2
Transfers of public entities partially financed by State budget and institutions not financed by budget	138.4	–	387.4
State budget transfers, int.al.	297 926.4	366 738.3	315 963.1
State budget transfers received by municipalities	235 557.8	296 933.3	290 026.9
Transfers received from state institutions for projects co-financed by EU policies' instruments and other foreign financial aid	62 368.6	69 805.0	25 936.2
Municipal budget transfers	9 298.4	12 286.8	11 156.7

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

Cash flow basis (k EUR)	2023 actual	2024 budget	2024 actual
Total revenues	169.1	102.7	67.1
Donations and endowments from legal entities and individuals	169.1	102.7	67.1
Donations and endowments for education	83.5	100.3	63.7
Donations and endowments for social care	6.1	1.4	3.4
Other donations from legal entities and individuals	79.5	1.0	–

RIGA MUNICIPALITY BUDGET EXPENSES

Riga State City Municipality budget expenses of 2024 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 Municipality Law. 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 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. It also has significant contribution to Riga's economy, as a large proportion of Riga's businesses are involved in serving the city's visitors.

In 2024, priorities of Riga State City Municipality's budget were:

- ☐ strengthening of education sector;
- ☐ social support;
- ☐ development of infrastructure;
- ☐ implementation of housing strategy;
- ☐ internal security.

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. More and more attention is being paid to improvement of public infrastructure and neighborhoods, and Riga's citizens are actively involved in improving their neighborhoods with the support of the Municipality, as a result of which urban improvements are shaping Riga as a pleasant and environmentally friendly city.

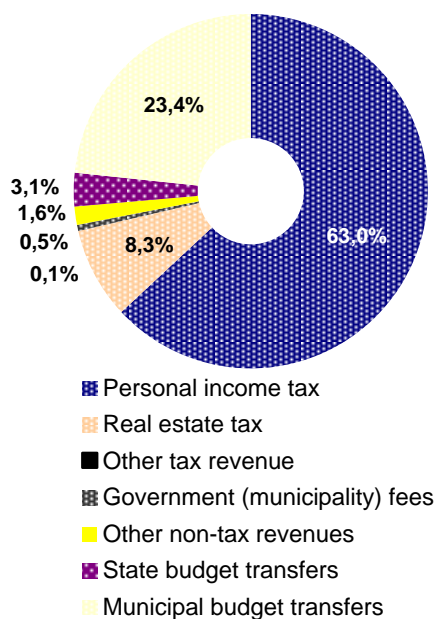
SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY BASIC BUDGET EXPENSES

Expenses by government function Cash flow basis (k EUR)	2023 actual	2024 budget	2024 actual
Total expenses	1 316 652.0	1 583 542.5	1 432 961.7
General governmental agencies int.al.	235 050.4	255 907.3	247 600.1
deposits to municipal financial cohesion fund	133 104.8	140 020.2	142 274.9
Public order and security	22 664.9	28 906.0	27 352.7
Economic activity	318 705.3	393 954.2	313 441.2
Environment protection	5 875.9	8 855.2	6 805.3
Municipal territory and housing management	58 858.8	76 201.7	62 959.4
Health care	5 971.0	9 164.3	8 285.9
Recreation, culture and religion	37 626.6	47 999.9	41 998.2
Education	468 435.3	567 499.3	539 357.5
Social security	163 463.8	195 054.6	185 161.4

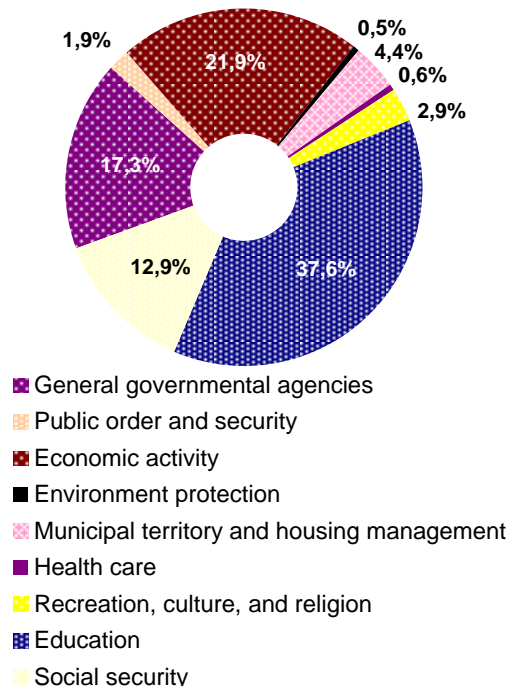
SUMMARY OF COMPOSITION OF RIGA MUNICIPALITY SPECIAL BUDGET EXPENSES FROM DONATIONS AND ENDOWMENTS

Expenses by government function Cash flow basis (k EUR)	2023 actual	2024 budget	2024 actual
Total expenses	71.5	385.3	75.6
General governmental agencies	–	0.2	–
Recreation, culture and religion	–	95.1	6.7
Education	60.6	280.6	68.6
Social security	10.9	9.4	0.3

Composition of Riga Municipality basic budget revenue in 2024



Composition of Riga Municipality basic budget expenses in 2024



EDUCATION AND SPORTS

Riga State City Municipality Education, Culture and Sports Department (ECSD) implements municipal policy in education, culture and sports sector and in youth work. Riga State City Municipality Education, Culture and Sports Department operates in accordance with the Riga City Council's long-term planning document "Sustainable Development Strategy of Riga until 2030", as well as "Riga Development Program 2022 - 2027" and the Action Plan and Investment Plan 2024 - 2026. Functions of ECSD include:

- ☐ Elementary and comprehensive education;
- ☐ Accessibility of out-of-school and vocational education;
- ☐ Diversity and accessibility of cultural events;
- ☐ Preservation of cultural values and cultural and immaterial heritage, improvement of city's environment, development of creative activities and useful and creative passing of free time for all the residents of the city of Riga;
- ☐ Work with youth;
- ☐ Accessibility of sports and physical activities.

In 2022, the Saeima adopted amendments to the Education Law and the General Education Law, which provide transition to education only in Latvian within three years. In the 2023/2024 school year, a gradual transition to *United School* in Riga schools and pre-schools was launched to promote the integration of young people into society and facilitate the successful development of professional career in Latvia. At the same time, minority pupils will be able to learn minority language and cultural history as part of an interest education program. To promote the transition to education in the state language, a forum "United School" was held in November 2023 and regular exchanges of experience took place throughout the year.

In 2024, Riga State City Municipality education ecosystem development strategy 2024 - 2028 was developed. Data collection and research were carried out to evaluate the current situation of Riga State City Municipality education ecosystem, a strategic part and an action plan were developed. Meetings of various stakeholders have been held, a survey of school councils has been conducted, and three seminars have been held, attended by other Riga City Council departments, school representatives, non-governmental organizations, businesses, neighboring municipalities, parents, universities, private educational institutions, and other ecosystem participants.

In order to ensure improvement of school network and accessibility to quality education for every student, in 2024 4 elementary schools were liquidated and status of one school was changed from "secondary school" to "elementary school". In connection with the changes in the operational organization of the Riga Valdorfskola, the school building at Baltāja Street 10 was vacated, transferred to the Property Department of the Riga City Municipality, and the school began operating in the renovated building at Kalnciema Street 160 C.

Special attention has been paid to STEM activities – infrastructure has been improved, equipment for learning process has been purchased for 74 schools in total. In 2024, robotics and experiment kits were purchased for pre-school educational institutions. Information

technology infrastructure in comprehensive education institutions was improved.

Since Russian Federation invasion in Ukraine on 24 February 2022, there is a significant influx of Ukrainian civilians in Riga. This has created an additional burden on the education system by enrolling children who do not speak Latvian. There were 88 Ukrainian civilians employed in Riga educational institutions. 39 from them are pedagogue assistants, interest education teachers, comprehensive primary education teachers, teacher assistants, nannies, and laboratory assistants.

388 Ukrainian children are registered in Riga State City Municipality pre-school educational institutions, 1 344 Ukrainian pupils are registered in Riga State City Municipality educational institutions from 1st to 12th grade. In total 1 846 Ukrainian pupils are registered in Riga State City Municipality educational institutions. There are currently 386 Ukrainian children registered in Riga private pre-school educational institutions. In total 177 Ukrainian pupils are registered in Riga private educational institutions from 1st to 12th grade.

OUT-OF-SCHOOL EDUCATION AND SPORTS

In 2024, during school holidays 182 children's and youth camps organized by educational institutions with municipal co-funding, in which 6 280 participants took part. The number of municipally funded camps for children with functional disabilities increased, 9 free camps for 151 children and youth were organized in 2024 summer.. 66 projects of non-governmental organizations (NGOs) in youth work were supported through co-financing competitions.

In the 2024/2025 academic year, the number of pupils in various out-of-school education programs reached 91 178 (66 508 in 97 comprehensive education institutions, 22 768 in 8 out-of-school education institutions, 819 in 8 sports schools and 1 083 in 9 music and art schools).

In 2024, a STEAM synergy project for out-of-school educational institutions and schools was implemented, involving 4 out-of-school educational institutions. The aim of the project is to gain experience of cooperation between schools and out-of-school educational institutions, which would promote in-depth learning of STEAM subjects.. In total, 415 7-9 grade pupils were involved in the project during the 1st semester of the academic year.

32 integrative camps for 1 294 Ukrainian and Latvian children and youth during the summer and autumn holidays were provided by means of Ministry of Education and Science funding, and in August 2024 Riga hosted 100 children and young people from Chernihiv Oblast, providing a 9-day program of activities. Almost 685 hours of street work with youth at risk were provided.

The most significant investment projects and programs:

- Improvement of energy efficiency in Hockey school "Riga" on Vietalvas Street 15 k-1 and k-2;
- Reconstruction of historical façade of Riga secondary school No 49;
- Modernization of the learning environment in 21 comprehensive schools of the Riga City Municipality; Construction of fire extinguishing systems in 10

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

- educational institutions of the Riga City Municipality;
Renovation of 12 school buildings;
- Improvement of energy efficiency in 2 Riga preschool educational institutions; Creation of a 3 educational centre of natural sciences and technologies;
- Renovation of interior of buildings of 13 preschool educational institutions;
- Territory improvement of 23 Riga State City Municipality preschool educational institutions;
- Improvement of energy efficiency and construction of ventilation systems in 7 educational institutions;

- Renovation and restoration of 7 buildings;
- Creation of sports infrastructure in 8 Riga comprehensive schools;
- Renovation of sports complex "Arkadija" on Ojara Vaciesa Street 2;
- Connecting sports school's "Arkadija" sports arena to the central heating and renovation works of interior;
- Reconstruction of the Daugava Sports Center, renovation of the swimming pool and interior.

Budget expenses allocated to education (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Preschool education	132 078.0	149 109.7	175 437.6	172 569.0
Elementary, comprehensive and professional education	213 576.2	259 951.4	317 213.2	297 884.6
Higher education	–	7.9	–	–
Education undefined by educational levels	50 416.9	54 066.9	68 687.4	62 878.5
Other education, not classified above	6 729.0	5 299.4	6 161.1	6 025.4
Total basic budget expenses	402 800.1	468 435.3	567 499.3	539 357.5
int.al. investment	14 996.4	22 533.5	33 602.3	32 909.7

SOCIAL SECURITY

Due to the increase in the prices of general goods and services, as well as the rapid increase in the actual need for social care services, in 2024, the municipal budget amendment supported additional funding of 5,1 million euro to compensate the increase of costs and number of social services. In 2024, 114,94 million euro were planned for social services.

In 2024, the number of recipients of social benefits decreased by 2 478 (by 19%) compared to 2023, while the funding used for social benefits decreased by 0,42 million euro (by 23%).

In 2024, amendments of Social Services and Social Assistance Law came into force, which determine the procedure for calculating the income threshold for a low-income household in municipalities. As a result of these amendments the number of persons with low-income household status increased in 2024, reaching 13 435 persons, which is 19% more than in the previous year.

In 2024, the number of Guaranteed Minimum Income (GMI) benefit recipients decreased due to a significant decrease in the number of Ukrainian civilians receiving social assistance, as well as the minimum state pension and social security benefit ensures the level of the GMI.

In 2024, 6 251 Ukrainian civilians received social benefits in the municipality, spending 6,64 million euro, decreasing by 35% compared to the previous year.

In 2024, the demand for long-term social care and social rehabilitation service in institution for adults (hereinafter - SCC), group home/apartment services and day care centre places for persons with mental disorders remained high, int. al. for persons with dementia, which is approximately 60% of the number of service recipients. In 2024, 7,361 people received home care services, which is 647 more than in 2023. The amount of care provided by this service also increased from 3,932,651 hours in 2023 to 4,447,589 hours in 2024. Approximately 34% of beneficiaries have observed/diagnosed signs of dementia.

The number of children receiving home care services, including individualized care, increased – 928 children, which is 189 more than in 2023. In 2024, 198 social service providers, including six municipal institutions, as well as social service providers with whom the municipality has concluded contracts for the provision of social services, provided social services. In 2024, 34 889 persons in total received social services, which is more by 1 105 than in 2023, due to increase of volume of the services.

During the reporting period, Riga 1st hospital continued to provide short-term social care services at the short-term social care centre, which was received by 882 clients. 41% of them were able to return to their place of residence, 14% moved to the SAC, the service was interrupted for 13% of clients due to the need for health care in an inpatient medical institution, while 32% died.

In 2024, several social work practice studies were carried out, among them were "Home Care - Resources and Opportunities", "The Way to Yourself", Evaluation of the Short-Term Accommodation Service, Comparison of Social Functioning of Young People in 2022 and 2023, "The Impact of Material Incentive on Finding a Guardian for Persons under Guardianship", etc. As a result of the evaluations, it was possible to clarify the dynamics of development, the effectiveness of services and develop proposals for the improvement of social services.

In 2024, several social protection projects were implemented. In 2024, an agreement was concluded on an EU Recovery Fund project, the aim of which is to provide support for the adaptation of housing for persons with disabilities who have mobility impairments, improve employment opportunities and access to services, thereby promoting the quality of life and respect for human rights. The project "Integrated services for young people at risk of social exclusion in the Nordic countries" aimed to exchange experience on the support provided to young people at risk of social exclusion, etc.

RIGA STATE CITY MUNICIPALITY BUDGET RESOURCE UTILIZATION FOR MUNICIPALITY OPERATIONS

The most significant investment projects and programs:

- Provision of accessibility in 18 Riga State City Municipality social service buildings;

- Development of community based social service infrastructure on Priedaines Street 11;
- Improvement of energy efficiency in building of Riga Social Care Centre "Mezciems" on Malienas Street 3A.

Budget expenses allocated to social security (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Social security in case of inability to work	12 656.5	16 591.4	23 808.8	21 652.1
Assistance to elderly people	17 154.9	22 020.1	27 068.5	26 519.7
Assistance to families with children	15 321.5	19 017.4	24 801.7	23 938.7
Assistance in unemployment case	178.6	219.5	202.2	57.4
Housing allowance	9 588.2	7 624.8	8 664.2	8 325.3
Other support for socially repudiated persons not classified above	79 478.4	93 113.2	105 345.2	99 782.9
Other social care not classified above	9 184.2	4 877.4	5 164.0	4 885.3
Total basic budget expenses	143 562.3	163 463.8	195 054.6	185 161.4
int.al. investment	638.5	826.7	3 752.2	3 741.3

HEALTH CARE

In 2024, Riga State City Municipality 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 2024, Welfare Department plans and organizes health promotion and disease prevention work in accordance with the goals, objectives and achievement indicators set by "Riga Development Program 2022 – 2027". One of them is the increase of funding to 2,20 euro per one Riga inhabitant in 2027. In 2023, this funding increased from 0.58 euro in 2022 to 1.19 euro in 2024 (population of Riga in 2024: 605 273).

In 2024, implementation of ESF project "We are for healthy Riga!" was continued, within the framework of which health-promoting measures are planned for residents of different ages to promote physical activity, classes on healthy nutrition, promotion of sexual and reproductive health, etc.. The total costs are up to 4,87 million euro, of which ESF+ funding is up to 4,06 million euro, state budget funding is up to 0,7 million euro and Riga State City Municipality co-financing is up to 0,09 million euro in 2025.

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 2024, 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 2024, specialists in educational institutions conducted 441 interactive classes and discussions on various health promotion topics, including 420 on the prevention of the use of addictive substances and processes. In 2024, 5 online lectures for residents on various health-promoting topics were implemented on the "Healthy Riga" Facebook page.

The Welfare Department plans, organizes and implements evidence-based public health activities. In 2024, 4 000 health promotion activities in total were organized. 0,49 million euro were spent from the program budget.

Riga State City Municipality Welfare Department continued provision of 2 Health rooms provided by "The Latvian Red Cross", offering quick and together in one place professional consultations and preventive medical examinations for any inhabitant. As well as operation of day centre for children and youth "Resilience Centre", which provides health promotion, disease prevention and education services, consultations on sexual reproductive health, opportunity to make HIV, type C and B hepatitis tests and have free contraceptives. In 2024, the Health Rooms were visited 3 230 times.

The most significant investment projects and programs:

- Constructions of Ltd. "Riga 1st hospital" rainwater collecting system;
- Improvement of energy efficiency in building of Ltd. "Riga Maternity Hospital" on Miera Street 45 k-3.

Budget expenses allocated to health care (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Operation and services of ambulatory medical institutions, and public health-care agency services	3.4	2.7	28.0	26.9
Hospital services. Health-care services for mother and child	391.6	95.4	2 080.7	1 523.0
Services provided by social health care services	4 663.4	5 872.9	7 055.6	6 736.0
Total basic budget expenses	5 058.4	5 971.0	9 164.3	8 285.9
int.al. investment	83.2	69.0	1 810.0	1 349.9

MUNICIPAL TERRITORY AND HOUSING MANAGEMENT

In 2024, financing of 218 997 euro were utilized within Riga State City Municipality budget program "Management of residential and nonresidential accommodations owned by Riga State City Municipality" in accordance with compensations defined by Riga State City Municipality for lodgers of social apartment houses and apartment houses with separate social apartments.

Expenses of owners of apartment houses, apartment houses with separate social apartments as well as 16 social apartment houses, which exceed the established rent for lodgers, 50% compensation of water and sewerage expenses and 25% compensation of heating expenses.

In 2024, financing at a sum of 167 267 euro was provided in accordance with "Regulation of Riga State City Municipality Housing and Environment Department" and order "On payments for repair, renovation or reconstruction of separate residential buildings owned by Riga City Municipality performed within following periods of mandatory management" for repair, renovation or reconstruction of Riga State City Municipality's residential premises which are in unsatisfactory technical or emergency condition.

In 2024, Housing and Environment Department renovated 63 apartments for rent, with an average area of 39 m² per apartment, at an average renovation cost per square meter of 298 euro/m².

In 2024, Riga State City Council City Housing and Environment 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 1 161 484 euro.

1 677 persons/families (30 lodgers of denationalized buildings) for receiving support on solving housing issues were recorded. In 2024, 405 residential apartments were rented out based on decisions made by Riga State City Council Commission of rental apartments. 11 accommodation units are rented to people in need of emergency assistance. 5 temporary accommodation units were rented out. 143 100 euro were spent on housing release allowances for 7 families. 123 decisions were made on alienation of residential premises not fit for habitation by means of auction.

In 2024, real estate of the Riga City State Municipality was inspected to evaluate its actual condition. 428 apartments located in buildings transferred to the owners were inspected, and a number of violations and inconsistencies were identified.

In 2024, 1 752 Ltd. "Rigas namu parvaldnieks" inspection reports on technical condition of Riga State City Municipality apartments and 753 Ltd. "Rigas namu parvaldnieks" inspection reports were received.

Methodic support for the apartment owners was continued on transferring administration rights of the privatized residential buildings. Personnel of management administration took part in 221 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 2024, with support of Management directorate 113 residential apartments being in possession of Municipality were transferred to apartment owners. 14 contracts of authorization of management were concluded on management of unprivatized parts of residential buildings.

132 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 2024, committee for evaluation of lodgers' arrears examined 92 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 158 588 euro.

The most significant investment projects and programs:

- Installation of illumination in Ebelmuiza and Nordeku parks;
- Revitalization of Skanste territory 1st stage;
- Improvement of public outdoor spaces of Old Riga;
- Reconstruction of Victory Park, including territory improvement 2nd stage;
- Renovation of neighborhood playgrounds and recreation areas; Commencement of design of infrastructure construction of Mārupīte forest park; Construction of a lifeguard station at the Vakarbulī swimming area; Strengthening of the Mūkusalas Street embankment and construction of related infrastructure;
- Renovation of 161 premises in building on Slokas Street.

Budget expenses allocated to municipality territory management and housing facilities (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Apartment development	–	–	184.7	12.5
Territory development	32.4	105.4	722.1	193.4
Street illumination	9 961.9	10 411.5	2 614.3	2 572.1
Other activities concerning municipality territory management and housing facilities not classified above	20 799.2	48 341.9	72 680.6	60 181.4
Total basic budget expenses	30 793.5	58 858.8	76 201.7	62 959.4
int.al. investment	2 483.3	18 820.9	30 389.50	28 890.1

ENVIRONMENTAL PROTECTION

Riga 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 and provided coordination of introduction and realization. In 2024, 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;
- ☐ Development of construction plan for rebuilding of Spilve polder dams.

In 2024, during the exploitation and maintenance works of water objects in Riga territory were implemented projects of coastal anti-erosion measures in several Riga water bodies, cleaning of Riga small water courses, amelioration ditches and channels, cleaning of protective bars, liquidation of dangerous trees in hydrographic network, renovation of 2 pedestrian crossings over ditches at Jugla lake and over the Smerlupite river, elimination of illegal wastewater discharges in hydrographic network, urgent emergency works in Riga hydrographic network and other works.

Riga State City Municipality 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 greenery management of City's greenery was performed – upkeep of 2 502 young trees of street greeneries, planted 226 trees, upkeep of crowns of 1 104 growing trees, sawing of damaged, dangerous and dead trees – 388 trees, sawing of 381 dangerous trees and 224 dangerous boughs, groomed 29 protected trees, in order to reduce effect of salt upon street plants, washing-out of crowns and soil of 110 trees was performed and other works.

Waste management achievements in 2024:

- ☐ Separate cardboard, plastic, metal, glass and biological waste collection was continued, textile collection system was created and developed by establishing 213 sorting containers;
- ☐ 7 specialized waste collection sites were provided which offers an opportunity for residents to dispose of household hazardous waste free of charge. In 2024, 78,88 tons of household hazardous waste were removed and disposed of;

- ☐ Control of implementation of separate waste collection in apartment buildings were performed in cooperation with waste management companies;
- ☐ In cooperation with the municipalities of the Central Latvian waste management region and Ltd "Getlini EKO", Central Latvian regional waste management plan 2024 - 2028 was approved;
- ☐ Work on the development design of 7 sorting yards was finished, coordination of 1 construction project was continued and other works.

In 2024, mowing of biologically valuable meadows and reed in specially protected natural territories was performed in area of 118,26 ha, improvement of territories, scavenging, localization of invasive species, preservation of biological grasslands 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, within it catching of 325 runabout dogs and 338 cats was performed, 565 ownerless dogs and cats were housed at City's paid animal shelter. 862 ownerless cats were caught and sterilized, 401 cats and dogs suffered an accident were brought to veterinary hospitals from City streets, support was provided for 863 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. In 2024, 29 000 juvenile sanders were let into Jugla lake.

Air quality and noise pollution supervision is performed in Riga State City. In 2024, 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; control of execution of Action plan of reduction of noise in Riga agglomeration 2024 - 2028 was provided.

Budget expenses allocated to environmental protection (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Waste management	77.6	96.9	99.6	95.7
Waste-water management	101.3	530.6	542.5	515.6
Prevention and reduction of environmental pollution	704.2	838.4	1037.4	961.7
Protection of biodiversity and landscape	172.3	211.1	243.3	231.7
Other expenditures related to environmental protection	4 038.7	4 198.9	6 932.4	5 000.6
Total basic budget expenses	5 094.1	5 875.9	8 855.2	6 805.3

CULTURE

Riga City Council's Binding Regulations "On municipal support for implementation of cultural and art events and activities of amateur art collectives in Riga" were drafted in 2023 and in 2024 came into force, expanding the size and scope of the competitions available in 2024.

In 2024, the municipality's cultural and cultural education institutions were actively involved in ensuring access to culture for the Riga residents and visitors, both by providing high-quality cultural, cultural education and library services and by actively participating in the development of the offer of public events.

In 2024, the reorganization of cultural institutions continued: launching the third stage of restructuring of cultural management model – on the basis of the structural unit of the Riga City Municipality Association of Cultural Institutions "Riga Contemporary Art Space", it is planned to create a separate municipal institution "Riga Contemporary Art Space" in 2025. In addition to its current functions, the institution will pursue new areas of activity, developing as a platform for performance and live art, digital media art and education, and a coordinating institution for contemporary art programs and projects in the urban environment in Riga.

Riga State City Municipality cultural events calendar 2024 included 17 thematic programs and 223 cultural events throughout the year to celebrate national holidays, commemoration days, annual customs and traditions, both in the city centre and in the neighborhoods, which were attended by around 645 000 Riga residents and visitors.

The most important events in 2024: events commemorating the 20th anniversary of Latvia's EU and NATO membership and the 34th anniversary of the restoration of independence of the Republic of Latvia, Midsummer celebrations in Mezaparks, Dzeguzkalns and Grizinkalns, Riga Summer Culture program from August 1 to 31, Riga 823rd birthday events at 11 November Embankment and Victory Park. The Riga summer cultural events program was visited by approximately 205 thousand residents and city guests.. The program of events dedicated to the Lacplesa Day and the 106th anniversary of the proclamation of the Republic of Latvia, and the light festival "Staro Riga". Visitors had the opportunity to see 25 light objects and installations both in the Old Town and on the left bank of the Daugava River. Over the four days, the festival was visited by approximately 250,000 people.

Throughout 2024, the design of public holidays and commemoration days in the urban environment, creation of contemporary art objects and murals in Riga center and neighborhoods was ensured.

The municipal cultural institutions implemented 943 cultural events with a total number of visitors of 1,318,407, including 486 free events. There are 176 amateur art groups operating in cultural institutions with a total number of 5,867 participants, of which 20 are children's groups with 1,582 participants. The municipality supported 110 amateur art groups founded by third parties. In 2024, 27 libraries were open in Riga which are visited by 597 315 visitors on average per year.

In 2024, the competition "Co-financing for Riga Cultural Events Calendar Events Organized by Private Individuals" supported cultural projects in three thematic sections: 14 projects Contemporary Culture Forum "White Nights 2024", 3 projects Father's Day and 13 projects Winter Solstice and Advent and Christmas Program for a total amount of 243 953 euro..

In 2024, 490 000-euro co-financing was allocated for 70 events in 7 sectors as a part of "Co-financing of cultural and artistic events organized by private individuals" competition: 47 music, 12 theatre, 8 dance, 33 visual arts, 13 book, 31 interdisciplinary and 8 non-commercial audiovisual projects.

According to the results of competition "Co-financing of festivals organized by private individuals" in 2023 - 2025 and the contracts concluded by ECSD in 2024, 25 festivals were co-financed from the budget program "Special-Purpose Program for Festivals" for a total amount of 551 673,59 euro.

In 2024, three environmental art objects were implemented by means of design competition as part of the Old Riga revitalization plan. A street art program was launched, with murals in three neighborhoods. As part of the neighborhood art program, an ensemble of four objects in Kengarags Park and promenade was created in cooperation with the Art Academy of Latvia.

The most significant investment projects and programs:

- Development of the construction project for the Latvian National Theatre extension at Simtgades Avenue 3;
- Renovation of the Riga Central Library branch library "Rezna" Renovation of Culture palace "Ziemeļblazma" and the facade of building at Amatu Street 5;
- Renovation and reconstruction of Riga 700th anniversary pavilion 1st stage.

Budget expenses allocated to recreation, culture and religion (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Recreational and sports events	5 754.5	7 537.1	7 492.1	7 397.5
Culture	29 010.3	30 089.5	40 499.8	34 600.7
Other recreational, cultural, and religion-related services not classified above	–	–	8.0	–
Total basic budget expenses	34 764.8	37 626.6	47 999.9	41 998.2
int.al. investment	2 509.2	535.6	6 447.3	2 589.9

ECONOMIC ACTIVITY

Riga State City Municipality's public transport systems serve either for Riga inhabitants or for City's nearest area. Municipality public transport network in Riga is well developed and provides good coverage of City's territory. In 2024 Riga State City Municipality public transport network was formed by:

- ☐ 50 bus routes, provided by 423 buses in the daytime;
- ☐ 6 tram routes, provided by 113 trams in the daytime;
- ☐ 22 trolleybus routes, provided by 225 trolleybuses in the daytime.

Total length of transportation network reached 35,5 million km.

In 2024, 115,97 million passengers were transported in Riga State City public transport, which is by 1,2 million passengers (by 1%) more than a year earlier.

In 2024, 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:

- ☐ Construction of traffic overpass from Tvaika Street to Kundziņsala; (total construction expense – 68 144 545 euro);
- ☐ Reconstruction of Jorga Zemitana bridge, as well as renovation of street pavement in the nearby territory of Jorga Zemitana bridge and in Pernavas Street and Aleksandra Caka Street crossing was launched (total construction expense – 19 968 840 euro);
- ☐ Reconstruction of Victory Park 1st part of 2nd stage.

During the reporting year, Riga's infrastructure was improved with various newly constructed objects, including reconstruction of 5 streets (including construction and reconstruction of underground utilities, dismantling of existing pavement, construction of new pavement, greening, construction of street development elements and other works), construction of 1 street, establishment of 1 pedestrian crossing, equipment of 5 pedestrian crossings with additional illumination, renovation of sidewalk pavement in 1 street was finished, periodical renovation of street pavement in 32 sites was performed, establishment of illumination in 1 street and 2 parks was finished, construction of 3 bicycle infrastructure objects.

In 2024, some improvements of public transport traffic net were performed. Several public transport stop names was changed to help passengers navigate the route network with the completion of the project of adapting the tram infrastructure to a low-floor tram implemented by Ltd. "Rīgas satiksme", a low-floor tram started operating on tram line 7. The infrastructure of tram route No 5 was also adapted to the low-floor tram parameters in the section from the intersection of Jūrmalas Avenue and Slokas Street to the terminus "Ilguciems", tram route No 5 was restored to the basic route "Ilguciems - Miļgravis" and bus route No 5T was closed. In order to make public transport movement faster by shortening the time spent on the route, a "stop on demand" is gradually being introduced on bus routes.

In 2024, a number of improvements of public transport traffic and safety were performed, including improvement of pedestrians' safety, reduction of maximum traffic speed, etc. activities, int. al. in 18 locations maximum speed was reduced, in 9 locations prohibition to stop/to stand was established, 5 temporary parking-lots were erected, cargo transport traffic was limited in 4 locations, public transport traffic organization was improved in 6 locations, 34 speed bumps were built and 13 new traffic lights objects were built, renewed 15 traffic lights.

Other traffic organization system works done in 2024: established 1 new unregulated pedestrian crossing, safety of 1 pedestrian crossing was improved.

The most significant investment projects and programs:

- Construction of traffic overpass from Tvaika Street to Kundziņsala; was launched;
- Construction of Jana Cakste Avenue;
- Reconstruction of pavement on Gertrudes Street from Krisjana Barona Street to Brivibas Street;
- Construction of new street in Lucavsala (2nd stage);
- Launch of reconstruction of Jorga Zemitana bridge;
- Reconstruction of rainwater drainage system on Akaciju Street and the culvert on Zolitudes Street;
- Renovation of street pavement of several Riga streets;
- Reconstruction of the section of Ielejas Street and Asnu Street from Dzintaru Street to Ielejas Street; Design of the city's public transport connections with railway stations.

Budget expenses allocated to economic activity (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
Agriculture, forestry, fishery and hunting	9.0	8.8	9.5	9.2
Mining, industry and construction	9 619.7	10 689.4	12 728.2	11 928.2
Transportation	246 689.9	302 020.7	374 600.3	296 228.2
Other sectors	2 215.2	3 562.1	4 693.1	4 264.2
Other economic activity not classified above	796.8	2 424.3	1 923.1	1 011.4
Total basic budget expenses	259 330.6	318 705.3	393 954.2	313 441.2
int.al. investment	34 072.2	15 214.6	82 609.4	61 508.1

PUBLIC ORDER AND SECURITY

During the reporting year, Riga State City 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. 196 Riga State City Municipality Police event plans were prepared to ensure public order at the most important events of the year.

In 2024, Riga State City Municipality Police officials secured public order near 176 Riga State City educational institutions' complexes of buildings. 642 educating events were organized in Riga State City educational institutions; 1 448 preventive discussions were held for minors.

During the reporting year, 135 821 calls were maintained, and 14 716 applications were received. In 2024, Riga State City Municipality Police recorded 19 817 persons who committed administrative violations or crimes, 676 wanted persons were detained, 65 of them were juvenile persons.

By means of Riga State City Municipality Police video surveillance center 3 903 cases of law violation were recorded, 946 video records were submitted to law enforcement institutions. In 2024, Riga State City Municipality Police recorded 113 810 administrative violations, 728 of them administrative violations committed by minors and 548 administrative violations against minors recorded. 109 326 decisions on administrative violation matters were made, 106 294 administrative violations actions on road traffic violations were started.

In 2024, 486 raids were carried out on the city's public transport, 33 violations were recorded and 29 wanted persons were detained. 250 administrative offense proceedings were initiated for disregard of animal protection and welfare requirements, 182 for causing minor bodily injuries.

In 2024, 1 140 inspections of floating crafts were made and 250 administrative violations related to floating craft operation instructions were recorded, during raids 153 illegal fishing tools were confiscated, including poaching nets at total lengths of 978 m, 206 administrative violations were recorded, and 3 poachers were detained.

In 2024, 216 raids were performed to control the sale of alcohol, tobacco and pyrotechnics to minors, during which 24 cases when alcoholic beverages or tobacco products were sold to minors were recorded, 42 administrative violation proceedings were initiated.

In 2024, 4 swimmers were rescued, medical aid was rendered to 85 persons and 12 lost children were found.

In 2024, phone service of Tourism Information Center served 265 phone calls and police rendered help to 1 738 foreign tourists among them 1 179 refugees from Ukraine.

Information is regularly updated in Riga State City Municipality Police internet home page www.rpp.riga.lv. 25 videos were prepared, the most popular was viewed 73 000 times; 80 press releases and 426 answers to inhabitants' questions were prepared in Riga State City Municipality Police X and Facebook.

The most significant investment projects:

- Reconstruction of Riga State City Municipality Police building on Ledurgas Street 26 was launched.

Budget expenses allocated to public order and security (k EUR)	2022 actual	2023 actual	2024 budget	2024 actual
The police	20 501.4	22 664.2	27 559.9	26 216.5
Other public order and security services not classified above	–	0.7	1 346.1	1 136.2
Total basic budget expenses	20 501.4	22 664.9	28 906.0	27 352.7
int.al. investment	47.4	167.2	2 204.3	1 516.8

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

CORRUPTION PREVENTION

Human Resources directorate of Riga State City Municipality Central Administration implements the following functions:

- ☐ Management of Municipality's corruption prevention system;
- ☐ Organization and methodological management of corruption prevention activities in municipal administration;
- ☐ Management of activities of unified whistleblowing system and internal whistleblowing system in municipal institutions, which don't have separate internal whistleblowing systems (RNIC);
- ☐ Examination of whistleblowing reports;
- ☐ Obtaining and reviewing information on the activities of municipal institutions in the sphere of conflict of interest and prevention of corruption;
- ☐ Unified management of Municipality's anti-corruption system, development of corruption prevention strategy and monitoring of its implementation, methodological management of corruption prevention training;
- ☐ Cooperation with Central Administration Audit Directorate in sphere of violations of conflict of interest and corruption prevention detected in internal audits;
- ☐ Assessment of circumstances of the damage case.

In 2024, Directorate updated internal rules "Procedure for organization of corruption prevention system in the Riga State City Municipality", developing a methodology and annexes to establish a unified procedure for all municipal institutions. Work on the development of e-learning courses at <https://macibas.riga.lv> was started to provide training on conflict of interest and corruption prevention, as well as on the establishment of internal control system within the institution.

Directorate collected information and prepared report for Riga State City Council Security, Public Order and Corruption Prevention Issues Committee on implementation of Municipality's anti-corruption strategy 2022-2025 in 2024. Directorate updated several internal normative acts to improve the conflict of interest and corruption prevention system in the municipality.

In November 2024, a tender was announced for the "Implementation of the ISO 37001 standard "Anti-Bribery Management System" in Riga State City Municipality Central Administration", integrating it with the quality management system processes.

In 2024, Riga State City Municipality received 19 applications in total with whistleblowing note, none of them complied with whistleblowing criteria and were examined or were forwarded for regular examination.

INTERNAL AUDIT

According to the Riga State City Council Audit Directorate 2024 plan of internal audit realization approved by Executive Director of Riga, in 2024, municipal Audit Directorate performed 12 internal control system evaluation audits, int. al. 5 audits in specific Riga State City Municipality institutions (performing 2-3 system audits within each audit – 11 in total) and 7 separate system audits (performing 1-3 Riga State City Municipality institutions within it – 13 in total).

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 122 suggestions were included.

In accordance with the Audit Directorate internal audit plan 2024 approved by the Riga Executive Director, in 2024, Riga State City Council Audit Directorate performed 3 inspections of financial and economic activities and 1 thematic audit.

As a result of performed audit 41 suggestions on elimination of the found offences and flaws were suggested. Central Administration 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 2024, following improvements were made:

- ☐ In order to ensure effective cooperation between the Riga State City Municipality administrative institutions in organization of planning, maintenance, design and construction of traffic infrastructure objects, as well as to avoid overlapping functions between institutions, Spatial Planning and Mobility Department was established;
- ☐ Riga State City Municipality Spatial Planning and Mobility Department was merged with Riga State City Municipality agency "Riga Light" and Riga State City Municipality Central Administration Territory Improvement Directorate;
- ☐ Improvements were made to more than 24 applications and e-services of Riga Council Unified Information System (RDVIS);
- ☐ Employees' application functionality was introduced in 286 institutions subordinate to Education, Culture and Sports Department;
- ☐ New e-service "Application for wheelchair lifts" and core module was introduced;
- ☐ Transition to Peppol-compliant invoice management standard in the Municipality was performed;
- ☐ Improvements of Compulsory Health Checks processes administration were made;
- ☐ A new RDVIS application "Educational Institutions Data Processing and Co-financing Calculation and Payment Support System provided by Municipality" (PILS) has been developed. The new module combines the co-financing management of private institutions "UDV Private School Co-financing" and "UDV Pre-school Queues" into one module;
- ☐ Development of update plan for LIETO application (guidelines and conceptual solution were prepared);
- ☐ Improvements made to human resource management system KADRI;
- ☐ Developed training website for institutions subordinate to Municipality's Education, Culture and Sports Department, based on the learning management system Moodle;
- ☐ Integration with State Unified event register was established;
- ☐ Transition of Cadastre data exchange to the DIT solution used by State Land Service was launched;
- ☐ Integration with the new data exchange solution of the State Address Register was provided.

RIGA STATE CITY MUNICIPALITY PARTICIPATION IN LOCAL AND INTERNATIONAL COOPERATION PROJECTS

In 2024, 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 2024 in association with execution of Riga territory plan:

- ☐ Reconstruction of Aldaris Park, which goal is to create facilitated, safe and contemporary recreation area for Sarkandaugava neighborhood's residents, by integrating today's necessary recreational functions into the existing park environment;
- ☐ 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;
- ☐ 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 2023, construction works were carried out on the right bank of the Bullupe river in Bolderaja neighborhood and a 1,9 km-long dam was built;
- ☐ "Development of infrastructure objects that reduce anthropogenic load and improvement in the status of biotopes in natural park "Piejura" (Natura 2000)";
- ☐ "Testing new stormwater purification solutions to limit the discharge of hazardous substances and toxins into the Baltic Sea (CleanStormWater)";
- ☐ Development of multifunctional public open space in Riga neighborhoods;
- ☐ Project "Pedestrians'/cyclists' bridge over the Zunds and its integration into city's environment";
- ☐ Project "Pedestrians'/cyclists' bridge over the Kileveina ditch";
- ☐ Development of 13th Janvara Street and public open space;
- ☐ Development of Brivibas Boulevard, Brivibas Square and Baumana Square;
- ☐ "Integration of European level railway infrastructure Rail Baltica into infrastructure of Centre of Riga";
- ☐ Development of public open space of Old Riga(1st stage)
- ☐ "Working out development concept of Vidzemes (Matisa) market quarter";
- ☐ "Development of 11 novembra krastmala Street";
- ☐ "Development of Esplanade Park";
- ☐ "Development of Victory Park";
- ☐ Development of concept plans of neighborhood centers;
- ☐ "Preliminary technical documentation of integration of Zasulauks, Darziems and Janavarti stations into the urban environment and construction plans of urban transport system";
- ☐ Foundation of Zolitude tragedy memorial garden in Riga on Priedaine Street 20.

In 2024, City Development Department took participated in a number of EU projects: UNCHAIN, CityAM, HORIZON Just streets North BalticInterreg Cycle4Climate, Eurocities/CIVITAS Replicationand Deployment Program, Eurocities/Scale-Up and preparation of number of EU project applications: Horizon UrbanzeroMOB and other projects.

In 2024, Riga State City Municipality Education, Culture and Sports Department implemented 13 projects co-financed by the EU and other financial instruments with a total budget of 6 481 736 euro, of which 4 324 385 euro (67%) was financed by the EU and other external financial sources and 2 157 351 euro (23%) by the Riga State City Municipality. The most significant projects:

- ☐ "Development of society's digital skills";
- ☐ "Closing the digital divide for socially vulnerable learners and educational institutions";
- ☐ "Digitization of educational institutions for 7-9 grades";
- ☐ "Innovative strategies in catering: expanding the sustainable catering toolbox".

In 2024, Riga State City Municipality continued cooperation with international organizations and cooperation networks:

- ☐ Participation in Organization of World Cultural Heritage Cities (OWHC) and the League of Historical Cities (LHC);
- ☐ Cooperation with Union of Baltic Cities (UBC);
- ☐ Participation in European Institute of Innovation and Technology (EIT) innovation community for urban mobility (Urban Mobility);
- ☐ Participation in Eurocities.

In 2024, specialists from City Development Department took part in the following international cooperation promoting activities:

- ☐ Participation in solution development of chosen activities for European stability and recovery mechanism;
- ☐ Participation in The Network of European Metropolitan Regions and Areas – METREX. Coordination of the network was provided, setting the agenda and organizing meetings;
- ☐ Participation in advisory board of Sustainable Cities Commission of Union of Baltic Cities (UBC) commission's;
- ☐ Participation in Urban management and Mobility forums of EUROCIITIES platform;
- ☐ Launching Project "Multidimensional Storm Water Treatment in Urban Areas for Cleaner Baltic Sea (MUSTBE)" to develop new technological and digital multidimensional solutions for stormwater administration and management;
- ☐ Participation in Interreg Europe project "Improving local policies on temporary uses (IMPETUS)" was launched;
- ☐ Participation in project "Developing and demonstrating portfolio of nature based and smart solutions for improving urban climate resilience in Latvia and Estonia";
- ☐ Participation in project "Introducing adaptive community-based biodiversity management in urban areas for improved connectivity and ecosystem health";
- ☐ Participation in project "Promoting Safe, Fair and Enjoyable Mobility in the Urban Environment" (JUST STREETS) to increase the mobility safety of vulnerable citizens and improve the accessibility of the public environment. (including the elderly, children, women and people with reduced mobility, pedestrians and cyclists).

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, live broadcasts and records of Council's and Committees' meetings, as well as press conferences 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, topical education issues, 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 various benefits and receipt procedure, organization of summer camps, distribution of hot meals, mobile teams, involvement of persons with disabilities, movement of foster families, charity events etc.

Information on possibilities to receive real estate tax allowances, paid service discounts was provided, availability of kindergartens, requirements for children registration and enrollment, 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 2024, 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 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 2024 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 2024, 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 State City Municipality 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. Coordinators are working in seven support centers.

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

In 2024, a survey of Riga residents was conducted to determine the attitude of Riga residents towards various activities related to the goals and achievable indicators defined in the Sustainable Development Strategy of Riga until 2030 and Riga Development program 2022 - 2027. A total of 2,405 Riga residents from all 58 neighborhoods were surveyed.

On 21 November 2024, City Development Department organized the event "Riga Historical Center Forum 2024", in which municipal specialists, politicians, urban planners, representatives of governmental and non-governmental organizations, architects and other industry experts discussed on development potential and opportunities of the historic centre of Riga. The draft of the strategic framework for the Riga historical center and protection zone for 2050 was also presented at the event, as well as proposals for the revitalization of the Riga historical center and protection zone.

Neighborhood coordinators have been ensured to address current neighborhood issues and inform residents about various issues. 94 meetings with neighborhood associations have been organized to identify and address issues of concern to residents, also involving other Riga City Council structural units, 9 resident engagement events, 8 meetings with residents and association representatives, and 1 discussion.

The operation of the Memorandum of Cooperation between the Riga City Council and NGOs and the Memorandum Implementation Council, the operation of the Riga City Council Consultative Council on Social Integration Issues, as well as Riga's participation in the Intercultural Cities Program of the Council of Europe has been ensured. Research "Social Integration in Riga 2024" was realized. Constant support to NGOs was provided. 650 NGOs used the premises of the NGO House in seven locations in different neighborhoods of Riga, where 4 260 events were organized, and the total number of visitors to the NGO House reached 58 700.

ACTIVITIES PLANNED FOR THE NEXT YEAR

LAUNCHED PROJECTS THAT WILL BE CONTINUED

In 2025, work on following projects is planned to be continued:

- ☐ Establishment of regional and city-level routes' bicycle infrastructure: Riga-Ulbroka, Riga- Kekava un Riga-Babite-Pinki, planned to be completed in 2026;
- ☐ Construction of Jana Cakste Avenue;
- ☐ Public transport connection points with railway stations and stops; Development of public open space integration of mobility point "Brasa" into city's environment;
- ☐ The reconstruction and construction of the Mūkusalā Street waterfront
- ☐ Design and construction of pedestrian rail-crossing infrastructure on Armerija Street;
- ☐ Construction And Resurfacing Of The Bicycle Path On Vilhelma Purvīša Street; Construction of bikeway on 11. novembra krastmala Street;
- ☐ Construction of bicycle lanes on Dzirnāvu Street, planned to be completed in 2026;
- ☐ Reconstruction of crossing of Hipokrata Street and Malienas Street and construction of Kveles Street in section from Malienas Street to Plasas Street;
- ☐ Reconstruction of Jorga Zemitana bridge;
- ☐ Construction of traffic overpass from Tvaika Street to Kundziņsala; Construction and renewal of public transport stops according to new design;
- ☐ Periodical renovation of Municipality's Street pavement;
- ☐ Development of sports and recreation grounds in neighborhoods;
- ☐ Buildings' renovation and restoration works as part of the optimization of the school network; Reconstruction of the building at Lēdurgas Street 26 to house the Municipal Police video surveillance center; Renovation of building on Burtnieku Street 37 changing its purpose of use (to ensure accessibility to social services);
- ☐ In 2024, work on development of Riga Urban Greening Plan 2027-2031 was launched. The goal is to establish a planning framework that promotes the city's adaptation to climate change, addresses green infrastructure management issues, promotes the improvement of the living environment of the community and ensures the development of urban greening in medium term, based on internationally accepted practices and considering the needs of residents;
- ☐ Development of Riga video surveillance system.

MAIN TASKS OF THE NEXT YEAR AND PLANNED COOPERATION PROJECTS

- ☐ "Development of complex of buildings for Riga Skanstes preschool on Grostonas Street 6" in order to increase availability of preschool services in Skanste neighborhood;
- ☐ Creation and development of community-based social services infrastructure at Spilves Street 19; Construction of 3 social care houses for persons of retirement age on Mezezers Street 5 and construction of 3 social care houses for persons of retirement age on Jurmalas Avenue;
- ☐ Implementation of the Riga City Municipality Education Ecosystem Development Strategy for 2024–2028 and achievement of the performance indicators defined in the strategy. The goal of the strategy is to develop an education ecosystem in the Riga City Municipality in which a set of various components creates a high-quality, flexible and student-friendly environment for lifelong education; Improvement of infrastructure and learning environment in five Municipal special educational institutions;
- ☐ Integration of "Rail Baltica" into Riga by organizing development, construction and synergy of project "Rail Baltica" infrastructure with infrastructure of Riga;
- ☐ Reconstruction of Victory Park including territory improvement (2nd stage);
- ☐ Project NEXT5G, to continue development of 5G technology ecosystem in the Municipality, in cooperation with Ltd. "Latvijas Mobilais Telefons", with an emphasis on traffic calming and accident prevention, as well as air quality monitoring. The project is expected to raise around 10 million euro;
- ☐ The project "Development and implementation of green infrastructure in the historical center of Riga", which aims to support the Riga City Municipality's adaptation to climate change and mitigate the risks caused by climate change; Interreg Baltic Sea Region program project "Liveability – designing public services for resilient neighborhoods";
- ☐ EU Cohesion Policy Programme 2021 - 2027 project "Air Pollution Reduction Measures in Riga State City Municipality". In 2024, 8 new territory cleaning equipment units have been purchased, and 7 more units are planned to be purchased in 2025;
- ☐ EU co-financed project "Renovation of individual social housing groups premises , 1st stage", which includes the renovation of 196 unrented apartments owned by the municipality.

RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2024 (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	3 604 072.0	4 045 771.7
Non-current assets	3 398 386.9	3 855 398.9
Intangible assets	17 528.1	17 481.2
Licenses, concessions and patents, trademarks and similar rights	17 277.3	16 997.4
Other intangible assets	238.3	468.5
Intangible assets under construction	12.5	15.3
Fixed assets	2 451 822.2	2 576 754.4
Land and construction	1 837 990.4	1 885 604.7
Technological equipment and machinery	10 261.9	16 035.5
Other fixed assets	76 129.2	80 958.1
Construction in progress, fixed assets under construction	81 812.9	116 742.1
State and municipal real estate property assigned for actual possession	423 921.6	436 826.7
Biological and underground assets	12 957.3	13 962.5
Leasehold improvements	49.9	43.1
Advances for fixed assets	8 699.0	26 581.7
Long-term financial investments	792 410.1	1 152 762.3
Investments in subsidiaries	718 486.8	1 078 685.6
Investments in equity capital of associates	73 923.3	73 958.7
Advances for Long-term financial investments	–	118.0
Long-term receivables	915.0	575.0
Other long-term receivables	915.0	575.0
Investment property	135 711.5	107 826.0
Investment property	106 737.3	90 457.4
Investment property assigned for actual possession	28 974.2	17 368.6
Current assets	205 685.1	190 372.8
Inventory	27 038.9	34 554.8
Short-term receivables	16 171.5	22 255.0
Deferred expenses and advances for services and projects	6 309.4	8 385.0
Cash	156 165.3	125 178.0
LIABILITIES	3 604 072.0	4 045 771.7
Equity	2 786 441.2	3 245 829.6
Reserves	152 843.5	499 581.6
Results of the budget execution	2 633 597.7	2 746 248.0
Retained results of the budget execution	2 606 019.4	2 633 597.7
Results of the budget execution in current period	27 578.3	112 650.3
Provisions	529.2	3 853.1
Liabilities	817 101.6	796 089.0
Non-current liabilities	545 590.4	545 848.0
Long-term borrowings	478 074.3	481 692.1
Long-term liabilities to suppliers and contractors	10 836.6	8 505.4
Long-term deferred income and received advances	335.9	14 404.5
Long-term liabilities for financial derivatives	51 431.0	37 880.6
Other long-term liabilities	4 912.6	3 365.4
Current borrowings and current portion of long-term debt	76 577.4	70 243.7
Current liabilities to suppliers and contractors	21 356.1	23 563.3
Current accrued liabilities	49 901.5	62 578.4
Salaries and deduction payments (excluding taxes)	15 538.5	17 471.5
Taxes, fees and other payment liabilities	20 352.7	21 079.9
Other current liabilities	20 102.2	19 352.8
Deferred income and received advances	67 682.8	35 951.4

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		
Off-balance sheet assets	11 991.7	17 183.0
Demurrages, fines, penalties and late payment interest receivable	7 830.7	11 575.6
Claims for illegally expropriated assets	38.4	31.8
Other off-balance sheet assets	4 122.6	5 575.6
Off-balance sheet liabilities	115 318.2	326 211.2
Future liabilities according to agreements concluded on projects financed by foreign financial aid and EU policies' instruments	16 509.1	143 985.7
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	62 654.1	164 242.8
Received and not paid invoices for advance payments	11 942.3	50.8
Warranties issued	35.1	25.2
Other off-balance sheet liabilities	24 177.6	17 906.7

BASIC BUDGET INCOME STATEMENT	2023 actual	2024 budget	2024 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	1 285 364.4	1 419 775.1	1 399 895.5
Total tax revenues	915 859.1	984 832.7	999 768.4
Personal income tax	797 571.3	868 276.8	882 258.3
Real estate taxes	117 227.4	115 528.9	116 352.0
int.al. real estate tax on land	47 839.0	46 178.9	46 107.8
int.al. real estate tax on buildings	43 694.1	44 200.0	43 837.2
int.al. real estate tax on housing	25 694.3	25 150.0	26 407.0
Other tax revenue	1 060.4	1 027.0	1 158.1
Total non-tax revenues	29 066.8	23 867.1	29 613.2
Government (municipality) fees	5 940.7	5 199.3	6 750.9
Other non-tax revenues	23 126.1	18 667.8	22 862.3
Paid services and other own revenues	33 075.3	32 050.2	43 006.7
Total transfers	307 363.2	379 025.1	327 507.2
Transfers of public entities partially financed by State budget and institutions not financed by budget	138.4	–	387.4
State budget transfers, int.al.	297 926.4	366 738.3	315 963.1
state budget transfers received by municipalities	235 557.8	296 933.3	290 026.9
transfers received from state institutions for projects co-financed by EU policies' instruments and other foreign financial aid	62 368.6	69 805.0	25 936.2
Municipal budget transfers	9 298.4	12 286.8	11 156.7
Total expenses by government functions			
Total expenses	1 316 652.0	1 583 542.5	1 432 961.7
General governmental agencies, int.al.:	235 050.4	255 907.3	247 600.1
contributions to municipal cohesion fund	133 104.8	140 020.2	142 274.9
Public order and security	22 664.9	28 906.0	27 352.7
Economic activity	318 705.3	393 954.2	313 441.2
Environmental protection	5 875.9	8 855.2	6 805.3
Territory and housing management	58 858.8	76 201.7	62 959.4
Health care	5 971.0	9 164.3	8 285.9
Recreation, culture, and religion	37 626.6	47 999.9	41 998.2
Education	468 435.3	567 499.3	539 357.5
Social security	163 463.8	195 054.6	185 161.4
INCOME STATEMENT ON DONATIONS AND ENDOWMENTS	2023 actual	2024 budget	2024 actual
Cash flow basis	(k EUR)	(k EUR)	(k EUR)
Total revenues	169.1	102.7	67.1
Donations and endowments from legal entities and individuals	169.1	102.7	67.1
Donations and endowments for education	83.5	100.3	63.7
Donations and endowments for social care	6.1	1.4	3.4
Other donations from legal entities and individuals	79.5	1.0	–
Total expenses by government functions			
Total expenses	71.5	385.3	75.6
General governmental agencies	–	0.2	–
Recreation, culture, and religion	–	95.1	6.7
Education	60.6	280.6	68.6
Social security	10.9	9.4	0.3

EXPLANATION OF BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS 2024

This financial statements summary including Riga State City Municipality's summary balance sheet as of 31 December 2024, basic budget income statement for 2024 (cash flow basis) and income statement on donations and endowments (cash flow basis) for 2024 are prepared on the basis of audited Riga State City Municipality financial statements, based on following principles:

- ☐ Balance sheet presented is identical to the one included in the audited financial statements of Riga State City Municipality 2024 (k EUR) (Form No 1);
- ☐ Basic budget income statements prepared on a cash flow basis are prepared based on information included in Riga State City Municipality Annual Report 2024 (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 the Cabinet of Ministers of the Republic of Latvia No 1032 dated 27.12.2005. "Regulations on classification of budget income".
- ☐ Expenses are presented according to the groups of functional categories by administrative, functional and sectoral features in compliance with Regulations of the Cabinet of Ministers of the Republic of Latvia No 934 dated 13.12.2005. "Regulations on classification of budget expenses according to functional categories";

- ☐ Income statement on donations and endowments is prepared on a cash flow basis and is based on information included in Riga State City Municipality Annual Report 2024 (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 the Regulations of the Cabinet of Ministers of the Republic of Latvia 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 the Cabinet of Ministers of the Republic of Latvia No 934 dated 13.12.2005. "Regulations on classification of budget expenses according to functional categories";

According to paragraph 37.1. of the Cabinet of Ministers regulations No 652 dated 28.09.2021. "Procedure for preparation of the annual report", information on Riga State City Municipality's financial statements 2024 is available at the State treasury's home page from 1 June 2025.

INDEPENDENT AUDITOR'S REPORT ON RIGA STATE CITY MUNICIPALITY FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

No. 1/2025

To Riga State City Municipality:

Our Opinion

In our opinion, the 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 2024, and the Municipality's financial performance and cash flows for the year ended 31 December 2024 in accordance with the Cabinet of Ministers regulation no. 652 "Procedures for Preparing the Annual Report" dated 28 September 2021.

What we have audited

The Municipality's financial statements comprise:

- the balance sheet as at 31 December 2024,
- the statement of financial results for the year ended 31 December 2024,
- the statement of changes in equity for the year ended 31 December 2024,
- the cash flow statement for the year ended 31 December 2024, and
- the notes to the financial statements which includes a description of basic principles of significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards of 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 the system eParskati section Documents "1. Management Report",
- the Budget Execution Report as set out in the system eParskati section Budget execution – Budget execution reports,

- the Notes to the Budget Execution Report as set out in the system eParskati section Documents "5. Explanation on the Budget Execution Report", 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. 652 "Procedures for Preparing the Annual Report" dated 28 September 2021.

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

- the information given in the other information identified above 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. 652 "Procedures for Preparing the Annual Report" dated 28 September 2021.

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. 652 "Procedures for Preparing the Annual Report" dated 28 September 2021 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.

This is a translation of the original independent auditor's report prepared in Latvian and issued on 3 April 2025 on Riga State City Municipality's financial statements included in the Municipality's 2024 annual report, which was prepared in accordance with the Cabinet of Ministers regulation no. 652 "Procedures for Preparing the Annual Report" dated 28 September 2021. This pdf format of independent auditor's report does not relate and cannot be considered as a report on the Public Report 2024 of Riga State City Municipality and is prepared only to fulfil the requirements of the Cabinet of Ministers Regulation no. 413 "Regulations on Annual Public Accounts" dated 5 May 2010.

Translation note: 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
03 April 2025