

*RIGA MUNICIPALITY  
ANNUAL REPORT  
2008*





Riga, 2009



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## The report of Riga City Council Chairman



In 2008 Riga Municipality continued the realization of its long-term financial policy, securing the budget integrity, improving the conditions of financial resources attracted and realizing the financial risk management policy in the situation of financial and economic crisis.

The revenue of Riga Municipality general budget has increased by 92,6 million lats in 2008, comparing to the previous year, thus ensuring resources necessary for realization of the Municipal functions and providing substantial contribution at the amount of 52,6 million lats to the rest of Latvian municipalities within the framework of Cohesion fund.

By implementation of the Municipal budget restrictions policy, Riga Municipality succeeded in cutting the swift increase of the general budget expenses from 42% in previous year to 22% in 2008.

In 2008, education was the first priority in terms of the Municipal budget expenditures, and for its development there were 200,6 million lats in total allocated from the general budget, which formed approximately one third of all Riga Municipal budget expenditures. Comparing to the previous year, the Municipal expenses for financing the education sector had increased by 42,2 million lats (by 27%).

Riga Municipality has implemented a number of significant operational improvements, as well as realized several large-scale traffic infrastructure development projects. At the end of 2008, the largest investment project in Baltic States over the past years – the first stage of the South Bridge over river Daugava was put into the operation. This vitally important traffic infrastructure object will help to improve transportation situation in the City and in the whole State. The construction of approaching roads to the South Bridge on the right bank side was started, as well as research works for the Northern Transport Corridor were continued in 2008.

Riga Municipality must also ensure financing for development and construction of other infrastructure objects, as well as divert considerable proportion of its revenues to the development of other Latvian municipalities within the existing framework of Latvian municipalities budget and financial system, therefore, for implementing a number of projects Riga Municipality has to attract external financing, including resources from EU funds.

Over the past years, Riga Municipality has realized an effective and transparent financial policy thus ensuring well-disposed conditions for attracting external financing. By implementing Riga Municipality loans, guaranties and other long-term debt management strategy for 2008-2012, the Municipality has succeeded in reducing annual interest rate payments and securing the stability of liability portfolio.

Based on the previous years experience, Riga Municipality continued to employ the opportunities of utilizing the funds of European Union for financing development projects in the City, as a result, there were 23 projects co-financed by EU with the total budget exceeding 143,9 million lats achieved in Riga Municipality and its institutions in 2008.

During the financial year, in the situation of economic decrease, Riga Municipality within its capabilities continued to realize the housing policy. In November 2008, the first building with 150 apartments in the municipal dwelling block at Lubanas street was put into operation, followed by the second building with 100 apartments on December. Apartments in these buildings were let to people, registered for receiving the municipal housing support.

Despite the fact that the rapid economic growth has resulted in the increase of Riga inhabitants' material well-being over the past years, the support provided by Riga Municipality is very substantial for many inhabitants of moderate means. The importance of the social aid provided by Riga Municipality has grown significantly and directly over the financial year, in the situation of economic retrogression, increasing unemployment and decreasing actual earnings of inhabitants.

In the financial year the expenditures from Riga Municipality general budget allocated to social security has increased by 15,9 million lats. Furthermore, when preparing year 2009 budget and considering serious limitations, expenditures for the social security area are kept as ultimate priority of Riga Municipality.

The functioning of Riga Municipality will be focused on respecting interests of the inhabitants in the City development and ensuring the provision of municipal functions in a way, which does not limit economic, social and cultural opportunities of Rigans.

At the end of financial year Riga Municipality started budget expenditures reduction undertakings as specified in Law „On Compensation for State and Municipal Institutions Officers in 2009” and Cabinet of Ministers Regulations No.882 „On Fiscal Discipline and



Control Monitoring Undertakings” as of 2008, thus achieving reduction of compensation costs by 31,1 million LVL and maintenance costs by 59,4 million LVL.

In the future, there will be close attention focused on increasing effectiveness of Riga Municipality operations and reducing expenditures by optimizing the structure of municipal institutions, improving transparency of decision making process and openness of municipal institutions to society, as well as advancing the quality of services provided by Riga Municipality.

A handwritten signature in black ink, appearing to read 'J. Birks'. The signature is fluid and cursive, with a large, sweeping initial 'J' and a long, trailing flourish at the end.

**J. Birks**

Riga City Council Chairman

# The report of Riga City Council Finance Department Director



In 2008 the Riga City Council Finance Department continued the realization of long-term financial policy, ensuring balanced execution of the budget and effective management of finance resources.

Although there was initially planned a deficit in Riga Municipality budget and the retrogression of economic and financial situation was taking place during the financial year, as a result of successful budget execution management, Riga Municipality had concluded the fifth consecutive year with the budget surplus. The Riga Municipality general budget revenue has increased by million lats 92,6 (by 18%).

Over the financial year the regular control of the budget executors estimated expenses was accomplished, which had significant contribution to ensuring sufficient financial resources for Riga Municipality in the situation of decreasing tax revenues. By successful financial resource management execution, Riga City Council Finance Department has secured the sufficient cash liquidity in 2008.

During the financial year, there was a project of Riga Municipality budget 2009 completed, which was later revised in accordance with the changes in statutory budget and macroeconomic scenario, as well as fiscal stabilization and compensation undertakings implemented by the State, and accepted in February, 2009. The budget ensures optimal utilization of Riga Municipality financial resources in the situation of economic and financial crisis, when the basis for Municipal earnings is reduced and undertakings of compensation restrictions specified by the State are realized.

As a part of Riga Municipality financial resources management process, new Riga Municipality loans, guaranties and other long-term debt management strategy for 2008-2012 was approved. The strategy defines main criteria for Riga Municipality debt portfolio management and financial instruments utilized for minimizing liability risks.

Over the financial year Riga City Council Finance Department has successfully continued to apply financial risk management tools, thus facilitating the decreasing price of attracted credit resources and the stability of debt management payments.

The cash flow accounting and project payments control was realized effectively in order to ensure financing of the Riga Municipality development projects from EU funds.

With an aim to guarantee the transparency of the Riga Municipality financial policy and strengthen the reputation of Riga Municipality as a reliable financial partner, Riga City Council Finance Department had continued the successful co-operation with international credit-rating agencies „Standard & Poor's" and „Moody's Investors service" in 2008. Over the previous years, as a result of successful financial management policy, Riga Municipality, similar to the State, achieved relatively high credit-rating. However, due to the impairing of the State's macroeconomic and financial situation, according to the methodology of credit-rating agencies, both the credit-ratings of Riga City and Latvia were reduced respectively.

The agreed and accepted software development and IT support provided an opportunity to transform the numerical information from the mandatory monthly report directly into IT system of the State Treasury, as required by the regulations.

As a result of the financial management and budgetary policy executed by Riga City Council Finance Department, provision of necessary financial resources was secured for Municipal functions, finance system of the Riga Municipality was strengthened and its transparency improved thus ensuring stable operations of Riga Municipality,

A handwritten signature in black ink, appearing to read 'I. Tiknuse'. The signature is fluid and cursive.

**I. Tiknuse**

Riga City Council Finance Department Director

# Riga City population

According to the data of Office of Citizenship and Migration Affairs, as of beginning of 2009, there were 716 thousand inhabitants living in Riga, which was by 3,6 thousand less than a year ago. After the rapid decrease in early 90-ties, the number of the City population is now stabilized over the past years, yet still continues to decrease slightly year by year.

There are no significant changes in age structure of the City's inhabitants indicated during the year. Similar to the previous year, the proportion of inhabitants of able-bodied age within the City population remained at 66,1%. During the period from 2000 to 2008, it has increased from 60,3% to 66,1% of the total population in Riga, reaching 474 thousand people. In 2008, the proportion of those inhabitants over the able-bodied age formed 21,6% of the total number of the city inhabitants, while the proportion of children and youth was 12,3%.

In comparison with the Latvian average ratio, the age structure of Riga inhabitants is characterized by relatively smaller (by 1,5 percentiles) proportion of children and youth, the proportion of able-bodied inhabitants is by 0,5 percentiles higher than the country average, and the proportion of inhabitants over the able-bodied age exceeds the country average by 1 percentile.

Over the past years, there are no significant changes in the gender structure of Riga inhabitants, too. In 2008, 55,6% out of all city inhabitants were women, and 44,4 – men. In comparison with the average ratio for Latvia (53,9% women and 46,1% men), there is relatively higher proportion of women in the gender structure of Riga population.

During the financial year, the number of inhabitants had decreased in all districts of the City, except Vidzeme suburb, where it grew by 394 people. Similar to the previous year, the most significant drop in population was indicated in the Downtown district, revealing on the decrease by 3%. Over the past four years the population of the Downtown district has shrunk by 2,8 thousand people (by 10%).

The highest density of population was observed in the Downtown district, where 8 860 inhabitants living on 1 square kilometer, and the lowest – in the Northern district (1 061 inhabitants).

## Ethnic Composition

Due to the number of geopolitical, economic and demographic factors the national structure of Riga population has often undergone changes. Latvians reached the largest share – 63% of the total composition of inhabitants in 30-ies of the last century. Over the next fifteen years, mainly as a result of the immigration process, it decreased till 37% in 1989. However, over the past 15 years, the proportion of Latvians has been gradually increasing and reached 42.3% as of the end of 2008. As for other nationalities, the people of Russian origin form the biggest minority part with 41,7%, Byelorussians with 4,3%, Ukrainians with 3,9%, and Poles with 2,0%.

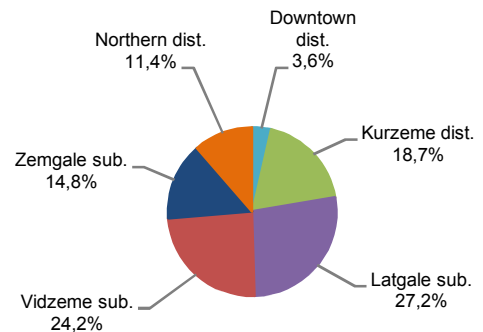
As of end of 2008, over the 71% of all Riga inhabitants had Latvian citizenship

## Employment

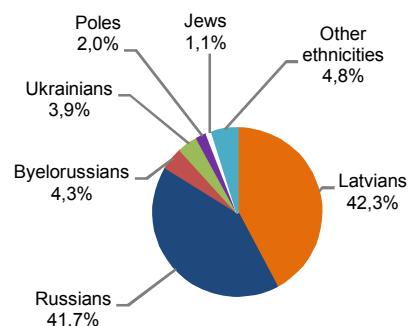
As a result of the rapid economic development, the number of employees in Riga has considerably grown over the past years. However, by starting the economic decrease at the second half of 2008, the total number of job positions occupied began to shrink, thus impacting the average ratio of 2008, which was by 19,2 thousand (by 3,3%) lower than in 2007. During the financial year, the number of people having principal work in the capital have decreased by 17.9 thousand and resulted as of 464,4 thousand.

In 2008, the largest attenuation of job positions was observed in transportation sector – by 7,5 thousand, processing industry sector – by 5,3 thousand, trade sector – by 5 thousand, and construction sector – by 1,6 thousand.

**Riga population breakdown by district\* (as of beginning of 2008, in percent)**



**Ethnic composition of Riga inhabitants (as of end of 2008, in percent)**



\* Data of Office of Citizenship and Migration Affairs



The largest sector in Riga City by number of principal work job positions was trade sector, where 102,3 thousand people were employed (22% of the total number of job positions), industry sector – 64,6 thousand, commercial services sector – 60,3 thousand and transportation and communications sector – 47 thousand.

### Unemployment

As a result of rapid economic development the unemployment rate continued to decrease over the first half of 2008 and reached its lowest point – 3,1 % of the economically active population in May. However, during the second half of the financial year, following the economic decline, the unemployment rate started to increase rapidly. As of end of 2008, the unemployment reached 19,7 thousand or 5,2% of the economically active population of the City, which is the highest rate over the past nine years.

Similar to the previous year, the number of vacant job positions in Riga continued to decrease – from 11,3 thousand at beginning of the year till 3,8 thousand at the end of the year, which formed 0,7% of the total amount of job positions in the City. In private business sector the number of vacant job positions had drop until 995 positions, which was 0,3% of the total amount of job positions in private business sector in Riga.

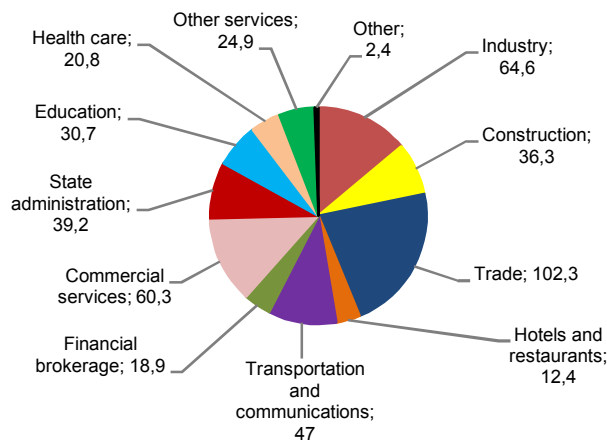
### Compensation

The previous years` trend of compensation growth was adopted and continued over the first half of the financial year, which resulted in the average monthly gross compensation in Riga reaching LVL 542 in 2008, which was by 20% higher than in 2007. Nevertheless, with respect to the rapid growth of inflation in 2008, the actual average monthly compensation in Riga City increased only by 4%, comparing to the previous year.

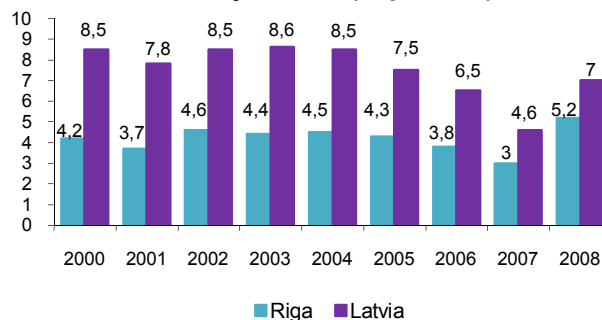
Over the financial year, the highest growth of compensation was indicated in transportation and communications sector, revealing the increase of average monthly compensation by 28%, education sector – by 23%, and commercial services sector – by 22%.

The smallest increase of compensation – by 10% was in state administration sector, where the undertakings of compensation restriction were implemented at the end of 2008. Though, due to the high compensation growth dynamics observed over the previous years, the average compensation in state administration as of LVL 782 is the second highest in the Capital, falling behind the Finance sector only (LVL 1 033). The lowest compensation was observed in hotels and restaurants sector – 324 (by 48% below the average compensation in the City) and trade LVL 440 (by 19% below).

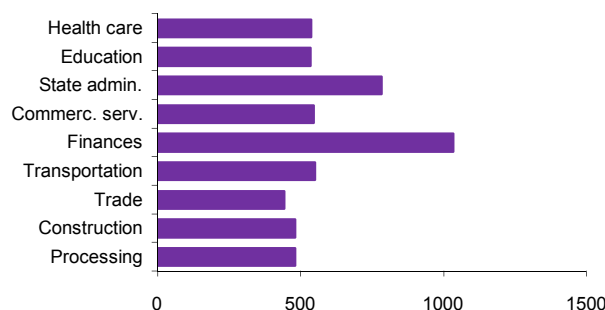
**Number of principal work job positions occupied by sectors (k people) in 2008**



**Unemployment rate in Riga and Latvia, as of year end (in percent)**



**Monthly average gross compensation in Riga (by sectors)**





# Riga City economic state

## Riga City economic site

Over the financial year, the economics of Riga, as well as economic of the State are characterized by impetuous transition from rapid economic growth to fast economic decrease. As a result of substantial drop of GDP, worsening of financial situation and problems in banking sector taking place in the last quarter of the year, Latvia started to receive financial aid from international creditors for stabilizing its financial and economic situation.

The undertakings implemented within the finance stabilization policy framework have had substantial impact on financial and compensation policy realized by Riga Municipality, as well as on the State's economic policy in compensation and other areas.

Due to the fact that over the past years the development of Riga was mainly driven by the growth in domestic market sectors, such as trade, construction, commercial services, the current crisis has severe impact on the City's economic.

As a result of the rapid economic growth, the forecasted GDP per inhabitant of Riga City in 2008 exceeded the average ratio for Latvia by 80%, thus being slightly higher than the average ratio in European Union. However, due to the economic retrogression this ratio is likely to decrease in the coming years.

## Branch industry structure

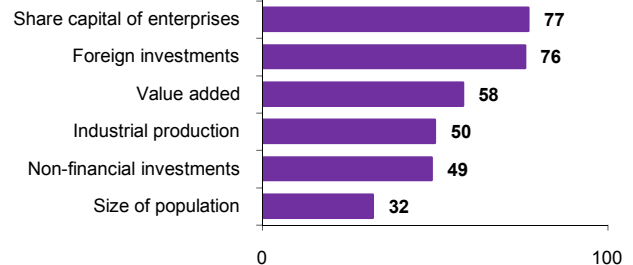
The diverse development trends of different industry sectors have led to significant changes in the branch industry structure of Riga City over the past decade. In mid 90-ties industry was the largest sector in the Capital and created 23% of the total value added, but during the future years its contribution had decreased, and in 2008 it formed only 7,6%, which was only by a percentile higher than the value added created by finance sector. Trade, commercial services and construction sectors have developed rapidly over the past years, now contributing to 53% of all added value generated in the Riga City.

## Industry

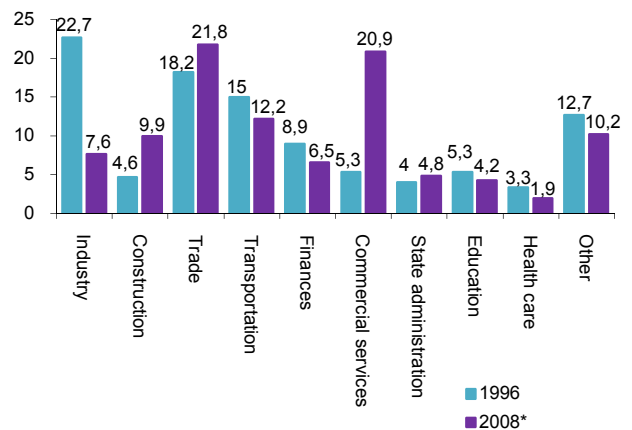
During the financial year the total value of industrial output produced in Riga was 1,6 billion lats, which, in actual prices, was by 2% more than in 2007. With respect to the growing prices in industry sector, in comparable prices, the amount of industrial output in Riga decreased by 8,5% over the year.

In 2008, Riga contributed 43% of the total processing industry output in Latvia. 46% out of processing industry output created in Riga was exported to other countries.

Riga's share in the economy of Latvia (in percent)

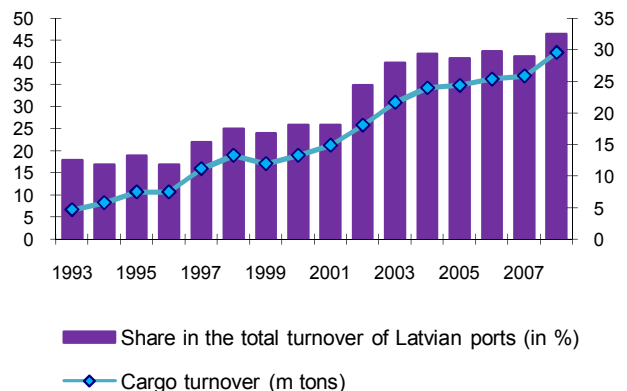


Riga economic sectors by share in the total value added (in percent)



\* 2008 – estimated

Operation of Riga port





## Trade

Trade is the biggest sector in the economy of Riga, contributing approximately 22% of the total added value created in the City and employing around 102,3 thousand people (22% of all people employed).

## Commercial services

Due to the rapid growth over the previous years, the commercial services sector has become the second largest sector in the City, now contributing around 20% to the total added value created in Riga and employing approximately 60 thousand people (13% of all people employed).

## Transportation and communications

### Riga Port

In 2008 the amount of shipped cargo from Riga port continued to grow swiftly – by 17%, thus reaching 26,4 million tons. The amount of received cargo decreased by 7% and amounted at 3,1 million tons.

In 2008 the total cargo turnover in Riga port grew by 14%, thus revealing the substantially higher growth compared to previous year, when the turnover increase as of 2,3% was recorded. The share of Riga port in the total reloaded cargo amount in Latvia reached 46,5%.

Regarding the structure of reloaded cargo, the proportion of coal had increased significantly – from 40% in 2007 up to 47% in 2008, whereas the amount of timber decreased from 12% to 7%. Oil products formed 18% of all cargo reloaded, container freight – 6%, mineral fertilizers – 7%, other cargos – 15%.

Over the financial year, the passenger turnover in Riga port increased and amounted at 504 thousand people, which is by 14% more than in the previous year.

### Airport

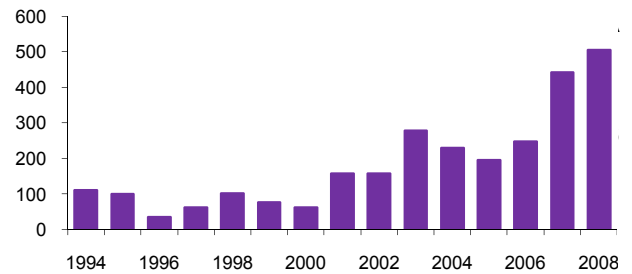
In 2008, the rapid growth in terms of number of passengers served by Riga Airport continued. During the financial year it increased by 17%, thus reaching 3,7 million people. The total turnover of passengers in Riga Airport has grown 3,5 times over the past four years.

In 2008 there were in average 157 flights served by Riga Airport per day, and the total number of flights increased by 21% during the year.

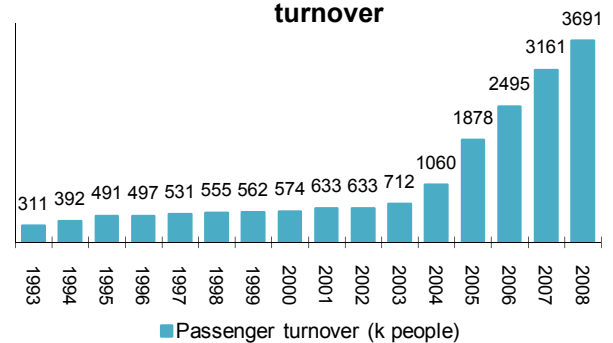
### Public transportation

There were 246 million passengers transported in Riga public transportation (bus, tram, trolleybus) in 2008, which is by 8% less than in 2007.

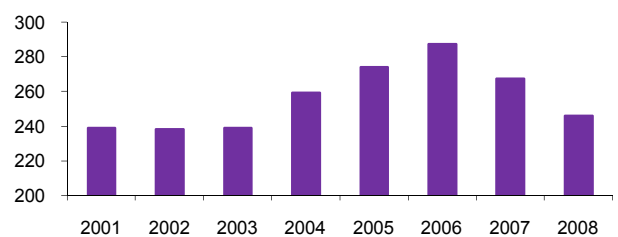
**Riga port: passenger turnover (k people)**



**Riga International Airport: passenger turnover**



**Passenger carriage in Riga public transportation (m people)**





Riga Municipal LCC „Rigas satiksme” performed passengers’ transportation services on 11 tram, 20 trolleybus and 66 city bus routes. The total length of the City’s transportation network was 1970 kilometres.

Complementary to Riga Municipal LCC „Rigas satiksme”, passengers’ carriage services in the sector of maxi-taxis are provided also by 8 private companies operating 269 buses on 44 routes. In 2008 there were 11 million passengers or 4% of the total amount of passengers transported on regular routes carried by the private conveyers, based on commercial principles.

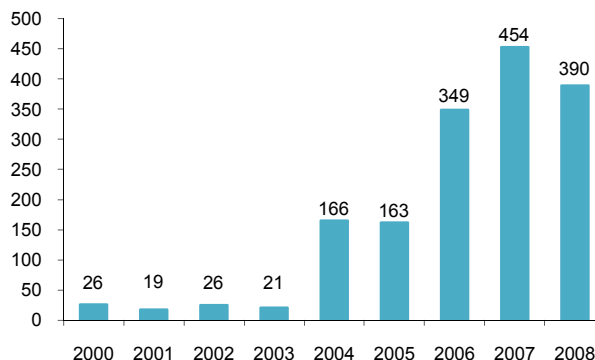
### Construction

The total amount of construction works in Riga City was 1,89 billion lats in 2008. During the financial year a number of important construction objects were put in operation, including the largest construction object in Baltic States – the South Bridge.

Over the financial year the construction of new dwelling houses with total space as of 390 000 square meters was completed, which was by 14% less than in 2007, when the maximum of previous 10-15 years was reached. In 2008, 34% of all residual area in the State was put in operation in Riga, which corresponds to the City’s share in the total number of population (33%).

In the period from 2004 to 2008 dwelling houses with residual area of 1,52 million square meters in total were constructed in Riga, 1,48 million square meters – in Riga region.

**Dwelling houses constructed  
(thousand sqm, per annum)**



# Riga City investment review in two previous and in financial year

The rapid economic development has resulted in continuously growing amount of non-financial investments in Riga City over the past years. The total amount of investments in City has increased 3,5 times during the last ten years. From year 2002 till year 2006 investments in the economy of Riga grew by 21% in average each year, surpassing the growth of GDP. However, the total growth of investment amount waned significantly in 2007, and reached only 3% in comparison with the previous year.

Investments in the economy of Riga comprise around one half of the all non-financial investments in the country, and such a proportion remains stable over the past years.

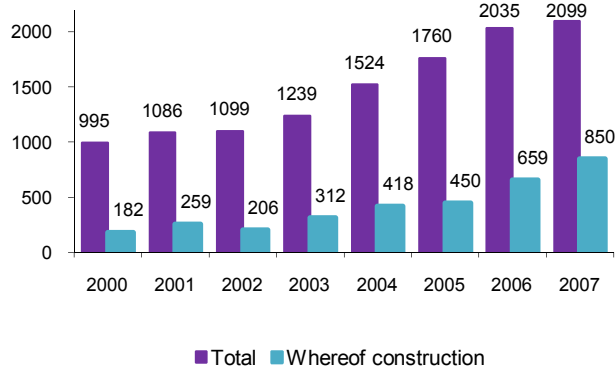
The total increase of investments in Riga City determines a need for appropriate level of infrastructure, especially, in the area of transportation. As there is rather minor involvement of the State in the development of Riga City transportation infrastructure, the majority of investments devoted to the advancement of transportation system are allocated from the Riga Municipality budget.

The capital expenditures financed from the general municipal budget have increased 4,2 times over the past 4 years, although it is forecasted that due the retrogression of economical and financial situation the capabilities of Riga Municipality to finance investment projects will be rather limited in the coming years.

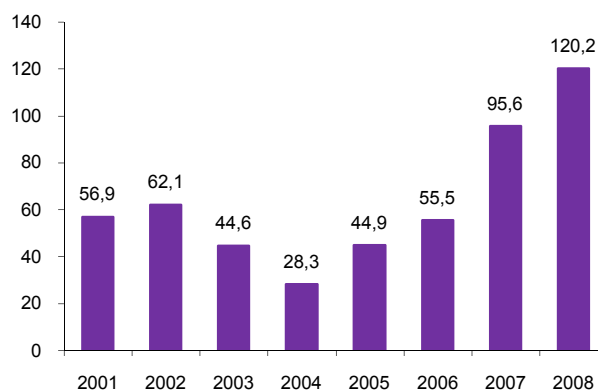
Over the accounting year, the greatest share of capital expenditures from the Municipality budget was allocated to the area of economic activity – LVL 34,5 million in total, whereof LVL 27,6 million were invested in development and renovation of transportation infrastructure. In year 2008, the second largest capital expenditure item in Municipality budget was the municipal territory and housing management – LVL 20,1 million, third – development of educational infrastructure – LVL 18,5 million. In these three sectors altogether were invested more than ¾ of the total Municipal capital expenditures during the financial year.

In 2008, there were 23 EU co-financed projects with a total budget over LVL 143,9 million implemented in Riga City Council and its institutions. The largest investments were allocated to the projects executed in Riga Municipal enterprise „Rigas udens” – for the 2nd and 3rd phase of the project „Development of water supply service in Riga” with the total budget LVL 82,8 million. Another two large scale projects with a budget of LVL 4,3 million in total are achieved in Riga Municipal Agency „Riga Energetic Agency”.

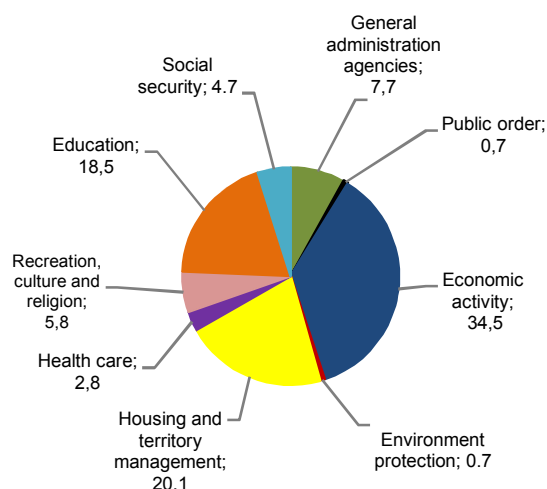
**Non-financial investments in Riga (mLVL), year 2007 price index**



**Capital expenditures from Riga Municipality consolidated budget (mLVL)**



**Capital expenditures from Riga Municipality consolidated budget structure by sector, 2008 (mLVL)**





For Riga Municipality projects execution, a financing from different sources was attracted, including the Cohesion Fund, EEA Norwegian financial instrument, European Regional Development Fund, European Social Fund, as well as within the framework of the European Community initiatives INTERREG IIIB. The

obtained financing is utilized for the advancement the quality of life in Riga, solving social needs, improving transportation infrastructure and residential fund, as well as strengthening the City's competitiveness. There were 14 projects co-financed by EU and budget as of LVL 58,6 million in total completed in year 2008.

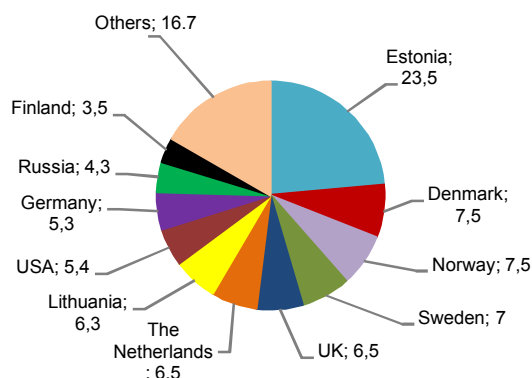
### The largest projects financed from EU funds with Riga City Council's co-financing in 2008

Project	Total budget (mLVL)	Riga City Council's co-financing (mLVL)
"Development of water-supply services in Riga, stage 3 "	57.1	9.7
Integration of Riga City and Riga Port into TEN-T road network: Northern Corridor	14.5	8.09
Support to ensuring supply of all-round pedagogues for teaching priority subjects	2.5	-
From Estonia to Croatia: judicious energy saving undertakings in the municipalities of Central and Eastern Europe	2.4	0.02
Establishing new energetic agencies in Bordou agglomeration (France), Latina province (Italy), Murcia province (Spain), town of Porto (Portugal) and Riga City (Latvia)	1.9	0.01

### Foreign investment in Riga

As of beginning of 2009, foreign direct investments into the registered equity capital of enterprises in Riga reached LVL 2,1 billion in total, featuring increase of 44% during of the accounting year. Such a trend reveals on the significant growth of foreign investors' interest in Riga City as an advantageous and perspective location for their investment. The greatest share of foreign investment belongs to Estonian investors (23,5%), then followed by the investors from Norway and Denmark (7,5%, each), and Sweden (7%). Altogether, the investment coming from Baltic neighbor countries, as well as Finland and Sweden, comprises 55,3% of all foreign investment in Latvia.

### Foreign investment in Riga (in percent)\*



\* Source: Lursoft



# Riga Municipality operation and results

## Structure and functions of Riga City Council

The decision-making institution of Riga Municipality - Riga City Council consists of 60 councilors. The operation of the Riga City Council is ensured by Riga City Council Chairman, Riga City Council Deputy Chairmen, Executive Director of Riga City, as well as employees of the Municipality administration. The municipal functions are executed by City Council departments, institutions, central administration, agencies, special status institutions and capital companies.

In order to ensure preparing high-quality decisions and their preliminary review, there are regular committees established, run by the councilors elected by the Riga City Council. The following committees are part of Riga City Council:

- 1) Finance and Administration Committee;
- 2) Social Issues Committee;
- 3) City Development Committee;
- 4) Environmental Committee;
- 5) City Property and Privatization Issues Committee;
- 6) Education, Youth, and Sports Issues Committee;
- 7) Culture, Arts, and Religion Issues Committee;
- 8) Municipal Services and Housing Issues Committee;
- 9) Transport Issues Committee;
- 10) Security and Public Order Issues Committee.

Each regular committee of the City Council realizes councilors control over the Riga Municipality institutions of respective area and has rights to evaluate, intermit or abolish the decisions of Municipal administration institutions or employees.

Functioning of Riga Municipality is organized according to sectors by forming departments of the respective sector's administrative institutions. Departments operate in accordance with regulations adopted by Riga City Council and are subordinated to the Riga City Council Chairman. The following committees are part of Riga City Council:

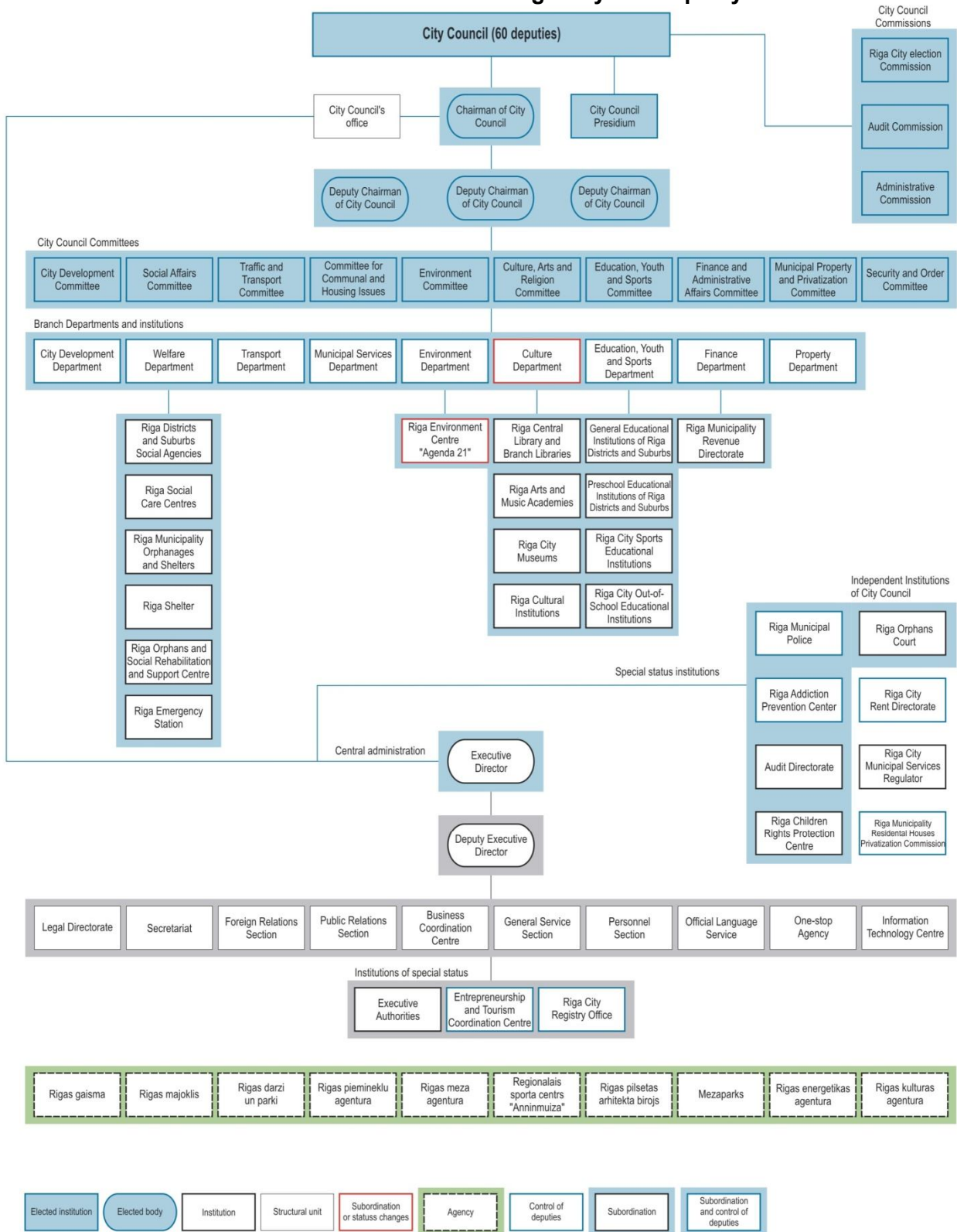
- 1) Riga City Council Finance Department;
- 2) Riga City Council City Development Department;
- 3) Riga City Council Property Department;
- 4) Riga City Council Education, Youth and Sports Department;
- 5) Riga City Council Communal Department;
- 6) Riga City Council Welfare Department;
- 7) Riga City Council Transport Department;
- 8) Riga City Council Culture Department;
- 9) Riga City Council Environment Department.

In accordance to the Law of the Republic of Latvia „On Local Governments”, Riga Municipality performs all autonomous municipality functions, in particular:

- 1) Organizes municipal services for inhabitants and provides support on housing issues;
- 2) Ensures territory improvement and sanitation within the administrative territory of Riga City and establishes regulations for the use of publicly accessible forests and waters, if the law does not stipulates otherwise;
- 3) Ensures education of inhabitants;
- 4) Supports culture, promotes preservation of the traditional cultural heritage and participates in maintenance and development of the historical objects of international importance, cultural and historical objects of national importance, as well as cultural infrastructure;
- 5) Ensures accessibility of health care and promotes healthy lifestyle among inhabitants;
- 6) Ensures social assistance (social care) to inhabitants;
- 7) Ensures guardianship, custody, adoption, and protection of children's` private and property rights and interests; as well as realizes protection of children's rights;
- 8) Facilitates commercial activity in respective administrative territory and works on reducing unemployment;
- 9) Issues permits and licenses for commercial activities, if provided for by the law;
- 10) Ensures public order, fights against the dipsomania and depravity;
- 11) Establishes regulations for utilization of and building on land, ensures the legacy of construction works within the administrative territory;
- 12) Organizes public transport services and participates in maintenance and development of communication system and transport infrastructure of statutory importance.



## Administration structure of Riga City Municipality





## Activities concerning the execution of territory development plan

The priorities for long-term development of Riga City are defined in the Long-term Development Strategy of Riga until 2025 adopted in 2005 and the Development Program of Riga 2006-2012. In these planning documents, there are long-term priority strategic goals set for Riga City: 1) educated, skilled and culture respecting society; 2) economic development based on the link between East and West; 3) life in a city with quality residential areas (neighborhoods).

The most significant activities performed during 2007 and 2008 in association with execution of Riga territory plan were as following:

- In 2007 and 2008 work on one of the largest development projects in North-Eastern Europe, Riga Northern Transportation Corridor, was continued. The new arterial road will cross Riga from west to east and will significantly reduce the traffic load in the historical center of Riga, as well as increase the competitiveness of the east-west transportation corridor offered by Latvia. The work on research and planning of technological, legal, economic and environmental aspects of the project was continued within this project in 2008.
- The first stage of the South Bridge construction over the river Daugava was completed in 2008. The first stage of the South Bridge was open to traffic on 17.11.2008, thus significantly improving the connection between the left and right banks of the river Daugava and increasing the traffic flow bandwidth in the City. The major achievements are traffic flow reduction in the City center and on the Island Bridge, improvement of traffic flow bandwidth on the Daugava's right bank, as well as on VIA Baltica and other intercity routes. After the first stage of the bridge was put into operation, the work on development of the next stages was continued.
- In 2007, a reconstruction of Mezaparks Grand Open-Air Stage and development of unified territorial detail planning for Mezaparks were started. The following works were completed during 2007: reconstruction of stands, construction of seatings for public and external technical communications, building of fencing and improvement works over the territory. The first stage of the reconstruction of Mezaparks Grand Open-Air Stage was put in operation in 19.06.2008, thus ensuring successful course of the XXIV Latvian National Song Festival and XIV Dance Festival. In 2008 the contracts on research and drawing a construction project were concluded within the second stage of the project.
- In 2007 and 2008 the work on Riga new administrative building (the new administrative center) project was continued. The territorial detail planning of Tornakalns was commenced in 2007, and sketch competition was organized and concluded. The undertakings performed in 2008 comprised starting work on the construction program of administrative centre's territory, analysis of the territory's current legal and market situation, as well as future development forecasts, commencement of the engineering communications infrastructure project, and concluding a contract on geotechnical research of the territory of new administrative centre in Tornakalns.
- In 2007, Riga neighborhood project was commenced. The aim of the project is to create preconditions for introduction of a balanced social - economic and spatial policy within Riga City administrative territory. The following activities were performed within the project framework in 2007: setting the borders of neighborhoods, auditing of data to be included in the neighborhoods information system (AISA), analysis of real estate trends and investment flows in regard of neighborhoods, and development of neighborhoods economic – geographical descriptions. In 2008 the neighborhood project was presented to industry experts and NGO representatives, and the actualization of economic and demographic data and historical description of neighborhoods completed.
- In 2007 townscape competition aimed at generating ideas for reinforcing and improvement of the planning and dimensional structure of the Warrior Square took place.
- In 2007 detail planning of the territory surrounded by Gaizina Street, Gogola Street, Turgeneva Street, and Maskavas Street was continued.
- In 2007, detail planning of the territory surrounded by Uzvaras Boulevard, Tornakalns Railway Terminal, Vienibas Boulevard, and Jelgavas Street (the new administrative center) was continued.
- In 2007, 2 detail plans were approved. Based on the Riga City Council resolution "On approval of the detail planning of Andrejosta territory" as of 18.12.2007, binding regulations No.106 "Regulations on use of land and construction in Andrejosta territory" were issued. Based on the Riga City Council resolution "On approval of the amendments in detail planning of Kipsala" as of 11.12.2007, binding regulations No.100 "Regulations on use of amendments in detail planning and construction regulations of Kipsala" were issued.
- In 2008, 6 detail plans were reviewed, and the respective Riga City Council's resolution projects on public discussion and obtaining institutions opinions were prepared for the following objects: detail plan for a land lot in Riga, Kokneses prospect 1A; detail planning of the territory alongside the crossing of Piejuras trunk-road and the Northern Crossing; detail planning of the territories of the Latvian National Library and the Acoustic Concert Hall; detail plan for a territory in Rumbula; detail plans for land lots along Maza Jugla street; detail plans for land lots on Kalnciema street 36/38 and Melsila 11.





- In 2008 there was the 1st edition of amendments in Riga territorial detail planning for 2006-2018 concluded, including: rewritten regulations on use of land and construction in Riga territory; particularized cartographic material in accordance to the Law „On Shelter Belts” and the adopted amendments; updated explanatory notes to the territorial detail plan with respect to the current situation and forecasts. An appraisalment of the strategic impact on environment was also concluded for these amendments.
- The development of left bank silhouette of the river Daugava was continued in 2007 and 2008. The working model of the vision of buildings on the left bank of the river Daugava was provided to public examination and discussion.
- In 2007 there was a town planning tender program for the intermodal traffic hub solutions prepared.
- The project of „The conception of Riga City drainage system” was concluded in 2007.
- In 2008 the hydrological modeling system (flood prevention model) was developed in Riga City.
- The classification of the City`s roads was adopted in 2008.
- There was a tender completed and a contract signed on the research of Riga construction protection areas and city-building monuments in 2007. In 2007 and 2008, research on construction fragments of Riga historical center and individual territories of its protection area was performed, as well as the inspection and monitoring of the state protected city-building monuments and construction protection areas (700 objects of cultural heritage were inspected in 2007, and over than 800 objects – in 2008).
- In 2008 the former Riga City Development Fund is transformed into Riga City Infrastructure Fund, and in its regulations there were the projects to be financed from the Fund, criteria for obtaining financing and utilization of resources described. The respective amendments for the regulative acts of Republic of Latvia and binding regulations of Riga City Council, defining the payment as the municipality fee, as well as new formula for the charge calculation and zoning update were developed.
- Taking into account the recommendations of the State Control, in 2007 there was a regulation of Riga City Council No.9 on general guidelines for realization of strategy execution control in Riga Municipality adopted as a part of the strategy monitoring system. According to this regulation, Riga City Council approved „Annual report 2006-2007 on Long-term Development Strategy of Riga until 2025 and the Development Program of Riga 2006-2012 implementation,„ as of 14.10.2008. Within the strategy monitoring system, the development of Riga City Key performance indicators data base/portal

(www.sus.lv) was commenced in 2007 and continued in 2008.

### **Activities planned during 2009 on execution of Riga City territory development plan**

- Work on the project of Riga Northern Corridor will be continued. According to the contracts concluded during 2007 and 2008, the following activities will take place: public discussion, consultations on the issues related to project preparation, impact assessment and project`s economic convenience increase, as well as development and evaluation of sketch projects. As of 13.01.2009 Riga City Council has already adopted its decision on the 1st stage of Brivibas street`s alternate, and upon research completion it is necessary to agree on the project`s master version, which would serve as project framework and basis for choosing the implementation model.
- In 2009, as a part of the Mezaparks Grand Open-Air Stage reconstruction project, the work will be continued on developing both the second stage construction project and construction tender`s regulations. There will also be undertakings taken for ensuring the successful course of the jubilee XXV Latvian National Song Festival and XV Dance Festival.
- In 2009, within the project of the new administrative center in Tornakalns the final version of the construction program will be concluded, and geotechnical research and technical and economical foundation for infrastructure development completed. The resources from the Ministry of Regional Development and Local Government ERAF funds will be attracted for financing the project. In accordance to the construction program of the new administrative center, it is planned to finalize the detail planning of Tornakalns and start the engineering infrastructure development project for constructing the infrastructure, necessary for the new administrative center.
- Within the neighborhood project, the information system (AISA) will be developed, which will form the basis of a public information website in the future. It is also necessary to organize discussions and find the most appropriate cooperation model with industry experts and territorial NGO during the year.
- The work on following detail planning projects will continue on 2009:
  - The territory of new administrative center in Tornakalns;
  - The reinforcing and improvement of the planning and dimensional structure of the Warrior Square.
- It is planned to develop an electronic data base – information system for Riga City Infrastructure Fund. Taking into account that the one-time payment for the infrastructure development is transformed to the



Municipality fee for the maintenance and development of the Municipal infrastructure, there will be a new e-service available in the Riga Municipality website [www.riga.lv](http://www.riga.lv) - fee calculator, helping to forecast the amount of the fee, calculate the actual amount to be paid, draft invoices and execute payments. In addition, an accounting system for the municipal fee will be developed within the Riga City Council unified system KAVIS.

- In 2009, the research of location and capacity of the current and planned magisterial engineering communications and objects will take place.
- The amendments to the Riga territory planning 2006-2018 will be developed and adopted.
- In 2009, it is planned to continue the work on amendments to the Riga historical centre protection area planning and terms of use of land and construction, including concept development for the dimensional composition of the left bank of Daugava river.
- In cooperation with the Executive Boards of Riga suburbs and districts, the infrastructure of the beaches located within the City will be developed.
- It is planned to complete a digitalized model (map) of social and engineering infrastructure of Riga City and neighbor territories, and establish Riga Science and Technology park.
- In 2009, within the framework of the strategy monitoring system, the annual report on the implementation of Long-term Development Strategy of Riga until 2025 and the Development Program of Riga 2006-2012 will be issued, and the updated information inserted in portal/data base [www.sus.lv](http://www.sus.lv).

### **Involvement of legal persons and inhabitants**

In 2008 the involvement of legal persons and inhabitants in discussing issues related to Riga Municipality territory development program and territorial planning was facilitated:

- The information about the results of public discussions, visualization, scene photo fixations, general plans, as well as resolutions of Riga City Council and Riga City Development Committee are published in Riga Municipality web site.
- By inviting Transparency-International Latvia (Delna), in August, 2008 there was a discussion organized in order to develop clear and measurable criteria for improving the procedure of public discussions.
- A new search engine was developed for finding the results of public discussions and detailed plannings of new construction conceptions in the web – [www.rdpad.lv](http://www.rdpad.lv), where all the information on public discussions organized in Riga Municipality since 2005 could be found, as well as working tasks for

detailed planning development and the borders of the respective territory. Manual on organizing public discussions of construction conceptions is also available on the website.

- In 2008, public discussions on 30 construction conceptions were organized, and more than 10 500 opinions in total were received.
- The public discussions on Riga territory planning 2006-2018 and amendments to the planning of Riga historical centre protection area were organized.

### **Participation of Riga Municipality in international cooperation projects**

In 2008 Riga Municipality expanded the cooperation with international institutions and organizations, as well as its commonwealth cities. Within the cooperation framework, Riga City organized or participated in a number of international and national events in the areas of culture, education, sports, city planning and development, transportation and traffic infrastructure planning and development, public utilities, environment protection, tourism, as well as other areas important for the Municipality.

In order to represent the interests of Riga City and participate actively in projects and events of the respective area on international level, Riga Municipality is a cooperation partner in the following international organizations and institutions:

- The Union of EU Capitals, which unites all municipalities of the EU Capitals. Riga Municipality participates in work of the Union's regular committees;
- Union of Baltic Cities, uniting 106 cities in 10 countries of the Baltic Sea region. Riga participates actively in city planning, cultural, transportation, and environment committees;
- European Cities Against Drugs, uniting 266 cities in 30 countries in the fight against legalization of drugs and increase of the influence of organized drug dealership;
- Modern times Union of Hanseatic Cities, facilitating economic and cultural cooperation between the Cities of the region;
- Local Governments for Sustainability (ICLEI), which supports sustainable and environment friendly development solutions;
- Based on the resolution of UNESCO World Cultural Heritage Center as of 06.12.1997, Riga Historical Center has been included in the cultural heritage list of the abovementioned institution. Riga Municipality participates in UNESCO World Cultural Heritage commissions in order to solve issues concerning preservation of Riga Historical Center;
- Organization of World's Heritage Cities (OWHC) unites countries included in the UNESCO World



- Cultural Heritage List and is aimed at preserving historical heritage of cities;
- EU Regional Committee, whose aim is to facilitate the participation of municipal and regional execution authorities in discussion about EU initiatives and information exchange;
  - The network of European Metropolises' regions and districts are represented by 50 municipalities. The aim of this organization is exchange of experience among municipalities in the field of city planning;
  - International European cities association, which is the cooperation network of the more than 130 European Cities in 30 countries. The organization supports cooperation among cities in the areas of economics, social security, environment, transportation, culture, education, information, and other, as well as helps promoting the interests of the cities within EU and creating a vision about the sustainable future;
  - Cooperation network of Baltic Metropolises, where 11 metropolises of the Baltic Sea region are united with an aim to facilitate the competitiveness and balanced development of the region. From beginning of 2006 until end of 2008 Riga was the residing city of the cooperation network.

In 2008 Riga Municipality supported a number of other international cooperation projects and events:

- Within the cooperation network of Baltic Metropolises, the unified position was summarized in the document, which was submitted to the European Commission as the proposal of unified development strategy for the region, and work on a new regional marketing project „BaltMet promo” was started;
- During the annual international Hanseatic Days, which took place in Zalvedel (Germany) in 2008, also Riga City was represented;
- EU Regional Committee in cooperation with the European Commission's Regional Policy Directorate-General organized the forum of European regions and cities „Open Days” with the agenda as of 250 events, including open debates on politics and culture festivals. Riga city was among 217 regions and cities from 32 countries represented in the event.
- Cooperation program between Riga City Council and Moscow City Management concluded for 2008-2011;
- In order to celebrate the 35th anniversary of signing a commonwealth agreement and develop cooperation between the both cities in the area of culture, tourism and economics, there were Riga Days organized in Kobe. During the event a visit of official delegation of Municipality, business seminar, tourism promotions and marketing events were organized;

- In April, 2008 there were Culture Days of the Warsaw City taking place in Riga, offering concerts, performances and seminars;
- The 32nd Congress of International Urban Development Association (INTA) was organized in Riga in October, 2008. During the congress delegates from 27 countries discussed urban development questions. The executives of Riga Municipality were giving speeches during the congress. .

### Promotion of inhabitants' awareness

With an aim to actively involve Rigans in the City development issues, legal entities and individuals were invited to participate in the discussion of issues related to Riga Municipality development and territorial planning programs, public debates and presentations of new development projects. The information on planning and execution of the Municipality budget, social support obtaining opportunities, adjustment of the City's environment, new development projects and construction plans, as well as important investment and cultural projects was provided to inhabitants on regular basis.

In 2008, active cooperation with mass media was continued, in order to strengthen the link with society and promote awareness of the City's processes. The actual municipality information and important topics were regularly reflected in broadcasts “Galva.Pils.Seta” (LTV1), “Gorod” (TV5), as well as on radio SWH, SWH+, Star FM, Skonto and Latvian Radio 2. Publications of information stipulated by the regulations and other important topics were ensured in newspapers “LatvijasVestnesis”, “5 min”, “Kulturas forums”, „Vesti Segodna”, „Cas”, „Telegraf”. In 2008 the actual Municipality information in video format was displayed in Riga's maxi-taxis. Press conferences of Riga City Council Chairman and other Council officials were organized on regular basis, where the information about the decisions made and current events in Riga Municipality was provided to mass media.

For promoting the participation of non-governmental sector in decision-making process in Riga Municipality, there was a cooperation memorandum between Riga City Council and NGOs concluded first time in the City's history, in accordance to which the access to the Council's documents and projects e-portfolio was provided to NGOs who had signed the memorandum. Such an initiative created an opportunity to discuss the planned decisions of Riga Municipality widely and collect recommendations related to these decisions on timely basis.

In 2008 public opinion surveys on substantial topics were performed, and the results utilized in the work of the City Council. The information on resolutions adopted by Riga City Council, services provided and events organized by the Riga Municipality was published on the Municipality website [www.riga.lv](http://www.riga.lv), where the opportunities to discuss the projects disclosed for public opinion, ask questions and participate in interactive competition are provided to all visitors.



## Undertakings of Riga Municipality management improvement

In order to improve the effectiveness of Riga Municipality Internal audit function and following recommendations of the State Control, in 2008 substantial changes were implemented in the function, which included the following:

- With an aim to optimize the costs of internal audit function and ensure functional independence of internal audit structural units, there was partial centralization of internal audit function performed. Riga City Council regulation No.121 „Regulation on Municipality Internal audit function”, which defined the process of performing internal audit and subordination in Riga City Council structural units, was adopted on 24.11.2008.
- In order to improve the quality of work in internal audit structural units e development and facilitate the development of an unified internal audit process in Riga Municipality, in 18.09.2008 there was a regulation of Riga City Council Chairman No.5 „The process of performing internal audit in Riga Municipality” adopted, specifying the arrangement of internal audit process and supervision of audit recommendations implementation.
- The audits of internal control systems were performed in Riga Municipality institutions and agencies and recommendations for improving the internal control systems completed.

In 2008, the operations of Riga Tourism Coordination and Information Center were advanced in order to improve the communication with society. The following services were implemented or improved for increasing the quality of client service:

- In coordination with Riga City Council Business Activity Coordination Centre, Visitors` Reception centers have started to take the application documents for obtaining trade licenses in accordance with the order, which is defined in the Riga City Council Central Administration`s plan of anti-corruption undertakings 2008 and amendments in Riga City Council binding regulations No.115 „On trade and municipality fees on trade in public space in Riga” dated on 18.03.2008.
- The operations of Riga Municipality website [www.riga.lv](http://www.riga.lv) are improved by defining the procedure and responsibilities related to providing an authorization and updating information on the website, and adjusting the questions and answers section.
- The provision of legal advise on Riga Municipality matters is expanded. The consultations are provided on the premises of Executive Boards of Riga suburbs and districts, and it is possible to schedule them electronically via Riga Municipality website [www.riga.lv](http://www.riga.lv).

- Technical adjustments of the operations of Riga City Council informative phone line 80000 800 are made, thus improving client servicing and information completion processes.

For improving the exchange of electronic information and administrative processes in municipal institutions and strengthen the collaboration with inhabitants, Riga City Council Information Technology Centre has started a number of development projects in 2008, in particular:

- Building a optical network for schools in Riga – by developing the optical network, the volume and speed of information exchange thus helping to ensure the learning and administrative processes in the schools.
- Launching new e-services, supporting electronic document submission, scheduling visits to municipal official and attenuation of adverts and signboards, as well as monitoring the track of submitted documents in municipal institutions.
- In co-operation with the Secretariat of Special Assignments Minister for Electronic Government Affairs there is an opportunity developed to send an electronic information request regarding the information from the Riga City Registry Office, the decisions of Riga City Councils and Orphan`s Court, as well as apply for obtaining a tree cutting permission on website [www.Latvija.lv](http://www.Latvija.lv).
- Based on the positive audit opinion, Riga Municipality in co-operation with JC „Latvijas pasts” has obtained an authority to perform issuing and blocking/repealing electronic signature cards to employees and councilors of Riga Municipality. During the financial year, the functionality of electronic signature cards was amplified now allowing to use them for accessibility control to the computer network and working premises of Riga Municipality.
- Improvements of e-banking and payment authorization for both inhabitants and legal persons.

## Riga Municipality financial and budget policy

The goal of the Municipal budget policy is to provide financial resources needed for municipality functions, coordinate their allocation and maintain budget stability through retaining balance between revenues and expenses.

Since 2003, there is a long-term financial management policy implemented effectively in Riga Municipality. Despite of the retrogression of economic and financial situation during the second half of the year 2008, Riga Municipality had concluded the fifth consecutive year without a budget deficit.

By keeping the balance of the Municipal budget, Riga Municipality facilitates the stability of the City's finances, as well contributes to the overall financial stability of the State.

As a result of swift growth of basic budget revenues and tight control of budget expenses, particularly, restricting the increase of expenses on the second half of the financial year, the Municipal basic budget 2008 was concluded with a surplus of LVL 15,3 million. There was a deficit as of LVL 2,7 million in the Municipal special budget this financial year.

In 2008 Riga Municipality basic budget revenues increased by 87,7 million LVL (by 19%), comparing to 2007. Although the total revenue growth was still high, dynamics of the increase diminished substantially during the second half of the year.

The main source of basic budget revenue growth in 2008, similarly to the previous years, was the individual income tax. Compared to 2007, income tax revenues increased by LVL 51,7 million and comprised 59% of the total revenue growth in the financial year.

The amount of state earmarked subsidies grew by LVL 14,9 million in 2008 and contributed 17% to total revenue growth.

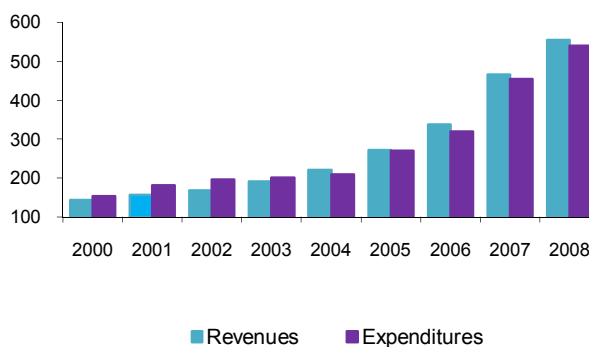
During the financial year revenue from real estate tax collections decreased by LVL 1,9 million, while the revenues from paid services provided by budgetary institutions revealed on significant increase – by LVL 14,7 (by 47%), which was 17% of total revenue growth.

The growing material, energy, and other prices, increasing construction costs, as well as the situation in labor compensation area in the first part of financial year resulted in a need for increasing Municipal budget expenses. Nevertheless, because of the changing economic situation, declining revenue growth from tax collection during the financial year, and, especially, due to the budget expense restriction undertakings executed at the end of the year, Riga Municipality succeeded in limiting the increase of budget expenses significantly. Comparing to the growth of Municipal basic budget expenses by 42,2% in 2007, there was a growth only by 18,6% achieved in 2008, which did not overtake the budget revenue growth rate.

In 2008 the basic budget operating balance continued to improve, and operating surplus (prevalence of revenues over expenses) reached LVL 98.6 million compared to LVL 81,7 million in 2007.

Between 2000 and 2007, the Municipality basic budget expenditure per capita has increased from LVL 202 to LVL 742 per year. Taking into account the impact of inflation, the actual increase of the Municipality basic budget expenditure per capita has grown 2,3 times during this period.

**Riga City basic budget revenues and expenditures (mLVL)**



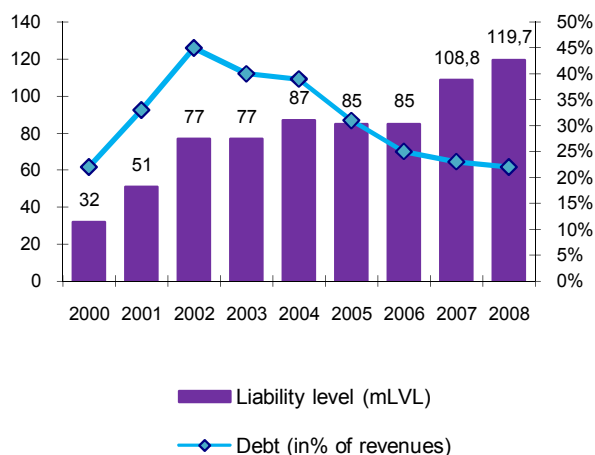


## Municipality`s debt dynamics

As a result of successful implementation of financial stabilization policy, avoiding budget deficit over the five consecutive years and decreasing costs of attracted financial resources, Riga Municipality has managed to stabilize growth of the Municipality direct debt and decrease its relative amount. During the period 2002-2008, the relative indebtedness of the City (in % of budget revenues) has decreased from 45% to 22%.

During the financial year Riga Municipality has started to implement Riga Municipality credits, guarantees and other long-term debt management strategy for 2008-2012, thus ensuring the stability of credits, guarantees and long-term debt management and cautiously working on decreasing the cost of attracted financial resources. In order to decrease the interest rate risk for those municipal enterprises, which have received loans with variable interest rates, Riga Municipality has concluded interest rate swap agreements fixing the interest rates within the range from 3,23% to 3,56%.

## Riga Municipality debt dynamics



## Credit-rating

In 2008, Riga Municipality continued its long-term and productive cooperation with the world`s leading credit-rating agencies "Standard & Poor`s" (since 1997) and "Moody`s Investors Service" (since 2006).

Over the previous years, as a result of successful financial management policy Riga Municipality achieved the similar credit-rating as the one awarded to the State by both credit-rating agencies. However, due to the impairing of the State`s macroeconomic and financial situation, according to the methodology of credit-rating agencies, the credit-ratings of Riga City were reduced respectively.

The credit-agency "Standard & Poor`s" granted a rating at level BBB-/Negative/A-3 to Riga city in November, 2008.

"Moody`s Investors Service", according to its methodology, evaluated the economic and financial stability of Riga City with respect to the changes in the State`s macroeconomic situation, and granted a credit-rating at level A3 to both Riga and the whole State.

## History of Riga City credit-rating („Standard & Poor`s")

Year of granting the rating	Rating for liabilities in local currency (local currency rating--long-term/ outlook/short-term)	Rating for liabilities in foreign currency (foreign currency rating--long-term/ outlook/short-term)
1997	BBB-/Positive/A-3	BBB-/Positive/A-3
1999	BBB/Stable/A-3	BBB/Stable/A-3
2001	BBB/Positive/A-3	BBB/Positive/A-3
2003	BBB-/Stable/A-3	BBB-/Stable/A-3
2004	BBB-/Stable/A-3	BBB-/Stable/A-3
2005	BBB/Stable/A-3	BBB/Stable/A-3
2006	BBB/Stable/A-3	BBB/Stable/A-3
2007	BBB/Stable/A-3	BBB/Stable/A-3
2008	BBB-/Negative/A-3	BBB-/Negative/A-3



# Riga City Municipality property state

## Property book value

As of the end of 2008, the book value of Riga City fixed assets was LVL 1477,8 million in total, and the equity of associated and related enterprises - LVL 344,9 million. The total value of City assets, including other long-term investment categories comprised LVL 1 836,4 million as of the end of 2008.

## Land

According to the data from the State Land Service, as of the 01.01.2009, there were 19 176 ha of land owned by various owners within the Riga City area. Riga Municipality had ownership over 3 336 land lots with the area of 7 666 ha in total, forming 40% of the total land property area in the City. The largest share in the structure of Riga Municipality land property is comprised by land of natural base and recreational importance - 2 562 ha (33% of the total), forest space and especially protected natural territories – 2 106 ha (27%), and land of public importance – 1 692 ha (22%). In 2008, the area of these three main types of land altogether comprised around ¾ of the total Municipality land within Riga City.

## Value of Riga Municipal equity capital in 2008 and its anticipated changes

As of the end of 2008, the share of Riga Municipality in equity capital of related and associated and related enterprises formed LVL 344,86 million, revealing on growth as of LVL 78,12 million during the financial year.

As of the end of 2008, investments into the equity capital of associated enterprises was LVL 313,78 million, including the value of real estate owned by Riga Municipality and investments in property objects, which were accounted for the shareholders equity of Ltd „Rigas nami” at value of LVL 20 419 726 as of the end of financial year.

Riga Municipality has invested the total amount of LVL 73 150 339 in the equity capital of related enterprises with 100% share capital owned by Riga Municipality as follows:

- Cash (LVL 650 000);
- Real estate property of Riga Municipality – land and buildings (LVL 35 134 100);
- Movable property of Riga Municipality (LVL 409 039);
- Real estate and movable property possessed by Municipal agency „Rigas mezu agentura” and invested in Ltd „Rigas mezi” (kLVL 36 957).

## Share in municipal enterprise equity capital

As of the end of the financial year, Riga Municipality balance sheet reflected 43 investments into the equity capital of related enterprises with 100% (share) ownership by Riga Municipality, 2 investments into the statutory capital of Municipal enterprises undergoing liquidation, 1 investment into the equity capital of municipality limited companies undergoing liquidation, as well as investments into the equity capital of 3 limited companies controlled by Riga Municipality with an ownership of more than 50% of shares (whereof 1 limited company undergoing liquidation).

There were investments into the equity share capital of 4 associated enterprises reflected in Riga Municipality balance sheet as of the end of 2008. 95,5% of this amount is formed by investment into JSC “Rigas siltums”.

Investments of Riga Municipality in related enterprises as of kLVL 3 056 in total excluded during the financial year. Whereof – equity capital shares of LLC “Clinical Hospital “Gailezers” as of kLVL 3 053 owned by Riga Municipality are handed over to the State, according to the Cabinet of Ministers Resolution No.13 „On transferring of the Riga Municipality equity capital shares of LLC “Clinical Hospital “Gailezers” at State ownership” as of 17.01.2008”.

According to the resolution No.4195 „On Approval of Shares Privatization Project of Riga Municipality Real Estate Property Object „JSC „Celu parvalde”” of Riga City Council, investment of Riga Municipality in equity capital of JSC „Celu parvalde” was accounted for as short-term investment in related enterprise as of 31.12.2008.

The privatization process of the equity capital shares of LLC „Polar Bek Daugava” owned by Riga Municipality was completed in 2008, and these shares at value as of kLVL 3 844 were excluded from short-term investments in associated enterprises.

## Privatization process in 2008

In 2008, there were 3 789 privatization proposals evaluated by Riga Municipality, and Riga City Council adopted the following resolutions on privatization of Riga Municipality real estate property objects:

- 63 resolutions on privatization of occupied land lots;
- 35 resolutions on privatization of buildings and land lots;
- 18 resolutions on privatization of vacant land lots;
- 9 resolutions on privatization of buildings;
- 1 resolution on privatization of a limited company (equity capital share);
- 164 resolutions on privatization denials.



**Riga City Municipality land property according to usage (hectares) in 01.01.2009.**

	Area (ha)
Land formed by land of natural base and recreational importance	2562.1
Forest space and especially protected natural territories	2106.0
Land of public importance	1692.4
Land under industrial objects	371.5
Land under commercial buildings	302.8
Land under traffic infrastructure objects	211.9
Land under apartment buildings	163.8
Land under single and double family residential houses	113.5
Land used for engineering communications	108.3
Water handling facilities	33.3
<b>Total</b>	<b>7665.6</b>



# Riga Municipality budget execution performance

Budget is a tool for Riga Municipality economic policy execution by financial means. As a result of economic growth of the City and implementation of well-balanced financial policy of Riga Municipality, during the financial year the planned revenues were achieved and purposefully used for providing autonomous municipal operations within the framework of the budget authorized by Riga City Council.

Riga Municipality budget comprises basic budget and special purposes budget. Riga Municipality basic budget is the main part of the budget, which includes Municipality revenues intended for coverage of expenditures and are not intended for special purposes. Riga Municipality special purposes budget includes revenue sources marked for special purposes. Riga Municipality budget is prepared based on the cash flow principle, simultaneously ensuring accounting based on accrual principle.

## Riga Municipality budget revenues

Riga Municipality budget revenues consist of the primary budget revenues and the special purposes budget revenues, including revenues from donations and endowments to Riga Municipality.

## Riga Municipality basic budget revenues

In accordance with laws and regulations of the Republic of Latvia and mandatory regulations of Riga City Council, Riga Municipality performs administration of personal income tax, real estate tax, natural resources tax, municipal charges, as well as controls the collection of gambling tax and the transferring of state duties to Riga Municipality budget.

Basic budget revenues comprise:

- Tax revenues:
  - personal income tax;
  - property tax on land, buildings, and structures;
  - gambling tax.
- Non-tax revenues:
  - charges for paid services provided by public authorities;
  - charges for utilization of municipality capital; municipality fees;
  - state duties for legal and other services;
  - other revenues (fines and assents, sales of property, etc.).

Economic growth of Riga and tax administration improvements implemented by Riga Municipality secured steady growth of Riga Municipality basic budget revenues. In 2008, Riga Municipality basic budget revenues were kLVL 554 698,4, which is kLVL 87 585,5 more than in 2007.

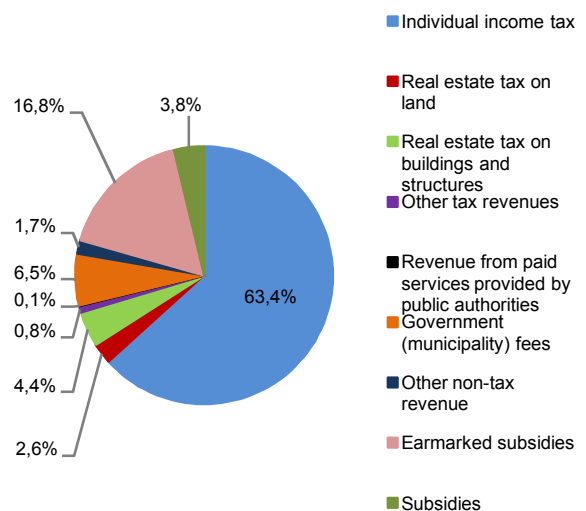
The primary revenue source of Riga Municipality basic budget is personal income tax. Compared to 2007, personal income tax payments have increased by kLVL 51 699,1 in year 2008.

The second largest revenue source of Riga Municipality basic budget is real estate tax payments. The total amount collected in 2008 was kLVL 38 376,4, including real estate tax on land – kLVL 14 210,2 and real estate tax on buildings and structures – 24 166,2 LVL.

In 2008, kLVL 36 229,7 out of the total amount of Riga Municipality basic budget were collected from the charges for services provided by the public authorities and other own revenues.

Earmarked subsidies are state budget resources intended for municipalities to finance special purpose projects. In 2008, Riga Municipality received earmarked subsidies as of kLVL 93 171,6 from the state budget. Compared to 2007, the total amount of earmarked subsidies had increased by kLVL 17 789,1.

**Composition of Riga Municipality basic budget revenues in 2008**





<b>Composition of Riga Municipality basic budget revenues</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Cash flow basis	(kLVL)	(kLVL)	(kLVL)
<b>Total revenue</b>	<b>467 112.9</b>	<b>546 626.5</b>	<b>554 698.4</b>
<b>Total tax revenue</b>	<b>345 154.0</b>	<b>395 562.6</b>	<b>394 682.8</b>
Individual income tax	300 249.0	354 308.7	351 948.1
Property taxes	40 257.6	36 653.9	38 376.4
int. al., Real estate tax on land	10 080.7	13 437.6	14 210.2
int. al., Real estate tax on buildings and structures	30 176.9	23 216.3	24 166.2
Other tax revenues	4 647.4	4 600.0	4 358.3
<b>Total non-tax revenue</b>	<b>38 951.2</b>	<b>41 056.3</b>	<b>45 890.0</b>
State and municipality fees transferred to municipal budget	153.6	310.0	353.3
Revenue from paid services provided by public authorities	36 876.2	36 526.3	36 229.7
Other non-tax revenue	1 921.4	4 220.0	9 307.0
<b>Total tax and non-tax revenue</b>	<b>384 105.2</b>	<b>436 618.9</b>	<b>440 572.8</b>
<b>Payments received from state budget</b>	<b>83 007.7</b>	<b>110 007.6</b>	<b>114 125.6</b>
Earmarked subsidies for municipal budgets	75 382.5	93 177.9	93 171.6
int. al. From state budgetary institutions on investments	1 940.1	170.0	170.0
Subsidies for municipal budgets	7 625.2	16 829.7	20 954.0

### Riga Municipality special purpose budget revenues

Riga Municipality special purpose budget revenues are formed of marked income not associated with the basic budget, which, in accordance with the laws and Cabinet of Ministers Regulations, is transferred to municipalities and is intended solely for covering special costs.

Riga Municipality special purpose budget revenue comprises the revenues from:

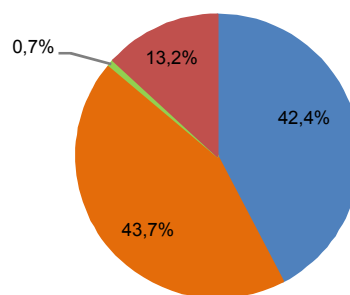
- Riga Municipality Property Privatization Fund;
- Riga Environmental Protection Fund;
- Municipality Road (street) Fund;
- earmarked subsidies for regular passenger traffic;
- other revenue.

In 2008, Riga Municipality special purpose budget revenues formed kLVL 52 069.5, whereof kLVL 22 059,2 contributed by Riga Municipality Property Privatization Fund, kLVL 22 770,2 contributed by the Road (street) Fund, and kLVL 4 334,3 - by Riga City Development Fund.

Financial resources received from privatization of state owned and municipal property located in Riga administrative area are collected in Riga Municipality Property Privatization Fund. In 2008, these resources were utilized for the following purposes:

- support for entrepreneurship;
- establishment, operation, and development of infrastructure supporting private business;
- administrative and legal services for municipal property privatization process, as well as expenses related to Property Privatization Fund resource administration

### Riga Municipality special purpose budget revenues in 2008



- Riga Municipality Property Privatization Fund
- State Road Fund
- Natural resources tax
- Other revenues



<b>Composition of Riga Municipality special purpose budget revenues</b> Cash flow basis	<b>2007 actual</b> (kLVL)	<b>2008 budgeted</b> (kLVL)	<b>2008 actual</b> (kLVL)
<b>Total revenue</b>	<b>47 079.1</b>	<b>68 917.8</b>	<b>52 069.5</b>
<b>Riga Municipality Property Privatization Fund</b>	<b>16 661.9</b>	<b>22 767.2</b>	<b>22 059.2</b>
Revenue from privatization of state and municipal property	15 747.5	22 000.3	21 316.5
Revenue from privatization of apartments and valuation of uninhabitable housing resources	914.4	766.9	742.7
<b>State Road Fund</b>	<b>13 356.9</b>	<b>21 981.6</b>	<b>22 770.2</b>
Vehicle fees and excise tax	12 487.1	15 269.1	15 269.1
Earmarked subsidies for regular passenger traffic by bus	869.8	6 712.5	7 501.1
<b>Natural resources tax</b>	<b>359.9</b>	<b>350.0</b>	<b>375.8</b>
Municipal revenues stated in LR law "Natural resources tax"	359.9	350.0	375.8
<b>Other revenues</b>	<b>16 700.4</b>	<b>23 819.0</b>	<b>6 864.3</b>
Riga City Development Fund (revenue from lease of land and other revenue)	4 488.1	5 300.0	4 334.3
Other special budget revenues	12 212.3	18 519.0	2 530.0

### Structure of revenues from donations and endowments received by Riga Municipality

In 2008, the expenses from revenues from donations and endowments to Riga Municipality were kLVL 269,1.

<b>Composition of Riga Municipality revenues from donations and endowments</b> Cash flow basis	<b>2007 actual</b> (kLVL)	<b>2008 budgeted</b> (kLVL)	<b>2008 actual</b> (kLVL)
<b>Total revenue</b>	<b>832.4</b>	<b>2 127.0</b>	<b>269.1</b>
<b>Donations and endowments from legal entities and individuals</b>	<b>832.4</b>	<b>2 127.0</b>	<b>269.1</b>
Donations and endowments for education	314.5	662.3	195.0
Donations and endowments for social care	2.6	13.7	2.6
Other donations from legal entities and individuals	515.3	1 451.0	71.5



## Riga Municipality budget expenses

Revenues of Riga Municipality basic budget and special purpose budget 2008, as well as the surplus of prior year budgets have been utilized to support autonomous municipal operations, which are defined in the Law „On Local Governments”, and finance special purpose activities. In this report budget expenses are 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, leisure, culture and religion, public order and security, etc.

Budget forms the basis for financial operation and management of the Municipality. It serves as financial means of ensuring autonomous operations of the Municipality, therefore, when 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 there are unified principles used throughout the entire Municipality budgeting process, including budget requests preparation and evaluation, budget monitoring and control, and which serves as basis for preparation of annual methodological guidelines for particular budgeting process steps.

Based on the above mentioned approach, during the preparation process of Riga Municipality budget 2008 all the budget programs were reviewed under the unified standards and the level of required financing, necessary for ensuring autonomous operations of the Municipality, was specified. In the financial year, the implementation of a unified compensation system for Riga Municipality administration was completed.

In order to increase the efficiency of Municipality budget resources utilization, Riga Municipality budgeting process is focused on achieving certain goals – there are specific goals set for budgetary programs with respective results and key performance indicators defined. Due to such an approach, the capabilities of Riga Municipality in providing society with the required benefits, the amount and characteristics of these benefits, as well as other activities performed by the Municipality to ensure its operations can be demonstrated.

## Riga Municipality basic budget expenses

Riga Municipality total basic budget expenses (including financing of investment projects) have increased from kLVL 454 706,8 in 2007 to kLVL 539 445,3 in 2008. In 2008, kLVL 52 583,2 were allocated to the Municipal Cohesion Fund, whereas in 2007 kLVL 46 515,5 were allocated. Other resources have been utilized for

financing operations of executive authority institutions, municipal procurement and investments, and subsidies to economic operators, associations and establishments financed from the Municipality budget to ensure the provision of municipal duties in the areas of public transportation, urban traffic infrastructure (illumination), improvement of territory, etc.

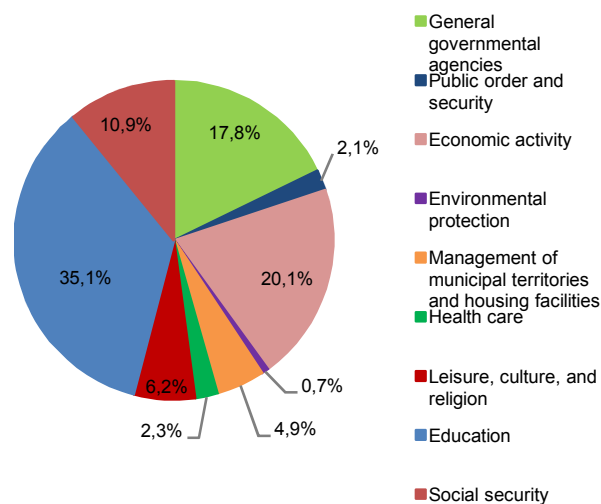
The aim of Riga Municipality basic budget is to ensure financial resources for ensuring of the Municipality. Taking into account the development trends of Riga as the capital City, the provision of autonomous operations in Riga Municipality has great importance, related to hosting of national holiday celebrations and traditional cultural events, as well as state and official visits foreign representatives. Thereby, Riga makes a substantial contribution to the image of the State.

After reviewing and evaluating basic programs, education and economic activity (mainly concerning the transportation sector) were set as the main priorities within the total expense structure of Riga Municipality basic budget 2008, whereof:

- kLVL 189 215,1 were allocated to education;
- kLVL 108 303,0 were allocated to economic activity.

Setting priorities for Riga Municipality investment program is related to ensuring the autonomous operations of Municipality. In the financial year, the greatest share of resources was allocated and utilized for improvement of City infrastructure objects and environment, paying special attention to traffic safety increasing, as well as ensuring accessibility of health care services and reconstruction of cultural institutions.

## Composition of Riga Municipality basic budget expenses in 2008





<b>Composition of Riga Municipality basic budget expenses</b> Cash flow basis	<b>2007 actual</b> (kLVL)	<b>2008 budgeted</b> (kLVL)	<b>2008 actual</b> (kLVL)
<b>Total expenses</b>	<b>454 706.8</b>	<b>558 849.4</b>	<b>539 445.3</b>
<b>Total expenses by function*</b>			
General governmental agencies	88 987.7	99 611.9	95 773.4
int. al., Payment to Municipal Cohesion Fund	46 515.5	52 583.2	52 583.2
Public order and security	10 562.5	11 517.0	11 477.9
Economic activity	84 066.1	113 206.0	108 303.0
Environmental protection	2 138.7	4 133.6	3 605.7
Management of municipal territories and housing facilities	37 541.1	26 713.7	26 267.5
Health care	13 233.5	13 284.9	12 422.6
Leisure, culture, and religion	22 020.8	35 958.9	33 547.8
Education	153 547.4	194 045.2	189 215.1
Social security	42 609.0	60 378.2	58 832.3

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"

### **Riga Municipality special purpose budget expenses**

Riga Municipality special purpose budget expenses are directly linked to revenues, which are allocated for financing special programs during the financial year. In 2008, specially marked expenses as of kLVL 54 780,1 in total were allocated from the Riga Municipality special purpose budget, which was by kLVL 15 855.7 more than in 2007 (kLVL 39 924,4).

Special purpose budget is a part of Riga Municipality budget and aimed to ensure execution of particular operations, vital for the Municipality, by utilizing certain source of funds - revenue marked for special purposes, which is defined in rules and regulations. Apart from that, special purpose budget also comprises revenue from paid services and other own revenue, foreign financial aid, as well as donations and endowments with an explicitly stated purpose or without it.

In 2008, there were two priorities set for Riga Municipality special purpose budget expenses classified according to government functions:

- economic activity (mainly with respect to the traffic sector) – kLVL 24 778,6 (utilization of motor vehicle duties and excise tax for maintenance of city roads);
- education – kLVL 11 356,2.

In the financial year, Riga Municipality special purpose budget comprises mainly of the following:

- Resources of Riga City Development Fund formed of revenues from non-recurring payments for city infrastructure development, lease of land, as well as fees from the expropriation of real estate (land, buildings, and structures) owned by the City. These resources are utilized for city development projects,

reestablishment and registration of real estate ownership rights of the City in the Land Register, as well as culture, education, and sports projects development. As of year 2009, Riga City Infrastructure Fund is established, formed by revenues from the municipal duty for municipal infrastructure's maintenance and development, while the revenues obtained from lease of land and expropriation of real estate (land, buildings, and structures) are collected in the special purpose budget of Riga City Council Property Department;

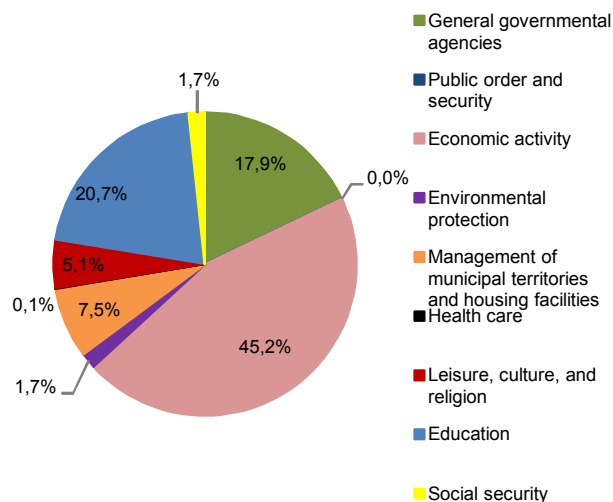
- Tunnel maintenance and operating program: revenue consists of rent of trade areas located in tunnels. These revenues are utilized to tunnels maintenance and development;
- Fees on vehicle entry in special regime areas - revenue consists of fees on vehicle entry in special regime area of the Old Town. These revenues are allocated to reconstruction of streets and illumination objects within the Old Town area, traffic improvement, etc. Effective 2009, this fee will not be collected;
- Road (street) Fund resources comprise revenues from the State Road Fund earmarked subsidies, which are utilized for upkeep and reconstruction of road surfaces, as well as overhaul of illumination objects;
- Riga Municipality Property Privatization Fund resources are formed of revenues from privatization of municipal property. These resources are allocated Riga Social Crisis Center (1% annually) and utilized for financing other projects having vital importance for Rigans and development of the City environment, such as - reconstruction of the Kurzeme District executive authority customer service center and registry office on Dzirciema street 24/3 (LVL 485 964), construction project development for the



section of Eastern main road between Ieriku and Vietalvas streets (LVL 403 914), technical project development for renovation of recreation centre „Ziemeļblazma” (LVL 452 235), reconstruction and renovation of the M. Chehov’s Riga Russian Theatre complex on Kalku street 14, Kalku street 16 and Kaleju street 4 (LVL 1 796 755), renovation of water-supply and sewerage systems of Riga preschool educational institutions (LVL 1 825 470), reconstruction of building of the Riga Cultures secondary school on Ganibu dambis 7 (LVL 1 318 832), reconstruction of school of music on Kronvalda boulevard 8 (LVL 1 037 673), reconstruction of Riga Rehabilitation school on Brivibas alley 384A (LVL 1 702 746), increasing energyefficiency (replacement of windows and external doors) in Riga preschool educational institutions (Ls 1 519 958), construction of a social house on Gobas street 30 (LVL 1 647 418);

- Riga Environmental Protection Fund resources comprise revenues from the natural resource tax. They are allocated to financing projects, programs, and activities related to efficient utilization, research, and regeneration of natural resources;
- Riga Municipal agency “Rigas mezu agentura” revenues are generated from sales of forest resources. They are utilized for administration and maintenance of forests owned by Riga City, as well as education of society on matters related to forests and their protection.

### Composition of Riga Municipality special purpose budget expenses in 2008



### Composition of Riga Municipality special purpose budget expenses

Cash flow basis

	2007 actual	2008 budgeted	2008 actual
	(kLVL)	(kLVL)	(kLVL)
<b>Total expenses</b>	<b>38 924.4</b>	<b>96 912.2</b>	<b>54 780.1</b>
<b>Expenses by government function*</b>			
General governmental agencies	6 250.2	15 805.0	9 814.0
Public order and security	206.8	709.8	26.0
Economic activity	17 749.0	35 179.7	24 778.6
Environmental protection	1 044.9	11 520.6	929.9
Management of municipal territories and housing facilities	2 269.4	6 187.0	4 110.0
Health care	172.5	44.1	57.6
Leisure, culture, and religion	4 816.0	4 055.0	2 790.8
Education	4 871.0	21 528.0	11 356.2
Social security	1 544.6	1 883.0	917.0

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 “Regulations on the classification of budget expenses by functional categories”



## Structure of expenditure of donations and endowments received by Riga Municipality

In 2008, the expenses from revenues from donations and endowments to Riga Municipality were kLVL 416,9.

<b>Composition of Riga Municipality donations and endowments expenses</b> Cash flow basis	<b>2007 actual</b> (kLVL)	<b>2008 budgeted</b> (kLVL)	<b>2008 actual</b> (kLVL)
<b>Total expenditure</b>	<b>636.5</b>	<b>2 519.9</b>	<b>416.9</b>
<b>Expenditure by government function *</b>			
General governmental agencies	-	20.0	27.9
Public order and security	-	3.0	-
Economic activity	382.0	1 509.7	101.8
Management of municipal territories and housing facilities	14.6	36.8	23.0
Leisure, culture, and religion	2.2	8.2	0.9
Education	236.9	921.3	260.5
Social security	0.8	20.9	2.8

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"

# Riga Municipality budget resource utilization for municipality operations

## Education

In 2008, education, youth and sport questions were among priorities of Riga City Council. Within financial year the total financing for educational sector from the Riga Municipality basic, special purpose budget, and investment expenditure formed a total of LVL 200,6 million. It is 27% or by LVL 42,1 million more compared to 2007, when the total budget for education was LVL 158,4 million. This increase in financing was diverted as perquisites to the remuneration of educators in Riga City educational institutions, increase of maintenance costs of educational institutions and renovation and overhaul of educational premises.

As in the previous year renovation of educational premises was carried on in Riga. Riga Municipality performed systematic renovation of educational institution buildings taking into account the technical condition, degree of depreciation of communications, as well as necessity to optimize the structure of educational institutions.

In order to provide continuous and focused support to work with youth of the City, Riga City Council Education, Youth and Sport Department has worked out and accepted program "Riga City Development Program in Work with Youth 2008–2012". It is aimed to enable youth involvement in social life and decision-making procedures, facilitating employment and leisure time activities of youth, as well as participation in international projects. In 2008 the assigned budget for the implementation of this program were LVL 571 986 from revenues of public authorities.

## Preschool educational institutions

In 2008, there were 155 preschool educational institutions founded by the Municipality in Riga (by 1 more than in 2007), whereof 144 of general type, and 11 special preschools, which were attended by more than 24 thousand children. Preschool educational programs were offered also at 16 general education schools and 2 interest educational institutions, as well as 27 private educational institutions with preschool educational groups.

Taking into account the social and economical importance of question, the work in increasing the number of places in preschools was continued according to plan adopted by Riga City Council "Riga City Council Education, Youth and Sport Department plan to reduce queues to Municipality preschool educational institutions 2007- 2010". During the financial year 23 additional preschool educational groups were opened within the Municipality, thus ensuring educational capacity for additional 502 children. Within the action plan a decision was made to reorganize Riga Zolitudes comprehensive school and to establish preschool "Zvanins" as well as 3rd baby-sit centre "Bolderaja". Continuing the successful practice of previous year, 25 private preschool educational institutions were co-financed from Riga Municipality budget resources, ensuring the provision of the general preschool educational program.

According to Riga City Council's binding regulations in payment order of allowances to parents (guardians), whose children are not provided with a place in Riga preschool educational institution, in 2008, 3 262 parents received allowances with a total sum more than LVL 1 970 thousand. In 2008, amendments of binding regulations in payment of allowances to parents (guardians), whose residence is declared in Riga administrative territory were issued.

## Comprehensive schools

In 2008, 140 comprehensive schools (by 1 less than in 2007) were functioning in Riga, whereof 107 high schools, 24 elementary schools and 9 primary schools. 12 of them were special schools, 6 were night schools, and 11 were boarding schools. More than 77 thousand pupils attended educational programs in these educational institutions. Apart from that, there were also 22 private schools operating in Riga.

Proceeding with improvement of education quality, in 2008 were performed accreditation of 19 educational institutions and educational programs, as well as agreements were signed with 22 private comprehensive schools implementing accredited educational programs, which were co-financed from Riga Municipality budget resources with a total sum of LVL 149 631.

In 2008, co-financing was assigned from Riga Municipality budget for Municipality educational institutions 1st grade pupil feeding program "School Milk".

## Development of educational staff

In 2008, 5 272 pedagogues have received certificates about graduation of further education course of study, whereof 1 562 pedagogues have attended education courses financed by Riga City Municipality (total expenses of LVL 28 665). In 2008, 182 methodological events were organized with 3 602 visitors, whereof – 43 open classes, 46 master classes, 72 seminars, 12 visiting seminars, 6 educational excursions, 2 conferences, as well as teacher competition, festival of creative works "Teachers talents" and Riga Teachers 1st Sports Day. The total amount of financing assigned from Riga Municipality for organizing methodological events was LVL 66 169 and the attracted Great Britain Council grant as of LVL 3000. During 2008 a supervision of professional work and improvement of professional skills programs for school support staff (school psychologists, social pedagogues, special education pedagogues and speech therapists) were carried out.





## Out-of-school educational institutions and leisure time activity centers

In 2008, 14 out-of-school educational institutions and 16 sports educational institutions were operating in Riga. This is by 1 institution less compared to 2007, because of establishing Riga Cycling school on the basis of cycling club "Marss" and specialized Olympic reserves children and youth cycling sport school "Batika" in accordance to Riga Municipality 2007 resolution. There were more than 32 thousand students attending out-of-school educational institutions and 16 sports educational institutions. Leisure time activity centers in 16 (by 2 more than in 2007) comprehensive schools in Riga were attended by more than 26 thousand youth and children within a year.

During school holidays 261 round-the-clock camps were organized in Riga educational institutions where 9 018 children were involved, and 52 day camps with 1 470 children involved. In 2008, Riga Municipality supported 78 camps organized by non-governmental organizations, where 2 679 youth and children took part, whereof children from groups at risk and children with special needs.

Continuing the tradition to award the best graduates and their teachers, in 2008 18 prizes "The Golden Scholarship" and 15 prizes "The Golden Pen" were distributed. During this year 210 district Olympiads, 5 City and 1 region Olympiads were organized. Riga students showed good results in 19 state Olympiads.

In 2008, were organized 134 city out-of-school educational events in Riga, where took part more than 51 thousand children and youth (with total co-financing of LVL 71 193). Riga Municipality has assigned LVL 34 195 for Riga children and youth educational collectives participation in 73 international children and youth events.

With Riga City Municipality support in September of 2008 was organized a "Youth Month", when a number of educational and cultural events for children, students, and youth were organized and students self-

government, out-of-school groups and non-governmental organization projects were carried out.

In order to enable employment and professional qualification of youth Riga City Council provided work places and co-financing for 700 adolescents within the State Employment agency program "Employment of adolescents during summer holidays".

## Construction and renovation of educational institutions buildings

To provide an adequate and comfortable environment for educational process performance the planned construction, reconstruction and repair of educational buildings and infrastructure has been continued in Riga in 2008. Total volume of repairs in Riga City Municipality educational institutions has exceeded LVL 4 275 thousands and almost LVL 39 thousands were invested in technical resources.

The most significant construction and reconstruction projects:

- Riga secondary school of Cultures at Ganību dambis 7;
- Reconstruction of Riga preschool No. 182 at Dzelzavas street 17;
- Reconstruction of old building in Riga Teikas secondary school at Aizkraukles street 14;
- Construction of Riga Deaf children boarding-school;
- Extension with additional 4 groups and swimming pool in Riga preschool No. 152. at Juglas street 1B;
- Reconstruction of Riga preschool No. 213. at Vesetas street 11;
- Sport hall and rooms for preschool in Riga Juglas secondary school at Juglas street 27A;
- Launched regional sports centre projects at Riga secondary school No. 41, Riga secondary school No. 45, Riga secondary school No. 92 and Riga Juglas secondary school;
- Renovation of Riga special boarding-school No.1 at Gertrudes street 18.

Basic budget expense allocated to education (kLVL)*	2006 actual	2007 actual	2008 budgeted	2008 actual
Preschool education	27 708.4	36 594.9	49 776.8	49 060.2
Comprehensive education: elementary education	71 259.6	93 405.7	115 833.7	114 393.3
Out-of-school and professional education	19 041.2	20 575.5	24 525.3	21 862.5
Other education, not classified above	2 303.8	2 971.3	3 909.4	3 899.1
<b>Basic budget expense, int. al.</b>	<b>120 313.0</b>	<b>153 547.4</b>	<b>194 045.2</b>	<b>189 215.1</b>
Investment	5 824.1	10 823.3	17 044.0	11 731.4
<b>Special purpose budget expense</b>	<b>3 996.6</b>	<b>4 871.0</b>	<b>21 528.0</b>	<b>11 356.2</b>
<b>Total</b>	<b>124 309.6</b>	<b>158 418.4</b>	<b>215 573.2</b>	<b>200 571.3</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006.

**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

**Education: provision of rights for inhabitants to obtain basic and general education; provision of places in educational and upbringing institutions available to pre-school and school age children; organizational and financial assistance to out-of-school educational and upbringing institutions and education support institutions, etc.**

Program goals / results	Budgeted	Actual
<b>Basic budget</b>		
<i>Goal:</i>		
Provide places in pre-school educational institutions available to pre-school age children, ensure the mandatory preparation of children aged 5 and 6 for initiation of basic education program, and promote child's intellectual, physical, and esthetic development		
<i>Results:</i>		
Number of pre-school children's institutions	144	144
Number of children, int. al.:	23 276	22 649
number of children aged 5 and 6 taught according to the program "Mandatory preparation of children aged 5 and 6 for studies at school"	10 120	10 181
Alimentation cost per child per month (LVL)	125	133
Number of pedagogical FTEs (full time equivalents)	3 111	3 309
<i>Goal:</i>		
Provide places in special pre-school educational institutions available to pre-school age children, ensure preparation of children aged 5 and 6 for initiation of basic education program, ensure obtaining of necessary knowledge and skills in the individual and social life, strengthen health by taking into account disabilities, and promote all-around development		
<i>Results:</i>		
Number of specialized pre-school children's institutions	11	11
Number of children, int. al.:	972	981
number of children aged 5 and 6 taught according to the program "Mandatory preparation of children aged 5 and 6 for studies at school"	520	544
Alimentation cost per child per month (LVL)	303	408
Number of pedagogical FTEs (full time equivalents)	300	304
<i>Goal:</i>		
Ensure provision of basic education and general secondary education programs in pre-schools, elementary schools, and high-schools, thus ensuring the possibility to obtain knowledge, skills, and abilities which would allow to participate in the life of society		
<i>Results:</i>		
Number of primary schools, elementary schools, and high-schools	131	129
Number of children, int. al.:	77 672	70 268
number of children aged 5 and 6 taught according to the program "Mandatory preparation of children aged 5 and 6 for studies at school"	360	373
Alimentation cost per child per month (LVL)	78	105
Number of pedagogical FTEs (full time equivalents)	10 118	10 470
<i>Goal:</i>		
Ensure provision of basic education and general secondary education programs in boarding schools and sanatorium schools, thus ensuring the possibility to obtain knowledge, skills, and abilities which would allow to participate in the life of society		
<i>Results:</i>		
Number of boarding schools and sanatorium schools	4	4
Number of children	929	840
Alimentation cost per child per month (LVL)	202	296
Number of pedagogical FTEs (full time equivalents)	274	263
<i>Goal:</i>		
Ensure provision of basic and general secondary education to children with special needs, promoting students' integration into society, thus ensuring the possibility to obtain knowledge, abilities, and work skills according to the state of health and abilities, and organizing the treatment and correctional work		
<i>Results:</i>		
Number of special boarding schools	7	7
Number of children	1 264	1 153
Alimentation cost per child per month (LVL)	387	517



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Number of pedagogical FTEs (full time equivalents)	712	698
<i>Goal:</i>		
Provision of out-of-school and professional sports programs, ensuring sapid leisure time for children and youth		
<i>Results:</i>		
Number of other out-of-school educational institutions (including, sports schools)	31	30
Number of children and youth, int. al.:	33 717	32 305
in sports schools	8 694	7 100
Alimentation cost per child per month (LVL)	22	23
Number of pedagogical FTEs (full time equivalents)	1 215	1 125
Training in swimming for children of grade 2 in children and youth sports center "Daugavas Sporta Nams"	480	568
<i>Goal:</i>		
Monetary compensation to parents (trustee), if a child is not provided with education at Municipality preschool institution, implementing preschool education program in Riga administrative territory		
<i>Results:</i>		
Number of monetary compensations to parents (trustee), if a child is not provided with education at Municipality preschool institution	3 368	3 262
Monetary compensation per parent per month (LVL)	50	50
<i>Goal:</i>		
Promote development of students' abilities, create skills and knowledge of music and dance, integrate communicative, aesthetical and educative content of art and create human and positive attitude for the forming individualities, as well involve children and youth in renewal of cultural environment		
<i>Results:</i>		
Number of art and music schools	10	10
Number of students in schools	3 224	3 176
Alimentation cost per child per month (LVL)	36.4	41.8
Number of pedagogical FTEs (full time equivalents), int. al.:	465.5	459.2
music subjects	430	429.8
art subjects	33.5	29.5
Average number of children per one pedagogical FTEs (full time equivalents)	7	7
Number of graduates	269	268
Number of competitions, concerts, and exhibitions	350	467
Number of visitors of concerts and exhibitions	24 000	42 000
Number of students participating in projects organized by Riga City Council Cultural Department	400	400
Participation in program „Musical education for children with special needs” (number of children)	41	46
Number of pedagogues in continuing education	160	192

\* summary financial performance report



## Social Security

Social security and providing social services is one of Riga City Municipality self-governing functions. In 2008, the support provided for inhabitants in solving social problems was increased. During the financial year Riga City Municipality for social security has expended LVL 59,8 millions from budget, int. al LVL 58,8 millions from the basic budget. Comparing with 2007 Riga Municipality budget expenses in this area have increased by LVL 15,6 millions (for 35%). Social financing per capita has reached LVL 82,5 in 2008.

In 2008, Riga Municipality continued to perform activities related to solving problems of population of moderate means by increasing benefits and diversifying their types to fit the needs of each individual situation. During the financial year the infrastructure of social service was broadened in order to enable provision of social aid closer to the place of residence.

Social aid for Riga inhabitants is being provided in accordance with the Republic of Latvia rules, rules and regulations of the Cabinet of Ministers and the binding regulations of Riga City Council. Allocation of social benefits is evaluated, performed and paid out by 5 Riga district social agencies and Riga City Council Social Affair Center. Social benefits are divided into two groups: tested and untested social benefits. Tested benefits are allocated by evaluating the financial state of the benefit claimant, whereas untested benefits are allocated based on the specific life situation, irrespective of the financial state.

In 2008, the total amount of social benefits paid by Riga City Municipality and number of persons receiving social benefits have increased in all of types. The total amount of social benefits paid exceeds LVL 16 186 thousands, what is by 59% more than in 2007. During the financial year the amount of social benefit was increased to provide guaranteed minimum income, consequently increasing the number of persons receiving social aid in Riga Suburbs. Number of persons receiving apartment allowance has increased comparing with previous year, changing the overall proportion of persons receiving social material assistance. In 2008, the most demanded was apartment allowance on the contrary 2007 when health care benefit was the most often received.

During 2008, 8% of Rigans received assistance in social agencies of Riga Suburbs. During the financial year, 53 010 inhabitants received tested benefits, whereof 57% were retired people and the disabled, 32% were families with children, and 11% able-bodied inhabitants.

In 2008, the project of cooperation between Riga social services and State Employment agency was successfully put into effect. Within this project was performed gathering of information about the unemployed youth and the unemployed for a prolonged period, and individual evaluation of each unemployment case completed.

During the financial year Riga Municipality ensured social care and social rehabilitation services in institutions to 1 711 adults (3 municipal institutions and

11 contract organizations) and short-term care services to 254 persons (2 municipal institutions). Social care services were ensured to 738 orphans in long-term social care and social rehabilitation institutions (6 municipal children's homes and 13 contract organizations). Services of the crisis center were provided to 256 children and 44 women, inhabitants have received advisory services of crisis centers in person and by telephone. In 2008, 4 176 persons received home-care services.

In 2008, employees of Riga Municipality social agencies have performed active social work with families, providing assistance to 3 063 families, what is for a third more than in 2007. During the financial year day care center services was attended by 975 children and 2 275 elderly and disabled people, as well as 303 persons with mental disorder. In order to support learning and realizing social skills there are five group apartments (houses) for persons with mental disorder and two apartments (houses) in a country side environment outside of Riga. In 2008 this service was received by 100 persons.

During the financial year, night shelter was used by 1 949 persons. In 2008, Riga Municipality started to finance 2 social rehabilitation centers for homeless in order to enable them regaining social status and become a part of labor market. 61 individuals used this service. Riga Municipality financed soup-kitchen services rendered by two organizations, providing up to 700 portions a day, 5 times a week. The hot meal was provided both to the homeless and the population of moderate means.

The major investment projects:

- Installment of 19 electromechanical lifts for disabled persons;
- Adjusting 72 apartments for persons with motor disorder;
- Renovation and mounting of equipment in territory of Riga Latgales Suburb Social service centre „Krasts” at Reznas street 10/2;
- Renovation and mounting of equipment in Riga Latgales Suburb Social service Support centre for adults at Aglonas street 35/3;
- Renovation improvement of territory of Riga rehabilitation and support centre „Marsa alley” for orphans and crisis centre for street children at Marsa alley 16;
- Building and repair of association „Riga City „Rupju berns”” and day care centre „Ceribu maja” at Rezeknes street 2A;
- Establishment of day-care center for 300 homeless persons in Riga Latgales Suburb.

## Budget expenses for social security and health care

	2008 actual (LVL)	Number of institutions
Children's care centers	3 942 907	19
Old people's homes	5 418 445	15
Shelters	1 047 648	5
Social Agencies	3 891 585	6
Other social and health care institutions and events	3 423 371	57
Social Aid	16 186 217	-
Department	1 286 760	1
Riga Medical Emergency Station	10 398 690	1
<b>Total</b>	<b>45 595 623</b>	

## Type of material assistance in 2008

Type of social aid	Number of persons	The amount of assigned benefits (LVL)
<b>Tested benefits</b>		
Apartment allowance	35 610	5 700 181
Benefit to cover social care service cost	4 190	2 521 323
Health care benefit	25 921	2 147 619
Christmas benefits	32 134	2 027 648
Guaranteed minimum income benefit	9 525	929 441
Benefit to cover transportation service cost for the disabled	2 810	495 387
Benefit to cover social rehabilitation service cost	1 958	278 267
Benefit for other purposes	3 500	168 391
<b>Total tested benefits</b>	<b>115 648</b>	<b>14 268 256</b>
<b>Untested benefits</b>		
Child-birth benefit	8 604	860 400
Benefits for orphans	509	339 443
Non-recurring benefits in cases of emergency	1 669	238 086
Benefits for the politically repressed	4 057	203 760
Benefits for trustees	724	130 472
Benefits for foster families	59	130 198
Benefits for guardians	151	80 090
Benefits for the 100-year olds	55	5 500
<b>Total untested benefits</b>	<b>15 828</b>	<b>1 987 949</b>
<b>Total all benefits</b>	<b>131 476</b>	<b>16 256 206</b>

Budget expense allocated to social security (kLVL)*	2006 actual	2007 actual	2008 budgeted	2008 actual
Social security in case of inability to work		1 389.5	2 298.8	2 271.2
Assistance to elderly people	2 513.4	5 490.2	5 741.5	5 621.0
Assistance to families with children	3 018.6	5 494.0	7 800.7	7 748.3
Housing allowance		13 795.9	19 769.5	19 520.2
Other support to socially repudiated persons not classified above	17 605.9	15 109.9	22 944.5	21 886.0
Other social care not classified above	569.8	1 329.5	1 823.2	1 785.6
<i>Custody courts and parish courts**</i>	561.1			
<b>Basic budget expenses, int. al.</b>	<b>24 268.8</b>	<b>42 609.0</b>	<b>60 378.2</b>	<b>58 832.3</b>
Investments	233.7	1 561.4	2 393.7	504.5
<b>Special purpose budget expenses</b>	<b>136.9</b>	<b>1 544.6</b>	<b>1 883.0</b>	<b>917.0</b>
<b>Total</b>	<b>24 405.7</b>	<b>44 153.6</b>	<b>62 261.2</b>	<b>59 749.3</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006

\*\* In 2007, Custody courts and parish courts have been reflected under the function of public order and security

**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

**Social insurance and social security (social aid to low-income families and socially unprotected persons; provision of placements for old people in old people's homes; provision of placements in educational and upbringing institutions for orphans and children left without parental care; provision of shelter for the homeless, etc.)**

Program goals / results	Budgeted	Actual
<b>Basic budget</b>		
<i>Goal:</i>		
Perform social work with persons, families, and groups of persons, provide social services and organize their provision, as well as provide social assistance		
<i>Results:</i>		
Number of centers in boroughs	76	76
Number of day-care centers	11	12
Number of people provided with social aid and social services	71 409	57 940
Number of inhabitants per social work expert	2 100	2 721
Average amount of material assistance per person per year (LVL)	148	260.6
<i>Goal:</i>		
Promote birthrate in Riga		
<i>Results:</i>		
Number of persons having received child birth support	8 604	8 604
Amount of benefit (LVL)	100	100
<i>Goal:</i>		
Encouragement of guardianship and trusteeship process		
<i>Results:</i>		
Number of guardians having two or more children in guardianship	200	151
Amount of allowance due to guardian for the alimentation of a child per month (LVL)	38	38
Number of trustees reimbursed for their duties	665	684
Amount of remuneration depending on the location of the incapacitated person (LVL):		
in home care	20	20
in a specialized institution	10	10
<i>Goal:</i>		
Promote foster families in Riga		
<i>Results:</i>		
Number of foster families in Riga	15	8
Amount of remuneration for one family per month (LVL)	150	147.9
<i>Goal:</i>		
Provide lodging, social care and social rehabilitation to orphans and children left without parental care		
<i>Results:</i>		
Number of children's homes	6	6
Number of places in these institutions	364	354
Number of persons having used the institution during the year	600	401
Average alimentation cost per place per month in the institution (LVL)	591	612
Number of organizations subcontracted by the Municipality	11	13
Number of places in subcontracted institutions	298	298
Number of persons having used a subcontracted institution during the year	400	337
Average alimentation cost in a subcontracted institution per place per month (LVL)	390	371
<i>Goal:</i>		
Provide lodging, social care, and social rehabilitation in long-term social care and social rehabilitation institutions to retired persons and disabled persons (group I, II) who cannot take care of themselves due to the age or state of health		
<i>Results:</i>		
Number of old people's homes	3	3
Number of places in these institutions	577	577
Number of persons having used the institution during the year	720	881
Average alimentation cost per place per month in the institution (LVL)	292	294
Number of organizations subcontracted by the Municipality	10	11
Number of places in subcontracted institutions	626	663
Number of persons having used a subcontracted institution during the year	750	830

**Riga Municipality budget program 2008 goals, results, and financial performance\***
**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Average Municipality co-payment per person per month (LVL)	227	222
<i>Goal:</i>		
Provide services of shelter and night shelter to persons of no fixed abode and persons having come to a crisis situation		
<i>Results:</i>		
Riga Shelter, number of places	190	190
Number of persons having used the institution during the year	1 300	1 003
Average alimentation cost per place per month in the institution (LVL)	192	193
Number of persons having used service of Municipality Institution „Special team of street social work”	600	3 195
Number of organizations subcontracted by the Municipality (int.al., feeding service)	5	6
Number of places in two subcontracted institutions:		
in winter period	335	382
in summer period	150	212
Number of persons having used a subcontracted institution during the year	1 100	946
Average Municipality co-payment per person (LVL)	149	126
Feeding service (number of rations)	110 000	113 054
Number of places where feeding service is provided	5	4
Number of places in Center of Social Rehabilitation for homeless persons (the expected period of stay for 1 person is 3 months)	20	30
Number of persons having used Center of Social Rehabilitation, per year	80	61
<i>Goal:</i>		
Provide social guarantees and relief to persons and families of low income residing in Riga		
<i>Results:</i>		
Social dwelling houses:		
number of houses	12	12
number of apartments	970	972
living space (sq m)	48 064.8	48 495.5
Average number of persons receiving the service per year	1137	1137
Costs per square meter per month (LVL)	0.93	0.93
Number of apartments with status of separate social apartment	-	242
Number of persons living in separate social apartment s and receive social service	-	446
<i>Goal:</i>		
Provide social services to mentally handicapped and mentally ill persons: mastering of social skills and abilities with the help of social work expert at home/in apartments		
<i>Results:</i>		
Number of social services apartments	75	75
Average alimentation costs per apartment per month (LVL)	203	183
Average number of persons receiving the service per year	75	100
<i>Goal:</i>		
Provide social rehabilitation services to mentally handicapped and mentally ill persons: mastering of social skills, education, and leisure time opportunities		
<i>Results:</i>		
Number of institutions	5	5
Number of day-care centers	9	10
Number of places	233	246
Number of customers per year	260	303
Average alimentation costs per place per month (LVL)	253	238
<i>Goal:</i>		
Provide social rehabilitation services to demented persons: mastering of social skills, education, and leisure time opportunities		
<i>Results:</i>		
Number of institutions	2	2
Number of day-care centers	2	2
Number of places	35	35



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Number of customers per year	40	57
Average alimentation costs per place per month (LVL)	363	336
<i>Goal:</i>		
Provide development and improvement of daily skills to mentally handicapped persons, as well as employment, under supervision of a professional expert, in order to encourage their integration into the society		
<i>Results:</i>		
Number of centers	3	2
Number of customers	25	18
Average alimentation costs per place per month (LVL)	293	261
<i>Goal:</i>		
Provide employment, social functioning, prevent drop of life quality and specialist support to mentally handicapped persons		
<i>Results:</i>		
Number of workshops	1	1
Number of clients per workshop	8	12
Average alimentation costs per place per month (LVL)	326	215
<i>Goal:</i>		
Provide social service for children/families in crisis situation at crisis and families support centers (foundation „Centre Dardedze”, family crisis centre „Milgravis”, crisis centre for children and women „Maras centrs”, ACBG „Roku roka”, ACBG „Sirdsgaisma”, crisis center „Skalbes”)		
<i>Results:</i>		
Number of institutions	6	6
I sub-goal – social rehabilitation for persons in crisis situation		
Number of places	67	55
Number of persons per year	200	195
Average alimentation costs per place per month (LVL)	565	499
II sub-goal – provide 24 hour psychological advisory services for persons in crisis situation in Riga		
Number of advice in person	1 800	4 788
Number of advice by telephone	2 000	2 765
Number of informative calls	2 000	1 121
III sub-goal – provide alternative social service for children in families what do not provide social care and support of full value and provide support for children and family		
Training of trustees (number of persons)	120	97
Preventive informing service (number of meetings), int.al. group		
individual	12	96
Number of places	792	3696
Number of places	50	50
Average number of persons receiving the service per year	50	110
Average alimentation costs per place per month (LVL)	177	177
<i>Goal:</i>		
Provide care and rehabilitation in short-term social care beds to chronic patients whose treatment for various social reasons is not possible at their homes		
<i>Results:</i>		
Number of organizations subcontracted by the Municipality	5	5
Number of short-term social care beds	140	136
Number of persons having received treatment during the year	2 100	1 395
Average Municipality co-payment per person per month (LVL)	243	293
Number of days (per bed)	46 900	41 073
<i>Goal:</i>		
Provide social care and social rehabilitation services for of disabled children		
<i>Results:</i>		
Number of organizations subcontracted by the Municipality	4	4
Number of places	80	83
Number of children having used this service during the year	100	119
Average alimentation costs per place per month (LVL)	142	121



## Riga Municipality budget program 2008 goals, results, and financial performance\*

## Financial performance in 2008

Program goals / results	Budgeted	Actual
<i>Goal:</i>		
Registration and certification of politically repressed persons and participants of national resistance movement		
<i>Results:</i>		
Examination of applications from politically repressed persons and participants of national resistance movement and preparation of Riga Municipality resolve projects (number of resolve projects)	64	34
Issue of certificates and renew of the lost ones (number)	130	91
<i>Goal:</i>		
Registration of civil registration record		
<i>Results:</i>		
Registration of marriage (number thousands)	4	3,7
Registration of birth (number thousands)	5,3	5,9
Change of name, last name and other services related to registration of civil registration record (number thousands)	1,2	1
<i>Goal:</i>		
Coordinate and administrate in accordance with the competence of Riga Children's Rights Protection Center children's rights protection in Riga, as well as control provision of children's rights over all legal entities and individuals in Riga		
<i>Results:</i>		
Preparation, passing, implementation of resolve and control over evaluation of question according to the specific of problem (number of cases)	1 500	2 118
Number of families having received legal assistance (consulting, opinions, procedural documents, etc.)	1 600	2 392
Consultations over the telephone about issues concerning provision of child's and family's rights	6 000	10 245
Use of consultations over the telephone, analysis of problem and solutions	6 000	9 016
Number of educational and upbringing institutions receiving training in children's rights	300	300
Number of educational institutions participating in annual competitions about children's rights' protection issues organized by the Riga City Council	170	170
Provision of children's rights, int.al:		
applications reviewed	800	1703
complaints immediately dealt with	350	415
applications reviewed during commission meetings	300	547
inspections at the places of residence of families, based on applications	300	330
inspections of parents who are breaching parent duties	300	330
inspection of parents in relation to the preparation of materials for the court	70	71
reviewed conflict situations	600	611
individual advisory to social teachers	400	410
advisory to new social teachers	90	90
inspection of students' families together with social teachers	150	261
work of administrative committee (resolves)	2500	2114
participation in judicial proceedings	-	103

\*summary financial performance report



## Health Care

Riga Municipality allocates considerable financial resources to the improvement of Riga health care system in order to ensure the accessibility of health care services to the population of Riga in accordance with the autonomous functions defined by the law "On Municipalities" In 2008 the total amount of health care program financing allocated from the basic budget, the special purposes budget, as well as investment resources amounted to LVL 12,5 million.

The major investment projects:

- Equipment purchase for Riga Municipality „Riga 1st hospital" Ltd.;
- Equipment of artificial blood circulation purchase for State Ltd. „Bernu kliniska universitates slimnica”;
- Purchase of universal ultrasonic and dentistry equipment for State agency „Infectology Centre of Latvia”.

<b>Budget expenses allocated to health care (kLVL)*</b>	<b>2006 actual</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Operation and services of ambulatory medical institutions, and public health-care agency services	10 028.8	12 399.3	12 898.0	12 043.7
Hospital services. Health-care services for mother and child	1 018.8	834.2	383.7	375.7
Other health-care services not classified above			3.2	3.2
<b>Basic budget expenses, int. al.</b>	<b>11 047.6</b>	<b>13 233.5</b>	<b>13 284.9</b>	<b>12 422.6</b>
Investments	1 063.6	840.0	514.5	395.8
<b>Special purpose budget expenses</b>	<b>121.5</b>	<b>172.5</b>	<b>44.1</b>	<b>57.6</b>
<b>Total</b>	<b>11 169.1</b>	<b>13 406.0</b>	<b>13 329.0</b>	<b>12 480.2</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006

## Riga Municipality budget program 2008 goals, results, and financial performance\*

## Financial performance in 2008

<b>Provision of access to health care</b>	<b>Budgeted</b>	<b>Actual</b>
Program goals / results		
Basic budget		
<i>Goal:</i>		
Perform activities for addiction prevention in Riga		
<i>Results:</i>		
Primary prevention program for youth (30 hours) at schools (leaders – educators for contemporaries)	600	607 (169)
Addiction prevention campaigns (1 to 7 days)	3 000	9 000
Psychological and social correction program (32 hours) for youth groups at risk	400	479
Educational programs (12 to 30 hours) for experts: teachers, doctors, social teachers, psychologists, and policemen	700	605
Lectures about addiction prevention – for teachers, pupils, soldiers of Armed Forces of Latvia, home teachers, school psychologists	-	2 114
Educational programs (2 to 24 hours) for parents (seminars, lectures at schools)	800	1 100
Support groups for parents and co-addicts (120 hours)	90	37
Discussions with youth at schools (duration of discussion 1 to 2 hours)	7 000	9 051
Number of hotline calls and e-mail advisory:		
advice by telephone	5 000	4 723
advice by e-mail	900	1 196
Work with individual clients (drug users)	400	151
Work with families (what have addiction problems)	400	184
Number of consultations provided by advisory services	-	1 432
Number of informative and methodical materials (booklets, brochures, books)	12 000	40 450
Number of people involved	20 320	31 169



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
<i>Goal:</i>		
Reduction of HIV/AIDS spread among drug users, and improvement of life quality of population groups having the highest exposure to the risk		
<i>Results:</i>		
New client – indicator of drug user identification (number of new-found persons)	800	2 631
Number of contacts with drug users	30 000	12 312
Number of consultations rendered by HIV consultants to drug users	6 000	451
Number of consultations rendered by HIV consultants to relatives and partners of drug users	1 200	54
Number of community workers at advisory services on streets	1 100	1 237
Number of psychologist's consultations at advisory services	200	149
Number of HIV tests for pertaining to groups at risk	400	473
Number of replaced syringe for intravenous drug users	84 000	73 910
<i>Goal:</i>		
Provide high quality services for youth in order to enable the improvement of sexual and reproductive health, and rise the responsibility and motivate the youth to look after health in time		
<i>Results:</i>		
Number of psychologist services (by e-mail, by telephone)	1 100	550
Number of psychologist services in presence	220	110
<i>Goal:</i>		
Promote the movement of gratuitous donors, increase the number of blood donors among Rigans, provide donor blood to Riga hospitals, as well as partially compensate Riga donors for travel expenses in connection with blood donation (LVL 1 for each occasion of blood donation)		
<i>Results:</i>		
Number of blood donation occasions	25 000	24 917
<i>Goal:</i>		
Provide equivalent medical assistance to inhabitants of the area of Riga Emergency Medical Assistance Station		
<i>Results:</i>		
Number of calls	303 423	256 929
Rejected calls because of baselessness or any other reasons, advice by telephone	76 988	59 632
Number of calls carried through	226 435	197 297
Number of patients delivered to hospital	101 896	88 877
Average number of day and night crew	54	50
Number of day and night crew per 20 000 inhabitants	1.2	1.1
<i>Goal:</i>		
To cure tuberculosis patients, thereby protect society from infection risk and prevent the spreading of tuberculosis, to protect the patients from developing the multiresistant form of tuberculosis		
<i>Results:</i>		
Number of patients that have received help	-	364

\* Summary financial performance report



## Municipality territory management and housing facilities

In 2008 the total amount of housing facilities and public utilities program financing allocated from the basic budget, the special purposes budget, as well as investment resources amounted to 30,4 million LVL. These resources were mainly utilized on the implementation of Riga City housing program as well as maintenance and renovation of housing and territory, int. al. – modernization of water supply and sewerage system.

During the financial year there was substantial progress achieved in Riga City Municipality housing program. During 2008 955 families were provided with apartments. It is by 69% more than in 2007, int. al. 553 in newly built dwelling houses (128% more than 2007). While performing municipal housing construction program, Riga Municipality LLC "Rigas pilsetbuvnieks" utilized investment resources amounting of 39,5 million LVL comprising of the Riga Municipality and state investments, assignment of Riga City Municipality Development and Privatization fund and bank loans. In 2008 5 dwelling houses were put into operation, int al.:

- Apartment house at Lubanas street 129 k.1 (100 apartments) and at Lubanas street 129 k.2 (150 apartments);
- Apartment house at Gobas street 30 (81 apartments);
- Reconstruction of apartment house at Dzirciema street 24 (62 apartments);
- Apartment house at D.Brantkalna street 17 (162 apartments);
- Apartment house purchased from private company in Riga region, Sigulda municipality, town of Sigulda, Strelnieku street 84A (30 apartments).

Riga Municipality also provides support to inhabitants not being able to ensure themselves a living space, as well as to the tenants of denationalized houses. During the financial year living space vacation benefits were given to 964 Rigan families as of the total value of 15

million LVL, as well as benefits for 7 apartments suffered in natural disaster or accident with a total sum of 37 thousand LVL were assigned.

During the financial year, the improvement of residential fund projects were also performed, int al. renovation of 50 vacant municipal apartments (499 thousand LVL); joining municipality dwelling houses to city water supply (456 thousand LVL); reconstruction of water supply systems in dwelling houses (315 thousand LVL); public space renovation of living houses of different social groups (223 thousand LVL); elimination of emergency conditions in constructions of buildings and development of technical projects (159 thousand LVL); renovation of staircases of living houses (56 thousand LVL).

The major investment projects:

- Renovation of Riga City Municipality 50 vacant apartments;
- Development of technical projects and performing construction of joining Riga City Municipality living houses to water supply and sewerage;
- Reconstruction of water supply and installing pumps for increasing water pressure for municipal living houses;
- Public space renovation of living houses of different social groups;
- Development of technical projects and performing construction of water supply and sewerage system pipe replace of Riga City Municipality living houses;
- Renovation and development of technical projects for elimination of emergency conditions in constructions of buildings;
- Performed liquidation of coal boiler house in municipal living houses according to the project of constructing wood boiler house and joining it to central heat supply system, construction of heat supply network and individual heat supply objects;
- Renovation of staircases of living houses;
- Performed elimination work of emergency conditions at sewerage pump station at Udelu street 4.

<b>Budget expenses allocated to municipality territory management and housing facilities (kLVL)*</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Street illumination	5 438.0	5 653.3	5 819.4
Other activities concerning municipality territory management and housing facilities not classified above	32 103.1	21 060.4	20 448.1
<b>Basic budget expenses, int. al.</b>	<b>37 541.1</b>	<b>26 713.7</b>	<b>26 267.5</b>
Investments	14 241.4	6 339.6	4 787.6
<b>Special purpose budget expenses</b>	<b>2 269.4</b>	<b>6 187.0</b>	<b>4 110.0</b>
<b>Total</b>	<b>39 810.5</b>	<b>32 900.7</b>	<b>30 377.5</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

**Organization of municipal services for the inhabitants (water-supply and sewerage; heating-supply; municipal waste management, collection, drainage, and treatment of waste water) irrespective of who owns the housing fund; assistance to inhabitants in tackling housing issues**

Program goals / results	Budgeted	Actual
Basic budget		
<i>Goal:</i>		
Coordinate the complex development and improvement of housing fund, as well as assist Rigans in tackling housing issues		
<i>Results:</i>		
Capital repairs of building heat supply system - planning, organizing tenders, technical inspection (number of systems)	60	63
Modernization of water supply and sewerage systems outside of houses: planning, organizing tenders, technical inspection (number of systems)	51	13
Modernization of water supply and sewerage systems in houses: planning, organizing tenders, technical inspection (number of systems)	76	52
Registration for receiving help from municipality in solving housing problems (number of applications)	4 000	2 396
Evaluation of apartment swaps (number of apartments)	100	44
<i>Goal:</i>		
Provision of one-time allowance for vacation of the living space to the tenants living in denationalized houses		
<i>Results:</i>		
Number of apartments purchased	1 000	964
<i>Goal:</i>		
Perform capital repairs and public utilities payment for provided for lease municipality's living apartments what are not occupied for a prolonged period		
<i>Results:</i>		
Apartments prepared for lease	40	50
Apartments what are not occupied for a prolonged period	174	180
<i>Goal:</i>		
Financial support for repairs of living apartments damaged or partly crashed as a result of natural disaster or accident		
<i>Results:</i>		
Repaired living apartments	-	7
<i>Goal:</i>		
Upkeep of territories not used for business activities in accordance with sanitary requirements		
<i>Results:</i>		
Improvement of municipal territories of public use (ha)	1 195,2	657
area of natural base (ha)	505,8	184,3
Average costs of fixing natural base (LVL per ha)	1 900,8	1 612,2
Collecting of waste (thousand cub m)	19,8	19,1
<i>Goal:</i>		
Ensure declaration of residence of Riga inhabitants and processing and preservation of received information		
<i>Results:</i>		
Number of residences declared (thousand)	54	48,9
Issued certificate of declaration of residence (thousand)	67,2	64,1
Registration of residence under initiative of municipality and annul of declared information according to individual or legal entity request (number of cases of registration and annul)	4 500	3 895
<i>Goal:</i>		
Improvement and management of municipal territories and objects of public use		
<i>Results:</i>		
Renovation of children's playgrounds and sports grounds (quantity)	80	21
Number of establishment of children's playgrounds and sports grounds	19	10

**Riga Municipality budget program 2008 goals, results, and financial performance\***
**Financial performance in 2008**

Program goals / results	Budgeted	Actual
<i>Goal:</i>		
Enable administration and management of Riga City apartment houses, education of apartment owners, informing and consulting about questions of administration and management of joint estate		
<i>Results:</i>		
<i>I sub-goal:</i>		
Enable establishment of administration structures of joint estate apartment houses and exclude houses from municipality's balance		
<i>Results:</i>		
Number of general meetings of apartment owners (for each house)	160	408
Decisions made in general meetings of apartment owners about overmastering administration of a house	-	254
Establishment of apartment owners' partnership and sign a contract of mutual administration	-	239
Submitted documents to Riga City Council Property Department for excluding living houses from municipality's balance sheet (number of cases)	-	174
Excluding apartment houses from municipality's balance	-	169
Number of organized informative meetings	250	174
Number of houses where informative meetings are planned to perform	1 250	174
<i>II sub-goal:</i>		
Increase the apartment owners' knowledge and competence in questions of administration and management of houses		
<i>Results:</i>		
Educational program of administration and management of houses for apartment owners:		
number of study groups	20	20
number of students	300	400
Number of organized informative seminars and conferences	10	6
Number of participants in informative seminars and conferences	1 490	830
Number of participants in groups of adult informal educational program „House expert”	20	47
<i>III sub-goal:</i>		
Consult apartment owners about organization of administration and management of joint estate		
<i>Results:</i>		
Consultations for apartment owners, int. al.:	11 858	10 387
juridical	-	4 053
practical – about organization of administration and management of house	-	6 334
Preparation of teaching aids for participants of seminars (number)	780	912
Preparation of informative newssheets and booklets (number of copies)	10 000	10 000
<b>Special purpose budget</b>		
<i>Goal:</i>		
Organize privatization and disposal of municipal living houses, apartments, artist studios, uninhabited apartments and one-apartment houses in Riga City territory, disposal functionally necessary land lot of municipality's property for living houses, administrate process of privatization and disposal in Riga City territory, summarize information about process of privatization and disposal		
<i>Results:</i>		
Signed sales contracts:		
apartments under speeded up privatization	7 662	5 537
apartments under privatization	7 220	5 726
Legal reregistering of real estate in Riga City Land Register:		
house under privatization	250	98
land lots under privatization	300	62
Evaluation of estate fund (number of objects)	140	99
Auction of apartments and uninhabitable housing resources (number of objects)	100	71
Apartments and land under living houses under privatization	-	3 813
Invitation for privatization of land lots sent to apartment owners	-	5 625
Signing agreements for land lease	-	81
Number of disposal objects	-	26

**Riga Municipality budget program 2008 goals, results, and financial performance\***
**Financial performance in 2008**

Program goals / results	Budgeted	Actual
<b>Establish and upkeep of cemeteries</b>		
<i>Goal:</i>		
Maintaining of territories not used for economic activities according to sanitary regulations and provide upkeep of cemeteries		
<i>Results:</i>		
Upkeep of municipal territories and objects of public use and mow of lawn 3 times per year (ha)	12	25
Collection of waste (thousand cub m)	43	49.6
Cemeteries, int. al.:	19	19
closed	3	3
open	2	2
partly open	14	14
<b>Illumination of streets, squares and other territories of public use</b>		
<i>Goal:</i>		
Quality illumination of Riga City streets, upkeep and extension of the illumination system		
<i>Results:</i>		
Provision of illumination in Riga City parks, squares, and housing estates (length in km):		
underground cable lines (total length in km)	1 230	1 267
overhead wires and cable lines (total length in km)	539	570
luminaries (number)	44 440	44 430
<b>Determination of land utilization and order of construction in accordance with Municipality territory planning</b>		
Basic budget		
<i>Goal:</i>		
Provide administration of Riga City properties		
<i>Results:</i>		
Number of lease agreements	507	442
Transfer of rights for administration of living houses	280	146
<i>Goal:</i>		
Provide registration and supervision of street trade and business object placed in administrative territory		
<i>Results:</i>		
Issue licenses for street trade and business activities (thousand of licenses)	6,6	7
Issue of street trade licenses (thousand of licenses)	1.2	1.4
<i>Goal:</i>		
Conclusion of agreements on land and building lease of premises with owners to provide the functions of municipal educational institutions		
<i>Results:</i>		
Number of conclusion of agreements on land lease	220	221
Number of conclusion of agreements on building lease	7	8
<i>Goal:</i>		
Ensure rational use and lease of non-residential fund in accordance with regulations set by Riga City Council, thus creating favorable environment for development of business, culture, and arts, as well as provision of operation of municipal institutions		
<i>Results:</i>		
Conclusion of agreements on lease of premises (number of agreements)	39	65
Extension of agreements on lease of premises (number of agreements)	333	466
Inspection of lease objects (number)	970	869
<i>Goal:</i>		
Conclusion of interim agreement on land lease of premises with individuals and legal entities		
<i>Results:</i>		
Conclusion of interim agreement on land (gardens, garages, etc.) lease of premises with individuals and legal entities (number of agreements)	2 751	1 538



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Special purpose budget		
<i>Goal:</i>		
Improve administration of Riga City Municipality property un further use, stimulate investments in these objects thereby create advantageous environment for development of business activities and establish new working places in Riga		
<i>Results:</i>		
Number of Riga City Municipality property objects under privatization	200	106
<i>Goal:</i>		
Limit the business activities of Riga City Municipality by disposal of property what is not necessary for providing municipal functions		
<i>Results:</i>		
Number of Riga City Municipality estate objects under disposal	46	11
Reconstructed and restored estate properties of Riga City Municipality	26	49
<i>Goal:</i>		
Stabilize and provide continuous and qualitative exploration, registration and administration of estate properties		
<i>Results:</i>		
Number of objects included in fund of land lot exchange per year	50	25
Land included in fund of equal compensation per year (ha)	3 000	115
Number of inspected Riga City Municipality estate properties	450	634

\* summary financial performance report





## Environmental protection

In 2007, the total financing to environmental protection allocated from the basic budget, the special purposes budget, as well as investment resources amounted to 4,5 million LVL. It is by 42% or by LVL 1,4 million more than in 2006. The resources allocated to this area were mainly utilized on activities aimed at ensuring environmental protection, int.al. improvement of environmental quality.

In 2008, municipality worked on 185 projects in the area of environmental protection. The most significant projects are the following:

- Management and renovation of city greenery (968,9 thousand LVL);
- Management and construction of drainage systems (631 thousand LVL);
- Establishment of 58 of stations for collection of sorted waste, attracting co-financing from the European Regional Development Fund (447,5 thousand LVL);
- Management and construction of Riga City public toilets (158,8 thousands of lats);

- Realization of control program for population of runabout pets (106 thousand LVL);
- Management of protected nature territories (84,2 thousand LVL).

On 17.06.2008. the conception of Riga City Council "On Riga over-ground water supply system management for 2008-2013" was adopted. During the financial year the application preparation for project "Revising and developing new program of improvement of Riga City air quality" was developed in order to receive co-financing from the European Economical zone financial instrument.

The major investment projects:

- Reconstruction of Maras pond greenery;
- Reconstruction of Dzeguzkalna park;
- Erection of Kobe garden;
- Reconstruction of amelioration system (restoration of Smerlupites and Dreilinpites rivers, reconstruction and restoration of Gailupites and Strazdupites rivers, restoration of Ceres street, Sejas street and Sipeles street draining-ditch);
- Erection of 4 public toilets in Riga centre.

<b>Budget expenses allocated to environmental protection (kLVL)*</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Waste-water management	234.8	343.1	284.4
Other expenditures related to environmental protection	1 903.9	3 790.5	3 321.3
<b>Basic budget expenses, int. al.</b>	<b>2 138.7</b>	<b>4 133.6</b>	<b>3 605.7</b>
Investments	552.2	1 846.1	714.9
<b>Special purpose budget expenses</b>	<b>1 044.9</b>	<b>11 520.6</b>	<b>929.9</b>
<b>Total</b>	<b>3 183.6</b>	<b>15 654.2</b>	<b>4 535.6</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

**Improvement of the administrative territory and sanitary cleanness in the area of environmental protection (arrange and keep parks, square and green belt; etc.)**

Program goals / results	Budgeted	Actual
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Basic budget

*Goal:*

Cleaning and improvement of Riga City public parks, gardens, squares, and other greenery, upkeep of public fountains

*Results:*

Upkeep of Riga City public greenery (ha), int. al.:	289.1	289.1
Category I greenery (high-level upkeep intensity)	135.8	135.8
Category II greenery (medium-level upkeep intensity)	84.4	84.4
Category III greenery (low-level upkeep intensity)	60.2	60.2
Upkeep of adjacent territories (ha)	8.7	8.7
Upkeep of public gardens and parks (number of objects)	28	28
Upkeep of squares and greenery (quantity)	49	49
Upkeep of public fountains with canal sprinkle system (number of fountains)	11	11
Upkeep of public toilets in public gardens and parks (number)	7	7
Upkeep of lawns (ha)	204.9	204.9
Upkeep of asphalted, cobblestone, and gravel roads and squares (sq m)	39 6870	39 6870
Upkeep of children's playgrounds (quantity)	19	19
Upkeep of children's playgrounds (sq m)	16 549	16 549
Upkeep of deciduous trees (quantity)	27 138	27 138
Upkeep of coniferous trees (quantity)	3 928	3 928
Upkeep of annual flowerbeds (sq m)	1 917	1 917
Upkeep of perennial flowerbeds (sq m)	11 709	11 709
Upkeep of flower vases (quantity)	92	92
Cleaning of waste bins (quantity)	655	655
Cleaning of water bodies and ponds (sq m)	8 011	8 011
Cleaning of canals (sq m)	41 115	41 115

*Goal:*

According to dendrological inventory data performed by scientists of LU Institute of Biology carry out liquidation of damaged, dangerous and female clone poplars

*Results:*

Liquidation of damaged, dangerous poplars	840	278
Average cost of liquidating a poplar (LVL)	238	240

*Goal:*

Manage and improve hydrographical network of Riga

*Results:*

Mow of ditch slopes (m)	2 400	2 350
Cleaning of ditches (cub m)	45 000	43 200
Cleaning of channels (m)	190	130
Repair and construction of channels (sq m)	1 200	160
Cleaning and repair of rain sewage spillways (number of objects)	10	12
Cleaning and repair of wells (number of objects)	20	15
Collecting and removal of municipal waste (t)	40	58

*Goal:*

Enable long term development of city according to requirements of Alborg charter, Alborg obligations, as well as initiatives of United Nations Organization and European Union and documents of political planning issued by Republic of Latvia on the subject of long term development

*Results:*

Implement of local projects enabling long term development (number of projects)	2	2
Number of planning documents environmental report is prepared for	1	1
Informing, involving and education of society:		
number of different sort informative materials (minimum number of copies 300)	3	1
number of events	6	5
International cooperation:		



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
participation in international projects	2	2
participation in international seminars and conferences	12	8
<i>Goal:</i>		
Place and manage public toilets in centre of Riga		
<i>Results:</i>		
Placing and management of public toilets (number)	-	4
Special purpose budget		
<i>Goal:</i>		
Upkeep and renovation of the City greenery is to increase the esthetical value and diversity of the City landscape, clean the air from chemicals and microorganisms, even up the moisture and temperature, decrease the noise and wind breezes (through purposeful creation of greenery, its ecological and esthetical value can be raised significantly)		
<i>Results:</i>		
Renovation of greenery (number of trees)	50	20
Upkeep of prior year plantations (number of trees)	2 000	1 822
Shaping the crowns of trees growing along streets (number of trees)	662	495
Liquidation of dead trees (number of trees)	44	236
Number of cut stumps	23	72
Number of liquidated defective trees	183	330
<i>Goal:</i>		
Perform registration and count of dogs, as well construct walking places for dogs		
<i>Results:</i>		
Production of registration badges for dogs (number of badges)	2 000	2 000
Issue of registration badges for dogs (number of badges)	2 000	1 829
Production of keeping due badges for dogs (number of badges)	14 000	1 200
Issue of keeping due badges for dogs (number of badges)	14 000	5 410
Sterilization of pets owned by persons of low-incomes (number of pets)	200	160
Euthanasia of pets owned by persons of low-incomes (number of pets)	200	200

\* summary financial performance report



## Recreation, culture and religion

During the financial there were LVL 36,3 million from the City basic budget, special purpose budget un investment finances allocated to financing of recreation, culture and religion area by Riga Municipality. It is by 35% or by 9,5 million LVL more than in 2007, when 26,8 million LVL were allocated to this area. The financing was utilized for implementation of Riga culture policy, providing annual city cultural, recreation and religion events and for financing culture institutions, int. al. Riga library, support of culture centers and recreation centers, children musical and art education schools, payment for leaders of folk art and amateur groups and support for sport events.

## Current events in development of Riga City culture and organized cultural events in 2008

In 2008, a long term development strategy „Riga City cultural strategy 2008 – 2025” was approved. Goal of the cultural strategy is to ensure study of the existing situation and effective long term planning of cultural policy, creating new understanding about the meaning of culture in city administration and social development. The priorities of Riga cultural strategy are: 1) accessibility of culture for all Rigans; 2) support and investments in institutions (organizations, institutions, infrastructure), providing cultural and art processes in City and increasing its creative potential; 3) balanced distribution of culture over all the City; 4) flexible culture financing model being is able to adopt to the City development conditions and demographics; 5) creativity as integral part of city economic and management.

Riga City Council and the Ministry of Culture of Republic of Latvia have signed a protocol „Riga – 2014. Cultural and innovation centre of the Baltic Sea region”, with intention to enable becoming Riga the most modern and leading city in the Baltic Sea region in culture in 2014.

In 2008, there were 10 municipal cultural and recreation centers operating in Riga accounting 416 amateur groups with 13 300 participants, int. al. 93 children collectives with 4 185 participants. 657 students have attended 10 musical schools in territory of Riga City Municipality.

In order to promote the cultural diversity, quality of project implementation, as well as public involvement in organization of cultural events, Riga Municipality financial support for realization of cultural projects was allocated on competition basis. In 2008, in competitions for the financing of cultural projects, 195 projects of the total value of 241 thousand LVL were supported in such cultural areas as visual arts, music, theater, cultural diversity, etc. Overall 397 projects of the total value of 200 thousand LVL were supported in areas of cultural events and 39 projects of the total value of 146 thousand LVL were supported in areas of traditional culture.

In 2008, special purpose program of Riga festivals for 2007-2009 was continued, and its financing assigned to

43 festivals in the total amount of 375 thousand LVL. Within the special purpose program Riga City Municipality has supported such local festivals and festivals received international appreciation as the International Music Festival “Rhythms of Riga”, 14th International Baltic Ballet Festival, International European Documentary Film Symposium, International Contemporary Theater Festival “Homo Novus”, Days of Poetry, 11th International Sacred Music Festival, International New Author Short Film Festival „2 Annas”, 11th International Film Festival “The Baltic Pearl”, Riga Historical Music and Dance Festival, Contemporary Music Festival „Arena”, National Film Festival “Lielais Kristaps”.

In 2008, Riga City Council in cooperation with the Ministry of Defense and with state financial support organized celebration of the 90th anniversary of proclamation of Republic of Latvia in Riga. During the year a program of various events was provided, whereof the first ever festival „Shine Riga” when 33 objects were illuminated and following events attracted hundreds of thousands visitors as well as interest and appreciation of professionals.

In cooperation with the Ministry of Culture Riga City Council was co-organizer of XXIV Latvian Nationwide Song and XIV Dance Celebration. During celebration Riga was represented by almost 11 thousands participants from 311 collectives – 130 choirs, 57 dance collectives, 5 brass bands, 22 folk groups, 16 kokle player ensembles, 31 folk applied arts studios, 11 vocal ensembles, 10 amateur theatres and 29 minority collectives. More than 846 thousand LVL were assigned from the Municipal budget to provide organization of celebration (free of charge public transport in Riga for all participants, upkeep of locations where all the events took place, organization of traffic flow, organization of public order), to cover the expenses of participants and decorations in Riga.

“Festivity of Riga City - 2008” is an example of successful private and public partnership what was carried out in cooperation of Riga City Municipality with 24 nongovernmental organizations and private companies. The program of celebration consisted of more than 40 different events, int. al. singing together with theatre actors by the riverside, contest of fireworks, The Big Game of Festivity of Riga City, what were attended by more than 120 thousands of visitors. For financing this event, there were 200 thousand LVL assigned from the Municipal budget, but the total budget had reached 800 thousand LVL due to support of private companies and sponsors.

In 2008, Riga City participated in forum of European White Night Cities for the third time. Within this program 18 contemporary art projects were performed. For Contemporary Culture Forum „White Night 2008” there were assigned 100 thousand LVL from municipal budget and it was attended by 30 000 visitors.



## Development of largest cultural infrastructure objects in 2008

In 2008, reconstruction and repair works were performed at Riga libraries, cultural centers and art and music schools at an amount of LVL 379 429 thousand in total. The most significant culture infrastructure development projects:

- Reconstruction of Mezaparks Grand Open-Air Stage;
- Started reconstruction and repair of buildings of M.Chehov Riga Russian theatre at Kalku street 14, Kalku street 16 and Kaleju street 4;
- Practice hall of Pardaugava school of Music and Art at Graudu street 59;
- Renovation of Riga Central library Grizinkalna branch library at Alauksta street 10;
- Reconstruction of historical building of Riga Central library "Vidzeme" branch library at Brivibas alley 206;
- Renovation of Jugla school of Music at Murjanu street 44;
- Renovation of great hall of Pavula Jurjana school of Music at Balozu street 27;
- Repair and renovation of central and side door portals of 13th century architectural monument of national importance St. Peter church at Skarnu street 19;

- Renovation of 1st and 2nd floor foyers of Riga cultural and recreation centre „Imanta” at Anninmuizas avenue 29;
- Started renovation of building at Kronvalda avenue 8, provided for needs of Jazepa Medina school of Music;
- Performed technical inspection of 11 cultural institution buildings and infrastructure, developed renovation projects for 7 Riga Central library branch libraries and 2 cultural centers;
- Started development of renovation projects for renovation of „Ziemeļblazma” building and park and reconstruction of building.

## Activities in developing sports area

In 2008, Riga City Municipality supported different kind and level sports events, int. al. – Riga student sports games, Riga City Council secondary schools basketball cup, Riga cycling Marathon. Riga Professional sports schools students have successfully participated in state importance and international contests and sports events.

<b>Basic budget expense allocated to recreation, culture, and religion (kLVL)*</b>	<b>2006 actual</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Recreational and sports institutions and events	4 153.5	8 076.1	9 436.8	9 080.2
Culture	8 614.2	11 643.2	16 676.7	15 816.1
Other recreational, cultural, and religion-related services not classified above	531.7	2 301.5	9 845.4	8 651.5
<b>Basic budget expense, int. al.</b>	<b>13 299.4</b>	<b>22 020.8</b>	<b>35 958.9</b>	<b>33 547.8</b>
Investment	747.3	323.1	7 810.6	4 383.3
<b>Special purpose budget expenses</b>	<b>667.0</b>	<b>4 816.0</b>	<b>4 055.0</b>	<b>2 790.8</b>
<b>Total</b>	<b>13 966.4</b>	<b>26 836.8</b>	<b>40 013.9</b>	<b>36 338.6</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

**Culture, encouragement for preservation of traditional cultural values, and development of national creative work (organizational and financial support to cultural institutions and events, support to preservation of cultural monuments, etc.)**

Program goals / results	Budgeted	Actual
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Basic budget

*Goal:*

Rendering of quality and modern library services to Riga City inhabitants, participation in international level library cooperation, as well as improvement of qualification of Riga Central library and branch libraries' personnel for work with visitors of different ages and persons with special needs

*Results:*

Number of libraries (provided with free of charge internet)	42	42
Average cost of library operation (LVL)	75 640	69 695
Number of members (borrowers) (thousand)	90	68.5
Number of visits (thousand)	1 316.8	1 109.6
Average number of visits per member	14.6	16.2

*Goal:*

Involvement of City inhabitants in processes of cultural events and creative leisure time activities, providing implementation of Riga Municipality's cultural policies function, thereby enable to retain the cultural heritage and national traditions, purposeful use and ensure the consecutiveness, as well development of cultural environment in each Riga district/suburb

*Results:*

Number of cultural centers	10	10
Number of events organized by the cultural centers, int. al.:	2 810	2 592
events with free admission	2 280	1 693
number of events organized at cultural centers during state and traditional holidays	224	200
informative and educational events (lectures, seminars, conferences, etc.)	480	530
amateur concerts, performances, exhibitions	1 885	1 630
concerts, performances, exhibitions with participation of professionals	70	188
entertainment events	205	280
number of motion-picture shows	65	44
Total number of visits of events organized at cultural centers	815 500	1 001 152
Number of amateur groups, int. al.:	168	152
total number of participants	5 150	5 413
children's groups	62	34
number of participants in children's groups	1 300	1 887

*Goal:*

Improve the cultural life of Riga with Professional and high level performance, participate in developing Riga as one of the musical centers in Europe – brass band "Riga"

*Results:*

Total number of concerts and performances	95	45
Performances at events organized by Riga City Council and Riga City Council Department of Culture	25	10
Concerts financed by Riga Municipality, Riga Municipality Department of Culture and State Culture Capital Foundation	25	24
Paid concerts and performances	40	9
Self-organized concerts with paid admission (without financial support)	5	1
Concerts with free admission	-	12

*Goal:*

Provide inhabitants with a possibility of improving skills and talents in leisure time by participating in amateur art groups: choir, dance ensembles and folklore groups, amateur theaters, national applied arts studios, vocal ensembles, photo and motion picture studios for various age groups

*Results:*

Number of amateur performance groups per 1000 Rigans	20	20
Concerts with free admission, performed by amateur art groups (within year)	3 890	3 900
Total number of amateur groups and their members, int. al.:	282	280
number of participants	10 200	13 400
whereof - children	55	60



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
number of members in children's groups	2 500	3 127
Number of paid amateur group leaders	565	565
<i>Goal:</i>		
Provide Riga City inhabitants and guests with a possibility of having a pleasant free time, enjoying arts, and mastering traditions and history of Latvian nation		
<i>Results:</i>		
Number of days of the biggest events (events with more than 10 000 participants) during state and traditional holidays, competitions, and festivals	70	70
<i>Goal:</i>		
Rendering of museum services to inhabitants, and preservation of museum displays of Latvian history of culture: Museum of Aleksandrs Caks, and Riga Porcelain Museum		
<i>Results:</i>		
Number of institutions	2	2
Number of visitors	9 000	8 840
Number of museum exhibits	9 242	9 406
<i>Goal:</i>		
Provision of comprehensive cultural process in Riga City by executing Riga Cultural Policy conception program, int.al. promotion of arts and creative work of all type, preservation of cultural heritage and traditional culture, as well as provision of choice and accessibility of cultural values for wider society		
<i>Results:</i>		
Number of cultural project competitions announced by Riga City Council	2	2
Number of evaluated projects	1 250	1 125
Number of events supported in accordance with a resolution of Riga City Council Directorate of Culture commission for financing of events	475	592
<i>Goal:</i>		
Provide variety of festivals according to regulations of cultural policies issued by Riga City Council		
<i>Results:</i>		
Number of competition projects supported by Riga Festival program	40	43
<i>Goal:</i>		
Introduce the visitors of churches with the historical development of Riga construction, history of 13th century architectural monument of national importance St. Peter church, it's restoration, interior, int. al. use the tower for panoramic sightseeing of city, as well organize events of historical research and development of city, int. al. use rooms of buildings for cultural events		
<i>Results:</i>		
Visit of tower:		
Individual visits, int. al.:		
schoolchildren (average price of ticket 0,7 LVL)	15 400	17 187
adults (average price of ticket 2 LVL)	110 000	117 258
Organization of exhibitions and visits:		
art exhibitions	10	10
schoolchildren (individual visit price of ticket 0,1 LVL)	1 500	8 101
adults (price of ticket 0,5 LVL)	26 000	23 814
Organize of charity concerts:		
„Musical Tuesday”	52	50
„ Musical Tuesday” number of visitors	10 500	16 150
Other concerts	15	22
number of visitors	3 700	7 200
Rent of St. Peter hall for organized events	12	9
<i>Goal:</i>		
Involvement of City inhabitants in processes of cultural events and creative leisure time activities		
<i>Results:</i>		
Number of cultural and entertainment events organized by executive authorities	50	71



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
<i>Goal:</i>		
Provide variety and accessibility of cultural events and make use of cultural heritage of Riga		
<i>Results:</i>		
Participation in international projects in order to promote the recognizeability of Riga in Europe	2	4
Introduce unified ticket system (number of systems)	4	4
<i>Goal:</i>		
Promote the improvement of municipality work in stimulating the professional art events, cultural events, contemporary art exhibition quality and accessibility, as well cultural events according to Riga exhibition halls' activities concept		
<i>Results:</i>		
Number of exhibition rooms in Riga exhibition halls	2	3
Number of creative programs in Riga exhibition hall	4	4
Number of audience places in Riga exhibition hall	1 000	1 300
Number of visitors of art exhibitions at Riga exhibition hall	50 000	35 121
Number of organized exhibitions	17	17
Number of organized educational programs	10	20
Number of educational-entertaining events	18	23
<i>Goal:</i>		
Provide the activity of cinema „Riga”, offering the population variety of cultural programs – films, creative workshops, lecture room theatres, performances and musical events		
<i>Results:</i>		
Number of performances	5 640	2 514
Number of shown films	400	207
Films in festivals	-	137
Film clubs	3	3
Film premiere, int. al.:	8	34
Latvian film premiere	-	16
foreign film premiere	-	22
Film festivals	14	15
Free of charge film programs	4	2
Charity performances	4	5
Number of visitors	35 000	93 813
Animation film programs for children	-	2
<i>Goal:</i>		
Ensure preservation and popularization of Riga art nouveau historical heritage according to regulations of cultural policies issued by Riga City Council		
<i>Results:</i>		
Develop a product for tourists that popularizes art nouveau in Riga – create Retro tram and route „Mezaparks”	1	1
Number of organized events in order to popularize art nouveau historical heritage	2	5
Number of organized educational events	1	1
<i>Goal:</i>		
Preservation of Riga public monuments		
<i>Results:</i>		
Take possession of Riga public monuments (number of monuments)	10	35
Identification and registration of monuments: creation of monument passport (number of monuments)	20	36
Examination and projection of public monuments located in Riga for reconstruction (number of monuments)	20	10
<i>Goal:</i>		
Maintenance of the Monument of Freedom and provision of coordinated events		
<i>Results:</i>		
Cleaning of the territory surrounding the Monument of Freedom (sq m)	1 000	1 000
Upkeep of flower vases (number)	8	8





**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Care program for the Monument of Freedom, which involves cleaning of pedestrian walks and repair of joints (times per year)	1	1
Number of coordinated events at the Monument of Freedom	55	32
<i>Goal:</i>		
Upkeep of Riga warrior's cemetery and provision of coordinated events		
<i>Results:</i>		
Average upkeep costs of Riga warrior's cemetery ensemble, incl. upkeep of the Sacred fire, per day (LVL)	260	262
Upkeep of the lawn (sq m)	39 205	39 205
Upkeep of hedge grows (m)	2 510	2 510
Upkeep of flowerbeds (sq m)	1 900	1 900
Upkeep and cleaning of pedestrian walks (sq m)	18 600	18 600
Number of coordinated events in Riga warrior's cemetery	15	14
<b>Promotion of a healthy life-style</b>		
Basic budget		
<i>Goal:</i>		
Provide Rigans with an opportunity to strengthen health, rationally utilize their leisure time, achieve results in sports according to their own capabilities and fitness, as well as promote the image of Riga as a sportive city		
<i>Results:</i>		
Number of events organized within the framework of national sports subprogram (city championships, youth championships, tournaments, cup games, veteran competitions, and other city-level national sports events)	196	77
number of participants in these events	21 170	9 500
Sports education and training subprogram		
number of seminars for referee education etc.	11	2
number of participants in seminars	301	42
Sports activity subprogram for the disabled:		
number of events (championships and other sports activities)	67	31
number of participants in these events	2 130	1 050
Number of participants in international and state-level competitions (the president of Latvia cup games in track-and-field, international competitions in calisthenics "The Baltic Circle", international Riga City Council cup games in ball-room dancing)	460	520
Number of international events supported	18	7
Number of mass sports events	9	5
Number of participants in mass sports events	5 300	5 007
Riga City mass sports events for students and Riga district/suburb inter-school event programs:		
number of events	269	198
number of participants in these events	25 600	19 870
Support program for Sport-school sports events:		
number of events	40	28
number of participants in these events	4 600	3 200
Support for children and youth long-term development programs in sports:		
types of sports	12	12
number of sports groups	23	20
number of sportsmen	380	306
number of coaches	27	21
<i>Goal:</i>		
Provide inhabitants with specialized programs in individual types of sports (football, basketball, hockey), improve co-operation with institutions of general education and perform respective recruitment for children and youth programs of sports club "Riga" in matters of methodology for sports classes and practices		
<i>Results:</i>		
Number of departments in non-profit LLC "Sports Club "Riga""	6	6



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Number of participants in youth football tournaments organized by the sports club "Riga":	2	3
cup games of sports club "Riga" for three age groups	180	530
children's tournament "Football against drugs"	600	450
Participation in Latvian championships (major league, first league, in championship of Latvian youth): number of Riga teams	17	11
Participation in international championships: number of Riga teams	9	9
<i>Goal:</i>		
Provide inhabitants with leisure activities, sports events, provide children and youth with wholesome physical and mental development and involve them in sports, as well as organize valuable leisure time and recreation possibilities		
<i>Results:</i>		
Number of sports competitions and events (regional cross-country running competitions, "Annas Cup", "Ligo" Cup, "Anninmuiza Cup", etc.)	22	57
Number of participants	2 150	6 968
Number of visitors	29 200	32 480
<i>Goal:</i>		
Prepare information about Riga City Council sports activities (sports competitions and events in Riga) and provide information via mass media, as well prepare information stands and handouts		
<i>Results:</i>		
Number of different information forms prepared for via mass media (announcements, publication, stories, information about results, etc.)	24	14
int. al. advertisement and relaying about process of competition	4	2
Making and designing information stands, posters for popularizing sport events (number)	4	3
<b>Utilization of forests and waters of public use</b>		
<i>Goal:</i>		
Establishment and improvement of place for swimming and areas for leisure activities, cleaning and upkeep of territories		
<i>Results:</i>		
<b>Vecaki</b>		
Beach area (km)	2.8	2.8
Cost of upkeep per 1km (kLVL)	32.9	50.2
<b>Vakarbulli</b>		
Beach area (km)	8	8
Cost of upkeep per 1km (kLVL)	10	7
Place for swimming within Riga Vidzeme Suburb area (Babelisa Lake, Velnezers, Dambjapurva Lake, Juglas Lake)		
Total length of lakeshores to be maintained (m)	4 802	4 802
Total costs of upkeep (kLVL)	87.1	87.3
<i>Goal:</i>		
Management, watch, protection, and improvement of Riga Municipality forests in such a level as to provide inhabitants with possibility of multi-functional recreation		
<i>Results:</i>		
Forest watch and protection (ha)	380	380
Regeneration and upkeep of forests (ha)	30	30
Territory of forest provided to clean and upkeep (ha)	20	20
Average costs for cleaning and upkeep of one ha of forest (kLVL)	132	200
Creation of leisure activity fields (number)	1	2
Cost per leisure activity field (LVL)	200 000	158 000
Creation and improvement of recreational location near water (number)	10	10

\* summary financial performance report



### Economic activity

In 2008, LVL 133 million from Riga Municipality budget were assigned for economical activities, int. al. – LVL 108,3 million from basic budget and LVL 24,8 million from special purpose budget. It is 31% or by LVL 31 million more than in 2007, when there were LVL 101,8 million invested in ensuring economic activity in Riga. Budget resources of this functional category are mainly invested in Riga City public transport system and in maintenance of the traffic infrastructure and its control.

The public traffic system of Riga is providing services not only for inhabitants of Riga City but also inhabitants of Riga region. Riga municipal public transport network is well developed, and it provides traffic all around the city territory by means of 66 bus routes with total length of 1670 km, 11 tram routes with total length of 133,8 km and 20 trolleybus routes with total length of 165,98 km.

In 2008, a number of improvements in public transport route network were made: created bus route No. 30, partly relieving route No. 3; created bus route No. 29, as replacement of route No. 19a; route No. 19 elongated to Sarkandaugava.

Public transportation services in Riga City are provided by the Municipality LLC "Rigas satiksme". During the financial year Riga City Municipality transport system performed 3,9 millions of runs with a total amount of 246 millions of transported passengers. During the financial year 33,9 million passengers were transported free of charge and 78 million passengers were transported at a discount. The total share of transportation subsidized from Riga Municipality budget has reduced from 58% in 2007 to 45,5% in 2008, forming in average 307 thousand subsidized passenger transportations per day.

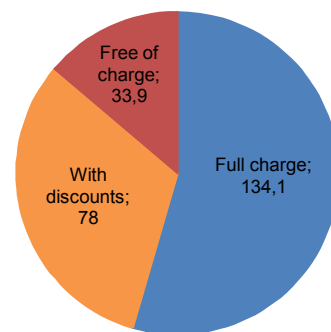
During the financial year the services of public transport in Riga Municipality were provided by 478 traffic buses, 252 traffic trams and 346 traffic trolleybuses. 81% of buses and 36 % of trolleybuses were equipped with low floor and lifts for wheelchairs, providing accessibility of these vehicles for passengers with limited motor possibilities.

In 2008, Riga City Council ordered renovation and construction of traffic buildings for total sum of LVL 15,2 million.

The major investment projects:

- Finished renovation of bridge over the Baltezers lake channel at Jaunciema alley, significantly improving traffic flow and traffic security in this stage of road;
- Finished construction of the South Bridge 3rd stage from Bauskas street to Ziepniekkalna street, 1st stage – road crossing of the South Bridge and Bauskas street, connecting the bridge to the streets network of Pardaugava;
- Finished construction of two level crossing at Brivibas alley and Jugla street, what is one of the most significant traffic infrastructure development project carried out in order to improve traffic flow in Riga in recent years. Co-financing of European Regional Development Fund (ERAF) was attracted to this project;
- Construction of Eastern main road at Gaujas street – Meža avenue (1st stage);
- Construction of bikeway Mezaparks – Vecaki.

**Passengers transported in Riga public transport in 2008 (MIL passengers)**





<b>Budget expense allocated to economic activity (kLVL)*</b>	<b>2007 actual</b>	<b>2008 budgeted</b>	<b>2008 actual</b>
Agriculture, forestry, fishery, and hunting	500.0	-	-
Mining, industry, and construction	638.8	2 628.1	1 574.8
Transportation	78 916.7	103 854.1	96 665.9
Other sectors	471.5	503.7	499.8
Other economic activity not classified above	3 539.1	6 220.1	9 562.5
<b>Basic budget expenses, int. al.</b>	<b>84 066.1</b>	<b>113 206.0</b>	<b>108 303.0</b>
Investments	3 738.8	16 486.3	7 687.6
<b>Special purpose budget expenses</b>	<b>17 749.0</b>	<b>35 179.7</b>	<b>24 778.6</b>
<b>Total</b>	<b>101 815.1</b>	<b>148 385.7</b>	<b>133 081.6</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006

**Riga Municipality budget program 2008 goals, results, and financial performance\*** **Financial performance in 2008**

Program goals / results	Budgeted	Actual
<b>Provision of public transportation services</b>		
Basic budget		
<i>Goal:</i>		
Ensure public transportation services of adequate quality, continuously increasing their quality: LLC "Rigas Satiksme"		
<i>Results:</i>		
Mileage (thousand km)	60 980	61 840
Number of passengers transported (thousand passengers)	265 839	246 074
Number of passengers transported at a discount (thousand passengers)	118 000	78 333
Number of passengers transported free of charge (thousand passengers)	33 972	33 972
<b>Improvement of the administrative territory, and sanitary cleanness (construction, reconstruction and maintenance of streets, roads, and squares)</b>		
Basic budget		
<i>Goal:</i>		
Ensure uninterrupted, comfortable, and safe traffic		
<i>Results:</i>		
Maintenance of street surfacing: repair of bumps (thousand sq m)	112.2	137.5
Prevention of street slipperiness in winter-time by use of anti-slipperiness materials, snow removal, swiping, dust removal, and swiping during summer-time (mil. sq. m)	8.8	9.2
Removal of snow from streets (thousand h)	34.7	20
Cleaning street surfacing (4,4 mil. cub. m) with cleaning – watering equipment (h)	1 890	2 083
Waste collection and removal from trashcans and containers (thousand cub. m)	16	8.4
Cleaning of public transportation stops (number)	1 311	1 314
Anti-slipperiness materials collection and removal after winter-time (km)	1 958	1 603
Maintenance and repair of street surfacing (thousand sq m)	682.8	1 174
Cleaning of greenery (thousand sq m)	1 514.5	1 514.5
Cleaning of rainwater collectors (thousand m)	143	154
Maintenance of cycling track Old Town - Imanta (km)	15	15
Maintenance of rainwater pumping stations (number)	7	7
<i>Goal:</i>		
Ensure uninterrupted and safe traffic over bridges, crossovers, pedestrian tunnels, and fixated embankments, as well as ensure preservation of the above-mentioned buildings and structures		
<i>Results:</i>		
Maintenance of bridges, crossovers, and pedestrian tunnels (number of objects)	99	100



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Periodic inspection and daily upkeep of embankments (km)	38	38
Daily upkeep of metal barriers (km)	49	78
<i>Goal:</i>		
Ensure traffic organization in Riga City streets, controllable intersections, and pedestrian crossings		
<i>Results:</i>		
Maintenance of traffic lights systems (quantity)	300	301
Upkeep of controllable pedestrian crossings (quantity)	63	65
Upkeep of the traffic's "green wave" on streets (length in km)	18	18
Upkeep of road signs (quantity)	27 297	27 971
Maintenance of pedestrian barriers (m)	10 000	10 000
Upkeep of information posters (sq m)	340	340
<i>Goal:</i>		
Ensure organization of traffic participants over driving lanes in Riga City Streets		
<i>Results:</i>		
Maintained horizontal road markings (sq m)	65 840	65 840
Ensure the visibility of road signs for pedestrian crossings, "zebra", int.al.:		
controllable intersections (number)	200	200
controllable pedestrian crossings (number)	48	48
uncontrollable pedestrian crossings (number)	323	323
Ensured split of lanes on main streets and streets with considerable public transport traffic, int.al.:		
length of streets (km)	420	420
area of streets (thousand sq m)	4 900	4 900
<i>Goal:</i>		
Perform reconstruction works on streets with damaged surfacing and structures improving the quality of surfacing on pedestrian roads and carriageways		
<i>Results:</i>		
Reconstructed damaged surfacing on carriageways (sq m)	19 000	122 641
Reconstructed damaged surfacing on pedestrian roads (sq m)	47 000	19 432
Reconstructed greenery areas (sq m)	24 000	16 110
<i>Goal:</i>		
Ensure maintenance of internal driveways of residential areas, roads of public use, and maintenance of territories		
<i>Results:</i>		
Total area of road surfacing reconstruction and bump repair works (sq m)	178.8	92.8
<i>Goal:</i>		
Determine load carrying capacity of artificial structures: crossovers and tunnels to ensure traffic safety; identify value and remaining useful life of Riga City infrastructure objects		
<i>Results:</i>		
Special inspections of traffic structures (bridges, crossovers, and pedestrian tunnels)	12	16
Ensure the quality control of street surfacing providing inspection of materials, int.al.:		
inspection of rough and fine materials	15	29
Special purpose budget		
<i>Goal:</i>		
Ensure uninterrupted and safe traffic by performing upkeep of objects in accordance with the Riga City Council regulations No.13 "On utilization of resources from Municipality fee on vehicles entering Old Town" as of 05.05.1998 and amendments to regulations No.34 as of 18.05.1999		
<i>Results:</i>		
Disposal of objects for traffic organization in Old Town (number of objects)	50	68
Street surfacing repairs (sq. m)	2 500	4 370
Prevention of street slipperiness by use of anti-slipperiness materials, collection and removal of snow during wintertime, and cleaning during summertime (sq m)	90 600	90 600
Anti-slipperiness materials collection and removal after winter-time (sq m)	45 100	32 543
Cleaning in green areas (sq m)	1 076	1 076



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Waste removal (thousand cub m)	350	648
Upkeep of Old Town flower vases (number)	35	28
Maintenance of Grečinieku Street tunnel	1	1
<i>Goal:</i>		
Provide pedestrians with uninterrupted and safe traffic in pedestrian tunnels, and preservation of tunnel structures by performing daily upkeep works		
<i>Results:</i>		
Cleaning of tunnel flooring and stairs surfacing, and strewing with anti-slipperiness material, removal of snow during wintertime, and cleaning during summertime (number of tunnels)	4	4
<i>Goal:</i>		
Perform reconstruction works of streets with damaged surfacing and structures by improving the quality of surfacing on pedestrian roads and carriageways		
<i>Results:</i>		
Reconstructed street surfacing (sq m)	97 100	114 027
Reconstructed surfacing of pedestrian walks (sq m)	25 103	36 574
<b>Construction and city development</b>		
Basic budget		
<i>Goal:</i>		
Perform construction and city development functions in competence of the Municipality		
<i>Results:</i>		
Preparation and issue of planning and architectural regulations (number)	5 000	1 850
Average costs of planning and architectural regulations (a document) (LVL)	22.5	22.5
Provision of utilities (number)	1 000	788
Living houses and apartments put into operation (number of objects)	2 500	1 494
Construction permits issued	2 800	1 789
Construction permits issued for engineering structures	700	847
Development and administration of detail-plans	4	1
<i>Goal:</i>		
Increasing of Riga City architectural quality and development of society awareness of architectural matters		
<i>Results:</i>		
Number of plenaries and conferences organized	6	7
Number of city development projects/proposals created	4	3
Number of events aimed at informing the society on architectural processes in Riga	6	5
<b>Utilization of forests and waters of public use</b>		
Special purpose budget		
<i>Goal:</i>		
Management of fish resources in water bodies of administrative territories of Riga City (according to agreement protocol between National board of fisheries of Ministry of Agriculture and Riga City Municipality) – conclude a lease agreement with fishing artels, enterprises for commercial fishing rights and fishermen, who are dealing with fishing for own use, issue of special permissions (licenses) to enterprises registered in Latvia as well as sole traders, fishing artels and farms and co-op companies for commercial fishing in water reservoirs within administrative territory of Riga		
<i>Results:</i>		
Average number of lease agreements for commercial fishing rights concluded with individuals and legal entities per year	40	48
Issued special permissions (licenses) for commercial fishing rights	8	3
<b>Tourism</b>		
Basic budget		
<i>Goal:</i>		
Development of tourism in Riga		
<i>Results:</i>		
Service at Riga Tourism Coordination and Information Centre (number of tourists)	226 000	226 161
Participation in international projects	3	3
Participation in international fairs	32	35



**Riga Municipality budget program 2008 goals, results, and financial performance\***

**Financial performance in 2008**

Program goals / results	Budgeted	Actual
Signing cooperation agreements	130	121
Prepared for publishing sorts of printing materials	11	35
<i>Goal:</i>		
Enable cooperation in tourism between Riga and Warsaw, provide distribution of information in Warsaw about tourism and recreation opportunities in Riga and Latvia		
<i>Results:</i>		
Service at Warsaw Tourism Coordination and Information Centre (number of tourists)	10 000	6 702
Participation in international fairs	6	4
Signing cooperation agreements	10	7

\* Summary financial performance report



## Public order and security

In 2008, Riga Municipality has paid substantial attention to solving public order and security issues in the City. From the Riga Municipality basic budget and special purpose budget there were LVL 11,5 million in total allocated to this purpose, which is by LVL 0,7 million more than in 2007.

In 2008 the Riga Municipality Policy officials secured public order in 199 mass gathering events, including State Holidays of the Republic of Latvia, visits of foreign delegations, celebration events of the 90th anniversary

of the Republic of Latvia, Song and Dance festival, during the events organized by Riga Municipality, piquets, street processions, sport and recreation events. In order to facilitate cooperation and experience exchange, in 05.12.2008 there was a cooperation agreement between Riga Municipality Policy, Tallinn Municipality Policy and Vilnius City Council City Security Department concluded. Apart of fulfilling the direct duties related to ensuring public order and offence prevention, informative and educational activities were performed, as well as consultations provided to the City's inhabitants and guests.

Budget expenses allocated to public order and security (kLVL)*	2006 actual	2007 actual	2008 budgeted	2008 actual
The police	6543.4	9 452.6	10 172.8	10 138.9
The court and prosecutor's offices **		1 109.9	1 344.2	1 339.0
<b>Basic budget expenses, int. al.</b>	<b>6543.4</b>	<b>10 562.5</b>	<b>11 517.0</b>	<b>11 477.9</b>
Investments	39.9	44.2	5.9	5.9
<b>Special purpose budget expenses</b>	<b>30.7</b>	<b>206.8</b>	<b>709.8</b>	<b>26.0</b>
<b>Total</b>	<b>6574.1</b>	<b>10 769.3</b>	<b>12 226.8</b>	<b>11 503.9</b>

\* As since 2007, new budget expense classification according to categories is in force and has been applied (Rules and regulations of the Cabinet of Ministers No.934, effective December 13, 2005), expenses of several functional categories cannot be directly compared to expenses in 2006

\*\* In 2006, custody courts and parish courts were shown under function "Social Security"

## Riga Municipality budget program 2008 goals, results, and financial performance\*

## Financial performance in 2008

Program goals / results	Budgeted	Actual
<b>Provision of public security</b>		
Basic budget		
<i>Goal:</i>		
Provide public order, security of inhabitants and City guests, protection of their legal interests, create safe environment for children		
<i>Results:</i>		
Number of persons having used police services (incl. City guests)	668 685	954 892
Servicing costs per customer (LVL)	17.7	10.5
Provision of police services, int. al.:		
number of protected municipality institutions/objects	54	50
number of mass events serviced	550	199
number of other events, when the legitimacy was protected by the municipal police	18 568	166 751
Intervention of police upon the request of inhabitants (number of occasions)	41 581	51 877
Access to police (number of service points: directorates, stations, support bases, etc.)	34	31
Police response time: arrival of patrol at the scene (min)	26	27
Number of police officers at service each day (on streets etc. public space)	242	243
<b>Cases of guardianship, trusteeship, and adoption, as well as issues related to foster families</b>		
Basic budget		
<i>Goal:</i>		
Ensure in accordance with the competence of Riga Orphans' Court children's rights protection in cases, when parents are not able to or cannot ensure it, and facilitate children's right to grow up and develop in a safe environment: family		
<i>Results:</i>		
Pre-adoption research (number of families)	90	153
Post-adoption monitoring (number of families)	160	93





<b>Riga Municipality budget program 2008 goals, results, and financial performance*</b>	<b>Financial performance in 2008</b>	
Program goals / results	Budgeted	Actual
Decisions on pre-adoption care	170	104
Number of children who are subject of decision about adoption in their own interests (int. al. abroad)	120	111
Work with persons who are recognized as adopters (number of families)	160	162
Forfeiture of child-care rights (number of parents)	300	254
Resumption/not resumption of child-care rights (number of parents)	160	57/160
Submission of application to court to debar rights of guardianship (number of persons)	350	183
Establishment of trusteeship, monitoring of trusteeship (number of children)	270	176/1406
Preparation and issue of guardianship certificates (number)	245	303
Evaluation of annual payment reports of guardians and trustees (number of persons)	2 340	1 703
Inspection of children under guardianship	1600	879
Forfeiture of guardianship (number of children)	300	189
Work with families not providing sufficient care for growth and development of children (number of families)	1 000	395
Appointment of trustees to incapable persons and monitoring of activities of guardians (number of incapable persons)	190	90/748
Inspection of incapable persons	660	299
Appointment and abolition of a trustee for legacy, property of a person in absence, monitoring of a trustee (number of occasions)	80	187
Provision of out-of-family care to a child in child-care institutions (number of children)	150	199
Inspection of children at child-care institutions	800	677
Number of children put out to nurse in foster families	100	30
Children in children care institutions allowed to visit host families, int. al. abroad (number of children)	280	153
Granting of rights of action with property of underage persons and incapable adults (number of occasions)	480	406
Monitoring of property management (number of persons)	3 000	221
Review of court notices on eviction of families with children from dwelling places (number of occasions)	250	152
Demanding and issue of certificates for provision of social guarantees (number of certificates)	1 800	1 238
Participation in courts	1 700	1 787
Number of applications submitted to court	200	155
Number of advice of a psychologist	4 495	1 175
Number of families consulted by a psychologist	400	224
Psychologist's conclusions (number of cases)	300	196
Decisions on discontinuation of social benefits to persons who do not bring up children, and allocation of these benefits to persons who actually perform upbringing of children	140	127
Permits for change of nationality, name or surname of a child	40	6
Discontinuation of out-of-family care at an out-of-family care institutions (number of children)	80	105
Conclusions related to order of individual cases of guardianship or rights of contacts	130	189
Cooperation with foreign institutions in ensuring the children rights (number of cases)	40	44
Adequacy with role of guardian, trustee (number of persons)	-	34
Inspection of children put out to nurse in foster family	-	100
Extend the stay of child in foster family (number of cases)	-	39
Inspection of family conditions according to request of Orphans' Court (number of cases)	-	98
Number of mediations (consultations)	-	113
Number of families advised at mediations	-	53
Number of settlements during mediation	-	14
Reached understanding between parents in cases of disagreement (number of cases)	-	34

\* summary financial performance report



## To the Riga City Council:

### Report on the financial statements

1. We have audited the 2008 summary financial statements of the Riga City Council, prepared in accordance with the Regulations No.749 issued by the Cabinet of Ministers of the Republic of Latvia "Regulations on preparation of financial statements of state budget institutions and municipalities" and accounting policies described in the summary financial statements. Financial statements of municipal enterprises and Riga Free Port Authority are not consolidated in these summary financial statements. The 2008 summary financial statements of Riga City Council is the responsibility of the management of Riga City Council. Our responsibility is to express an opinion on such summary financial statements. Our report dated 16 April 2009, on such summary financial statements, expressed a qualified opinion, as described in paragraph 1a) through 1d) below. The summary financial statements for the year ended 31 December 2007 were audited by another auditor; whose report dated 18 April 2008 expressed a qualified opinion considering several matters. All qualifications were considered and included in our auditors' report, dated 16 April 2009, if necessary.

a) Except as described in the Basis for Qualified Opinion paragraph b1 and b2, we conducted our audit in accordance with International Standards on Auditing.

b) Basis for Qualified Opinion

1. The Riga City Council continues to register properties owned by Riga City in the Land Register. As a result of this process, the Riga City Council makes adjustments in property value and determines ownership of the properties with previously unclear ownership. This process is completed only for part of properties owned by the municipality and for the part of the land located in Riga City's administrative territory. Therefore, it is expected that the value of the property as of 31 December 2008 and during subsequent periods will be adjusted. We were not able to determine the amount of adjustments which might be necessary as of 31 December 2008. These circumstances also existed as of 31 December 2007, and auditors of the financial statements for 2007 qualified their opinion for this issue.

2. As of 31 December 2008 fixed assets include residential buildings involved in privatization process with net book value of LVL 22 million. According to Regulations No.867 issued by the Cabinet of Ministers of the Republic of Latvia "On accounting of budgetary institutions", if the value of non-current asset on the reporting date is lower

than its book value, the book value of this asset should be decreased to the lower value. As part of the value of the above mentioned properties will be recovered by receiving privatisation certificates, which will not provide any cash inflows for the municipality, there is a possibility that the fair value of future cash flows from privatisation will be lower than the book value as of 31 December 2008. As currently the Riga City Council is unable to determine the recoverable amount of these properties and which part which will be disposed during the year 2009, we were not able to determine the amount of potential impairment loss and correct classification of the buildings as of 31 December 2008.

3. In 2008 and also in previous years structural units of Riga City have used foreign grants for financing of construction and acquisition of non-current assets and reported grants as revenue in the period when the grant was received. According to the Regulations No.867 issued by the Cabinet of Ministers "On accounting of budgetary institutions", foreign grants which have been received for the purpose of purchase or construction and acquisition of non-current assets should be initially recorded as deferred income and recognized in the statements of revenues and expenses over the useful life of the respective assets. Had the foreign financial assistance been accounted for in compliance with the above Regulations, the budget execution result of the Riga City Council for the current year and the previous years would have been smaller, while the deferred income presented in the balance sheet would have been larger. Considering that the foreign financial assistance was not reported correctly in 2008 and in the prior years, we were not able to determine the amount of potential adjustments and estimate the effect such adjustments could produce on the balance sheet caption Deferred income, Equity, and the Result for the current year. These circumstances also existed as of 31 December 2007, and auditors of the financial statements for 2007 qualified their opinion for this issue.



c) Qualified Opinion

In our opinion, except for the possible effect on the summary financial statements of the matters referred to in the Basis for Qualified Opinion paragraph 1b1 and 1b2 due to the uncertainty of possible effect on current and previous year's financial statements, and except for the impact of corrections on financial statements as described in the Basis for Qualified Opinion paragraph 1b3, the summary financial statements referred to above give a true and fair view of the financial position of the Riga City Council as of 31 December 2008, and its financial performance and its cash flows for the year then ended in accordance with the Regulations No.749 issued by the Cabinet of Ministers of the Republic of Latvia "Regulations on preparation of financial statements of state budget institutions and municipalities" and accounting policies of Riga City described in these summary financial statements.

d) Emphasis of Matter

Without further qualifying our opinion we draw attention to the fact that as of 31 December 2008 Northern Crossing project costs in the amount of LVL 4.5 millions are capitalised in the balance sheet as "Unfinished construction". These costs mainly relate to environmental impact assessment, economical and technical feasibility studies and sketch design. There is a significant uncertainty related to the implementation and/or timing of the project. The accompanying financial statements do not include any adjustments resulting from this uncertainty.

Without further qualifying our opinion we draw attention to the fact that in 2007 Riga City Council completed measurement of the Riga City's streets, bridges and cross-overs as well as external lighting equipment and systems and presented them in its balance sheet appropriately, recognising in its statement of revenues and expenses income in the amount of LVL 611 million from recognition of the non-current assets which had not been recognised previously. In 2005 and 2006 recognition of streets, bridges and cross-overs has been recorded in revaluation reserve in the amount of LVL 32 millions. In 2008 Riga City Council decreased revaluation reserve and recognised current year income for LVL 32 million.

2. The accompanying 2008 condensed financial statements of Riga City Council, set out on pages 68 through 83 are the responsibility of the management of Riga City Council. Our responsibility is to express an opinion on such condensed financial statements in relation to the complete summary financial statements from which they have been derived. In our opinion, the information set forth in the accompanying 2008 condensed financial statements is fairly stated, in all material respects, in relation to the summary financial statements from which it has been derived. To obtain a more complete view of the financial position of the Riga City Council as at 31 December 2008, and of the results of its operations for the year then ended, the accompanying condensed financial statements should be considered together with the 2008 summary financial statements of the Riga City Council, from which they have been derived, and the respective auditor's report.

Deloitte Audits Latvia SIA  
License No. 43

Hendrik Kramer  
Authorized Representative

Inguna Staša  
Sworn auditor  
Certificate no. 145

Riga, Latvia  
18 May 2009

# Riga Municipality Financial Statements (summary)

Riga Municipality Summary Balance Sheet	31.12.2007. (kLVL)	31.12.2008. (kLVL)
<b>Assets:</b>	<b>1 712 984.5</b>	<b>1 953 618.1</b>
Long-term assets	1 580 420.5	1 836 018.0
Intangible assets	5 217.4	7 003.1
Tangible fixed assets	1 302 512.2	1 477 792.5
Financial investments	272 690.9	351 222.4
Current assets	132 564.0	117 600.1
Inventory	33 730.2	7 179.0
Productive animals and draft animals	-	-
Accounts receivable	10 018.1	13 584.1
Prepaid expenses	5 053.0	4 913.3
Securities and short term investment in equity capital	11 660.7	4 962.6
Cash and cash equivalents	72 102.0	86 961.1
<b>Liabilities:</b>	<b>1 712 984.5</b>	<b>1 953 618.1</b>
Equity	1 466 482.4	1 604 365.4
Reserves	168 941.7	135 840.9
Retained budget surplus for the prior year	564 479.0	1 297 540.6
Budget surplus for the year	733 061.7	170 983.9
Provisions	13 440.5	330.3
Liabilities	233 061.6	348 922.4
Borrowings	108 838.8	101 585.9
Accounts payable	97 069.9	163 450.6
Taxes payable	3 250.3	4 914.2
Payables to affiliated enterprises, shareholders, and employees	11 379.1	15 651.3
Other liabilities	12 523.5	63 320.4
<b>Off-balance assets and liabilities:</b>		
Off-balance assets	34 878.5	32 673.3
Leased assets	2 979.0	2 447.6
Privatization certificates received as compensation for privatized property	4 852.1	5 314.7
Doubtful receivables	1 291.4	1 443.8
Other off-balance sheet assets	25 756.0	23 467.2
Off-balance receivables	1 566.8	1 671.3
Dividends receivable and payments for utilization of shares	1 249.1	1 232.2
Fines receivable	151.1	278.4
Actions of detinue	7.8	7.6
Other off-balance sheet receivables	158.8	153.1
Off-balance liabilities	581 074.2	644 443.9
Future payments according to contracts, signed for foreign financial support and financed projects of political instruments of European Union	-	1 020.0
Outstanding prepayment invoices	0.2	1.6
Future rent payments	1 706.8	1 093.4
Future liabilities	559 212.2	621 410.6
Warrants issued	15 509.8	15 523.6
Other off-balance sheet liabilities	4 645.3	5 394.7



<b>Income Statement (Basic budget)</b>	<b>2007</b>	<b>2008</b>
Accrual basis	(kLVL)	(kLVL)
<b>Total revenues</b>	<b>1 128 583.0</b>	<b>665 048.7</b>
<b>Total tax revenues</b>	<b>345 367.0</b>	<b>395 326.0</b>
Personal income tax	300 215.4	351 311.8
Property taxes	40 504.2	39 655.9
int.al.: Real estate tax on land	9 960.1	14 881.5
int.al.: Real estate tax on buildings and structures	30 535.9	24 782.5
Other tax revenues	4 647.4	4 358.3
<b>Total non-tax revenues</b>	<b>694 909.0</b>	<b>144 470.8</b>
Government and municipality fees, transferred to municipal budget	177.0	406.1
Revenues from paid services provided by public institutions	94 750.2	59 228.0
Other non-tax revenues	599 981.8	84 836.7
<b>Total tax and non-tax revenues</b>	<b>1 040 276.0</b>	<b>539 796.8</b>
<b>Payments from state basic budget</b>	<b>83 007.7</b>	<b>113 481.3</b>
Earmarked subsidies for municipal budgets	75 382.5	92 673.9
int.al.: Revenues in municipal budget from public institutions on capital expenditures	1 940.1	170.0
Subsidies for municipal budgets	7 625.2	20 807.4
<b>Municipal budget transfers</b>	<b>5299.3</b>	<b>11770.6</b>
<b>Total expenses</b>	<b>477 103.5</b>	<b>575 895.2</b>
<b>Expenses by government function*</b>		
General governmental agencies	130 907.4	134 533.7
int.al.: Deposits to municipal cohesion fund	46 515.5	52 583.2
Public order and security	10 256.1	11 423.6
Economic activity	78 807.9	108 162.7
Environment protection	2 933.5	3 058.3
Municipal territory and housing management	18 239.0	27 457.0
Health care	13 033.9	12 757.5
Leisure, culture, and religion	23 057.9	28 783.7
Education	155 567.4	192 827.7
Social security	44 300.4	56 891.0
<b>Budget surplus or deficit</b>	<b>651 479.5</b>	<b>89 153.5</b>

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"



<b>Income Statement (Special purpose budget)</b>	<b>2007</b>	<b>2008</b>
Accrual basis	(kLVL)	(kLVL)
<b>Total revenues</b>	<b>97 977.2</b>	<b>147 959.2</b>
<b>Riga Municipality Property Privatization Fund</b>	<b>20 369.0</b>	<b>17 808.4</b>
Revenues from privatization of state and municipal property	19 430.5	16 501.7
Revenues from privatization of apartments and valuation of uninhabitable housing resources	938.5	1 306.7
<b>State Road Fund</b>	<b>13 356.9</b>	<b>22 770.2</b>
Motor vehicle duty and excise tax	12 487.1	15 269.1
Earmarked subsidies for regular bus traffic	869.8	7 501.1
<b>Natural resources tax</b>	<b>359.9</b>	<b>375.8</b>
Municipality revenues stated in the Law "On Natural Resources Tax"	359.9	375.8
<b>Other revenue</b>	<b>63 891.4</b>	<b>107 004.8</b>
Riga City Development Fund (revenues from lease of land, and other revenues)	4 443.3	1 638.5
Other special purpose budget revenues	59 448.1	105 366.3
<b>Total expenses</b>	<b>16 958.8</b>	<b>66 615.5</b>
<b>Expenses by government function*</b>		
General governmental agencies	7 215.3	29 850.4
Public order and security	-100.5	11.7
Economic activity	7 001.3	31 897.3
Environment protection	976.1	970.3
Municipal territory and housing management	266.0	2 933.6
Health care	194.9	64.2
Leisure, culture, and religion	345.4	508.6
Education	46.0	147.9
Social security	1 014.3	231.5
<b>Budget surplus or deficit</b>	<b>81 018.4</b>	<b>81 343.7</b>

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"



<b>Income Statement (Basic budget)</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
Cash flow basis	<b>actual</b>	<b>budget</b>	<b>actual</b>
	(kLVL)	(kLVL)	(kLVL)
<b>Total revenue</b>	<b>467 112.9</b>	<b>546 626.5</b>	<b>554 698.4</b>
<b>Total tax revenue</b>	<b>345 154.0</b>	<b>395 562.6</b>	<b>394 682.8</b>
Personal income tax	300 249.0	354 308.7	351 948.1
Property taxes	40 257.6	36 653.9	38 376.4
int.al.: Real estate tax on land	10 080.7	13 437.6	14 210.2
int.al.: Real estate tax on buildings and structures	30 176.9	23 216.3	24 166.2
Other tax revenue	4 647.4	4 600.0	4 358.3
<b>Total non-tax revenue</b>	<b>38 951.2</b>	<b>41 056.3</b>	<b>45 890.0</b>
Government and municipality fees, transferred to municipal budget	153.6	310.0	353.3
Revenue from paid services provided by public institutions	36 876.2	36 526.3	36 229.7
Other non-tax revenue	1 921.4	4 220.0	9 307.0
<b>Total tax and non-tax revenue</b>	<b>384 105.2</b>	<b>436 618.9</b>	<b>440 572.8</b>
<b>Payments from the state basic budget</b>	<b>83 007.7</b>	<b>110 007.6</b>	<b>114 125.6</b>
Earmarked subsidies for municipal budgets	75 382.5	93 177.9	93 171.6
int.al.: Revenues in municipal budget from public institutions on capital expenditures	1 940.1	170.0	170.0
Subsidies for municipal budgets	7 625.2	16 829.7	20 954.0
<b>Total expenses</b>	<b>454 706.8</b>	<b>558 849.4</b>	<b>539 445.3</b>
<b>Expenses by government function*</b>	<b>88 987.7</b>	<b>99 611.9</b>	<b>95 773.4</b>
General governmental agencies	46 515.5	52 583.2	52 583.2
int.al.: Deposits to municipal cohesion fund	10 562.5	11 517.0	11 477.9
Public order and security	84 066.1	113 206.0	108 303.0
Economic activity	2 138.7	4 133.6	3 605.7
Environment protection	37 541.1	26 713.7	26 267.5
Municipal territory and housing management	13 233.5	13 284.9	12 422.6
Health care	22 020.8	35 958.9	33 547.8
Leisure, culture, and religion	153 547.4	194 045.2	189 215.1
Education	42 609.0	60 378.2	58 832.3
Cash and cash equivalents at the beginning of the year	27 097.6		39 503.7
Cash and cash equivalents at the end of the year	39 503.7		57 221.2

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"

<b>Income Statement (Special purpose budget)</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
Cash flow basis	<b>actual</b>	<b>budget</b>	<b>actual</b>
	(kLVL)	(kLVL)	(kLVL)
<b>Total revenues</b>	<b>47 079.1</b>	<b>68 917.8</b>	<b>52 069.5</b>
<b>Riga Municipality Property Privatization Fund</b>	<b>16 661.9</b>	<b>22 767.2</b>	<b>22 059.2</b>
Revenues from privatization of state and municipal property	15 747.5	22 000.3	21 316.5
Revenues from privatization of apartments and valuation of uninhabitable housing resources	914.4	766.9	742.7
<b>State Road Fund</b>	<b>13 356.9</b>	<b>21 981.6</b>	<b>22 770.2</b>
Motor vehicle duty and excise tax	12 487.1	15 269.1	15 269.1
Earmarked subsidies for regular bus traffic	869.8	6 712.5	7 501.1
<b>Natural resources tax</b>	<b>359.9</b>	<b>350.0</b>	<b>375.8</b>
Municipality revenues stated in the Law "On Natural Resources Tax"	359.9	350.0	375.8
<b>Other revenue</b>	<b>16 700.4</b>	<b>23 819.0</b>	<b>6 864.3</b>
Riga City Development Fund (revenues from lease of land, and other revenues)	4 488.1	5 300.0	4 334.3
Other special purpose budget revenues	12 212.3	18 519.0	2 530.0
<b>Total expenses</b>	<b>38 924.4</b>	<b>96 912.2</b>	<b>54 780.1</b>
<b>Expenses by government function*</b>			
General governmental agencies	6 250.2	15 805.0	9 814.0
Public order and security	206.8	709.8	26.0
Economic activity	17 749.0	35 179.7	24 778.6
Environment protection	1 044.9	11 520.6	929.9
Municipal territory and housing management	2 269.4	6 187.0	4 110.0
Health care	172.5	44.1	57.6
Leisure, culture, and religion	4 816.0	4 055.0	2 790.8
Education	4 871.0	21 528.0	11 356.2
Social security	1 544.6	1 883.0	917.0
Cash and cash equivalents at the beginning of the year	24 012.3		32 167.0
Cash and cash equivalents at the end of the year	32 167.0		29 456.4

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"





<b>Income Statement on donations and endowments</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
Cash flow basis	<b>actual</b>	<b>budget</b>	<b>actual</b>
	(kLVL)	(kLVL)	(kLVL)
<b>Total revenues</b>	<b>832.4</b>	<b>2 127.0</b>	<b>269.1</b>
<b>Donations and endowments by legal entities and individuals</b>	<b>832.4</b>	<b>2 127.0</b>	<b>269.1</b>
Donations and endowments to education	314.5	662.3	195.0
Donations and endowments to social aid	2.6	13.7	2.6
Other donations by legal entities and individuals	515.3	1 451.0	71.5
<b>Total expenses</b>	<b>636.5</b>	<b>2 519.9</b>	<b>416.9</b>
<b>Expenses by government function*</b>			
General governmental agencies	-	20.0	27.9
Public order and security	-	3.0	-
Economic activity	382.0	1 509.7	101.8
Municipal territory and housing management	14.6	36.8	23.0
Leisure, culture, and religion	2.2	8.2	0.9
Education	236.9	921.3	260.5
Social security	0.8	20.9	2.8
Cash and cash equivalents at the beginning of the year	235.4		431.3
Cash and cash equivalents at the end of the year	431.3		283.5

\*Overview of budget expenses by government function has been prepared in accordance with the Republic of Latvia Cabinet of Ministers Regulations No.934 "Regulations on the classification of budget expenses by functional categories"

# Terms of Riga Municipality Consolidated Financial Statements preparation

## General terms of financial statement preparation and accounting

Riga Municipality (hereinafter, referred to as also Municipality or City Council) summary (consolidated) financial statements 2008 (hereinafter referred to as financial statements) have been prepared in line with the Cabinet of Ministers Regulations No.749 as of 13.11.2007. "Regulations on Preparation of Annual Reports of State and Municipal Budget Institutions" and Regulations No.999 as of 02.12.2008. „Amendments to Cabinet of Ministers Regulations No.749 as of 13.11.2007. "Regulations on Preparation of Annual Reports of State and Municipal Budget Institutions"”.

The summary (consolidated) financial statements 2008 have been prepared in accordance with the principles of accrual basis accounting and the going concern and in accordance with the requirements specified in the financial policy of the Riga City Council and the laws and regulations of the Republic of Latvia. The financial statements provide information on the financial activities of Riga Municipality in 2008 and record of liabilities and expenses, that could be used for financial policy development and decision- making during the planning and execution of the basic budget and the special purpose budget revenues (classified by their type) and expenditures (in line with the budget programs administered by the Riga City Council executive authorities) according to the cash flow basis and the accrual basis.

According to the resolution No.271-ir "On Year 2008 Stocktaking within Riga Municipality" issued by Riga City Council Chairman as of 02.10.2008, all structural units and executive authorities of Riga City Council have performed year closing stocktaking (of all balance sheet items), the results of which have been revealed in these financial statements.

Riga Municipality financial statements have been prepared in the local currency of Latvian lats (Ls). All transactions performed in foreign currencies have been converted into lats based on the Bank of Latvia official currency exchange rate on the respective day of the transaction. All monetary assets and liabilities reflected in foreign currencies are converted into lats based on the Bank of Latvia official currency exchange rate effective on the last day of the financial year. Foreign exchange differences arising from payments in foreign currencies, or assets and liabilities, using foreign exchange rates that differ from rates used for the initial bookkeeping, are reflected in expenses.

Items in assets and liabilities are evaluated separately. Items that have significant impact on the reader's of annual report assumptions and decision-making, are reflected in the report separately, while all other, less significant items are combined with detailed overview provided in the appendix to the annual report. All anticipated risk amounts and losses originated during the financial year or previous years have been taken into account, even if they have been discovered during the period after the balance sheet date and before completion of this annual report.

Accounting in Municipality has been organized by levels, where accounting performed in the lower structural units is consolidated into the next level. In terms of finance accounting, Finance Department is the 1st level finance accounting unit in Riga Municipality, which is the main top-level structural unit responsible for collection and consolidation of finance accounting information in Riga Municipality. The accounting has been organized based on the doubly-entry system and in accordance with respectively developed and approved chart of accounts. In accordance with the Municipality's unified accounting policy, a unified chart of accounts has been used to record transactions and resources in Municipality in 2008. The chart of accounts has been approved by the resolution No.442-ir "On the Approval of new Riga Municipality unified chart of accounts" as of 20.12.2006 issued by the Riga City Council Chairman.

## Structural units and programs included in the summary financial report

The summary financial statements comprise summary financial statements of the Riga City Council Finance Department and second rank executive authorities: its departments, agencies, and other institutions in accordance with the revenue and expense programs defined within the budget and economics classification of Ministry of Finance of the Republic of Latvia. The Municipality financial statements do not comprise the Administration of Riga Free Port due to its special status; neither are Riga Municipality daughter companies consolidated in these financial statements. The financial statements do not contain information on the financial state of Riga City municipal enterprises as the law "On Annual Reports" prescribes different order of financial statements' submission. The financial statements reflect data on Riga City basic budget and special purposes budget 2008 programs:

### Basic budget expense programs:

1. Riga City Council and Riga City Council Finance Department (funding of operations);
2. Riga City Council City Development Department (funding of operations), including the South Bridge Building Direction;
3. Riga City Council Property Department (funding of operations);
4. Riga City Council Transport Department (funding of operations);
5. Riga City Council Municipal Services Department (funding of operations);
6. Executive Board of Riga Central District (funding of operations);
7. Executive Board of Riga Kurzeme District (funding of operations);
8. Executive Board of Riga Latgale Suburb (funding of operations);
9. Executive Board of Riga Vidzeme Suburb (funding of operations);
10. Executive Board of Riga Zemgale Suburb (funding of operations);



11. Executive Board of Riga Northern District (funding of operations);
12. Riga Children Rights Protection Center (funding of operations);
13. Riga Drug Addiction Prevention Center (funding of operations);
14. Riga Municipal Police (funding of operations);
15. Riga Orphans Court (funding of operations);
16. Riga City Council Education, Youth, and Sports Department (funding of operations);
17. Riga Tourism Coordination and Information Center;
18. Riga City Council Welfare Department (funding of operations);
19. Riga City Council Environment Department (funding of operations);
20. Riga Municipal company "Rigas gaisma";
21. Riga Municipal agency "Rigas darzi un parki";
22. Riga Municipal agency "Rigas piemineklu agentura";
23. Riga Municipal agency "Reģionālais sporta centrs "Anninmuiza";
24. Riga Municipal agency "Rigas majoklis";
25. Riga Municipal agency "Rigas pilsetas arhitektu birojs";
26. Riga Municipal agency "Mezaparks";
27. Riga Municipal agency „Rigas kulturas agentura”;
28. Riga Municipal agency „Rigas enerģētikas agentura”;
29. Rigas domes Kulturas departaments (darbības nodrošinājums).

### Special purpose budget expense programs

1. Riga City Development Fund;
2. Tunnel maintenance and operations program;
3. Transportation charges for the entry into special regime areas;
4. Earmarked subsidy for Municipal roads and streets);
5. Riga City Municipality Property Privatization Fund (int.al. Property Department programs associated with financing of property registration, administration, and Riga Municipality property expropriation and privatization);
6. Riga Environmental Protection Fund (Riga City Council Environment Department programs (maintenance and renovation of City greeneries, enumeration of dogs, constructing walking places for dogs) financing);
7. Donations and endowments for special purposes (int.al. funds donated by foreign governments and individuals);
8. Riga Public Order and Security Maintenance Fund;
9. Riga Municipal to-be-liquidated agency „Rigas mezu agentura”.

**Riga City Council's investment program**, int. al. the general administration agencies, education, health care, social security, public order and security, protection of rights, housing facilities and public utilities, traffic infrastructure, environment protection, territorial

development planning program, leisure, sports, culture and religion, public transportation.

### Structural units and programs not included in the financial statements

Riga City Finance Department accounts for and has included in its reports a number of centralized programs described in the previous section. Apart from these programs, several other programs, types of revenue and financing, as well as assets and liabilities exist, which the Finance Department records into separate books. In 2008, there were 22 such projects, co-funded by authorization of Riga City Council.

### Financing

In 2008, financing of earmarked programs administered by Riga Municipality departments, institutions, and agencies has been provided by accumulated resources of Municipality budget and loans as follows:

Resources for financing of expenses in basic budget programs:

- Subsidy from revenues, int.al.:
  - Municipality subsidy;
  - Earmarked subsidy and subsidy from the state budget;
- Paid services and other own revenues.

On the day of allocation (receipt) of subsidies, an institution recognizes revenues from received subsidies and increases its cash account balance. Subsidies, which an institution has encountered to cover expenses and have been recognized as revenue in the profit and loss statement of the respective financial year, are eliminated (consolidated) from the summary report by recognizing Municipality revenues and budgetary institutions' expenses.

At the end of financial year 2008, all surplus resources of Riga City basic budget unused by municipal institutions are returned to the Municipality basic budget account.

Resources for financing of expenses in special purpose budget programs:

- Resources marked for special purposes;
- Donations and endowments;
- Donations and endowments from foreign governments.

In 2005, by means of an open tender, financing was attracted for construction of the South Bridge over the river Daugava in Riga. The financing model, unless terminated before its term, does not create current loan liabilities for the Riga City Council except for long-term payables to the construction company A/S "Dienvidu tilts" and other suppliers as classified in the annual report. In case of early termination of the financing model the non-current liabilities against the supplier would be classified as non-current liabilities against Deutsche Bank or other financial institutions, to which its rights of action have been transferred or assigned



with the respective cession's announcement being sent to Riga Municipality. Riga City Council recognizes liabilities for the construction performed, as well as recognizes the cost of financing (interest) for each period during the whole duration of the financing model in its statement of revenues and expenses. The financing model offers a fixed interest rate during the whole period of the model; however, given the fact, that Riga City Council pays interest for the loan starting from the moment when financing is transferred to the account of A/S "Dienvidu tilts", the actual interest rate of Riga City Council is higher. The fair value of the chain of forward deals arising from the City's swap agreements is zero as the financing model offers both fixed currency exchange rate and fixed interest rate in the amount of 6.31% over the whole period of duration of the model.

According to swap structure agreements concluded between Riga Municipality and Deutsche bank AG, the bank has rights to cede or transfer its rights, consequent from these agreements, to a third person without obtaining a permission from the Riga Municipality. Taking into account the above mentioned, Deutsche bank has ceded its rights of action to various financial institutions with the respective cessions announcements being sent to Riga Municipality

By concluding contracts on the construction of the South Bridge, the Municipality has performed a purchase of construction services by purchasing (constructing) a specific asset - the bridge, where the contracting authority is the Riga City Council City Development Department and the Transport Department, whereas the contractor is A/S "Dienvidu tilts". All construction costs in the Riga City Council City Development Department and the Transport Department until the object's putting into operation, Riga Municipality accrues within the group of balance sheet items "*Construction in progress*" and simultaneously accounts for liabilities to the respective company within the group of balance sheet items "*long-term liabilities to suppliers and contractors*". Future liabilities for the South Bridge construction are accounted as off-balance sheet liabilities. By putting into operation the 1st stage of the South Bridge in November, 2008, this part is excluded from the Riga City Council City Development Department's balance sheet line "*Construction in progress*" and the balance sheet line "*long-term liabilities to suppliers and contractors*" and transferred to Riga City Council Transport Department's management, including liabilities to the contractor A/S "Dienvidu tilts".

## Revenues

In accordance with the tax legislation, budget revenues comprise tax payments, state and municipality fees, as well as other payments to the budget, which are recognized after they have been transferred to the Municipality budget revenue accounts on cash received basis. Revenues from individual income tax, natural resources tax, and gambling tax payments are recognized only on the cash received basis as the administration of these taxes is performed by the State Revenue Service. Riga Municipality performs

accounting for real estate tax according to the accrual and cash received basis.

Apart from that, Riga Municipality revenues comprise revenues from paid services and other own revenues, revenues of special purpose, net income from the disposal of assets, interest and dividend payments received, foreign financial aid, donations and endowments both in cash and in kind (accounted in cash, as specified in Law of the Republic of Latvia "On the Budget and the Financial Management"). These revenues are recognized according to the cash flow basis at the moment when they are transferred to the Municipality budget revenue accounts. Recognition according to the accrual basis takes place in accordance with the confidence to generate revenues in such an amount, which is possible to anticipate by evaluating receivables by the type of revenue. Revenues from penalties and fines for late payments are recognized on the day the payment is received.

Budget tax and non-tax revenues by their type are recorded by the Finance Department Budget Accounting and Reporting Section, whereas the Municipal Revenue Directorate performs recording by type, payers, and due dates (recognizing them by the accrual principle).

Revenues from paid services are received and recorded by every second rank executive authority (institution, agency, and department) by recognizing them according to the accrual basis. In turn, subsidies, earmarked subsidies and other payments from the state basic budget and state budget institutions to municipalities are recognized upon the receipt of the respective payment.

## Expenses

Based on Riga Municipality development planning documents (Long-term development strategy of Riga until year 2025, Riga development program 2006-2012), Riga Municipality budget resource allocations have been diverted to the formation of educated, skilled and cultural society, development of educational and social areas, as well as improvement of the City infrastructure and the living conditions of its inhabitants.

Capital expenditures comprise::

- depreciation of fixed assets;
- write-downs of fixed assets and liquidation of fixed assets;
- disposal of fixed assets and their write-downs;
- expenses associated with gratuitous receipt of land, by rebooking its value to equity capital;
- expenses associated with renovation of fixed assets, author's supervision and building supervision.

## Long-term assets

Long-term assets are assets of all types, which Riga Municipality is planning to utilize for a period exceeding one year and whose acquisition cost is over LVL 150.00, as well as assets of all types with the purchase payment date later than the balance sheet date.



## **Intangible assets**

This position of intangible assets contains software and their respective licenses with book value either decreasing or increasing depending on the degree of computerization of Riga Municipality institutions; costs of software purchased within the framework of this process, as well as capitalized software development costs. In the financial statement of Riga Municipality financial state (in the balance sheet), the intangible assets are reflected at their book value in the balance sheet by subtracting the amortization and decrease in value (if any) over the useful life of the intangible assets from their acquisition value using linear method.

## **Fixed assets**

Costs of fixed assets are recognized as assets and initially recorded in the balance sheet based on the cash paid or its equivalent at the moment of the purchase or construction with an estimated lifetime of more than one year by subtracting accumulated depreciation and decrease in value.

The aim of accounting for assets is to ensure an accounting control over each fixed asset, and its preservation, monitoring the changes in its value over the whole period of its useful life until its liquidation, disposal, or exclusion from the fixed assets. Apart from movable properties, fixed assets also comprise reconstruction costs of objects, as well as reconstruction and construction costs of buildings, which have not been finished yet or for some other reason have not been put into operation, as well as real estate (land, buildings, and structures). When accounting for the fixed assets, Municipality takes into account their economic essence, which provides that a fixed asset is recognized as an asset, which on its own does not create considerable cash flows for the funding of operation of departments, agencies, and other institutions' administered programs, provision of services, rent, or other administrative purposes, if costs arise from utilization of these fixed assets, as well as risks of long-term assets.

When performing renewal, reconstruction, or upgrade of fixed assets extending the useful life of the asset, or considerable improvements in its condition, costs of upgrading are added to the book value of the asset. Costs from the maintenance or up-keep of fixed assets in their current condition, as well as those from repairs, are recognized as expenditures during the period when they have arisen. If it is clearly verifiable that as the result of encountered expenses, future economic benefits will arise exceeding their initial yield, such expenses are capitalized.

If long-term investments are liquidated, expropriated or destroyed as a result of unlawful activities, such long-term investments are excluded from books, and expenses recognized at the book (residual) value of the long-term investment.

The stocktaking process in all Riga Municipality executive institutions is performed annually based on the location and the current state.

The recognition of a fixed asset book value is stopped in case the asset is disposed of. Any profit or loss arising in this case (calculated as the difference between the net income from sales and the book value of the asset) is recognized in the profit or loss statement of the respective period.

Fixed assets acquired by lease are not recognized in the balance sheet. Such assets are registered into a separate register under off-balance sheet assets. Cost of lease is recognized in expenses according to an accrual basis, by recognizing costs in the period when they have arisen, independent of the date of the actual payment. Future lease costs are not accounted for in the balance sheet and are registered as off-balance sheet liabilities.

The accounting for real estate (land, buildings and structures) is performed by the Riga City Property Department in accordance with the resolution No.925-r as of 20.10. 1999 issued by the Riga City Council Chairman.

### *Land*

Riga Municipality balance sheet comprises land plots owned by the Riga City, which have been registered in the State Land Service (SLS) in the name of the Riga City. Based on the principal of prudence, balance sheet excludes land existing within Riga Municipality territory if the property rights in the name of Riga Municipality have not been registered in SLS. The land is booked at the cadastral value defined by SLS. Purchased land plots are booked in the balance sheet at their cost of acquisition formed by the cash paid, its equivalent or other form of compensation, including all the costs incurred in association with the acquisition process.

When splitting or joining land plots or changing the purpose of their use, cadastral values of the plots are reconsidered, and changes are recognized in the bookkeeping.

The land plots, which have been expropriated while performing privatization or expropriation of the municipal property, or exchanged for other real estate objects by the appropriate Riga City Council decisions, land plots under municipal dwelling houses, where 100% of all apartments have been privatized together with the land, land plots, which are expropriated by an order from the court, as well as those transferred to the state, are excluded from the books.

Land acquired by lease is not reflected in the balance sheet, and registered in a separate register under the off-balance sheet assets. Lease payments are recognized as costs according to the accrual basis by recognizing them in the period when they have arisen, independent of the actual payment. Future lease costs are not included in the balance sheet but registered as off-balance sheet liabilities. Depreciation of land is not accounted for.

### *Buildings and structures*

Riga Municipality fixed assets also comprise dwelling and non-dwelling houses and buildings, and other



structures (hereinafter: buildings and structures). Buildings and structures that are functionally united and which cannot be used separately are recognized as one single asset. Buildings and structures are recognized in the Municipality balance sheet at their residual value recorded in balance sheets of municipal institutions, structural units, enterprises or municipal enterprises at the moment of acquisition.

When performing registration of real estate in the Land Book on the name of the Riga City Council, new building cadastral surveys are ordered and prepared. Thus, changes in real estate book values are made in accordance with the new inventory or cadastral value simultaneously arranging the property structure. Real estate valuation is performed by the State Land Service staff, who approve the value of real estate reflected in the stocktaking acts.

Acquired (purchased) buildings and structures are accounted for at their acquisition cost formed by the cash paid, its equivalents or other type of compensation, as well as all costs associated with this acquisition deal.

When performing the renewal, reconstruction, or upgrade of fixed assets leading to an extended useful life of the asset or considerable improvements in its condition, costs of upgrading are added to the book value of the asset. Costs from maintenance or up-keep of the fixed assets in the current condition, as well as those from repairs, are recognized as expenses during the period when they have occurred.

Real estate objects, which are registered in the Land Book on Riga City name, and are in the possession of municipal commercial LLC based on various decisions of the Riga City Council institutions, and do not participate in the provision of municipal functions, are valued in accordance with the principle of prudence at the lowest, i.e. zero value.

On the basis of Riga inhabitants' and legal entities' applications, real estate objects located in the administrative territory of Riga are regularly inspected. Legal ownership status and building legitimacy cannot be clearly identified for a part of such inspected property. Objects, identified during such inspections and possibly owned by Riga City, are included in the balance sheet. The inspection process will be completed, once legal ownership of absolutely all real estate objects located in Riga administrative territory will be identified and respective records registered in the Land Book. Real estate objects, which have been expropriated, privatized, demolished, or transferred into the ownership of other legal entities or individuals, are excluded from the books.

Buildings and structures are reflected in the balance sheet at their initial book value, by subtracting the accumulated depreciation and decrease in the value, if any. The depreciation calculation is based on the estimated useful life of a building or structure, and is recognized in the costs of the financial year and booked as accumulated depreciation. The depreciation is calculated by using straight-line method over the useful

life of the respective fixed asset by splitting its initial value over the years.

#### *Equipment in gardens and parks*

Equipment of gardens and parks in accordance with the specification: perennial plantations, buildings, structures, asphalt or concrete paths, as well as buildings of light construction, fountains and other park equipment are accounted in Riga Municipality agency "Rigas darzi un parki" and Environment Department bookkeeping. The depreciation for these items is calculated by applying annual depreciation rates ranging from 1% to 20%, based on the specification.

#### *Biological and underground assets*

Biological assets are forest stands owned by Riga Municipality's agency under liquidation "Rigas meza agentūra", and have been evaluated based on data provided by the Latvian State Forest Service on the full value of forest stands in accordance with the forest stock-taking data in 2006. Forest stand value changes have not been adjusted by timber cutting and natural growth effects during the financial year, as well as in 2007.

#### *Accounting for streets, bridges, and crossovers*

The accounting for streets, bridges, and crossovers is performed by on object basis by Riga City Council Transport Department, recording investment resources allocated to reconstruction and renovation on each respective infrastructure object (street, bridge, or crossover). Gradually, in order to arrange the accounting for traffic infrastructure objects, the actual value of objects is identified within the framework of the existing financing. In 2007 revaluation of all streets, bridges, and crossovers was performed, thus identifying their fair value in accordance with values identified by an independent valuator at the moment of the valuation. There was no revaluation of streets, bridges, and crossovers performed in 2008, except for the reconstructed 57 streets and 3 bridges, with the period of their useful life being prolonged. In December, 2008 the 1st stage of the South Bridge and its runways were transferred from the Riga City Council Development Department to the fixed assets in balance sheet of Riga City Council Transport Department.

#### *Accounting for external illumination systems and equipment*

External illumination systems and equipment are recognized in Riga Municipal agency "Rigas gaisma" balance sheet according to the value specified to each element of the illumination system (piles of lighting lines, air network cables, air lines wires, network brackets, switch boxes and loop boxes, lightning objects and dug cables) by an independent evaluator. A remaining utilization period for each recorded fixed asset has been identified in accordance with their specification.

#### *Other fixed assets*

Other fixed assets comprise data processing devices, vehicles, furniture, and other fixed assets. Fixed assets



consisting of components, which can be used separately (for instance, processor unit, monitor, printer), are recognized as separate fixed assets. Other fixed assets are booked at their acquisition cost, by subtracting the accumulated depreciation and decrease in the value, if any. Fixed assets' acquisition value is the cash paid, its equivalent or other type of compensation, including all costs incurred in association with the acquisition of the long-term investment. If other fixed assets are received without compensation, the respective fixed asset is evaluated by a commission, and an expert of the specific field, if necessary. In 2008 according to the resolution No.4080 issued by Riga City Council as of 21.07.2008 monuments located in Riga administrative territory are evaluated and recognized the balance sheet as of total value Ls 1 269 067.

#### *Formation of fixed assets, and costs of construction in progress*

Construction in progress reflects costs of formation of fixed assets and costs of unfinished construction objects, and it is recognized at the initial cost. The initial cost comprises construction costs and other direct costs. Depreciation is not calculated on construction in progress until the respective assets have not been finished and put into operation.

#### *Depreciation*

Depreciation is a systematic splitting of an asset's depreciable amount over its useful life.

In 2005, depreciation was calculated based on the following annual rates adopted by the Republic of Latvia Cabinet of Ministers and valid as of 31.12.2005:

	%
Data processing devices	35
Vehicles and other machinery and equipment	20
Buildings and structures	5

In 2006, depreciation was further calculated based on the following rates:

Fixed assets purchased until 31.12.2005 and further:

	%
Buildings and structures	0.67-10
Streets	10
Vehicles	20
Computers, communication, and office equipment	35
Furniture, office tools, and other fixed assets	20

Fixed assets purchased effective 01.01.2006:

	%
Buildings and structures	0.67-10
Streets	15
Vehicles	20
Computers, communication, and office equipment	20
Furniture, office tools, and other fixed assets	10

In 2006, according to the Republic of Latvia Cabinet of Ministers Regulations No.440, the estimated remaining useful life of buildings and structures was reconsidered and their depreciation rates reconsidered respectively. Thus, effective year 2006, annual depreciation rates ranging from 0.67% to 10% are applied to buildings and structures. Depreciation for fixed assets and loss in value (amortization) for intangible assets are calculated according to their expected useful life by using the linear method, thus dividing their value systematically (equally) over the periods, recognizing in the costs of the accounting period and recording accrued depreciation (amortization). Depreciation and amortization are calculated starting with the following month first day after the asset is put into operation and finished at the following month first day after asset has been taken out from operation, accounting or it is fully depreciated. The calculation of depreciation for fixed assets and intangible assets is calculated only until their value (initial or established by revaluation) has been in fully written-off. If the fixed asset is being used after it is fully depreciated, the calculation of depreciation is ceased, but the fixed asset is kept in accounts. Depreciation is not accounted for land, cultural and environmental monuments, library funds, cultural and art items, gemstones, precious metals and their articles, valuables, and other cultural heritage.

#### **Long-term financial investments**

Financial statements contain all Riga Municipality equity capital shares in limited liability companies and to-be-liquidated incorporated companies, with Riga City Council being the owner of their share capital, as well as Riga Municipality investments in the equity capital of to-be-liquidated municipal enterprises.

Riga Municipality financial statements do not include investments in the equity capital of enterprises and business entities registered in the Republic of Latvia Enterprise Register, but having permanently discontinued their operations, as well as enterprises still being under privatization. Investments in enterprises with discontinued operations are included in the off-balance sheet assets.

Riga Municipality equity shares in related and associated enterprises have initially been recognized by using cost method. If the material investment has been made, the acquired equity capital shares are recognized as financial investments at the actual value of invested property. Riga Municipality net book value changes of investments in enterprises are recorded as current year income or expense and as changes in reserve account, as well as changes in financial assets.

#### **Impairment loss**

An annual impairment evaluation is applied to all asset categories. Investigation of possible significant impairment loss of the individual assets is performed at the end of each financial year. If the value of a fixed asset at the balance sheet date is lower than its book value and the loss of value is permanent, the asset is evaluated according to the lowest value.



If the value of long-term investment is significantly higher than the acquisition (production) cost or the estimated value in the prior year's balance sheet and the appreciation is permanent, the fixed asset could be evaluated according to the highest value. If depreciation has been booked on the fixed asset historically then during the revaluation of the fixed asset, its depreciation (amortization) calculations in the current and the following financial years shall be adjusted respectively.

If indications of loss of value exist on the revalued fixed asset, the loss is applied to the fixed assets revaluation reserve. The fixed assets revaluation reserve can only be decreased by the amount of the decrease in the revaluation reserve of the respective asset. If the revalued fixed asset is excluded from the balance sheet, the revaluation reserve of that asset is recognized in the income of the current financial year.

### **Lending to related enterprises**

Lending to related enterprises comprises issued investments and amounts that have been invested into Municipality enterprises, as well as the liabilities of these enterprises against Riga Municipality. Effective 2002, the investments of Riga Municipality into Municipality enterprises financed from Riga Municipality investment program were reflected under the receivables item "*Lending to related enterprises*" with the future aim of capitalizing all such investments, or agreeing on utilizing the lending for financing of Municipality operations. Until the essence of the lending is being discussed, all amounts open as of 31.12. 2005 have been recorded under contingencies. The above-mentioned balance sheet item is corrected in accordance with the expense capitalization or other activities.

### **Inventory**

Inventory is a current asset of a budgetary institution intended to support its operations and in the form of raw-materials is being or could be utilized during the economic activity of the institution. Inventory is recognized at its acquisition cost or the lowest cost and booked by classifying them according to their economic substance, location, and current state. Upon disposal of inventory, its cost is recognized in the period when the respective revenue is recognized. Upon utilization of inventory, it is excluded from the accounts and booked into the costs of the current period by using "First In First Out" (FIFO) method.

When performing write-down of inventory, all inventory losses are recognized as costs in the period, when full or partial write-down of value has been made and losses have been encountered.

If inventory are faulty, partially or fully aged, or their sales price have decreased below their acquisition cost, the inventory value is written-off as expense. When putting into operation sour and quickly outwear inventory, which is necessary for ensuring operations of an institution, it is written as expense and reflected in statistical balance sheet accounts until it is fully

excluded from operations. Fuel is written off according to the completed voucher and fuel inventory card (based on specific fuel usage limits per vehicle).

Fixed assets intended for disposal or privatization, if such a resolution has been adopted by the Riga City Council during the financial year, are also booked into inventory. The respective fixed assets intended for disposal or privatization are reflected under current assets at their book value at the moment of transfer. If the accounted value of sold, exchanged or distributed inventory is recognized as expense, then the costs with income are reconciled after the completion of the process. The inventories of service providers are recognized as expense in the moment when the service is provided. Long-term investments intended for alienation or privatization, which are accounted as current assets, are reinstated as long-term investments, if the alienation process is not completed and there is a management decision issued on further utilization of asset initially intended for alienation for insuring municipal functioning. The asset intended for alienation is reinstated as long-term investment at its residual value and depreciated.

Stocktaking of the warehouse is performed by necessity, but not less than once a year - at the end of the financial year. The inventory changes identified are booked at the end of the financial year based on the periodic stocktaking method. At the moment of stock-taking reasons behind changes in value are evaluated, as well as reasons for keeping the short-wear articles and materials in stock.

### **Accounts receivable**

Receivables are stated in the balance sheet at the net realizable value, which is calculated as their book value less allowance for doubtful (questionable) debts. Allowances are made, if there is a risk that full amount of the account receivable will not be retrieved. The account receivables of budget institutions, whose retrieval are delayed, according to their retrieving probability are subdivided into doubtful (questionable) or irredeemable (lost) debts. Doubtful (questionable) debts are debt amounts, whose redeeming probability is questioned.

This item comprises receivables on the lease of property, debts on buy-out payments of objects under privatization; deferred payments claims according to the buy-out agreements concluded, buy-out payments of objects under privatization and deferred payments for the privatization buyout agreements, as well as taxes recorded but not collected by the Municipality, less special allowances for irredeemable debts. Receivables are classified as doubtful (questionable) debts in the following situations:

- institution possesses reliable information about the debtor's weak financial situation;
- debtor's insolvency procedure has been started;
- debtor's liquidation process has been started;
- there are no disposable documents to confirm the debt calculation;





- the calculation of debt is illegal (there is no legal background for the calculation);
- legal proceeding on the debt recovery is taking place;
- institution possesses an act on impossibility of debt recovery issued by a sworn bailiff;
- the term of debt payment has been delayed for more than 3 months.

### **Prepaid expenses**

Payments recognized in the prepaid expenses account are included in expenses on accrual basis, by recognizing expenses in the respective period. Consequently, expenses are recognized when the Municipality has actually received the service.

Upon receipt of a prepayment invoice, it is accounted separately until the day of payment. Those are prepayments for press and postal charges, use of public transportation, transport insurance for the fleet of Municipal police and other budgetary institutions, as well as payments for employees health insurance, that are attributable to the next financial year.

### **Cash and cash equivalents**

Cash and bank comprises all financial resources of administrative bodies of Riga City Council: departments, agencies, and other budgetary institutions, int. al. Riga City Council Finance Department; that are located in the State Treasury and commercial banks.

### **Equity**

Equity comprises: share capital, provisions for the revaluation of fixed assets, reserves, retained budget surplus for the prior year and budget surplus for the year.

Provision for revaluation of fixed assets is formed from revaluation of investments. Predominantly, it comprises reserves that are recognized when performing valuation of financial investments by equity method, and there are such changes in the equity of the commercial enterprise, which are not reflected the profit and loss statement of the enterprise.

Retained budget surplus for prior years and budget surplus for the year are accounted by type of budget.

### **Leasing**

Financial leasing is leasing, when all risks and remuneration related to the asset's ownership rights are lodged to the borrower. Assets acquired according to the finance leasing agreement are recognized as assets and liabilities against the leasing borrower at the day of authorization of the leasing deal. The leasing interest payments are recognized in expenses according to accrual principle by recognizing interest expenses in the period when they arise.

Leasing payments that are not fitting into to the terms of financial leasing are recognized in expenses according

to accrual principle by recognizing expenses in the period when they arise.

### **Estimate**

The preparation of the financial statements requires the management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of balance sheet and off balance sheet items, as well as reported revenues and expenses. Actual results could differ from these estimates. Changes in estimates and assumptions are included in annual report at the moment when these occur.

### **Accrued Liabilities**

Accrued liabilities for unused vacation days of employees are revaluated once per year in Riga Municipality based on provision that during the financial year each employee is working eleven months and is taking vacation on the twelve month. The part of the social tax paid by the employer is added to the unused vacation accruals.

### **Deferred income**

Revenues from specific services, received before the closure of the financial year (balance sheet date), but attributable to the next (following) years, are reflected in the liabilities as deferred income. The amounts recognized in deferred income account are included in income statement according to the accrual principle, by recognizing income in the period where they are attributed to. Respectively, income is recognized in the day, when budget institution has provided the service or delivered the asset as specified in the agreement.

### **Loan policy, hedging of foreign currency risk and interest rate risk**

In year 2008 debt management of Riga Municipality was performed according to the Riga Municipality loans, guaranties and other long-term debt management strategy for 2008-2012 approved by Riga City Council as of 22.01.2008. In accordance with the Riga Municipality debt management strategy, the municipal debt portfolio management is precautionary, oriented on minimization and avoidance of financial risks, and allowing the use of financial derivatives determined by the strategy strictly for safeguarding against financial risks. As a source of financing for investment projects, including these co-financed by EU Structural Funds, there are long-term loans from commercial banks, loans from international financial institutions, as well as loans from the State Treasury used by Riga Municipality.

According to Riga Municipality debt management strategy, one of the most important goals of the strategy is to provide the financial resources necessary to Riga Municipality at the lowest cost possible, including performing the cost reduction for the current loans and optimization of the Municipal debt structure. In order to achieve this goal, the following projects were executed by Riga Municipality in 2008:



- Attracting financial resources according to the resolution No.3217 „On Taking Loan” of Riga City Council as of 19.12.2007;
- Based on the results of an open tender, a loan agreement with JSC „DnB NORD Banka” was concluded in 23.05.2008 and a loan of EUR 13,5 million in total received, with the interest rate equal to 1 year Euribor and added interest rate 0,75%. The acquired financial resources were used for financing investment projects – renovation of the building of Riga Secondary school No. 2 on Krisjana Valdemara street 2, renovation of the building of Riga preschool educational institution No. 182 on Dzelzavas street 17, designing and building a social home on Plata street and renovation of the building of Childrens Music College on Kronvalda boulevard 8, as well as for the project co-financed by the European Union structural funds – constructing of two level crossing of Brivibas alley and Juglas street;
- Municipal Guarantee issued to the Municipal capital company for realization of a municipal investment project;
- According to the resolution No.3505 „On guarantee to Ltd „Rigas pilsetbuvnieks” for financing renovation of a building of on Juglas street 18” of Riga City Council as of 18.03.2008, a guarantee issued to Ltd „Rigas pilsetbuvnieks” for a total loan of LVL 1 993 000, with a payback period up to 20 years. As a result of an open tender, in 16.06.2008 Ltd „Rigas pilsetbuvnieks” concluded a contract with JSC „SEB banka” on receiving a total loan EUR 2,8 million, with the interest rate equal to 1 year Euribor and added interest rate 1,25%. The above mentioned loan was used for financing a renovation of the building of Riga preschool educational institution No. 152 on Juglas street 1B.

### Interest rate risk

Interest rate risk arises for those Municipality loans having fluctuating interest rate as the risk exists that loan interest payments might significantly increase in situations when the fluctuating interest rate increases. In order to decrease the interest rate risk, in previous years Riga Municipality has already signed five interest rate swap agreements, concluding the fixed interest rates in range from 3.23% to 3.56%. The risk management for the interest rate of Municipality loans is performed according to the provision that for not less than 60% of municipal loans, guaranties and other long-term debts there are agreements on fixed interest rates concluded for a period of at least one year.

At the end of 2008, the weighted average interest rate term was 3.11 years and the proportion of fixed rates within the debt portfolio was 83% (including loans having fixed interest rate based on the interest rate swap agreements), which corresponds to the range of acceptable proportion specified in the strategy.

### Currency exchange rate risk

The financial resources of Riga Municipality are subject to the currency exchange rate risk, mainly due to the payments for loans and investments executed in foreign currencies, and Riga Municipality having loans in foreign currencies.

Riga Municipality had no significant payments in other foreign currencies but Euro during the financial year. At the end of 2008, Riga Municipality loans in LVL and related currencies (LVL and EUR) having a fixed exchange rate in LVL comprise 99% of the total Municipality debt portfolio. Nevertheless, Riga Municipality continues monitoring the situation in currency markets and prepares respective cash flow forecasts in order to predict any possible exchange rate risk in advance.

### Financial derivatives

The financial derivatives that can be used by Riga Municipality for the purpose of limiting the financial risks are currency exchange and interest rate future contracts, as well as currency and exchange rate swap contracts. The financial derivatives are initially recognized at their fair value at the moment of concluding the contract of financial derivatives and further revaluated at their fair value. The fair value is determined based on the quoted market prices or the discounted cash flow models. All financial derivatives are reflected as assets, if their fair value is positive, and as liabilities, if their fair value is negative. Alterations in the fair value of any financial derivative are immediately recognized as increase or decrease in the budget surplus.

### Calculation of the fair value of financial derivatives

The fair value of financial derivatives are recognized at the amount for which financial derivatives can be exchanged among well-informed, interested parties not having financial bindings, except in cases when financial derivatives are sold as a result of liquidation. The discounted future cash flow method is used for calculation the fair value of financial derivative by applying the respective market interest rates available at the end of the evaluation period. The costs attributed to the sales of the financial derivative are not taken into account, when determining its fair value. The commission for purchase or sale of financial derivative is booked separately as a commission on the day when the respective deal of purchase or sale of financial derivative is concluded.

### Registration of financial derivatives

Financial derivatives are registered in the accounting system on the day when the respective deal has been concluded based on the approval from the partner in the deal. Financial derivatives are booked into the assets and liabilities sides of a balance sheet on the day of concluding the deal. An amount is recorded into the assets side of a balance sheet in that currency, in which



it will be conditionally received by the Finance Department in accordance with the execution of conditions set by the financial derivative on the day it is executed. An amount is recorded into the liabilities side of a balance sheet in that currency, in which the Finance Department will conditionally pay for the execution of conditions set by the financial derivative on the day it is executed.

### **Revaluation of financial derivatives**

The revaluation of financial derivatives for the prior month is performed until the 10th day of each following month. When revaluating financial derivatives, the market value as of the final day of the period is taken into account. Gains or losses that have arisen from the revaluation of financial derivatives are booked as current assets or liabilities. After the deal has been concluded, the difference between the amounts that Riga Municipality has to pay for the execution of the conditions of the financial derivative or has to receive as a result of the execution of the conditions of the financial derivative, is transferred.

# Riga Municipality budget 2009

Riga City Council binding regulations No.153 as of February 17, 2009

	(Ls)
<b>Total revenues</b>	<b>474 206 147</b>
<b>Basic budget revenues</b>	<b>429 549 886</b>
<b>Tax revenues</b>	<b>315 129 989</b>
Personal income tax	274 259 609
Real estate tax (on land)	15 483 794
Real estate tax (on buildings)	21 386 586
Gambling tax	4 000 000
<b>Non-tax revenues</b>	<b>3 879 620</b>
Revenue from utilization of Municipality capital	2 469 620
Municipality and state fees	310 000
Penalties and fines	1 100 000
<b>State budget transfers: earmarked subsidies and subsidies from state budget</b>	<b>72 937 640</b>
int.al.: subsidies for realization of EU co-financed projects	10 500 000
<b>Revenues of public authorities</b>	<b>37 602 637</b>
Revenue from paid services provided by public authorities and other revenues	37 602 637
<b>Special purpose budget forms</b>	<b>44 656 261</b>
Revenue from special purpose budget types	42 333 304
Revenue from donations and endowments	2 322 957
<b>Total expenditures</b>	<b>496 783 904</b>
<b>Basic budget expenditures</b>	<b>452 127 643</b>
<b>Maintenance costs</b>	<b>403 946 200</b>
Recurring expenses	265 842 336
Interest expenses	4 926 564
Subsidies, grants and social benefits	80 478 669
Deposits to municipality financial cohesion fund	52 698 631
<b>Capital expenditures</b>	<b>48 181 443</b>
int.al.: Investment program	28 394 927
<b>Special purpose budget expenses</b>	<b>44 656 261</b>
<b>Maintenance costs</b>	<b>17 873 006</b>
Recurring expenses	8 971 809
Subsidies, earmarked subsidies and social benefits	8 901 197
<b>Capital expenditures</b>	<b>26 783 255</b>
<b>Financial balance</b>	<b>- 22 577 757</b>
<b>Basic budget</b>	<b>- 22 577 757</b>
<b>Special purpose budget</b>	<b>-</b>
<b>Financing</b>	<b>22 577 757</b>
<b>Basic budget</b>	<b>22 577 757</b>
<b>Special purpose budget</b>	<b>-</b>
Change in budget resources	-
budget resources, beginning of year	5 280 357
budget resources, end of year	5 280 357

## Important Cultural Events in Riga June/2009 – July/2010

### Important cultural events in Riga June/2009 - July/2010 \*

Time	Event	Web page
2 – 14 June	XI Riga Opera Festival	<a href="http://www.opera.lv">www.opera.lv</a>
4 – 7 June	International Contemporary Dance Festival LAIKS DEJOT	<a href="http://www.dance.lv">www.dance.lv</a>
14 June	Commemoration of Victims of Communist Terror day's events	<a href="http://www.rdkd.lv">www.rdkd.lv</a>
17 – 21 June	Preparation for the Midsummer's day (Jani)	<a href="http://www.rdkd.lv">www.rdkd.lv</a>
19 June	Flowers market on Doma Square	<a href="http://www.avesol.riga.lv">www.avesol.riga.lv</a>
29 June – 5 July	International Music Festival RĪGAS RITMI 2009	<a href="http://www.rigasritmi.lv">www.rigasritmi.lv</a>
1 – 31 July	International Organ Music Festival RĪGAS DOMS	<a href="http://www.doms.lv">www.doms.lv</a>
8 – 12 July	International Folklore Festival BALTICA 2009	<a href="http://www.folklorasbiedriba.lv">www.folklorasbiedriba.lv</a>
9 – 11 July	The 15th International Early Music Festival	<a href="http://www.latvijaskoncerti.lv">www.latvijaskoncerti.lv</a>
5 – 9 August	VII International Folk Dance Festival SUDMALIŅAS	<a href="http://www.nkmva.gov.lv">www.nkmva.gov.lv</a>
August	International Children and Youth Folklore Festival PULKĀ EIMU, PULKĀ TEKU	
6 – 9 August	Girls and Children Choir Festival	
16 August	International Old-time Rally RĪGA RETRO	<a href="http://www.rigaretro.lv">www.rigaretro.lv</a> <a href="http://www.motormuzejs.lv">www.motormuzejs.lv</a>
20 August – 5 September	12th International Sacred Music Festival	<a href="http://www.koris.lv">www.koris.lv</a>
21 – 23 August	6th International Baroque Music festival FARINELLI FEST 2009	<a href="http://www.gamajuna.com">www.gamajuna.com</a>
21 – 23 August	RIGA CITY FESTIVAL 2009	<a href="http://www.rigassvetki.lv">www.rigassvetki.lv</a>
3 - 14 September	Poetry days 2009	<a href="http://www.dzejasdienas.lv">www.dzejasdienas.lv</a>
5 - 10 September	European Documentary Film Symposium	<a href="http://www.latfilma.lv">www.latfilma.lv</a>
7 – 21 September	International Festival of Film Actors BALTIC PEARL	<a href="http://www.balticpearl.lv">www.balticpearl.lv</a>
8 – 13 September	International Video and Contemporary Art Festival WATERPIECES	<a href="http://www.noass.lv">www.noass.lv</a>
12 September	Contemporary Culture Forum WHITE NIGHT	<a href="http://www.baltanakts.lv">www.baltanakts.lv</a>
12 September	Early Music And Battle Festival BALTIC SUN	<a href="http://www.baltijassaule.lv">www.baltijassaule.lv</a>
18 September – 8 October	Autumn Chamber Music Festival	<a href="http://www.latvijaskoncerti.lv">www.latvijaskoncerti.lv</a>
19 – 29 September	International Festival of Contemporary Theatre HOMO NOVUS	<a href="http://www.theatre.lv">www.theatre.lv</a>
25 September – 4 October	National Film Festival LIELAIS KRISTAPS	<a href="http://www.nfc.lv">www.nfc.lv</a>
26 September	Michaela's. Harvest festival: Michaela's fair on Doma Square, Apple Market on Town Hall Square	<a href="http://www.avesol.riga.lv">www.avesol.riga.lv</a>
2 – 6 October	7th International Monodrama Festival STAR 2009	
2 – 4 October	Traditional Dance Festival BALTIC DANCES NIGHT	<a href="http://www.folkdance.lv">www.folkdance.lv</a>
5. – 10 October	11th International Festival of New Media Culture ART+COMMUNICATION 2009	<a href="http://rixc.lv">http://rixc.lv</a>
10 – 29 October	New Music Festival ARĒNA	<a href="http://www.arenafest.lv">www.arenafest.lv</a>
12 – 17 October	Theater Festival GOLDEN MASK IN LATVIA	<a href="http://www.goldenmask.lv">www.goldenmask.lv</a>
15 October – 15. November	2nd Riga International Young designers Biennale ECO DESIGN	<a href="http://www.dic.lv">www.dic.lv</a>
2 - 6 November	World Music Festival PORTA	<a href="http://www.festivalporta.lv">www.festivalporta.lv</a>
11 November	Latvian Freedom Fighters' Remembrance day – Lacplesis day's events	<a href="http://www.rdkd.lv">www.rdkd.lv</a>
14 - 18 November	Festival of Light STARO RĪGA 2009	<a href="http://www.staroriga.com">www.staroriga.com</a>
14 – 18 November	91st Anniversary of the Republic of Latvia events	<a href="http://www.rdkd.lv">www.rdkd.lv</a>



Time	Event	Web page
24 – 26 November	Music and Art Festival BILDES 2009	www.bildes.lv
3 – 5 December		
November - February	Winter Music Festival WINTERFEST concerts	www.hbf.lv
November	Modern Contemporary Drama Festival IESKATS 2009	www.drama.lv
1 – 28 December	Advent and Charismas events. Christmas markets in Riga	www.rdkd.lv
3 - 6 December	Festival PROSE READING	www.literature.lv
4 - 29 December	Festival EUROPEAN CHRISTMAS	www.latvijaskoncerti.lv
21 December	Growth Ring Festival – Log`s Night I the Old Town	www.rdkd.lv
31 December	New Year`s Eve events. New Year`s celebration	www.rdkd.lv
6 January	Twelfth day`s concerts	www.rdkd.lv
20 January	Commemoration Defenders of the Barricades in 1991 day`s events	www.rdkd.lv
29 – 31 January 28 February	The Competition of Percussionists and Windjammers of Latvian Musical Schools and Gala Concert BRAVO BRAVISSIMO	
29 February	Riga Amateur Theatre Festival RIGA PLAYS THEATRE	www.rdkd.lv
February - March	Festival WIENER CLASSIC	www.latvijaskoncerti.lv
March	Riga City Children Vocalists` Competition CĀLIS 2010	www.rdkd.lv
March - April	The International Bach Chamber Music Festival	www.music.lv/bachfestival
21 March	THE GREAT DAY. Spring solstice events	www.rdkd.lv
25 March	Commemoration of Victims of Communist Terror day`s events	www.rdkd.lv
27 March – 4 April	IX Riga International Children Film Festival BERIMOR`S CINEMA	www.arsenals.lv
2 – 5 April	Easter in Riga	www.rdkd.lv
April - May	15th Baltic Ballet Festival	www.ballet-festival.lv
4 May	Restoration of Independence of the Republic of Latvia day`s events	www.rdkd.lv
May	Experimental Music and Film Festival SKAŅU MEŽS	www.skanumezs.lv
9 May	Mother`s day events	www.rdkd.lv
15 May	European project`s „Museum Night” events in Riga	www.km.gov.lv
24 – 30 May	International Short Film Festival 2 ANNAS	www.2annas.lv
30 May	International Children Protection day`s events	www.rdkd.lv
June	Riga Opera Festival	www.opera.lv
June	International Contemporary Dance Festival LAIKS DEJOT	www.dance.lv
14 June	Commemoration of Victims of Communist Terror day`s events	www.rdkd.lv
18 – 21 June	Preparation for the Midsummer day (Jani)	www.rdkd.lv
18 June	Flowers market on Doma Square	www.avesol.riga.lv
June	International Music Festival RĪGAS RITMI 2010	www.rigasritmi.lv
2 – 11 July	X Latvian School Youth Song and Dance Festival	www.vjic.lv

\* The event`s calendar could be changed and amended

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