



# CONSOLIDATED ANNUAL REPORT OF THE REPUBLIC OF LATVIA FOR 2023

MINISTRY OF FINANCE

2024

Table 1

## Consolidated Accounting Balance Sheet

(thousand euro)

	31.12.2023.	31.12.2022.
<b>ASSETS</b>		
<b>Long-term investments</b>	<b>34 132 191</b>	<b>30 758 209</b>
Intangible investments	259 815	214 403
Property, plant and equipment	15 170 516	14 409 419
Long-term financial investments	16 255 603	13 930 038
Long-term receivables	540 296	347 903
Investment properties	681 918	641 697
Biological assets for agricultural activity	1 224 043	1 214 749
<b>Current assets</b>	<b>6 339 448</b>	<b>6 362 488</b>
Inventories	1 545 556	1 283 782
Short-term receivables	1 791 845	2 139 354
Prepaid expenses and advance payments for services and projects	528 115	498 244
Short-term financial investments	74 289	32 020
Cash and cash equivalents	2 399 643	2 409 088
<b>TOTAL ASSETS</b>	<b>40 471 639</b>	<b>37 120 697</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>	<b>8 867 374</b>	<b>8 404 037</b>
Reserves	2 324 446	1 929 252
Budget execution results	6 542 928	6 474 785
<b>Provisions</b>	<b>2 710 918</b>	<b>2 802 529</b>
<b>Liabilities</b>	<b>28 893 347</b>	<b>25 914 131</b>
Long-term liabilities	23 486 569	20 512 445
Short-term liabilities	5 406 778	5 401 686
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>40 471 639</b>	<b>37 120 697</b>
<b>OFF-BALANCE SHEET</b>		
Off-balance sheet assets	924 992	914 325
Off-balance sheet liabilities	7 063 553	5 776 028

Table 2

## Consolidated Statement of Financial Performance

(thousand euro)

	2023	2022
<b>A1 Revenue</b>	<b>17 471 342</b>	<b>16 957 300</b>
Tax revenue	12 630 112	11 689 500
Non-tax revenue	904 398	817 653
Paid services and other own revenue	511 054	453 732
Foreign financial assistance	1 416 719	1 410 157
Donations and gifts	55 339	22 171
Interest revenue	173 777	62 438
Other revenue	1 779 943	2 501 649
<b>A2 Expenditures</b>	<b>17 444 073</b>	<b>16 401 626</b>
Remuneration	2 774 714	2 386 749
Employer's compulsory State social insurance contributions, benefits and compensations	912 194	754 376
Training, work and service trips and official journeys	44 169	40 497
Services	1 303 403	1 161 415
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	606 879	570 626
Payments of taxes, duties and monetary penalties	32 123	31 086
Subsidies, grants and social benefits, current payments to the EU budget and international cooperation	8 890 022	8 470 812
Interest expenditures	374 714	206 177
Depreciation and amortisation expenses	817 640	783 022
Other expenditures	1 688 215	1 996 866
<b>A Result of revenues and expenditures (A1 – A2)</b>	<b>27 269</b>	<b>555 674</b>
<b>N1 Income (+) or expenses (–) from financial instruments</b>	<b>12 086</b>	<b>-6 931</b>
<b>N2 Income (+) or expenses (–) from disposal of non-financial assets</b>	<b>28 788</b>	<b>21 168</b>
<b>Budget execution result (A + N1 + N2)</b>	<b>68 143</b>	<b>569 911</b>

Table 3

## Consolidated Cash Flow Statement

(thousand euro)

	2023	2022
<b>I Total receipts (A1 + B1 + C1 + D1)</b>	<b>29 075 005</b>	<b>24 919 005</b>
<b>II Total payments (A2 + B2 + C2 + D2)</b>	<b>29 070 913</b>	<b>25 061 966</b>
<b>A Cash flow from operating activities (A1 – A2)</b>	<b>273 045</b>	<b>-49 487</b>
<b>A1 Receipts from operating activities</b>	<b>16 413 350</b>	<b>14 970 560</b>
Tax revenue	13 376 195	12 246 007
Non-tax revenue	907 576	738 711
Paid services and other own revenue	493 679	418 656
Foreign financial assistance	1 489 940	1 522 785
Transfers	132	0
Donations and gifts	1 841	1 614
Loan repayments	33 133	21 629
Interest income	90 509	14 809
Other receipts from operating activities	20 345	6 349
<b>A2 Payments related to operating activities</b>	<b>16 140 305</b>	<b>15 020 047</b>
Remuneration	2 724 507	2 363 821
Employer's compulsory State social insurance contributions, benefits and compensations	1 641 182	1 444 679
Training, work and service travel and duty/business trips	45 051	40 948
Services	1 458 457	1 286 611
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	777 526	954 775
Payments of taxes, fees and fines	27 299	24 011
Subsidies, grants and social benefits, current payments to the European Union budget and international cooperation	9 376 903	8 822 294
Interest expenses	449	7 589
Loans granted	85 589	69 139
Other payments for operating activities	3 341	6 179
<b>B Cash flow from investing activities (B1 – B2)</b>	<b>-1 488 543</b>	<b>-1 356 148</b>
<b>B1 Receipts from investing activities</b>	<b>106 567</b>	<b>66 085</b>
Disposal of intangible assets and repayments of advances for intangible assets	105	114
Disposal of property, plant and equipment and repayments of advances for property, plant and equipment	48 419	55 526
Disposal of equity investments, shares and securities	87	379
Interest income	332	160
Other receipts from investing activities	57 624	9 905
<b>B2 Payments related to investing activities</b>	<b>1 595 110</b>	<b>1 422 233</b>
Acquisition of intangible assets and advance payments for intangible assets	43 300	32 065
Creation of intangible assets	53 966	38 167
Acquisition of property, plant and equipment and advance payments for property, plant and equipment	687 946	614 265
Construction of property, plant and equipment and construction in progress	668 917	589 533
Acquisition of equity investments, shares and securities	51 961	148 022
Interest expenses	1 014	177
Other payments for investing activities	88 005	5
<b>C Cash flow from financing activities (C1 – C2)</b>	<b>1 293 983</b>	<b>1 284 620</b>
<b>C1 Receipts from financing activities</b>	<b>3 619 042</b>	<b>2 225 402</b>

*(thousand euro)*

	2023	2022
Borrowings and issued debt securities	3 568 271	2 197 335
Interest income	4 418	28 067
Other receipts from financing activities	46 353	0
<b>C2 Payments related to financing activities</b>	<b>2 325 059</b>	<b>940 782</b>
Borrowings and issued debt securities	2 096 768	752 014
Interest expenses	228 291	188 769
<b>D Cash flow from attracted funds (D1 – D2)</b>	<b>-74 393</b>	<b>-21 946</b>
D1 Receipts from attracted funds	8 936 046	7 656 958
D2 Payments of attracted funds	9 010 439	7 678 904
<b>III. Net cash flow (I – II)</b>	<b>4 092</b>	<b>-142 961</b>
<b>IV. Total cash flow (III.)</b>	<b>4 092</b>	<b>-142 961</b>
V. Effect of foreign currency exchange rate fluctuations (+/–)	-13 527	2 487
<b>VI. Change in cash and deposits during the reporting period (NL1 - NL2)</b>	<b>9 435</b>	<b>140 474</b>
NL1. Cash and deposits at the beginning of the period	2 409 088	2 549 562
NL2. Cash and deposits at the end of the period	2 399 653	2 409 088

Table 4

## Consolidated Statement of Changes in Equity

(thousand euro)

Description	Equity						
	reserves			Budget execution results			total
	fair value reserve of financial instruments	other reserves	total (1. + 2.)	Budget execution results of previous reporting years	Budget execution results of the reporting year	total (4. + 5.)	
At the beginning of 2022	-7 365	576 400	569 035	8 406 760	-1 289 281	7 117 479	7 686 514
corrections of errors	0	1 234 244	1 234 244	-27 607	-1 184 999	-1 212 605	21 638
At the beginning of 2022 after corrections of errors	-7 365	1 810 644	1 803 279	8 379 154	-2 474 280	5 904 874	7 708 152
increase	8 413	152 336	160 749	0	3 506 814	3 506 814	3 667 563
decrease	0	-34 776	-34 776	0	-2 936 902	-2 936 902	-2 971 678
transfer within Equity	0	0	0	-2 474 280	2 474 280	0	0
At the end of 2022 / beginning of 2023	1 048	1 928 204	1 929 252	5 904 874	569 911	6 474 785	8 404 037
increase	0	440 573	440 573	0	2 979 151	2 979 151	3 419 724
decrease	-1 048	-44 331	-45 378	0	-2 911 009	-2 911 009	-2 956 387
transfer within Equity	0	0	0	569 911	-569 911	0	0
<b>At the end of 2023</b>	<b>0</b>	<b>2 324 446</b>	<b>2 324 446</b>	<b>6 474 785</b>	<b>68 143</b>	<b>6 542 928</b>	<b>8 867 374</b>

The regulatory enactments in the field of accounting and reporting of state and local government budgetary institutions have been developed by applying the requirements of the International Public Sector Accounting Standards (hereinafter – IPSAS) in accordance with the situation in Latvia. The compliance to IPSAS (2015) is summarized in the table below. According to the EUROSTAT 2020 assessment, the compliance of Latvian regulatory enactments to IPSAS reached 93%.

<b>IPSAS</b>	<b>Compliance to IPSAS (2015)</b>
CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING BY PUBLIC SECTOR	comply
IPSAS 1 PRESENTATION OF FINANCIAL STATEMENTS	comply
IPSAS 2 CASH FLOW STATEMENTS	comply
IPSAS 3 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS	comply
IPSAS 4 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES	comply
IPSAS 5 BORROWING COSTS	comply
IPSAS 6 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	partially comply
IPSAS 7 INVESTMENTS IN ASSOCIATES	comply
IPSAS 8 INTERESTS IN JOINT VENTURES	not applicable
IPSAS 9 REVENUE FROM EXCHANGE TRANSACTIONS	comply
IPSAS 11 CONSTRUCTION CONTRACTS	not applicable
IPSAS 12 INVENTORIES	comply
IPSAS 13 LEASES	comply
IPSAS 14 EVENTS AFTER THE REPORTING DATE	comply
IPSAS 16 INVESTMENT PROPERTY	comply
IPSAS 17 PROPERTY, PLANT, AND EQUIPMENT	comply
IPSAS 18 SEGMENT REPORTING	no plans to implement
IPSAS 19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS	comply
IPSAS 20 RELATED PARTY DISCLOSURES	no plans to implement
IPSAS 21 IMPAIRMENT OF NON-CASH-GENERATING ASSETS	comply
IPSAS 22 DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR	no plans to implement
IPSAS 23 REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND TRANSFERS)	comply
IPSAS 24 PRESENTATION OF BUDGET INFORMATION IN FINANCIAL STATEMENTS	comply
IPSAS 25 EMPLOYEE BENEFITS	comply
IPSAS 26 IMPAIRMENT OF CASH-GENERATING ASSETS	comply
IPSAS 27 AGRICULTURE	comply
IPSAS 28 FINANCIAL INSTRUMENTS: PRESENTATION	comply
IPSAS 29 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT	comply
IPSAS 30 FINANCIAL INSTRUMENTS: DISCLOSURES	comply
IPSAS 31 INTANGIBLE ASSETS	comply
IPSAS 32 SERVICE CONCESSION ARRANGEMENTS: GRANTOR	comply