



Executive Body of the Kyiv City
Council (Kyiv City State
Administration)

UK | UA



*Reform assistance
to Ukraine*

*Підтримка реформ
в Україні*



City of Kyiv

2015

Annual Report



Green sea is rising in waves,
quiet day's burning down.
Banks of the Dnipro have
become dear to me,
where the branches of
love dreams sway in the wind...
How can one not love you,
Kyiv of mine!

Cannes look into my heart,
I will melt my heart with them.
May they tell to my beloved,
how faithfully I love.
I will live and dream
on the wings of my hopes...
How can one not love you,
Kyiv of mine!

Tired city is sleeping
quiet and sweetly in peace.
The city lights are in blossom
like a necklace on the Dnipro.
Twilight is glowing in velvet
like the surf of the bliss...
How can one not love you,
Kyiv of mine!

by Dmytro Lutsenko



30 September 2016

Dear Kyivans and Visitors,

I am very pleased to present the second Annual Report of the City of Kyiv prepared by the Kyiv City State Administration under the auspices of the UK-UA: Reform Assistance program to Ukraine.

The first Annual Report of the City of Kyiv resulting from our performance in 2014 received positive feedback from Ukrainians and international community representatives. Therefore, we are committed to using and improving the annual public reporting system for the City based on our specific accomplishments and experience of world municipal leaders.

Vitali Klitschko

Mayor of Kyiv



**KYIV'S ANNUAL
REPORT PROJECT
TEAM:**

The Annual Report of the City of Kyiv is supposed to be a tool for disclosing the socio-economic progress and financial performance of Kyiv for the reporting period to the society and other stakeholders. This Annual Report contains full and exhaustive information on Kyiv's performance in different areas listed below:

- performance of the Kyiv City State Administration for the reporting period;
- implementation of the Kyiv City Development Strategy;
- City's socio-economic development in 2015;
- budget vs actual performance of Kyiv for the reporting period;
- financial and economic performance of City-owned and City-managed businesses for the reporting year.



**Kyiv City State
Administration**

I hope this report will become another important instrument to develop straightforward communication between the City's government, its citizens, investors and other stakeholders.



*Reform assistance
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в Україні*

Vitali Klitschko

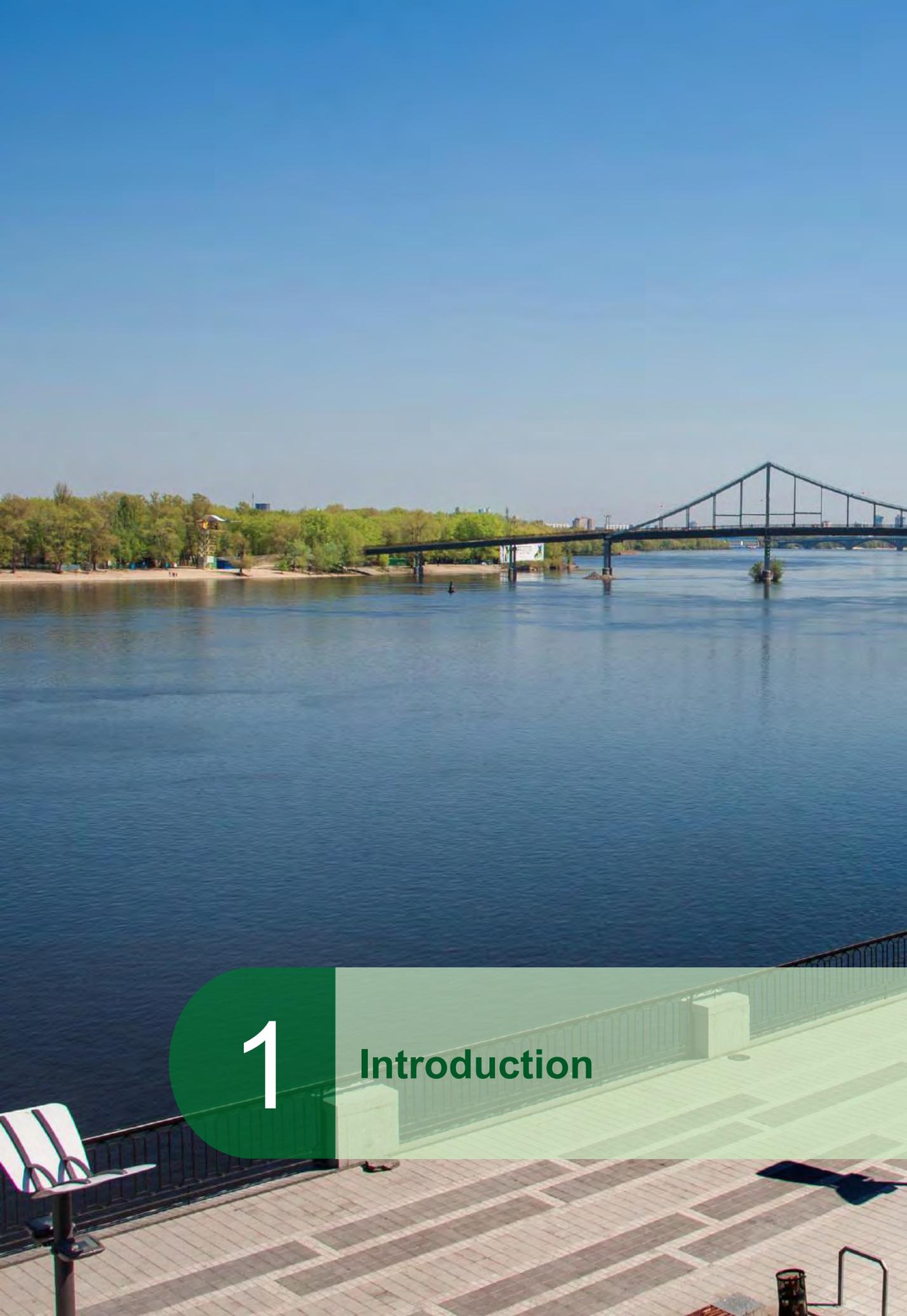
Mayor of Kyiv



STRUCTURE OF KYIV'S ANNUAL REPORT 2015

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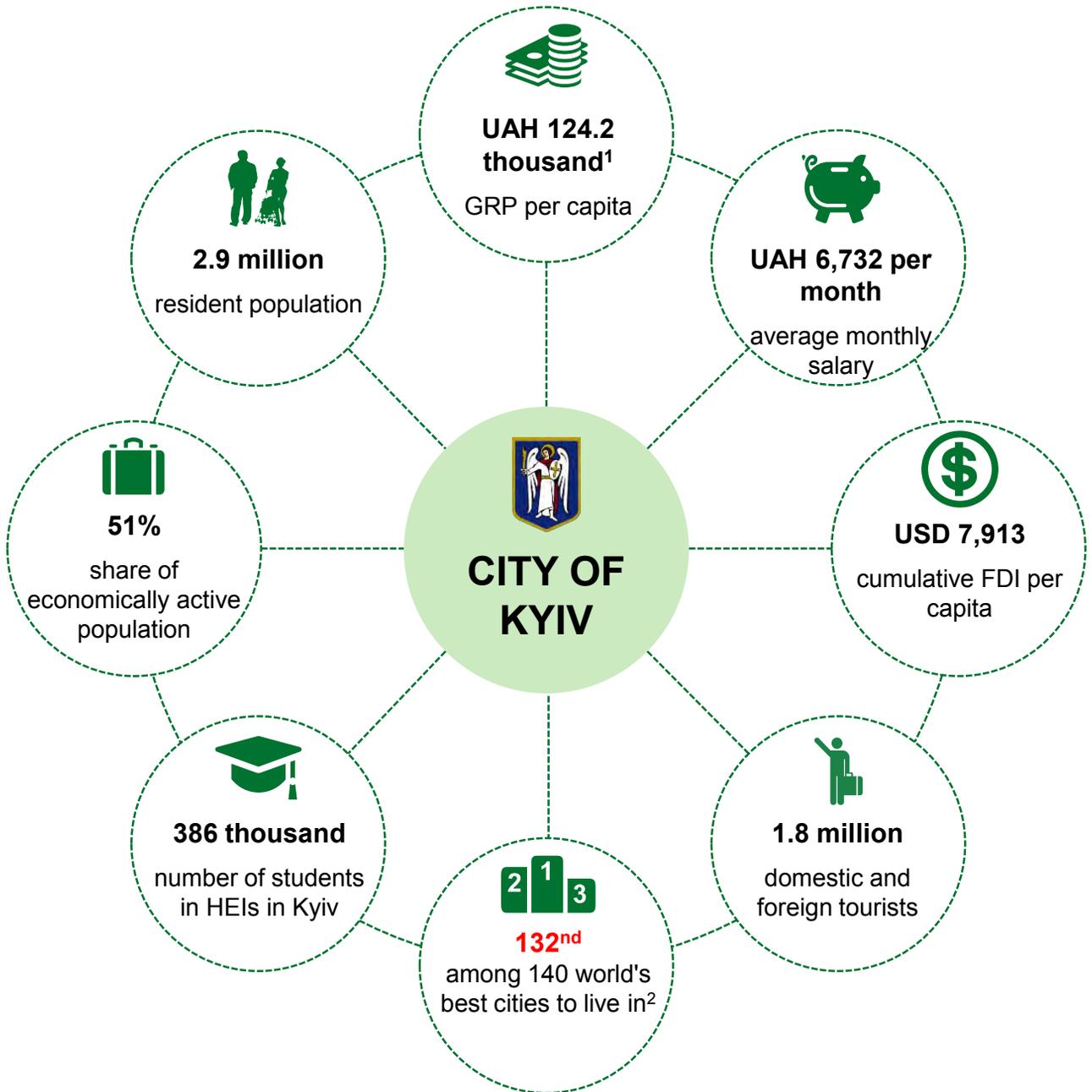
1

Introduction



Kyiv is the capital of Ukraine and the country's political, economic, administrative and intellectual centre.

Kyiv at a glance in 2015:



Kyiv's credit ratings³:



¹ – 2014 data (latest available data).

² – as per EIU Global Liveability Ranking 2015.

³ – Kyiv's long-term credit ratings on foreign currency obligations as at 31/09/2016. Credit ratings assigned by all rating agencies are speculative grade and indicate poor capacity of the City to meet its commitments on debt obligations. Outlooks on Moody's rating is **stable**, with that on S&P and Fitch ratings being **negative**.



2

Key findings and highlights of the Annual Report



KEY FINDINGS AND HIGHLIGHTS FROM THE MAIN SECTIONS OF KYIV'S ANNUAL REPORT 2015

General information on the Kyiv City State Administration

- 1) The pillars underpinning the actions of the KCSA are **legality**, personal responsibility, and the balance between **country-wide interests** and the **interests of Kyiv's community**.
- 2) In 2015, the **executive body of Kyiv City Council (KCSA)** was structured as follows:
 - KCSA Executive Office
 - 18 departments;
 - 1 function;
 - Juvenile Service;
 - Kyiv City Public Archive.
- 3) During 2015, the KCSA was managed by the **City Mayor** and his **five deputies**. In 2016, the Kyiv City Council approved appointment of two deputy heads of KCSA responsible for exercising of City's self-government powers.
- 4) Total funding allocated from the budget for **management and governance activities** of the KCSA units in their respective areas for 2015 **increased by UAH 9.2 million, or 4% year-over-year, up to UAH 260 million**.
- 5) As at 31/12/2015, the KCSA headcount was **1,820 employees** excluding the staff of Kyiv's District State Administrations (3,371 employees) and the State Archive of Kiev (10 employees).
- 6) In 2015, the **average cost per FTE** at KCSA was **UAH 11,787 per month**.

Strategy and socio-economic indicators of Kyiv's City development in 2015

- 1) **The Kyiv 2025 Development Strategy** is a fundamental document reflecting the City's key priorities.
- 2) The Kyiv's 2025 Development Strategy is pursued **across 9 key strategic initiatives** destined to enhance the **quality of life** and **economic welfare** of its residents.
- 3) According to Strategy-2025:
 - **Economic welfare** represents an increase in **Gross Regional Product** of Kyiv. In 2015, the real GRP **dropped by 6.5% vs growth estimate of 6.5%** for the year.
 - **A comfortable urban living environment** represents an upgrade of the integral **liveability index** that is based on **21 indicators** showing the **condition of key urban life areas**. The **baseline liveability index** (2009) was **100.0** and the **current index** is **107.1**, with the **target of 120.7**.
- 4) In 2016, the KCSA launched a project to **update the Kyiv's Development Strategy**.
 - 5) Of the **62 target indicators** in Strategy-2025:
 - **17 indicators are in line** with the Strategy;
 - **17 indicators deteriorated** vs the baseline;
 - **21 indicators showed no or insufficient progress**;
 - **no current data** was available for **7 indicators**.

Kyiv's budgetary performance in 2015

- 1) During 2015, the **revenue** of Kyiv budget increased by 33% to **UAH 31,654 million**, which was 119% of the annual budget, including:
 - **City revenues** increased by 50% to **UAH 22,178 million** (130% vs budgeted) as a result of increases in: corporate profit tax, property tax, excise tax, and unified tax receipts.
 - **Transfers from the Government budget** increased by 6% to **UAH 9,476 million** (100% vs budgeted).
- 2) **Expenses** increased by 21% to **UAH 28,010 million** (114% vs budgeted), including:
 - **City expenses** increased by 27% to **UAH 27,957 million** (114% vs budgeted) as a result of increased healthcare, education, and social protection spending, including due to new types of central budget subventions (i.e. healthcare and educational subventions).
 - **Transfers from the Kyiv's budget** decreased by 95% to **UAH 53 million** (79% vs budgeted).
- 3) In 2015, the **budget surplus** rose 6.5 times to **UAH 3,644 million** (11.5% of revenue).
- 4) In 2015, the **local debt** decreased by 62% to **UAH 5,292 million** (23.9% of municipal revenues) due to successful foreign debt restructuring and partial redemption of the City's domestic bond issue.

Kyiv's financial performance in 2015¹

- 1) Total assets/liabilities:
 - beginning of the year: **UAH 77,469 million**;
 - end of the year: **UAH 89,224 million**;
 including:
 - **Property, plant and equipment**:
 - beginning of the year: **UAH 65,821 million**;
 - end of the year: **UAH 69,717 million**;
 - **Inventories**:
 - beginning of the year: **UAH 6,295 million**;
 - end of the year: **UAH 9,015 million**;
 - **Non-current and current borrowings**:
 - beginning of the year: **UAH 20,204 million**;
 - end of the year: **UAH 20,021 million**.
- 2) Net assets:
 - beginning of the year: **UAH 43,047 million**;
 - end of the year: **UAH 52,560 million**.
- 3) Total revenue for 2015: **UAH 40,761 million**.
- 4) Total operating expenses for 2015: **UAH (30,601) million**.
- 5) Total finance costs: **UAH (5,995) million**.
- 6) Total profit tax: **UAH (35) million**.
- 7) Surplus for the reporting period: **UAH 4,130 million**.

¹ – Presented based on consolidated accounts of **1,970 municipal and budgetary entities of Kyiv**.



3

General Information on the Kyiv City State Administration



HIGHLIGHTS OF THE KYIV CITY STATE ADMINISTRATION'S RULES OF PROCEDURE

1

- The **executive body** of the Kyiv City Council is represented by the Kyiv City State Administration, which also performs the functions of the **public executive authority** (this is a special feature of the executive branch in Kyiv).

2

- The basic organisational principles of activities performed by the executive body of the Kyiv City Council (i.e. the Kyiv City State Administration), its Executive Office and departments are **determined by**:
 - The Law of Ukraine “On the Hero City of Kyiv, the Capital of Ukraine”;
 - The Law of Ukraine “On Local Self-Government in Ukraine”;
 - The Law of Ukraine “On Local State Administrations”;
 - Policy statements of departments of the executive body of the Kyiv City Council (the Kyiv City State Administration);
 - Resolutions of the Kyiv City Council;
 - Administrative orders of the Mayor of Kyiv, the executive body of the Kyiv City Council (the Kyiv City State Administration);
 - The Rules of Procedure of the executive body of the Kyiv City Council (the Kyiv City State Administration).

3

- The activities of the executive body of the Kyiv City Council (the Kyiv City State Administration) **are based on**:
 - rule of law;
 - personal responsibility;
 - a combination of national interests and interests of the territorial community of Kyiv.

4

- The executive body of the Kyiv City Council (the Kyiv City State Administration) is **accountable and subordinate to the Kyiv City Council** on matters within the jurisdiction of **local self-government**, and accountable and subordinate to **the Cabinet of Ministers of Ukraine** on matters concerning the exercise of the executive branch's authority.

5

- The activities of the executive body of the Kyiv City Council (the Kyiv City State Administration), its Executive Office and other departments are **open and transparent** except for consideration of issues, which contain restricted information.

6

- The **structure and headcount** of the executive body of the Kyiv City Council (the Kyiv City State Administration), and **costs for its maintenance are approved by the Kyiv City Council**.

7

- The executive body of the Kyiv City Council (the Kyiv City State Administration) **informs the public** of its activities, and **involves the public in preparation and consideration** of issues within its competence.

8

- The activities of the executive body of the Kyiv City Council (the Kyiv City State Administration) are based on the **perspective (annual), current (quarterly) and (if required) operating (monthly) plans** approved by the Mayor as advised by the Head of the executive body's Executive Office.

9

- The **content of reports** is determined by the **issues within competency** of the executive body of the Kyiv City Council (the Kyiv City State Administration) and its departments.

10

- The performance report of the executive body of the Kyiv City Council (the Kyiv City State Administration) is **published on the Kyiv City State Administration's official website** (i.e. general web-portal of the territorial community of Kyiv) and in the **municipal media**.

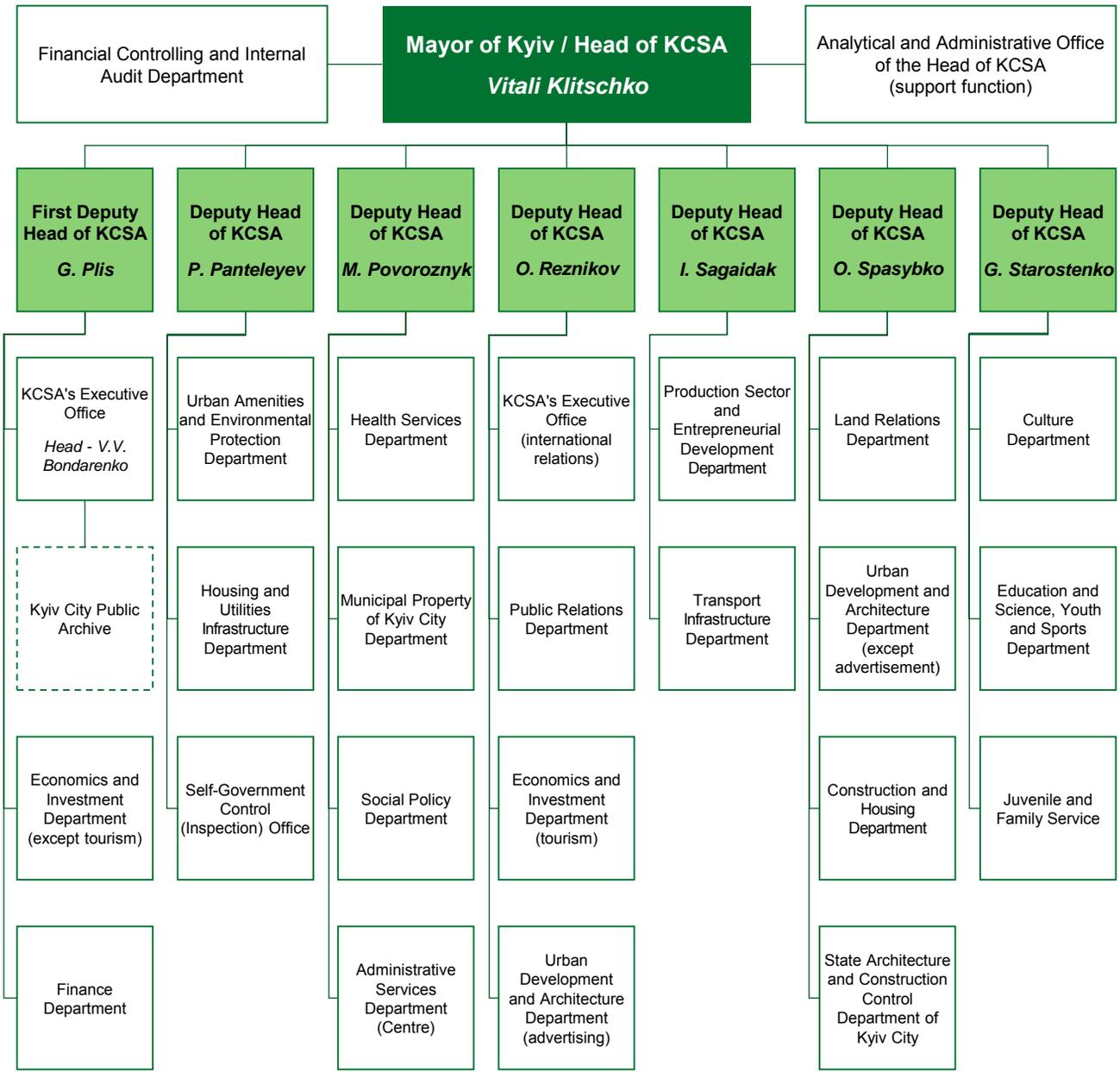


STRUCTURE OF THE KYIV CITY STATE ADMINISTRATION

22 units existed within the Kyiv City Council (the Kyiv City State Administration) in 2015 including:

- Executive Office
- 18 departments
- 1 office
- Juvenile Service
- Kyiv City Public Archive

The flow chart demonstrates how the Kyiv City State Administration coordinates activities of its respective entities:



Entities beyond the chart
(1 inspection and 5 municipal centres)

Advisory bodies
(60 public councils, advisory councils, committees, unions etc.)

Note: Registration Service Department was established as an additional structural unit according to the Kyiv City Council's Resolution № 319/319 dated 14/04/2016 and the IT and Communications Department and the Advertising Office were established as independent structural units according to the Kyiv City Council's Resolution № 857/857 dated 28/07/2016.

**KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION****VITALI KLITSCHKO, Mayor of Kyiv***Elected in May 2014***Education:**

- Grygory Skovoroda Pereyaslav-Khmelnytsky State Pedagogical University. PhD in Sports Science.
- National Academy for Public Administration under the President of Ukraine. MSc in Management of Societal Development.

Professional background:

- People's Deputy of Ukraine in the 7th convocation;
- Deputy of Kyiv City Council;
- Leader of UDAR political party;
- Professional boxer.

Key responsibilities:

- manages KCSA activities;
- represents KCSA in affairs with central executive authorities and political parties;
- coordinates provision of financing to enterprises, institutions and municipal entities of the City;
- coordinates sectoral and local programmes development, and organisation and administration of their implementation;
- coordinates development of socio-economic and cultural programmes in Kyiv City and administration of their implementation;
- coordinates efforts to construct facilities of particular importance in the City.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 1,872 (in Ukraine) ▪ UAH 2,6 million (abroad) 	—
 Information on assets in private ownership	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 225 square meters 	<ul style="list-style-type: none"> ▪ Land in Ukraine with the total area of 2,500 square meters ▪ House in Ukraine with the total area of 786 square meters
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ Motorcycle – A Fine Custom Puncher ▪ Trailer – Ironhorse Widebody 2013 	<ul style="list-style-type: none"> ▪ Land Rover Discovery 4, 2013 ▪ Toyota Seqvoia, 2014
 Bank deposits, securities and other assets	<ul style="list-style-type: none"> ▪ Bank deposit UAH 247.2 million 	—

KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION



Coordinates the Pechersky and Shevchenkivsky DSAs of Kyiv City

GENNADIY PLIS, First Deputy Head of KCSA

Appointed in January 2016

Education:

- Graduated from Bauman Moscow State Technical University. Earned a PhD in Engineering.
- Graduated from Lugansk Machine-Building Institute with a degree in engineering.
- Earned a postgraduate degree from Moscow State University of Railway Engineering.
- Graduated from Yaroslav Mudryi National Law University with a degree in law.
- Graduated from Kyiv Institute of Investment Management with a degree in economics.

Professional background:

- Director of Financial Controlling and Internal Audit Department of KCSA;
- Director of Internal Audit and Risk Management Department of KCSA;
- Chairman of the Supervisory Board of PJSC "SFGCU";
- Head of Main Directorate of Financial Controlling and Internal Audit of KCSA;
- Head of Financial and Economic Directorate, Ministry of Energy and Coal Industry of Ukraine;
- Director of Lugansk Regional Department of the State Agency on Bankruptcy, Ministry of Economic Development and Trade of Ukraine.

Key responsibilities:

- acts as the Head of KCSA in the absence of the City Mayor;
- coordinates activities of deputy heads of KCSA, heads of departments, functions, teams, and other KCSA entities;
- facilitates development of financial and credit, advisory and information systems for business support;
- facilitates foreign investments to develop the City's economic potential;
- promotes the development of foreign economic relations and the foreign market entry of the enterprises, institutions and organizations located in Kyiv City;
- coordinates state registration of foreign investments;
- coordinates and controls activities performed by District City State Administrations and proposes on improvement of the Kyiv's City districts governance.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015



Civil servant



Family members

<p>Total income</p>	<ul style="list-style-type: none"> ▪ UAH 671.4 thousand (in Ukraine) 	<p>—</p>
<p>Information on assets in private ownership</p>	<ul style="list-style-type: none"> ▪ Land in Ukraine with the total area of 1,544 square meters ▪ House in Ukraine with the total area of 228.5 square meters 	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 90.3 square meters
<p>Information on vehicles in private ownership</p>	<ul style="list-style-type: none"> ▪ Motorcycle KTM 1190, 2013 ▪ Motorcycle KTM 250 EXC, 2013 	<p>—</p>
<p>Bank deposits, securities and other assets</p>	<ul style="list-style-type: none"> ▪ Bank deposit UAH 105.7 thousand 	<p>—</p>

**KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION**

Coordinates the Svyatoshynsky and Solomyansky DSAs of Kyiv City

PETRO PANTELEYEV, Deputy Head of KCSA

Appointed in September 2014

Education:

- Kyiv State Technical University of Construction and Architecture. Area of expertise: supply of heat and gas, air pollution control. Civil engineer.

Professional background:

- Head of the Shevchenkivsky District State Administration;
- He was in charge of one of the Kyiv City State Administration's function and coordinated development of the City housing and utility assets;
- His career stretched from the chief engineer of Housing Office to the Deputy Head of the Shevchenkivsky District State Administration in Kyiv.

Key responsibilities:

- oversees development and modernization of Kyiv City housing and utility assets;
- coordinates implementation of the state policy for housing and utilities service in Kyiv City, supervises compliance with quality of services, ensures rights and interests of residents for housing and utilities servicing;
- facilitates development and implementation of programmes in energy efficiency improvement of residential property fund, infrastructure assets, budgetary entities etc;
- facilitates implementation of public amenities and greenery planting programmes, coordinates execution of environmental policy;
- coordinates implementation of labour protection policy, civil defence, emergency prevention and rescue services.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	▪ UAH 124.0 thousand (in Ukraine)	▪ UAH 100.8 thousand (in Ukraine)
 Information on assets in private ownership	▪ Apartment in Ukraine with the total area of 64.0 square meters	—
 Information on vehicles in private ownership	—	▪ Volkswagen Touareg, 2007
 Bank deposits, securities and other assets	—	—

KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION



Coordinates the Holosiyivsky and Darnitsky DSAs of Kyiv City

MYKOLA POVOROZNYK, Deputy Head of KCSA

Appointed in January 2016

Education:

- Graduated from Kyiv Military Institute of Control and Communication with a degree in electronics engineering.
- National Academy for Public Administration under the President of Ukraine. MSc in Public Administration.

Professional background:

- Director of the KCSA Economics and Investment Department;
- Head of Regulatory Policy and Permits Office of Production Sector and Entrepreneurial Development Department;
- Head of the KCSA Regulatory Policy Implementation and Entrepreneurial Development Office;
- Deputy Head of Licensing and Registration Department, the KCSA Main Office of Entrepreneurial Development.

Key responsibilities:

- ensures implementation of state healthcare policy;
- coordinates healthcare facilities owned by the territorial community of Kyiv; undertakes to provide them with material and financial support;
- ensures development and implementation of local employment programmes;
- ensures organisation and effectiveness of the labour administration system;
- participates in collective bargaining and conclusion of territorial collective agreements, and resolution of collective employment disputes;
- coordinates construction of social facilities and youth centres.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 280.1 thousand (in Ukraine) 	<ul style="list-style-type: none"> ▪ UAH 36.0 thousand (in Ukraine)
 Information on assets in private ownership	—	<ul style="list-style-type: none"> ▪ Land in Ukraine with the total area of 1,496 square meters ▪ House in Ukraine with the total area of 193.5 square meters ▪ Apartment in Ukraine with the total area of 43.4 square meters
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ Motorcycle BMW K 1200 R, 2006 	<ul style="list-style-type: none"> ▪ Volvo V-40, 2013 ▪ Moskvych M-412, 1990
 Bank deposits, securities and other assets	<ul style="list-style-type: none"> ▪ Bank deposit UAH 681.0 thousand 	<ul style="list-style-type: none"> ▪ Capital contribution UAH 59.1 thousand

**KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION****OLEKSII REZNIKOV, Deputy Head of KCSA****Appointed in March 2016****Education:**

- Graduated with honours from Ivan Franko National University of Lviv with a degree in law.
- Master of Sport of Ukraine in Motorsport.
- Honoured Lawyer of Ukraine.

Professional background:

- Advisor to the Kyiv City mayor on implementation of self-government reforms;
- Member of the Reformation Team of the Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine;
- Deputy Mayor, Secretary of the Kyiv City Council;
- Deputy of Kyiv City Council in the 6th convocation;
- Professor of Public Law at the International Solomon University;
- Head of the Ukrainian Legislation Centre.

Key responsibilities:

- coordinates efforts in developing initiatives on reforming municipal facilities;
- ensures implementation of local self-government and initiates improvement of legislation on decentralization;
- initiates development of favourable conditions for local development;
- oversees analysis of social and political processes in the City;
- coordinates efforts in developing information space and infrastructure;
- facilitates development of favourable conditions to promote tourism;
- facilitates development of international relations in tourism;
- coordinates efforts in regulating the publicity sector.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 101.1 thousand (in Ukraine) 	—
 Information on assets in private ownership	<ul style="list-style-type: none"> ▪ Land in Ukraine with the total area of 11.1 thousand square meters 	—
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ Porsche Panamera, 2012 ▪ Volkswagen Amarok, 2013 ▪ Trailer Tiki Treiler, 2009 	—
 Bank deposits, securities and other assets	<ul style="list-style-type: none"> ▪ Capital contribution UAH 142.1 thousand 	—

KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION



ILLYA SAGAIDAK, Deputy Head of KCSA

Appointed in March 2016

Education:

- Taras Shevchenko Kyiv National University. Earned a PhD in Economics.
- Harvard Business School. Area of expertise: strategic financial analysis.

Professional background:

- Deputy of Kyiv City Council in the 7th convocation;
- Head of the Svyatoshynsky District City State Administration;
- First Deputy Head of the Shevchenkivsky District City State Administration;
- Assistant and advisor to a People's Deputy of Ukraine;
- Director of Phoenix Capital Company;
- Financial controller at Nestle Ukraine.

Key responsibilities:

- ensures effectiveness and efficiency of the city road and transport infrastructure;
- facilitates development and implementation of the municipal technology and innovation policy;
- coordinates implementation of the scientific and R&D programmes, and the work of the Scientific and Economic Council on R&D and Project Design;
- facilitates foreign economic relations of industrial entities, institutions and organisations;
- oversees formation and implementation of the Municipal IT Penetration Programme;
- ensures and supervises implementation of the complex information protection system.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 245.4 thousand (in Ukraine) 	<ul style="list-style-type: none"> ▪ UAH 3.2 million (in Ukraine)
 Information on assets in private ownership	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 70.5 square meters 	<ul style="list-style-type: none"> ▪ 6 land lots with the total area of 93,421 square meters ▪ 8 houses with the total area of 2,847.7 square meters ▪ 29 apartments with the total area of 4,637.7 square meters
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ BMW 750 Li, 2012 	<ul style="list-style-type: none"> ▪ Volkswagen Touareg, 2006 ▪ Range Rover Autobiography, 2013 ▪ Porsche Cayenne GTS, 2008
 Bank deposits, securities and other assets	<ul style="list-style-type: none"> ▪ Bank deposit UAH 1.6 million 	<ul style="list-style-type: none"> ▪ Bank deposit UAH 503.6 thousand

**KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION****Coordinates the Obolonsky and Podilsky DSAs of Kyiv City****OLEKSANDR SPASYBKO, Deputy Head of KCSA***Appointed in January 2016***Education:**

- Graduated from Taras Shevchenko Kyiv National University with degree in history.
- Graduated from Taras Shevchenko Kyiv National University with degree in law.

Professional background:

- Director of the KCSA Construction and Housing Department;
- Assistant to Head of the KCSA Analytical and Administrative Office;
- Director of LLC "Yaroslaviv Val";
- Legal counsel at State enterprise JSC "Automobile roads of Ukraine";
- Senior expert of the legal counsel at LLC "Autolux Service".

Key responsibilities:

- ensures implementation of the state policy on land relationship, urban development and architecture;
- initiates development, regulatory submission and implementation of the General Plan for Kyiv City and other urban development documentation, supervises compliance with the legislation on urban development and architecture, state standards, rules and procedures;
- submits proposals to the Kyiv City Council and undertakes to enforce its decision on privatization, granting, transfer and sale, and withdrawal (buyout) of land plots;
- signs off draft agreements on the purchase and sale, and lease of land before they are referred to the City Mayor, as well as draft titles of ownership and perpetual use of land;
- leads the commission on provision of housing to investors who suffered losses from the Elita-Centre group of companies.

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015**Civil servant****Family members**

	Civil servant	Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 98.6 thousand (in Ukraine) 	<ul style="list-style-type: none"> ▪ UAH 250.0 thousand (in Ukraine)
 Information on assets in private ownership	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 55.4 square meters ▪ Garage with the total area of 15.4 square meters 	<ul style="list-style-type: none"> ▪ Land lot with the total area of 1,000 square meters ▪ House with the total area of 247.9 square meters ▪ Apartment with the total area of 126.6 square meters
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ Honda CR+V, 2013 (marital property) 	<ul style="list-style-type: none"> ▪ Honda CR+V, 2013 (marital property)
 Bank deposits, securities and other assets	<ul style="list-style-type: none"> ▪ Bank deposit UAH 39.0 	<p>—</p>

KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION



GANNA STAROSTENKO, Deputy Head of KCSA

Appointed in September 2014

Education:

- Institute of International Relations of Taras Shevchenko Kyiv National University. MSc in International Relations. Translator of German.
- European University Viadrina (Germany)
- Earned a PhD in Political science

Professional background:

- Deputy of Kyiv City Council in 6th, 7th and 8th convocations;
- Assistant and advisor to a People's Deputy of Ukraine;
- Head of the Klitschko Foundation, a charitable organisation;
- Manager in the Pivnichna Investment Group LLC.

Key responsibilities:

- ensures compliance with Ukrainian laws on culture and preservation of cultural heritage; coordinates efficient work and development of the City's cultural facilities, forecasting of cultural facilities development in the City;
- ensures implementation of ethnic minorities and state-church relations state policies;
- ensures compliance with Ukrainian laws on education and science, physical culture and sports, foresees efficient work and development of the City's educational, physical culture and sports facilities, maintains forecasting of educational, physical culture and sports facilities development in the City;
- implements complex of social, economic and legal measures to ensure rights of children for development and education.

Coordinates the Desnyansky and Dniprotsky DSAs of Kyiv City

EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	<ul style="list-style-type: none"> ▪ UAH 130.3 thousand (in Ukraine) 	—
 Information on assets in private ownership	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 58.0 square meters 	—
 Information on vehicles in private ownership	<ul style="list-style-type: none"> ▪ Ford Kuga Trend, 2010 	—
 Bank deposits, securities and other assets	—	—

**KEY MANAGEMENT PERSONNEL OF THE KYIV CITY STATE ADMINISTRATION****VOLODYMYR BONDARENKO, Head of KCSA's Executive Office****Appointed in August 2014****Education:**

- Graduated from Taras Shevchenko Kyiv National University with degree in law.

Professional background:

- Grade 7 civil servant;
- Assistant and advisor to Vitali Klitschko, a People's Deputy of Ukraine;
- Pro bono assistant and advisor to Vitali Klitschko, a member of the Kyiv City Council;
- His first job was a member of the support staff at Secondary General School 61 in the Shevchenkivsky District of Kyiv.

Key responsibilities:

- provides organisational, legal, administrative, documentary, informational, recruiting, financial, economic, business, social and other support to KCSA, prepares analytical, informational and other materials, regularly supervises compliance with laws of Ukraine and resolutions of the Kyiv City mayor and KCSA;
- ensures methodological and practical support to departments and District City State Administrations by the KCSA Executive Office;
- ensures presentation of documents prepared by the Office to the City Mayor;
- submits draft resolutions of the City mayor and KCSA to the City mayor for signatures;
- provides organisational support to the process of consideration of parliamentary inquiries, information requests and other inquiries from citizens on matters within the KCSA's authority;
- prepares orders within his authority and supervises their implementation.

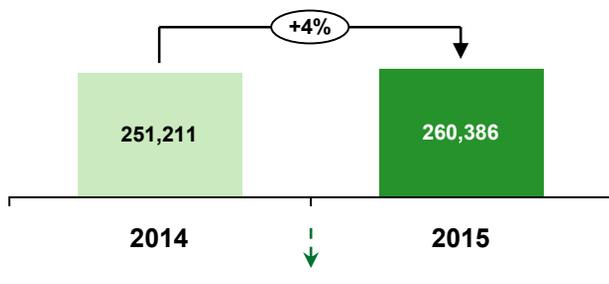
EXTRACT FROM DECLARATION ON INCOME AND EXPENSE, FINANCIAL OBLIGATIONS AND ASSETS FOR 2015

	 Civil servant	 Family members
 Total income	▪ UAH 93.3 thousand (in Ukraine)	▪ UAH 75.1 thousand (in Ukraine)
 Information on assets in private ownership	▪ Apartment in Ukraine with the total area of 23.2 square meters (common property)	<ul style="list-style-type: none"> ▪ Apartment in Ukraine with the total area of 23.2 square meters (common property) ▪ Apartment in Ukraine with the total area of 20.6 square meters
 Information on vehicles in private ownership	—	—
 Bank deposits, securities and other assets	▪ Bank deposit UAH 2,774.1	▪ Bank deposit UAH 520.0

In 2015, the financing of budget programmes to ensure proper governance and management by KCSA structural units in relevant areas increased by 4% to UAH 260 million, whereas the total number of FTEs in KCSA decreased by 1% to 1,820.



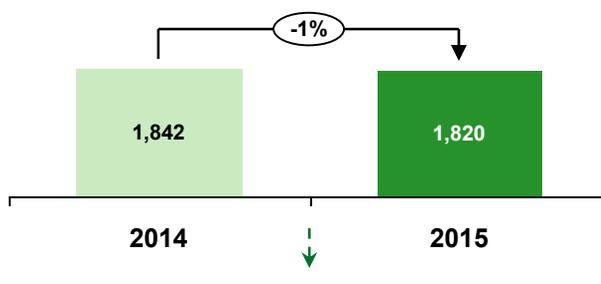
Financing of budget programmes to ensure proper governance and management by KCSA structural units in relevant areas
(UAH thousand)



	2014	2015	% change
KCSA Executive Office	60,358	55,006	-9%
Economics and Investment Department	13,674	18,069	+32%
Land Relations Department	16,861	17,969	+7%
Social Policy Department	12,755	15,817	+24%
Finance Department	17,290 ²	14,353	-17%
Urban Amenities and Environmental Protection Department	13,663	14,236	+4%
Housing and Utilities infrastructure Department	14,469	14,150	-2%
Municipal Property of Kyiv City Department	11,119	13,431	+21%
Urban Development and Architecture Department	11,220	13,187	+18%
Education and Science, Youth and Sports Department	12,569	12,667	+1%
Culture Department	10,922	11,008	+1%
Construction and Housing Department	11,664	10,883	-7%
Health Services Department	9,594	9,743	+2%
Production Sector and Entrepreneurial Development Department	9,320	9,157	-2%
Administrative Services Department (Centre)	-3	8,342	-
Public Relations Department	8,344	6,802	-18%
Transport Infrastructure Department	6,307	6,407	+2%
Financial Controlling and Internal Audit Department	-2	5,694	-
State Architecture and Construction Control Department of Kyiv City	-3	-5	-
Juvenile Service	2,306	2,284	-1%
Directorates (Inspections) of Self-Government Control	-3	1,182	-
Cultural Heritage Protection Office	3,802	-4	-
Office of Tourism	3,087	-4	-
Office of Women, Disabled Persons, War and Labour Veterans	1,887	-4	-
Total	251,211	260,386	+4%



Total number of FTEs in KCSA structural units¹
(FTEs)



	2014	2015	% change
KCSA Executive Office of Kyiv City Council (KCSA)	345	275	-20%
Land Relations Department	138	126	-9%
Economics and Investment Department	113	123	+9%
Social Policy Department	103	120	+17%
Housing and Utilities infrastructure Department	116	109	-6%
Urban Amenities and Environmental Protection Department	111	100	-10%
Finance Department	147 ²	97	-34%
Education and Science, Youth and Sports Department	99	94	-5%
Urban Development and Architecture Department	82	88	+7%
Culture Department	65	87	+34%
Municipal Property of Kyiv City Department	83	80	-4%
Construction and Housing Department	87	80	-8%
Health Services Department	82	79	-4%
Administrative Services Department (Centre)	-3	78	-
Production Sector and Entrepreneurial Development Department	72	65	-10%
Public Relations Department	67	53	-21%
Transport Infrastructure Department	51	51	0%
Financial Controlling and Internal Audit Department	-2	41	-
State Architecture and Construction Control Department of Kyiv City	-3	39	-
Juvenile Service	18	21	17%
Directorates (Inspections) of Self-Government Control	-3	14	-
Cultural Heritage Protection Office	24	-4	-
Office of Tourism	23	-4	-
Office of Women, Disabled Persons, War and Labour Veterans	16	-4	-
Total	1,842	1,820	-1%

¹ – Excluding the number of FTEs in District City State Administrations (3,371 FTEs) and the Kyiv City Public Archive (10 FTEs) as at 31/12/2015.

² – Information on KCSA Finance Department for 2014 includes Financial Controlling and Internal Audit Department established under Kyiv City Council Resolution № 151/151 of 18/09/2014.

³ - Information on the above structural units for 2014 is not available as they were established and started their operation in 2015.

⁴ - Information on the above structural units for 2015 is not available as they were reorganised and merged with other KCSA structural units in 2015.

⁵ – No expenditures for the department incurred in 2015.



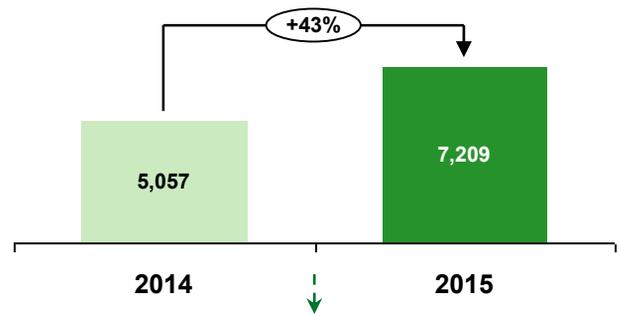
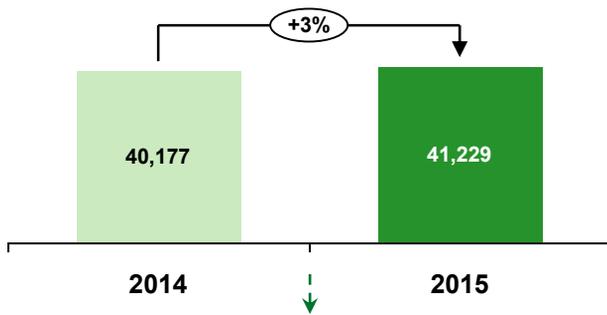
In 2015, the total heated area of the KCSA structural units increased by 3% to 41 thousand square metres, whereas their energy and utilities costs decreased by 43% to UAH 7.2 million.



Heated area of KCSA structural units (thousand m²)



Energy and utilities costs of KCSA structural units (UAH thousand)



	2014	2015	% change
Culture Department	10,331	10,873	+5%
Urban Development and Architecture Department	4,056	4,056	0%
Urban Amenities and Environmental Protection Department	3,559	3,467	-2%
Land Relations Department	3,418	3,418	0%
Housing and Utilities infrastructure Department	2,913	2,913	0%
Construction and Housing Department	3,274	2,853	-13%
Administrative Services Department (Centre)	-2	2,110	-
Health Services Department	1,958	1,958	0%
Education and Science, Youth and Sports Department	1,810	1,847	+2%
Municipal Property of Kyiv City Department	1,371	1,371	0%
Economics and Investment Department	896	1,309	+46%
Social Policy Department	1,757	1,233	-30%
Production Sector and Entrepreneurial Development Department	819	1,014	+24%
Transport Infrastructure Department	858	858	0%
Public Relations Department	963	813	-16%
Financial Controlling and Internal Audit Department	-2	451	-
KCSA Executive Office of Kyiv City Council (KCSA)	459	338	-26%
Juvenile Service	257	257	0%
Directorates (Inspections) of Self-Government Control	-2	89	-
Office of Tourism	467	-3	-
Finance Department ¹	451	-4	-
Office of Women, Disabled Persons, War and Labour Veterans	375	-3	-
Cultural Heritage Protection Office	185	-3	-
Total	40,177	41,229	+3%

	2014	2015	% change
Culture Department	654	1,041	+59%
Urban Development and Architecture Department	528	831	+57%
Health Services Department	289	722	+150%
Land Relations Department	360	559	+55%
Urban Amenities and Environmental Protection Department	496	553	+12%
KCSA Executive Office of Kyiv City Council (KCSA)	422	419	-1%
Municipal Property of Kyiv City Department	354	392	+11%
Social Policy Department	226	385	+70%
Housing and Utilities infrastructure Department	199	367	+84%
Construction and Housing Department	279	314	+13%
Education and Science, Youth and Sports Department	246	310	+26%
Transport Infrastructure Department	169	287	+70%
Administrative Services Department (Centre)	-2	241	-
Economics and Investment Department	140	214	+53%
Production Sector and Entrepreneurial Development Department	198	187	-6%
Public Relations Department	210	166	-21%
Financial Controlling and Internal Audit Department	-2	135	-
Juvenile Service	34	82	+141%
Directorates (Inspections) of Self-Government Control	-2	5	-
Cultural Heritage Protection Office	88	-3	-
Finance Department ¹	72	-4	-
Office of Tourism	52	-3	-
Office of Women, Disabled Persons, War and Labour Veterans	41	-3	-
Total	5,057	7,209	+43%

¹ – Information on KCSA Finance Department for 2014 includes Financial Controlling and Internal Audit Department established under Kyiv City Council Resolution № 151/151 of 18/09/2014.

² – Information on the above structural units for 2014 is not available as they were established and started their operation in 2015.

³ – Information on the above structural units for 2015 is not available as they were reorganised and merged with other KCSA structural units in 2015.

⁴ – In 2015, Kyiv City Council Secretariat was assigned to maintain the Finance Department area under resolutions of the Kyiv City Council.

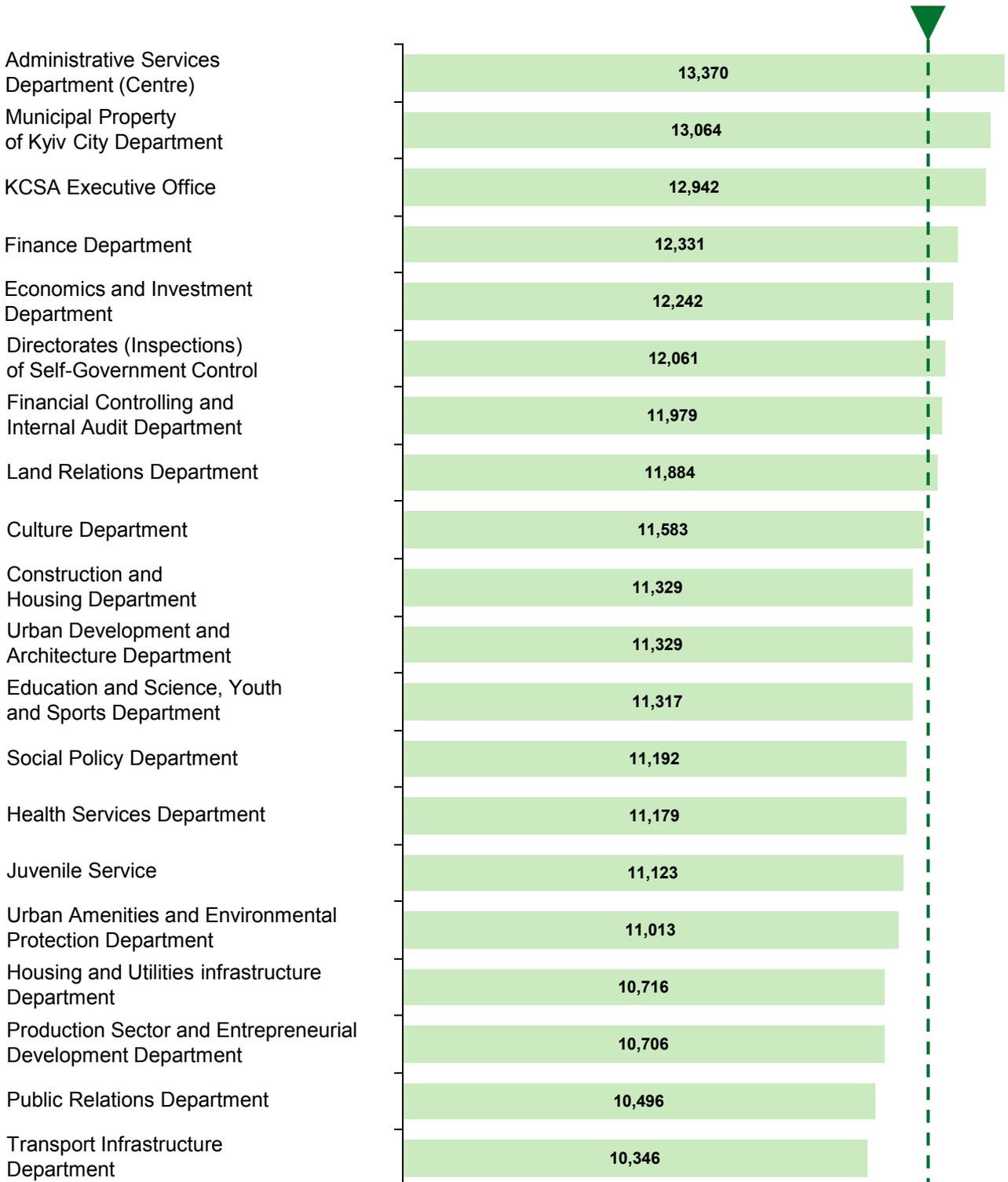


In 2015, average staff costs of the KCSA structural units amounted to UAH 11,787 per FTE per month.

Staff costs incurred per FTE by the KCSA structural units in 2015

(UAH/month)

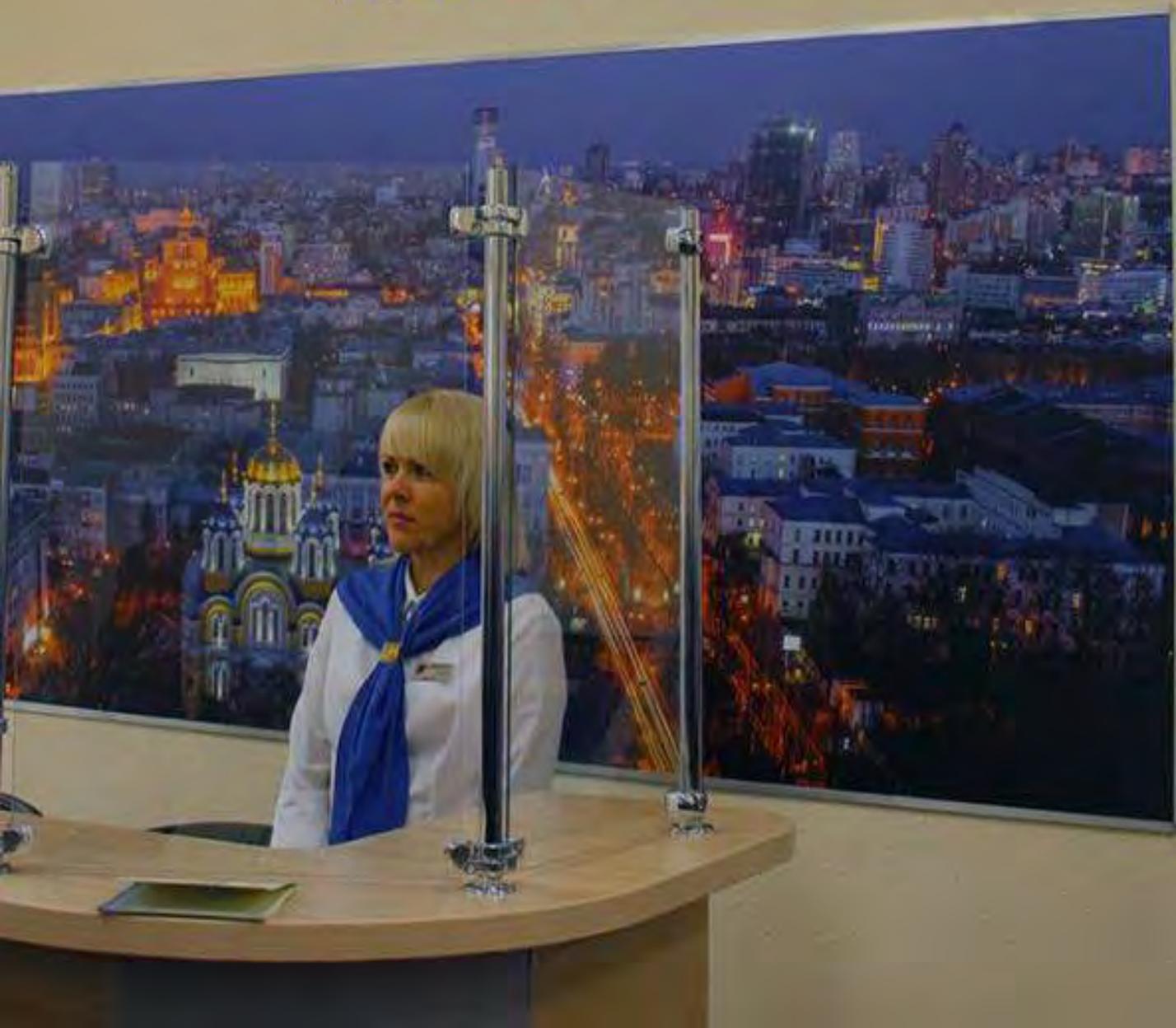
*Average monthly level
UAH 11,787*



Note: Staff costs of the KCSA structural units include payroll and related charges, energy and utilities costs, capital expenditure etc.



ЦЕНТР НАДАДАННЯ
АДМІНІСТРАТИВНИХ
ПОСЛУГ





Administrative Services

Kyiv operates a network of eleven Administrative Service Centres (ASCs) and one territorial division (branch).

ASCs contact details:

Kyiv City's Administrative Service Centres





Address:
19 B, Dniprovska Naberezhna Str.,
Kyiv, 02081



Phone:
(044) 202-60-38
(044) 202-60-39

Holosiivsky ASC



 42, Holosiivsky Ave.
 (044) 281-66-66
(044) 281-66-64

Pechersky ASC



 15, Suvorova Str.
 (044) 280-41-97

Darnitsky ASC



 21, Oliinyka Str.
 (044) 564-90-26
(044) 572-04-40

Podilsky ASC



 9/6, Kostiantynivska-Horyva Str.
 (044) 425-42-44
(044) 425-51-49

Desnyansky ASC



 29, Mayakovskogo Ave.
 (044) 546-99-00

Svyatoshynsky ASC



 29, Peremohy Ave.
 (044) 451-27-61
(044) 424-15-98

Dniprovsky ASC



 11/8, Bazhova Str.
 (044) 559-73-78
(044) 559-30-25

Solomyansky ASC



 41, Povitroflotsky Ave.
 (044) 207-09-68

Obolonsky ASC



 57, Geroiv Stalingradu Ave.
 (044) 485-22-74

Shevchenkivsky ASC

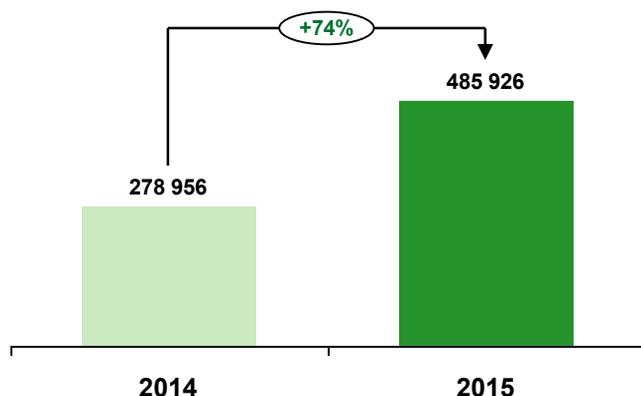


 24, B. Khmelnytskogo Str.
 (044) 278-71-60
(044) 226-31-97
 26/4, T. Shevchenko Blvd.
(branch), phone: (044) 235-32-16

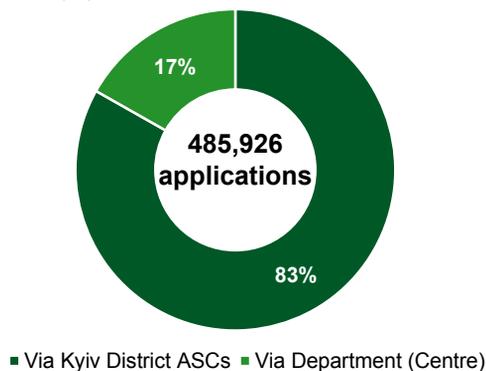
486 thousand customers have applied for administrative services to ASCs in Kyiv in 2015. The implemented innovations in the operation of the ASCs have improved the speed and quality of the administrative services.



Number of applications processed by the ASCs
(items)



Structure of applications for administrative services processed by the ASCs in 2015
(%)



Innovations in the operations of the Administrative Service Centres in 2015:

1

- The following online services are now available to customers through **their accounts on the Kyiv City administrative service portal**:
 - register for an appointment for any service;
 - print out an application form or information;
 - submit an application for administrative services (fill in an application form and attach scanned supporting documents);
 - save an application to be printed out at home or accessed through information kiosks at ASCs;
 - track an application;
 - obtain **the resulting outcome**;
 - get **online advice** (more than **3,050 consultations** provided);
 - give **feedback**.

2

- The following improvements have been successfully implemented to enhance **quality and completeness of services provided** at ASCs:
 - **the mobile response unit** established within the Department (Centre) with headcount of 50 administrators;
 - an **SMS application tracking service implemented**;
 - **Call centre** launched;
 - **consistent working hours** implemented across all ASCs;
 - **uniform and staff badges** implemented for administrators of the Department (Centre) and units (Centres) to ensure appropriate business dress code and enhance workplace discipline.
 - **applicant identification with Kyiv Resident Cards** implemented;
 - **anonymous satisfaction survey** introduced to assess customer satisfaction with the level of the services provided and compliance with appropriate procedures. The questionnaires are distributed through information kiosks located in service offices or published on the Kyiv City administrative service portal and ASC Facebook page.

3

- **Information kiosks were upgraded.** Now customers can:
 - access their accounts;
 - make a call to the **Call centre**;
 - access ASC Facebook page;
 - **fill in the customer satisfaction survey**;
 - give feedback to the Centre.

Note: A full list of ASC administrative services is provided in the Annex 1.



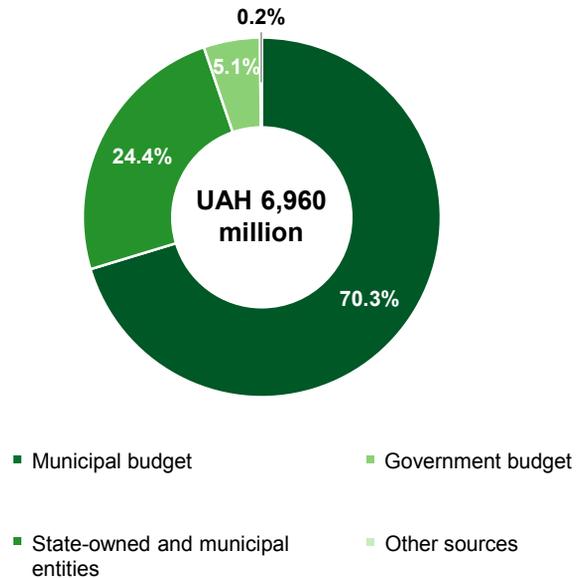
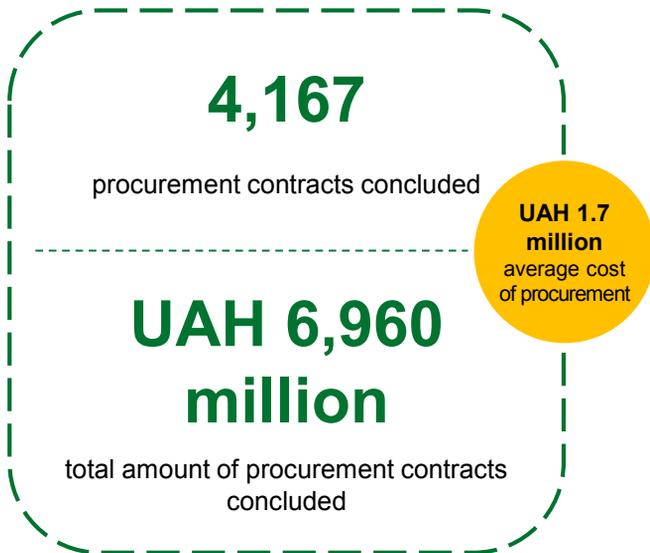
Public procurement for KCSA

In 2015, the KCSA concluded 4,167 contracts for procurement of goods, works and services through public procurement procedures in the total amount of UAH 6,960 million, of which 70% are funded from the municipal budget.

Performance of KCSA procurement using public procurement procedures in 2015



KCSA procurement structure by source of financing, 2015

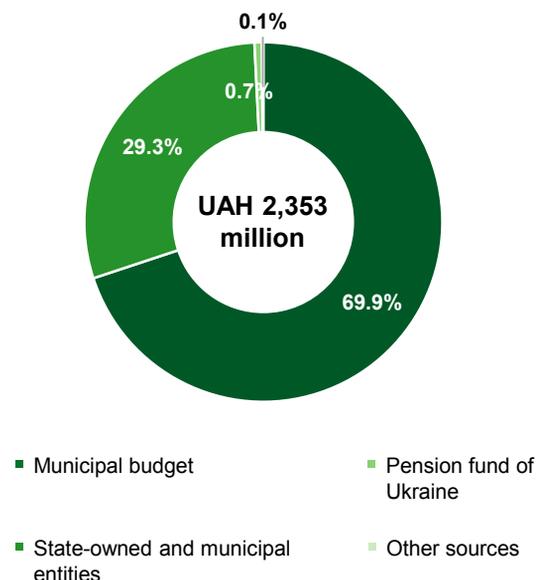
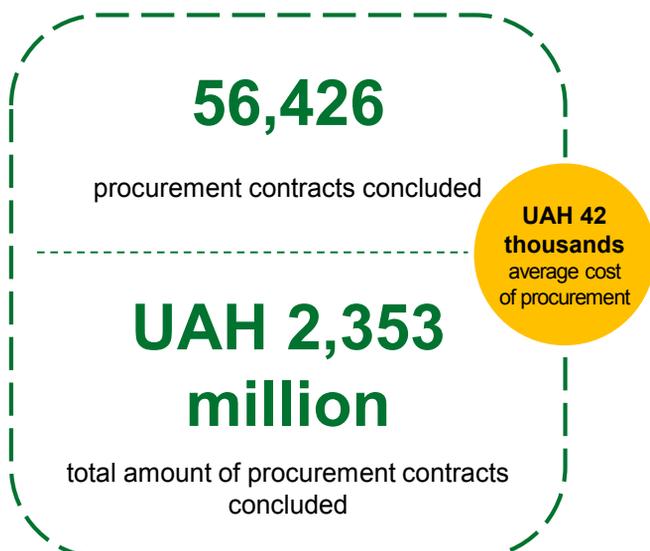


In 2015, the KCSA concluded 56,426 contracts for procurement of goods, works and services beyond public procurement procedures in the total amount of UAH 2,353 million, of which 70% are funded from the municipal budget.

Performance of KCSA procurement beyond public procurement procedures in 2015



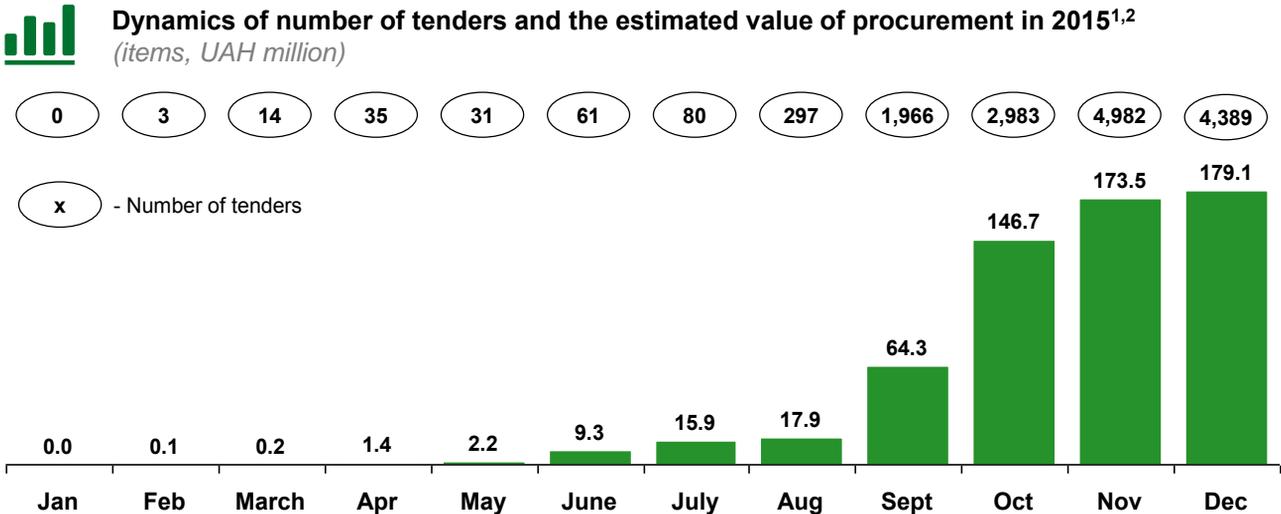
KCSA procurement structure by source of financing, 2015



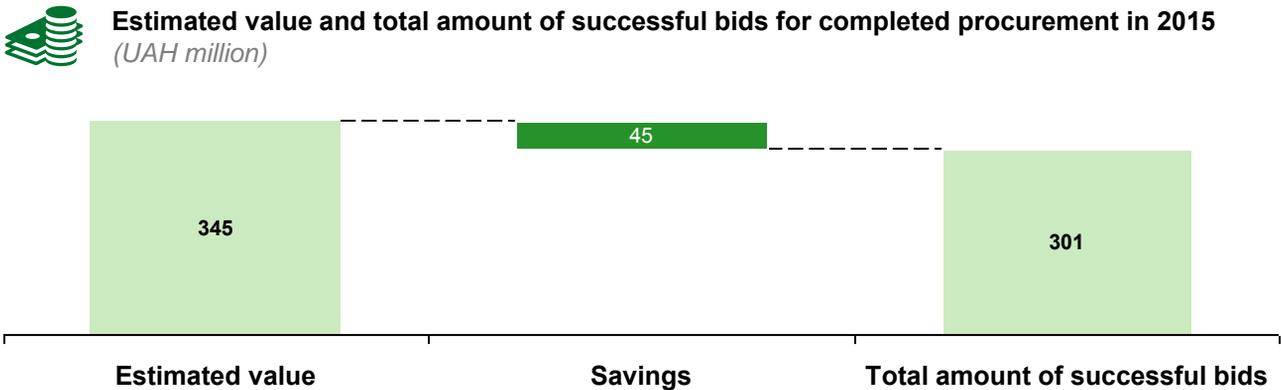


KCSA procurement through Prozorro electronic system

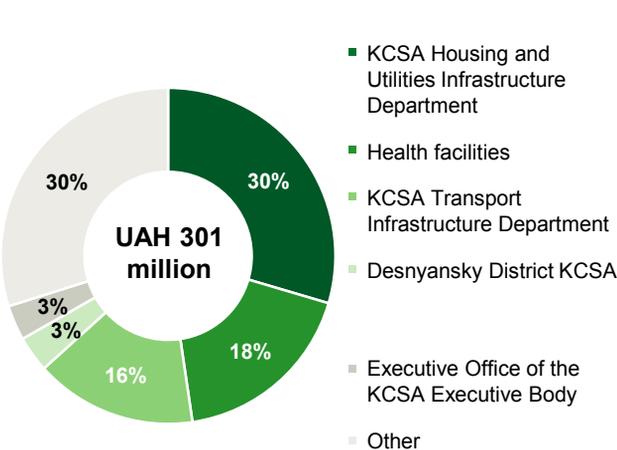
In 2015, the KCSA started using Prozorro, the electronic public procurement system, resulting in UAH 45 million of savings or 13% of the estimated value of procurement completed.



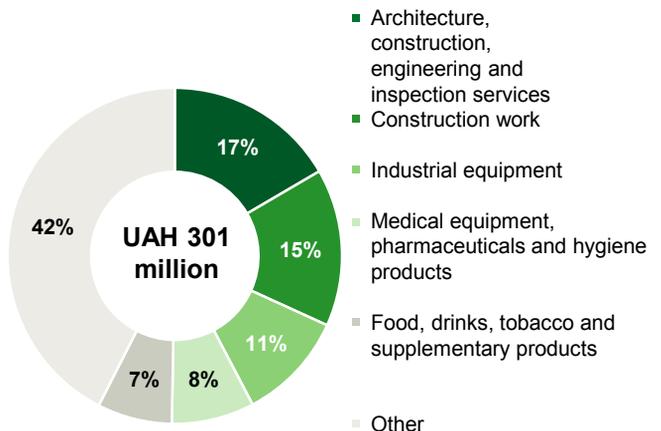
¹ – Including tenders resulting in cancelled or withheld procurement.
² – Since 01/09/2015 Kyiv's public utilities and budget institutions switched to mandatory implementation of public procurement through Prozorro electronic system



Structure of completed procurement by procurement initiators
(UAH million)



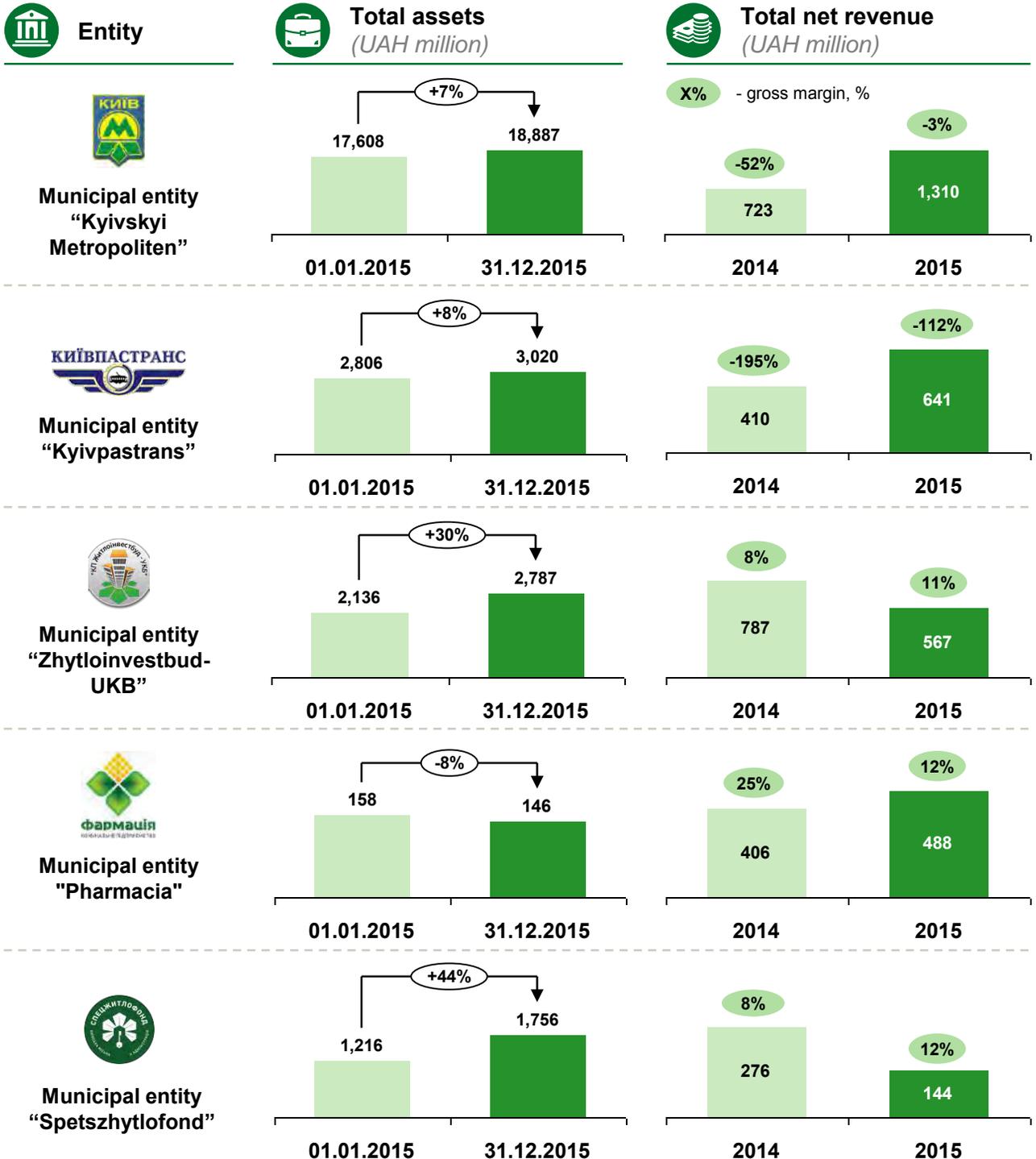
Structure of completed procurement by goods, works and services
(UAH million)



Municipal entities

In 2015, the total net revenue of the five major municipal entities totalled UAH 3.2 billion with the total assets increased by 11% to UAH 26.6 billion.

TOP-5 municipal entities in Kyiv City (by net revenue) in 2015:

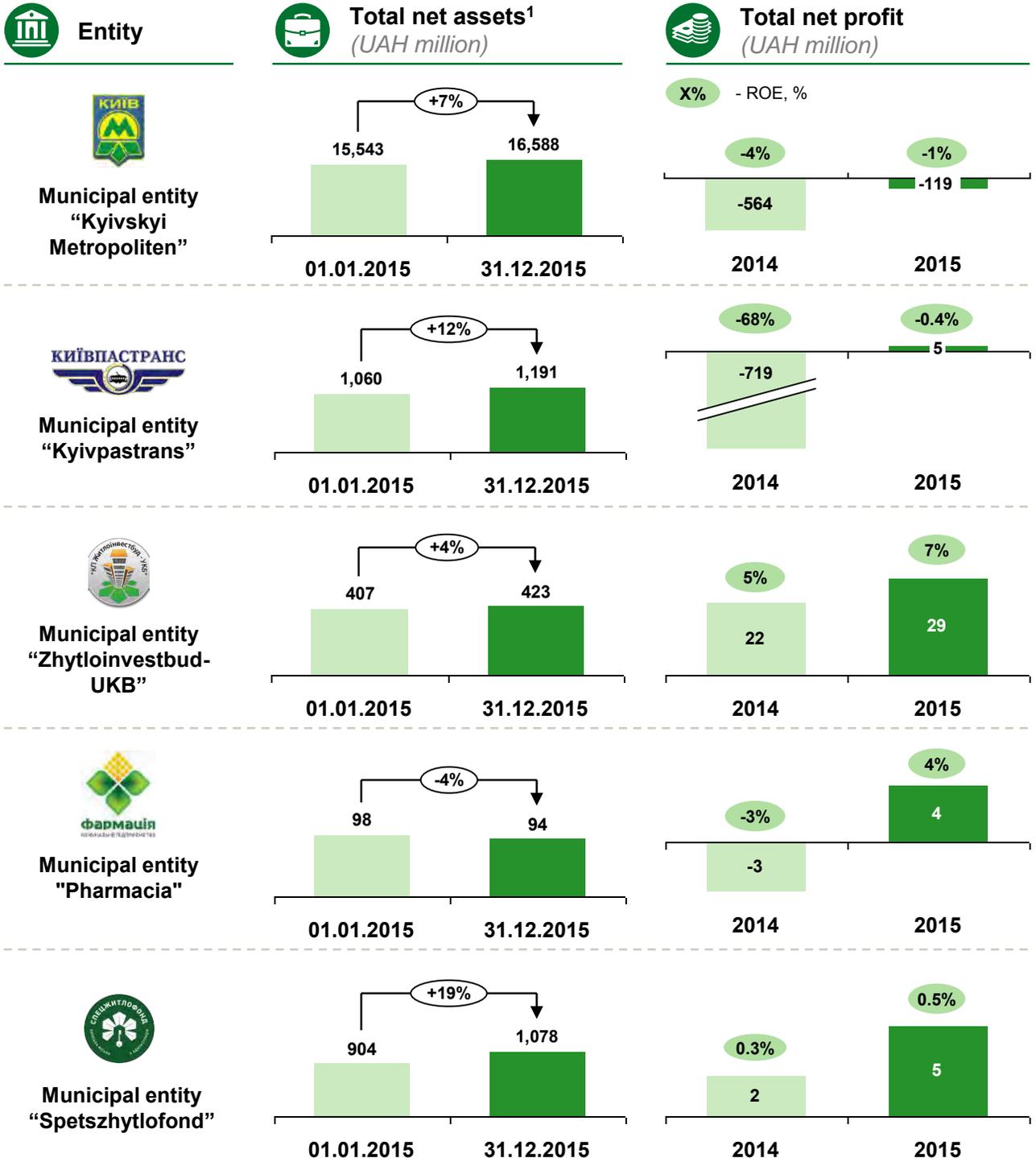


Note: the list of key entities, institutions and organisations municipally owned by Kyiv's territorial community and accountable to the KCSA structural units is provided in Appendix 2; Data is composed on basis of ME's official financial statements (GAAP).



In 2015, total net assets of the five major municipal entities increased by 8% up to UAH 19.4 billion. In addition, these entities were able either to improve their profit-earning capacity or to reduce their loss-making operations in 2015.

TOP-5 municipal entities in Kyiv City (by net revenue) in 2015:



¹ – Total assets excluding short-term and long-term borrowings of enterprises.

Note: the list of key entities, institutions and organisations municipally owned by Kyiv's territorial community and accountable to the KCSA structural units is provided in Appendix 2; Data is composed on basis of ME's official financial statements (GAAP).



International relations of Kyiv's executive bodies in 2015

The City of Kyiv is extensively involved in international relations in line with the state foreign policy of Ukraine in a transparent and open manner for the benefit of Kyiv's community and promotion of a positive image of Ukraine globally.

Key areas of Kyiv's executive bodies international relations in 2015:

- 1
 - **Cooperation with the European partner cities** such as Warsaw, Krakow, the Brussels-Capital Region, Berlin, Munich, Leipzig, Prague, Florence and Toulouse enhanced in 2015 after signing the **EU-Ukraine Association Agreement**.

- 2
 - Future directions of Kyiv's city development in a longer term are addressed by delivering appropriate awareness-raising communications to present Kyiv to international community, facilitating engagement of international and foreign organisations in implementation of critical municipal projects, maintaining and enhancing city executives' relationships with international companies, and extending Kyiv's involvement with international organisations. Below are given some relevant examples:
 - cooperation with **the UN Development Programme** to provide support to internally displaced persons;
 - robust facilitation of Kyiv's involvement in **the EU Framework Programme for Research and Innovation "Horizon 2020"**;
 - implementation of development projects in cooperation with the German State-owned **KfW Development Bank** and international development agencies **GIZ, USAID, EBRD and the World Bank**;
 - introduction of free Capital English language courses for all Kyiv residents wishing to learn English;
 - project implementation to receive the humanitarian aid for **Kyiv's Municipal Rescue Service from the City of Munich** to procure necessary equipment.

- 3
 - During 2015, the KCSA Office of International Relations **delivered over 200 international events** involving the Mayor of Kyiv, KCC Deputies and other KCSA officials (diplomatic receptions, international signing meetings (conferences, signing ceremonies, seminars and round tables), official trips, signing of international agreements etc.).

- 4
 - International efforts expended by Kyiv executive authorities to maintain the capital city role imply **close cooperation with diplomatic missions to address various life areas of foreign embassies** located in Kyiv.

International relations and activities of the capital of Ukraine are targeted at demonstrating potential opportunities offered by the City of Kyiv, defining its strategic development objectives, benefiting from mutual cooperation with foreign partners and, consequently, contributing to and reinforcing Kyiv's reputation as a modern European city.





4

Strategy of Kyiv City Development



In 2015, the Kyiv's 2025 Development Strategy continued to be pursued across 9 key strategic initiatives destined to enhance the quality of life and economic welfare of its residents.

Extract from the Strategy-2025 Implementation Report for 2015



1. World-class infrastructure

1.1. Transport infrastructure:

- upgraded 25 underground railway carriages;
- procured 7 partially low-floor tramways.

1.2. Road infrastructure:

- performed overhauls and current repairs of 575 interquartile laneways and areas around residential buildings with the total area of approximately 530 thousand square meters;
- completed reconstruction of the pedestrian area of 10.7 thousand square meters in Poshtova square;
- reconstructed range of Kyiv streets and avenues.

1.3 Housing and utilities infrastructure:

- upgraded and rehabilitated waste water treatment facility at solid waste landfill № 5 located in the Pidhirtsi village;
- initiated implementation of energy efficiency programmes for 16 apartment buildings co-owners associations;
- facilitated upgrade and re-equipment of the residential property fund and utility networks and equipment;
- increased length of the municipal sewerage network;
- renewed construction of the second thread of the Main City Sewage Collector;
- completed migration of all district dispatch services to an integrated hardware and software system "HorodOK";
- launched large-scale project to upgrade Bortnychi Aeration Facility within the framework of the international loan agreement with the government of Japan;
- opened first Kyiv housing and utilities service centre "Utilities Service Centre" in Svyatoshynsky district.



2. Made in Kyiv

2.1 Business development:

- signed agreement between the KCSA, NTUU "KPI" and Corporation "Science Park "Kyivska Polytechnika" to facilitate comprehensive and coherent development of the innovative ecosystem SikorskyChallenge and PolytecoScienceCiti;
- held annual Innovation Project Festival "SikorskyChallenge 2015" encompassing four contests and the International Investment Forum.

2.2 Industrial production and innovation:

- held First National Export Support Forum;
- launched information system "Industry and science";
- signed agreement on creation of the light industry cluster.

2.3 Resident Card project:

- continued efforts to implement the Resident Card project in cooperation with private business including large retail chains such as PE "Billa Ukraine", PE "Trading House "West Line", LLC "Novus Ukraine", PrJSC "Furshet", LLC "Fokstrot" and LLC "Contynium-Trade".



Extract from the Strategy-2025 Implementation Report for 2015



3. Effective energy system

- Facilitated implementation of energy efficiency initiatives in Kyiv's housing and budgetary sector for the total amount of UAH 126 million;
- installed 1,195 heat power metering devices in municipal residential buildings;
- assembled 4,230 heat power metering devices in the city buildings as at 30 December 2015;
- completed project design work for 65 facilities to install individual heating plants in residential buildings.



4. E-government

- Ensured regular communications of regulatory acts, official events, and interviews and comments of the KCC and KCSA key management personnel through the official website and mass media;
- posted software resources on the KCSA's official website as part of the Kyiv Smart City initiative project including "Transparent Budget", "E-procurement", "Shared Budget", "E-democracy", "Kyivaudit", "Petitions", "Kyiv City Call Centre", "E-services", "Resident Card", "Kyiv's City Urban Planning Cadastre", "Enrolment to Kindergarten", "Medportal", "Urban Transport", "Your House", "Municipal Properties", "Accident Map", "Road Repair Map" etc.



5. Cultural heights

- Held 14 international music, theatrical, choreographic and other art festivals;
- implemented over 40 projects on cooperative basis by providing organisation and information support;
- delivered new cultural and art events to celebrate the Capital Day and the Kyiv Day-2015;
- performed charity and sponsorship activities by theatre and concert organisations for socially vulnerable groups of Kyiv residents and military servicemen, and delivered charity performances and concerts for anti-terrorist operation participants in military hospitals and military units;
- delivered numerous conferences, seminars, round tables, training courses etc.



6. Dnieper gem

- Delivered International architectural festival CANations on the basis of the Nyzhnia Telychka industrial zone for the eighth time in May 2015;
- delivered master classes, workshops and lectures by famous Ukrainian and foreign artists, architects and photographers as part of the festival;
- delivered presentation of the joint project CANactions and EGEA (European Geography Association): "Mapping Positive Urban Experience in Kyiv";
- delivered presentation of the International Urban Planning School CANations.



7. City centre nearby

- Prepared Zoning plan of Kyiv's central planning zone and approved 7 detailed plans through geospatial data;
- performed activities to develop the unified digital surveying database of the city as an information resource of the municipal information analysis system supporting urban planning activities "Kyiv's City Urban Planning Cadastre";
- developed Information system "Kyiv Transport Model" to perform an analysis of the existing city transport supply, to prepare forecasts of the future city transport supply and to assess development options for the transport infrastructure.



Extract from the Strategy-2025 Implementation Report for 2015



8. Healthy Kyiv residents

8.1 Sport and youth outreach:

- opened 3 children's and youth athletic schools;
- performed design work and overhauls of sport and health infrastructure facilities;
- held series of different sport championships and tournaments;

8.2 Healthcare:

- established intensive therapy hospitals on the basis of eight multi-discipline hospitals, which provide emergency medical care services to 500 thousand patients annually;
- opened first in Kyiv admission-diagnostic department in the Kyiv Hospital № 12;
- launched social project "Stop Infarct" in cooperation with SI "Heart Institute of MoH of Ukraine";
- commenced preparation of the dynamic register of patients with diabetes mellitus;
- established Rehabilitation centre in the Kyiv Municipal Clinical Hospital for War Veterans to provide medical and psychological assistance to ATO participants;
- proceeded with construction of a residential building in the Pechersk District in which 275 apartments are planned to be provided to municipal healthcare facility staff;
- opened cardiac intensive care unit in the Oleksandrivska Clinical Hospital.

8.3 Social protection:

- established automated principle of provision of subsidies for a new period;
- introduced simplified procedure for the provision of subsidies for housing bills;
- provided Kyiv Resident Cards to 616 thousand residents as at 31 December 2015, of which to 168.6 thousand in 2015.

8.4 Labour market and employment:

- worked with enterprises, organisations and institutions in Kyiv to pursue the labour policy;
- delivered training, re-training and professional development courses to over 6.1 thousand of unemployed people with the assistance of the Employment Service.

8.5 Education and science:

- commissioned 3 preschool educational institutions after construction or reconstruction and reinstated 52 classes in operating PEIs;
- commissioned 2 schools after reconstruction;
- completed overhauls in 181 educational institutions;
- expanded network of inclusive grades up to 95 in 18 educational institutions.



9. International harbour for headquarters

- Get involved in a range of international exhibitions and business forums to promote international and investment image of Kyiv;
- created investment web portal "Investinkyiv";
- delivered presentation of the city authorities' progress in implementation of the Kyiv's investment and economic policy and in transparency and openness of their activities as part of the European Open Days Week;
- delivered professional development practical seminars for the KCSA staff on Kyiv promotion in investment and economic areas.



ANALYSIS OF PERFORMANCE AGAINST STRATEGY-2025:

The progress of the Strategy implementation in all areas of city operations is tracked using **targets (growth indicators)** developed for all strategic initiatives in 2011. **Annual tracking** of performance against targets is a principal mechanism to ensure **commitment** to the Strategy implementation and to assess **effectiveness** of the Strategy implementers' **performance**.

In 2016, the KCSA supported by the UK Government launched a project **to update the Kyiv 2025 Development Strategy**. The need for the updated Kyiv Development Strategy is primarily driven by the present-day social and economic realities and newly adopted legislative and regulatory framework. The actualized Strategy will also include an updated list of targets (growth indicators).

Strategy-2025 targets and actuals:

-  Current value of the indicator is on track with the estimated growth rates defined by Strategy-2025
  Growth is zero or below the estimated growth rates defined by Strategy-2025
  Current value of the indicator is below the baseline

Strategic goals

No	Indicator	Measurement unit	Baseline (2009/2010)	Actual (2014/2015)	Target (2014/2015)	Target (2025)	Progress
Strategic goals							
1.	Average annual growth of real GRP	% / year	5.7 ¹	-6.5 ⁶	6.5 ²	6.5 ²	
2	Liveability index	integrated index	100.0 ³	107.1 ¹⁰	120.7	181	

Target strategic indicators:

No	Indicator	Measurement unit	Baseline (2009/2010)	Actual (2014/2015)	Target (2014/2015) ¹¹	Target (2025)	Progress
General							
1	Resident population	million persons	2.74 ³	2.87⁶	2.86 ⁸	3.11	
2	City area	thousand ha	84 ³	84⁶	84 ⁸	84	
Economic development							
3	Nominal GRP per capita	thousand UAH / citizen	61.9 ⁴	124.2⁵	135.0 ⁷	401.9	
4	Cumulative foreign direct investments per one resident citizen	thousand euro / citizen	5.6 ⁴	7.1⁶	14.7 ⁸	30.8	
5	Capital investments per year	thousand UAH / citizen	5.2 ⁴	28.3⁶	11.2 ⁸	16.8	
6	Share of small companies in sales of city's products	%	15.0 ⁴	15.0⁶	20.0 ⁸	35.0	
Labour market							
7	Unemployment rate among persons aged 15-70	%	5.8 ⁴	7.0⁶	4.6 ⁸	3.0	
8	Average salary level	euro / person	315 ⁴	278⁶	550 ⁸	>1 100	
9	Unemployment rate ratio among economically active men to Unemployment rate ratio among economically active women	ratio	1.3 ⁴	1.0⁶	1.0 ⁸	1.0	



No	Indicator	Measurement unit	Baseline (2009/2010)	Actual (2014/2015)	Target (2014/2015) ¹¹	Target (2025)	Progress
Infrastructure: Power supply							
10	Length of electricity distribution networks	km / 1,000 persons	4.2 ³	4.6 ⁶	5.0 ⁸	9.4	
11	Density of electricity distribution networks	km / km ²	13.9 ³	15.8 ⁶	16.7 ⁸	40.0	
12	Degree of wear of electric transforming substations	%	41 ⁴	66 ⁶	25 ⁸	<10	
Infrastructure: Heating							
13	Degree of wear of heating networks	%	52 ⁴	67 ⁶	30 ⁸	<15	
Infrastructure: Water supply and sewage disposal systems							
14	Length of water supply pipes	km / 1,000 persons	1.5 ³	1.5 ⁶	1.7 ⁸	3.6	
15	Density of water supply pipes	km / km ²	5.0 ³	5.0 ⁶	5.7 ⁸	15.3	
16	Length of sewerage network	km / 1,000 persons	0.9 ³	0.9 ⁶	1.2 ⁸	3	
17	Density of sewerage network	km / km ²	3.1 ³	3.2 ⁶	4.0 ⁸	12.8	
18	Share of water losses from general consumption	%	20.0 ³	18.1 ⁶	15.0 ⁸	5.0	
19	Degree of wear of Desnianska and Dniprovska intake stations	%	75 ⁴	89 ⁶	45 ⁸	<10	
Infrastructure: Housing sector							
20	Share of buildings worn out by more than 40%	%	16 ⁴	— ⁹	10 ⁸	<5	— ⁹
Infrastructure: Transport							
21	Length of public transport lines	km / 10,000 persons	9.6 ³	12.4 ⁶	11.6 ⁸	16.1	
22	Density of street-motor road network	km / km ²	2.1 ³	2.0 ⁶	2.3 ⁸	2.8	
23	Number of traffic victims	persons / km	2.3 ³	1.6 ⁶	1.8 ⁸	1.2	
24	Distribution of passenger flow by types of transport	public / private / alternative shares	52/48/0 ⁴	— ⁹	51/45/4 ⁸	50/40/10	— ⁹
25	Average speed of movement of overland public and automobile transport during rush hours	km / hour	23 ⁴	17 ⁶	30 ⁸	40	
26	Size of roads requiring repairs	%	85 ⁴	86 ⁶	67 ⁸	<15	
Healthcare							
27	Life expectancy at birth	years	72.7 ³	74.0 ⁵	74.4 ⁷	79.8	
28	Primary disease frequency	cases / 1,000 residents	966.6 ³	862.7 ⁶	898.9 ⁸	777.3	
29	Mortality rate at employable age	cases / 1,000 residents	3.7 ³	3.9 ⁵	3.3 ⁷	2.6	
30	Share of expenses on primary medical assistance in general health care expenses	%	8–10 ³	19.0 ⁶	18–20 ⁸	20–30	
31	Introduction of contractual relations, changed approaches to financing	yes / no	no ³	yes ⁶	yes ⁸	yes	



No	Indicator	Measurement unit	Baseline (2009/2010)	Actual (2014/2015)	Target (2014/2015) ¹¹	Target (2025)	Progress
32	Average number of work of a bed in a hospital	days	297.0 ³	302.5⁶	310.0 ⁸	330.0	
33	Average duration of treatment in a hospital	days	11.0 ³	10.5⁶	9.0 ⁸	6.0	
34	Mortality rate among children during the first year of life	cases / 1,000 newborn	7.5 ³	7.5⁶	6.0 ⁸	4.0	
Social protection and safety							
35	International household incomes inequality index	–	0.41 ⁴	0.27⁵	0.39 ⁷	0.33	
36	General number of persons with NFA to the number of persons in institutions for persons with NFA	%	230 ⁴	458⁵	163 ⁷	100	
37	Number of crimes	crimes / 1,000 persons	12.8 ³	23.1⁶	11.0 ⁸	8.5	
38	Number of workplaces for persons with NFA	places	0 ⁴	— ⁹	200 ⁸	500	— ⁹
39	Economist Intelligence Unit complex safety rating	rating	70.0 ³	— ⁹	72.8 ⁸	78.9	— ⁹
Education							
40	Students/teachers ratio in schools	ratio	10.0 ³	12.0⁶	10.0 ⁸	8.0	
41	PEI children/teachers ratio	ratio	9.0 ⁴	8.4⁶	9.0 ⁸	7.0	
42	Students/teachers ratio in vocational training educational institutions	ratio	21 ⁴	8.6⁶	20 ⁸	18	
43	PEI number of children/PEI number of places ratio	%	112 ⁴	124⁶	100 ⁸	92	
44	Teacher's salary/average salary	%	74 ⁴	65⁶	91 ⁸	100	
45	Turnover index of pedagogical staff	%	12.0 ⁴	11.9⁶	6.0 ⁸	3.0	
46	Number of educational institutions in need for capital repairs	units	377 ⁴	357⁶	200 ⁸	40	
47	Number of employed graduates of vocational training educational institutions	%	87 ⁴	93⁶	93 ⁸	95	
48	Quality of education (Newsweek)	rating	64 ³	— ⁹	68 ⁸	78	— ⁹
Tourism							
49	Number of entering tourists	million persons	1.0 ³	1.8⁶	1.4 ⁸	2.6	
50	Average stay duration	days	2.1 ³	1.9⁶	3.0 ⁸	3.0	
51	Number of rooms in hotels	thousand pcs.	10.0 ³	12.0⁵	12.4 ⁷	18.0	
52	Average annual room load	%	33 ³	38⁶	56 ⁸	68	
53	Share of income from tourism in GRP	%	0.7 ⁴	0.5⁵	1.5 ⁷	min. 2.5	



No	Indicator	Measurement unit	Baseline (2009/2010)	Actual (2014/2015)	Target (2014/2015) ¹¹	Target (2025)	Progress
Culture							
54	Number of visits to museums per citizen	visits / city citizens	1.5 ³	1.1 ⁶	1.8 ⁸	2.8	
55	Number of visits to theatres per citizen	visits / city citizens	0.4 ³	0.5 ⁶	1.0 ⁸	1.2	
56	Number of galleries	galleries / 100,000 persons	1.42 ³	1.42 ⁶	2.60 ⁸	3.22	
Ecology and environmental protection							
57	Emissions of harmful substances	t / km ² / year	333 ³	205 ⁶	275 ⁸	250	
58	Share of solid household waste processing	%	5 ³	23.5 ⁶	20 ⁸	40	
59	Generally accessible existing green zones	m ² / citizen	16 ⁴	21.7 ⁶	18 ⁸	20	
60	Share of re-equipped systems of environmentally unsafe sewerage and cleaning constructions	%	15 ⁴	25.2 ⁶	45 ⁸	75	
61	Share of regenerated polluted territories	%	0 ⁴	— ⁹	60 ⁸	100	— ⁹
62	Share of companies using the environmental and social management procedures (ISO 14000)	%	4 ⁴	— ⁹	45 ⁸	50	— ⁹

¹ – Compound annual growth rate for 2004–2009.

² – Compound annual growth rate for 2010-2025.

³ – Baseline for 2009.

⁴ – Baseline for 2010.

⁵ – Actual for 2014 (latest data).

⁶ – Actual for 2015.

⁷ – Target for 2014.

⁸ – Target for 2015.

⁹ – Current value of the indicator is not available.

¹⁰ – Estimated integrated index according to the latest available data (2014/2015). Estimated integral liveability index is based on 21 indicators showing the condition of key urban life areas.

¹¹ – 2014 targets were estimated based on compound annual growth rate between 2009/2010 and 2015. 2015 target is set in Strategy-2025.

5.

Socio-Economic Indicators of Kyiv's City Development in 2015



5.1 Demographics



5.2 Economic development



5.3 Infrastructure



5.4 Healthcare



5.5 Social protection and safety



5.6 Education



5.7 Tourism



5.8 Culture



5.9 Science, technology and innovation

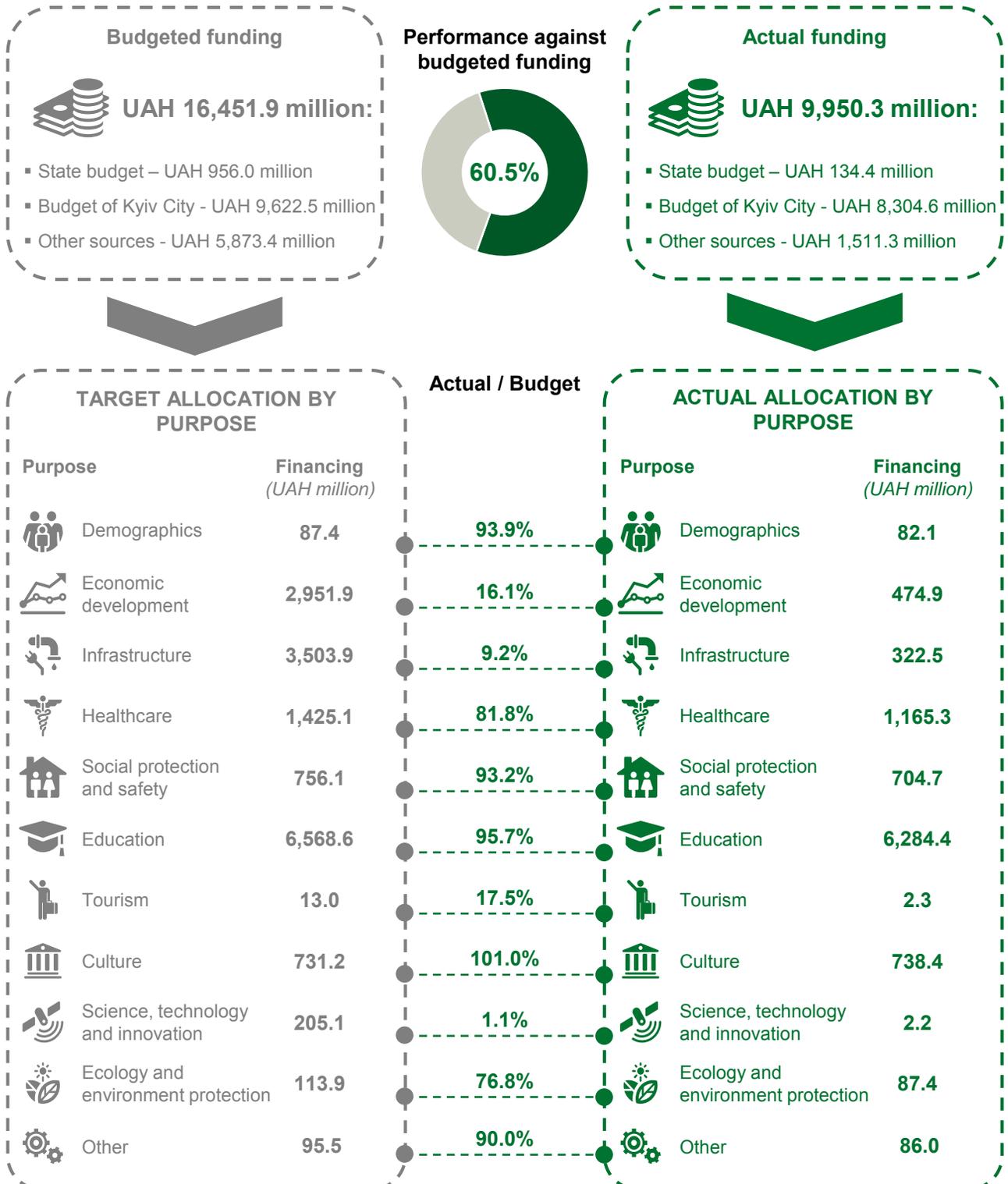


5.10 Ecology and environmental protection



SOCIO-ECONOMIC INDICATORS OF KYIV'S CITY DEVELOPMENT IN 2015:

In 2015, 42 special-purpose municipal programmes were targeted at improvement of socio-economic situation in Kyiv city. Actual funding of the respective programmes totalled UAH 9.9 billion, representing 60.5% of budgeted amount.



Note: information on execution of special-purpose municipal programs has been provided by the responsible executors in form and in terms according to the Resolution of Kyiv City Council № 520/2589 dated 29/10/2009.



Special-purpose municipal programmes effective in Kyiv during 2015:

№	Special-purpose municipal programmes effective during 2015	Approved by
Demographics		
1	Special-purpose Municipal Family and Youth Support Programme for 2012–2016	Resolution of the Kyiv City Council № 5/8289 dated 20/09/2012
2	Comprehensive Municipal Programme “Reproductive Health of Kyiv's Residents for 2008–2015”	Resolution of the Kyiv City Council № 90/4562 dated 13/03/2008
Economic development		
3	Special-purpose Municipal Small and Medium Business, Industry and Consumer Market Promotion Programme for 2015–2018	Resolution of the Kyiv City Council № 409/1274 dated 16/04/2015
4	Kyiv's City Employment Programme till 2017	Resolution of the Kyiv City Council № 27/9615 dated 02/10/2013
Infrastructure: Power supply		
5	Regional Energy Efficiency Improvement Programme for Kyiv for 2011–2015	Resolution of the Kyiv City Council № 387/6603 dated 27/10/2011
Infrastructure: Heating		
6	Regional Programme for Modernisation of Kyiv's City Municipal Heating Sector and Heating System for 2011–2015	Resolution of the Kyiv City Council № 1007/7243 dated 29/12/2011
7	Special-purpose Municipal Programme “Hot Water in Kyiv for 2011–2015”	Resolution of the Kyiv City Council № 200/5587 dated 25/05/2011
Infrastructure: Water supply and sewage disposal systems		
8	Special-purpose Municipal Programme “Kyiv's Drinking Water for 2011–2020”	Resolution of the Kyiv City Council № 220/5032 dated 04/11/2010
Infrastructure: Construction		
9	Municipal Housing Programme for Orphaned Children, Children Deprived of Parental Care and Persons from among Them for 2013–2015	Resolution of the Kyiv City Council № 146/9203 dated 17/04/2013
10	Social Housing Development Programme of Kyiv for 2010–2015	Resolution of the Kyiv City Council № 1274/4712 dated 15/07/2010
11	Affordable Housing Construction (Purchasing) Programme of Kyiv for 2010–2017	Resolution of the Kyiv City Council № 30/4842 dated 16/09/2010
Infrastructure: Transport		
12	Integrated Parking Space Development Programme of Kyiv till 2015	Resolution of the Kyiv City Council № 326/9383 dated 22/05/2013
Healthcare		
13	Special-purpose Municipal Programme “Kyivans' Health” for 2012–2016	Resolution of the Kyiv City Council № 208/7545 dated 15/03/2012
14	Special-purpose Municipal Programme for Children's Health Promotion and Recreation till 2018	Resolution of the Kyiv City Council № 21/21 dated 03/07/2014
15	Special-purpose Municipal Programme for Local Incentives to Kyiv's Healthcare Professionals for 2013–2016	Resolution of the Kyiv City Council № 446/9934 dated 13/11/2013
16	Special-purpose Municipal Doctor Training Programme for Kyiv's Healthcare Facilities for 2011–2017	Resolution of the Kyiv City Council № 9/5396 dated 17/02/2011
17	Special-purpose Municipal Programme “Kyiv Sports: 2011–2015”	Resolution of the Kyiv City Council № 7/5394 dated 17/02/2011
Social protection and safety		
18	Special-purpose Municipal Programme “Care. Towards Kyivans” for 2011–2015	Resolution of the Kyiv City Council № 19/5406 dated 17/02/2011
19	Target Municipal Comprehensive Programme “Safe Capital City” to Prevent and Combat Crimes in Kyiv for 2012–2015	Resolution of the Kyiv City Council № 16/7353 dated 26/01/2012
20	Special-purpose Municipal Programme “Children of Capital City” for 2011–2015	Resolution of the Kyiv City Council № 20/5407 dated 17/02/2011
21	Special-purpose Municipal Programme “Social Partnership” for 2011–2015	Resolution of the Kyiv City Council № 23/5410 dated 17/02/2011



№	Special-purpose municipal programmes effective during 2015	Approved by
Education		
22	Kyiv's Educational Programme for 2011–2015	Resolution of the Kyiv City Council № 196/5583 dated 25/05/2011
23	Special-purpose Municipal Legal Educational Programme for Kyiv Residents for 2012–2016	Resolution of the Kyiv City Council № 1005/7241 dated 29/12/2011
Tourism		
24	Special-purpose Municipal Tourism Development Programme till 2015	Resolution of the Kyiv City Council № 221/8505 dated 01/11/2012
Culture		
25	Special-purpose Municipal Programme “The Capital City Culture and Arts for 2011–2015”	Resolution of the Kyiv City Council № 414/5226 dated 23/12/2010
26	Special-purpose Municipal Programme “Kyiv: State-Church Relations for 2012–2015”	Resolution of the Kyiv City Council № 578/7915 dated 24/05/2012
27	Special-purpose Municipal Programme “Ethnicity Kyiv” for 2012–2015	Resolution of the Kyiv City Council № 387/7724 dated 05/04/2012
Science, technology and innovation		
28	Special-purpose Municipal IT Penetration Programme for 2013–2015	Resolution of the Kyiv City Council № 237/9725 dated 23/10/2013
29	Comprehensive Special-purpose Municipal Programme “E-Capital” for 2015–2017	Resolution of the Kyiv City Council № 654/1518 dated 02/07/2015
Ecology and environmental protection		
30	Programme for Comprehensive Development of Kyiv's Green Zones till 2010 and Conceptual Framework for Downtown Green Landscaping (extended for the period of 2010–2015)	Resolution of the Kyiv City Council № 806/3381 dated 19/07/2005
31	Municipal Residential Waste Treatment Programme for 2010–2015	Resolution of the Kyiv City Council № 996/4434 dated 08/07/2010
32	Municipal Pet Care Control and Humane Treatment of Homeless Animals Programme for 2012–2016	Resolution of the Kyiv City Council № 382/7719 dated 05/04/2012
33	Kyiv's City Land Use and Conservation Programme for 2011–2015	Resolution of the Kyiv City Council № 32/5419 dated 17/02/2011
Other special-purpose municipal programmes		
34	Special-Purpose Municipal Programme “Kyiv informational” for 2011–2015	Resolution of the Kyiv City Council № 841/7077 dated 15/12/2011
35	Special-Purpose Municipal Programme “Awards” for 2012–2016	Resolution of the Kyiv City Council № 226/8510 dated 01/11/2012
36	Special-Purpose Municipal Programme to Create a Back-Up Data Warehouse for Kyiv for 2011–2015	Resolution of the Kyiv City Council № 22/6238 dated 22/09/2011
37	Special-Purpose Municipal Programme for Technical Upgrade and Social Development for Kyiv's Municipal Rescue Service for 2012–2016	Resolution of the Kyiv City Council № 21/7358 dated 26/01/2012
38	Special-Purpose Municipal Programme for General Courts and Judicial Organisations in Kyiv for 2011–2015	Resolution of the Kyiv City Council № 199/5586 dated 25/05/2011
39	Special-purpose Municipal Programme for Development and Implementation of Urban Planning Cadastre of Kyiv for 2013–2015	Resolution of the Kyiv City Council № 70/8354 dated 20/09/2012
40	Special-Purpose Municipal Programme to Promote Self-Government and Civil Society in Kyiv for 2012–2016	Resolution of the Kyiv City Council № 842/7078 dated 15/12/2011
41	Programme to Improve Organisation of Military Service Training for Public, Registration at Recruiting Stations, Call to Compulsory Military Service and Military- Patriotic Education of Youth for 2011–2015	Resolution of the Kyiv City Council № 16/5403 dated 17/02/2011
42	Special-Purpose Programme to Strengthen and Develop International Relations for 2015–2018	Resolution of the Kyiv City Council № 73/938 dated 12/02/2015

Note: New Concept of Integrated Parking Space Development in Kyiv city is approved to replace the Integrated Parking Space Development Programme (resolution of Kyiv City Council № 22/887 dated 22/01/2015).



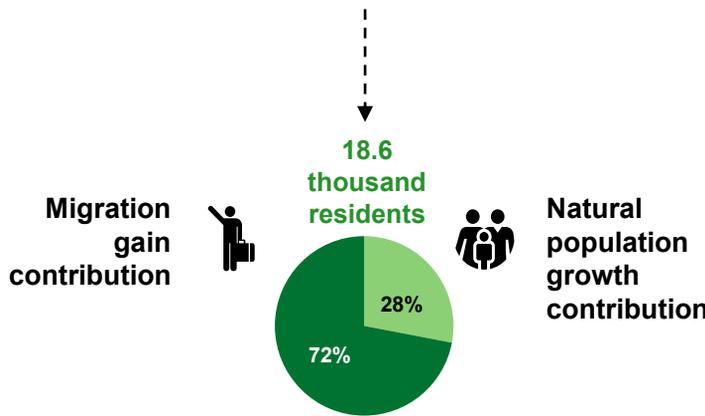
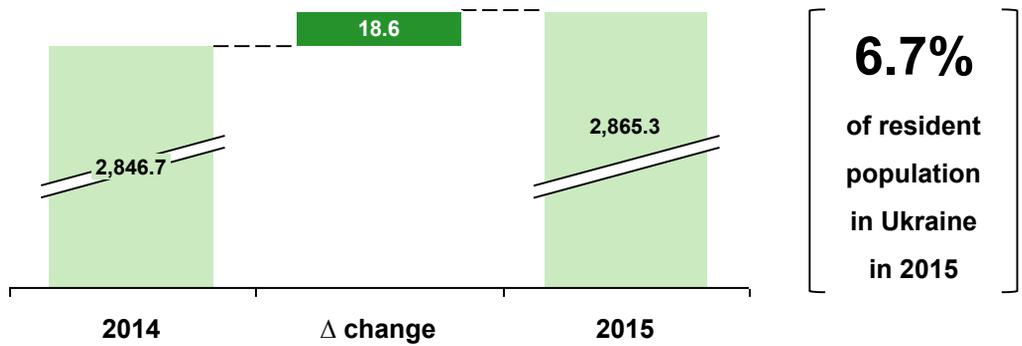
5.1 Demographics



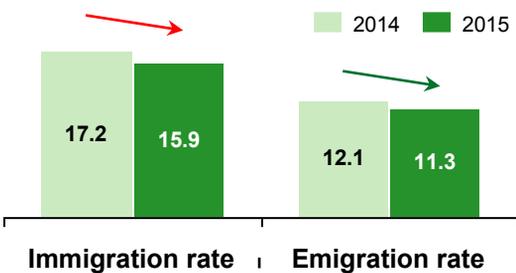
Demographics

In 2015, the resident population size of Kyiv increased by 18.6 thousand persons up to 2.87 million. Whereas, the migration gain slowed down and natural population growth rates accelerated compared to 2014.

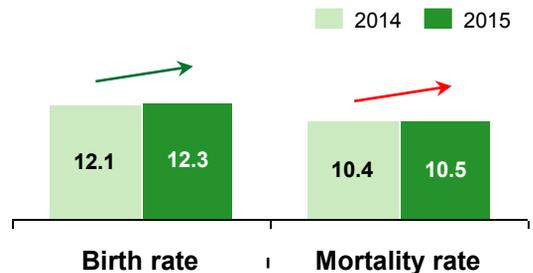
 **Developments in resident population size of Kyiv**
(thousands of persons)



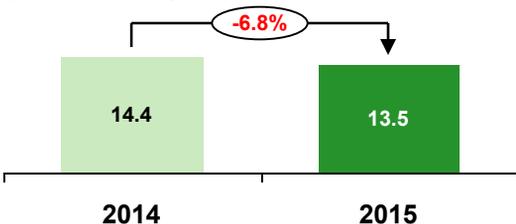
Migration gain rates
(per 1,000 persons)



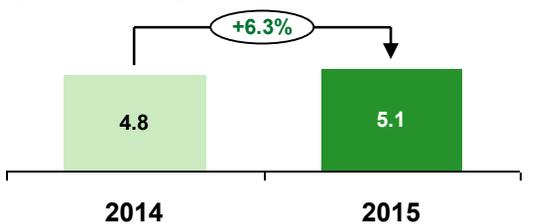
Natural population growth rates
(per 1,000 persons)



Migration gain rate
(thousands of persons)



Natural population growth rate
(thousands of persons)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE CITY'S DEMOGRAPHICS:

In 2015, due to sufficient financing of the Special-purpose Municipal Family and Youth Support Programme, the city has successfully implemented complex of measures that effected beneficially demographics of the city.

Special-purpose Municipal Family and Youth Support Programme for 2012–2016

**Responsible executor:**

Education and Science, Youth and Sports Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Pursue the integrated comprehensive national policy for family and demographic development aimed at facilitating family self-sufficiency and conscious childbirth and child-rearing capability.
- Support social formation and development of the youth, ensure equal rights and opportunities for men and women and combat human trafficking in Kyiv.

**Key programme activities and actions in 2015:**

- Information, awareness-raising and education programmes, lectures, training courses and other activities have been carried to prepare the youth for married life and to enhance their readiness to play social roles of a husband and a wife, to raise a family's prestige, to increase focus on marriage and responsible parenthood, to prevent family violence, to combat human trafficking and to ensure equal rights and opportunities for men and women.
- The environment of intellectual self-improvement, creative personality development, youth employment facilitation, enhanced national, spiritual and moral values, human values formation and healthy lifestyle promotion to the youth has been created through organization and support of various festivals, concerts, fairs and other events.
- Addressed hardships of children, youth and families who found themselves in difficult situations of life and provided targeted support to them.
- Efforts to establish a network of institutions and facilities that provide services to families, children and the youth have been enhanced to improve their operations and to enhance their financial and logistical support.
- Efforts to satisfy social needs of children and youth in addition to class hours have been carried through support and development of clubs at place of residence.

**Programme funding from all sources in 2015 (UAH '000):****Budget:**

▪ 87,382.1

Actual:

▪ 82,063.9

% of performance:

▪ 93.9%

Comprehensive Municipal Programme “Reproductive Health of Kyiv’s Residents for 2008–2015”

**Responsible executor:**

Health Services Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Develop a safe motherhood environment.
- Strengthen reproductive health of children and youth.
- Improve the family planning system.
- Preserve population reproductive health.

**Key programme activities and actions in 2015:**

- Activities and actions implemented including financing of the program aimed to enhance reproductive health of the city residents have been performed from the budget of the Programme “Kyivans’ Health”.

**Programme funding in 2015 (UAH '000):****Budget:**

▪ 0.0

Actual:

▪ 0.0

% of performance:

▪ 0%





5.2 Economic development

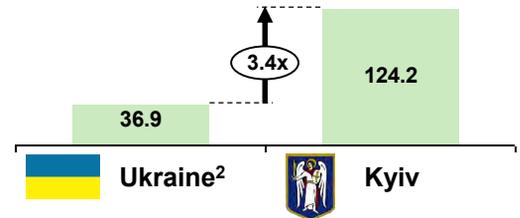
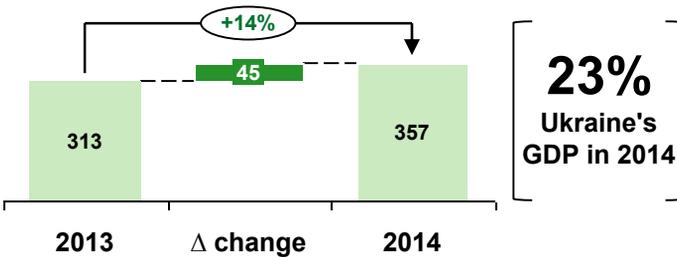


Gross Regional Product (GRP) and prices

In 2014, the nominal gross regional product of the City increased by 14% to UAH 357 billion, which was 23% of the country's GDP.

Kyiv's nominal GRP¹
(UAH billion)

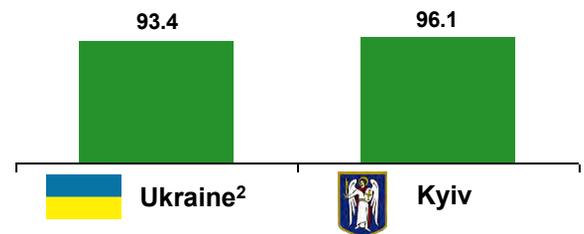
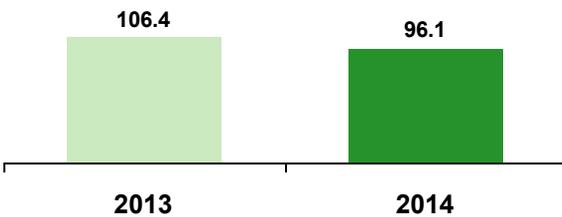
Nominal GRP per capita in 2014¹
thousand UAH per capita



In 2014, Kyiv's real GRP decreased by 3.9% vs 2013, with its decline rates being lower than the country's figures.

Real Kyiv's GRP (in prices of the previous year)¹
(as % vs previous year)

Real Kyiv's 2014 GRP (in prices of the previous year)¹
(as % vs previous year)



Kyiv's consumer price index (CPI)
(ratio)

Category of goods / services	2014	2015	Accelerating inflation
Food and non-alcoholic beverages	1.258	1.409	!
Alcoholic beverages and tobacco products	1.264	1.251	
Clothes and shoes	1.278	1.354	!
Housing, water, power, gas and other fuels	1.334	1.643	!
Household goods, domestic appliances and household maintenance	1.289	1.370	!
Healthcare	1.297	1.284	
Transport	1.382	1.293	
Telecommunication	1.013	1.084	!
Leisure and culture	1.368	1.423	!
Education	1.057	1.251	!
HoReCa	1.137	1.219	!
Sundry	1.182	1.338	!
CPI	1.258	1.386	!

¹ – According to the latest data as at 31/08/2016.

² – Excluding temporarily occupied Crimea and the City of Sevastopol, and a part of the anti-terrorist operation zone.

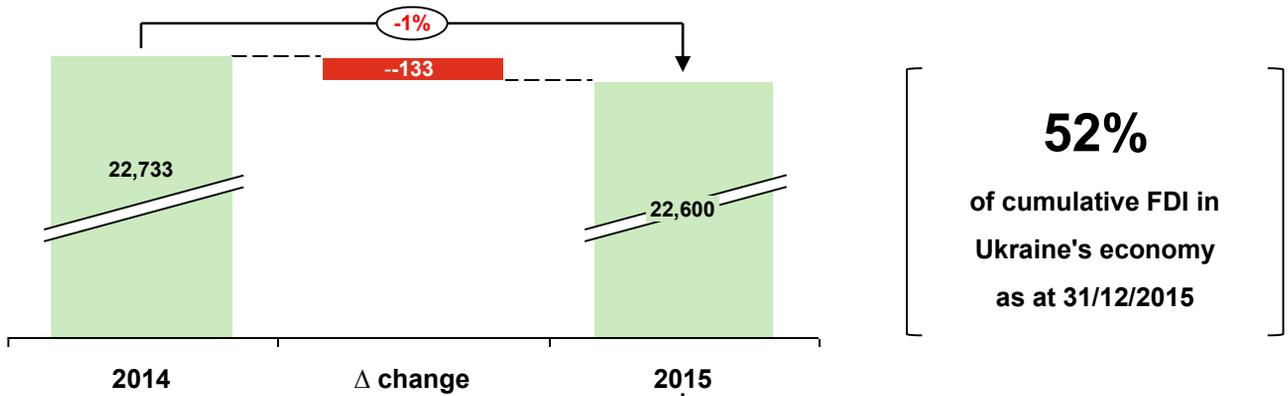


Foreign direct investments

In 2015, cumulative foreign direct investments (FDI) in Kyiv dropped by 1% down to USD 22.6 billion, or 52% of Ukraine's FDI as at 31/12/2015.



Cumulative FDI in Kyiv
 (as at 31 December, USD million)



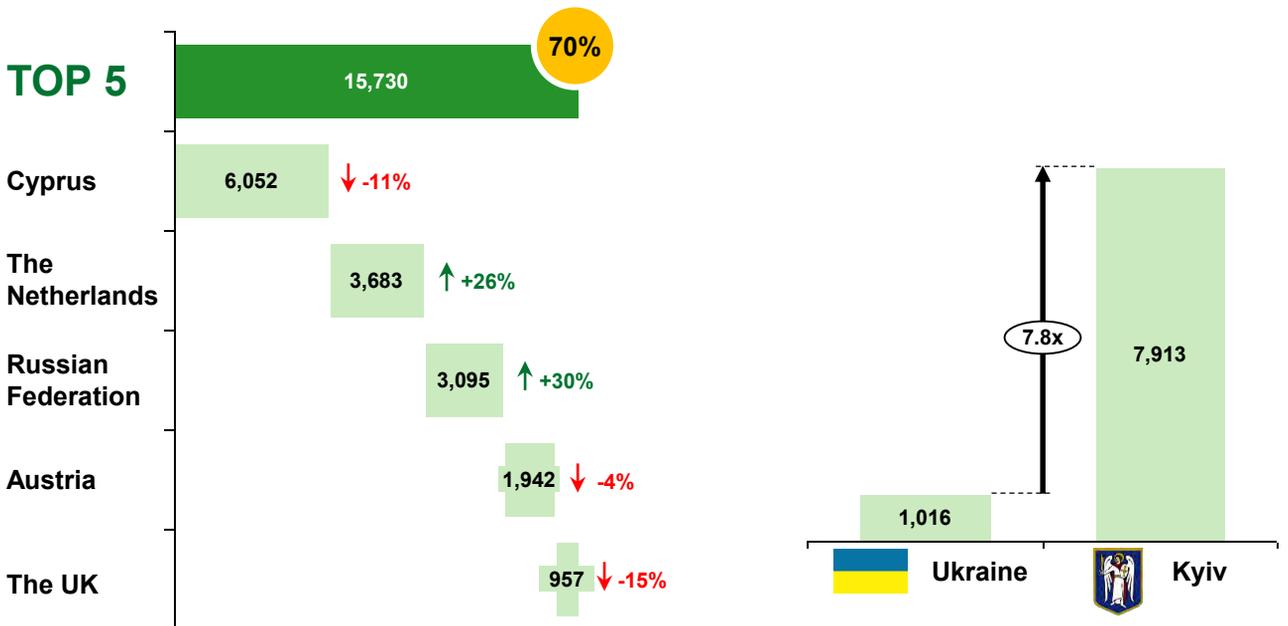
52%
 of cumulative FDI in
 Ukraine's economy
 as at 31/12/2015



TOP 5 countries investing in Kyiv in 2015
 (as at 31 December, USD million)



Cumulative FDI per capita in 2015
 (as at 31 December, USD per capita)



- share of TOP 5 investing countries in total FDI in Kyiv as at 31/12/2015



- growth vs 2014



- decline vs 2014

In 2015, cumulative foreign direct investment per capita in Kyiv **exceeded substantially the national figure by over 7 times.**



Capital investments

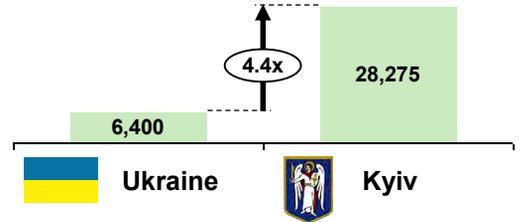
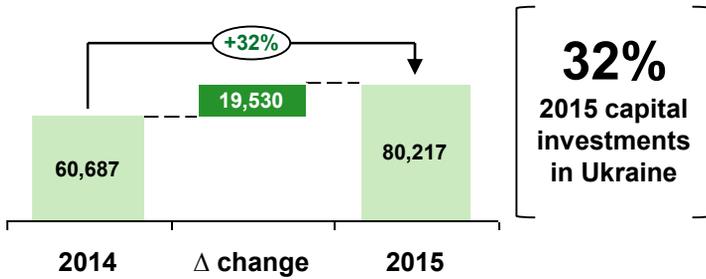
In 2015, capital investments in Kyiv increased by 32% to UAH 80.2 billion and represented 32% of the total capital investments in Ukraine



Capital investments in Kyiv
(UAH million)



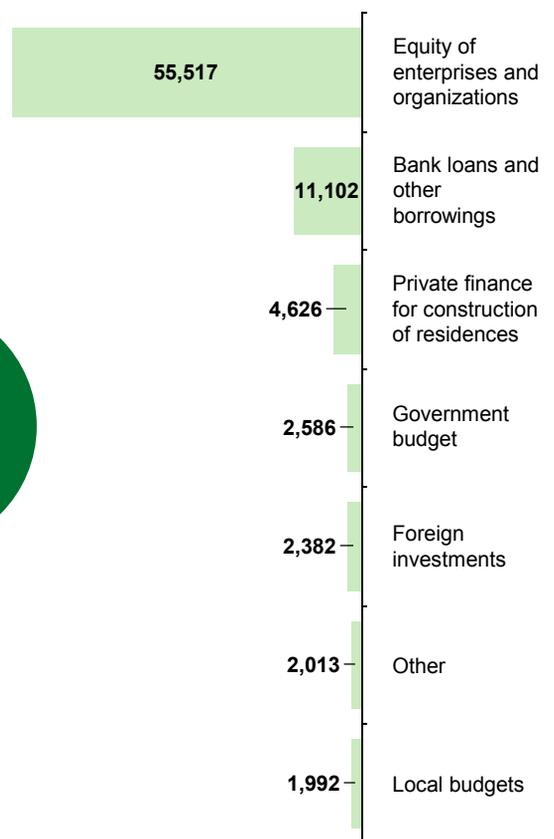
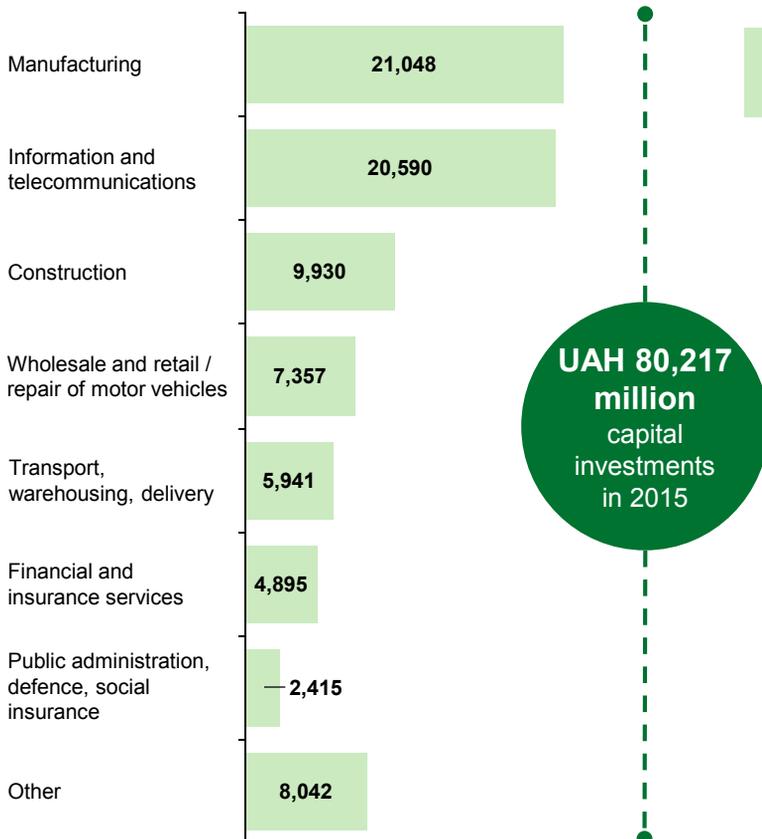
2015 capital investments per capita
(UAH per capita)



In 2015, capital investments amounted to UAH 80.2 billion, of which 26% was attributable to the manufacturing. Of total capital investments, 69% was made through the equity of enterprises and organizations.

2015 capital investments by economic sector
(UAH million)

2015 capital investments by source of finance
(UAH million)





Performance of Municipal entity “Kyivske Investytsiynе Agentstvo” (ME KIA)

In 2015, there were 10 investment projects (for UAH 351 million) being implemented in the City.

Investment projects at the stage of pre-project work, including performed by ME KIA, and those on which investment agreements were signed:

	Project description	Validity term of investment agreement	Total project's budget (UAH million)
▪	Construction of a sports centre for beach soccer, football and other sports on Venezia beach of Dolobetsky Island in Dniprovsky District	15 years	12.0
▪	Construction of residential buildings with maintenance and social facilities and underground parking garages (some apartments for the victims of Elita-Centre case) on the land plot located in Platonovsky Lane in Solomensky District.	until all parties have met their contractual obligations	86.6
▪	Construction of an educational facility for children at 2-20 Staronavodnytska Str. in Pechersk District	10 years	28.9
▪	Construction of a modern beach basketball recreational area on Venezia beach of Dolobetsky Island in Dniprovsky District	15 years	0.9
▪	Reconstruction of Kyiv Municipal Maternity Hospital No 5 into a perinatal centre and construction of a private healthcare facility at 2, Chervonozoryany Ave.	until all parties have met their contractual obligations	78.8
▪	Construction of a sports park on the territory of Druzhbi Narodiv recreation and leisure park in Desnyansky District	15 years	23.7
▪	Reconstruction of an underground passage at the conjunction of B. Khmel'nitskogo Str. and Khreschatyk Str. with a construction of additional entrance to the Central Department Store	10 years	14.9
▪	Construction of a residential building with maintenance and social facilities and underground parking garage (some apartments for the victims of Elita-Centre case) in Lukyanivska Str. in Shevchenkivsky District	until all parties have met their contractual obligations	56.0
▪	Installation of a Wi-Fi networks in municipal healthcare institutions	10 years	35.8
▪	Preparation of places for placing advertisements on the territory, structures, interiors and exteriors of the rolling stock of ME “Kyivskiy Metropolitan” (LOT 1)	5 years	13.1





Industrial production

The industrial production decline rates decelerated: in 2015, the industrial production dropped by 5% vs 14% in 2014.



Kyiv's industrial output by industry
 (% year-over-year)

Main area	2014	2015	Growing decline rate
Manufacturing	-14.1%	-5.4%	
<i>Processing industry</i>	-15.0%	-5.1%	
Food, beverage and tobacco production	-15.8%	-12.8%	
Pharmaceuticals	0.5%	-9.2%	!
Rubber and plastic production, other non-metal mineral products	-14.4%	8.6%	
Machine-building (excluding repairs and mounting)	-27.0%	6.6%	
Wood products manufacturing, paper production and printing	-9.3%	-13.5%	!
Metals (except manufacturing of machines and equipment)	-14.3%	7.2%	
Chemicals	-3.2%	-30.3%	!
Textile manufacturing, production of clothing, leather, and other materials	3.9%	7.3%	
<i>Power, gas, steam and conditioned air supply</i>	-7.8%	-7.9%	!

In 2015, the industrial output rose to UAH 124 billion, which was 8% of the total Ukraine's figure.

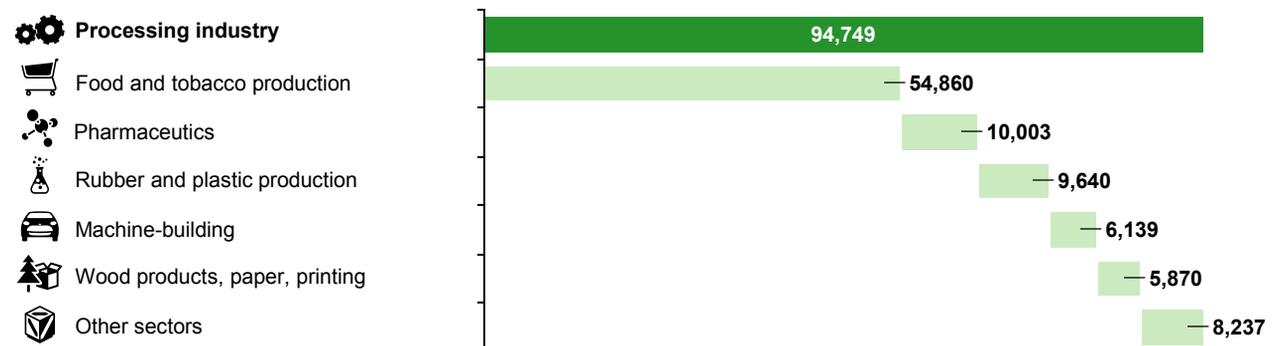


Kyiv's industrial output
 (UAH million)



8%
 Ukraine's industrial goods sold in 2015

Goods sold in 2015 by processing industries of Kyiv
 (UAH million)





LIST OF MAJOR TAXPAYERS TO KYIV'S BUDGET IN 2015 BY SECTOR

(UAH million)

 Finance	Paid in 2015	 IT AND TELECOMMUNICATIONS	Paid in 2015
PJSC "PROMINVESTBANK"	89.4	PrJSC "KYIVSTAR"	87.3
JSC "SBERBANK OF RUSSIA"	57.0	PrJSC "MTS UKRAINE"	85.4
JSC "UKREXIMBANK"	49.9	PJSC "UKRTELECOM"	26.8
PJSC "ALFA-BANK"	45.9	LLC "ASTELIT"	20.8
JSC "RAIFFEISEN BANK AVAL"	45.3	LLC "SAP UKRAINE"	13.4
PJSC "VTB BANK"	42.0	PrJSC "IMC-STB"	9.3
PJSC "CITIBANK"	37.1	"1+1 PRODUCTION"	8.2
PJSC "UKRSOTSBANK"	32.0	LLC "GLOBALLOGIC UKRAINE"	7.6
 PROCESSING INDUSTRY	Paid in 2015	 WHOLESALE AND RETAIL	Paid in 2015
PJSC "FARMAK"	49.8	LLC "EPICENTRE K"	70.8
JSC "JT INTERNATIONAL COMPANY UKRAINE"	45.7	LLC "CARGILL"	58.8
PJSC "OBOLON"	35.0	LLC "SAMSUNG ELECTRONICS UKRAINE COMPANY"	52.1
SC ROSHEN Confectionery Corporation	29.3	JSC "UKRAINIAN AUTOMOTIVE CORPORATION"	32.6
JSC "JT INTERNATIONAL UKRAINE"	24.5	LLC "SYNGENTA"	28.1
PrJSC "PHARMACEUTICAL FIRMA DARNITSA"	19.1	FIE "TOYOTA-UKRAINE"	27.0
PJSC "KYIVMEDPREPARAT"	18.9	LLC "METRO CASH & CARRY UKRAINE"	26.0
SJSHC "ARTEM"	15.4	LLC "FOZZY-FOOD"	24.7
 PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	Paid in 2015	 TRANSPORT, WAREHOUSES, COURIERS AND POST	Paid in 2015
NJSC "NAFTOGAZ OF UKRAINE"	56.1	PrJSC "UKRAINE INTERNATIONAL AIRLINES"	65.8
SE "ANTONOV"	43.7	ME "KYIVSKYI METROPOLITEN"	37.5
ME "KYIVREKLAMA"	29.1	PJSC "UKRTRANSAFTA"	31.3
LLC "ERNST & YOUNG"	14.2	SC "SUN TRADE"	12.4
LLC "GOOGLE"	12.7	SE "DARNITSKY WAGON-REPAIRING PLANT"	9.0
SE "STATE KYIV DESIGN BUREAU "LUCH"	10.4	PJSC "UKRTRANSGAZ"	8.9
PrJSC "DELOITTE AND TOUCHE USC"	10.1	LLC "WINDROSE ARLINES"	8.7
"REPRESENTATIVE OFFICE OF "SISCO SYSTEMS MANAGEMENT B.V.""	9.9	SOUTH WEST RAILWAYS	6.5
 MINING	Paid in 2015	 ENERGY	Paid in 2015
PJSC "UKRNAFTA"	70.4	PJSC "KYIVENERGO"	94.2
PrJSC "NAFTOGAZVYDOBUVANNYA"	28.4	SE "NEC "ENERGOATOM"	8.7
PJSC "UKRGAZVYDOBUVANNYA"	19.8	PJSC "KYIVGAS"	8.5
CJSC "MC UKRNAFTOBURINNYA"	17.1	SE "NEC "UKRENERGO"	7.1
OJSC POLTAVA GOK	14.4	LLC "WIND POWER"	3.7
PrJSC "UKRGAZVYDOBUTOK"	6.8	SE "UKRAVTOGAZ"	2.8
KP LTD	2.6	SE "ENERGORYNOK"	2.3
JV POLTAVA PETROLEUM COMPANY	1.4	PJSC "CENTRENERGO"	2.0



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED BUSINESS ACTIVITIES:

Measures and initiatives of the Comprehensive Special-Purpose Municipal Programme to Promote Entrepreneurship, Industry, and Consumer Market 2015–2018 were implemented not in full due to unfavourable social and economic environment, insufficient commitment of public associations of entrepreneurs to take part in implementation of the Programme, poor interaction between businesses and public authorities, and insufficient funding. Despite those factors, 2015 saw implementation of over 70% of the Programme's agenda.

Comprehensive Special-Purpose Municipal Programme to Promote Entrepreneurship, Industry, and Consumer Market 2015–2018



Responsible executor:

Production Sector and Entrepreneurial Development Department of the Executive body of the Kyiv City



Programme goals:

- Facilitate favourable business environment, boost business potential of city residents, enhance competitive capacities of small and medium businesses, increase contribution of small and medium businesses to sustainable socio-economic growth.
- Create conditions for resumption of sustainable growth of the City's industrial sector: exploration of innovative products and boosting production of high-tech, energy-efficient, environment-friendly export-oriented and import-substituting products.
- Meet consumer demand for goods and services of European level of quality, facilitate food safety, create modern retail, HoReCa and consumer services infrastructure.



Key programme activities and actions in 2015:

- A number of actions to ensure stable operations of the industrial sector were implemented:
 - signed an agreement between the KCSA and SC "Ukroboronprom" on expansion of cooperation with City's companies as part of implementation of the government's defence order and municipal social and economic development programmes;
 - signed an agreement among the KCSA, the Ukrainian League of Industrialists and Entrepreneurs and to consolidate efforts of public authorities and businesses in developing Kyiv's local market and the Council of Directors of Companies, Enterprises and Organisations of Kyiv;
 - conducted exhibition and presentation of scientific research results of the NASU's institutions for the healthcare sector as part of the 7th International Medical Forum "Innovations in Medicine – Health of the Nation";
 - conducted a seminar and presentation "Kyiv Initiative. Innovations for Business" jointly with the Kyiv National University of Technologies and Design.
- To enhance competitiveness of products of industrial companies:
 - "Capital City Standard of Quality" competition was resumed;
 - "Best Importer of the Year" competition aimed at expanding export capabilities of City's manufacturers was established;
 - international trade and industry conference "Export and Import Relations between Ukraine and EU 2016: Readiness of Government and Business" and a round-table conference "Access to European Markets for Products of Kyiv Companies" attended by Ukrainian and foreign experts were organised and conducted;
 - a regional round of a Ukraine-wide goods and services quality competition "100 Best Products of Ukraine 2015" was conducted in Kyiv.
- Ensured cooperation with international foundations and organisations to support and facilitate growth of small and medium businesses, create business support agency, expand and strengthen middle class, specifically:
 - as part of PLEDDG project implemented by the Federation of Canadian Municipalities, an agreement was reached to provide technical assistance for creation of an online-service for entrepreneurs;
 - supported by the Production Sector and Entrepreneurial Development Department, the Kyiv Chamber of Commerce and Industry won participation in the USAID Leadership in Economic Governance (LEV) Program;



- conducted a competition as part of UNDP Small Grants Programme financed by the Government of Japan for internally displaced persons and population of Donetsk and Lugansk regions, where one of the experts was a representative of the Production Sector and Entrepreneurial Development Department. As a result, over 30 projects for more than UAH 4.6 million were implemented in the City.
- A number of actions to ensure completeness and quality of regulatory, operational and informational basis for operations of companies were implemented, specifically:
 - 24 reports on examination of regulation's impact and 58 draft regulations were published on the official website;
 - a registry of regulations effective as at 23/02/2015 issued by the executive body of the Kyiv City Council (KCSA) was created, approved and published;
 - launched a project to establish online service for entrepreneurs that allows for obtaining all required licenses and permission to open a business; developed and launched "Industry and Science" information system at <http://ispn.kievcity.gov.ua> web-site;
 - collected information for creation of a catalogue of export-oriented products, and a list of energy-saving products manufactured in the City, which was published on the general web-portal of the territorial community of Kyiv;
 - performed a stock-take of land plots of 159 industrial enterprises;
 - enacted a new regulation on placement of mobile and seasonal retail facilities;
 - introduced competitive bidding for placement of seasonal retail facilities;
 - introduced common architectural models of seasonal retail facilities.
- To involve business community in decision making on the City's development priorities:
 - an advisory body (the Entrepreneurship Promotion Coordination Council) within the KSCA was established; in 2015, four meetings of the Council were conducted;
 - the composition of the Kyiv's regional council of entrepreneurs was changed; organisational and informational support was provided to conduct its meeting.
- A series of educational and training events to promote business activities were conducted, namely a city-wide information campaign "Education.Work.Entrepreneurship" involving over five thousand persons, and job fairs "Your Career" and "Work for You".
- A number of actions aimed at creating favourable business environment were taken, specifically:
 - a presentation of a commercial concept of "Kyiv's Business Harbour" project was conducted;
 - created a number of facilities retailing bakery products, which experience the highest consumer demand in the City;
 - supported administrations of food and mix-type markets in creating around 2 thousand 'social' market stalls (a total number of markets is 96);
 - a cooperation agreement among the executive body of the Kyiv City Council (KCSA), the National Technical University of Ukraine "KPI" and the corporation "Science Park "Kyivska Politechnika";
 - A round-table conference "Building interaction among business entities, PJSC "Kyivenergo" and PJSC "JSC "Kyivvodokanal" was conducted.
- Provided assistance to IDPs from Donetsk and Lugansk regions, and Crimea, specifically:
 - prepared useful information on (re-)registration of businesses for those willing to move their entities from the Crimea, Donetsk and Lugansk regions to Kyiv;
 - distributed a Ministry of Social Policy's road map for IDPs among business entities operating in the City to assist in resolving social issues and meet their priority needs.



**Programme funding in
2015 (UAH '000):**

Budget:

▪ 2,903,896.7

Actual:

▪ 429,495.5

% of performance:

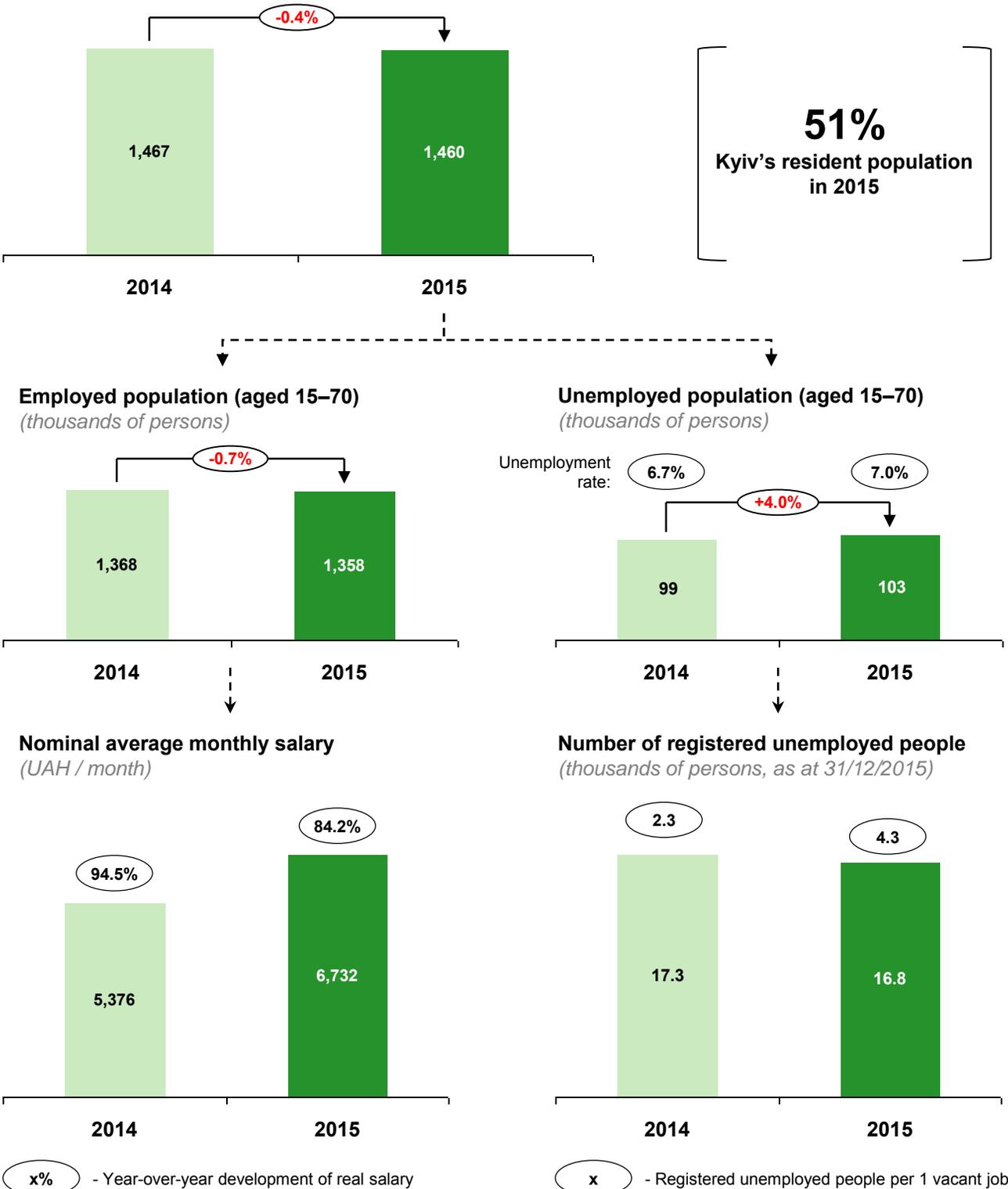
▪ 14.8%

Labour market

The economically active population of Kyiv decreased to 1,460 thousand people accounting for 51% of Kyiv's resident population in 2015.



Kyiv's economically active population aged 15–70
(thousands of persons)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN KYIV FOR 2015 THAT IMPACTED THE LABOUR MARKET:

In spite of a number of tasks and activities of the Kyiv's City Employment Programme completed and 95% funding of the programme, the City's 2015 employment figures deteriorated due to, first of all, adverse economic conditions in the country. At the same time, the City's 2015 employment figures remained one of the highest in Ukraine.

Kyiv's City Employment Programme till 2017

	Responsible executor:	Social Policy Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)
	Programme goals:	<ul style="list-style-type: none"> ▪ Implement regional policy of extended public empowerment for decent work by: <ul style="list-style-type: none"> – contributing to the increased employment of the population and engaging the unemployed workforce in economically active areas; – encouraging employers to create new jobs; – preserving and building labour potential; – extending the role of social stakeholders (employers' associations and trade unions) that advocate developments in the labour market.
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Approved the List of Community Services and the List of Companies, Institutions and Organisations of Kyiv to be involved in provision of community services in 2015. ▪ Delivered a series of information events to build awareness of employers and the general public of the labour market conditions in the City. Built a close cooperation with the State Fiscal Service General Division in the city of Kyiv and the Pension Fund General Division in the city of Kyiv. ▪ Continued activities of city and district working groups (commissions) on deshadowing of salaries and employment. ▪ Employees of district employment centres informed those unemployed about employment facilitation opportunities on a daily basis. ▪ Provided educational services to unemployed persons to meet demand on the labour market, and taking into account personnel requirements of specific employers. ▪ Delivered a series of entrepreneurship trainings for unemployed persons. ▪ Built public awareness of availability of one-time vouchers to back up competitive strength on the labour market through retraining, professional development, qualification upgrading in priority professions.

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 48,040.2	▪ 45,409.6	▪ 94.5%

Note: this programme is not financed by the municipal budget. It is financed by the National Unemployment Insurance Fund.

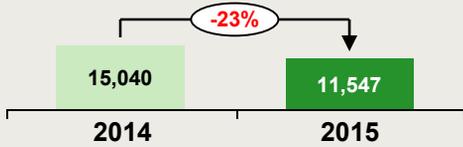




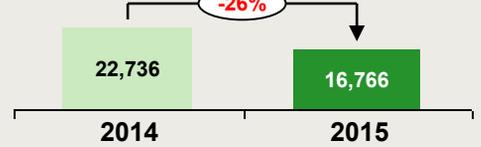
Foreign trade

In 2015, Kyiv recorded narrowing of its foreign trade balance to USD 5.2 billion with exports reduced by 23% and imports decreased by 26%.

Export from the City
(USD million)

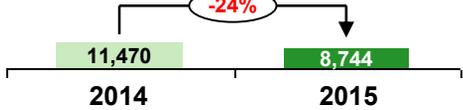


Import to the City
(USD million)

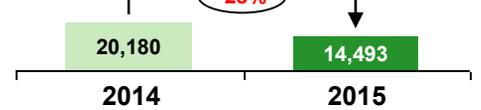


Goods

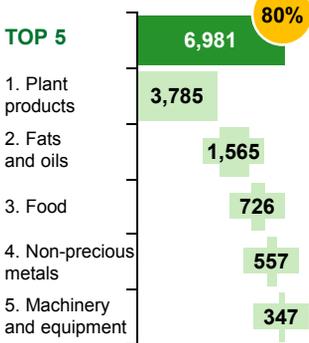
Goods export from the City
(USD million)



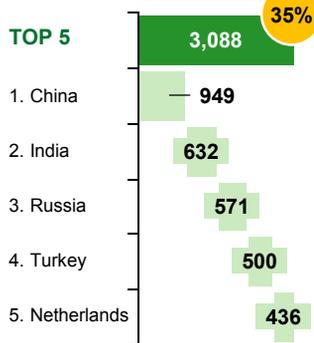
Goods import to the City
(USD million)



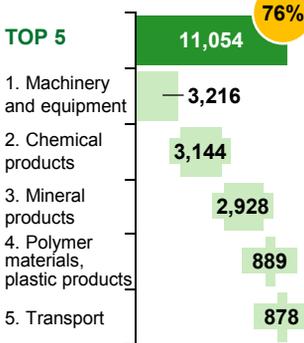
TOP 5 exported goods in 2015
(USD million)



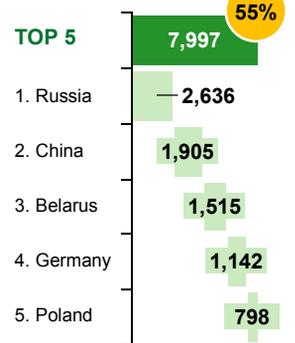
TOP 5 countries for exported goods in 2015
(USD million)



TOP 5 imported goods in 2015
(USD million)



TOP 5 countries for imported goods in 2015
(USD million)



Services

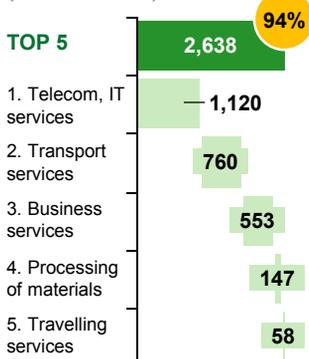
Services export from the City
(USD million)



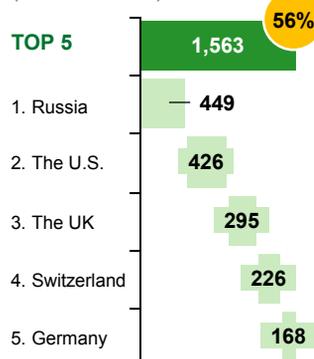
Services import to the City
(USD million)



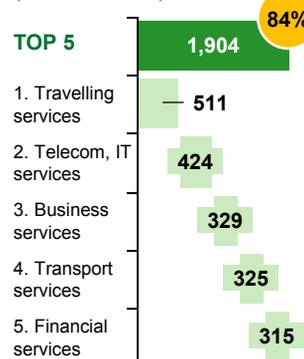
TOP 5 exported services in 2015
(USD million)



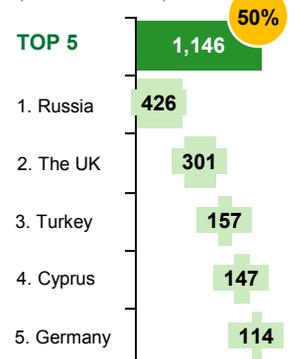
TOP 5 countries for exported services
(USD million)



TOP 5 imported services in 2015
(USD million)



TOP 5 countries for imported services
(USD million)





5.3 Infrastructure

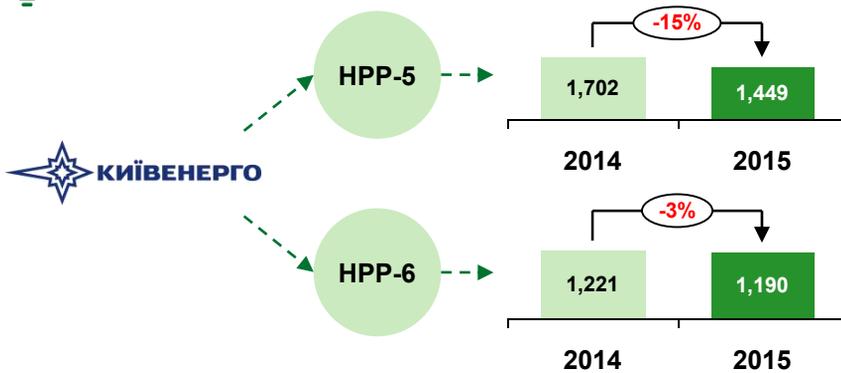


Power supply

In 2015, the total production output of PJSC "KYIVENERGO" (HPP-5 and HPP-6) decreased by 10% to 2.6 billion kW*h.



Production output of PJSC "KYIVENERGO"
(million kW*h)

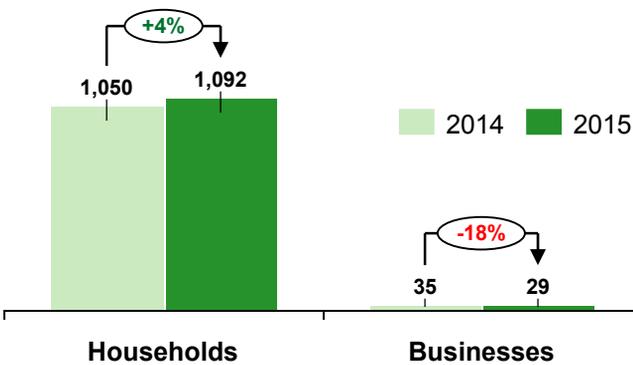


Decreased electricity output was caused by the Ministry of Coal and Energy Industry's adjustments in the forecast electric energy balance of the Unified Energy System aimed at reducing consumption of imported natural gas.

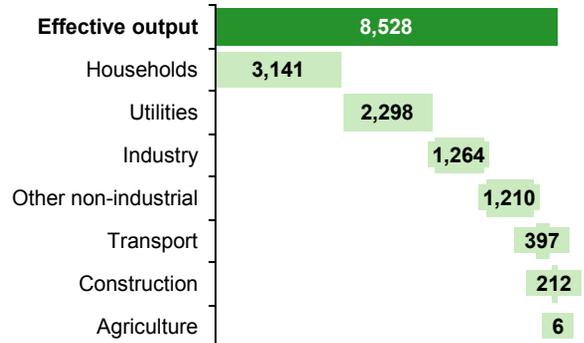
As at 31/12/2015, the number of PJSC "KYIVENERGO" consumers was 1,121 thousand, which were supplied 8.5 billion kW*h of electrical energy over 2015.



Number of electricity consumers serviced by PJSC "KYIVENERGO"
(thousands of units)



Net power supply by PJSC "KYIVENERGO"
(million kW*h)



In 2015, PJSC "KYIVENERGO" accounts receivable for consumed electrical energy decreased by 14% to UAH 626 million.



PJSC "KYIVENERGO" accounts receivable for consumed electrical energy
(UAH millions)

Consumer category	2014	2015	% change
Households	129	199	+54%
PJSC "JSC "Kyivvodokanal"	269	169	-37%
Housing construction cooperatives, apartment buildings co-owners associations, housing departments, departmental housing and utility associations	93	108	+16%
Industrial consumers	46	27	-42%
Other consumers	190	123	-35%
Total	727	626	-14%

In 2015, the largest debtor of PJSC "KYIVENERGO" were households, whose debts rose by 54% over the year. PJSC "JSC "Kyivvodokanal", which was the largest debtor in 2014, has reduced its debt by 37%.



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE ENERGY EFFICIENCY SECTOR:

The Municipal Energy Efficiency Programme was financed insufficiently to implement energy efficiency measures and initiatives effectively.

Regional Energy Efficiency Improvement Programme for Kyiv for 2011–2015



Responsible executor:

Department of Housing and Utility Infrastructure of the Executive body of the Kyiv City Council (the Kyiv City State Administration)



Programme goal:

- Create conditions for reducing energy consumption required per gross added value created in Kyiv over the Programme implementation period by at least 20% compared to 2010.
- Reduce energy consumption required per unit output, work performance or service provision.
- Streamline the structure and components of the fuel and energy balance of Kyiv by reducing a consumption share of imported natural gas and replacing it by other energy resources.



Key programme activities and actions in 2015:

- There was a number of initiatives implemented to reduce consumption of electrical energy: installation of electric power meters, partial reinstallation of distribution network components, installation of energy efficient illumination equipment, switchboard overhauls at a number of municipal and budgetary entities, public and private companies.
- The subway rolling stock was partially upgraded.
- Energy efficient windows were installed in a number of educational, medical, and other municipal buildings.
- Heat supply systems were overhauled and mixer taps at a number of municipal and budgetary entities were replaced.
- A number of energy efficiency initiatives to reduce heat consumption were implemented: repairs of roof coatings, heat saving improvements at a number of buildings, installation of heat insulation at apartments, overhauls of heat supply systems, reconstruction of sections of the heat supply and heat distribution networks and boiler houses, repairs and replacement of heat, hot and cold water supply equipment, restoration of circulation networks at municipal and budgetary entities, and residential buildings.
- A number of energy efficiency initiatives were implemented to reduce consumption of fuels, i.e. energy audits, development of certificates and technical and design documentation, administrative and maintenance activities to reduce technological power consumption in power supply networks, and regular maintenance of power equipment.



Programme funding in 2015 (UAH '000):

Budget:

▪ 603,756.7

Actual:

▪ 300,019.8

% of performance:

▪ 49.7%



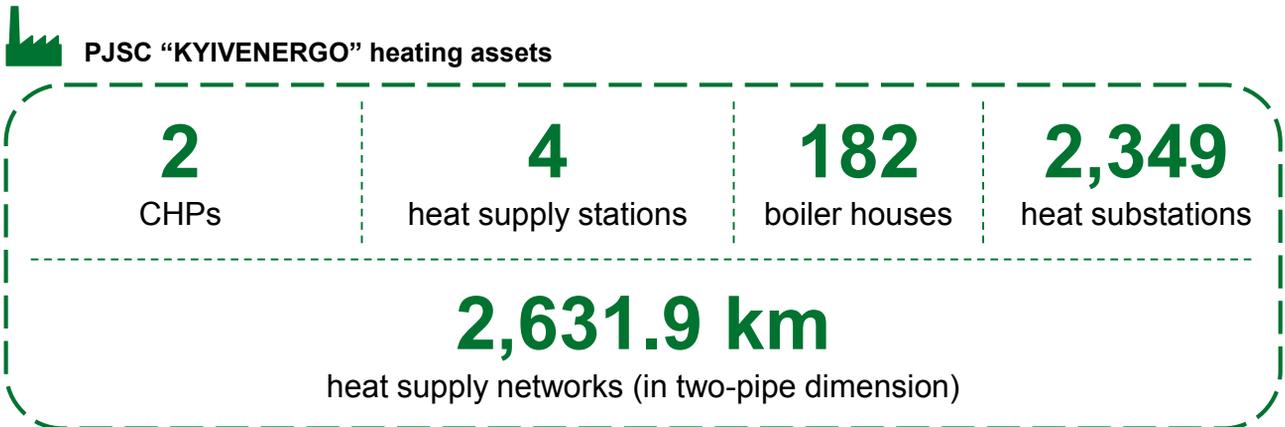


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Heating

Generation and transfer of heat is performed by PJSC “KYIVENERGO” units, which operate the majority of heating assets in the City.



Note: LLC “Euro-Rekonstrukcia” (Darnitska HPP), LLC “Teplopostachservice”, PHC «Bonvoyage» and SE “Grupovaya cotelnya UMT and GZ MVS Ukraine in Kyiv region” are other entities that provide heat production and supply in Kyiv.

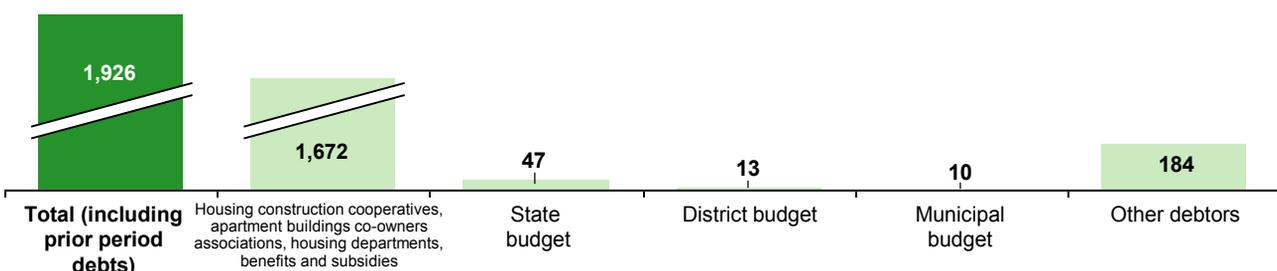
In 2015, total consumption of heat supplied by PJSC “KYIVENERGO” dropped by 8% to 9.2 million Gcal. The heat consumption structure is dominated by residential buildings (68%) and housing construction cooperatives and apartment buildings co-owners associations (14%).

Net consumption of heat supplied by PJSC “KYIVENERGO” by category of consumers
(thousand Gcal)

Heat consumers by category	2014	2015	% change
Residential buildings	6,746	6,242	-7%
Apartment buildings co-owners associations and housing construction cooperatives	1,345	1,272	-5%
Other consumers	762	628	-17%
State budgetary institutions and organisations	528	464	-12%
District budget	499	456	-9%
Municipal budgetary institutions and organisations	167	156	-7%
Industrial consumers	24	22	-8%
Total	10,071	9,240	-8%

In 2015, debts for consumed heat were recorded at UAH 1.9 billion, of which 87% was attributable to housing construction cooperatives, apartment buildings co-owners associations, housing departments, benefits and subsidies.

As at 31/12/2015, the largest debtors for consumed heat were:
(UAH millions)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE HEATING SECTOR:

Financing of special purpose municipal programmes impacting the heating sector in Kyiv was insufficient to implement respective measures and initiatives in 2015 effectively.

Regional Programme for Modernisation of Kyiv's City Municipal Heating Sector and Heating System for 2011–2015

	Responsible executor:	Department of Housing and Utility Infrastructure of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goal:	<ul style="list-style-type: none"> ▪ Reduce consumption of natural gas and other traditional fuels significantly, replace them with alternative fuels and reduce manufacturing energy consumption. ▪ Improve performance and reliability of the municipal power sector and upgrade the existing heat generating equipment, heating mains and heat distribution networks. ▪ Implement modern energy saving technologies to meter and manage consumption at consumer level. ▪ Upgrade existing equipment and install new modern technology-based equipment, devices and individual heating plants. ▪ Implement comprehensive heat saving improvement programme for the residential sector. ▪ Decrease the level of atmosphere emissions of pollutants and greenhouse gas and reduce environmental load. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Heat supply systems were overhauled in a number of residential buildings. ▪ A number of boiler houses were upgraded, specifically at 7/13 Kotelnikova Street and 47, Nauky Avenue. ▪ A number of heat supply and distribution networks were upgraded. ▪ A group of heat consumers were connected to boiler houses. 		

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 35,745.5	▪ 10,997.5	▪ 30.7%

Special-purpose Municipal Programme “Hot Water in Kyiv for 2011–2015”

	Responsible executor:	Department of Housing and Utility Infrastructure of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goal:	<ul style="list-style-type: none"> ▪ Provide high-quality centralised hot water supply services and meet consumers' demand for hot water of guaranteed quality as prescribed by effective regulations. ▪ Improve energy efficiency and reliability of the circulation hot water supply network and reduce heat losses during transportation. ▪ Implement new technological processes and materials and use fuel and energy resources efficiently. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ No programme activities and actions were performed in 2015 due to lack of financing. 		

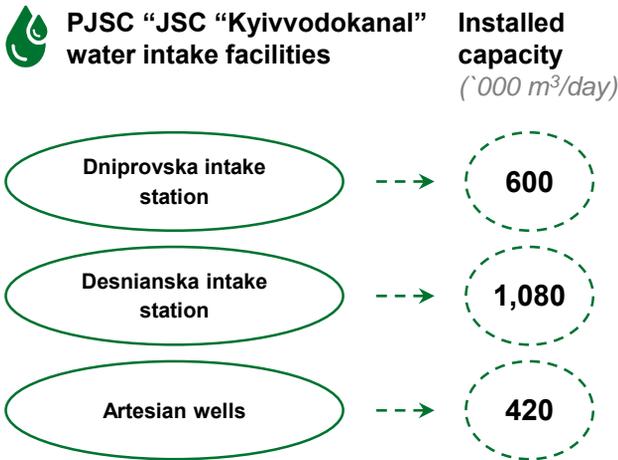
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 397,536.0	▪ 0.0	▪ 0%





Water supply and sewage facilities

In 2015, PJSC "JSC "Kyivvodokanal" total amount of water supplied was at 211 million m³, which is 1% more than in 2014.

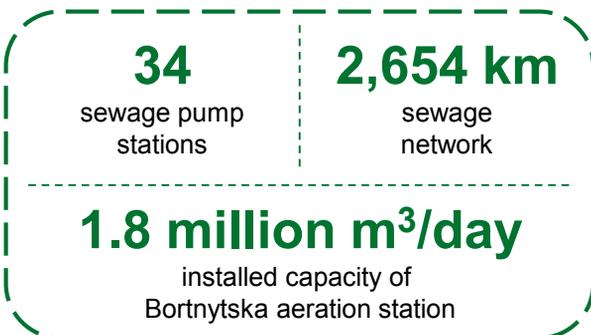


Volumes of water supplied (by categories of consumers)
(million m³)

	2014	2015	% change
Households	166.6	171.1	+3%
State budget institutions	6.6	6.2	-6%
Local budget institutions	6.9	6.5	-6%
Other consumers	28.6	27.6	-4%
Total	208.6	211.3	+1%

In 2015, PJSC "JSC "Kyivvodokanal" total amount of water disposal was at 196 million m³, which is 13% less than in 2014.

PJSC "JSC "Kyivvodokanal" water disposal facilities

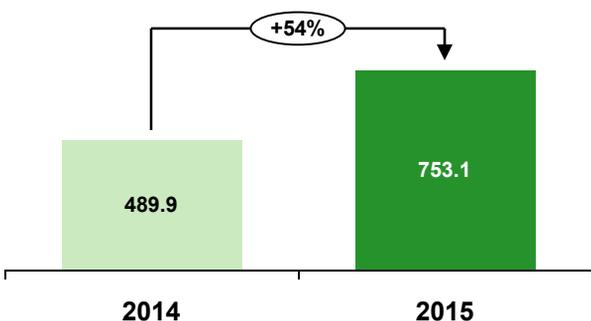


Volumes of water disposal (by categories of consumers)
(million m³)

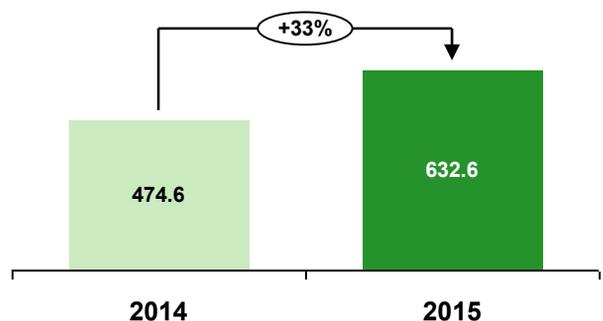
	2014	2015	% змін
Households	170.3	144.9	-15%
State budget institutions	7.5	6.6	-11%
Local budget institutions	6.9	6.8	-1%
Other consumers	40.0	38.1	-5%
Total	224.7	196.4	-13%

PJSC "JSC "Kyivvodokanal" net revenue of water supply and water disposal services were UAH 1.4 billion, which is 44% more than in 2014.

PJSC "JSC "Kyivvodokanal" net revenue of water supply services
(UAH million)



PJSC "JSC "Kyivvodokanal" net revenue of water disposal services
(UAH million)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE WATER SUPPLY AND SEWAGE SECTOR:

Financing of the special-purpose municipal programme “Kyiv’s Drinking Water for 2011–2020” allowed for implementation of underground and decentralised water supply measures and initiatives planned for 2015.

Special-purpose Municipal Programme “Kyiv’s Drinking Water for 2011–2020”

	Responsible executor:	Department of Housing and Utility Infrastructure of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goal:	<ul style="list-style-type: none"> ▪ Meet consumers' demand for drinking water of guaranteed quality, as prescribed by the effective regulatory acts, at a reasonable economical price. ▪ Facilitate sustainable balanced development of the centralised and decentralised drinking water supply systems of Kyiv. ▪ Improve security of water supply facilities and facilitate environmental sustainable use, preservation and safety. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ 40 water pump well sites overhauled. ▪ A complex of artesian water supply facilities for Osokorky Pivnichni residential area and a water main in Petra Hryhorenka Av. in Darnitsky District were constructed. ▪ A number of low output artesian wells were drilled, specifically in Artema Str. and Nauky Av. 		
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 9,754.8	▪ 9,210.6	▪ 94.4%







Building and construction

Number of social infrastructure facilities commissioned into service in 2015 increased in PEI and hospital categories and decreased in residential and school segments.

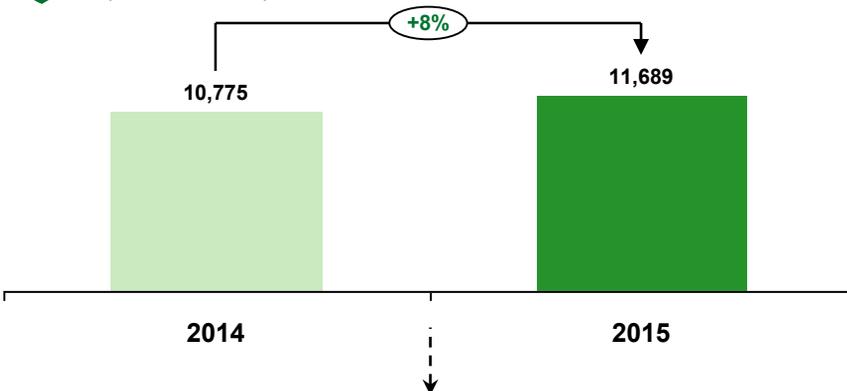
Social infrastructure facilities commissioned into service:

Facility	Measurement unit	2014	2015	% change
Residential buildings	thousand m ² total floor area	1,442	1,366	-5%
Schools	schoolers/places	720	304	-58%
Preschool educational institutions (PEIs)	places	466	530	+14%
Hospitals	beds	15	71	+373%

In 2015, the volume of construction work completed increased by 8% to UAH 11.7 billion, which was 20% of the country's total figure.



Volume of construction work completed
(UAH millions)



20%
of Ukraine's 2015 volume
of construction work
completed

Facility	2014	2015	% change
Buildings	8,001	8,496	+6%
Residential	4,321	5,260	+22%
Non-residential	3,680	3,236	-12%
Engineering structures	2,773	3,193	+15%
Total	10,775	11,689	+8%

2015 saw a **positive trend** in construction of both **buildings** and **engineering structures**: the growth rates were recorded at **6%** and **15%** respectively. However, the **non-residential sector** saw a **12% decrease** in the volume of construction work completed.



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE CONSTRUCTION SECTOR:

Poor financing of special purpose municipal programmes in 2015 hindered development of the city's residential construction sector, specifically residential construction for vulnerable groups.

Municipal Housing Programme for Orphaned Children, Children Deprived of Parental Care and Persons from among Them for 2013–2015

 Responsible executor:	Construction and Housing Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none"> ▪ Set integrated tasks and activities that, if completed, will resolve the housing issues in favour of orphaned children, children deprived of parental care and persons from among them. ▪ Increase protectability of orphaned children, children deprived of parental care and persons from among them, who require improved housing conditions and the environment enabling to enforce their constitutional rights as prescribed by law. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ No programme activities and actions were performed as Kyiv's economic and social development programmes for 2013, 2014 and 2015 provided no respective financing. ▪ Despite multiple requests of the Construction and Housing Department, no funding from the municipal budget was allocated for the programme implementation. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 47,673.8	▪ 0.0	▪ 0%

Social Housing Development Programme of Kyiv for 2010–2015

 Responsible executor:	Construction and Housing Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none"> ▪ Design a mechanism of development of the social residential property fund, define and implement short-term and medium-term activities to ensure financing and construction of the social residential property fund appropriate for rightsizing purposes. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ A social housing waiting list was prepared. As at 31/12/2015, 153 families were on the social housing waiting list. ▪ Completed and approved the Register of social housing accommodation facilities, which includes 62 flats with the total floor area of 2,745.30 m². ▪ Based on new development and construction projects, the social residential property fund, which accounts for 40% of the total social housing demand, has been provided. ▪ Agreed on a co-financing mechanism for social housing constructions in proportion of 50% funded from the government budget to 50% funded from the municipal budget. There is no funding for social housing provided in the Kyiv's economic and social development programme 2015. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 312,070.0	▪ 0.0	▪ 0%



Affordable Housing Construction (Purchasing) Programme of Kyiv for 2010–2017

	Responsible executor:	Construction and Housing Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goals:	<ul style="list-style-type: none"> Facilitate housing provision to residents who require improved housing conditions according to the legislation by upgrading the existing mechanism and implementing the new government-supported effective financial and investment mechanism of affordable housing construction (purchasing) using residents' investments. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> Due to limited funding capacity of the City, it is planned to repay debts incurred under the 70/30 programme for construction work completed in Miloslavka Str. (the building was commissioned in 2014) and engineering surveying and project design work in 40-Richchya Zhovtnya Av., and construction work completed in Teremkivka Str. 		
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 2,097,400	▪ 2,270.9	▪ 0.1%

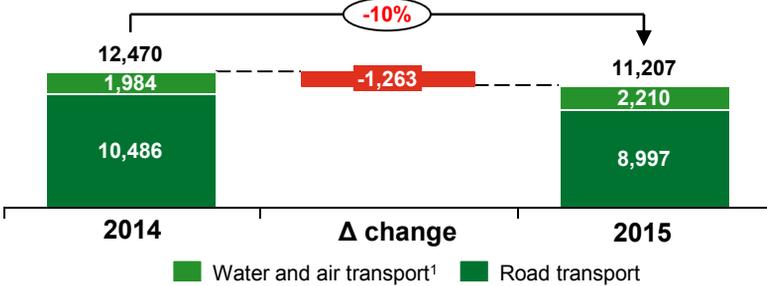




Transport

In 2015, the volume of road, water, and air cargo transportation in the City was recorded at 11.2 million tons, which was 10% less than in 2014.

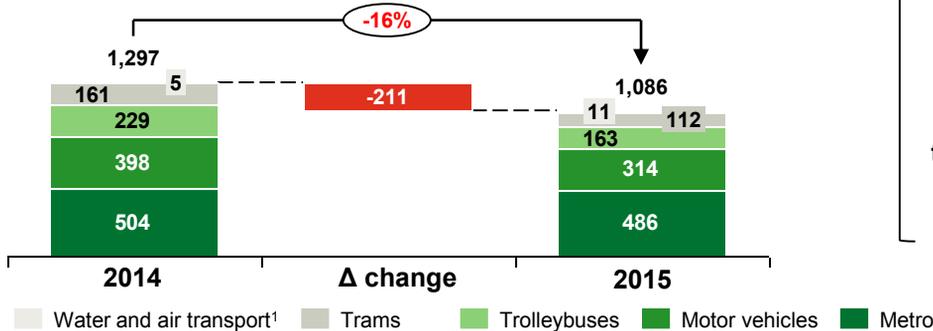
Cargo transportation in Kyiv
(kilotons)



7.3%
of 2015 cargo transportation volumes in Ukraine by respective modes

In 2015, 1.1 billion passengers were transported by the metro, motor transport, trolleybuses, trams, water and air transport, which was 16% less than in 2014.

Passenger transportation in Kyiv
(millions of persons)

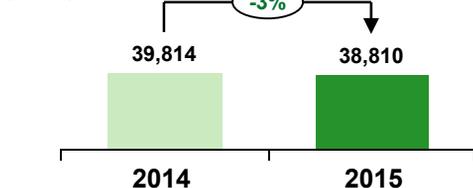


22.7%
of 2015 passenger transportation in Ukraine by respective modes

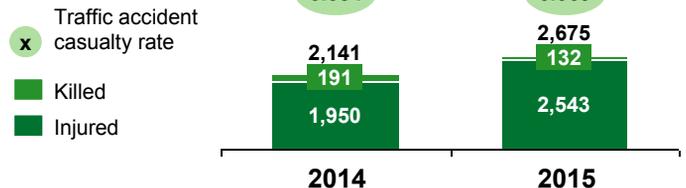
¹ – Absolute values for certain type of transport are confidential in accordance with Law of Ukraine “On State Statistics”.

Number of traffic accidents in Kyiv decreased by 3%, with the number of traffic casualties increased to 2,675 driving the ratio of the number of victims to the number of accidents to 0.069 from 0.054.

Traffic accidents in Kyiv
(units)

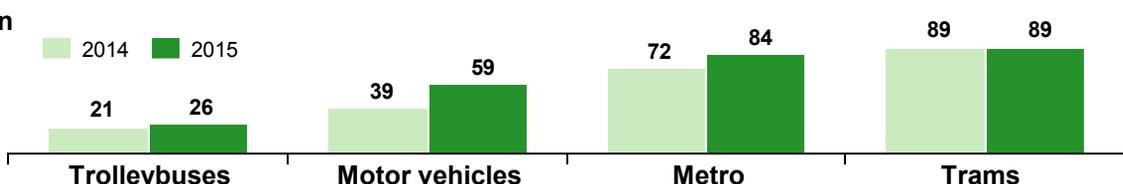


Traffic casualties in Kyiv
(persons)



During 2015, the depreciation rate of Kyiv's transport increased in all segments, except for trams.

Depreciation by type of transport
(%)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE TRANSPORT SECTOR:

Integrated Parking Space Development Programme till 2015 was substituted with a new Integrated Parking Space Development Concept.

Integrated Parking Space Development Programme till 2015



Responsible executor: Municipal entity "Kyivtransparkservis"



Programme goals:

- Develop parking spaces in Kyiv.
- Reduce burden on Kyiv's road network.
- Enhance traffic management through improvement of parking conditions.
- Implement innovative technologies in provision of parking services.
- Improve quality of parking services.
- Make institutional and economic arrangements to develop the parking sector, which would contribute to Kyiv's social and economic development by increased tax receipts and investment inflows, and jobs creation.



Key programme activities and actions in 2015:

On 22/01/2015, in accordance with the Kyiv's 2025 Development Strategy, a new Integrated Parking Space Development Concept was approved; its objectives include:

- reasonable and flexible setting of parking charges to ensure profitability of operations and manage parking load in certain areas efficiently;
- ensuring transparency of payments by excluding human factor, specifically by abandoning cash payments to ME "Kyivtransparkservis" parking attendants;
- improving customer experience of individuals and organisations by increased convenience of making and tracking payments;
- boosting revenues to the municipal budget by strengthening payment discipline through simple and effective automatic payment control process;
- consistently and gradually increasing the number of parking lots (during five years) by ME "Kyivtransparkservis" at daytime and overnight parking garages from current 25,000 to around 125,000 by end-2020 (adding around 20,000 parking lots annually);
- ensuring effective management of parking garages by implementing innovative technologies and using available areas rationally;
- reducing vehicle emissions, facilitating use of zero-emission vehicles, i.e. bicycles, electric cars, etc.



Programme funding in 2015 (UAH '000):

Budget:

▪ 0.0

Actual:

▪ 0.0

% of performance:

▪ 0%

Note: the implementation of the Concept is to be funded with funds of interested investors and businesses, with no budget funding allocated. The amount of the Concept's funding is determined and adjusted on an annual basis taking into account accepted proposals of investors and businesses, and objectives of respective programmes.



АЕРОПОРТ «КИЇВ» («ЖУЛЯНИ») - М «ПЛОЩА ЛЬВА ТОЛСТОГО»
 KYIV Airport/Zhulyany (IEV) - M Ploshcha Lva Tolstoho

АЕРОПОРТ «КИЇВ» («ЖУЛЯНИ») - ТЕРМІНАЛ А



гаряча лінія/hotline 044 528 30 11



5.4 Healthcare



Healthcare

At the end of 2015, 159 healthcare facilities operated in Kyiv, including 116 accountable to the Health Services Department of the KCSA.

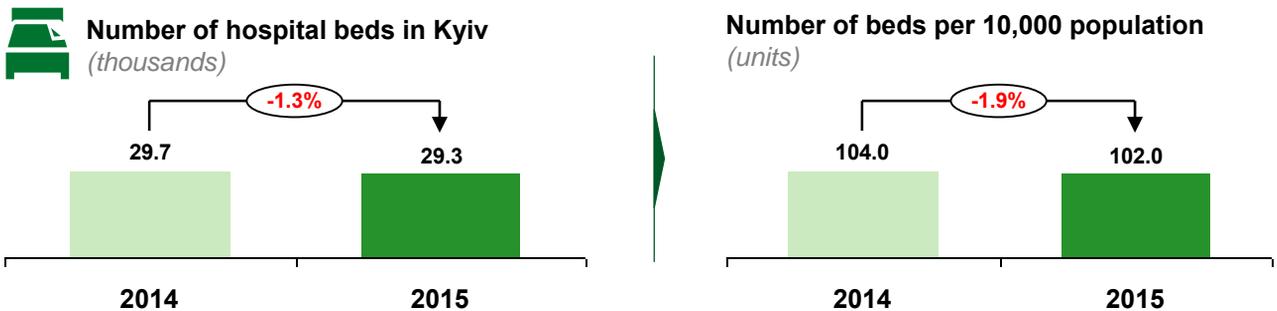


116 healthcare facilities accountable to the KCSA Health Services Department

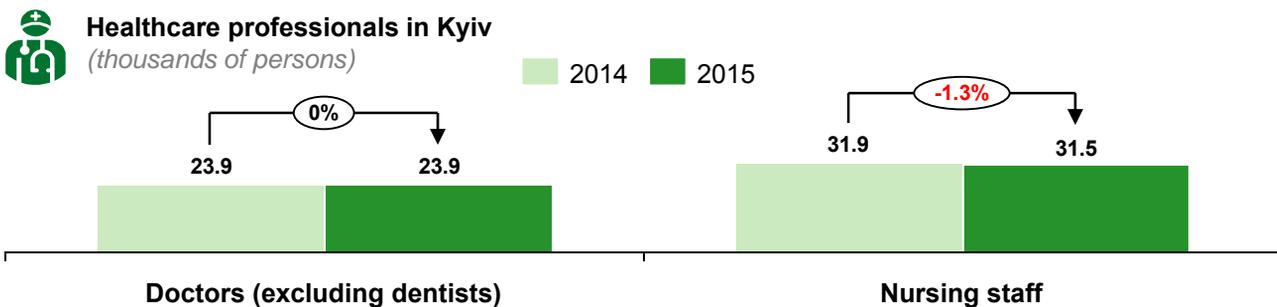


43 healthcare facilities accountable to Kyiv's district healthcare agencies

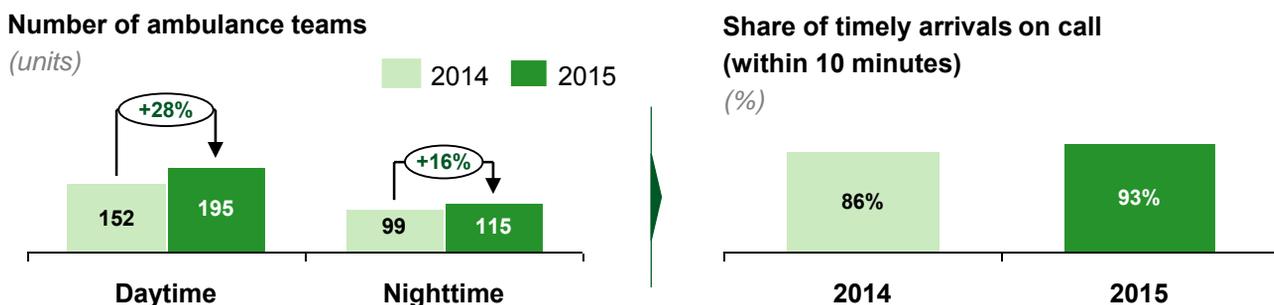
During 2015, the number of hospital beds decreased from 29.7 thousand to 29.3 thousand, resulting in increased utilisation of beds as the ratio of beds to population reduced by 2% vs 2014.



During 2015, the number of doctors remained flat vs 2014 for every speciality (excluding dental care), however, the number of nursing staff reduced by 1.3% to 31.5 thousand persons.



In 2015, the number of daytime and nighttime ambulance teams was increased to 195 and 115, respectively with a positive effect on the share of timely arrivals, which increased to 93%.





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE HEALTHCARE SECTOR:

In 2015, Kyiv had five special-purpose municipal programmes addressing residents' health improvement, promoting sport activities, learning and development of healthcare professionals.

Special-purpose Municipal Programme “Kyivans’ Health” for 2012–2016

	Responsible executor:	Health Services Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)	
	Programme goals:	<ul style="list-style-type: none"> ▪ Achieve best possible health for all Kyiv residents regardless of age, gender or social status. ▪ Provide health promotion and healthcare services to Kyivans throughout their lives. ▪ Decrease occurrence and reduce suffering resulting from principal diseases, injuries and disabilities. 	
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ The programme addressed the following areas: <ul style="list-style-type: none"> – Reproductive health; – Childcare; – Blood, blood-forming and lymphoid disease control; – Prevention and treatment of cardiovascular and cerebral diseases; – Nephrology and renal replacement therapy; – Implementation of other advanced technologies; – Promotion of blood and blood component donation; – Creating better opportunities for people with disabilities and other vulnerable population; – Development of palliative and hospice care; – Reduction of infectious disease prevalence; – Control and prevention of tuberculosis; – Endocrine diseases; – Oncology disease management. ▪ Medication and medical devices have been distributed in the amount of UAH 70,349.4 thousand, or 31.2% of the expected supply. ▪ Overhauls have been delivered at 41 healthcare facilities in Kyiv, with further 80 facilities prepared for the winter season. ▪ Provision of care to kidney patients, procurement of prosthetic implants, treatment of hemophilia sufferers, and the promotion of blood and blood component donation have been facilitated. 	

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 593,559.5	▪ 452,924.2	▪ 76.3%



Special-purpose Municipal Programme for Children's Health Promotion and Recreation till 2018

 **Responsible executor:** Education and Science, Youth and Sports Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

 **Programme goals:**

- Enforce a priority child protection objective – the right for health promotion and recreation.
- Facilitate implementation of an integral child health promotion and recreation system.
- Enhance quality and affordability of health promotion and recreation services for Kyiv's children.

 **Key programme activities and actions in 2015:**

- Health promotion and recreation services to socially vulnerable children have been facilitated.
- 5,799 children from underprivileged backgrounds received health promotion and recreation services.
- 5,176 children received recreation services at 72 daycare camps operating in the city's educational institutions.
- UAH 132 million has been raised from both private and public companies, institutions, organisations, charities and civil society organisations to finance health promotion and recreation services provided to Kyiv children.
- Support to suburban health promotion and recreation facility "Zmina" (Kyiv region, Pylypovychi village) has been provided.

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 196,550.6	▪ 193,189.1	▪ 98.3%

Special-purpose Municipal Programme for Local Incentives to Kyiv's Healthcare Professionals for 2013–2016

 **Responsible executor:** Health Services Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

 **Programme goals:**

- Create adequate conditions to ensure continuous staffing and increase staffing levels for both doctors and nursing staff.
- Promote the reputation and social status of the healthcare profession for municipal healthcare facility staff in order to enhance staffing of the city's healthcare facilities, promote public health, and ensure medical training of doctors and nursing staff to meet the requirements of the entire public health system.

 **Key programme activities and actions in 2015:**

- Establishing and paying out a municipal hardship allowance for medical staff of clinics and hospitals at 20% of the basic salary (to be increased by 5% annually).
- Establishing and paying out an allowance of 50% for ambulance teams and palliative care professionals (hospice staff).
- 80 healthcare practitioners employed with Kyiv municipal healthcare facilities received motivational incentives (letters of award and appreciation letters).
- One studio flat was provided to the Health Services Department in 2015.

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 420,626.1	▪ 321,421.9	▪ 76.4%



Special-purpose Municipal Doctor Training Programme for Kyiv's Healthcare Facilities for 2011–2017

	Responsible executor:	Health Services Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goals:	<ul style="list-style-type: none"> ▪ Ensure adequate staffing of municipal healthcare facilities of Kyiv's community, especially primary healthcare facilities, with appropriately trained doctors. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ As at 12/2015, medical training at the Bohomolets Medical University was covered from the programme budget for 38 students. ▪ As at 12/2015, 15 junior doctors continued their full-time internship training at the Department of Paediatrics and Department of General Medicine (Family Medicine speciality). 		
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 1,996.8	▪ 913.6	▪ 45.8%

Special-purpose Municipal Programme "Kyiv Sports: 2011–2015"

	Responsible executor:	Education and Science, Youth and Sports Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goals:	<ul style="list-style-type: none"> ▪ Facilitate development of athletics and sports. ▪ Improve management of activities in the area of athletics and sports. ▪ Ensure access to athletics and sports services for all residents. ▪ Create adequate conditions for training of world class athletes. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ 228 athletic local and international events for both Olympic and non-Olympic sports, with 46,572 participating athletes have been facilitated. ▪ 131 training camps for the City's picked teams have been arranged to get prepared for the national competitions with participation of 1,296 athletes. ▪ 50 mass athletic events have been delivered, in particular, The Olympic Day, The Chestnut Run, The Kyiv Marathon and Half-Marathon, with over 36 thousand participants. ▪ Sports competitions organised included Kiev Triathlon Cup, the cycling race Race Horizon Park, Ukraine Nation Cup. ▪ A non-residential building at 42A, Verkhniy Val Str. has been transferred to Invasport centre. Overhaul of these premises is in progress. ▪ 41 city-level athletic event (730 participating athletes with disabilities) and 54 training camps (604 athletes with disabilities) were delivered during 2015. ▪ Overhauls of sporting facilities have been completed, including the football field (20m x 40m), including construction of artificial grass and lighting system at Athlete Sporting Complex, facade repairs at "Ring" Children's and Youth Athletic School, athletic field of "Champion" Children's and Youth Athletic School, water treatment facility, boiler house and heating system at the suburban health promotion and recreation facility "Zmina", development of terms of reference for reconstruction of "Rusanivets" stadium. ▪ Prizes for medal winners of Olympics, Paralympics and Deaflympics, World and European championships in both Olympic and non-Olympic sports and for their coaches have been paid. During 2015, 40 grants to outstanding athletes and 20 grants to outstanding athletes with disabilities have been provided. ▪ A range of efforts has been delivered to preserve the existing network of sporting schools for children and youth. During 2015, 90 sporting schools for children and youth operated in Kiev, including 65 general schools for children and youth and 26 specialised schools. 		
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 212,351.4	▪ 196,854.3	▪ 92.7%



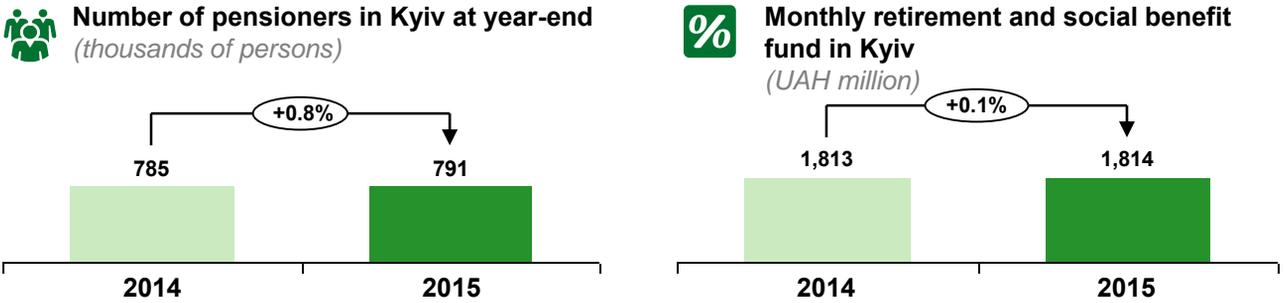


5.5 Social protection and safety



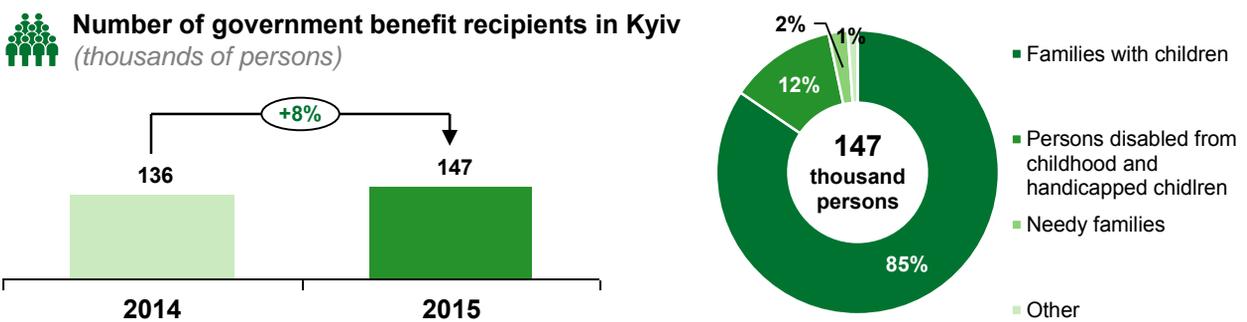
Social protection and safety

During 2015, the number of pensioners in Kyiv increased to 791 thousand, whilst the monthly retirement and social benefit fund increased to UAH 1,814 million.



Pensioner categories in Kyiv, persons:	2014	2015	% change
Retirement pensioners	606,321	609,996	1%
Disablement pensioners	70,711	70,802	0%
Ministry of Defence of Ukraine pensioners	32,295	32,057	-1%
Loss of breadwinner pensioners	24,056	24,994	4%
Ministry of Internal Affairs of Ukraine pensioners	20,221	21,016	4%
Long service pensioners	12,069	12,738	6%
Other government agencies pensioners	6,728	6,946	3%
Security Service of Ukraine pensioners	6,180	6,206	0%
Social pensioners	5,853	5,594	-4%
Lifetime monetary allowances for judges	231	237	3%

As at late 2015, government benefits were provided to 147 thousand city dwellers, with the majority of it provided to families with children.



During 2015, issuance of Kyiv Resident Cards to residents continued. Participants of the anti-terrorist operation received assistance of over UAH 100 million.

Number of participants in the Kyiv Resident Card project
(thousands of persons)

Total Kyiv Resident Card holders as at 31/12/2015	616
including new Kyiv Resident Card holders during 2015	168.6

Assistance to participants of the anti-terrorist operation (Kyiv residents)
(UAH million)

Lump-sum targeted anniversary social financial assistance	48.0
Financial assistance to participants of the anti-terrorist operation (Kyiv residents) and their family members	36.5
Special-purpose assistance to participants of the anti-terrorist operation and their family members covering housing and utility services	21.8



In 2015, benefits covered from government subvention increased by 13% year-over-year.

Benefits covered from government subvention
(UAH million)

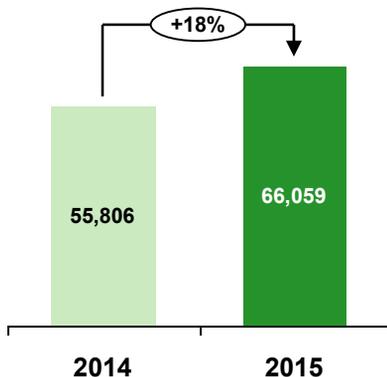
	2014	2015	% change
Total benefits funded, including:	584.3	673.2	13%
Housing and utility services	350.6	429.1	18%
Compensations for use of public transport by certain categories	199.9	169.4	-18%
Communication services	30.2	72.7	58%
Annual travel benefit to people affected by the Chernobyl disaster	3.1	1.9	-66%
Benefit to compensate purchases of solid domestic fuel and liquefied gas	0.06	0.08	26%
Compensations for utility services under the Mining Law	0.09	0.05	-77%

In 2015, the number of orphans and children deprived of parental care in Kyiv increased to 2,398. The number of children adopted by Ukrainian and foreign nationals in 2015 was 212.

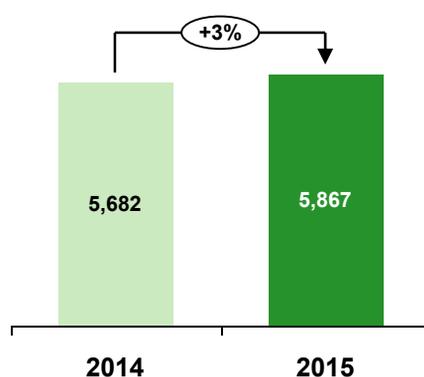
	2014	2015	Absolute change
Total number of orphans and children deprived of parental care at year-end	2,384	2,398	14
Number of children adopted during the year, including those adopted by:	160	212	52
<i>Ukrainian nationals</i>	146	196	50
orphans and children deprived of parental care	76	92	16
children residing with one of parents	70	104	34
<i>Foreign nationals</i>	14	16	2
orphans and children deprived of parental care	9	13	4
children residing with one of parents	5	3	-2

In 2015, the crime situation in Kyiv worsened, as evidenced by the increased number of reported crimes by 18%. At the same time, the number of offenders revealed increased by 3%.

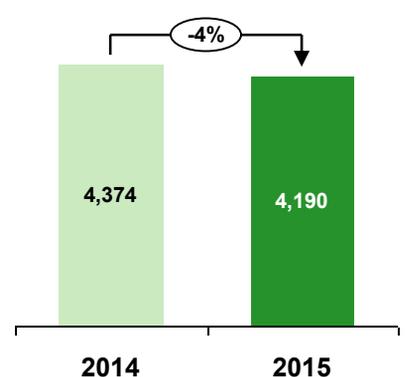
Number of reported crimes
(cases)



Number of offenders revealed
(persons)



Number of convictions
(persons)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE SOCIAL PROTECTION AND SAFETY SECTOR:

In 2015, due to sufficient financing of the special-purpose social protection and safety municipal programmes, the city successfully met key objectives of the programmes.

Special-purpose Municipal Programme “Care. Towards Kyivans” for 2011–2015

 Responsible executor:	Social Policy Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)
 Programme goals:	<ul style="list-style-type: none"> ▪ Increase significantly the effectiveness of social assistance in Kyiv by its enhanced targeting and extended social services in order to ensure decent existence of people. ▪ Address logistical, social and cultural issues, provide targeted support for socially vulnerable groups of Kyiv residents. ▪ Provide social, legal, employment, and medical assistance to people with disabilities.
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Provided lump-sum targeted social financial assistance to 366,135 residents from vulnerable groups. ▪ Provided financial assistance to: <ul style="list-style-type: none"> – Kyiv residents, who are participants of the anti-terrorist operation, and family members of Kyiv residents killed during the anti-terrorist operation: 14,781 people; – arrange funerals of Kyiv residents, who participated in combat actions during the anti-terrorist operation. ▪ Provided comprehensive social and therapy services to participants of the anti-terrorist operation, their family members and family members of Kyiv residents killed during the anti-terrorist operation. ▪ Provided people with disabilities, elderly people, and women who have undergone mastectomy with prostheses, means of transportation, rehabilitation services, personal care products, and movement assistance devices. Kyiv residents, who became disabled while participating in the antiterrorist operation, were provided prosthetic services on the first priority basis. ▪ Ensured rehabilitation of war and labour veterans, children of war and people affected by the Chernobyl disaster: 330 health resort packages covered. ▪ Provided financial assistance to socially vulnerable groups of people, who were in difficult life circumstances: 15,547 people. ▪ Provided free meals and food sets to low-income single people and other groups of Kyiv residents. ▪ Provided pro bono legal aid, i.e.: <ul style="list-style-type: none"> – primary legal aid: 13,304 people; – secondary legal aid with representation of interests in courts of various instances: 166 people ▪ Reimbursed cost of municipal public transport travel of some groups of residents and purchased comprehensive underground travel cards for anti-terrorist operation participants. ▪ Ensured provision of social services by entities and social protection facilities established in accordance with resolutions of local authorities.

 Programme funding in 2015 (UAH '000):	Budget: ▪ 682,267.4	Actual: ▪ 633,399.9	% of performance: ▪ 92.8%
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Target Municipal Comprehensive Programme “Safe Capital City” to Prevent and Combat Crimes in Kyiv for 2012–2015

**Responsible executor:**

Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration)
– Office of Law Enforcement, Preventing and Combating Corruption

**Programme goals:**

- Ensure effective and efficient implementation of the state crime prevention policy through a complex of measures to eliminate causes and conditions for crimes, and through effective cooperation with law enforcement authorities, public agencies and local governments.
- Facilitate sustainable social and economic development of the City and improvement of its investment climate.
- Create a social crime prevention system and zero-tolerance crime environment.
- Increase the level of public order, ensure security of Kyiv's residents, visitors and tourists.

**Key programme activities and actions in 2015:**

- The Kyiv Main Directorate of the National Police purchased UAH 10,674.8 of vehicles, fuel and lubricants of UAH 4,798.9 thousand, and supplies for the Kyiv police canine centre of UAH 115 thousand, in particular, dog food, veterinary medication, harnesses for service dogs.
- Kyiv law enforcement officers developed and published 15 thousand copies of the manual “How Not to Become a Crime Victim”. The Manual was distributed among the general public and students of educational institutions by neighbourhood police officers as part of their crime prevention and awareness raising efforts.
- Produced 92 thousand business cards for neighbourhood police officers to be distributed among local communities in their respective areas.
- Captured offenders that committed 15,609 felonies as a result of effective performance of various units of the Kyiv Main Directorate of the National Police.
- Detected 858 offenders on flee from investigation and trial.
- Registered 513 arms, ammunition and explosives offences.
- 792 persons captured by the community public order team members in collaboration with police on criminal charges and additional 3,671 offenders on administrative charges.
- The community public order team was involved in 2,077 public events as part of its public order efforts.
- 8 city-wide crime prevention events delivered, in particular, "School Break" (delivered 3 times), "Street Children", "Lesson" and 394 raids in collaboration with Juvenile Service officers.

**Programme funding in 2015 (UAH '000):****Budget:**

- 43,500.0

Actual:

- 43,480.0

% of performance:

- 99.9%



Special-purpose Municipal Programme “Children of Capital City” for 2011–2015

**Responsible executor:**

Juvenile Service of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Ensure efficient operation of the integral system to protect the rights of children in difficult life circumstances, children with no parental care, orphans, and children deprived of parental care.
- Implement effective efforts to prevent social orphanhood and ensure rehabilitation of neglected and homeless children.
- Create conditions for every child's right of being educated in a family to be exercised.
- Protect and exercise every child's right for health promotion and recreation.

**Key programme activities and actions in 2015:**

- Provided training covering new approaches in working with children (use of innovative techniques) to district services for children affairs and specialists from institutions of social protection of children.
- Helped children in difficult life circumstances.
- Conducted campaigns, such as “Street Children”, the nationwide “Lesson” campaign, which were aimed at timely identification of neglected and homeless children.
- Provided additional social services to children in difficult life circumstances, and to institutions established in accordance with resolutions of local authorities.
- Conducted “Say “No” to Bad Habits” campaign.
- Organised citywide “Giving Joy to Children” events for children and youth.
- Paid for services of foster families caring for children aged 0 to 18 with no parental care and children in difficult life circumstances.
- Delivered the Adoption Day campaign.
- Provided social and psychological assistance to families, which take care of orphans and children deprived of parental care.
- Delivered repairs, renovation and re-equipment at a number of family-type orphanages.
- Implemented annual additional financial assistance to family-type orphanages to address their financial and daily living needs.
- Delivered a number of services aimed at rehabilitation and recreation of orphans and children deprived of parental care, and children registered at the Children Service as children in difficult life situation.

**Programme funding in 2015 (UAH '000):****Budget:**

▪ 6,917.5

Actual:

▪ 6,606.7

% of performance:

▪ 95.5%



Special-purpose Municipal Programme “Social Partnership” for 2011–2015

**Responsible executor:**

Office of Women, Disabled Persons, War and Labour Veterans of the Executive body of the Kyiv City Council (the Kyiv City State Administration)¹

**Programme goals:**

- Improve and develop social partnership between the KCSA, DSAs and the community through Kyiv's civil society and charitable organisations of women, people with disabilities, war and labour veterans, victims of Nazi persecution, and children of war.
- Ensure provision of social services by civil society organisations, Kyiv Municipal Centre for Women, and Women's Refuge.
- Implement the most important social measures in the context of governance improvement in Kyiv's City districts.

**Key programme activities and actions in 2015:**

- Provided financial assistance to 132 civil society organisations of people with disabilities, veterans and women for payment of utility services, lease of premises and execution of statutory objectives. The average amount of financial assistance provided per 1 organisation is UAH 95.5 thousand.
- Provided social services to address the needs of 812.1 thousand residents and delivered city-wide social events (by social services civil society organisations) covering 5 thousand residents.
- Ensured provision of services by organisations and institutions established by municipal authorities. During 2015, the number of social services users totalled 110.3 thousand.
- Conducted city-wide social actions on public holidays and important dates covering 124.3 thousand persons.

**Programme funding in 2015 (UAH '000):****Budget:**

▪ 23,372.2

Actual:

▪ 21,260.4

% of performance:

▪ 91.0%

¹ – Office of Women, Disabled Persons, War and Labour Veterans was reorganised in 2015 and its role was reassigned to the Social Policy Department of the Executive body of the Kyiv City Council (the KCSA).



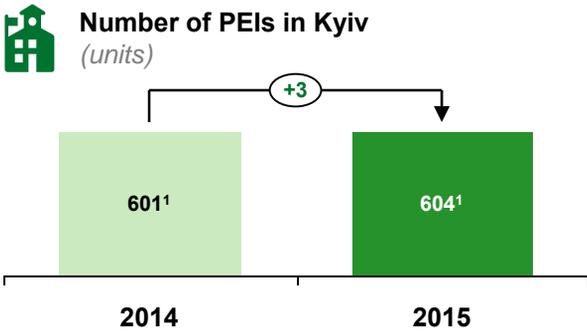


5.6 Education



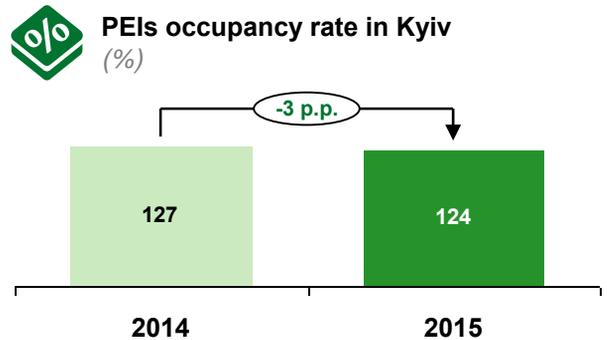
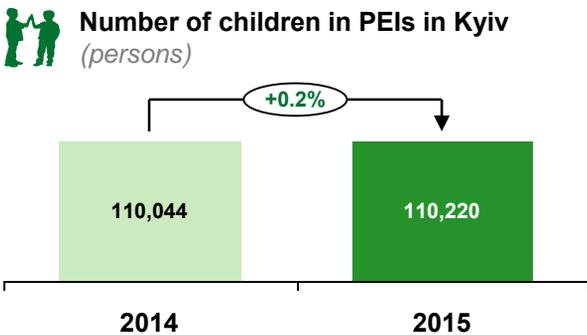
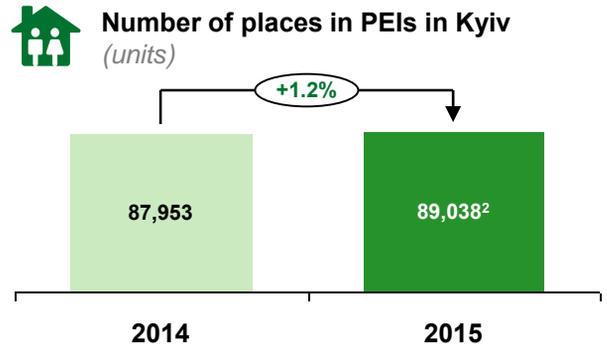
Preschool educational institutions (PEIs)

In 2015, number of places in PEIs increased by 1.2%, whereas the number of children in PEIs increased by 0.2%. This resulted in a decrease in the PEI occupancy rate from 127% in 2014 to 124% in 2015.



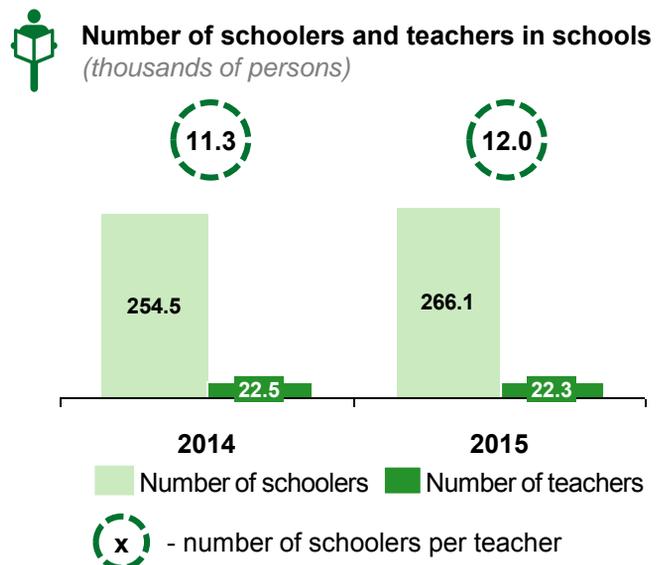
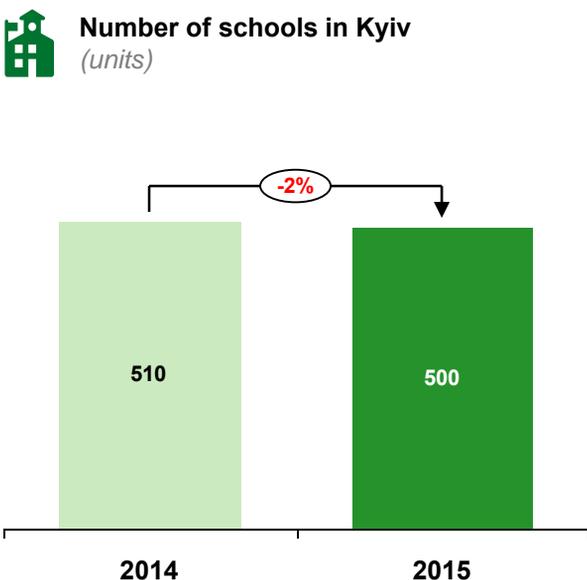
¹ – Including private operating PEIs.

² – Excluding places in PEIs that did not operate for some reason throughout a year or more.



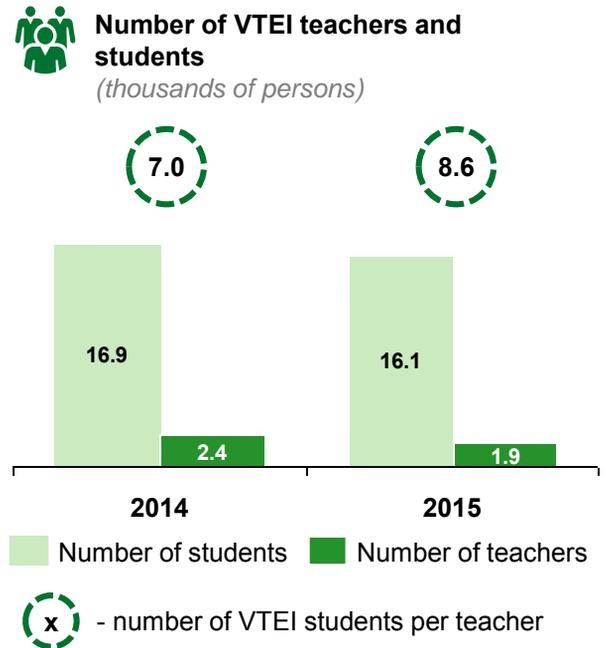
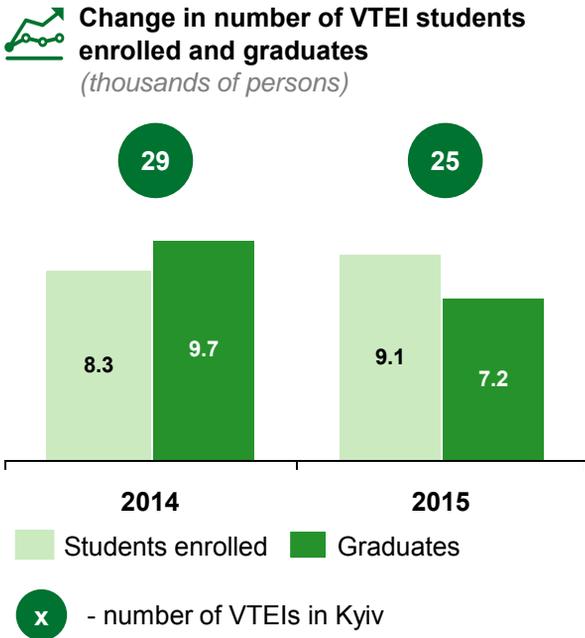
Schools

In 2015, schools decreased in number by 2% due to reorganisation of children day-care schools into PEIs and establishment of educational facilities. The number of schoolers increased in 2015, whilst the number of teachers decreased. This led to a higher teacher workload ratio being equal to 12 schoolers per teacher.



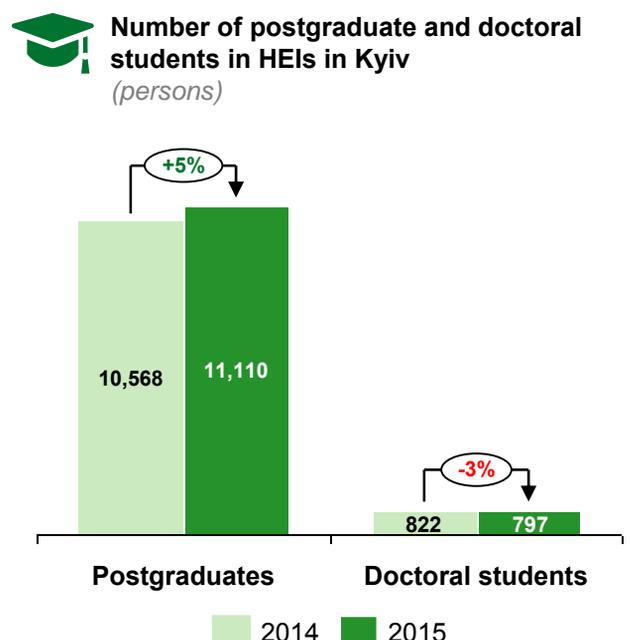
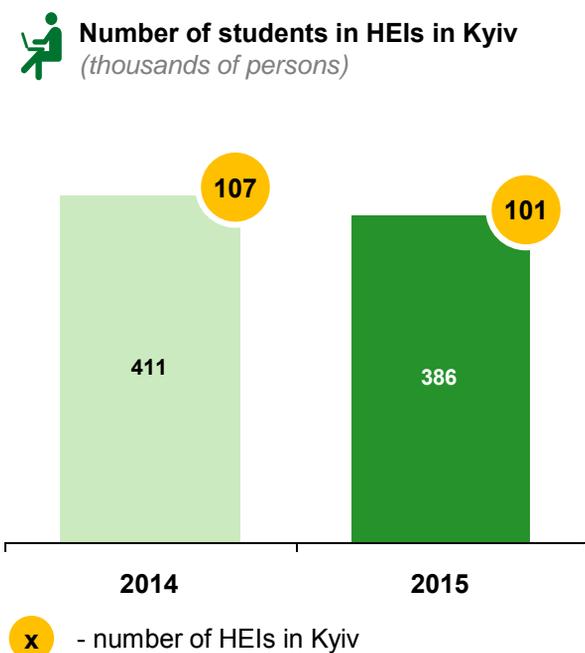
Vocational training educational institutions (VTEIs)

In 2015, VTEIs decreased in number to 25, whereas the VTEI teacher workload ratio increased to 8.6 students per teacher.



Higher education institutions (HEIs)

In 2015, HEIs decreased in number to 101 and the number of students declined to 386 thousand of persons. The number of postgraduate and doctoral students amounted to 11,110 and 797 persons, respectively, in 2015.





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE EDUCATION SECTOR:

The sufficient level of financing of the special-purpose municipal programmes that impact the education sector in Kyiv facilitated implementation of the planned initiatives in 2015.

Kyiv's Educational Programme for 2011–2015

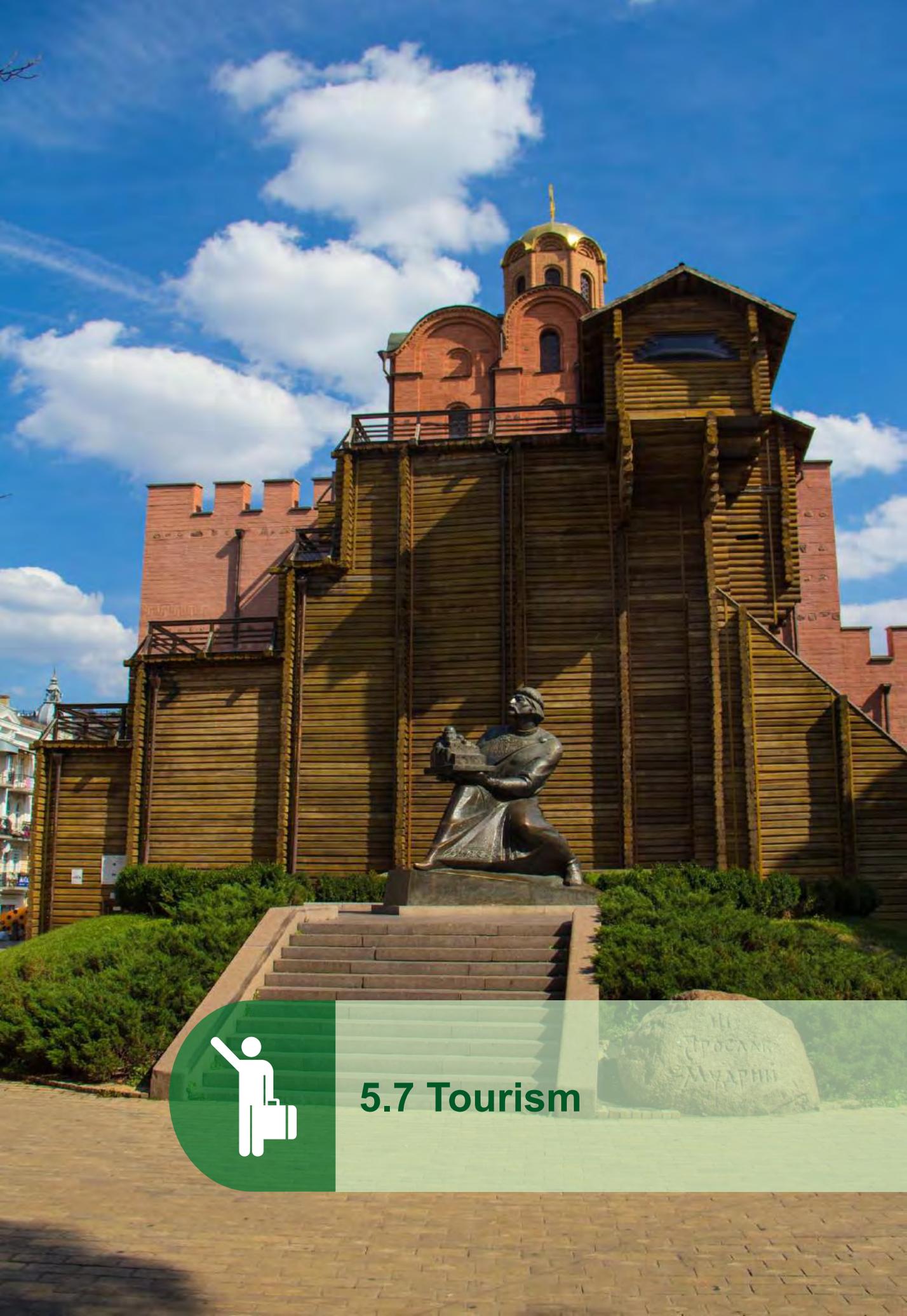
	Responsible executor:	Education and Science, Youth and Sports Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)	
	Programme goals:	<ul style="list-style-type: none"> ▪ Improve performance and innovation development of the education sector in the city of Kyiv to meet community and individual socio-economic and spiritual needs. ▪ Ensure equal high-quality education opportunities. 	
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Appropriate actions taken to maintain the existing network of child care facilities and to provide meals to preschool children on a level prescribed by effective legislation. ▪ Provided free hot meals to 107,904 schoolers in Years 1 to 4, 4,776 children of boarding schools and orphanages and 1,216 orphans and children deprived of parental care. Completed heat saving improvement initiatives, renovation of sporting facilities and other repairs in some education institutions in Kyiv. ▪ Actions taken to maintain and develop the existing network of secondary schools and extra-curricular schools to support them. ▪ Actions taken to maintain the existing network of school sports groups and leagues. ▪ Ensured opening of 72 daytime recreation campuses for 5,176 children who spend their school holidays in the city in the municipal educational institutions. ▪ Established and reorganised job training workshops and laboratories in a number of vocational technical colleges. ▪ Delivered training for staff in Borys Grinchenko Kyiv University. 1,633 students accommodated in various modes of education were trained and qualified in 2015. ▪ Incentive salary increments paid to certain categories of education professionals in Kyiv and different types of awards issued to 788 education employees. ▪ UAH 8.9 million of allocations in Kyiv's City budget for 2015 are assigned to procure computer equipment for schools. Extended free connection of schools to Wi-Fi network. 	

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 6,568,564.2	▪ 6,284,338.6	▪ 95.7%

Special-purpose Municipal Legal Educational Programme for Kyiv's Residents for 2012–2016

	Responsible executor:	Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration) – Office of Law Enforcement, Preventing and Combating Corruption	
	Programme goals:	<ul style="list-style-type: none"> ▪ Enhance overall legal culture. ▪ Promote public legal awareness, legal knowledge and respect for law. 	
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Facilitated regular mass media communications to raise residents' awareness of the national policy of law, law enforcement environment and changes in legislation. A range of actions taken to develop education TV and radiobroadcasting programmes to inform on civil rights, freedoms and duties. Legal experts were engaged in these programmes. ▪ Ensured involvement of legal lecturers and professionals for the benefit of the City youth. 	

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 70.0	▪ 50.0	▪ 71.4%



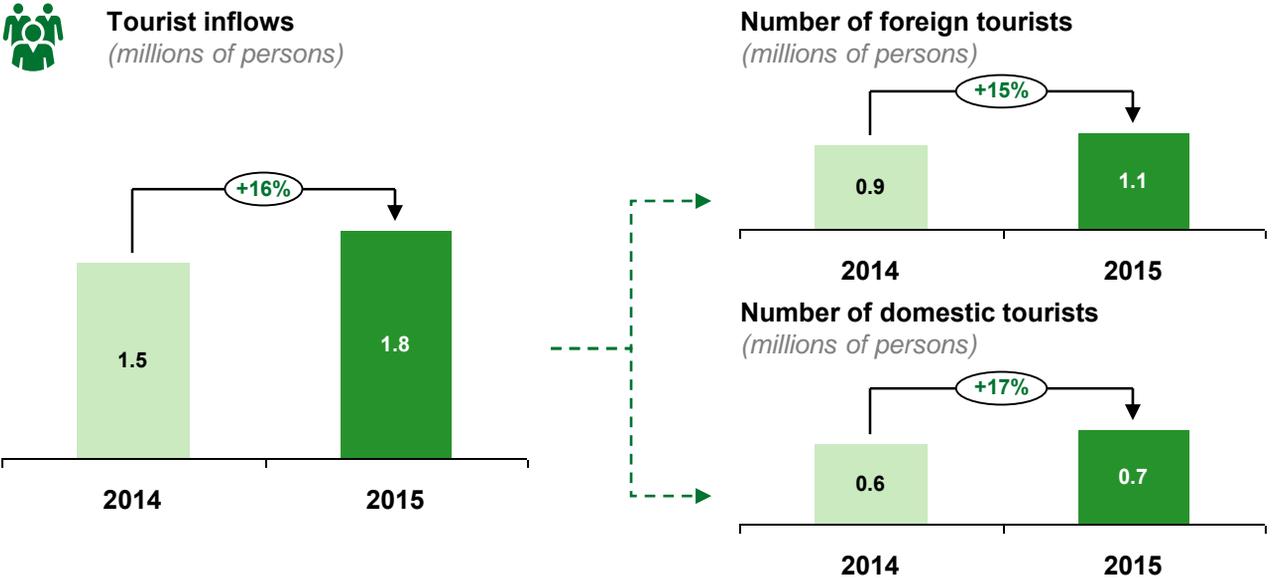
5.7 Tourism





Tourism

In 2015, the tourist inflows increased by 16% including increased inflows of foreign and domestic tourists.



According to the Office of Tourism of the KCSA the largest number of tourists to Kyiv come from Russia, Israel, Belarus, the USA and Germany.



Top 5 countries by number of foreign tourists in Kyiv
(thousands of persons)

Number of tourists					
2015	166	114	81	76	68
2014	188	79	87	57	57

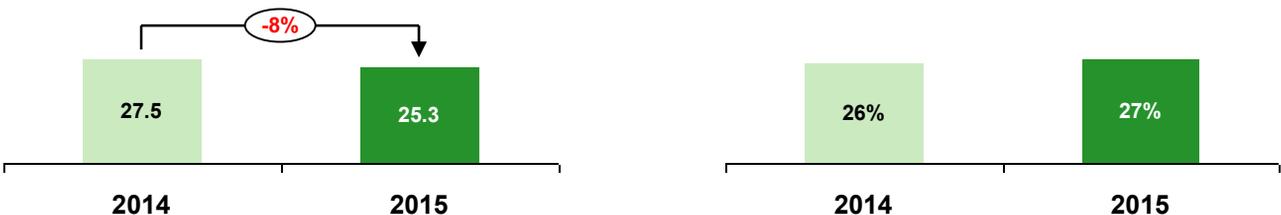
In 2015, the number of collective accommodation facilities (CAF)¹ in Kyiv decreased by 8% to 25.3 thousands, whereas occupancy rate was – at 27% in 2015.



Number of CAF accommodations
(thousands of units)



Annual average occupancy rate²
(%)



¹ – Facilities that provide sleeping accommodation in a room or other space, where the number of accommodations is to exceed the minimum quantity for the groups of persons that are larger than one family, and all the accommodations are centrally managed and payable under the price list.

² – Annual average occupancy rate of rooms in hotels and similar collective accommodations.



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED TOURISM:

Consistent implementation of relevant initiatives of the Municipal Tourism Development Programme in 2015 contributed to increased tourist inflows and budget revenues.

Special-purpose Municipal Tourism Development Programme till 2015

	Responsible executor:	Executive office of the Executive body of the Kyiv City Council (the Kyiv City State Administration) – Office of Tourism ¹		
	Programme goals:	<ul style="list-style-type: none"> ▪ Drive tourism to become one of the most revenue-generating industries in Kyiv through the inflow of taxes, foreign currency, investments and increased tourist inflows as well as ensure a favourable environment for leisure of residents and visitors. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ In cooperation with the Kyiv National University of Trade and Economics and the German Society for International Cooperation (GIZ), completed marketing research of tourist flows in the airports Boryspil and Kyiv, central railway station, hotels and near touristic sights. ▪ Facilitated 7 media tours for mass media representatives and tour operators from Slovakia, Turkey, Georgia, China, Israel, Germany and Austria to promote the City's tourism potential. ▪ Performed inspections of sightseeing sites and initiated cooperation with operating tourism and information points (16 TIPs). ▪ Conducted a strategic session "Kyiv as a Global City". ▪ Held photography competition "Everything starts in Kyiv". ▪ Conducted conferences "Kyiv's Tourism Development Strategy" and "Cooperation with Global Brands or How to Attract International Tourists". ▪ Performed activities to promote Kyiv's tourism potential as part of celebration of Europe Day, World Tourism Day and the Day of Kyiv. ▪ Get involved in a range of national and international festivals, exhibitions, forums and seminars to present the capital's tourism potential. ▪ Introduced Mobile Tour Guide service for Kyiv's tour itineraries. ▪ Upgraded Kyiv tourism portal. ▪ Organised a loop tour around the city centre for 40 schoolers from Novoaydar town including a visit to Municipal entity "Vodno-Infromatsiynyi Tsentr" (Museum of Water) and presenting souvenirs. 		

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 13,046.0	▪ 2,286.0	▪ 17.5%

¹ – During first six months of 2015, the Office of Tourism was reorganised through its merger with the Economics and Investment Department of the Executive body of the Kyiv City Council (the KCSA).



Т. Г. ШЕВЧЕНКО
- 1814 - 1861 -

І МЕНЕ В СІНІ ВІАННІ
В СІНІ ВОЛАНІА НОВІА
НЕ ЗАБУДЬТЕ ПОМ'ЯНУТИ
НЕЗНАЙ ТАКИМ СЛОВОМ.

Т. Шевченко



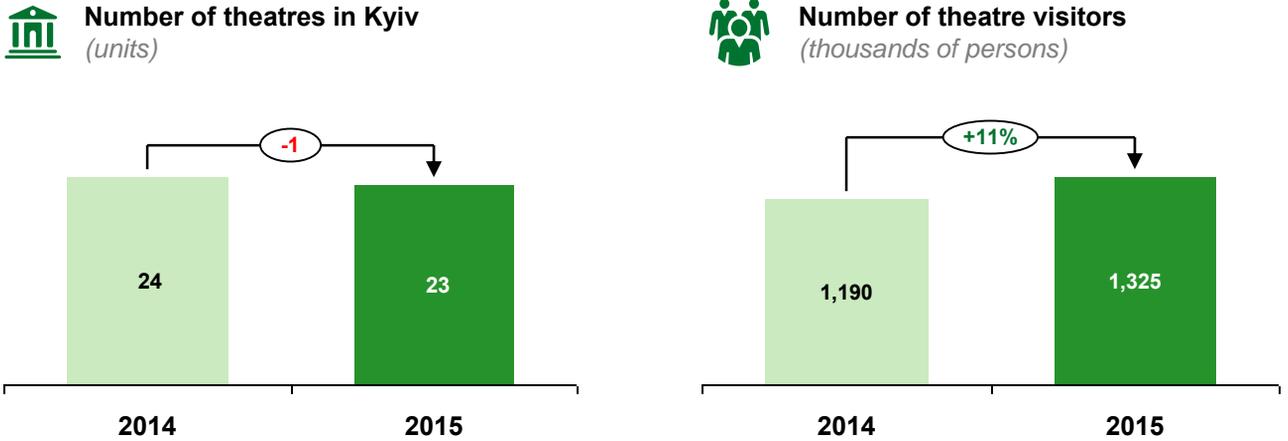


5.8 Culture

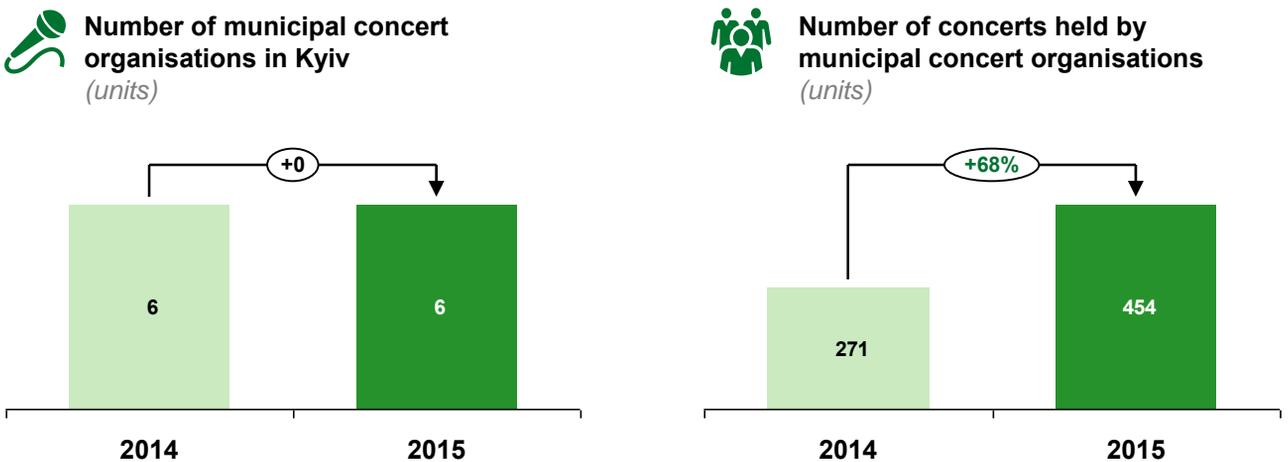


Culture

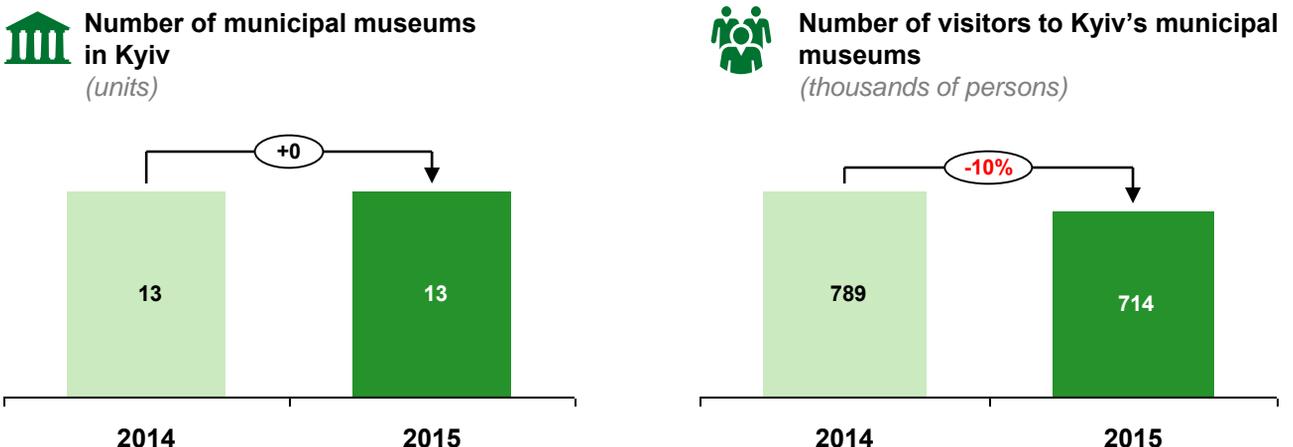
The number of theatres in Kiev dropped to 23 during 2015, however theatre attendance increased by 11% to 1,325 thousand people.



In 2015, the number of municipal concert organisations in Kyiv remained flat, while the number of concerts held by these organisations increased by 68%.



During 2015, the number of municipal museums in Kyiv remained flat, however the number of visitors dropped by 10% to 714 thousand.



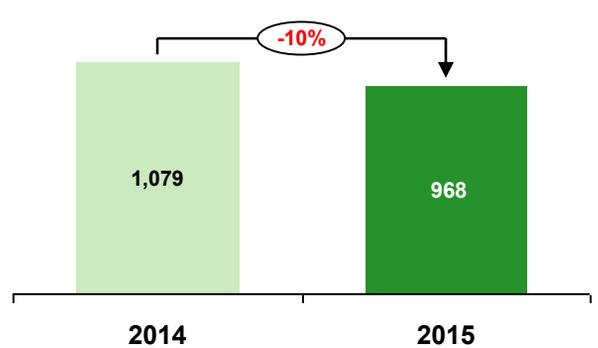
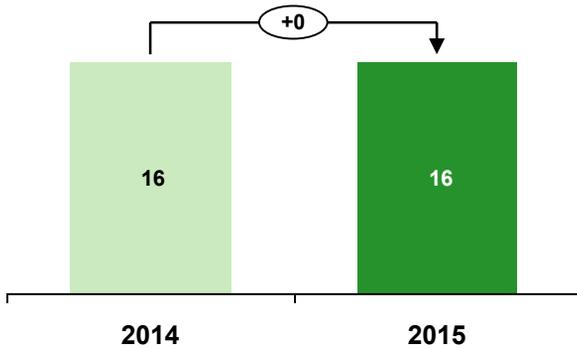
During 2015, the number of entities providing public film screening services remained flat, however attendance of film screenings in Kyiv's cinemas dropped by 10%.



Number of entities providing public film screening services in Kyiv
(units)



Number of viewers attending film screenings
(thousands of persons)



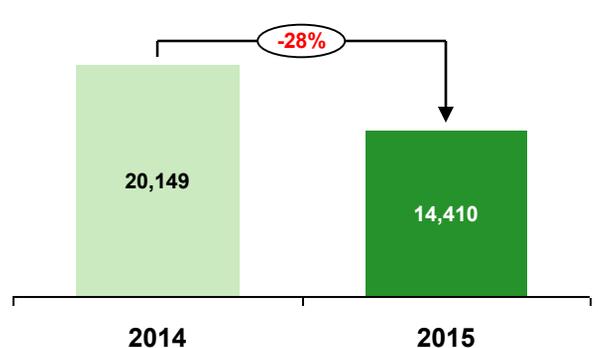
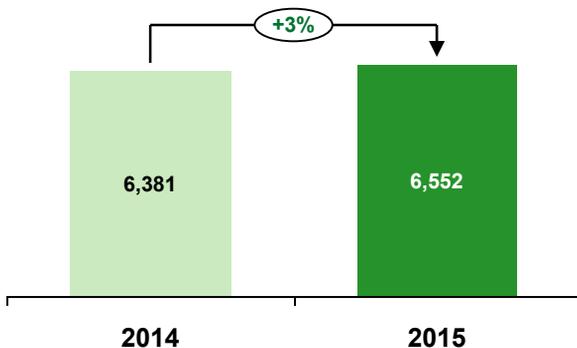
Despite the insignificant increase in the number of printed titles in Kyiv during 2015, the total print run dropped by 28% to 14,410 thousand copies.



Number of publications in Kyiv
(printed units)



Print run
(thousands of copies)



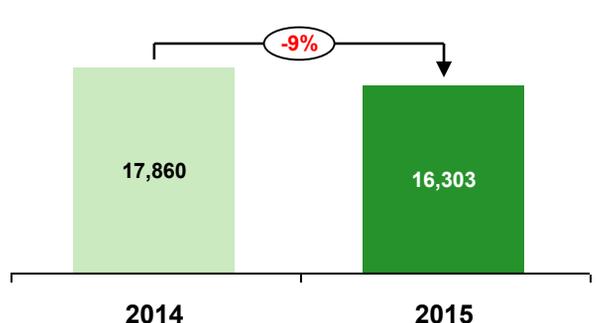
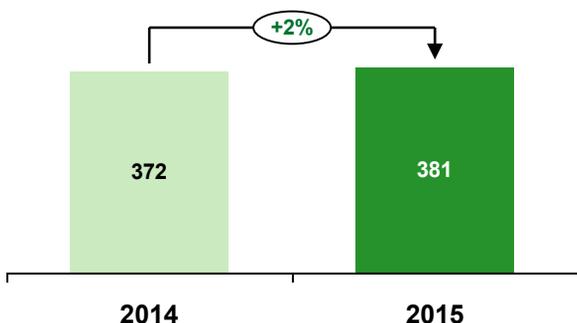
The number of newspapers in Kyiv increased to 381 during 2015, with the average single issue circulation dropping by 9% to 16,303 thousand copies.



Number of newspapers in Kyiv
(printed units)



Average single print run
(thousands of copies)





PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED THE CULTURE SECTOR:

In 2015, the activities of special-purpose municipal programmes impacting the culture sector in Kyiv were implemented according to plan as a result of adequate funding of the respective programmes.

Special-purpose Municipal Programme “The Capital City Culture and Arts for 2011–2015”

	Responsible executor:	Culture Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)
	Programme goals:	<ul style="list-style-type: none"> ▪ Preserve the national cultural heritage. ▪ Strengthen and enhance the capital city's cultural potential. ▪ Revive its spiritual legacy. ▪ Promote the provision of comprehensive cultural services to residents and ensure full accessibility of cultural assets. ▪ Facilitate successful integration of Ukrainian culture into the European and global cultural environment.
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Supported the city's cultural facilities, such as theatres, philharmonics, music bands, libraries, community culture centres and other cultural and educational facilities operating in the city. ▪ Supported over 3,000 cultural and art events. ▪ For the first time during the independence era, the Culture Department found an art patron to finance reconstruction of premises of the Kyiv Academic Drama Theatre in Podil. The cost of construction is estimated at over UAH 150 million. ▪ Reorganised the The Plastic Drama Theatre through merger with the Zoloti Vorota Experimental Theatre. ▪ Continued partnering with cultural missions of foreign states in Ukraine: Italia Festival Barocco music festival established in partnership with the Embassy of Italy; the annual event The French Spring delivered in partnership with the French Cultural Center. ▪ Focused efforts on increasing the number of commercial concerts whilst actively facilitating charitable events, such as concerts for underprivileged population, World War II veterans, the anti-terrorist operation soldiers etc. ▪ The KCSA and the Culture Department supported the following festivals: <ul style="list-style-type: none"> – The international Roma culture festival "Amala"; – The XVI international one-man show theatre festival "Vidlunnia"; – The nternational festival "O-FEST"; – The international dance festival "KMATOB-FEST"; ▪ Partnered with approximately 30 art projects, including: <ul style="list-style-type: none"> – The international contemporary art festival "GogolFest"; – Pinchuk Art Center's art projects; – A series of concerts under the umbrella of the International Project "Yevgenia Basalayeve's Elite Chamber Music Nights"; – "Kiev Fashion Park"; – "New Year's Eve at St. Sofia's" event in partnership with NGO "Stolychni Initsiatyvy" and NGO "Kraina Mriy". ▪ Delivered a number of art promotion event. ▪ In partnership with the art community, delivered the annual "Kyiv Art Prize" and the "Kyiv Pektoral" Theatre Prize ceremonies. Supported outstanding art and culture talent by providing annual and lifetime grants.

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 730,817.8	▪ 738,057.7	▪ 101.0%

Special-purpose Municipal Programme "Kyiv: State-Church Relations for 2012–2015"

 Responsible executor:	Culture Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none">▪ Protect the constitutional freedom of conscience and religion right of the capital city residents.▪ Fully overcome negative consequences of the USSR totalitarian policy for religion.▪ Restore violated justice and protect rights and legitimate interests of religious organisation to ensure their continued moral and political rehabilitation.▪ Promote mutual religious acceptance and diversity.		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none">▪ Provided organisational and methodological support to religious organisations of various faiths in their core activities within the boundaries set by Ukrainian law.▪ Ran a social advertising campaign in the capital city promoting spiritual and moral social values.▪ Facilitated celebrations of various religious holidays, in particular:<ul style="list-style-type: none">– "The Christmas Dream Country" in St. Sofia Square;– The National Easter Egg Festival 2015 and the Easter Market in St. Sofia Square;– The church music concert by the Soloist Band Blagovist;– Events to celebrate the Kyiv Rus-Ukraine Baptism Day.		

 Programme funding in 2015 (UAH '000):	Budget: <ul style="list-style-type: none">▪ 267.8	Actual: <ul style="list-style-type: none">▪ 252.8	% of performance: <ul style="list-style-type: none">▪ 94.4%
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Special-purpose Municipal Programme "Ethnical Kyiv" for 2012–2015

 Responsible executor:	Culture Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none">▪ Promote preservation, revival and development ethnic, cultural and language distinction, studying mother tongues of residents and history of ethnic minorities living in Kyiv.▪ Support Ukrainians living abroad.		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none">▪ Delivered a range of cultural events, in particular:<ul style="list-style-type: none">– the international ethnic holiday "Navruz";– the international conference "Let's Build a New European Country Together";– the charitable campaign to support the national unity of Ukraine and patriotic military with participation from major ethnic community artists and Ukrainian pop performers;– a series of events to celebrate The International Mother Tongue Day.▪ Supported protection of rights of ethnic minorities to study in their mother tongue and fully master the national language of Ukraine.▪ Delivered a range of activities to commemorate the 74th anniversary of the Babi Yar tragedy and the victims of Nazi regime.▪ Delivered the ethnic community festival "Ethnical Wreath" to celebrate the Kyiv Day as a charitable event "Let's support the soldier".▪ Delivered the cultural event "The Roma Pride" to present the online radio station "Chiriklo".		

 Programme funding in 2015 (UAH '000):	Budget: <ul style="list-style-type: none">▪ 129.6	Actual: <ul style="list-style-type: none">▪ 129.6	% of performance: <ul style="list-style-type: none">▪ 100.0%
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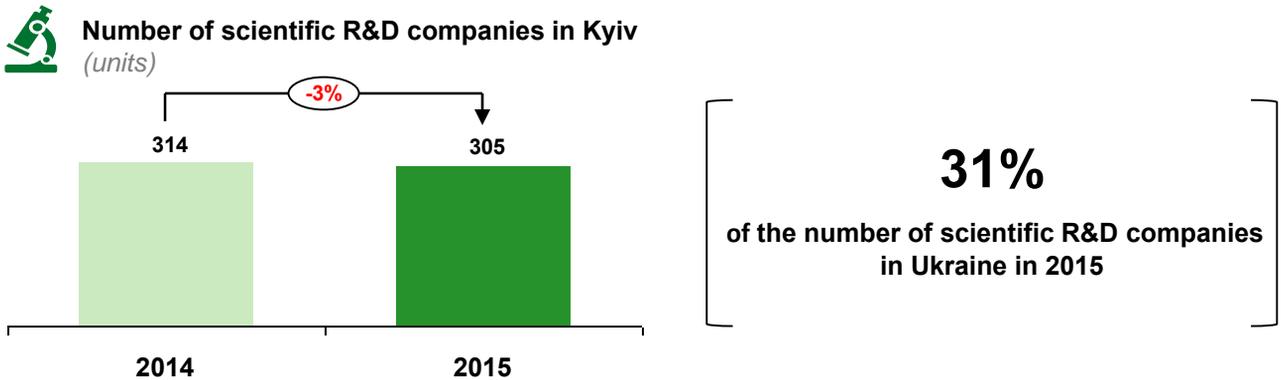




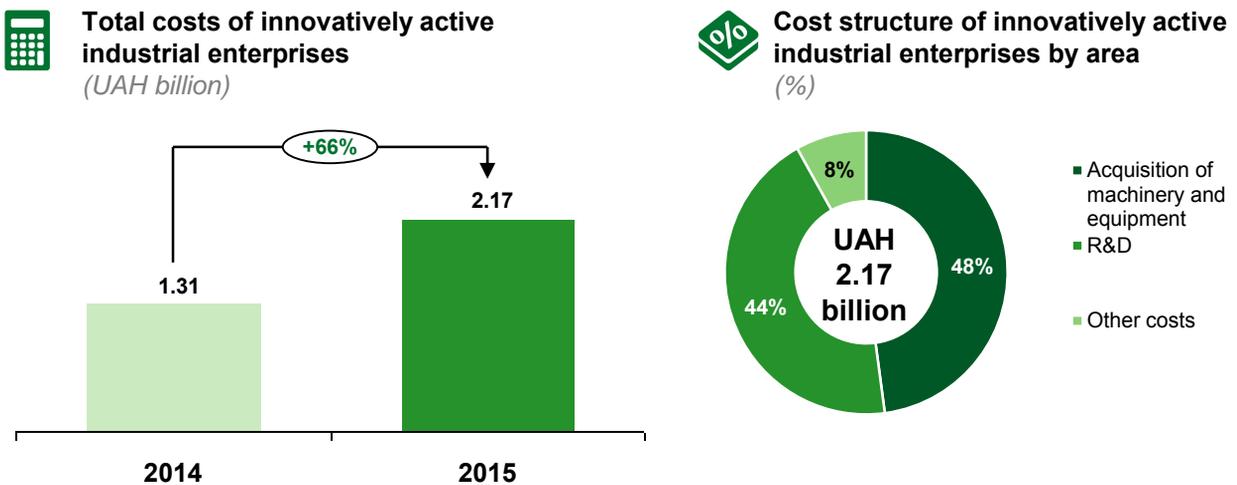
5.9 Science, technology and innovation

Science, technology and innovation

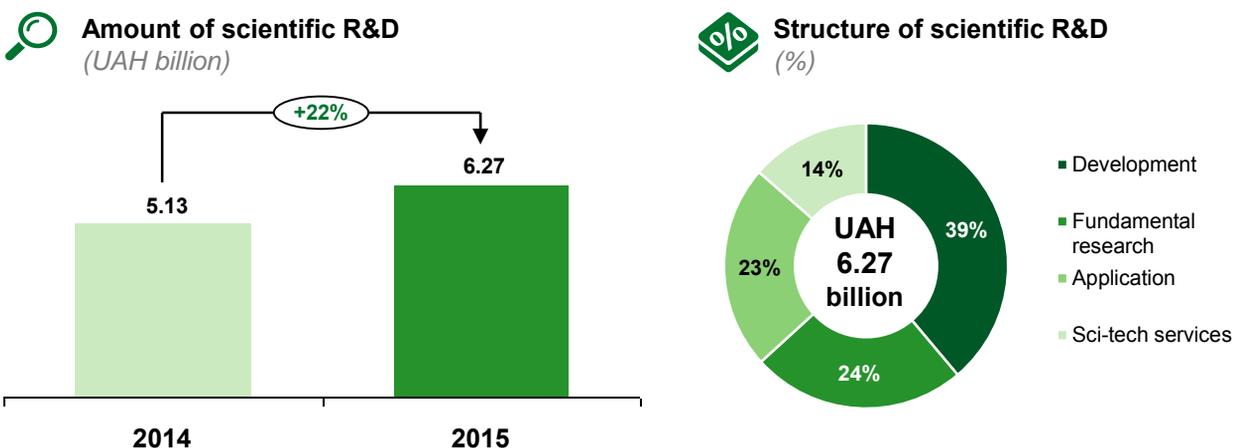
In 2015, scientific R&D companies in Kyiv decreased in number by 3% to 305 making up 31% of the total number of relevant organisations in Ukraine.



In 2015, costs of innovatively active industrial enterprises increased by 66% to UAH 2.17 billion out of which cost of acquisition of machinery and equipment and R&D equalled 48% and 44%, respectively.



In 2015, the amount of scientific R&D in Kyiv was up to 22% to UAH 6.27 billion with development, fundamental research and application amounting to 39%, 24% and 23%, respectively.





Kyiv Smart City Initiative

In 2015, Kyiv Smart City Initiative continued to pursue through implementation of the relevant projects aimed at unleashing development potential for the capital by applying strategic approach, technology innovations and public involvement to promote new quality of life.

Projects under Kyiv Smart City Initiative implemented in 2015:

 <p>Transparent budget</p>	<p> Project goal:</p> <ul style="list-style-type: none"> Enhance public confidence in government, public awareness and transparency and accountability of government, facilitate effective and efficient use of budget funds, and combat corruption <p> Duration:</p> <ul style="list-style-type: none"> March 2015 - September 2015 	<p> Key parties involved:</p> <ul style="list-style-type: none"> Kyiv Smart City PMO Finance Department of the Executive body of the Kyiv City Council (the KCSA) <p> Source of funding:</p> <ul style="list-style-type: none"> International Renaissance Foundation German Society for International Cooperation (GIZ)
 <p>E-procurement</p>	<p> Project goal:</p> <ul style="list-style-type: none"> Spend government funds in a transparent, accountable and efficient manner, prevent corruption by virtue of public control and a wider range of suppliers, avoid discrimination and perform fair assessments of bids <p> Duration:</p> <ul style="list-style-type: none"> February 2015 - September 2015 	<p> Key parties involved:</p> <ul style="list-style-type: none"> Kyiv Smart City PMO <p> Source of funding:</p> <ul style="list-style-type: none"> USAID
 <p>Shared budget</p>	<p> Project goal:</p> <ul style="list-style-type: none"> Launch system test version for residents to voice their opinion what areas are feasible to fund from the municipal budget <p> Duration:</p> <ul style="list-style-type: none"> June 2015 - September 2015 	<p> Key parties involved:</p> <ul style="list-style-type: none"> Kyiv Smart City PMO Finance Department of the Executive body of the Kyiv City Council (the KCSA) <p> Source of funding:</p> <ul style="list-style-type: none"> National Democratic Institute (NDI)
 <p>E-petitions</p>	<p> Project goal:</p> <ul style="list-style-type: none"> Encourage city residents to communicate their initiatives to the Kyiv City Council <p> Duration:</p> <ul style="list-style-type: none"> September 2015 - November 2015 	<p> Key parties involved:</p> <ul style="list-style-type: none"> Kyiv Smart City PMO <p> Source of funding:</p> <ul style="list-style-type: none"> Kyiv's City Budget
 <p>Accounting for pharmaceuticals at healthcare facilities</p>	<p> Project goal:</p> <ul style="list-style-type: none"> Grant an open access to accounting records of pharmaceuticals at healthcare facilities and reduce corruption <p> Duration:</p> <ul style="list-style-type: none"> September 2015 - November 2015 	<p> Key parties involved:</p> <ul style="list-style-type: none"> Kyiv Smart City PMO Health Services Department of the Executive body of the Kyiv City Council (the KCSA) <p> Source of funding:</p> <ul style="list-style-type: none"> Kyiv's City Budget



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN 2015 THAT IMPACTED SCIENCE, TECHNOLOGY AND INNOVATION:

In 2015, the Special-purpose Municipal IT Penetration Programme and E-Capital Programme continued to pursue to implement and develop information resources and advanced technologies in Kyiv.

Special-purpose Municipal IT Penetration Programme for 2013–2015

	Responsible executor:	Transport Infrastructure Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
	Programme goals:	<ul style="list-style-type: none"> ▪ Deliver information support of management decision-making on enhanced quality of life. ▪ Ensure optimum framework to satisfy information needs and enjoy the rights of citizens, municipal executive authorities and local government, organisations and NGOs through the development and use of information resources and advanced technologies. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Launched investor pilot project under the Investment Agreement on installation of a Wi-Fi network in the Kyiv metro to provide efficient telecommunication services to Kyiv residents and visitors dated 2 December 2014 № 050-13/i/143 for metro stations Ploscha Lva Tolstoho, Olympiyska and Maidan Nezalezhnosti. ▪ Completed investor construction, assembly, equipment testing and commissioning of the infrastructure of mobile communication under the Investment Agreement on building of the infrastructure of mobile communication in the Kyiv metro dated 2 October 2012 № 149-13/i/120 for metro stations Universitet, Teatralna, Khreschatyk, Arsenalna, Zoloti Vorota, Palats Sportu, Maidan Nezalezhnosti, Ploscha Lva Tolstoho, station-to-station sections Vokzalna-Universitet, Universitet-Teatralna, Teatralna-Khreschatyk, Khreschatyk-Arsenalna, Arsenalna-Dnipro, Maidan Nezalezhnosti-Ploscha Lva Tolstoho, Zoloti Vorota-Palats Sportu and line change tunnels between stations Khreschatyk-Maidan Nezalezhnosti, Ploscha Lva Tolstoho-Palats Sportu and Teatralna-Zoloti Vorota. ▪ Partially upgraded desktops at structural units of the Executive body of the Kyiv City Council (KCSA), specifically, supplies delivered in 2 stages (189 computers – 16% of the total procurement amount). 		

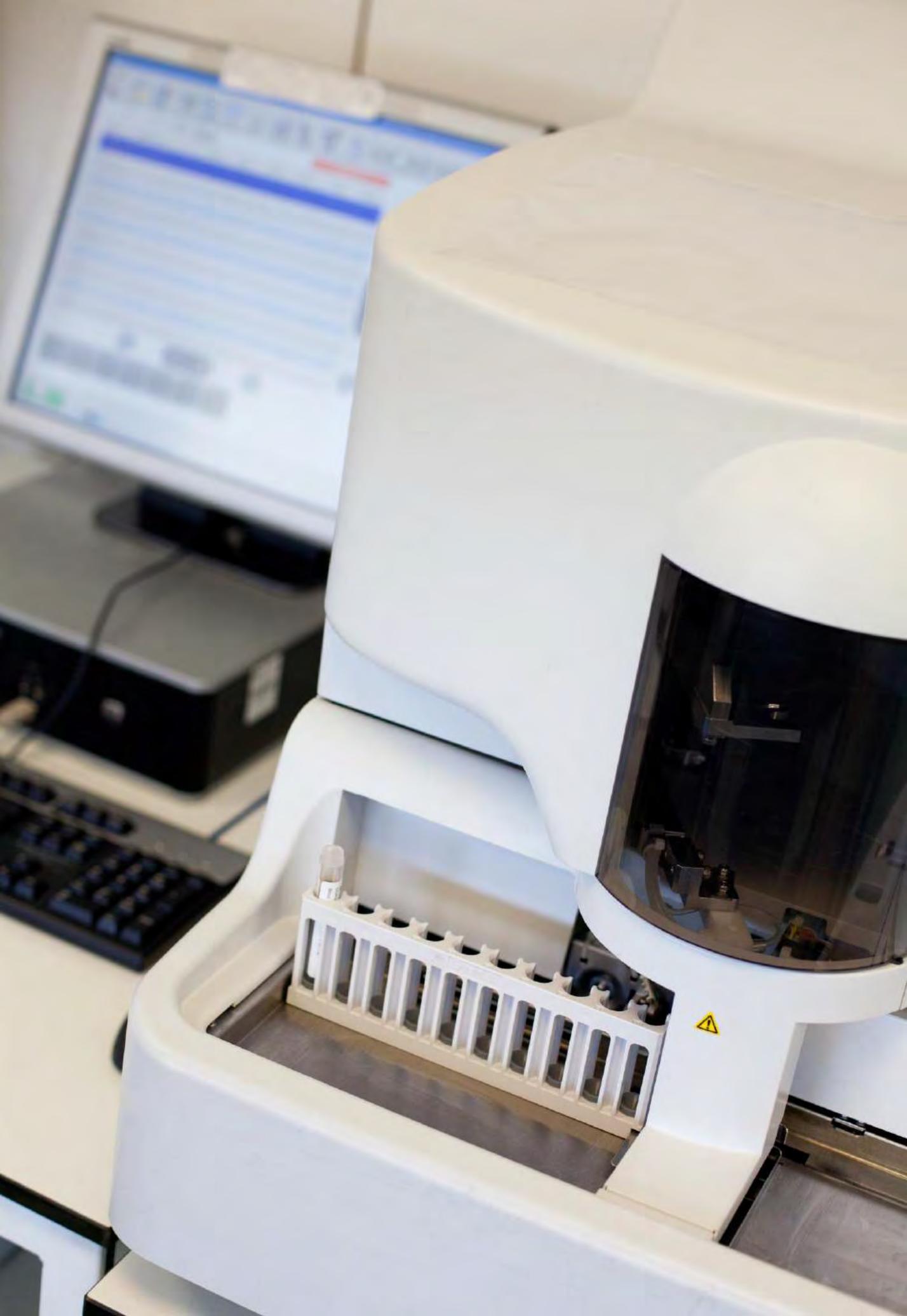
	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 186,987.1	▪ 484.6	▪ 0.3%



Comprehensive Special-purpose Municipal Programme “E-Capital” for 2015–2018

	Responsible executor:	Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration) – Office of Information and Communications Technologies and Information Protection.		
	Programme goals:	<ul style="list-style-type: none"> ▪ Proceed with Kyiv electronisation to facilitate continuous improvement of the system of state and municipal governance, to enhance the quality of life in Kyiv, to develop democratic institutions, to create favourable business conditions, to increase competitive capacity of the city enterprises and to improve performance of municipal facilities and urban ecology. 		
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Extended functionality of the information and communications system "General web-portal of the territorial community of Kyiv" and developed new services for city residents. ▪ Upgraded and extended functionality of the integrated hardware and software system for the City Call Centre's information service unit, implemented relevant maintenance arrangements and ensured ongoing access of structural units of the Executive body of the Kyiv City Council (KCSA), District State Administrations and municipal entities to the Call Centre's information service unit. ▪ Developed information and analytical system "E-medicine" and ensured implementation, maintenance and deployment of ITS. ▪ Upgraded and standardised IT infrastructure, reduced cost of its operation. ▪ Upgraded web portal 1551.gov.ua and mapping services, and implemented automated bulk mailing of SMS text messages. ▪ Focused efforts on information protection from its leakage through acoustic channels. ▪ Drafted project documentation for a regional hub of the Special information and communications network within the National Confidential Communication System of the Executive Office of the Executive body of the Kyiv City Council (KCSA). 		

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 18,150.0	▪ 1,750.0	▪ 9.6%





5.10 Ecology and environmental protection



Ecology and environmental protection

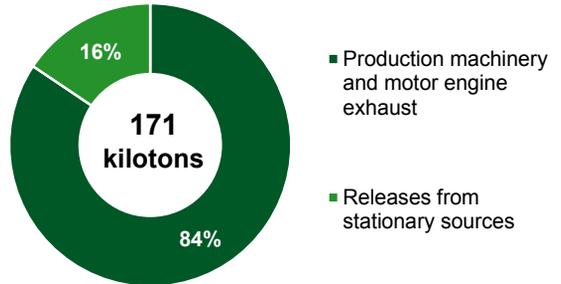
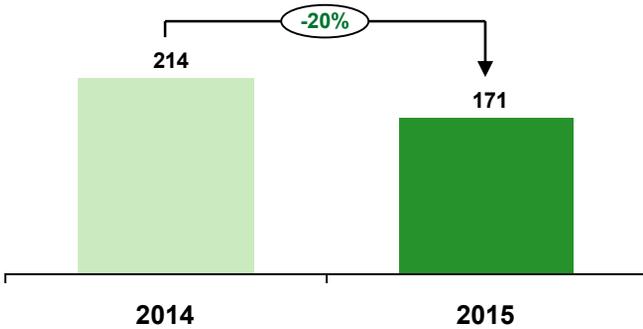
In 2015, air emissions of harmful substances decreased by 20% to 171 kilotons. 84% of harmful emissions were created by motor engine exhaust and mobile production machinery.



Air emissions of harmful substances
(kilotons)



2015 emissions of harmful substances by source
(%)



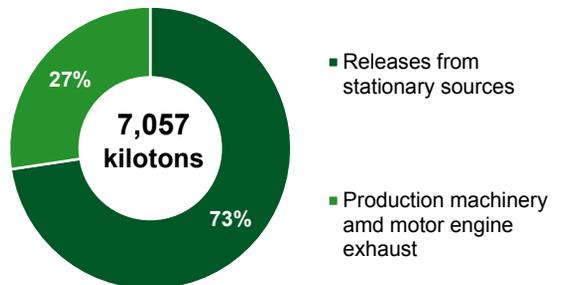
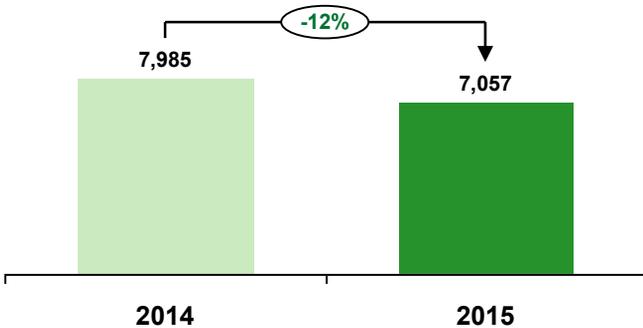
In 2015, air emissions of carbon dioxide in Kyiv decreased by 12% to 7,057 kilotons with 73% being the releases from stationary sources.



Emissions of carbon dioxide
(kilotons)



2015 emissions of carbon dioxide by source
(%)



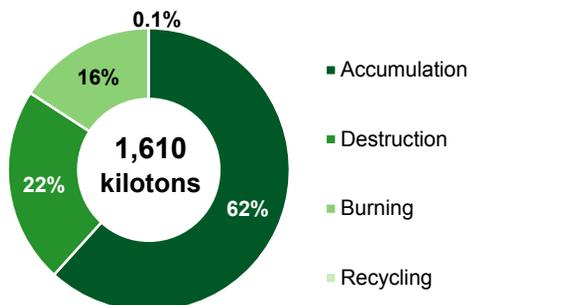
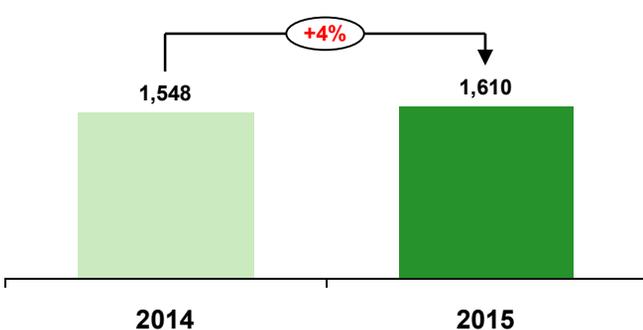
In 2015, the volume of waste generated in Kyiv increased by 4% to 1,610 kilotons with waste accumulation of 62%, waste destruction of 22% and waste burning of 16%.



Waste generation trends¹
(kilotons)



Waste utilisation in 2015 by method
(%)



¹ – Based on data of waste of I-IV hazardous classes.



In late 2015, Kyiv included 9 areas and sites of the national natural reserve fund with the total area of 9,410 ha and 65 areas and sites of the local natural reserve fund with the total area of 4,995 ha.



Areas and sites of the national natural reserve fund:

Name of the nature reserve fund site:	Number of sites	Site area, ha
National nature parks	1	8,474.7
Holosiiyvsnyi national nature park		8,474.7
Garden art parks	6	871.6
Puscha-Vodytsya forest park		360.0
Svyatoshinsky forest park		240.0
Syretsky Guy park		194.0
Nivki park (eastern part)		46.1
Saint Vladimir Hill		16.9
Mariinsky park		14.6
Zoos	1	33.7
Kyiv zoo		33.7
Nature landmarks	1	30
Romanivske moor		30
Total national sites	9	9,409.9



Areas and sites of the local natural reserve fund:

Name of the nature reserve fund site:	Number of sites	Site area, ha
Sanctuaries	13	3,379.6
Mezhygirsko-Pyscha-Vodytskiy		2,130.0
Puscha-Vodytsya		563.2
Muromets-Lopukhovate		217.0
Lyubka river		163.0
Zhukiv island		123.4
Plyakhova		100.0
Bobrovnya		32.0
Verbne lake		31.0
Dachne		6.0
Mezhygirske		5.0
Rybne		4.0
Bila Dibrova		3.0
Berezoyi Guy park		2.0
Regional landscape parks	2	1,310.0
Dniprovski Ostrov		1,215.0
Partyzanska Slava		95
Garden art parks	12	183.4
Nature landmarks	38	121.6
Total local sites	65	4,994.6



PERFORMANCE OUTCOMES OF SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN THE AREA OF ECOLOGY AND ENVIRONMENTAL PROTECTION IN 2015:

In 2015, special-purpose municipal programmes in the area of ecology and environmental protection were targeted at development of green zones, improvement of the residential waste treatment system, pet care control and humane treatment of homeless animals, and the city land use and conservation.

Programme for Comprehensive Development of Kyiv's Green Zones till 2010 and Conceptual Framework for Downtown Green Landscaping (extended for the period of 2010–2015)

 Responsible executor:	Urban Amenities and Environmental Protection Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none"> ▪ Define urban planning parameters for the creation, maintenance and development of the city's green territories as well as relevant implementation actions. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Removed hazardous and dead-standing trees. ▪ Performed overhauls in certain parks, public gardens and green plantings. ▪ Refreshed Kyiv's green zones through procurement of necessary plants and making of floral arrangements in 10 municipal districts. ▪ Paid off accounts payable to district service offices for protection of green plantings from pests and agents of disease. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 53,827.2	▪ 50,972.9	▪ 94.7%

Municipal Residential Waste Treatment Programme for 2010–2015

 Responsible executor:	Department of Housing and Utility Infrastructure of the Executive body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goal:	<ul style="list-style-type: none"> ▪ Create framework for facilitating full collection, transport, treatment and burial of residential waste and limiting its impact on the environment and human health. ▪ Expand and upgrade operational capacities for collection, processing and burial of residential waste, set up an efficient waste management system. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Reconstructed and re-equipped Municipal solid waste landfill № 5 in the Pidhirtshi village (Obukhiv district, Kyiv region), and upgraded and rehabilitated waste water treatment facility at the landfill. ▪ Ensured ongoing operation of the Volunteers School that delivers information lessons on waste treatment and conducted special trainings for volunteers, ecology students and civil society organisations. ▪ Arranged special trainings at educational institutions of the Shevchenkivsky, Darnitsky, Holosiyivsky and Svyatoshynsky Districts, ME "Kyivkomunservis" and awarded winners of the children and youth contest "Choosing Clean Future". ▪ Arranged social advertisement at TV channel "TRK Kyiv", Mriya and Promin radios, and ensured maintenance of the Facebook web-page. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 37,215.9	▪ 24,174.5	▪ 65.0%



Municipal Pet Care Control and Humane Treatment of Homeless Animals Programme for 2012–2016

**Responsible executor:**

Urban Amenities and Environmental Protection Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Exercise control over treatment and quantity of domestic animals in Kyiv.
- Reduce the number of homeless animals in Kyiv using humane methods.
- Enforce the Regulation on Animal Walking Zones in Kyiv and Regulation on Animal Training Sites approved by Kyiv City Council Resolution № 1079/3912 dated 25/10/2007.

**Key programme activities and actions in 2015:**

- Taken actions to ensure public order and compliance with veterinary and sanitary requirements, addressed applications and complaints lodged by the city residents on violations of the effective rules for domestic animal care.
- Exercised control activities over animal abuse and enforced compliance with the effective rules for animal care.
- Maintained system of search for lost domestic animals, kept records of homeless animals, taken actions to sterilise homeless animals.
- Taken efforts to equip Dog Walking Zones in 10 municipal districts and installed 55 ECOZOO facilities for distribution of plastic bags for cleaning-up after animals.
- Taken actions to address humane keeping and treatment of animals in cooperation with the dog service organisations.
- Performed information and awareness-raising activities, distributed information leaflets, placed posters on news boards and porches of residential buildings about immunoprophylaxis of animals against rabies, implemented pet registration, testing and insurance arrangements, and ensured maintenance and update of the content of www.cipets.kiev.ua web-site and e-mail boxes with relevant domain.

**Programme funding in 2015 (UAH '000):****Budget:**

- 13,905.6

Actual:

- 10,285.0

% of performance:

- 74.0%

Kyiv's City Land Use and Conservation Programme for 2011–2015

**Responsible executor:**

Land Relations Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Maximise the efficient use of land resources and increase annual municipal budget revenue of land use from UAH 2.3 billion in 2010 up to UAH 3.4 billion in 2015.

**Key programme activities and actions in 2015:**

- Performed a number of land planning and evaluation activities, worked on urban planning and documentation to prepare the selected land plots for sale, taken efforts to hold land auctions, taken actions to eliminate land law violations, and performed rule-making activities to improve land ownership registration procedures.
- Extended process of Kyiv's land inventory (71,900 ha).
- Drafted Kyiv's City Land Use and Conservation Programme for 2016–2020.
- Performed survey operations to make a list of coordinates for the local geodesic network in Kyiv as part of the implementation of the Topographic and geodesic network reconstruction project to maintain the land register.

**Programme funding in 2015 (UAH '000):****Budget:**

- 8,950.0

Actual:

- 1,992.4

% of performance:

- 22.3%





PERFORMANCE OUTCOMES OF OTHER SPECIAL-PURPOSE MUNICIPAL PROGRAMMES IN KYIV TO BE IMPLEMENTED IN 2015, WHICH WERE PART OF KYIV'S SOCIO-ECONOMIC DEVELOPMENT PROGRAMME-2015:

Special-Purpose Municipal Programme "Kyiv informational" for 2011–2015

 Responsible executor:	Public Relations Department of the Executive Body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none"> ▪ Inform the public on activities of local authorities by promoting television and radio broadcasting, and print media established by the Kyiv City Council. ▪ Support local book publishing and upgrade the KCSA official web-portal. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Provided timely and consistent information on activities of local executive authorities and governments by publishing it in municipal mass media established by the Kyiv City Council. ▪ Ensured day-to-day publications on the KCSA web-site and in the Khreschatyk newspaper. ▪ Conducted a number of round-table conferences, presentations, phone-ins featuring members of the Kyiv City Council, mayor deputies, head of KCSA entities, experts, opinion shapers, and supported public discourse informationally. ▪ ME "Vechirniy Kyiv" was reorganised with its headcount optimised; a new vechirniykyiev.com.ua web-site was created. ▪ Ensured issuance of 15 books written by beginning writers, conducted a number of initiatives to support City's libraries and the National Union of Writers of Ukraine, and writers. ▪ Ensured setting-up of information campaigns. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 48,675.2	▪ 48,500.6	▪ 99.6%

Special-Purpose Municipal Programme "Awards" for 2012–2016

 Responsible executor:	The Executive Office of the Executive Body of the Kyiv City Council (the Kyiv City State Administration)		
 Programme goals:	<ul style="list-style-type: none"> ▪ Provide administrative, and material and technical support to the process of awarding Kyiv residents, and organising celebration of national and professional holidays, anniversary dates, memorable events, etc. 		
 Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ 88 individuals were awarded Certificates of Merit of the KCSA. ▪ 135 individuals were awarded the "Honour. Glory. Nation" medal – an award of the Kyiv City Mayor. ▪ 1,997 individuals were bestowed the Honorary Mention of the Kyiv City Mayor. 		

 Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
	▪ 1,122.2	▪ 1,118.9	▪ 99.7%



Special-Purpose Municipal Programme to Create a Back-Up Data Warehouse for Kyiv for 2011–2015

**Responsible executor:**

Urban Amenities and Environmental Protection Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Ensure secure and long-term storage of document microphotographs.
- Create back-up copies of documents of the KCSA, the District State Administrations, local governments and legal entities, which are providers of documentation for construction (reconstruction) and emergency repair efforts during emergencies, natural disasters, fires, accidents, and other emergencies of industrial, natural and military nature.

**Key programme activities and actions in 2015:**

- Prepared documents for being microfilmed and made back-up copies of technical documentation of facilities and utility infrastructure assets for the Back-Up Data Warehouse of Ukraine (BDW) of enterprises and organisations, namely ME Kyivspetstrans, the Institute of Mechanics of the NASU, SE Design Bureau "Artillery Armament", SE Kvant R&D, PrJSC Obolon.
- Prepared back-up documentation for a number of filling stations, hotels and shopping malls, residential and office buildings.

**Programme funding in 2015 (UAH '000):****Budget:**

- 294.3

Actual:

- 1,201.9

% of performance:

- 408.4%

Special-Purpose Municipal Programme for Technical Upgrade and Social Development for Kyiv's Municipal Rescue Service for 2012–2016

**Responsible executor:**

Urban Amenities and Environmental Protection Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Improve civil protection system, ensure timely response to industrial and natural disasters, conduct rescue and other emergency efforts in Kyiv.

**Key programme activities and actions in 2015:**

- Ensured 24h operations of the rescue service to provide fast response to emergencies (1,763 responses in the period).
- Saved lives of 31 persons and taken actions to prevent emergency-related serious injuries and fatalities.
- Ensured preservation of public and private property during emergency relief and rescue efforts (i.e. disposal of explosive objects, decontaminations, fires and explosions: 771 responses; 97 explosive objects disposed).
- Conducted a competition under the School of Safety programme, provided emergency preparedness trainings to children and youth, raised their awareness of the importance of healthy life style (the event was attended by over 500 schoolchildren).
- Provided civil defence trainings in the Podilsky, Obolonsky, and Desnyansky districts of Kyiv, which involved District State Administration officials, officers of district emergency services, enterprise employees, personnel of schools, and district residents.

**Programme funding in 2015 (UAH '000):****Budget:**

- 10,700

Actual:

- 10,597

% of performance:

- 99.0%



Special-Purpose Municipal Programme for General Courts and Judicial Organisations in Kyiv for 2011–2015

	Responsible executor:	Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration) – Office of Law Enforcement, Preventing and Combating Corruption
	Programme goals:	<ul style="list-style-type: none"> ▪ Foster emergence of independent judiciary. ▪ Implement state policy to ensure efficiency and effectiveness of courts, promote constitutional rights and freedoms by providing the courts with adequate premises.
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ To secure proper operation of judicial authorities and create proper working environment there were taken the following actions: <ul style="list-style-type: none"> – procurement of computer equipment for Kyiv Commercial Court of Appeal and the Kyiv Court of Appeal; – a non-residential building was reconstructed to host the District Administrative Court; there were procured laser printers, stationery, office supplies, installed fire and security alarm, and access control systems; – the building of the Kyiv Administrative Court of Appeal was overhauled; – the building of the Holosiyivsky District Court was overhauled and the building of Darnitsky District Court was reconstructed; – the Pechersky, the Podilsky, and the Shevchenkivsky District Courts were provided funding for overhauls of their offices.

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 1,500.0	▪ 1,500.0	▪ 100.0%

Special-purpose Municipal Programme for Development and Implementation of Urban Planning Cadastre of Kyiv for 2013–2015

	Responsible executor:	Urban Development and Architecture Department of the Executive body of the Kyiv City Council (the Kyiv City State Administration)
	Programme goals:	<ul style="list-style-type: none"> ▪ Based on the up-to-date geo-information technology, establish the urban planning databank in form of the Kyiv's City Urban Planning Cadastre as part of the national system of geospatial data storage and use.
	Key programme activities and actions in 2015:	<ul style="list-style-type: none"> ▪ Created an information resource titled "Buildings and structures, their legal status, technical conditions, architecture, historical and cultural value based on topographic maps and layout plans, technical inventorying data, and design features of such assets" ▪ Created a geospatial database of the City's address register. ▪ Created the analytical system of urban planning monitoring and established communication with urban planning entities. ▪ Performed a ground-based laser scanning and created a respective database (along with inventory of urban amenity assets), performed work of the first two stages. ▪ Procured hardware and software for the Complex Information Protection System. ▪ Procured computing equipment for the municipal information analysis system supporting urban planning activities. ▪ Procured technical assets for operations of this system. ▪ Created a software solution to protect the system.

	Programme funding in 2015 (UAH '000):	Budget:	Actual:	% of performance:
		▪ 17,494.0	▪ 12,752.3	▪ 72.9%



Special-Purpose Municipal Programme to Promote Self-Government and Civil Society in Kyiv for 2012–2016

**Responsible executor:**

Public Relations Department of the Executive Body of the Kyiv City Council (the Kyiv City State Administration)

**Programme goals:**

- Promote development of civil society and democracy in Kyiv.
- Restore historical place names of Kyiv.
- Ensure comprehensive protection of rights and freedoms.
- Ensure efficient interaction of municipal authorities with civil society organisations.

**Key programme activities and actions in 2015:**

- Coordinated citywide official events to celebrate national and municipal holidays, and important dates, including the Day of Unity, the Memorial Day for the Heroes of Kruty, celebration of Taras Shevchenko's Birthday, commemoration of the victims of the 1937–1941 political repressions, celebration of Constitution Day, Day of the National Flag, Independence Day, commemoration of the Day of Commemoration of Babi Yar Victims, the Day of Commemoration of Holodomor Victims in Ukraine, and the Dignity and Freedom Day.
- Managed organisation and coordination of mass events, supervised compliance with laws during those events.
- Managed renaming of communistic totalitarian place-names.
- Prepared and approved a number of projects to foster civil society, specifically the Action Plan to implement Open Government Partnership initiative that aims at promoting transparency and openness, the draft Regulation on Local Initiatives in Kyiv, the draft Regulation on Public Hearing in Kyiv.
- Facilitated expansion of network of the City's community organisations, their promotion in mass media, provided to them organisational and informational support.

**Programme funding in 2015 (UAH '000):****Budget:**

- 9,945.6

Actual:

- 7,626.6

% of performance:

- 76.7 %

Programme to Improve Organisation of Military Service Training for Public, Registration at Recruiting Stations, Call to Compulsory Military Service and Military-Patriotic Education of Youth for 2011–2015

**Responsible executor:**

Kyiv Military Commissariat

**Programme goals:**

- Ensure implementation of the State Programme of the Armed Forces of Ukraine Development.
- Improve preparedness of the public for military service.
- Conduct registration and conscription of citizens for compulsory military service.
- Provide military-patriotic education to the youth.

**Key programme activities and actions in 2015:**

- Took actions to ensure maintenance, servicing and refurbishment of computing equipment; created an intranet for the Kyiv Military Commissariat, district military commissariats, and the Kyiv Assembly Station.
- Performed current repairs of buildings and offices of the Kyiv Military Commissariat, district military commissariats, and the Kyiv Assembly Station; ensured payments for utility services. Ensured provision of printed materials and stationery to those agencies.

**Programme funding in 2015 (UAH '000):****Budget:**

- 3,810.0

Actual:

- 930.0

% of performance:

- 24.4%



Programme to Strengthen and Develop International Relations for 2015–2018

**Responsible executor:**

Office of International Relations and Logistics of the Executive Office of the Executive Body of the Kyiv City Council (the Kyiv City State Administration) – Office of International Relations

**Programme goals:**

- Facilitate implementation of foreign policy of Ukraine by the City authorities.
- Align management and business techniques with international standards by adopting global best practices.
- Seek partners for joint social and humanitarian, and investment projects, boost non-budget funds (i.e. grants, technical assistance funds, etc.) to implement the City's development programmes.

**Key programme activities and actions in 2015:**

- Facilitated the City's cooperation with foreign municipalities and regions, namely Munich, Berlin, Prague, Krakow, Cologne, Istanbul, Warsaw, Kyoto.
- Organised and conducted in the City a number of international events, including protocol and ceremonial international events attended by the City's high officials.
- Facilitated implementation of international projects in Kyiv, cooperation between the City's authorities and leading international companies and organisations, which may be involved in projects important for the City's economy, such as GIZ, KfW Bank, Bombardier, the World Bank, Huawei Ukraine LLC, UNDP, USAID, IFC, the representative office of the Heinrich Böll Foundation.
- Ensured participation of the City's representatives in international events, such as conferences, seminars, round-table discussions, exchange programmes, educational and training events.
- Organized a number of officials work trips to foreign city-partners with an aim of sharing experiences on the issues of energy efficiency, decentralisation of power, protection and popularisation of cultural heritage and others.
- Took a number of actions to build positive image of the Kyiv's authorities abroad and among foreign diplomats.

**Programme funding in 2015 (UAH '000):****Budget:**

▪ 2,000.0

Actual:

▪ 1,750.2

% of performance:

▪ 87.5%





6

Analysis of Kyiv's City Budget for 2015

KEY PRINCIPLES AND KYIV'S CITY BUDGET PREPARATION AND EXECUTION

The Budget Code of Ukraine provides legal framework for Kyiv's city budget system. This includes the underlying principles, budgeting process and relationships between the government budget and local budgets.

Kyiv's city budget represents a plan for raising and utilising financial resources in order to meet the objectives and roles of Kyiv's local governance bodies.

Kyiv's City budget comprises line items at the following levels:



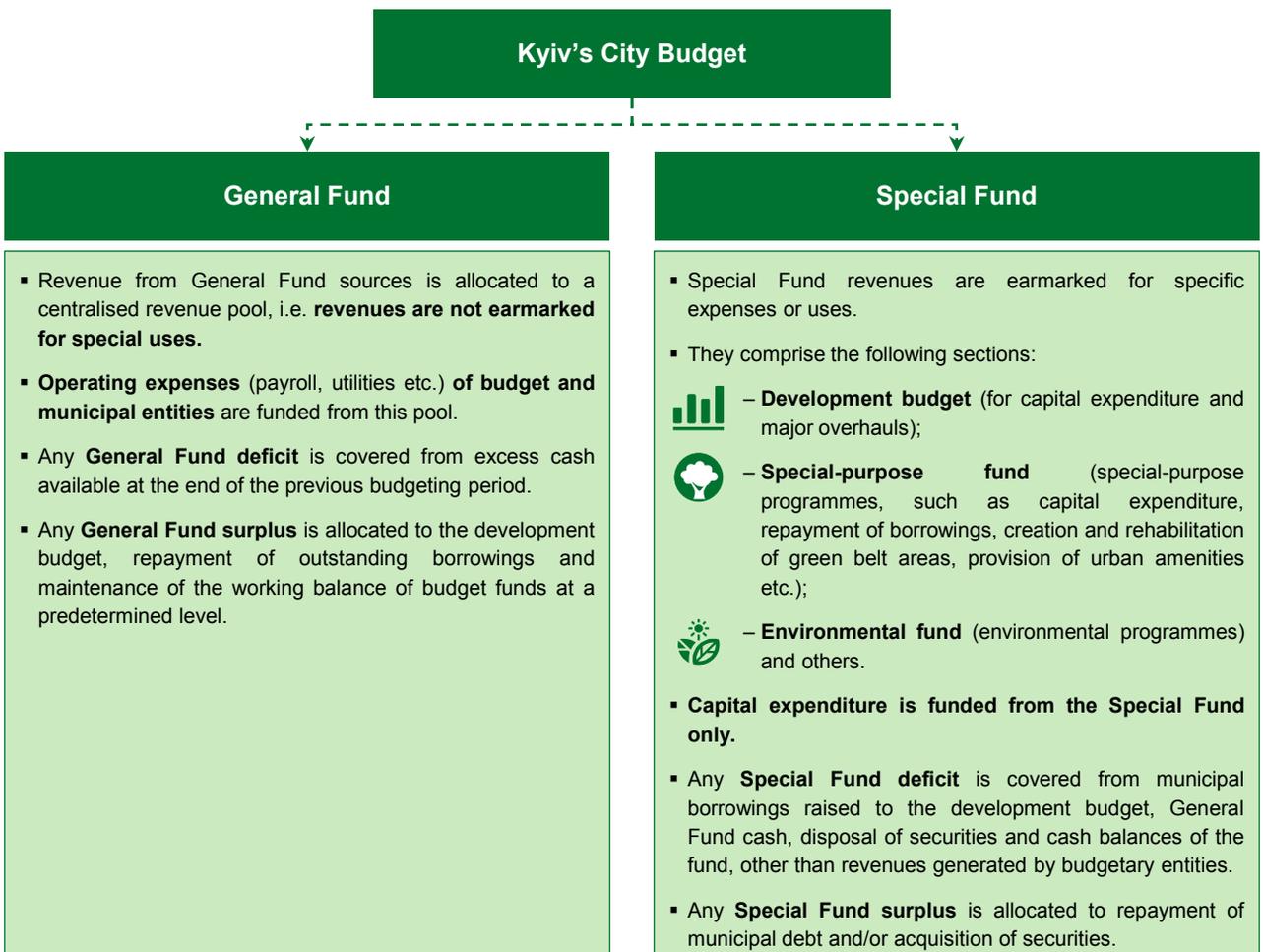
- **Municipal** (i.e. the KCSA and Kyiv City Council departments and functions);



- **10 districts** (Holosiivskiy, Darnytskyi, Desnianskyi, Dniprovskiy, Obolonskyi, Pecherskyi, Podilskyi, Svyatoshynskiy, Solomyanskyi and Shevchenkivskiy).

Kyiv's city budget structure:

Kyiv's city budget is comprised of **General and Special Funds**, line items for which are determined based exclusively on the Budget Code of Ukraine and the Law of Ukraine "On the State Budget of Ukraine" for the respective year.



Non-budgetary funds are **not permitted** under the Budget Code of Ukraine for Kyiv's local governance bodies.



Kyiv's city budget owners

Budget funds are allocated to **budget owners** in order to fund programmes and events that are to be covered from the budget.

- Only legal entities with a **budgetary entity status** can act as budget owners, i.e. entities established by Kyiv's local governance bodies that are fully provided for from the municipal budget.
- Budget owners **receive budget allocations, spend them on budget expense line items and incur budget liabilities.**
- Budget owners are comprised of **primary budget owners** and **lower level** (Level 2 and Level 3) **budget owners.**

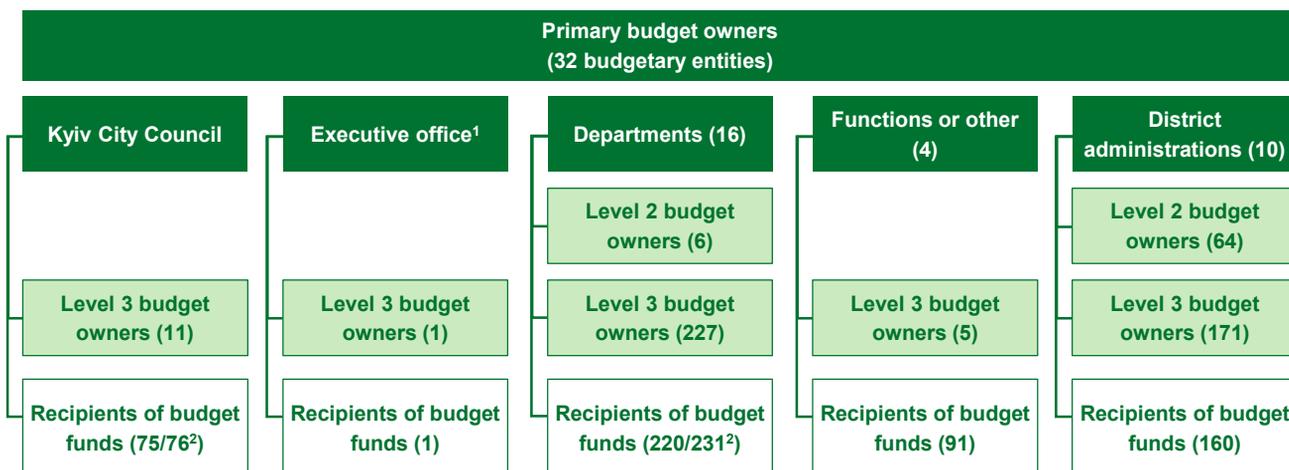
In 2015, the total number of Kyiv's budget owners was 517 budgetary entities, including 32 primary budget owners, 70 Level 2 budget owners, and 415 Level 3 budget owners.

Budget owners may authorise **recipients of budget funds** to perform activities within a budget programme, **disbursing budget funds (on non-returnable or returnable basis)** within the limits of the respective budgetary appropriations.

- Recipients of budget funds use such funds on the basis of a **budget spending plan.**
- Recipients of budget funds represent **municipal entities, as well as civic and other entities that are not classified as budgetary entities.**

In 2015, 547 organisations were recipients of budget funds (including Municipal entity "Kyivskyi Metropoliten", Municipal entity "Kyivpastrans", Municipal entity "Kyivavtodor").

The structure of entities and organisations funded from Kyiv's city budget:



¹ – Of the executive body of Kyiv City Council (KCSA). Data for 2015.

² – Some entities / organisations are recipients of budget funds from multiple budget owners.

Relationships between the government budget and local budgets

The Ukrainian government has the ultimate responsibility and incurs nationwide expenses, including national defence, law enforcement and international relations, whereas Kyiv's executive bodies have responsibility for a significant portion of social expenditure.

Key expenses covered from Kyiv's city budget include:

-  education;
-  healthcare;
-  social protection and social security;
-  culture and arts;
-  housing and utilities;
-  public transport and roads;
-  construction and development, including development of housing for vulnerable population;
-  sports;
-  mass media;
-  environment and environmental programmes;
-  water rescue services.

Personal income taxes represent a critical source of revenue for Kyiv's city budget.

- Before 31/12/2010, **all proceeds** from personal income tax were **allocated to Kyiv's city budget**.
- **Between 01/01/2011 and 31/12/2014, 50% of personal income tax** was paid to Kyiv's city budget, with the other 50% was paid to the Ukrainian government budget.
- Starting from **01/01/2015, only 40% of personal income tax will be paid to Kyiv's city budget**, with the other 60% will go to the Ukrainian government budget.

Under the Budget Code of Ukraine, the local authorities may receive the full amount of revenues collected within the jurisdiction of local governance bodies, including using the full amount of property tax, land tax, licensing fees and CPT from municipal entities. In addition, **starting from 01/01/2015, 10% of the corporate profit tax on profits generated by companies and financial institutions, other than state-owned or municipal, registered in Kyiv is paid to Kyiv's city budget.**



The Government provides support to local authorities through transfers from the government budget to local budgets.

The Budget Code of Ukraine provides for inter-budget transfers through equalisation grants and various special-purpose subventions:

- **Equalisation grants** are an important component of the Ukrainian budget system, with the government providing support to local budgets of some Ukrainian regions and cities, whose expected revenues are insufficient to fund all the expenditure requirements in a given fiscal year.
- **Subventions from the government budget** are provided directly to a local budget for pre-determined uses and on pre-determined conditions.

In addition, under the Law of Ukraine “On the Hero City of Kyiv, the Capital of Ukraine”, the government is required to:

- Cover specific **capital city expenses** incurred by Kyiv;
- Provide **subventions and allocate resources** required to implement programmes and projects and to cover any specific **capital city expenses** incurred by the city.



Budgeting process

The framework for Kyiv's city budgeting process is defined in the Constitution of Ukraine, the Budget Code of Ukraine, the Law of Ukraine "On the State Budget of Ukraine" for the respective year, resolutions of the Kyiv City Council "On the Kyiv City Budget" for the respective year and other laws and regulations.

Kyiv's city budgeting process is comprised of the following phases:





Kyiv's city budget execution reporting

Under Article 58 and Article 80 of the Budget Code, budget execution reporting is **comprised of financial statements and budget reports**:

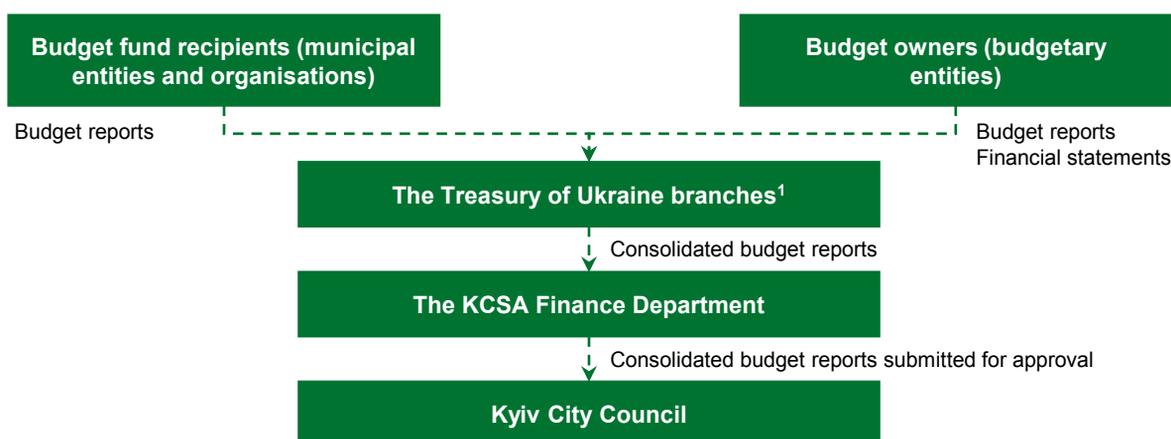


- **Consolidated budget reports** show Kyiv's city budget execution status, provide information by budget line item, are prepared by the Treasury of Ukraine and presented to the KCSA Finance Department.



- **Financial statements** are prepared in accordance with the National Regulations (Standards) on Accounting in Ukraine and other regulations issued by the Ministry of Finance of Ukraine.
 - The first set of **consolidated special-purpose information of Kyiv as at and for the year ended 31 December 2014** covering 1,853 entities (1,501 budgetary entities, municipal entities and 7 joint-stock companies where Kyiv city community holds a controlling interest) was prepared and issued in 2015.

Kyiv's city budget execution reporting process:



¹ – Budget owners and recipients report to their local Treasury of Ukraine offices (the General Directorate of the State Treasury Service of Ukraine for the City of Kyiv and the Kyiv city district Treasury offices). The General Directorate of the State Treasury Service of Ukraine for the City of Kyiv prepares Kyiv's city budget execution report and provides it to the Finance Department.

Reporting of Kyiv's city budget recipients:

According to Order № 44 dated 24/01/2012 issued by the Ministry of Finance of Ukraine, budget owners are required to prepare quarterly and annual **financial statements** and monthly, quarterly and annual **budget reports** and **present them to their local Treasury of Ukraine branches** (the General Directorate of the State Treasury Service of Ukraine for the City of Kyiv and Kyiv's city district offices).

Budget recipients (including municipal entities) are required to prepare **budget reports** only and present them to their Treasury offices and higher level budget owners on a quarterly and annual basis (with monthly reporting only required for the Treasury offices).

Budget recipients (including municipal entities) are not required to present their financial statements to their Treasury offices or higher level budget owners.

Budgeting process in 2015

The 2015 Kyiv city budget, including budget programmes, was approved by Kyiv City Council **resolution № 60/925 dated 28/01/2015 "On the Kyiv City Budget for 2015"**.

During 2015, the Kyiv City Council passed **nine city budget amendments**.

The Kyiv City Council **has not approved the annual budget execution report** for 2015.





6.1 Key indicators of Kyiv's city budget



KEY INDICATORS OF KYIV'S CITY BUDGET 2015

	Budget 2015 ¹ , UAH million	Budget allocations 2015 ² , UAH million	Actual 2015, UAH million	Budget execution, %	Actual 2014, UAH million	Change 2015/2014, %
Revenues	26,511	30,957	31,654	119%	23,795	33%
General Fund revenues	25,031	25,031	25,659	103%	15,618	64%
Personal income tax	7,650	7,650	8,043	105%	7,985	1%
Property tax	2,892	2,892	2,951	102%	1,889	56%
Unified tax ³	1,901	1,901	1,922	101%	-	36%
Corporate profit tax	1,555	1,555	1,625	104%	59	2,654%
Excise tax	906	906	976	108%	-	n/a
Other tax receipts	114	114	109	95%	143	-24%
Non-tax receipts	530	530	557	105%	415	34%
Receipts from capital transactions	1	1	1	112%	3	-45%
Transfers from government budget	9,480	9,480	9,476	100%	5,124	85%
Special Fund revenues	1,480	5,926	5,995	405%	8,177	-27%
Unified tax ³	0	0	0	n/a	1,409	36%
Other tax receipts	0	0	0.2	n/a	65	-100%
Non-tax receipts	782	5,228	5,381	688%	2,356	128%
<i>Own revenues of budgetary entities⁴</i>	<i>584</i>	<i>5,029</i>	<i>5,027</i>	<i>861%</i>	<i>2,147</i>	<i>134%</i>
Receipts from capital transactions	480	480	351	73%	269	31%
<i>Proceeds from sale of property (privatisation)</i>	<i>100</i>	<i>100</i>	<i>272</i>	<i>272%</i>	<i>81</i>	<i>235%</i>
<i>Proceeds from sale of land</i>	<i>380</i>	<i>380</i>	<i>79</i>	<i>21%</i>	<i>187</i>	<i>-58%</i>
Special-purpose fund	218	218	263	120%	229	15%
Transfers from government budget	0	0	0	n/a	3,850	-100%
Expenditures	-24,511	-29,021	-28,010	114%	-23,229	21%
Healthcare ⁴	-4,462	-8,432	-8,231	184%	-3,881	112%
Education	-6,440	-6,600	-6,313	98%	-5,047	25%
Social protection and social security	-3,966	-4,305	-4,188	106%	-2,648	58%
Housing and utilities	-2,202	-2,202	-2,146	97%	-4,270	-50%
Debt servicing	-1,606	-1,606	-1,577	98%	-1,312	20%
Building and construction	-1,646	-1,646	-1,543	94%	-654	136%
Transportation services, communications and IT	-1,564	-1,564	-1,533	98%	-905	69%
Culture and art ⁴	-748	-784	-762	102%	-1,649	-54%
State administration	-727	-736	-705	97%	-667	6%
Special-purpose fund	-264	-264	-254	96%	-203	25%
Physical culture and sport	-256	-258	-242	94%	-123	97%
Other services related to economic activities	-186	-186	-170	92%	-589	-71%
Environmental fund	-61	-61	-45	73%	-33	34%
Mass media	-34	-34	-34	98%	-32	7%
Land planning, forestry and hunting	-46	-39	-33	71%	-0.04	81,498%
Emergency response and prevention	-8	-8	-8	100%	-9	-9%
Unallocated expenses	-227	-227	-176	78%	-65	173%
Lending operations	2	2	2	163%	2	2%
Transfers to other budgets	-68	-68	-53	79%	-1,144	-95%
Budget balance: Surplus / (Deficit)	2,000	1,936	3,644	182%	566	544%
<i>Budget balance (as % of budget revenue)</i>	<i>7.5%</i>	<i>6.3%</i>	<i>11.5%</i>	<i>-4 p.p.</i>	<i>2.4%</i>	<i>9 p.p.</i>
Financing of the budget	-2,000	-1,936	-3,644	182%	-566	544%
Debt financing	-2,301	-2,301	-2,301	100%	-470	390%
<i>Proceeds from borrowings</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>2,375</i>	<i>-100%</i>
<i>Repayment of borrowings</i>	<i>-2,301</i>	<i>-2,301</i>	<i>-2,301</i>	<i>100%</i>	<i>-2,845</i>	<i>-19%</i>
Financing from asset operations	301	365	-1,343	n/a	-96	1,298%
<i>Changes in budget funds</i>	<i>301</i>	<i>365</i>	<i>-1,343</i>	<i>n/a</i>	<i>-23</i>	<i>5,715%</i>
<i>Financing from single treasury account</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>-73</i>	<i>-100%</i>
Budget funds (period-end)⁶	n/a	n/a	1,775	n/a	421	321%
Debt (period-end)⁷	n/a	n/a	5,292	n/a	13,838	-62%
City-guaranteed debt (period-end)⁸	n/a	n/a	1,883	n/a	1,406	34%

Note: Figures presented have been rounded.

¹ – Adopted for 2014 by the resolution of the Kyiv City Council № 60/92 dated 28/01/2015, with amendments.

² – Budget according to budget allocations of the budgetary entities.

³ – Unified tax is allocated to the General Fund since 1 January 2015.

⁴ – Include transactions with assets from own revenues of budgetary entities (including valuation of land) of UAH 3,704 million in 2015 and UAH 1,322 million in 2014 recorded both within revenues and expenditures of Kyiv's city budget, including: for healthcare: UAH 3,563 million in 2015 and UAH 170 million in 2014; for culture and arts: UAH 12.7 million in 2015 and UAH 1,052 million in 2014.

⁵ – The 2015 figure includes adjustments to external debt of UAH 10,556 million as a result of restructuring of external municipal debt.

⁶ – Includes funds of Kyiv's city budget and budgetary entities.

⁷ – Excludes: 1) outstanding borrowings from the single treasury account in amount of UAH 3,688 million as at 31/12/2004 and 31/12/2015; 2) restructured and transferred to state debt, Kyiv's external debt in amount of USD 351.066 million (equivalent – UAH 8,426 million) as at 31/12/2015.

⁸ – Borrowings of municipal entities of Kyiv's community guaranteed by Kyiv's community.



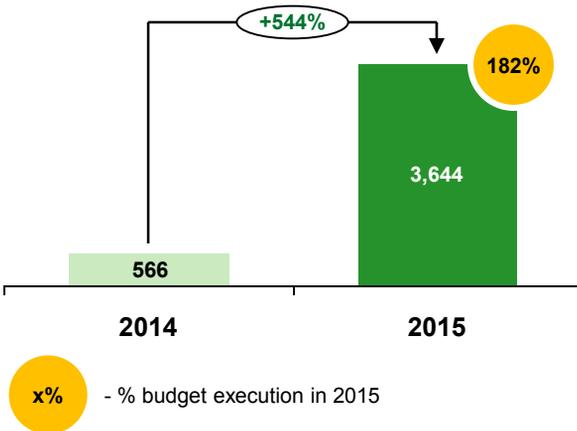
EXECUTION OF KYIV'S CITY BUDGET

In 2015, Kyiv's city budget was executed with a surplus of UAH 3,644 million (11.5% of revenue), compared to a surplus of UAH 566 million (2.4% of revenue) for the prior year.

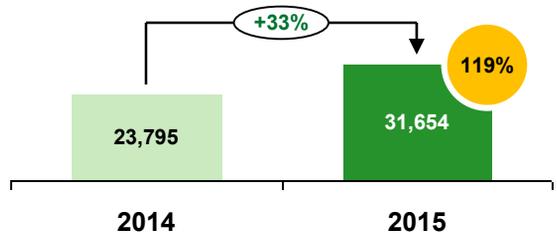
The budget was compiled with a surplus that was used for repayment and redemption of municipal bonds of UAH 2,301 million.



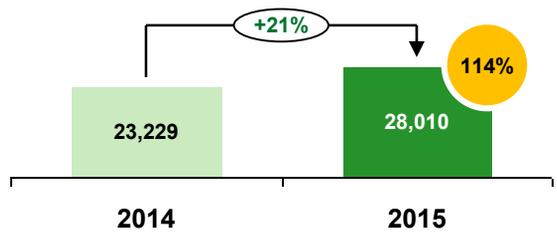
Budget surplus trend
(UAH million)



Budget revenue trend
(UAH million)



Budget expenditure trend
(UAH million)



During 2015, municipal revenues of Kyiv increased by 33% to UAH 31,654 million (119% of budget) and expenses increased by 21% to UAH 28,010 million (114% of budget).

Municipal revenues (excluding transfers from the government budget)

During 2015, municipal revenues increased by 50% or UAH 7,357 million to UAH 22,178 million, representing 130% of the budgeted indicator.

Growth of the city's revenues from the previous year primarily relates to an **increase in tax receipts by UAH 4,074 million** from corporate profit tax, property tax, excise tax, increased receipts of unified tax and the increase in transactions with assets from own revenues of budgetary entities (including valuation of land).

The **positive variance in respect of the city's municipal revenue** (30% or UAH 5,147 million) is primarily explained by recognition of non-budgeted transactions with own assets of budgetary entities; increased receipts from **personal income tax** and from **privatisation of assets** as a result of sales of **29.95%** share in the **Scientific Manufacturing Centre "Borshchagivsky Chemical and Pharmaceutical Factory"**.



Key sources of Kyiv's municipal revenues during 2015:

Personal income tax:

1

- **Personal income tax** remained Kyiv's single biggest source of revenue, representing 36% of Kyiv's total municipal revenue. Under the Budget Code of Ukraine, only 50% of personal income tax was paid to Kyiv's city budget in 2014, with the other 50% being paid to the Ukrainian government budget. Receipts of personal income tax increased by 0.7% or UAH 57 million vs 2014 to **UAH 8,043 million** (105% of annual budget), mainly due to increase in receipts from PIT on pensions, minimum salary and by the payment of dividends.

Land tax:

2

- The second biggest source of Kyiv's municipal revenues during 2015 was **land tax**, representing 12% of Kyiv's total municipal revenues. Receipts of land tax increased by 40% or UAH 756 million to UAH 2,645 million (102% of annual budget) due increases in valuation of land as a **result of indexing of value (consumer price index of 124.9% was applied) from 01/07/2015**.

Unified tax:

3

- Receipts of **unified tax**, ranking third, increased by 36% to UAH 1,922 million as a result of the increase in revenues generated by taxpayers and an increase in the number of individual entrepreneurs subject to unified tax.

Transfers from the government budget

During 2015, transfers from the government budget totalled UAH 9,476 million (100% of budget), an increase of 6% or UAH 502 million from 2014.

The increase in transfers from the previous year is mainly explained by the receipt of **new subvention types (educational, healthcare and vocational training)** totalling UAH 5,600 million and increase in subvention for benefits and housing subsidies provided to residents. During 2015, the **subvention for compensation of tariffs** for heat, centralised water supply and water disposal decreased to **UAH 586 million**.

Unlike the previous year, the following subventions were **not received** by the Kyiv budget: government grants, capital city subvention and the subvention for construction, reconstruction, repair and maintenance of municipally-owned streets and roads in community residential locations.

Expenditures

During 2015, Kyiv's expenditures increased by 21% or UAH 4,781 million to UAH 28,010 million, representing 114% of budgeted result for the year.

This increase in expenditures compared to the previous year is explained by the **increase in expenditures** for healthcare, education, social protection and social security. In addition, the increase in municipal expenditures compared to the previous year results from **increase in transactions with assets from own revenues of budgetary entities** (including valuation of land).

Positive variation of budget is mainly explained by recognition of non-budgeted transactions with assets from own revenues of budgetary entities.



Transfers to other budgets from Kyiv's city budget

Transfers to the government budget and the local budgets of the Kyiv region reduced from UAH 1,144 million to UAH 53 million (79% of budget).

The decrease in **transfers to the government budget and the local budgets of the Kyiv region** is explained by the fact that no transfers from the Kyiv's city budget to government budget to equalise revenues and expenditures of the territories took place in 2015 since Kyiv's city revenues were did not exceed expenditures at the time of budget transfer assessment.

Financing Kyiv's city budget

During 2015, a budget surplus of UAH 3,644 million was used for repayment and redemption of municipal bonds.

During 2015, the following items were financed from Kyiv's budget Special Fund:

- **F series municipal bonds** totalling UAH 875 million were repaid in full;
- Part of **H series municipal bonds (private placement)** totalling UAH 1,426 million were redeemed.

In July 2015, the Kyiv City Council negotiated the **restructuring of Kyiv's debt in respect of H and G series municipal bonds**, resulting in extension of maturities of these bonds for the minimum of 360 days (i.e. to **10 October and 19 December 2016**). **As at 31 December 2015, the city's domestic debt totalled UAH 2,864 million.**

In addition, in **December 2015, Kyiv successfully completed the restructuring of its external debt** in respect of loan participation notes in the amount of USD 250 million maturing in 2015 and USD 300 million maturing in 2016. As a result, external debt of UAH 10,556 million was written off. **As at 31 December 2015, the city's external debt totalled USD 101.149 million (equivalent of UAH 2,428 million)**, representing the portion of the city's debt to holders of external bonds who did not agree to restructuring.





6.2 Kyiv's city budget revenues

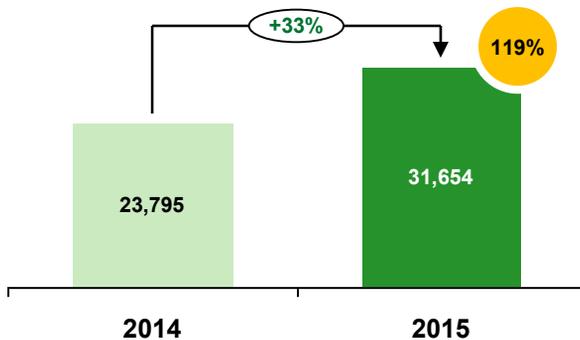


KYIV'S CITY BUDGET REVENUES IN 2015

During 2015, Kyiv's city budget revenues increased by 33% to UAH 31,654 million (119% of budget).

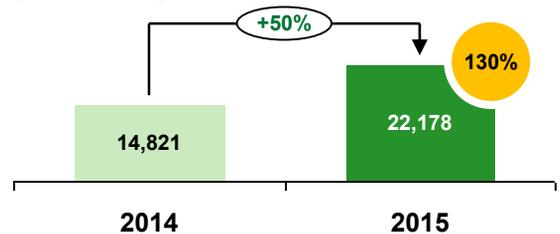


Kyiv's city budget revenues
(UAH million)

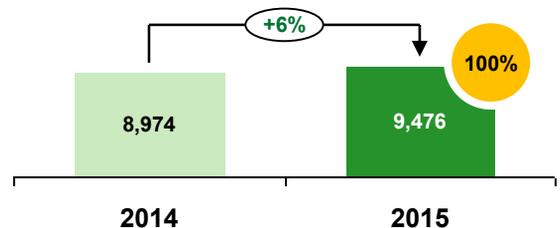


x% - % of budget execution in 2015

Municipal revenues
(UAH million)



Transfers from the government budget
(UAH million)

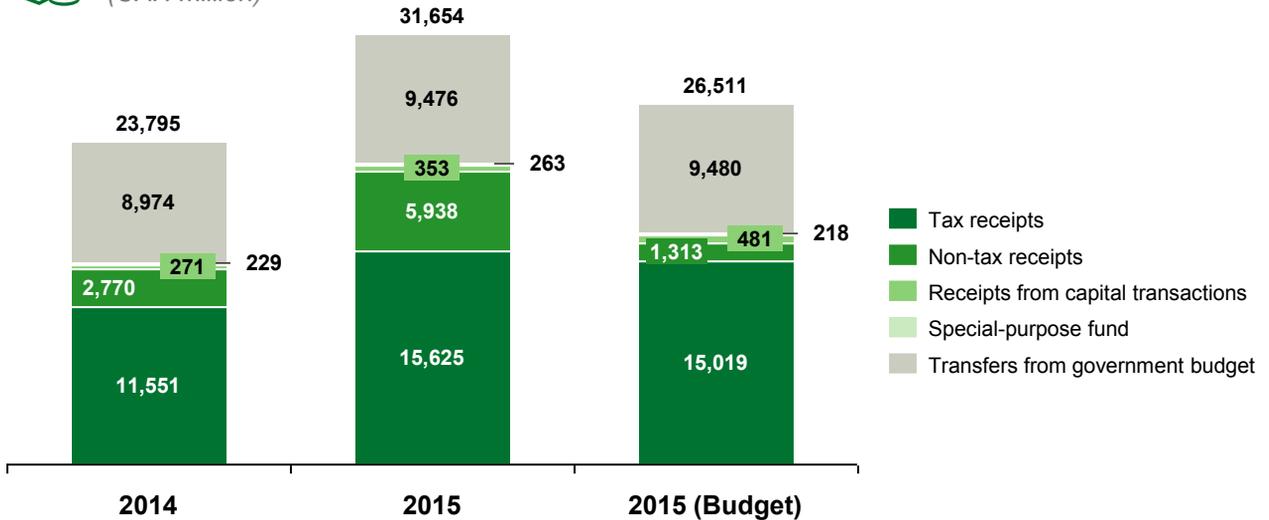


- Municipal revenues (excluding transfers from the government budget)** grew by 50% or UAH 7,357 thousand to UAH 22,178 million (130% vs budget). It was fuelled by an increase in tax receipts of UAH 4,074 million, in particular: **corporate profit tax** by UAH 1,566 million to UAH 1,625 million (104% of budget), **property tax** by 56% or UAH 1,062 million to UAH 2,951 million (102% of budget), **allocated excise tax of UAH 976 million** (108% of budget) and an increase in **unified tax receipts by 36% or UAH 514 million to UAH 1,922 million** (101% of budget). In addition, the increase in municipal revenues compared to the previous year results from **increase in transactions with assets from own revenues of budgetary entities** (including valuation of land) by 180% or UAH 2,381 million to UAH 3,704 million in 2015. **The positive variance in respect of the city's municipal revenue** (30% or UAH 5,147 million) is primarily explained by recognition of non-budgeted transactions with own assets of budgetary entities; increased receipts from **personal income tax** (105% of budget) and from **privatisation of assets** (272% of budget) as a result of sales of **29.95% share in the Scientific Manufacturing Centre "Borshchagivsky Chemical and Pharmaceutical Factory"**.
- Transfers from the government budget** were up by 6% or UAH 502 million to UAH 9,476 million (100% vs budget). During 2015, **subventions from the government budget** totalled UAH 9,476 million, 17.4% or UAH 1,402 million up from 2014. During the reporting year, Kyiv received no **grants from the government budget** (2014: UAH 900 million of grants). **The increase in transfers from the previous year** is mainly explained by the receipt of **new subvention types (educational, healthcare and vocational training)** totalling UAH 5,600 million and increase in subvention for benefits and housing subsidies provided to residents by UAH 501 million to UAH 926 million.

Kyiv's city budget revenues excluding transactions with assets from own revenues of budgetary entities increased by 24% to UAH 27,950 million (105% of budget).



Kyiv's city budget revenues by source
(UAH million)



Tax receipts

Tax receipts represent the largest source of revenues accounting for 49.4% of Kyiv's total revenues in 2015. The major sources of Kyiv's city budget revenues include **personal income tax, property tax, unified tax,** and **corporate profit tax.**

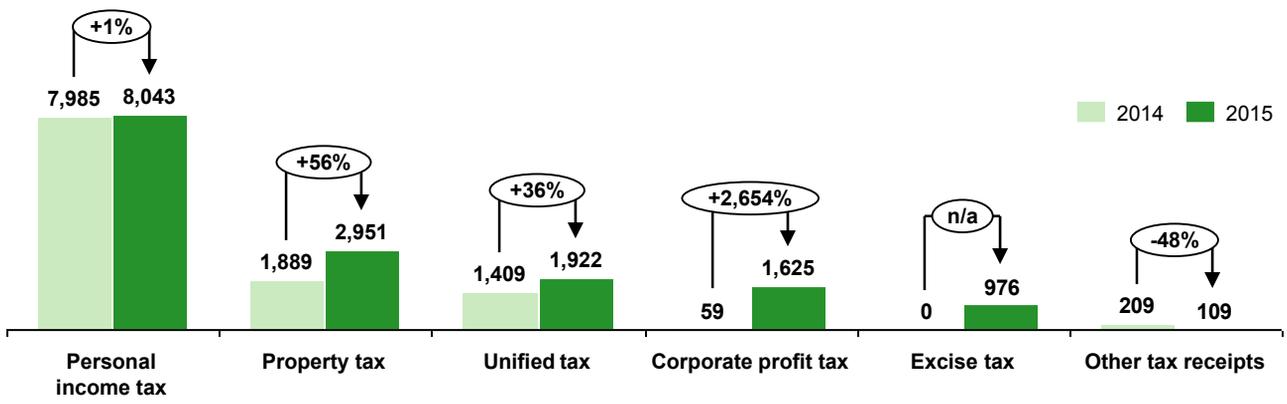
In 2015, tax receipts to Kyiv's city budget increased by 35% or UAH 4,074 million to UAH 15,625 million.

Growth of the city's revenues from the previous year primarily relates to an increase in receipts from **corporate profit tax by UAH 1,566 million** (explained by allocation of 10% of the corporate profit tax on profits generated by private companies and financial institutions to the city's budget starting from 1 January 2015); **property tax by UAH 1,062 thousand** (explained by the extended taxable base and incorporation of real estate tax and transport tax); **allocation of excise tax of UAH 976 million**, and an increase in receipts from **unified tax by UAH 514 million.**

A full list of taxes flowing into the city budget is approved by the Budget Code. The tax rates are determined in the Tax Code of Ukraine. All tax receipts are administered and controlled by the **State Fiscal Service of Ukraine** (the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers). **Consequently, Kyiv's executive authorities have a limited mandate to manage the main source of budget revenues – tax receipts.**



Tax receipts to Kyiv's city budget by key tax
(UAH million)



**Tax receipts to Kyiv's city budget by sector^{1,2}**
(UAH million)

No	Sector / Area	2014	2015	Change 2015/2014, %
1	Trade, repairs and maintenance of vehicles, appliances and personal items	1,622	3,225	99%
2	Real estate, leasing and services to legal entities	2,133	2,755	29%
3	Finance	1,224	1,364	11%
4	Processing industry	986	1,339	36%
5	State administration	867	942	9%
6	Construction	585	766	31%
7	Information and telecommunications	241	327	35%
8	Professional, scientific and technical services	188	256	36%
9	Transport, warehousing, CEP	126	201	60%
10	Mining and quarry operations	48	165	243%
11	Power, gas, steam distribution	135	133	-1%
12	Water supply, sewerage, waste treatment	37	64	70%
13	Education	38	32	-15%
14	Other	3,514	4,295	22%

**Top 15 major taxpayers to Kyiv's budget in 2015¹**
(UAH million)

No	Taxpayer	Paid in 2015
1	The Main Directorate of the Pension Fund of Ukraine in Kyiv	124.8
2	PJSC "KYIVENERGO"	94.2
3	PJSC "PROMINVESTBANK"	89.4
4	PrJSC "KYIVSTAR"	87.3
5	PrJSC "MTS UKRAINE"	85.4
6	PE "OKKO-NAFTOPRODUKT"	82.8
7	LLC VOSTOK	72.7
8	LLC "EPICENTRE K"	70.8
9	PJSC "UKRNAFTA"	70.4
10	LLC "WOG RETAIL"	69.8
11	LLC "ATB-MARKET"	67.2
12	LLC "FOZZY-FOOD"	66.4
13	PrJC "UKRAINE INTERNATIONAL AIRLINES"	65.8
14	PJSC "JSC KYIVVODOKANAL"	60.6
15	LLC "PREMIER LEAGUE"	59.0

¹ – According to the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers.

² – Information presented according to classification of entities by type of business in the Economic Activity Classifier (KVED) version 009:2010 approved by the State Consumer Standard Board decree № 457 dated 11 October 2010 (effective from 1 January 2012) with amendments. The information in Kyiv's City Annual Report 2014 was presented according to the Economic Activity Classifier (KVED) version 009:2005 effective until 31 December 2013. All companies obtained new KVED codes per KVED version 009:2010, therefore 2014–2015 date has been presented in accordance with the new Classifier.



As at 31/12/2015, Kyiv's budget tax receivables¹ grew by 63% to total UAH 1,145 million.



Kyiv's budget tax receivables by sector in 2014–2015^{1,2}
(UAH million)

No	Sector / Area	As at 31/12/2014	As at 31/12/2015	Change 2015/2014, %
1	Construction	103	165	60%
2	Mining	0	136	n/a
3	Processing industry	79	121	53%
4	Real estate, leasing and services to legal entities	68	120	76%
5	Trade, repairs and maintenance of vehicles, appliances and personal items	26	88	240%
6	Finance	51	53	6%
7	Power, gas and water generation and distribution	22	32	43%
8	Transport	8	8	5%
9	Other	346	422	22%
Total for Kyiv		702	1,145	63%



Kyiv's budget tax receivables by type of tax/fee as at 31/12/2014 and 31/12/2015^{1,2}
(UAH million)

No	Taxes and fees	As at 31/12/2014	As at 31/12/2015	Change 2015/2014, %
1	Property tax, including:	339	472	39%
	- land tax	339	453	33%
2	Corporate profit tax	27	340	1,146%
3	Personal income tax	288	269	-6%
4	Unified tax	31	42	32%
5	Other	17	22	33%
Total for Kyiv		702	1,145	63%



Top-15 tax debtors with outstanding tax/fee payables to Kyiv's city budget as at 31/12/2015^{1,2}
(UAH million)

No	Taxpayer	Tax payable as at 31/12/2015
1	PJSC "UKRNAFTA"	132.3
2	PJSC "SCIENTIFIC AND PRODUCTION ASSOCIATION "BILSHOVYK"	32.8
3	PJSC "MOSTOBUD"	26.7
4	MUNICIPAL ENTITY "ZHYTLOREMBUDSERVICE"	21.9
5	LLC "CEC"	20.2
6	PJSC "KYIVPORT"	16.1
7	SE "ARSENAL PLANT"	14.7
8	LLC "ABA 11"	9.2
9	PrJSC "TREST KYIVMISKBUD-1"	8.8
10	JSC "KYIVREKONSTRUKTSIYA"	8.5

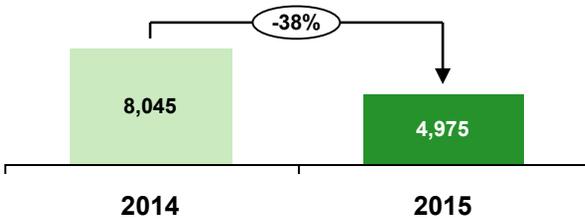
¹ – According to the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers.

² – Excluding tax payable of taxpayers in bankruptcy proceedings or those with legal proceedings terminated by court ruling.

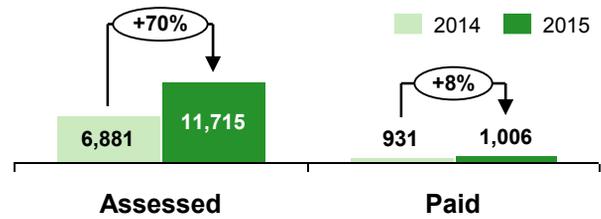


The number of tax audits conducted by State Fiscal Service agencies during 2015 decreased by 38%.

Number of tax audits conducted in Kyiv¹
(units)



Additional tax assessed and paid as a result of tax audits
(UAH million)



¹ –According to the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers.

As a result of tax audits, UAH 11.7 billion of additional taxes and fees were assessed, a 70% increase on the previous year, and UAH 1 billion paid to Kyiv's city budget (+8% year-over-year).

Non-tax receipts

Non-tax receipts accounted for 11.8% (2014: 11.6%) of Kyiv's total revenues in 2015 comprising: administrative fees and charges (including stamp duty, administrative service fees) of UAH 464 million, receipts of share-based contributions for the development of the city's infrastructure of UAH 333 million, share in net profit of/dividends from municipal entities of UAH 76 million, revenues of budgetary entities of UAH 5,027 million (including revenues of budgetary entities from transactions with own assets of UAH 3,074 million).

In 2015, non-tax receipts to Kyiv's city budget increased by 114% or UAH 3,168 million to UAH 5,938 million.

The increase in non-tax receipts compared to the previous year is mainly attributable to the increase in transactions with assets from own revenues of budgetary entities (including valuation of land) by 180% or UAH 2,381 million to UAH 3,704 million in 2015.

Receipts from capital transactions

As in previous year, receipts from capital transactions represented only 1.1% of Kyiv's budget total revenues, **primarily consisting of proceeds from property privatisation and the sale of land.** The majority of this type of revenue was obtained from the sale of a **29.95% interest in PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant"** for the total consideration of UAH 171.8 million, UAH 28.64 above the starting bid price (UAH 143.2 million).

Transfers from the government budget

In 2015, **transfers from the government budget** retained the major share in total budget revenues (29.9% in 2015 vs 37.7% in 2014) and were made for special purposes.

During 2015, transfers from the government budget totalled UAH 9,476 million (100% of budget), an increase of 6% or UAH 502 million from 2014.

During 2015, the **subvention for compensation of tariffs** for for heat, centralised water supply and water disposal decreased by UAH 3,086 million to UAH 586 million. At the same time, the **public benefits and housing subvention** provided to households for payment of power and other utility bills increased by UAH 501 million to UAH 926 million.

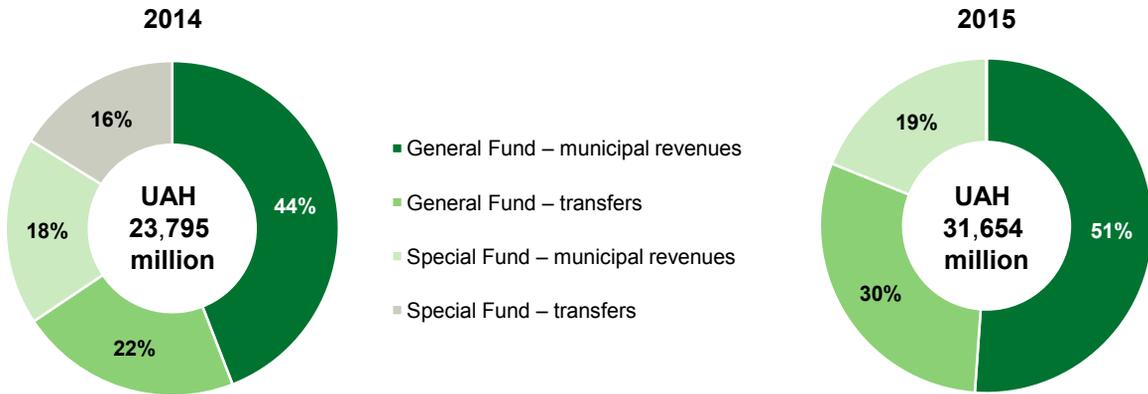


During 2015, the following subventions were **not received** by the Kyiv budget: government grants, capital city subvention and the subvention for construction, reconstruction, repair and maintenance of municipally-owned streets and roads in community residential locations (2014: these subventions totalled UAH 2.9 billion).

At the same time, during 2015, Kyiv's city budget received new government subventions that were not provided in the previous year, namely, educational, healthcare, vocational training and other new subvention types.



Kyiv's city budget revenues by fund
(%)





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ФУНК

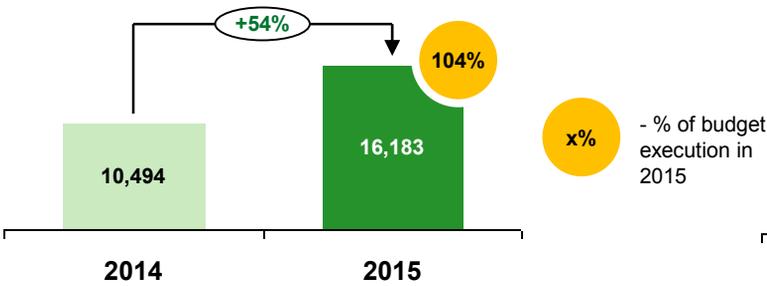


GENERAL FUND REVENUES

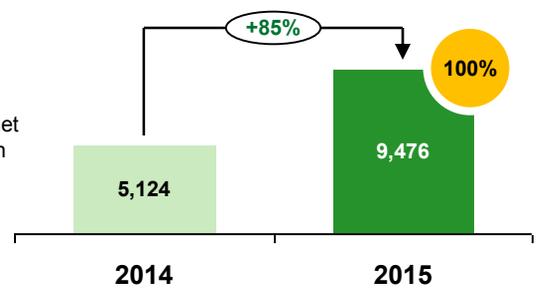
In 2015, Kyiv's General Fund revenues were up by 64% to UAH 25,659 million (103% of budget) due to an increase in transfers from the government budget and tax receipts from personal income tax as a result of changes to the Budget Code.



Kyiv's General Fund municipal revenues
(UAH million)



Transfers from the government budget to Kyiv's General Fund
(UAH million)

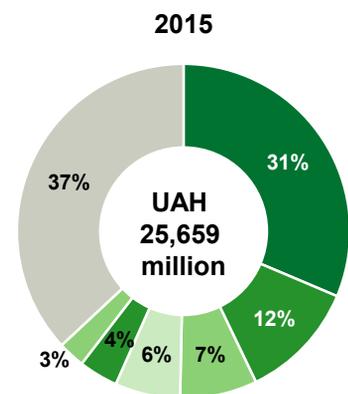
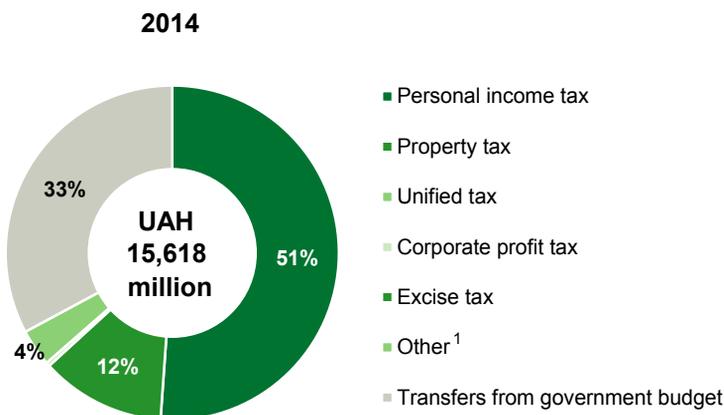


In 2015, **Kyiv's General Fund municipal revenues** increased by UAH 54% or UAH 5,689 million. It was mainly driven by the **increase in tax receipts** by 55% or UAH 5,548 million as a result of allocated unified tax (2014: the unified tax was allocated to the Special Fund) and an increase in the number of taxes allocated to local budgets starting from 2015.

Transfers from the government budget increased by UAH 4,352 million to UAH 9,476 million (mainly due to the receipt of the education and healthcare subvention of UAH 5,307 million and the growth in public benefits and housing subvention by UAH 501 million to UAH 926 million. At the same time, the city did not receive the capital city subvention or government grants during the reporting year.



Structure of Kyiv's General Fund revenues
(%)



¹ – Other tax receipts, non-tax receipts and receipts from capital transactions.

The most significant changes in the General Fund revenue structure were represented by tax receipts. Under the amendments to article 64 of the Budget Code of Ukraine, the following taxes and fees are allocated to Kyiv's city budget starting from 2015: unified tax, 10% of the corporate profit tax on profits generated by private companies and financial institution, excise tax on retail sales of excisable goods, 80% of environmental tax (previously allocated to the Special Fund), property tax (on both commercial and residential properties), transport tax. **Total Kyiv's city budget receipts from these taxes** amounted to **UAH 4,800 million**.

Personal income tax

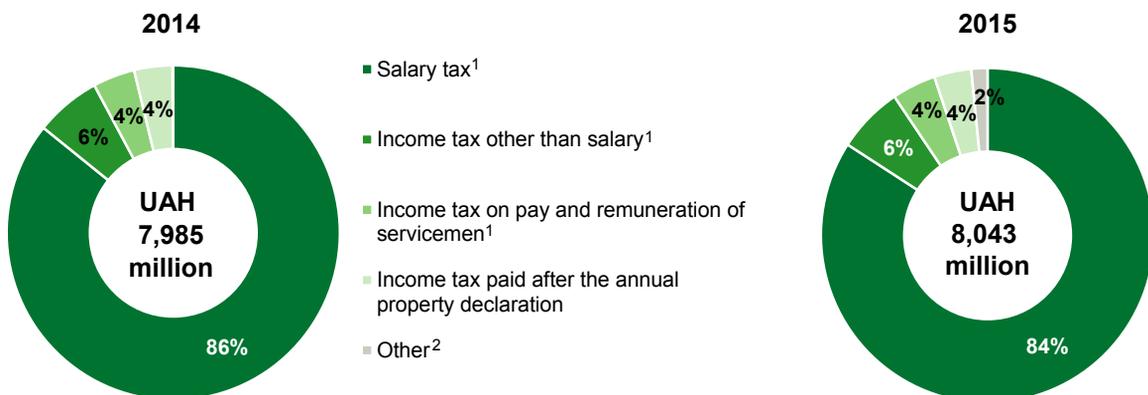
2015 receipts from personal income tax amounted to UAH 8,043 million, or 105% of budget, up 0.7% year-over-year.

Personal income tax ("PIT") remained Kyiv's **single biggest source of General Fund own revenues** in 2015. It accounted for 31% in Kyiv's General Fund revenues (second largest source of receipts after transfers from the government budget) and 25% in Kyiv's total municipal revenues.

Under the Budget Code of Ukraine, starting from 1 January 2015, only **40% of personal income tax** is paid to Kyiv's city budget, with the other 60% being paid to the Ukrainian government budget. In 2013 and 2014, the share of personal income tax paid to Kyiv's city budget was 50%. For comparison, municipal budgets of other Ukrainian cities receive 60% of personal income tax, with the remaining 40% paid to the Ukrainian government budget.

Under the Tax Code, the personal income tax rate in Ukraine in **2015** was **15% on the taxable base and 20% on the excess** of income over 10 times the minimum wage in a calendar year (this threshold amount was UAH 12,180 before 1 September 2015 and UAH 13,780 thereafter).

Structure of personal income taxes (%)



¹ – It is payable by tax agents.

² – PIT on pensions or the monthly lifetime allowance taxable under subclause 164.2.19 article 164 of the Tax Code.

Salary appears to be the key source of individual income taxation. In 2015, the share of PIT on salary dropped from 86% to 84% of total personal income tax paid by individuals to Kyiv's city budget.

During 2015, **PIT on salary** received by the city dropped by 1.2% to UAH 6,765 million, mainly due to the decrease in the city's share in receipts of this tax from 50% in 2014 to 40% in 2015.

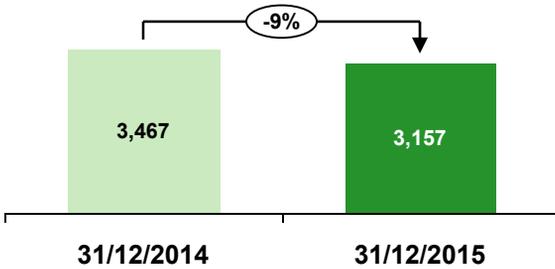
There was an 2.2% drop in income tax paid based on the **annual property declaration** – down to UAH 290 million.

In addition, **tax on pensions was introduced from 1 July 2014**, payable **on the excess of pensions over UAH 10,000 a month** between 1 July 2014 and 1 January 2015 and **over three times the minimum wage**, i.e. UAH 3,654 a month in 2015. 2015 receipts of PIT on pensions totalled UAH 126 million or 105% of the annual budget.

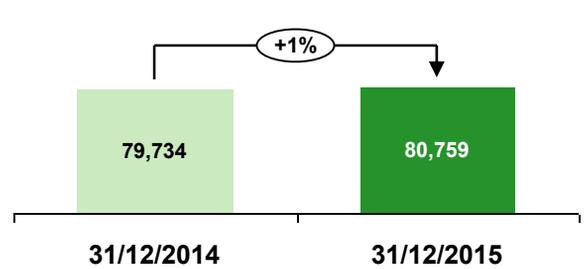


As at 31/12/2015, the number of personal income tax agents in Kyiv increased to 0.9% to 83,916.

Number of PIT payers in Kyiv¹
(persons)



Number of tax agents (legal entities) in Kiev
(units)



¹ – According to the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers.

As at 31/12/2015, **personal income tax receivables** of Kyiv's city budget dropped by 6% to UAH 269 million.

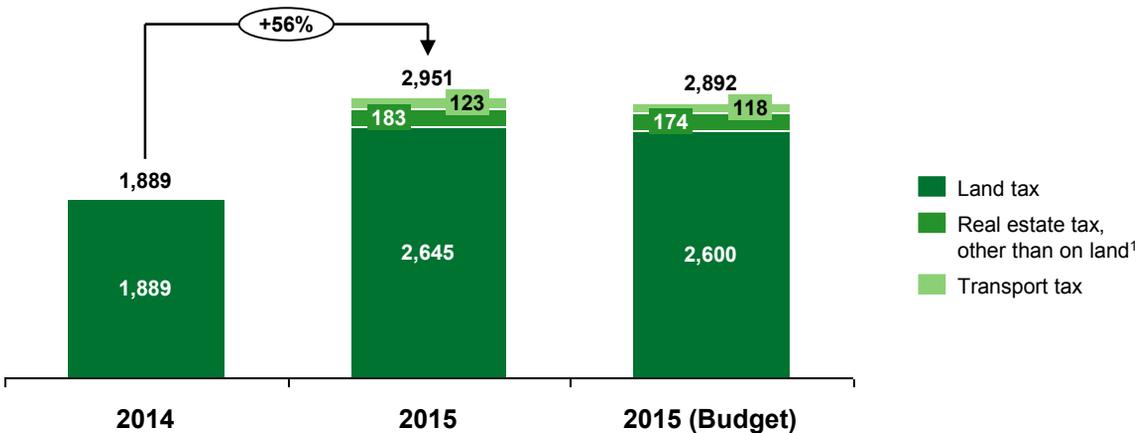
Property tax

2015 receipts from property tax amounted to UAH 2,951 million, or 102% of budget, up 56% year-over-year.

In 2015, property tax was **ranked third (11%) by the amount of receipts** collected to Kyiv's General Fund.



Receipts from property tax to Kyiv's city budget
(UAH million)



¹ – Paid by owners of residential and/or non-residential real estate, both individuals and legal entities, including non-residents.

Property tax represents a local tax introduced since 1 January 2015. Under article 265 of the Tax Code of Ukraine, this tax comprises:

- land tax,
- transport tax and
- real estate tax, other than on land.

Before 1 January 2015, Kyiv's city budget receipts only covered **land tax that was not a component of local taxes and fees.**

As at 31/12/2015, **property tax receivables** of Kyiv's city budget increased by 39% to UAH 472 million.



Land tax:

Land tax is levied on legal entities and individuals in the form of a **rent fee** for state-owned and municipal land and **land charge**.

In 2015, land tax receipts totalled UAH 2,645 million, or 102% of the annual budget. This is 40% higher than in 2014.

Receipts of land tax increased by 40% or UAH 756 million year-over-year due to higher efficiency of land utilisation, systematic efforts to increase the number of rental agreement, resolution No 23/03 adopted by the Kyiv City Council on 03/07/2014 "On approval of the technical manual on reference monetary values of Kyiv land" (effective from 01/07/2015) resulting in **indexation of the reference monetary value of land by the consumer price index of 124,9%**.

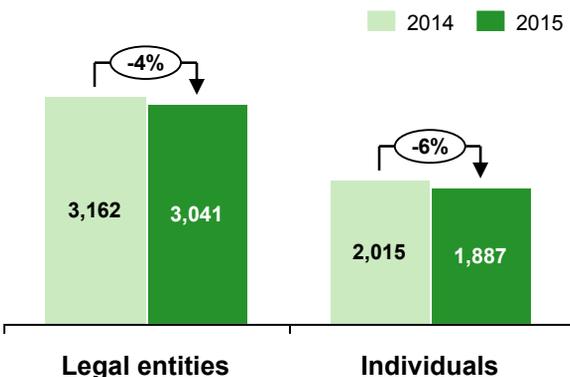
Receipts from land tax to Kyiv's city budget (%)



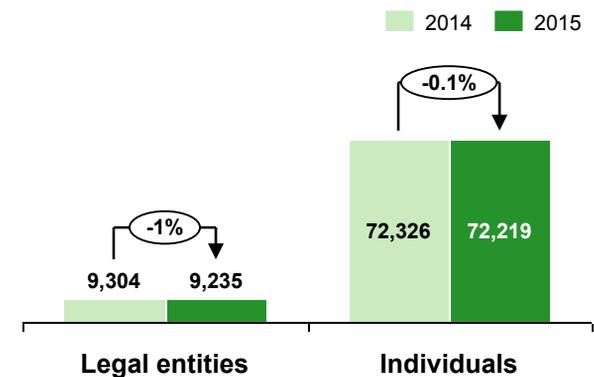
As at 31/12/2015, **land tax receivables** of Kyiv's city budget increased by 33% to UAH 453 million.

As at 31/12/2015, the number of land charge payers in Kyiv dropped by 0.2% to 81,454, with the number of rent fee payers dropping by 4.8% to 4,928.

Number of rent fee payers in Kyiv¹ (units)



Number of land charge payers in Kyiv¹ (units)



¹ – According to the State Fiscal Service General Division in the city of Kyiv and the State Fiscal Service Central Office for Large Taxpayers.

**Real estate tax, other than on land:**

This tax was introduced with effect from **1 January 2015**. Under article 266 of the Tax Code of Ukraine, this tax is paid by **owners of residential and/or non-residential real estate**, both individuals and legal entities, including non-residents.

The Kyiv City Council may impose tax rates for residential and/or non-residential real estate properties based on location (locations bands) and type of real estate property, **capped at three percent of the statutory minimum wage** effective as at 1 January of the reporting (fiscal) year per 1 square metre of the taxable base.

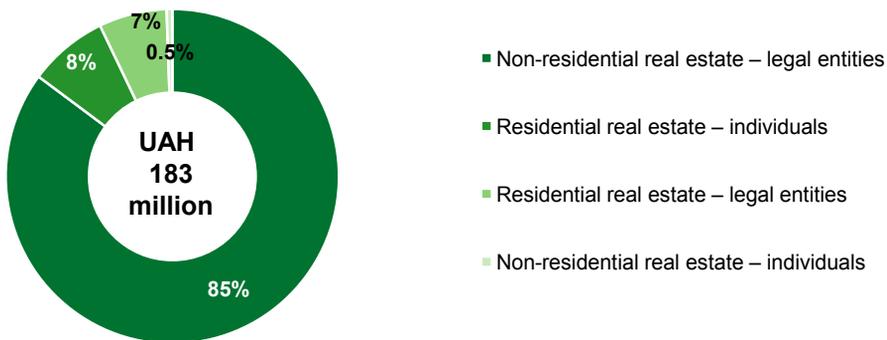
Under article 266.4.1 of the Tax Code of Ukraine, the following allowances apply for real estate properties owned by individuals: 60 sq.m. for flats, 120 sq.m. for houses and 180 sq.m. for other types of residential properties to be offset against the taxable base.

In addition, the Kyiv City Council may apply allowance for this tax based on means assessment and income level of residents.

In 2015, receipts from real estate tax, other than on land, totalled UAH 183 million or 105% of the annual budget.



Receipts from real estate tax, other than on land, to Kyiv's city budget in 2015
(%)



As at 31/12/2015, the number of real estate tax payers in Kyiv increased by 3.6 times to 12,621 as a result of the real estate tax registry established during 2015.

As at 31/12/2015, **real estate tax receivables** of Kyiv's city budget totalled UAH 3.6 million.



Transport tax:

In 2015, receipts from transport tax totalled UAH 123 million, of which 72% represented tax from individuals.

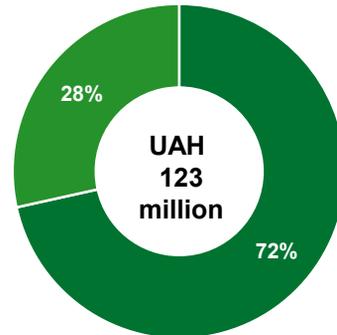
Transport tax was introduced with effect from **1 January 2015**. Transport tax is paid by owners of cars with Ukrainian registration, both individuals and legal entities.

In 2015, vehicles subject to this tax were cars in use under 5 years with cylinder capacity of over 3,000 cc. **Starting from 1 January 2016**, vehicles subject to taxation are cars 5 or less years of age with the average market value of over 750 times the statutory minimum wage effective on 1 January of the fiscal year or over UAH 1,033,500.

The applicable **tax rate** is **UAH 25,000** per taxable vehicle per calendar year.



Kyiv's city budget receipts from transport tax in 2015 by structure (%)



- Transport tax paid by individuals
- Transport tax paid by legal entities

As at 31/12/2015, **transport tax receivables** of Kyiv's city budget totalled UAH 16.9 million.

Unified tax

In 2015, Kyiv's city budget receipts from unified tax increased by 36% to UAH 1,922 million, which represented 101% of the annual budget.

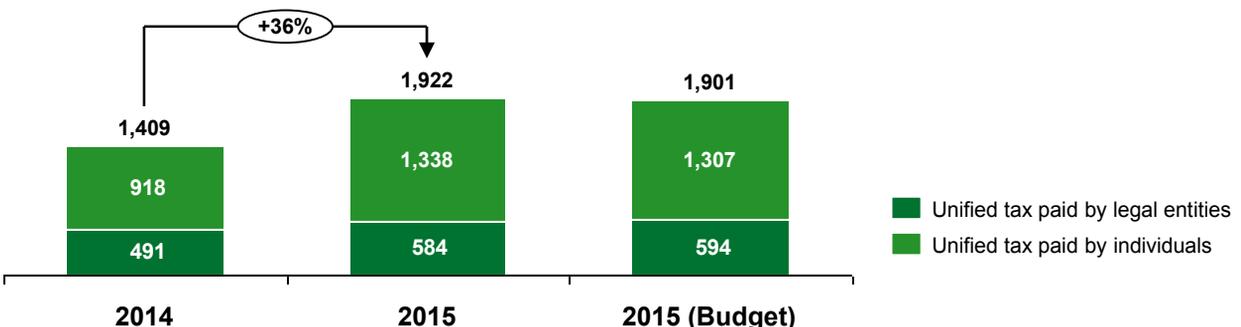
The increase in unified tax receipts from the previous year is mainly explained by **increased receipts from individual entrepreneurs**, in particular, as a result of increased number of individual entrepreneurs.

The recently amended Tax Code decreased the number of unified tax payer groups from six to four starting from 1 January 2015, while increasing the maximum revenue eligibility threshold for unified tax.

In 2014, receipts from unified tax were collected to Kyiv's **Special Fund**. Under the recently amended article 64 of the Budget Code of Ukraine, unified tax is collected to Kyiv's General Fund starting from 1 January 2015.



Receipts from unified tax to Kyiv's city budget (UAH million)

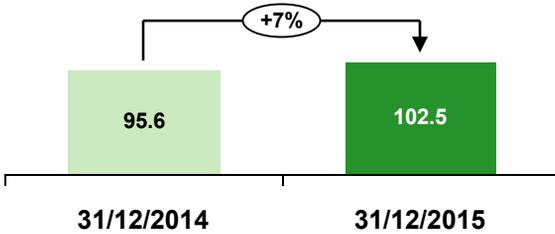




As at 31/12/2015, the number of unified tax payers in Kyiv increased by 5.8% to 123,674.

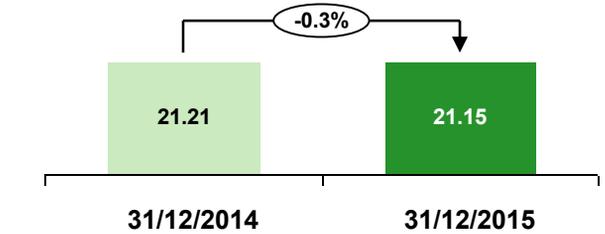
Number of individual payers of unified tax to Kyiv's city budget¹

(thousands of persons)



Number of corporate payers of unified tax to Kyiv's city budget¹

(thousands of entities)



¹ – According to the State Fiscal Service General Division in the city of Kyiv.

Under article 291 of the Tax Code, entities eligible for simplified taxation are classified between **four groups of unified tax payers** as follows:

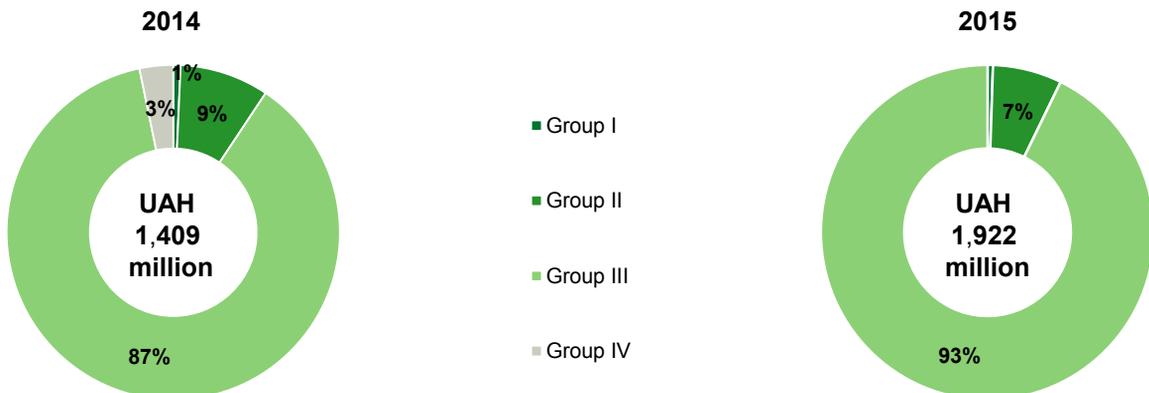
Group	Taxpayers	Eligibility criteria	Tax rate
Group I	Individual entrepreneurs	<ul style="list-style-type: none"> no employees business represents solely retail sales of goods at markets and/or consumer services to individuals annual revenue of UAH 300,000 or lower 	<ul style="list-style-type: none"> fixed rates imposed by the Kyiv City Council based on the type of business capped at 10% of the minimum wage effective on 1 January
Group II	Individual entrepreneurs	<ul style="list-style-type: none"> 10 employees or less business represents services to unified tax payers and/or individuals annual revenue of UAH 1,500,000 or lower 	<ul style="list-style-type: none"> fixed rates imposed by the Kyiv City Council based on the type of business capped at 20% of the minimum wage effective on 1 January
Group III	Individual entrepreneurs and legal entities	<ul style="list-style-type: none"> any number of employees annual revenue of UAH 20,000,000 or lower 	<ul style="list-style-type: none"> 2% of revenue subject to VAT 4% of revenue not subject to VAT
Group IV	Agricultural producers	<ul style="list-style-type: none"> the share of agricultural products produced during the previous fiscal year is 75% or more 	<ul style="list-style-type: none"> % of reference monetary value of one hectare of agricultural land based on the land type and location

In 2015, the share of Kyiv's unified tax receipts collected by Kyiv's city budget from Group III taxpayers increased from 87% to 93%.



Receipts from unified tax to Kyiv's city budget by structure

(%)



As at 31/12/2015, **unified tax receivables** of Kyiv's city budget increased by 32% to UAH 41.6 million.



Corporate profit tax

Receipts from profit tax imposed on entities and organisations decreased by UAH 1,566 million to UAH 1,625 million reaching 104% of the annual budget.

Starting from 1 January 2015, in addition to tax on profits of municipal entities, **10 percent of tax on profits of private companies and financial institutions** is paid to Kyiv's city budget (under article 64 of the Budget Code of Ukraine). As a result of these changes, corporate profit tax receipts collected to Kyiv's city budget increased by UAH 1,566 million.

Under the Tax Code, the applicable basic **profit tax rate** in 2014 and 2015 was **18%**. In 2015, the 5% rate and other tax allowances were abolished for IT and other sectors.

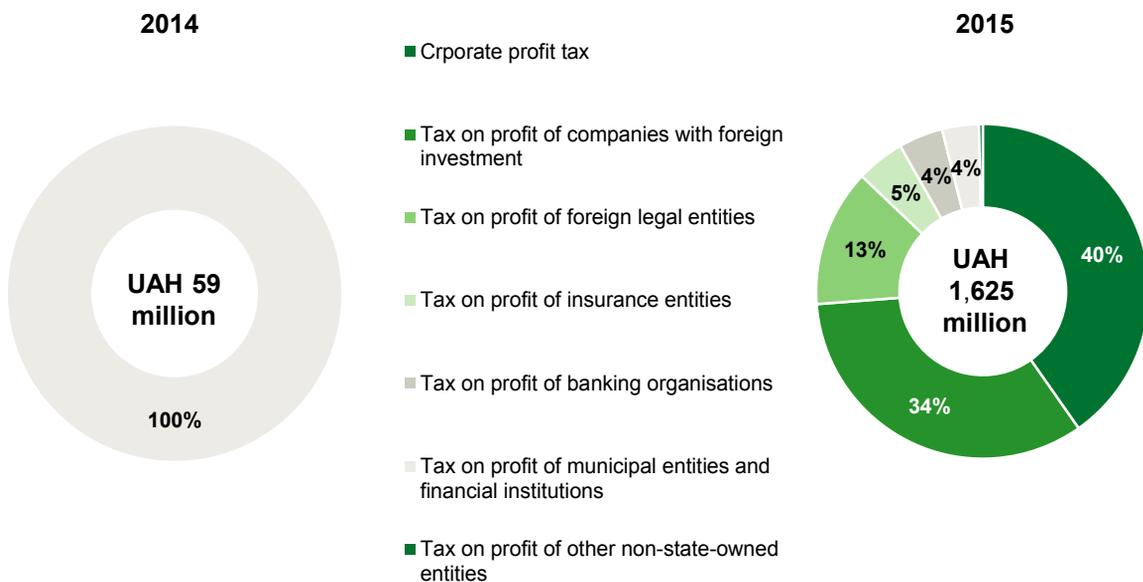
Profit tax exemption is granted to certain not-for-organisations, in particular, budgetary, civil society organisations, political parties, religious organisations, charities, apartment building co-owners associations, pension funds, as well as entities eligible for simplified taxation.

As at 31/12/2015, corporate profit tax was paid by 64,342 entities, including 139 municipal entities and financial institutions.

The majority of tax receipts (40% of total corporate profit tax receipts in 2015) is from private entities.



Receipts from property tax to Kyiv's city budget by structure (%)



As at 31/12/2015, CPT payable to Kyiv's city budget amounted to UAH 340.5 million, which is 313% higher than the previous year.



Excise tax

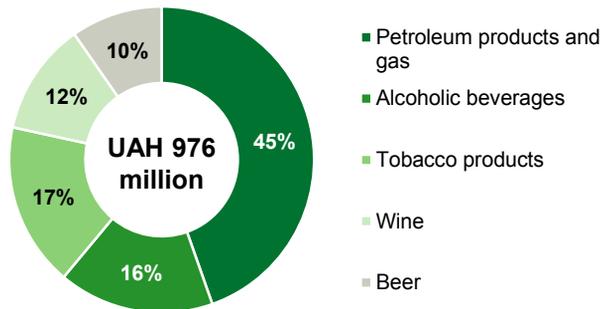
Receipts from excise tax totalled UAH 976 million, of which 45% was excise tax on petroleum products and gas.

Under the amended Budget code, starting from 01/01/2015, excise tax on retail sales of excisable goods (vodka, liquor, tobacco, wine, beer, petroleum products and gas) is paid to Kyiv's city budget.

As at 31/12/2015, the number of excise tax payers was 2,419 and Kyiv's city budget receivable for this tax totalled UAH 3.3 million.



Kyiv's city budget receipts from excise tax in 2015 by structure
(%)



Other tax receipts to the city's General Fund

2015 receipts from other taxes and levies to Kyiv's General Fund totalled UAH 109 million, or 95% of the annual target with a 24% decrease vs 2014.

The decrease in receipts from other taxes is explained by the charges on some types of business abolished during 2015 (2014: receipts totalled UAH 65.1 million).

In 2015, other tax receipts comprised the following taxes and levies:

- **Charges and taxes** on the special use of natural resources (water, forest resources, subsoil). Kyiv's city budget receipts totalled UAH 47.4 million, or 104% of the annual budget. This is 3.8% higher than in 2014.
- **80% of environmental tax** (2014: paid to the Special Fund). Receipts from environmental tax dropped by 18% from the previous year to UAH 29.7 million (92% of annual budget), mainly due to the abolished tax on emissions from mobile air pollution sources from 1 January 2015.
- **Parking fee.** Kyiv's city budget receipts from this decreased by 6% to UAH 23.2 million (96.8% of the annual budget).
 - According to the KCC resolution № 58/923 dated 28/01/2015, this fee is charged at the **rates between 0.03% and 0.05% of the minimum wage effective on 1 January** per square metre of the parking facility per day of providing parking services (i.e. between UAH 0.37 and UAH 0.61 per square metre per day in 2015) based on the parking facilities assigned to **ME "Kyivtransparkservis"**.
 - As at 01/01/2015, 681 parking facilities with 27,252 parking slots (as at 01/01/2014: 690 parking facilities with 28,278 parking slots) with the total floor area of 601,335 sq.m. operated in Kyiv, including 313,398 sq.m. of parking area (S), of which 28,831 sq.m. represented the slots for free-of-charge parking (I).
 - **The fee payable to the city's budget** is calculated using the following formula: $P = (S - I - A) * C * M * N$, where P is the amount of fee payable for the reporting 3-month period; A is the area of the site temporarily out of operation based on the decree of the executive body of Kyiv City Council (KCSA); C is the rate; M is the minimum wage effective on 1 January; N is the number of days providing services.
- **Tourism fee** Kyiv's city budget receipts totalled UAH 13.0 million, or 102% of the annual budget. This is 5.2% higher than in 2014.

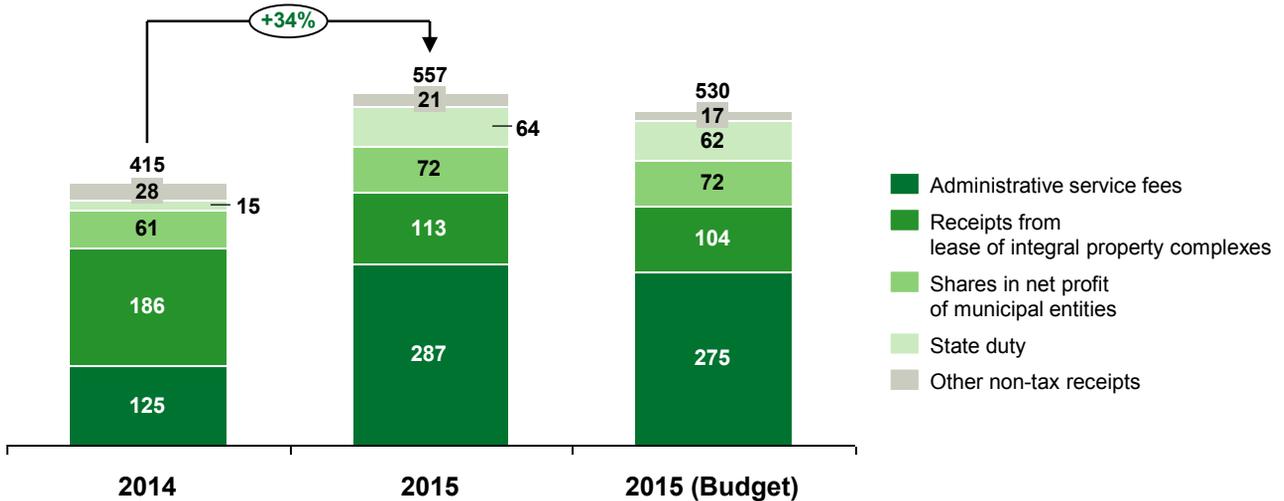


Non-tax receipts to the city's General Fund

2015 non-tax receipts amounted to UAH 557 million, or 105% of budget, up 34% year-over-year.



Non-tax receipts to Kyiv's city budget
(UAH million)



Administrative service fee

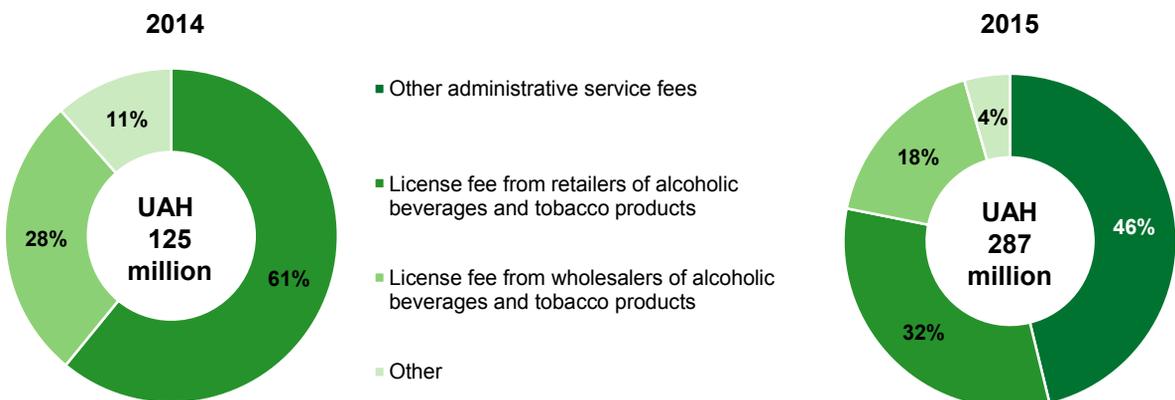
Receipts from administrative service fees recorded a 2.8% increase up to UAH 287 million, or 104% of the annual budget.

The increase in receipts from the previous year is primarily explained by extended services now provided by the Administrative Service Centers ("ASCs") in Kyiv and an increased number of applications.

- In 2014 and 2015, administrative services in Kyiv were provided through 11 ASCs: 1 central ASC and 10 district ASCs. Until 2015, the central ASC operated as KCSA branch and was reorganised into a standalone unit in late 2014. District ASCs remain components of respective District State Administrations in Kyiv.
- As at September 2015, the central ASC provided 132 types of administrative services and district ASC between 62 and 92 services.



Receipts from administrative service fees to Kyiv's city budget by structure
(%)





Receipts from the lease of properties:

In 2015, receipts from the lease of municipal properties totalled UAH 113 million (109% of budget), which is 39% or UAH 73 million lower compared to 2014.

Receipts from the lease of properties comprise:

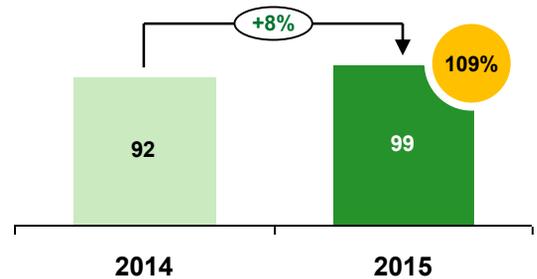
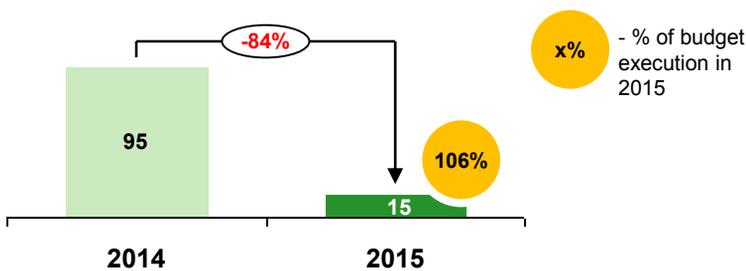
- receipts from **net income of PJSC "KYIVENERGO" and PJSC "JSC "Kyivvodokanal"** on the lease of integral property complexes;
- receipts from the lease of **municipal non-residential properties**.



Receipts from net income on the lease of integral property complexes¹
(UAH million)



Receipts from the lease of municipal properties
(UAH million)



¹ – Receipts from income of PJSC "KYIVENERGO" and PJSC "JSC "Kyivvodokanal".

Receipts from net income on the lease of integral property complexes:

- Within the Kyiv Energy Management and Reform Project 2001, Kyiv's territorial community transferred power and heat supply assets into **possession and use of PJSC "KYIVENERGO" until 2017**. PJSC "KYIVENERGO" is obliged to pay Kyiv's territorial community a fee for use of the municipal property amounting to **10% of net income** gained for the previous budgeting year, but **at least UAH 2 million per annum**. In 2015, Kyiv collected UAH **14.15 million from PJSC "KYIVENERGO"** for lease of the integral property complex.
- PJSC JSC "Kyivvodokanal" is obliged to pay a fee for the use of the water supply and sewage networks owned by Kyiv's territorial community amounting to 10% of net income, but **at least UAH 200 thousand** per annum according to the agreement on possession and use of City-owned property dated 01/12/2006 (as amended). In 2015, Kyiv collected UAH **14.15 million from PJSC "JSC "Kyivvodokanal"** for lease of the integral property complex.
- **JSC "Kyivgaz"** (under the Kyiv community property holding and use agreement dated 21/04/2006) and **PJSC "Kyivspetstrans"** (under the Kyiv community property holding and use agreement dated 31/05/2012) are also required to pay **10% of their net income** for the previous year, but **at least UAH 200 thousand** per annum for the use of municipal assets to the city's budget. However, no receipts were recorded from these companies during 2014 and 2015.

Receipts from the lease of municipal properties:

Kyiv's General Fund received a portion of payments for the lease of municipal properties (according to the Kyiv City Council Resolution on Kyiv's City Budget 2015) as follows:

- 50% of receipts from the lease of City-owned properties with the remaining 50% left under management of municipal entities;
- 25% of receipts from leased properties of municipal entities that provided public utility services for residential housing locations in Kyiv with the remaining 75% left under management of such municipal entities.



Exemptions from lease payments to the local budget include: **budgetary entities and organisations, and non-profit municipal healthcare entities** owned by Kyiv's territorial community.

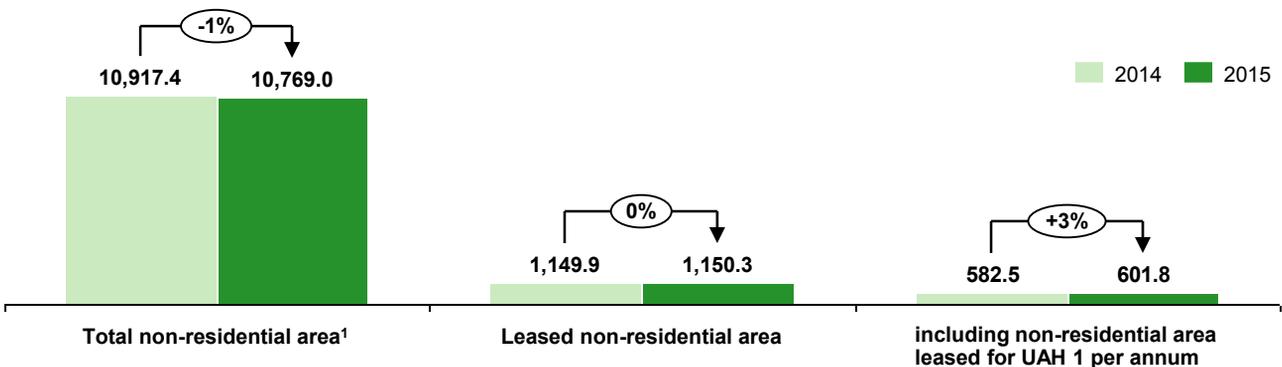
Leased municipal properties:

As at 31/12/2015, municipal properties owned by Kyiv's territorial community totalled **10,769 thousand m² of non-residential area**, which is 1.36% lower than in 2014 (excluding municipal assets under management of state-owned entities).

As at 31/12/2015, the area of leased municipal properties increased by 0.03% to 1,150.3 thousand m². At the same time, the number of tenants dropped by 4.4% to 4,989 due to the reduced consumption.

As at 31/12/2015, **601.8 thousand m², or 52% of total leased area** was leased to artistic, public associations, other State- or City-owned entities under the preferential treatment with a UAH 1 annual lease payment.

City-owned non-residential property trends (thousand m²)



¹ –Total area owned by Kyiv's territorial community, excluding municipal assets under management of state-owned entities.

Lease receivables of Kyiv's city budget increased by **15.8% to UAH 47.1 million**.

Portion of net income gained by municipal entities:

The Budget Code of Ukraine and Article 26 of the Self-Government Law of Ukraine prescribe that **all municipal entities owned by Kyiv's territorial community** have to pay a portion of their income at the standard rates and in line with the procedure for assessing and paying portions of income.

In 2015, receipts from net profits generated by municipal entities **increased by 17% to UAH 71.6 million**.

List of companies that paid a portion of income gained by municipal entities in 2015

No	Municipal entity's name	Paid in 2015, UAH million	Rate, % of net income
1	Municipal entity "Kyivrekлама"	20.6	80%
2	Municipal entity "Zhytloinvestbud-UKB"	14.6	50%
3	Municipal entity "Kyiv International Airport (Zhulyany)"	12.0	50%
4	Municipal entity "Spetszhytlofond"	3.2	50%
5	Municipal entity "Kyivpastrans"	2.7	1%
6	MCUE "Financial Company "Zhytlo-Invest"	2.3	50%



Transfers from the government budget to Kyiv's General Fund

In 2015, transfers from the government budget to Kyiv's General Fund totalled UAH 9,476 million, or 100% of the annual target with a 85% or UAH 4,352 million increase from 2014.

In 2015, transfers from the government budget **ranked first (37%)** by the amount of receipts collected to **Kyiv's General Fund**.

The increase in transfers from the previous year is mainly explained by the receipt of **educational and healthcare subventions** totalling UAH 3,193 million and increase in subvention for benefits and housing subsidies provided to households by UAH 501 million to UAH 926 million.

Transfers from the government budget to Kyiv's General Fund:

	Budget 2015, UAH million	Actual 2015, UAH million	Budget execution, %	Actual 2014, UAH million	Change 2015/2014, %
Total subventions to local budgets from the government budget	9,480	9,476	100%	4,223	124%
Healthcare subvention	3,193	3,193	100%	-	n/a
Educational subvention	2,115	2,115	100%	-	n/a
Subvention for benefits to households with children, disadvantaged households, adults with childhood disabilities, children with disabilities	1,969	1,966	100%	1,729	14%
Subvention for benefits and housing subsidies provided to household for for payment of power, natural gas, heat supply, water supply, water disposal and other housing bills.	926	926	100%	425	118%
Subvention for compensation of tariffs ¹	586	586	100%	-	n/a
Vocational training subvention	292	292	100%	-	n/a
Communication benefits subvention	246	246	100%	235	5%
Subvention for purchases of new tramcars manufactured in Ukraine for municipal electric transport services	49	49	100%	-	n/a
Subvention for local council elections	36	35	97%	8	351%
Subvention for part funding of children's and youth athletic schools that received support from the Temporary Disablement Social Insurance Fund before 2015	29	29	100%	-	n/a
Subvention for construction/purchase of housing for families of military killed on duty and the anti-terrorist operation veterans with I - II degree disabilities	23	23	99%	-	n/a
Subvention for the government social benefits for care of orphans and children deprived of parental care, monetary allowances for foster carers and adoptive parents for provision of social services	8	8	98%	7	10%
Subvention for purchase of pharmaceuticals and medical devices for ambulance teams	7	7	100%	9	-24%
Subvention for purchases of consumables for healthcare facilities and inhalation anaesthesia medication	1.3	1.0	79%	1.1	-12%
Subvention for provision of subsidies to households to compensate purchases of solid and liquid domestic fuel and liquefied gas	0.2	0.2	94%	0.2	7%
Capital city subvention	-	-	n/a	1,800	-100%
Subvention for part reimbursement of medication for treatment of individuals with hypertension	-	-	n/a	9	-100%
Total grants to local budgets from the government budget	-	-	n/a	900	-100%
Additional grant to equalise the fiscal capacity of the local budgets	-	-	n/a	866	-100%
Additional grant to compensate local budgets for the loss of revenue resulting from land tax allowances provided by government to space, aircraft manufacturing, shipbuilding entities	-	-	n/a	34	-100%
Total transfers from the government budget to Kyiv's General Fund	9,480	9,476	100%	5,124	85%

¹ – Subvention from the government budget for compensation of tariffs for heat, centralised water supply and water disposal. In 2014, this subvention was given to Kyiv's Special Fund.



During 2015, the **subvention for compensation of tariffs** for for heat, centralised water supply and water disposal decreased by UAH 3,086 million **to UAH 586 million** (2014: this subvention was paid to Kyiv's Special Fund).

Unlike the previous year, the following subventions were **not received** by the Kyiv budget: Government grants (2014: UAH 900 million), capital city subvention (2014: UAH 1,800 million), subvention for construction, reconstruction, repair and maintenance of municipally-owned streets and roads in community residential locations (2014: UAH 178 million).

At the same time, **unlike the previous year**, Kyiv's city budget received the **following new subventions**: healthcare subvention of UAH 3,193 million, educational subvention of UAH 2,115 million, vocational training subvention of UAH 292 million, subvention for purchases of new tramcars manufactured in Ukraine for municipal electric transport services of UAH 49 million, subvention for part funding of children's and youth athletic schools of UAH 29 million, and subvention for construction/purchase of housing for families of military killed on duty and the anti-terrorist operation veterans with I - II degree disabilities of UAH 23 million.





SPECIAL FUND REVENUES

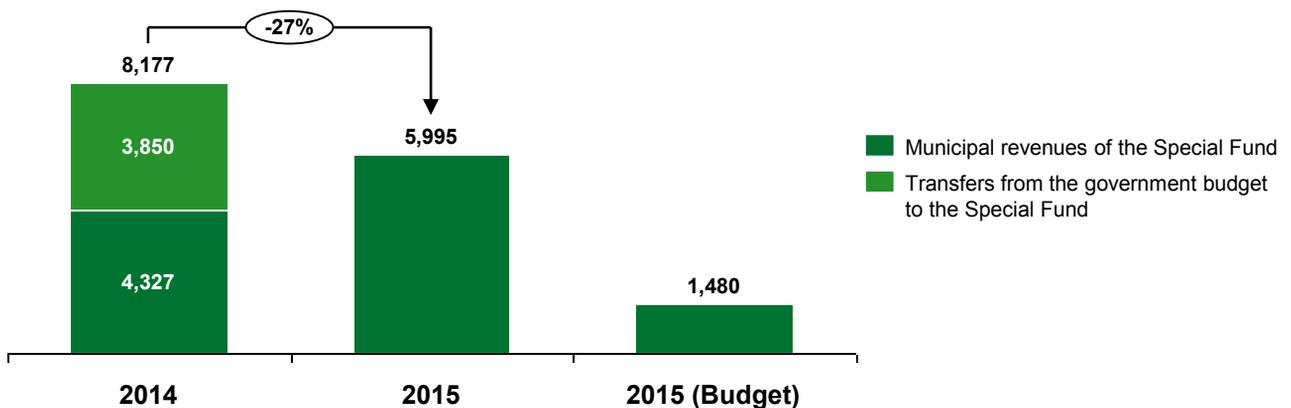
2015 Kyiv's Special Fund revenues totalled UAH 5,995 million (405% of annual budget), down 27% or UAH 2,182 million from 2014.

The reduction in revenues is explained by the following changes:

- starting from 1 January 2015, under the amended Budget Code, **unified tax is no longer paid** to the Special Fund (2014: related receipts totalled UAH 1,409 million);
- during 2015, Kyiv received no **grants from the government budget** (2014: UAH 3,850 million of grants).



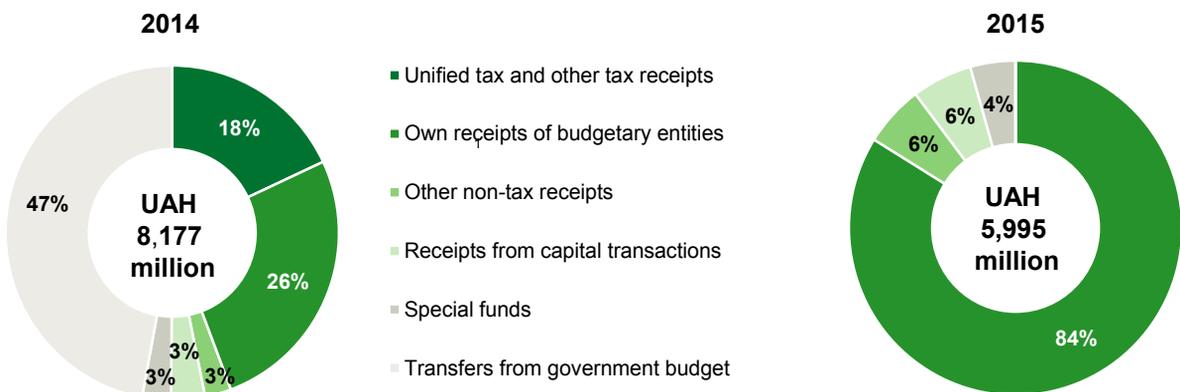
Kyiv's Special Fund revenues
(UAH million)



In 2015, municipal revenues of Kyiv's Special Fund grew by 39%, or UAH 1,668 million mainly due to an increase in **transactions with assets from own revenues of budgetary entities** (including valuation of land) by UAH 2,381 million to UAH 3,704 million.



Structure of Kyiv's Special Fund revenues
(%)



¹ – Include transactions with assets from own revenues of budgetary entities (including valuation of land) of UAH 3,704 million in 2015 and UAH 1,322 million in 2014.



Special Fund receipts from unified tax and other taxes

The 2015 Special Fund tax receipts totalled UAH 204 thousands and represented tax on land vehicles from legal entities registered in Kyiv.

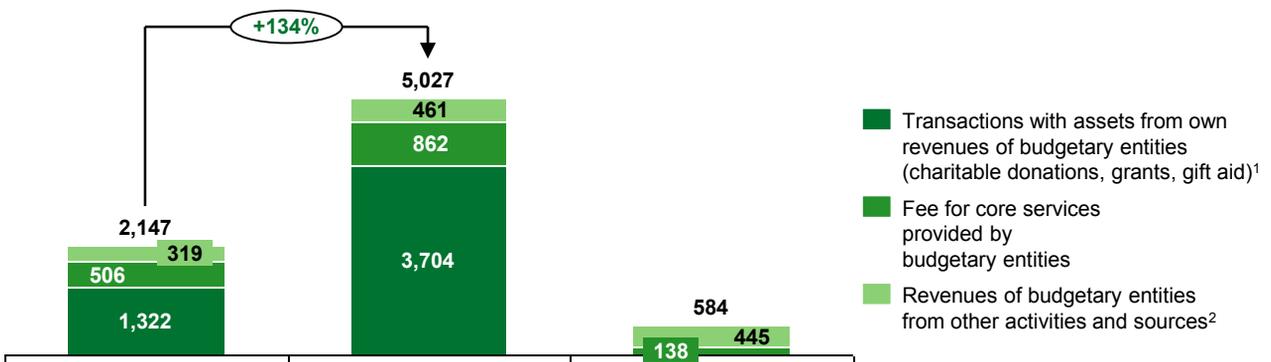
Starting from 1 January 2015, receipts from unified tax, environmental tax and real estate tax other than on land are collected to Kyiv's city budget General Fund.

Revenues of budgetary entities

In 2015, own revenues of budgetary entities increased by 2.3 times to UAH 5,027 million and represented 84% in Kyiv's city budget Special Fund revenues.

The increase in non-tax receipts compared to the previous year is mainly attributable to the increase in **transactions with assets from own revenues of budgetary entities** (including valuation of land) by UAH 2,381 million to UAH 3,704 million.

Revenue trends of Kyiv's budgetary entities (UAH million)



¹ – Recognition of non-monetary transactions with assets from own revenues of budgetary entities (including valuation of land) accounted for both in revenues and in expenditures of Kyiv's city budget

² – Include: rental fees for assets of budgetary entities; receipts of budgetary entities from additional activities; targeted inflows from companies, organisations, individuals and other budgetary entities for special uses, including disposal of land and other assets located on this land for community needs.

Transactions with own assets of budgetary entities are generally non-monetary and impossible to budget; as a result, these transactions are not included in the budget adopted by the Kyiv City Council.

The most significant **transactions with assets from own revenues of budgetary entities** during 2015 were as follows:

- recognition of revalued amounts of buildings and land held by **hospitals**: Kyiv's Oleksandrivska Clinical Hospital in the amount of UAH 3,203 million, Kyiv's City Clinical Hospital 18 in the amount of UAH 163.4 million, Kyiv's City Clinical Hospital 8 in the amount of UAH 14 thousand and Kyiv's City Psychiatry and Neurology Hospital 3 in the amount of UAH 30.2 thousand;
- recognition of revalued amounts of land held by **museums**: the I. Honchar National Folk Culture Centre in the amount of UAH 7.7 million; the Bohdan and Varvara Hanenko National Arts Museum in the amount of UAH 4.96 million.

In 2014, the city recorded one significant transaction to recognise revalued amount of land (at 24A, Hospitalna Str.) totalling UAH 1,047 million by the **"Kyiv Fortress" National History and Architecture Museum**.



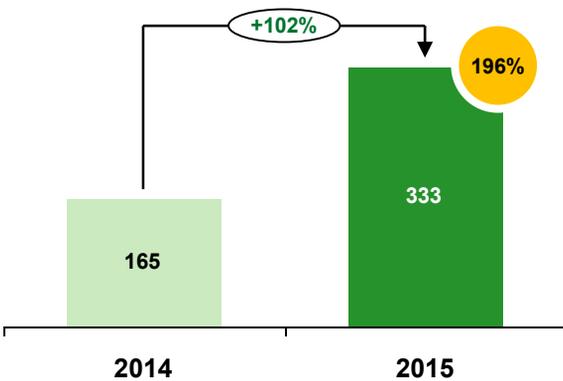
Other non-tax receipts of the Special Fund

In 2015, other non-tax receipts of Kyiv's Special Fund totalled UAH 354 million (178% of the annual budget), 70% or UAH 146 million up from 2014.

Other material non-tax receipts of Kyiv's Special Fund include **shared participation in infrastructure development and dividends per share in entities** with municipal ownership.



Inflows from shared participation in Kyiv's city infrastructure development (UAH million)



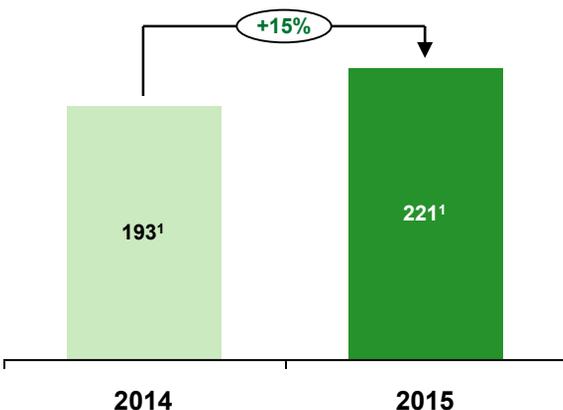
Under the the **Urban Planning Law of Ukraine and the procedure for determining the amount of shared participation (contributions) of developers (investors) in development of engineering, transport and social infrastructure** approved by the Kyiv City Council resolution No 573/5385 dated 30/12/2010, all customers engaging in construction, reconstruction, rehabilitation, overhauls, re-equipment etc. of any properties are required to pay **shared participation in Kyiv's city infrastructure development**.

x% - % of budget execution in 2015

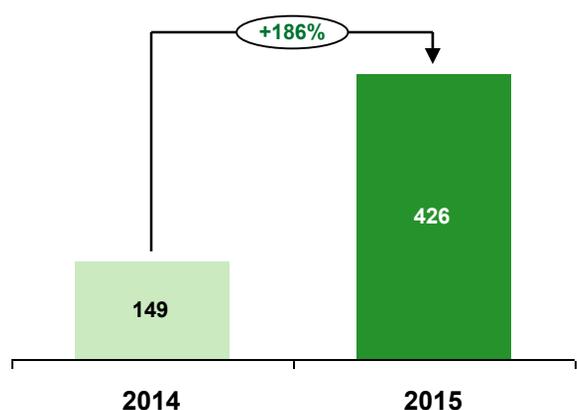
The shared participation is charged under the agreement with Kyiv represented by the **Economics and Investment Department** based on the customer's application and supporting documents.

The **increase in receipts** from shared participation in infrastructure development in 2015 is explained by the recovery of construction sector in Kyiv with resulting **growth in construction volumes**.

The number of agreements on shared participation in in development of engineering, transport and social infrastructure in Kyiv (units)



The total value of agreements on shared participation in in development of engineering, transport and social infrastructure (UAH million)



¹ – Including 1 agreement on compensation for hydraulic fill of construction site in 2014 and 2015.

**Dividends per share in entities with municipal ownership**

During 2015, entities with municipal ownership paid **UAH 4.3 million of dividends** to the city's budget, representing **29% of the annual budget**.

The negative variance against budget in respect of receipts from dividends on shares in entities with municipal ownership is explained by the fact that PJSC "HC "Kyivmiskbud" did not **pay 2014 dividends** of UAH 23.65 million until **29 January 2016**.

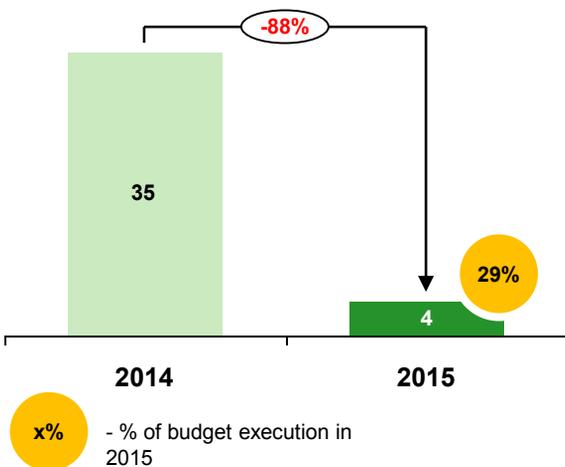
In 2014 and 2015, only 3 out of 29 currently operational entities with municipal ownership paid dividends to Kyiv's city budget.

As at 31/12/2015, Kyiv's territorial community owns a stake in **38 entities**, including 9 entities in bankruptcy proceedings.

On 20 March 2015, a **29.95% interest in PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant"** was auctioned for UAH 171.8 million.



Dividends per share in entities with municipal ownership
(UAH million)



Entities that paid out dividends
(UAH million)

No	Name of entity	Paid in 2014, UAH million	Paid in 2015, UAH million
1	PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant" (29.95% stake) ¹	4.3	4.3
2	LLC "TECHNOPROMSERVIS" (30% stake)	-	0.00003
3	PJSC "HC "Kyivmiskbud" (80% stake) ²	30.4	-
Total		34.7	4.3

¹ – On 20 March 2015, a 29.95% interest in PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant" was auctioned for UAH 171.8 million.

² – Dividends on shares in PJSC "HC "Kyivmiskbud" held by Kyiv's territorial community in respect of the 2014 were paid to Kyiv's city budget on 29/01/2016 based on the PJSC "HC "Kyivmiskbud" extraordinary general shareholder meeting held on 31/07/2015.

**LIST OF ENTITIES WITH MUNICIPAL OWNERSHIP AS AT 31/12/2015****Entities under management of Kyiv's Municipal Property Department:**

№	Name of entity	Share, %
1	OJSC "REMONTNO-BUDIVELNE UPRAVLINNYA № 4"	81.2
2	OJSC "KHLIB KYIVA"	51
3	CJSC "EKOTEKHYPROM"	51
4	PrJSC "STARY KHRESHCHATYK"	33.96
5	PJSC "JOINT-STOCK COMPANY "KYIVVODOKANAL"	25.46 (66% ¹)
6	PJSC "KYIVGAZ"	28.46 (65% ¹)
7	PJSC "REMONTNO-BUDIVELNE UPRAVLINNYA № 3"	86.26
8	PJSC TEKHVODSERVIS	97.77
9	PJSC "HOLDING COMPANY "KYIVMISKBUD"	80
10	PJSC COMMERCIAL BANK "KHRESCHATYK" ¹	25.0002
11	PrJSC "KYIVSPETSTRANS"	51
12	PrJSC "KOMPANIYA KYIVENERGOHOLDING"	61
13	JV "MRIYA-DAVI-DAN"	40
14	LLC "THE HUMAN DEVELOPMENT INSTITUTE" (THE DISABILITY INSTITUTE)	29.2
15	LLC "AGROFIRMA "EDNIST"	51
16	LLC "GANDBOLNY KLUB KYIV-SPARTAK NAMED BY I.E. TURCHYNA"	51
17	LLC "METROVAGONSERVIS"	51
18	LLC "MUNICIPAL THEATRE "KYIV"	51
19	LLC "STOLYTSYA NEWSPAPER EDITORIAL"	50
20	HIGHER EDUCATIONAL INSTITUTION "OPEN INTERNATIONAL UNIVERSITY OF HUMAN DEVELOPMENT "UKRAINE""	34.97
21	OJSC "DERIIVSKY ROCK-CRUSHING PLANT" (<i>undergoing bankruptcy proceedings, currently in receivership</i>)	99.99
22	OJSC "CERAMIC FACTORY" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	29.99
23	OJSC "COMMERCIAL CENTRE" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	100
24	OJSC "RADIKAL" (<i>undergoing bankruptcy proceedings, currently in the process of environmental rehabilitation</i>)	27.68
25	PJSC "SPETSIALIZOVANE UPRAVLINNYA PROTYZSUVNYKH ROBIT" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	99.29
26	JV LLC "ETNA" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	50
27	LLC "TEMP" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	8.90
28	LLC "FOOTBALL CLUB "ARSENAL-KYIV" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	3

Entities under management of the District State Administrations of Kyiv:

№	Name of entity	Share, %
1	PRIVATE HIGHER EDUCATIONAL INSTITUTION "DESNYANSKY EKONOMIKO-PRAROVYI TEKHNIKUM PRY MAUP"	50
2	LLC "UKRAINSKO-SHVEITSARSKY MEDYCHNY TSENTR "KLINIKA XXI"	30
3	LLC "PECHERSK"	50
4	LLC "TECHNOPROMSERVIS"	30
5	PrJSC JV "PARTNER"	10
6	LLC "NAVCHALNO-VYKHOVNY ZAKLAD "SHKOLA PIDPRYEMNYTSKOYI OSVITY"	50
7	LLC GENERAL EDUCATION INSTITUTION "KYIVSKY LITSEY BIZNESU"	50
8	LLC "RAIBUDSERVIS"	51
9	UNLIMITED PARTNESHIP "IMPORTRADIOSERVIS"	25
10	JSC "PLODOOVOCH" (<i>undergoing bankruptcy proceedings, currently in the process of liquidation</i>)	1.3

¹ – Figures in brackets are Kyiv's local community effective share ownership in enterprise, that include direct share ownership and share ownership through PJSC "COMPANY KYIVENERGYHOLDING".

² – On 2 June 2016, the National Bank of Ukraine issued **resolution No 46 to revoke the banking license and initiate liquidation of PJSC "CB "Khreschatyk"** recommended by the Deposit Guarantee Fund. PJSC "CB "Khreschatyk" was declared insolvent on 5 April 2016 as a result of failure to achieve the action plan designed to improve liquidity of PJSC "CB "Khreschatyk", the lack of sufficient commitment of the bank's owners to prevent insolvency, and non-compliance of PJSC "CB "Khreschatyk" with banking legislation and the National Bank of Ukraine regulations.



Receipts from capital transactions

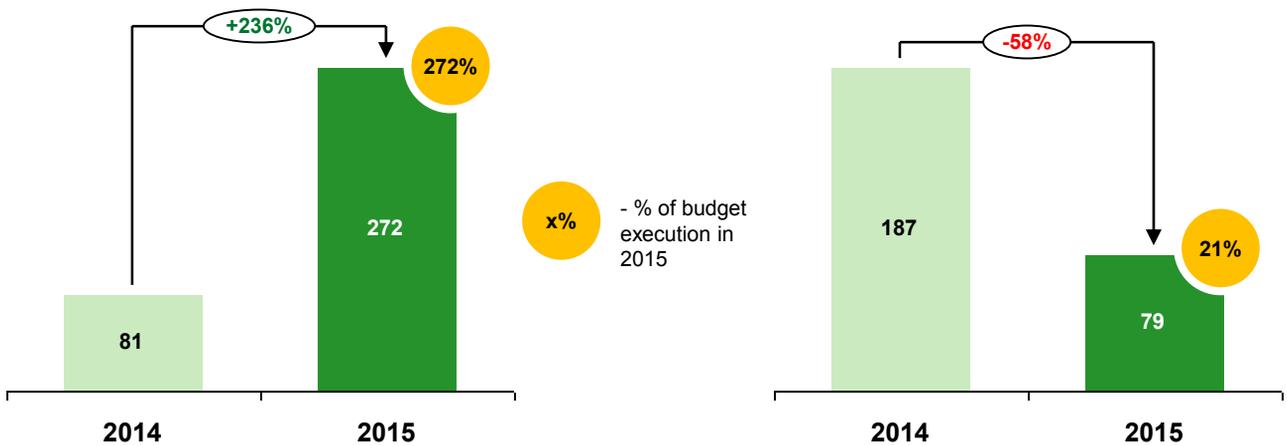
During 2015, receipts from capital transactions increased by 31% or UAH 83 million to UAH 351 million, representing 73% of budget.



Proceeds from sale of property (privatisation)
(UAH million)



Proceeds from the sale of land
(UAH million)



Proceeds from sale of property (privatisation)

Mainly non-residential buildings and premises were sold (privatised). In 2015, 31 municipal assets were sold for the total amount of UAH 272.79 million (excluding VAT). In 2014, 32 municipal assets were sold for the total amount of UAH 45 million (excluding VAT).

The nearly 2.7-fold increase in receipts from the sale of municipal property against the 2015 budget is explained by the **sale of a 29.95% share in PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant" for consideration of UAH 171.8 million.**

- On **20 March 2015**, a 29.95% interest in PJSC SMC "Borschagivsky Chemical and Pharmaceutical Plant" was **sold in an auction** to LLC "FC "Kub" representing PrJSC "Pharmaceutical Firma Darnitsa". **The selling price was UAH 171.8 million**, UAH 28.64 higher than the initial price of UAH 143.2 million.

Proceeds from the sale of land

In 2015, 14 land plots were sold for the total amount of UAH 73.4 million (2014: 7 land plots for the total amount of UAH 203.7 million).

In 2015, proceeds from the sale of land decreased by UAH 108 million to UAH 79 million, which was 21% of the budgeted figure. The **negative variance against budget** is explained by the fact that the 2015 budgeted figures were estimated based on the assumption that these targets could be achieved subject to a successful land auction, which did not take place.

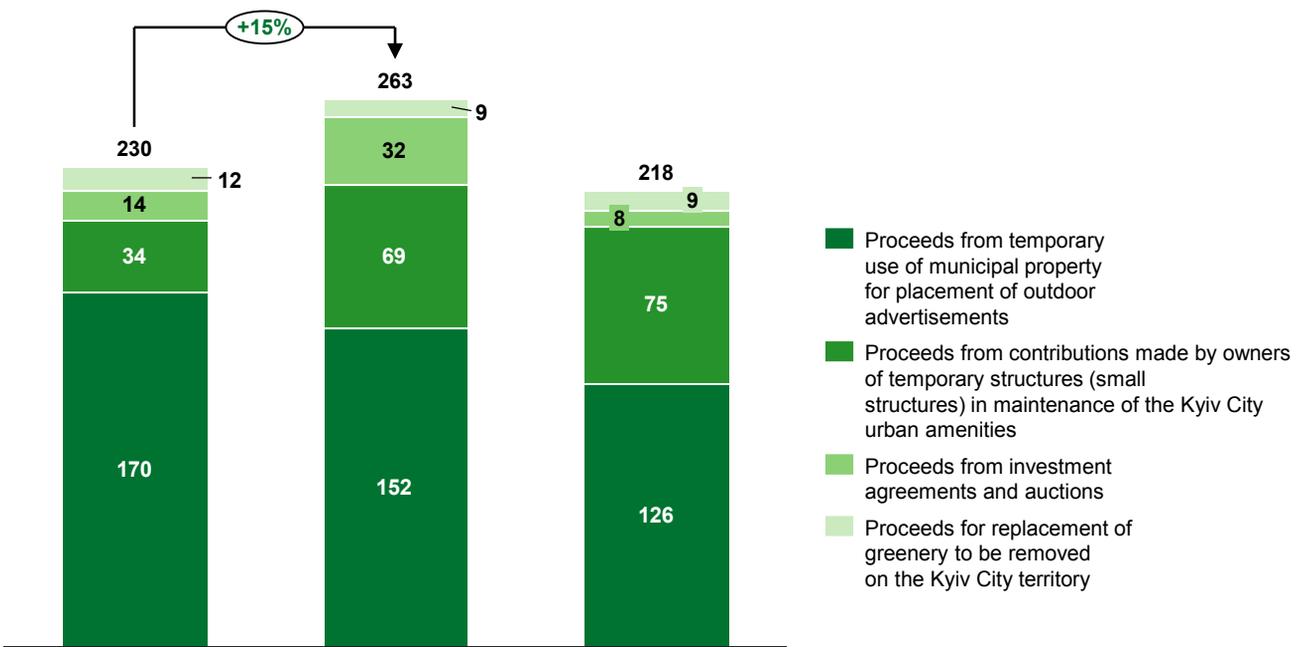
Special-purpose fund

In 2015, Kyiv's special-purpose fund revenues increased by 15% to UAH 263 million, of which the majority represented proceeds from temporary use of municipal property.

The special-purpose fund was established by the Kyiv City Council under the respective regulations approved by the Resolution "On the Kyiv City Budget 2015". The special-purpose fund is comprised of revenues and expenditures gained and used in **financing the City's development and addressing its critical issues.**



Kyiv's city special-purpose fund revenue sources
(UAH million)



Transfers from the government budget to the Special Fund

No transfers were made from the government budget to Kyiv's Special Fund in 2015. In 2014, the transfers totalled UAH 3,850 million, of which UAH 3,672 million represented subventions for compensation of tariffs amounting to UAH 3,672 million. In 2015, the subvention for compensation of tariffs in the amount of UAH 586 million was paid to Kyiv General Fund.



6.3 Kyiv's City Budget expenditures



KYIV'S CITY BUDGET EXPENDITURES FOR 2015

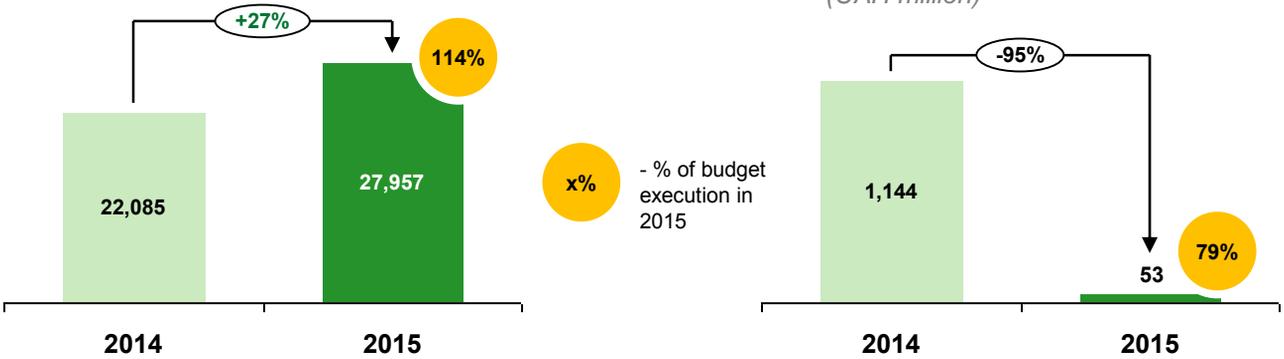
The budget expenditures of Kyiv for 2015 increased by 21% to UAH 28,010 million representing 114% of the annual budget.



Kyiv's municipal budget expenditures
(UAH million)



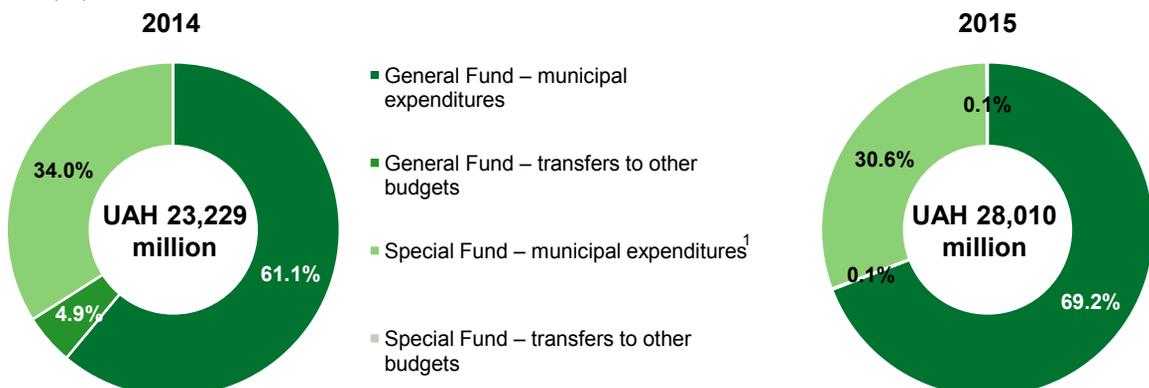
Transfers to the government budget and the local budgets of the Kyiv region
(UAH million)



- Municipal expenditures (net of transfers to other budgets)** increased by 27% or UAH 5,872 million to UAH 27,957 million due to an increase of healthcare, education, and social protection and social security expenditures, including funding from **new categories of subventions from the government budget (medical and education subventions)**. In addition, an increase in municipal expenditures versus the prior year was driven by **an increase of transactions with the assets from own sources of revenues of budgetary entities** (including valuation of land) by 180% or UAH 2,381 million up to UAH 3,704 million in 2015. **A positive variance on municipal expenditures versus budget** of 14% or UAH 3,499 million was mainly driven by recognition of accounting transactions with own assets of budgetary entities not provided for by the city budget estimates approved by the Kyiv City Council.
- Transfers to the government budget and local budgets of the Kyiv region** decreased due to allocations from Kyiv's municipal budget to the government budget in 2015 to balance revenues and expenditures of the territorial communities as Kyiv's estimated municipal revenues did not exceed its municipal expenditures for the calculation purposes of inter-budget transfers (the above allocations amounted to UAH 1,141 million in 2014). **A decline in inter-budget transfers versus budget** resulted from a failure to transfer the central government budget subvention in the amount of UAH 13.6 million to implement the School Books Programme.



Kyiv's city budget expenditures by fund
(%)



¹ – Including transactions with assets of budgetary entities (including recognition of valuation of land) in the amount of UAH 3,704 million in 2015 and UAH 1,322 million in 2014.



In 2015, Kyiv's city budget expenditures were incurred by **32 primary budget owners**:

- 10 Kyiv District State Administrations;
- 20 departments and functions of the Kyiv City Council / the Kyiv City State Administration;
- the Kyiv City Council;
- the Executive Office of the Executive Body of the Kyiv City Council / the Kyiv City State Administration.

Kyiv's expenditures by key budget owner

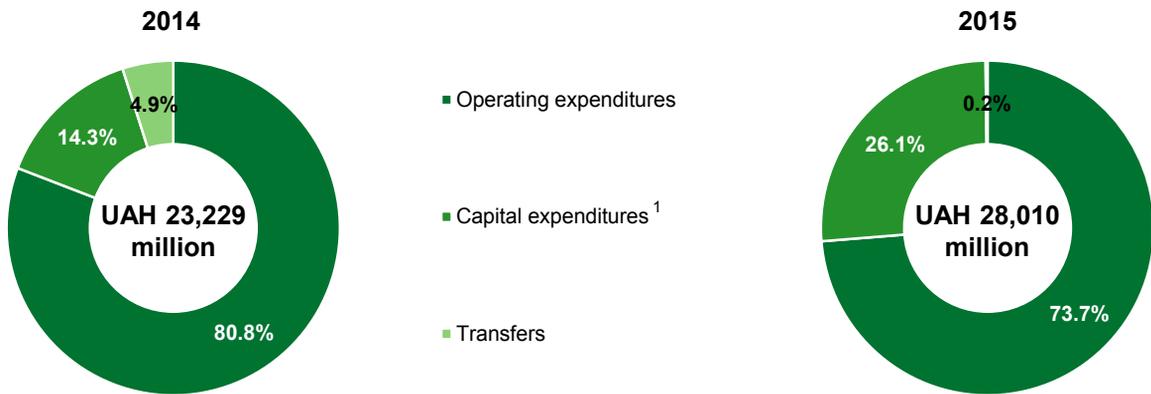
Primary budget owners	2014, UAH million	2015, UAH million	Change 2015 / 2014, %	Budget execution in 2015, %
Health Services Department ¹	2,962	7,144	141%	212%
Social Policy Department ¹	2,759	4,350	58%	106%
Transport Infrastructure Department	1,930	2,570	33%	98%
Finance Department	2,472	1,700	-31%	96%
Department of Housing and Utility Infrastructure	3,883	1,232	-68%	93%
Education and Science, Youth and Sports Department ¹	515	818	59%	93%
Construction and Housing Department	157	655	317%	98%
Culture Department ¹	1,463	517	-65%	105%
Urban Amenities and Environmental Protection Department	142	275	94%	89%
Kyiv City Council (Secretariat)	98	161	64%	95%
Executive office of the Kyiv City State Administration	124	148	20%	87%
Public Relations Department	48	49	0%	93%
Urban Development and Architecture Department	15	41	169%	81%
Economics and Investment Department	29	36	25%	91%
Land Relations Department	22	20	-7%	73%
Municipal Property of Kyiv City Department	11	18	63%	98%
Juvenile and Family Service ¹	13	16	24%	99%
Production Sector and Entrepreneurial Development Department	20	14	-31%	71%
Financial Controlling and Internal Audit Department	4	9	128%	95%
Administrative Service Department (Centre)	-	8	n/a	84%
Self-Government Control Office (Inspectorate)	-	1	n/a	60%
State Architecture and Construction Control of the City of Kyiv Department	-	-	n/a	n/a
Cultural Heritage Protection Department	18	-	-100%	n/a
Office of Tourism	3	-	-100%	n/a
Women, Disabled Persons, War Veterans and Labour Function	9	-	-100%	n/a
Kyiv's District State Administrations²				
Dniporvska District State Administration	826	1 002	21%	98%
Desnianska District State Administration	777	995	28%	96%
Sviatoshyvska District State Administration	760	969	27%	100%
Darnitska District State Administration	769	968	26%	97%
Obolonska District State Administration	710	862	21%	99%
Shevchenkivska District State Administration	666	819	23%	98%
Solomianska District State Administration	652	811	24%	99%
Holosiivska District State Administration	536	706	32%	97%
Podilska District State Administration	495	630	27%	98%
Pecherska District State Administration	338	446	32%	97%

¹ – Including transactions with assets of budgetary entities (including recognition of land valuation): Health Services Department – UAH 3,563 million in 2015 and UAH 170 million in 2014; Social Policy Department – UAH 26.4 million in 2015 and UAH 1.6 million in 2014; Education and Science, Youth and Sports Department – UAH 7.2 million in 2015 and UAH 4.0 million in 2014; Culture Department - UAH 12.7 million in 2015 and UAH 1,052 million in 2014; Juvenile and Family Service – UAH 1.1 million in 2015 and UAH 180 thousand in 2014.

² – Including transactions with assets of budgetary entities (including recognition of land valuation) in the total amount of UAH 93.6 million in 2015 and UAH 94.3 million in 2014.



Structure of Kyiv's city budget expenditures by category (economic classification) (%)



¹ – Including transactions with assets of budgetary entities (including recognition of valuation of land) in the amount of UAH 3,704 million in 2015 and UAH 1,322 million in 2014.

In 2015, operating expenditure increased by 10% to UAH 20,654 million representing 74% of Kyiv's total budget expenditures.

Structure of Kyiv's city budget expenditures by category (economic classification)¹

	Budget 2015, UAH million	Actual 2015, UAH million	Budget execution, %	Actual 2015 as % of the total	Actual 2014, UAH million	Change 2015/2014, %
Operating expenditures	20,903	20,654	99%	74%	18,777	10%
Payroll ²	7,242	7,210	100%	26%	6,414	12%
Subsidies and current transfers to entities	3,735	3,688	99%	13%	5,636	-35%
Social protection and social security	3,564	3,493	98%	12%	2,323	50%
Debt servicing	1,606	1,577	98%	6%	1,312	20%
Public utility services	1,817	1,560	86%	6%	1,120	39%
Research, development and realisation of state (regional) programmes	1,084	1,043	96%	4%	848	23%
Foods	622	613	98%	2%	464	32%
Pharmaceuticals and dressing materials	615	802	130%	3%	336	139%
Other operating expenditures	618	669	108%	2%	323	107%
Capital expenditures	3,541	7,306	206%	26%	3,311	121%
Acquisitions of fixed assets	740	4,670	631%	17%	1,676	179%
Capital transfers to entities	2,801	2,636	94%	9%	1,634	61%
Lending operations	-2	-2	163%	0%	-2	2%
Transfers to other budgets	68	53	79%	0.2%	1,144	-95%
Total	24,511	28,010	114%	100%	23,229	21%

¹ – Including transactions with assets from own sources of revenues of budgetary entities primarily recorded in **capital expenditures/acquisitions of fixed assets** (including recognition of land valuation) in the total amount of UAH 3,704 million in 2015 and UAH 1,322 million in 2014 accounted for in Kyiv's revenue and expenditure items.

² – Salaries and related charges.



An increase in operating expenditures by 10% or UAH 1,877 million from the prior year was mainly driven by the increase in expenditures for social protection and social security of the residents (by UAH 1,170 million, the increase in payroll (by UAH 795 million), pharmaceuticals (by UAH 466 million) and utility services (by UAH 440 million). At the same time, **subsidies and current transfers to entities decreased** by 35% or UAH 1,947 million due to a decrease in the amount of subvention from the government budget to repay outstanding balances payable for tariffs compensation in the amount of UAH 3,086 million.

The major items of operating expenditures are presented below:

- budgetary entities' payroll (representing 26% of operating expenditures);
- subsidies and current transfers to municipal entities and other institutions to realise budget programmes and activities (representing 13% of operating expenditures);
- social protection and social security (representing 12% of operating expenditures).

In 2015, capital expenditures increased by 2.2 times or UAH 3,995 million to UAH 7,306 million representing 26% of Kyiv's total budget expenditures.

An increase of capital expenditures was mainly driven by the increase in transactions with assets from own sources of revenues of budgetary entities (including recognition of land valuation) by UAH 2,381 million to UAH 3,704 million and the increase of capital transfers to entities by UAH 1,002 million.

Capital expenditures increased by 1.8 time or UAH 1,614 million to UAH 3,602 million representing 102% of the budget, net of non-monetary transactions with assets from own sources of revenues of budgetary entities.

As the majority of municipal revenues are allocated to cover operating expenditures, **capital expenditures are insignificant and are not sufficient for prompt replacement of Kyiv's outdated facilities and infrastructure.** All capital expenditures are covered from the Special Fund of Kyiv's city budget appropriations.

Health care, education, social protection and social security are the key priority sectors funded from Kyiv's city budget.



Structure of Kyiv's city budget expenditures by sector (functional classification)
 (%)



¹ – Including transactions with assets from own sources of revenues of budgetary entities (including recognition of land valuation); for health care: UAH 3,563 million in 2015 and UAH 170 million in 2014; for culture and arts: UAH 12.7 million in 2015 and UAH 1,052 million in 2014.



Західний 2

West 2

Західний

Official notice or document posted on the gate.

Official notice or document posted on the gate.

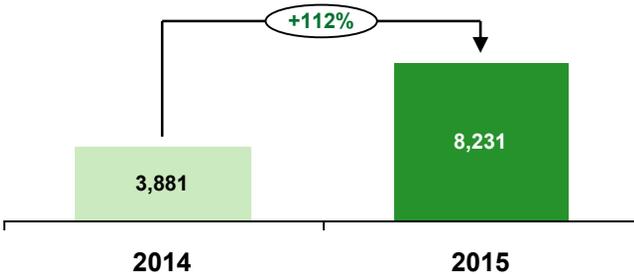


EXPENDITURES: HEALTHCARE

In 2015, healthcare expenditures increased by 2.1 times up to UAH 8,231 million, which represents 184% of the annual budget line item and constitutes the largest share (29%) of Kyiv's total budget expenditures.



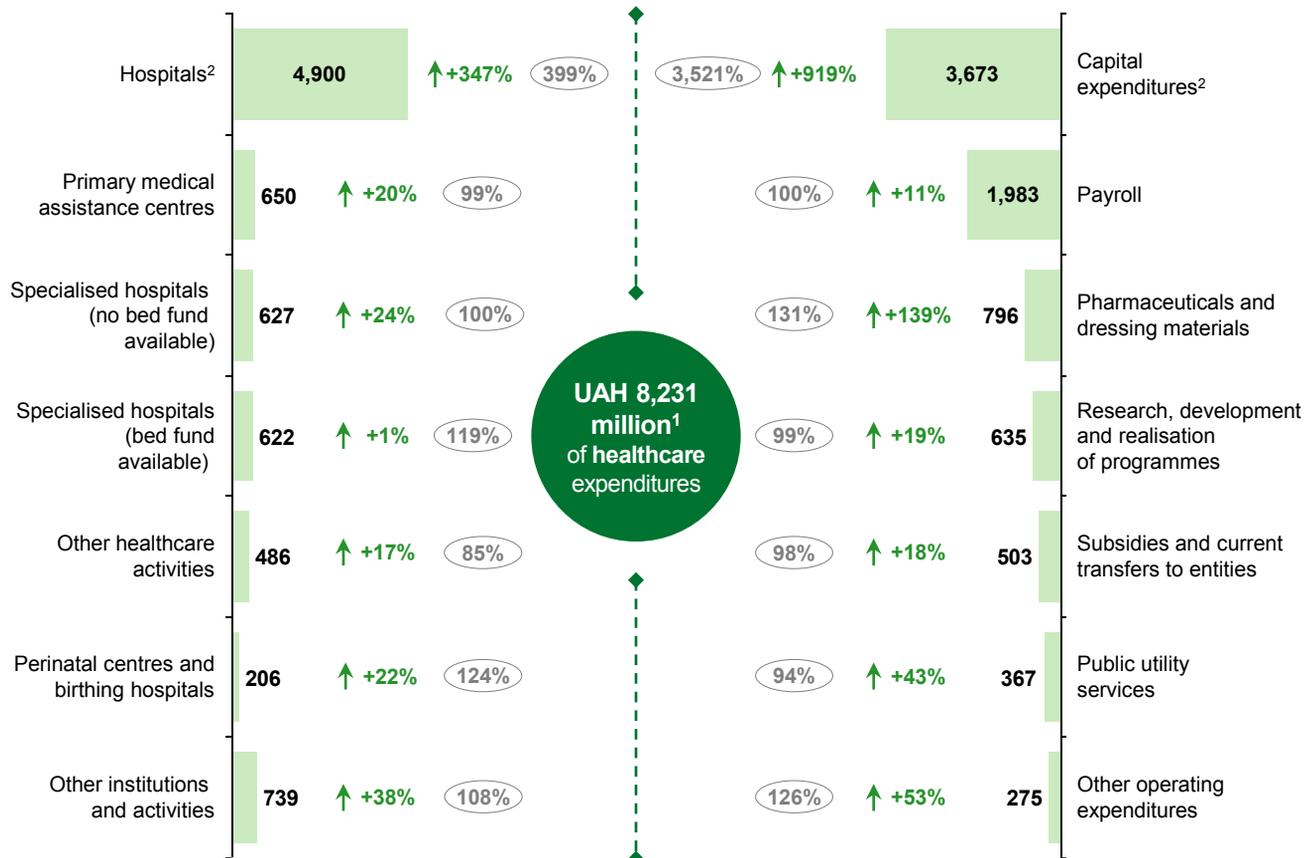
Changes in healthcare expenditures
(UAH million)



An increase in healthcare expenditures by UAH 4,350 million compared to the prior year was mainly driven by the increase in transactions with assets from own sources of revenues of budgetary entities primarily recorded in capital expenditures (including recognition of land valuation) by UAH 3,393 million up to UAH 3,563 million.

Structure of health care expenditures in 2015 by function
(UAH million)

Structure of health care expenditures in 2015 by category
(UAH million)



↑ +x% - increase in 2015 versus 2014 ↓ -x% - decrease in 2015 versus 2014 (x%) - % of budget line item for 2015 (budget execution)

¹ - Including transactions with assets of budgetary entities (including recognition of land valuation) in the total amount of UAH 3,563 million in 2015 and UAH 170 million in 2014.

² - Including transactions with assets of budgetary entities (including recognition of land valuation) in the amount of UAH 3,367 million in 2015: Kyiv's Olexandrivska Clinical Hospital in the amount of UAH 3,203 million, Kyiv's City Clinical Hospital 18 in the amount of UAH 163.4 million, Kyiv's City Clinical Hospital 8 in the amount of UAH 14 thousand and Kyiv's City Psychoneurological Hospital 3 in the amount of UAH 30.2 thousand.



151 health care institutions were funded from Kyiv city budget in 2015.

Number of health care institutions funded from Kyiv's city budget

Health care institutions	Number of institutions as at year-end		Number of beds, as at year-end			Doctor's visits, thousands			Number of staff positions, as at year-end		
	2014	2015	2014	2015	% change	2014	2015	% change	2014	2015	% change
Specialised clinics (no bed fund available)	27	29	-	-	-	11,747	11,761	0.1%	11,100	11,140	0.4%
Primary medical assistance centres	28	28	-	-	-	11,678	12,023	3%	9,302	9,190	-1.2%
Hospitals	26	26	10,120	9,880	-2%	1,305	1,332	2%	19,642	19,203	-2%
Specialised hospitals (bed fund available)	22	23	4,128	3,978	-4%	888	561	-37%	7,617	7,381	-3%
Sanatoriums for children and teenagers (nontuberculous)	9	9	1,025	625	-39%	-	-	-	571	484	-15%
General and specialised dental clinics	8	8	-	-	-	400	331	-17%	619	564	-9%
Perinatal centres and birthing hospitals	6	6	1,055	1,040	-1.4%	298	309	4%	2,975	2,975	0%
Territorial medical associations	5	5	1,490	1,515	1.7%	201	200	-0.6%	2,407	2,259	-6%
Sanatoriums for consumptives	2	2	400	300	-25%	-	-	-	226	170	-25%
Child care centres	2	2	270	270	0%	-	-	-	442	428	-3%
Emergency medical assistance centres	1	1	-	-	-	428 ¹	479 ¹	12%	2,702	2,703	0%
Outpatient hospitals and ambulatory care clinics	1	1	-	-	-	958	814	-15%	551	549	-0.4%
Other health care institutions and activities	10	11	-	-	-	-	-	-	2,403	2,419	0.7%
Total	147	151	18,488	17,608	-5%	27,902	27,807	-0.3%	60,555	59,463	-2%

¹ – Number of persons provided with outpatient and ambulatory care treatment.

In 2015, expenditures for **treatment of patients with diabetes mellitus and diabetes insipidus** (including provision of insulin) **increased by 1.9 times or UAH 42 million to UAH 91 million.**

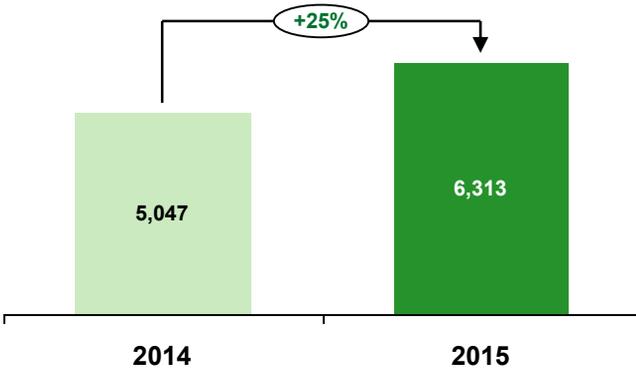
At the end of 2015, the total staff positions of Kyiv's health care institutions funded from Kyiv's city budget decreased in number by 1,093 to 59,463, including a decrease of medical staff positions by 905 to 46,529.



EXPENDITURES: EDUCATION

Kyiv's 2015 budget expenditures for education increased by 25% to UAH 6,313 million representing 98% of the annual budget line item and constituting 23% of Kyiv's total budget expenditures.

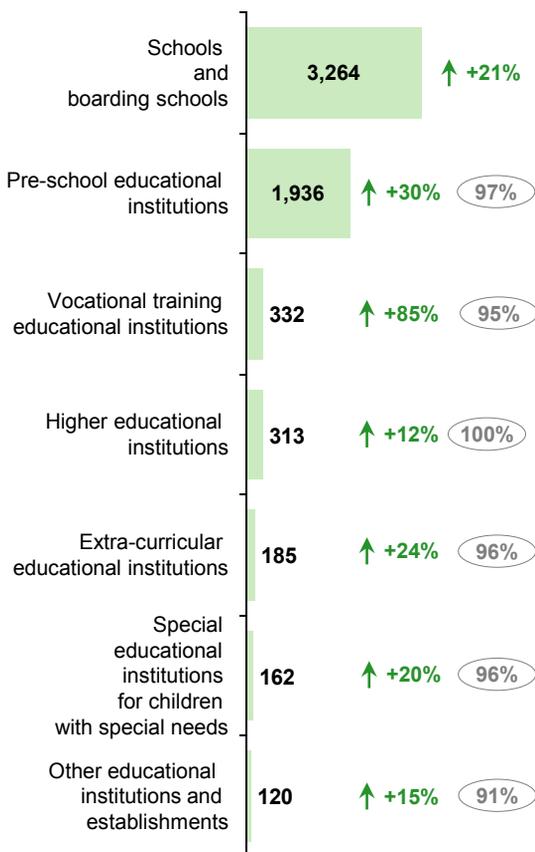
Changes in education expenditures (UAH million)



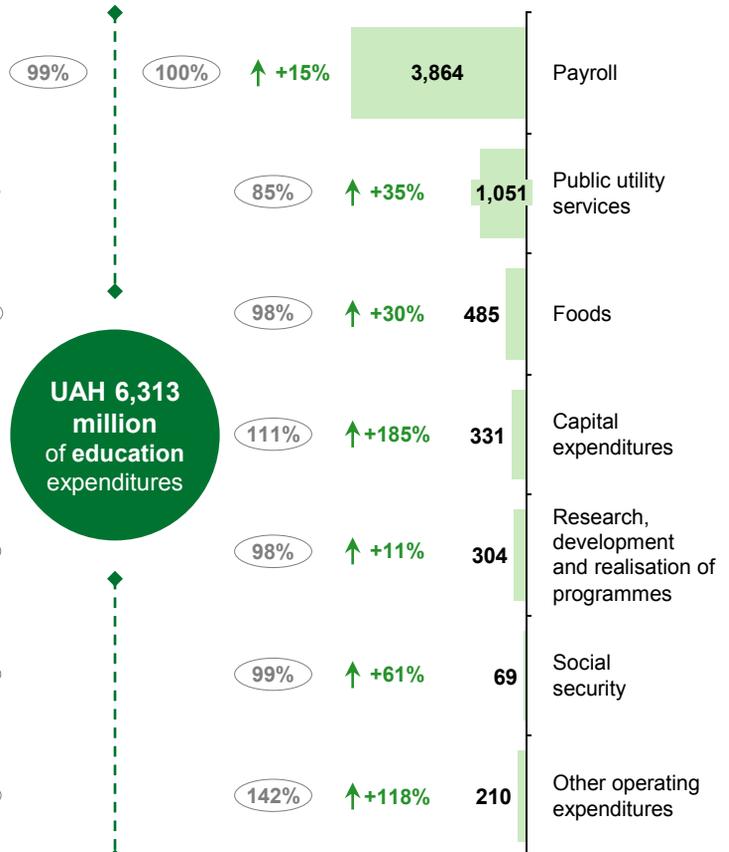
The increase in expenditures by 25% or UAH 1,266 million versus 2014 was mainly driven by the increase in expenditures for **payroll** for educational institutions (due to the increase of minimum salary from 1 September 2015), **public utility services** (due to higher energy tariffs and prices and repayment of prior year outstanding amounts) and **overhauls** of educational institutions.

A decrease in education expenditures versus budget was mainly driven by the decrease in expenditures for **public utility services** resulting from budget fund savings.

Structure of education expenditures in 2015 by category (UAH million)



Structure of education expenditures in 2015 by function (UAH million)



UAH 6,313 million of education expenditures

↑ **+x%** - increase in 2015 versus 2014
 ↓ **-x%** - decrease in 2015 versus 2014
 x% - % of budget line item for 2015 (budget execution)



The total number of the budget-funded educational institutions increased from 1,059 to 1,071 in 2015. Kyiv's average expenditure amount per 1 person (a pupil, student) increased by 19% to UAH 13.5 thousand per annum.

Number of Kyiv's educational institutions and individuals funded from the municipal budget

Educational institutions	Number of educational institutions as at the year-end		Average number of pupils/ children/students, persons			Average expenditure per 1 pupil per annum, UAH thousand		
	2014	2015	2014	2015	% change	2014	2015	% change
Pre-school educational institutions	503	512	94,298	98,985	5%	15.8	19.6	23%
Schools, lyceums and gymnasiums	409	404	237,179	247,537	4%	10.8	12.5	15%
Extra-curricular educational institutions and extra-curricular activities for children	37	40	73,078	74,217	2%	2.0	2.5	22%
Procedural guidance and other public education activities	29	30	-	-	-	-	-	-
Vocational training educational institutions	19	26	9,703	14,710	52%	18.5	22.6	22%
Special educational institutions for children with special needs	16	16	2,620	2,724	4%	51.5	59.6	16%
Evening (shift-type) schools	11	11	3,878	3,480	-10%	7.7	8.4	9%
Educational departments' centralised accounting offices	11	11	-	-	-	-	-	-
Boarding schools	9	9	2,311	2,749	19%	40.5	44.7	10%
Higher educational institutions	8	7	6,411	6,609	3%	43.4	47.3	9%
Orphanages	1	1	136	147	8%	115.5	122.0	6%
Postgraduate educational institutions	1	1	11,028	12,248	11%	1.1	1.1	3%
Other educational institutions	5	3	3,880	3,278	-16%	5.5	6.9	25%
Assistance to 18-year old orphaned children and children deprived of parental care	0	0	239	288	21%	1.8	1.7	-0.3%
Total	1,059	1,071	444,761	466,972	5%	11.3	13.5	19%

At the end of 2015, the total number of staff positions and teaching FTEs in Kyiv's educational institutions funded from the Kyiv city budget decreased by 3.4% to 83,117.



EXPENDITURES: SOCIAL PROTECTION AND SOCIAL SECURITY

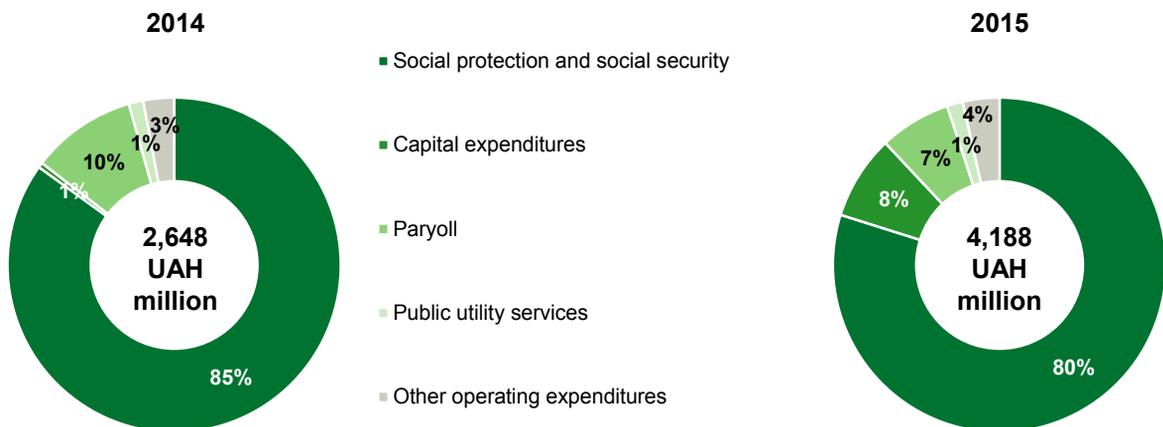
In 2015, funding of the social protection and social security sector increased by 58% or UAH 1,539 million to UAH 4,188 million representing 106% of the annual budgeted allocations for this sector and 15% of Kyiv's total budget expenditures.

The increase in social protection and social securities expenditures versus 2014 was mainly driven by the higher level of subsidies offered to its residents for compensation of their housing and utility bills, social protection expenditures for general population and child benefits at birth.

The increase in social protection expenditures versus budget was primarily associated with the higher level of capital expenditures, including other sources of revenues of budgetary entities ("targeted inflows to budgetary entities from companies, organisations and individuals for special use"), which were not provided for in the budget estimates approved by the Kyiv City Council.



Structure of social protection and social security expenditures by category (%)



As at 31/12/2014, Kyiv's social protection and social security institutions included:

- **63 institutions** that provide social services to senior citizens, disabled persons, children with disabilities and its vulnerable population;
- **155 local community centres for teenagers** (extracurricular educational institutions).

As at the end of 2015, the total number of actually employed staff positions in social protection and social security institutions funded from Kyiv's city budget was 4,852.

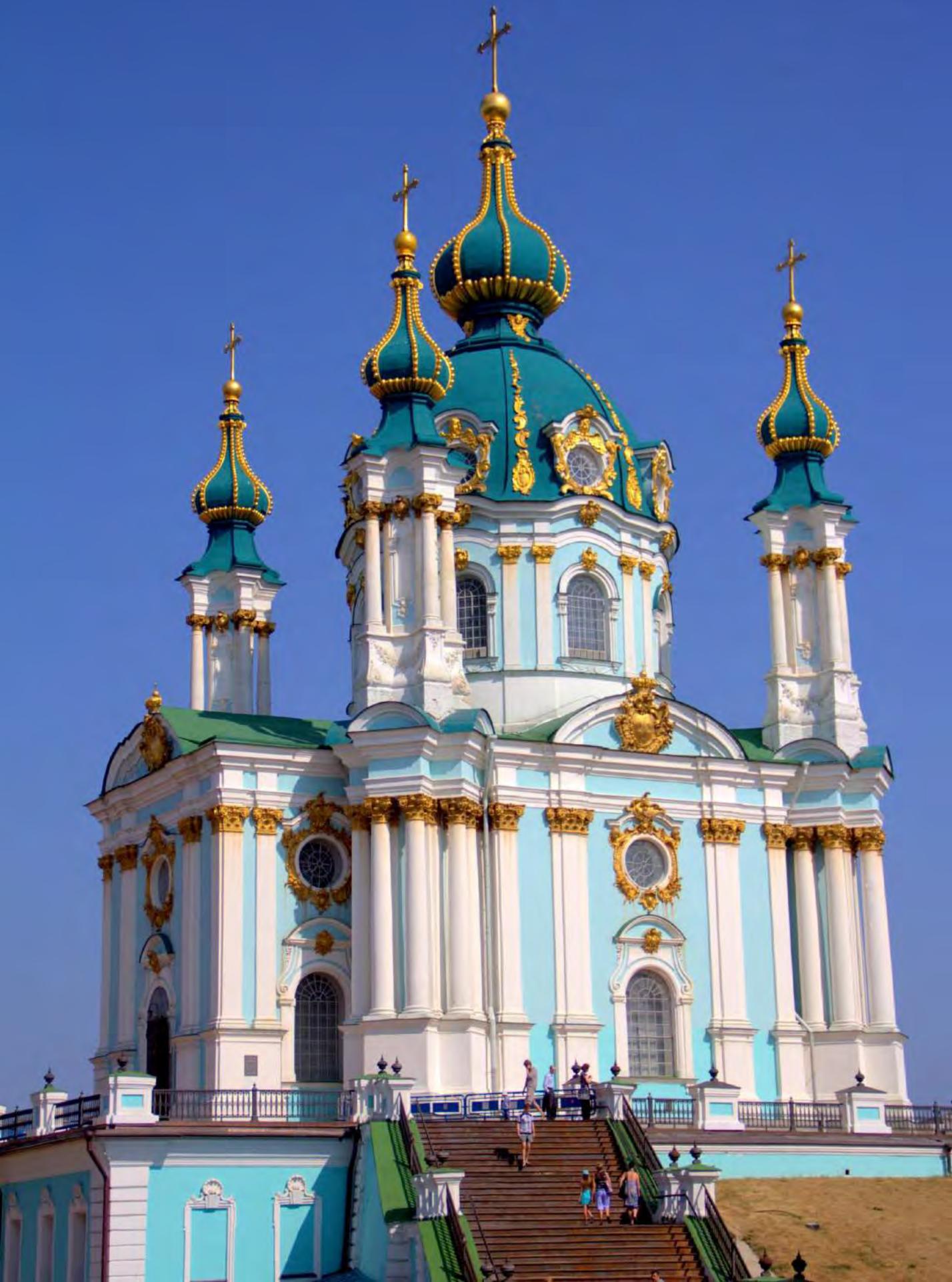


Social protection and social security line items of Kyiv's 2015 city budget by key area

Social policy area	Amount of funding, UAH million			Number of recipients, persons		
	2015	Change 2015/2014, %	% of budgeted	2014	2015	% change
Social benefits, allowances and subsidies provided						
Allowances to war veterans, persons subject to the Law of Ukraine "On the Status of War Veterans and their Social Protection", persons with outstanding service to the nation, widows/widowers and parents of deceased citizens for housing and utility bills	243	25%	100%	286,779	248,038	-14%
Other allowances to war veterans, persons subject to the Law of Ukraine "On the Status of War Veterans and their Social Protection", persons with outstanding service to the nation, widows/widowers and parents of deceased citizens	2	13%	97%	366	299	-18%
Allowances for housing and utility bills to military, law enforcement, tax police, fire protection service, penitentiary service, and civil defence veterans for housing and utility bills and purchases of solid domestic fuel	74	22%	100%	56,150	57,938	3%
Allowances to Chernobyl victims for housing and utility bills	88	22%	100%	70,882	73,088	3%
Other allowances to Chernobyl victims	2	-40%	90%	4,096	4,570	12%
Healthcare allowance to Chernobyl victims	8	92%	98%	18,182	19,389	7%
Communication allowances to some categories of citizens for subscription bills and telephone installation	73	140%	100%	138,366	92,289	-33%
Allowances to households with three or more children for housing and utility bills	24	4%	100%	33,665	28,317	-16%
Pregnancy and delivery benefit	16	14%	100%	11,006	12,427	13%
Benefit to caregivers of children under 3 years old	22	-77%	99%	46,823	13,920	-70%
New-born benefit	1,372	18%	100%	102,613	120,738	18%
Benefit to foster parents or guardians	53	9%	100%	1,900	1,960	3%
Single mother child benefits	131	8%	100%	27,940	28,992	4%
Temporary government assistance to children	10	13%	100%	1,918	2,064	8%
Adoption benefit	4	25%	100%	274	342	25%
Government social assistance to disadvantaged households	66	69%	100%	1,923	3,216	67%
Subsidies to households for housing and utility bills	496	566%	100%	33,682	81,146	141%
Subsidies to households to compensate purchases of solid and liquid domestic fuel and liquefied gas	0	327%	93%	6	32	433%
Compensation of additional cost of centralised natural gas supply, centralised heat and hot water supply services to households	1	n/a	100%	544	845	55%
Other social protection expenditures for general population	268	2495%	89%	0	0	n/a
Benefit to caregivers of persons with grade I or II mental health disability	32	45%	100%	1,637	1,983	21%
Compensation to persons entitled to free-of-charge domestic coal under the Mining Law of Ukraine, Articles 43 and 48, who live in buildings with central heating	0	-44%	100%	82	158	93%
Other social protection expenditures for war and labour veterans	94	897%	73%	4,936	76,959	1,459%
Funeral expenditures in respect of combatants and persons with war disabilities	6	11%	82%	1,327	1,255	-5%
Cash benefit to individuals providing social care to senior citizens, disabled persons, children with disabilities, people with no independent living skills due to a medical condition	4	-7%	92%	2,629	2,374	-10%
Financial support to disabled and veteran NGOs	12	77%	93%	0	0	n/a



Social policy area	Amount of funding, UAH million			Number of recipients, persons		
	2015	Change 2015/2014, %	% of budgeted	2014	2015	% change
Government social benefits to people with childhood disabilities and disabled children	261	12%	100%	33,064 benefits paid	36,010 benefits paid	9%
Compensation to disabled persons for the cost of petrol, repairs and maintenance of vehicles and transportation services	0	-2%	85%	1,042	1,158	11%
Installation of telephones for people with grade I and grade II disabilities	0	71%	79%	268	247	-8%
Maintenance of institutions						
Foster homes for minors with disabilities (2 institutions)	33	30%	95%	490 beds	490 beds	0%
Maintenance of organisations providing social services to vulnerable children (2 institutions)	9	43%	101%	73	67	-8%
Nursing homes for senior citizens and disabled persons accountable to social protection agencies (6 institutions)	392	239%	240%	2,217 beds	2,217 beds	0%
Maintenance of social service centres for families, children and youth (11 institutions)	21	-10%	94%	-	-	-
Maintenance of local community centres for teenagers (155 institutions)	42	38%	95%	14,880	14,712	-1%
Maintenance of 8 institutions: 1 Kyiv centre for social and psychological assistance, 5 centres for social and psychological rehabilitation of special needs children and youth, 2 centres for HIV-positive children and youth	19	91%	112%	6,344	7,123	12%
Community social service centres (12 institutions)	96	10%	96%	29,494	28,192	-4%
The Kyiv Centre for Social, Professional and Labour Rehabilitation of Disabled Persons	3	58%	59%	5,039	5,800	15%
Kyiv Social Benefit Centre	57	103%	157%	334,360 files	459,554 files	37%
Other institutions and establishments (20 institutions)	115	157%	195%	-	-	-
Social protection activities						
Other social protection programmes for children	4	3%	93%	5 activities	9 activities	80%
Programmes and activities of social service centres for families, children and youth	2	32%	100%	27,084 activities	13,781 activities	-49%
Social programmes and activities of government agencies for youth	3	381%	91%	85 activities	132 activities	55%
Social programmes and activities of government agencies for family affairs	1	79%	99%	822 activities	1,304 activities	59%
Health promotion and recreation of children	28	92%	98%	6,597	6,320	-4%
Total funding	4,188	58%	106%			



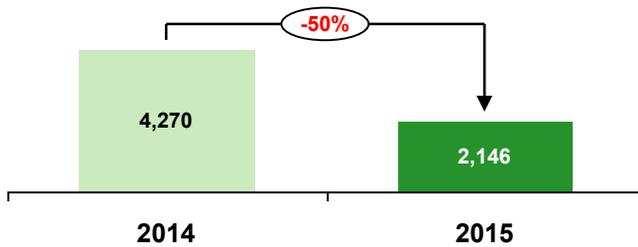


EXPENDITURES: HOUSING AND UTILITIES

In 2015, municipal expenditures for housing and utilities decreased by 50% to UAH 2,146 million, which is 97% of the annual budget line item and 7.7% of Kyiv's total budget expenditures.

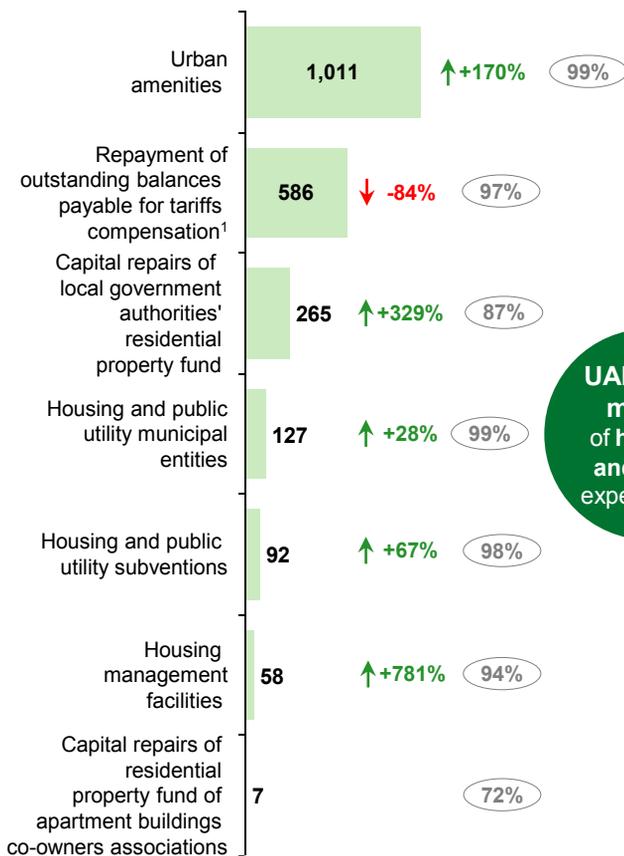


Changes in municipal expenditures for housing and utilities
(UAH million)

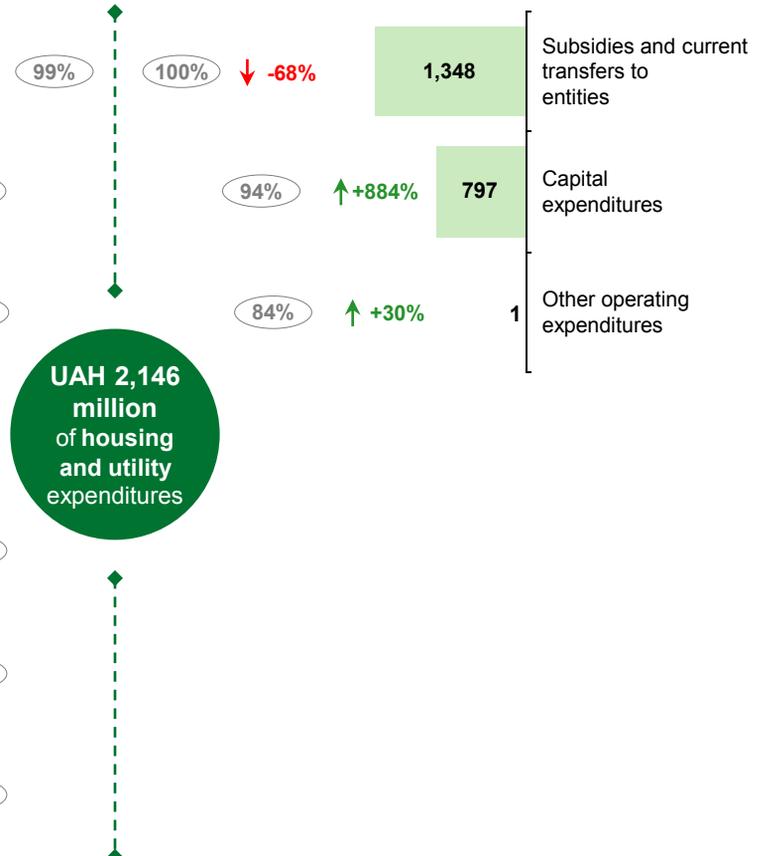


The decrease in housing and utility expenditures by 50% or UAH 2,124 million versus 2014 was mainly driven by the decrease in cash outflows to settle outstanding tariff compensation (from the Government budget grant) of heat, centralised water supply and water disposal services by UAH 3,086 million to UAH 586 million.

Structure of housing and utility expenditures in 2015 by function
(UAH million)



Structure of housing and utility expenditures in 2015 by category
(UAH million)



↑ +x% - increase in 2015 versus 2014 ↓ -x% - decrease in 2015 versus 2014 (x%) - % of budget line item for 2015 (budget execution)

¹ - Repayment of outstanding balances payable for compensation of tariffs for heat, centralised water supply and water disposal generated, distributed and supplied to households, arising from the difference between the actual cost of heat power and the water supply, water disposal, heat and hot water supply services at tariffs approved and/or agreed by central or local government authorities.



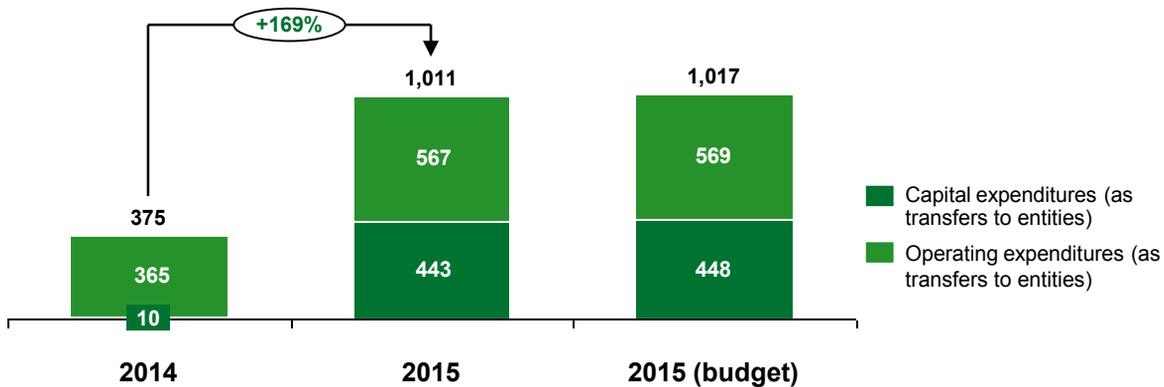
A decrease in housing and utility expenditures versus budget was mainly driven by the decrease in capital expenditures resulting from budget fund savings.

In 2015, Kyiv's municipal expenditures for urban amenities increased by UAH 636 million up to UAH 1,011 million representing 99% of the annual budget.

Urban amenities represent one of the most important areas of municipal economic activities, which creates appropriate conditions for proper operation of the municipal infrastructure facilities and comfort for Kyivans and visitors living and staying in the city.



Changes in Kyiv's municipal expenditures for urban amenities
(UAH million)



Structure of expenditures for urban amenities by key area
(UAH million)

Area of expenditures	2014	2015
Operating expenditures for urban amenities incurred form Kyiv's General Fund (as transfers to entities)	365.1	567.4
Maintenance and current repair of municipal streets, road networks and road and transportation structures	172.4	321.8
Greenery planting and preservation	136.7	170.1
Maintenance of water bodies and related land, improvement of the city's beaches and development of certain nearby waterbody areas	19.7	24.1
Maintenance and improvement of the city's cemeteries, municipal crematorium area and the zone of the Museum Lukyanivsky State Historical and Memorial Reserve	15.8	21.0
Maintenance of water pump well sites and city's fountains and performance of other activities	3.9	15.2
Landslide preventive measures in certain areas of the city and preservation of buildings and structures located in landslide danger zones	12.8	15.2
Dismantling of unauthorised structures and derelict property (small structures, advertising arrangements, visual improvement elements etc.)	3.8	-
Capital expenditures for urban amenities incurred form Kyiv's Special Fund (as transfers to entities)	9.6	443.1
Improvement of city roads	6.6	405.6
Urban greening facilities	0.9	18.4
Water pump well sites, city's fountains and maintenance of the city's territory in appropriate sanitary conditions	2.1	13.4
Improvement of the city's cemeteries and municipal crematorium area	-	2.2
Improvement of the city's beaches and development of certain nearby waterbody areas	-	1.8
Landslide preventive activities and measures	-	1.5
Other activities and measures	-	0.2
Total expenditures for urban amenities	374.7	1,010.5



EXPENDITURES: DEBT SERVICING

In 2015, Kyiv's expenditures for debt servicing increased by 20% or UAH 265 million up to UAH 1,577 million representing 98% of the annual budget allocation for this purpose.

According to the Budget Code of Ukraine, local debt servicing expenditures are incurred from Kyiv's General Fund and **may not exceed 10 per cent of expenditures of the local budget General Fund** during a budgetary period. Debt servicing expenditures are normally incurred from municipal revenues of the General Fund; however, transfers from the government budget were used to pay interest in 2014.

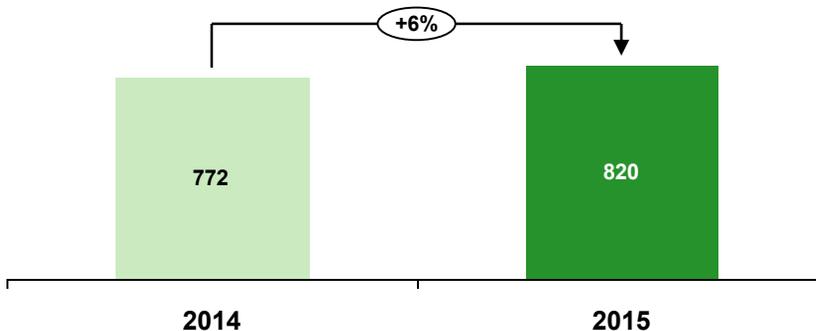
Total **expenditures for interest payments on debt liabilities amounted to UAH 1,577 million**, which equals 6.1% of Kyiv's General Fund revenues (2014: 8.4%) and 5.6% of expenditures (2014: 5.6%) of the city budget in 2015. Debt servicing expenditures were solely incurred **from municipal revenues of the General Fund** in 2015. In 2014, **28.2% of the total debt servicing expenditures** (or UAH 370.3 million) were made from **the government budget subvention** for performance of the capital city function.

The 2015 **increase in debt servicing expenditures by 20% to UAH 1,577 million** was driven by increased expenditures for **servicing of the US dollar-denominated foreign debt due to the hryvnia devaluation.**

In 2015, interest expenditures for domestic debt liabilities increased by 6% or UAH 48 million to UAH 820 million.



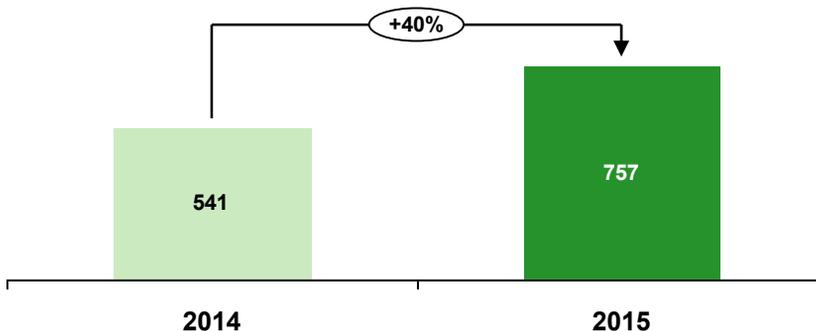
Domestic debt servicing expenditures
(UAH million)



The national currency devaluation resulted in an increase of external debt servicing expenditures for Kyiv in the hryvnia equivalent by 40%, up to UAH 757 million.



External debt servicing expenditures
(UAH million)





EXPENDITURES: BUILDING AND CONSTRUCTION

During 2015, Kyiv's expenditures for the building and construction sector increased by 2.4 times to UAH 1,543 million, representing 94% of the budget for this line item.

The increase in construction expenditures by 2.4 times or UAH 889 million compared to 2014 is explained by the increase in capital expenditures for the city infrastructure and expenditures for reconstruction of schools, construction and development of the subway network and other capital expenditure under Kyiv's Economic and Social Development Programme.

Construction expenditures for 2015 funded from Kyiv's city budget by area

	2014, UAH million	2015, UAH million	Change 2015 / 2014, %	Budget execution, %
Capital expenditures	542	984	81%	92%
Priority repairs, construction and reconstruction of schools	35	255	632%	97%
Construction and development of the subway network	52	162	211%	100%
Construction of housing and acquisition of housing for certain categories of citizens	1	54	3,823%	99%
Priority repairs, construction and reconstruction of specialised educational institutions	3	51	1,903%	100%
Development of layouts and design solutions for mainstream use	4	27	628%	74%
Priority repairs, construction and reconstruction of specialised hospitals and other specialised institutions	9	6	-35%	98%
Conservation, development, reconstruction and restoration of historical and cultural heritage	7	2	-66%	100%
Allowance to youth residential complexes to cover part of housing construction costs ¹	1	1	4%	66%
Total	654	1,543	136%	94%

¹ – The Kyiv city budget covers loan principal for borrowers entitled to benefits (the borrower's liability is reduced by 25% on birth of a child) who obtained a special-purpose youth loan under the Youth Preferential Mortgage Loan Programme approved by the Kyiv City Council resolution № 570/1980 dated 18/11/2004 (also refer to section "Unallocated expenditures").



Top construction projects funded from the development budget of Kyiv's Special Fund during 2015 were as follows:

No	Construction project	Sector	Cost per construction estimate, UAH million	Funding allocated in 2015, UAH million	% completion in 2015	Completion as at 31/12/2015	
						UAH million	%
1	Acquisition of trams and trolleybuses	Transport	123	132	96%	117	95.3%
2	Construction of Kurenivsko-Chervonoarmijska subway line from Vystavkoviy Centre station to Odeska square	Transport	1,818	130	100%	1,407	77.4%
3	Reconstruction of school 128 at 6, Raisa Okipna Str. with construction of an extension	Education	140	85	100%	131	94.2%
4	Installation of heat meters in municipal residential buildings, housing construction cooperatives and apartment building co-owner associations including dispatching control hardware and software	Utilities	80	68	100%	75	93.7%
5	Replacement/reconstruction and upgrade of lift in high-rise residential buildings	Utilities	748	59	75%	159	21.2%
6	Reconstruction of school 140 at 47/8, Lvivska Str. with construction of an extension	Education	106	57	100%	70	65.9%
7	Construction of the access motor road from Chervonozoryany Ave. (at the conjunction of Kirovogradska Str.) to International Airport "Kyiv" (Zhulyany)	Transport	224	54	100%	95	42.4%
8	Reconstruction of the building for Zhovten Cinema integral property complex at 26, Kostyantynivska Str. (Podilsky district)	Culture	53	53	100%	53	99.3%
9	Construction of the second thread of the Main City Sewage Collector in Kyiv	Utilities	1,207	45	97%	666	55.2%
10	Reconstruction of Vasytkivska Str. between Holosiivska Square and Amurska Square	Transport	102	40	100%	41	40.3%
11	Reconstruction of Peremohy Ave.	Transport	441	39	100%	194	44.0%
12	Construction of the Podil bridge crossing over Dnieper	Transport	7,628	39	100%	3,431	45.0%
13	Reconstruction of pre-school educational institution 383 at 41, Harmatna Str. (Solomiansky district)	Education	39	38	100%	38	97.9%
14	Heat saving improvements in budgetary entities' buildings (the list of related investees was determined in the KCSA Decree № 711 dated 04/05/2012)	Utilities	407	34	94%	126	31.0%
15	Reconstruction of the ER and specialised departments of Kyiv's City Clinical Hospital 18 at 4A, Pidvysotskogo Str. (Pechersky district)	Healthcare	510	33	100%	69	13.6%
Total			13,625	906	96.9%	6,672	49.0%



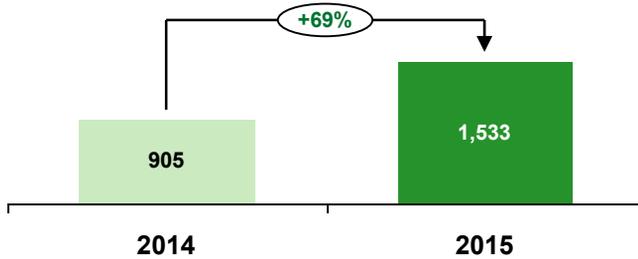


EXPENDITURES: TRANSPORTATION SERVICES, COMMUNICATIONS AND IT

In 2015, Kyiv's expenditures for transportation services, communications and IT increased by 69% or UAH 629 million up to UAH 1,533 million representing 98% of the annual budgeted allocation for this sector.



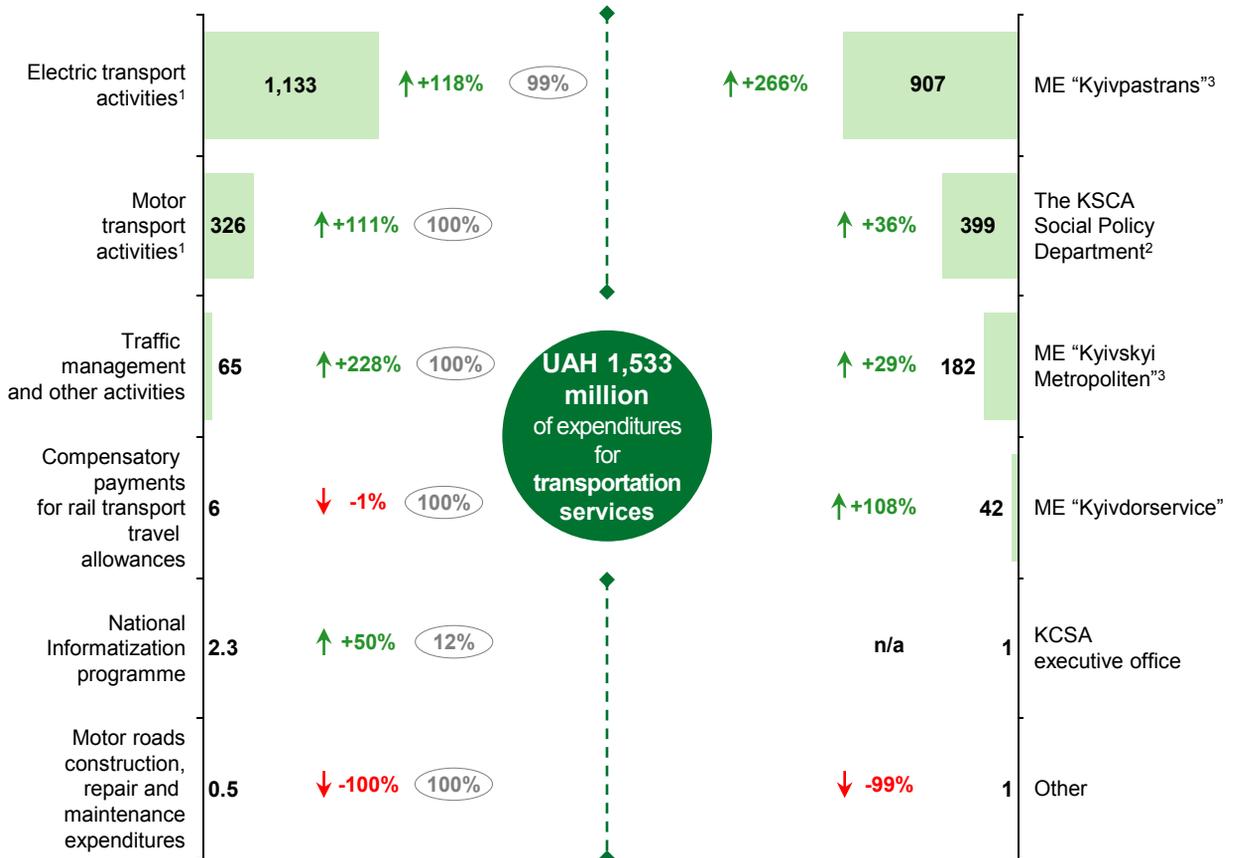
Transport services, communications and IT expenditure trend in Kyiv
(UAH million)



As transportation services to the public are rendered by municipal entities (rather than by Kyiv's budgetary entities), the budget expenditures for this sector are incurred as **current and capital transfers to these entities.**

Structure of transportation and IT expenditures in 2015 by area
(UAH million)

Structure of transportation and IT expenditures in 2015 by budget owner
(UAH million)



↑ +x% - increase in 2015 versus 2014 ↓ -x% - decrease in 2015 versus 2014 (x%) - % of budget line item for 2015 (budget execution)

¹ - Includes expenditures for the following activities: regulation of municipal public transport travel fares, compensatory payments for travel allowances and other activities.

² - Compensatory payments for motor, electric and rail travel allowances to certain categories of individuals for subsequent settlements with ME "Kyivpastrans" and ME "Kyivmetropolitan".

³ - Includes expenditure for regulation of public transport fares, other transportation activities, unallocated activities and services, other than compensatory payments for travel allowances.



The increase in expenditures for transportation services, communications and IT compared to 2014 was driven by increased current and capital transfers to municipal entities “Kyivmetropolitan” and “Kyivpastrans” to improve their financial position, in particular, by preventing overdue payroll payables and addressing repayment of principal and interest under the loan agreements with EBRD guaranteed by Kyiv.

Electric transport activities

Kyiv's expenditures for electric transport activities increased by 2.2 times or UAH 613 million to UAH 1,133 million.

	2014	2015	Change 2015/2014, %	Budget execution, %
Other electric transport activities ¹	223	586	163%	98%
Compensatory payments for electric transport travel allowances	216	296	37%	100%
Regulation of municipal electric transport travel fares	82	251	208%	100%
Total	520	1,133	118%	99%

¹ – Including payroll, repayment of borrowings under the EBRD loan agreement guaranteed by Kyiv, capital repairs of rolling stock and transport and social infrastructure.

During 2015, the following items were financed from Kyiv's budget:

- **ME “Kyivpastrans”** received UAH 251 million in compensation for regulation of municipal electric transport travel fares;
- the **KCSA Social Policy Department** received UAH 296 million of compensatory payments for electric transport travel allowances to certain categories of individuals for subsequent settlements with ME “Kyivpastrans” and ME “Kyivmetropolitan”;
- **ME “Kyivpastrans”** (UAH 404 million) and **ME “Kyivmetropolitan”** (UAH 181 million) received funding for other electric transport activities, including payroll and repayment of borrowings under the loan agreements with EBRD guaranteed by Kyiv.

Motor transport activities

Kyiv's expenditures for motor transport activities increased by 2.1 times or UAH 171 million to UAH 326 million.

	2014	2015	Change 2015/2014, %	Budget execution, %
Regulation of municipal motor transport travel fares	50	134	167%	100%
Compensatory payments for motor transport travel allowances	71	98	38%	100%
Other motor transport activities ¹	34	95	180%	100%
Total	155	326	111%	100%

¹ – Including payroll, repayment of borrowings under the EBRD loan agreement guaranteed by Kyiv, capital repairs of rolling stock and transport and social infrastructure.

During 2015, the following items were financed from Kyiv's budget:

- **ME “Kyivpastrans”** received UAH 134 million in compensation for regulation of municipal motor transport travel fares;
- the **KCSA Social Policy Department** received UAH 98 million of compensatory payments for motor transport travel allowances to certain categories of individuals for subsequent settlements with ME “Kyivpastrans”;
- **ME “Kyivpastrans”** received funding (UAH 95 million) for other motor transport activities, including payroll and repayment of borrowings under the loan agreements with EBRD guaranteed by Kyiv.

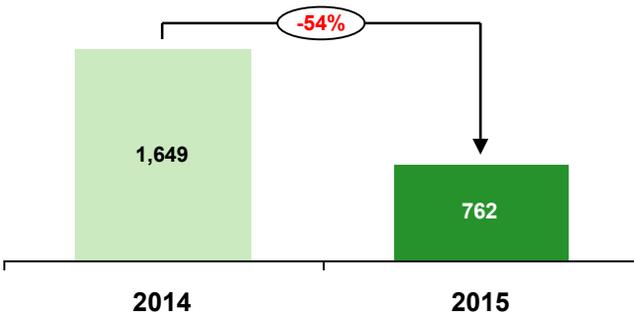


EXPENDITURES: CULTURE AND ART

In 2015, Kyiv's expenditures for culture and art reduced by 54% to UAH 762 million representing 102% of the annual budgeted allocation for this sector.



Culture and art expenditure trend
(UAH million)



The **54% decrease in expenditures** from the prior year is driven by **the decrease of non-monetary transactions with the assets from own revenues of budgetary entities** (including valuation of land) by UAH 1,039 million up to UAH 13 million in 2015.

Structure of expenditures for culture and art in 2015 by function
(UAH million)

Structure of expenditures for culture and art in 2015 by category
(UAH million)



↑ **+x%** - increase in 2015 versus 2014
 ↓ **-x%** - decrease in 2015 versus 2014
 x% - % of budget line item for 2015 (budget execution)

¹ - Include transactions with assets from own revenues of budgetary entities (including valuation of land) of UAH 13 million in 2015 and UAH 1,052 million in 2014.



Kyiv's expenditures for culture and art, excluding the non-monetary transactions with assets of budgetary entities (in the amount of UAH 13 million in 2015 and UAH 1,052 million in 2014), increased by 25% or UAH 152 million to UAH 749 million representing 100% of the annual budgeted allocation for this sector. Compared to 2014, there was an increase in Kyiv's expenditures for payroll at budgetary culture and art organisations (by UAH 56 million to UAH 410 million), current transfers (by UAH 30 million to UAH 233 million) and utilities (by UAH 17 million to UAH 37 million).

Reported revenues and expenditures of museums (budgetary entities operating in the Culture and Art centre) included valuation of land for the total amount of UAH 13 million, including: the I. Honchar National Folk Culture Centre in the amount of UAH 7.7 million; the Bohdan and Varvara Hanenko National Arts Museum in the amount of UAH 4.96 million. In 2014, the city recorded one significant transaction to recognise revalued amount of land (at 24A, Hospitalna Str.) totalling UAH 1,047 million by the "Kyiv Fortress" National History and Architecture Museum.

The total number of cultural and art institutions funded from Kyiv's city budget was 150 in 2015.

Number of cultural and art institutions funded from the city budget

Cultural and art institutions	Number of institutions as at the year-end		Number of visitors / spectators/readers, persons			Average cost per 1 spectator / visitor in Kyiv's city budget, UAH		
	2014	2015	2014	2015	% change	2014	2015	% change
Aesthetic education schools for children	56	56	22,446	22,555	0.5%	9,797	11,674	19%
Museums and exhibitions ¹	15	22	848,234	879,184	4%	66	112	54%
Theatres	21	20	577,171	705,892	22%	274	241	-12%
Libraries	13	13	575,750	572,840	-1%	142	184	30%
Philharmonics and music bands	7	9	209,800	333,900	59%	146	148	2%
Palaces of culture, culture centres clubs and other cultural institutions of club type	8	8	358,408	378,106	5%	27	36	34%
Cinematography	1	1	8,949	7,369	-18%	55	82	50%
Other cultural and educational institutions and activities (zoo, recreational parks etc.)	20	21	-	-	-	-	-	-
Total	141	150						

¹ – Exclude transactions with assets from own revenues of budgetary entities (including valuation of land) of UAH 13 million in 2015 and UAH 1,052 million in 2014.

As at the end of 2015, the total number of staff positions in cultural and art institutions funded from Kyiv's city budget increased by 7% to 10,900.

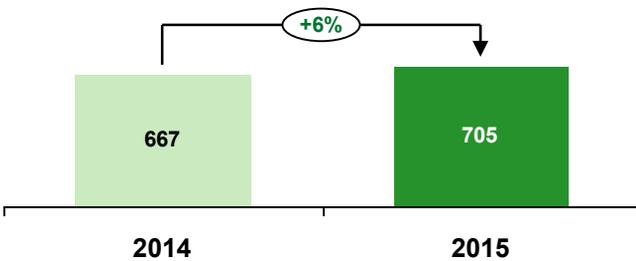


EXPENDITURES: MUNICIPAL (STATE) ADMINISTRATION

During 2015, Kyiv's city expenditures for operations of the Kyiv City Council, the KCSA and Kyiv's district state administrations increased by 6% to UAH 705 million, representing 97% of the budget for this line item.



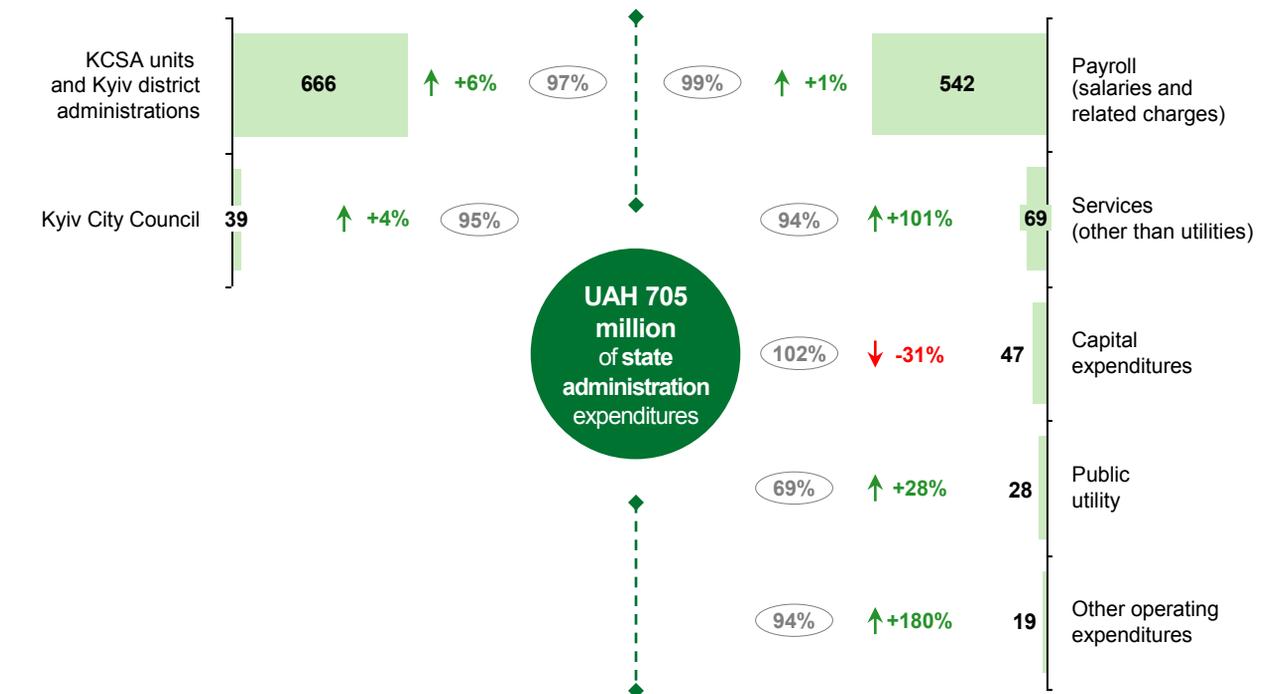
Changes in municipal (state) administration expenditures (UAH million)



The increase in expenditures for municipal (state) administration by 6% or UAH 37 million from 2014 is explained by the **increased expenditures for services** (other than utilities) and **procurement** of various equipment and materials.

Municipal (state) administration expenditures in 2015 by area (UAH million)

Municipal (state) administration expenditures for 2015 by nature (UAH million)



↑ +x% - increase in 2015 versus 2014

↓ -x% - decrease in 2015 versus 2014

○ x% - % of budget line item for 2015 (budget execution)

At the end of 2015, the headcount of the Kyiv City Council totalled 174 employees and the headcount of the KCSA units – 1,717, the Kyiv district administrations – 3,167 employees.



EXPENDITURES: SPECIAL-PURPOSE FUND

During 2015, expenditures from the special-purpose fund of Kyiv increased by 25% to UAH 254 million, representing 96% of the budget for this line item.

The uses of the Special-Purpose Fund are governed by the "Regulation for Creation and Use of the Special-Purpose Fund of Kyiv in 2015" (Appendix 8 to Kyiv City Council resolution № 60/925 dated 28/01/2015).

Kyiv's Special-Purpose Fund expenditures

Special-Purpose Fund expenditures	2014, UAH million	2015, UAH million	Change 2015 / 2014, %
Urban amenities	33	101	211%
Regulation of municipal public transport travel fares (for ME "Kyivpastrans")	99	95	-5%
The programme for addressing socio-economic challenges by the Mayor of Kyiv and the Kyiv City Council members, acting on election agendas, following up on voter requests	16	22	37%
Maintenance of municipal authorities (district state administrations, departments) and the Kyiv City Council Secretariat ¹	27	18	-35%
Creation and restoration of green zones	9	13	42%
Municipal City E-government Programme for 2012-2014	4	3	-30%
Research and analytical support of the city's socio-economic development planning process	4	-	-100%
Special-Purpose Municipal Programme to Promote Self-Government and Civil Society in Kyiv for 2012-2016	3	-	-100%
Special-Purpose Municipal Programme of Technical Protection of Information for 2012-2014	2	-	-100%
Other projects / programmes	4	1	-69%
Total	203	254	25%

¹ - Mainly for routine maintenance of administrative service centres.

EXPENDITURES: ENVIRONMENTAL FUND

During 2015, expenditures for environmental projects increased by 34% to UAH 45 million representing 73% of the budget for this line item.

Expenditures for environmental projects funded from Kyiv's Environmental Fund for 2015 were approved by KCSA № 444 dated 30/04/2015 "On Environmental Activities in Kyiv in 2015" (as amended).

Environmental projects by area

Expenditures funded from Kyiv's Environmental Fund	2014, UAH million	2015, UAH million	Change 2015/2014, %	Budget execution in 2015, %
Conservation and sustainable use of natural resources (water, plant resources etc.)	23	34	47%	86%
Conservation of the natural reserve fund	1	4	227%	50%
Addressing other environmental pollution	0	4	n/a	96%
Waste disposal	9	3	-68%	30%
Other environmental activities	0.1	0.4	410%	88%
Total	33	45	34%	73%

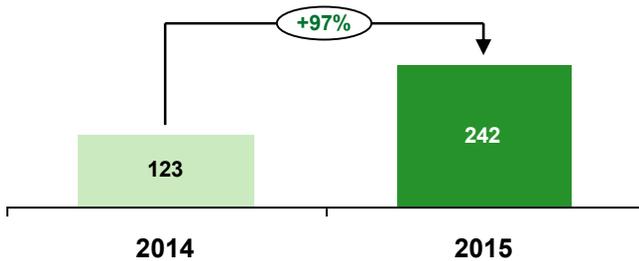


EXPENDITURES: PHYSICAL CULTURE AND SPORT

During 2015, expenditures for physical culture and sport grew nearly two-fold to UAH 242 million representing 94% of the budget for this line item.



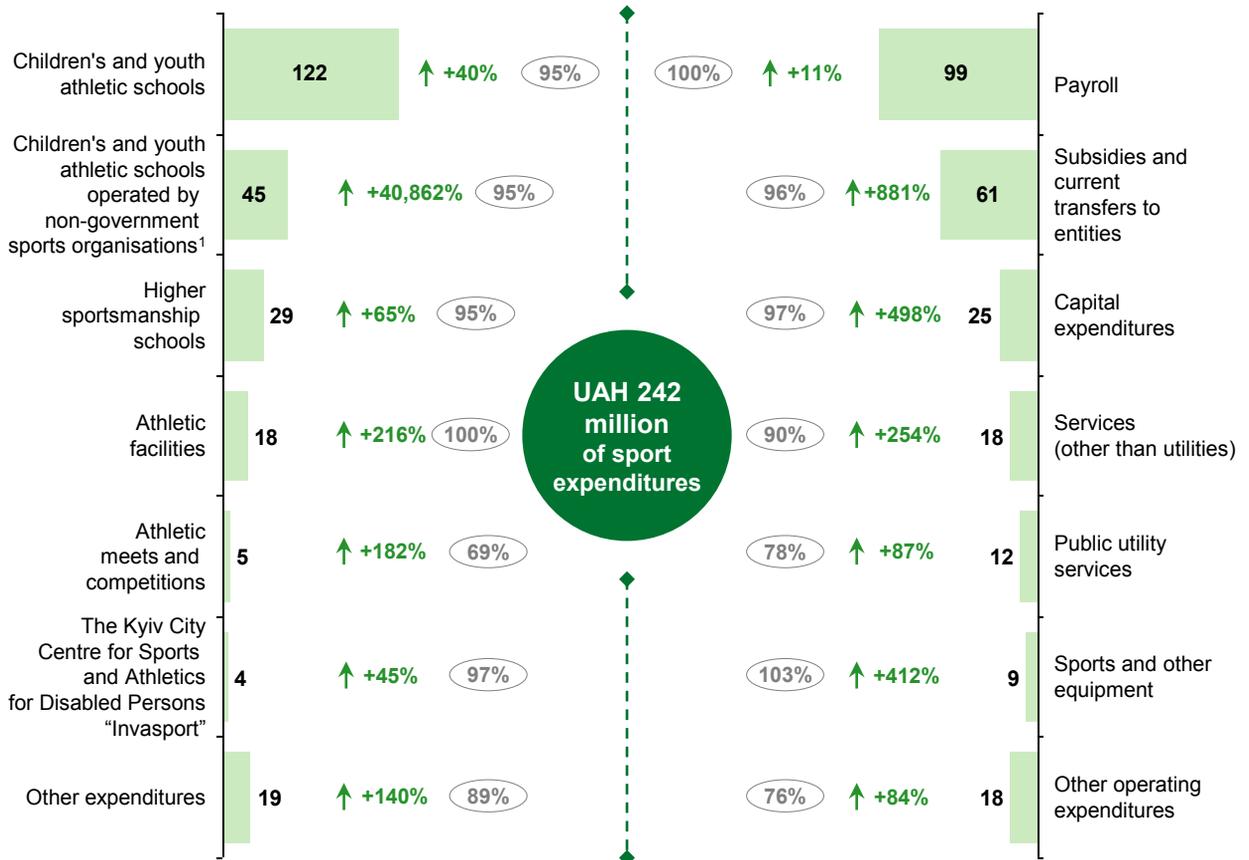
Changes in physical culture and sport expenditures
(UAH million)



The almost two-fold increase in expenditures by UAH 119 million compared to 2014 is mainly explained by the growing expenditures for **maintenance of children's and youth athletic schools** (payroll, purchases of equipment, service fees) by UAH 35 million and the increased **financial support given to children's and youth athletic schools operated by non-government sports organisations** by UAH 45 million.

Expenditures for physical culture and sport for 2015 by area
(UAH million)

Expenditures for physical culture and sport for 2015 by nature
(UAH million)



↑ +x% - increase in 2015 versus 2014 ↓ -x% - decrease in 2015 versus 2014 (x%) - % of budget line item for 2015 (budget execution)

¹ – Children's and youth athletic schools operated by non-government sports organisations.



In 2015, the number of sports and athletic facilities funded from Kyiv's city budget increased by 30 to 96 facilities. In addition, 234 athletic and sporting events and 619 athletic meets and competitions were funded from the city budget.

The increase in the number of facilities compared to the previous year is explained by the recently amended legislation. Starting from 2015, children's and youth athletic schools that were previously supported by the **Temporary Disablement Social Insurance Fund** have to be **funded from municipal budgets**.

Athletic and sports institutions funded from the Kyiv city budget

	Number of institutions as at the year-end		Average number of students			Number of events/competitions			Average annual expenditures per student/event/ institution, UAH thousand		
	2014	2015	2014	2015	% change	2014	2015	% change	2014	2015	% change
Children's and youth athletic schools	55	58	24,709	25,744	4%	-	-	-	3.5	4.7	34%
Children's and youth athletic schools operated by non-government sports organisations ¹	2	29	673	2,949	338%	-	-	-	0.2	15.4	9,248%
Athletic facilities	2	2	-	-	-	-	-	-	2,827	8,940	216%
Higher sportsmanship schools	2	2	248	265	7%	-	-	-	70.2	108.1	54%
Community sports centres and events	2	2	4,872	388,724	7,879%	109	234	115%	885	1,786	102%
The Kyiv City Centre for Sports and Athletics for Disabled Persons "Invasport"	1	1	-	-	-	-	-	-	2,981	4,327	45%
Other (sports teams)	1	1	-	-	-	-	-	-	4,648	12,008	158%
Central accounting costs	1	1	-	-	-	-	-	-	879	1,274	45%
Athletic meets and competitions	-	-	-	-	-	165	378	129%	9.4	11.6	23%
Athletic meets and competitions for athletes with disabilities	-	-	-	-	-	49	95	94%	11.4	12.5	10%
Non-Olympic athletic meets and competitions	-	-	-	-	-	46	146	217%	5.6	9.6	70%
Total	66	96	30,502	417,682	1,269%	369	853	131%			

¹ – Children's and youth athletic schools operated by non-government sports organisations.

At the end of 2015, the total headcount of Kyiv's athletic and sports institutions funded from the Kyiv city budget was 2,728 persons.



EXPENDITURES: ECONOMIC ACTIVITIES

During 2015, expenditures for services relating to economic activities decreased by 71% to UAH 170 million, representing 92% of the budget for this line item.

The decrease in expenditures for economic activities of 71% or UAH 418 million compared to 2014 is explained by the reduction in Kyiv's contributions to statutory capital of municipal entities.

During 2015, the expenditures were incurred in the three main areas as follows:

1 Contributions made by Kyiv as a principal shareholder to statutory capital of municipal entities

Contributions to statutory capital of key municipal entities of Kyiv

Entity	2014, UAH million	2015, UAH million	% execution in 2015	% change 2015 / 2014
PJSC "CB "Khreschatyk"	-	49.9	100%	-
ME "Motor transport enterprise of the executive body of the Kyiv City Council (KCSA)"	-	4.0	100%	-
ME "Kyivske Investytsiynе Agentstvo"	-	3.2	100%	-
ME "Kyivskiy Ipdrom"	3.5	1.7	100%	-51%
ME "Kyivmetropolitan" (including servicing and repayment of loans and other debt)	191.1	-	-	-100%
ME "Kyivpastrans" (including servicing and repayment of loans)	275.7	-	-	-100%
ME "Zhytloinvestbud-UKB" (including servicing of youth loans)	28.5	-	-	-100%
ME "Project Implementation Group" for implementation of Energy Saving and Heat Saving improvement projects in budgetary entities of the Kyiv City using NEFCO loan	17.7	-	-	-100%
Other municipal entities	50.2	0.1	100%	-100%
Total	566.6	58.9	100%	-90%

Contribution to the share capital of PJSC "CB "Khreschatyk"

In November 2014, the general shareholder meeting of PJSC "CB "Khreschatyk" made a decision to increase its share capital by UAH 200 million or 24.1% to UAH 1,029 billion as the first stage of the bank's capitalisation programme. In March 2015, the **Kyiv's city authorities made a contribution to Khreschatyk's share capital in the amount of UAH 49.9 million** for the bank's additional share issue and as a result, **retained its 25% plus 1 share interest in the bank.**

At the end of 2015, the Kyiv City Council approved the **UAH 150 million contribution to the Bank's share capital**, however this amount should have been contributed following the matching contribution from the majority shareholders who breached their part of the deal.

PJSC "CB "Khreschatyk" was **declared insolvent on 5 April 2016** as a result of failure to achieve the action plan designed to improve liquidity of PJSC "CB "Khreschatyk", the lack of sufficient commitment of the bank's owners to prevent insolvency, and non-compliance of PJSC "CB "Khreschatyk" with banking legislation and the National Bank of Ukraine regulations. **On 2 June 2016**, the National Bank of Ukraine issued **resolution № 46 to revoke the banking license and initiate liquidation of PJSC "CB "Khreschatyk"** recommended by the Deposit Guarantee Fund. The bank's depositors included 308 individuals, of whom 98.7% (UAH 304 thousand) will recover their deposits in full as the amounts of their deposits is within the threshold amount (UAH 200 thousand) guaranteed by the Deposit Guarantee Fund.



2 Other programmes and projects relating to economic activities

Funding of programmes and projects relating to economic activities

Programme/project	2014, UAH million	2015, UAH million	% change 2015/ 2014
Support in the process of obtaining/updated credit ratings for Kyiv, costs related to restructuring domestic and external municipal debt	1.3	48.3	3643%
Implementation of energy saving projects, including repayment of principal and payment of interest under the loan agreement between ME "Grupa Vprovadzhennya Proektu z Energozberezhennya v Administratyvnykh I Hromadskykh Budivlyakh Mista Kyieva" and the Nordic Environment Finance Corporation (NEFCO)	4.6	33.5	636%
Research and analytical support of the city's socio-economic development planning process	10.2	13.8	36%
Oversight of construction, reconstruction, restoration, upgrade, overhaul	3.4	3.4	0%
Technical protection of information at the KCSA executive office	1.0	2.8	180%
Kyiv territorial community's property privatisation programme	-	2.7	-
Settlement of operational payables to ME "Dyrektsiya Restavratsiyno-Vidnovlyvalnykh Robit"	-	2.1	-
The programme for Kyiv's land utilisation and conservation	1.7	1.9	10%
Other programmes and projects	-	2.3	-
Total	22.1	110.8	401%

3 Support to small and medium businesses

In 2015, UAH 350 thousand was allocated from Kyiv's city budget to settle overdue accounts payable relating to projects under the **Kyiv Municipal Small and Medium Business Promotion Programme for 2011–2012** and UAH 369 thousand for projects under the **Comprehensive Special-Purpose Municipal Programme to Promote Entrepreneurship, Industry, and Consumer Market 2015–2018**.



EXPENDITURES: MASS MEDIA

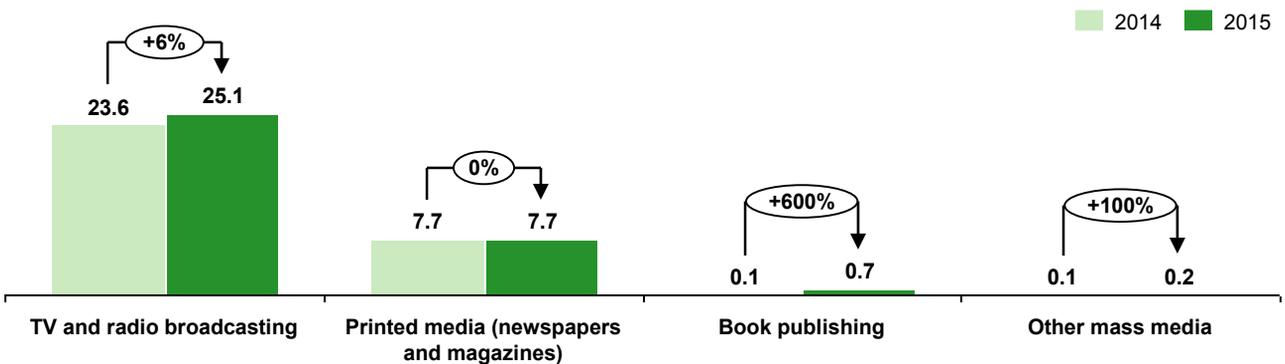
During 2015, mass media expenditures increased by 7% to UAH 34 million, representing 98% of the budget for this line item.

The increase in expenditures of 7% or UAH 2 million compared to 2014 is mainly explained by the increase in expenditures for support of TV and radio broadcasters in municipal ownership of Kyiv's community and support provided to book publishers.

During 2015, the following Kyiv budget appropriations were allocated (as current transfers) for the purpose of informing Kyiv's residents about the capital city's political and economic affairs:

- support of two municipal TV and radio broadcasters (ME "Kyiv TV" and "The Voice of Kyiv Editorial") - UAH 25.1 million;
- support of printed media (ME "Newspaper Vechirniy Kyiv", LLC "Magazine Kyiv", ME "Newspaper Khreshchatyk") - UAH 7.7 million;
- expenditures for support of book publishers, news monitoring and relationships with other news agencies - UAH 919.7 thousand.

 Mass media expenditures by area
(UAH million)



At the end of 2015, the total headcount of municipal mass media funded from the Kyiv city budget was 330 employees.

EXPENDITURES: LAND PLANNING, FORESTRY AND HUNTING

During 2015, the following items were financed from Kyiv's budget:

- UAH 20.9 million for funding of the "Kyiv Veterinary Medicine Association", including payroll, power and utilities, and other operating costs (70% of budget);
- UAH 11.95 million for maintenance of the city's green belt, rehabilitation and forestry work at forestries (74% of budget);
- UAH 126 thousand of fees for independent valuation of Kyiv's land (32% of budget).



EXPENDITURES: EMERGENCY RESPONSE AND PREVENTION

During 2015, expenditures for water rescue and water recreation safety for Kyivans and visitors dropped by 9% to UAH 8.3 million, representing 100% of the budget for this line item.

Funding is allocated from Kyiv's city budget to **Municipal Water Resource Conservation, Maintenance and Operation Entity "Pleso"** for the above activities.

EXPENDITURES: UNALLOCATED

During 2015, there was a 2.8% increase in expenditures for other projects and programmes to UAH 174 million, or 77% of the budget for this line item.

The actual-budget variance of 33% or UAH 52 million for this line item is explained by the underutilisation of the reserve fund of UAH 39 million vs budgeted.

Kyiv's budget expenditures for other projects and programmes by key area

Entity	2014, UAH million	2015, UAH million	Budget execution, %	Change 2015/2014, %
Expenditures for preferential loans for construction/reconstruction and acquisition of housing for young families and other vulnerable population ¹ , including:	4.8	51.6	98%	972%
<i>Payment of interest on long-term preferential loans²</i>	6.9	51.1	100%	644%
<i>Origination and servicing fees on long-term preferential loans³</i>	0.4	3.0	98%	649%
<i>Repayment of loans by borrowers (Lending)⁴</i>	-2.4	-2.4	159%	-2%
Elections of the Kyiv City Council members and the Mayor of Kyiv ⁵	7.8	35.9	97%	362%
Reserve fund	-	-	0%	-
Other expenditures ⁶	49.6	86.2	89%	74%
Total	62.1	173.8	77%	180%

¹ – Starting from 2004, the City of Kyiv has been implementing a Preferential Mortgage Loan Programme for Young Citizens, approved by Kyiv City Council resolution № 570/1980 dated 18/11/2004 "On Approval of Procedure for Financial and Lending Support of Young Families and Young Single Citizens for Construction/Reconstruction of Housing in Kyiv". The programme was implemented through PJSC "CB "Khreshchatyk", 25% +1 owned by the Kyiv community.

² – Appropriations from the Kyiv city budget are made to reimburse PJSC "CB "Khreshchatyk" for the interest rate in the following amount: prior to 03/09/2015: the NBU discount rate + 5.5% p.a.; starting from 03/09/2015: the NBU discount rate + 3.0% p.a.

³ – Appropriations from the Kyiv city budget are made to cover the young citizen loan servicing fee in the following amount: prior to 03/09/2015: 6% of the loan principal; starting from 03/09/2015: 3% of the loan principal.

⁴ – These loans mature in or before 2035. As at 31/12/2015, the total exposure of citizens under these loans is UAH 1.9 million. Repaid amounts are used to repay loan principle to the bank on behalf of the borrowers who are entitled to this benefit (a 25% decrease in loan principal on birth of a child) - refer to Expenditures: Building and Construction.

⁵ – Special elections of the Kyiv City Council members and the Mayor of Kyiv in 2014 (funded by a government grant).

⁶ – Include expenditures for addressing socio-economic challenges by the Mayor of Kyiv and the Kyiv City Council members; acting on election agendas; following up on voter requests; expenditures for funding of the municipal budgetary entity "Kyiv City Call Centre"; activities under crime prevention programme and other.



EXPENDITURES: TRANSFERS FROM KYIV'S BUDGET TO OTHER BUDGETS

During 2015, transfers to other budgets were comprised of UAH 45.9 million transferred to the government budget and UAH 7.4 million transferred to the local budgets of the Kyiv region, representing 76% and 100% of the budget for this line item, respectively.

This decrease in transfers to the government budget compared to the previous year is explained by the transfer of funds of UAH 1,141 million to the government budget from local budgets in 2014 to equalise revenues and expenditures of territories as a result of Kyiv's excess revenues over expenditures (in calculating transfers to/from other budgets using the standards established for all local budgets).

A decline in inter-budget transfers vs budget resulted from a failure to transfer the central government budget subvention in the amount of UAH 13.6 million to implement the School Books programme.

Transfers from Kyiv's city budget to other budgets

	2014, UAH million	2015, UAH million	Actual 2015, UAH million	Budget execution in 2015, %
Transfers from Kyiv's city budget to the government budget	1,143.6	45.9	60.2	76%
Funds transferred to the government budget from Kyiv's city budget to be reallocated to other budgets (not earmarked for special uses)	1,140.5	-	-	-
Subvention from Kyiv's city budget to the government budget to fund socio-economic and cultural development programmes of the regions	3.1	45.9	60.2	76%
<i>Municipal special-purpose comprehensive crime prevention programme "Safe Capital City" for 2012–2015</i>	3.0	42.0	42.5	99%
<i>Programme to Improve Organisation of Military Service Training for Public, Registration at Recruiting Stations, Call to Compulsory Military Service and Military-Patriotic Education of Youth for 2011–2015</i>	0.1	0.5	0.5	100%
<i>Programme to Inform the Public and Place Advertisements Relating to Taxes and State Fiscal Service Activities for 2012–2014 (settlement of accounts payable)</i>	-	2.0	2.0	100%
<i>Special-Purpose Municipal Programme for General Courts and Judicial Organisations in Kyiv for 2011–2015</i>	-	1.4	1.5	92%
<i>School Books programme</i>	-	-	13.6	0%
Transfers from the Kyiv city budget to local budgets of the Kyiv region	0.3	7.4	7.4	100%
Other additional grants (from Kyiv's city budget to the local budgets of the Kyiv region for children's health promotion projects)	0.3	0.5	0.5	100%
Subvention from Kyiv's city budget to the local budget of the Pidhirtshi village council (Obukhiv district, Kyiv region) for implementation of Kyiv's economic and social development Programme in terms of upgrades of existing roads and construction of new roads in Pidhirtsi village, Obukhiv region	-	6.2	6.2	100%
Subvention from Kyiv's city budget to the local budget of the Khodosiivka village council (Kyiv-Svyatoshin district, Kyiv region) for implementation of Kyiv's economic and social development Programme 2014 in terms of upgrades of existing roads and construction of new roads in Khodosiivka village Kyiv-Svyatoshin district	-	0.7	0.7	100%
Total transfers to other budgets	1,143.9	53.3	67.5	79%





ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE BY TYPE OF EXPENDITURE

As at 31/12/2015, outstanding payables decreased by 83% to UAH 98.2 million as a result of settlement of payables and timely payments for utilities, foods and medicines.

Receivables and payables by sector¹

Expenditures, UAH million	Receivables		Payables	
	at 31/12/2014	at 31/12/2015	at 31/12/2014	at 31/12/2015
Social protection and social security	2.5	0.9	145.3	78.6
Building and construction	136.9	76.2	14.2	8.1
Education	0.8	2.5	204.4	5.1
Healthcare	2.5	1.8	133.4	4.2
Unallocated	0.3	0.3	4.0	0.9
State administration	6.2	0.4	14.3	0.4
Special-purpose fund	10.2	8.3	7.2	0.4
Other services related to economic activities	-	43.0	15.2	0.3
Physical culture and sport	0.0	0.0	14.8	0.1
Culture and art	0.4	0.2	18.1	0.1
Housing and utilities	0.6	0.8	10.1	0.0
Other sectors	0.0	0.1	1.1	-
Total receivables/payables	160.3	134.4	582.2	98.2

Receivables outstanding as at 31/12/2015 decreased from UAH 160.3 million to UAH 134.4 million, mainly as a result of an the decrease in receivables from the building and construction and state administration sectors.

Receivables and payables by item¹

Expenditures, UAH million	Receivables		Payables	
	at 31/12/2014	at 31/12/2015	at 31/12/2014	at 31/12/2015
Operating expenditures	7.8	49.5	537.6	87.1
Social security	2.4	0.7	115.7	78.3
Foods	-	-	53.5	1.9
Pharmaceuticals and dressing materials	-	-	49.9	1.5
Public utility services	2.0	3.8	183.5	1.0
Research, development and realisation of state (regional) programmes	0.8	0.5	33.8	1.0
Payroll	0.0	0.2	16.7	0.8
Subsidies and current transfers to entities	0.3	0.3	3.6	-
Other operating expenditures	2.3	44.0	80.8	2.6
Capital expenditures	152.5	85.0	44.5	11.1
Capital transfers to entities	140.7	80.3	9.0	7.4
Acquisitions of fixed assets	11.8	4.7	35.4	3.7
Total receivables/payables	160.3	134.4	582.2	98.2

¹ – Excludes receivables/payables in respect of loans.



STRUCTURE OF KYIV'S CITY BUDGET EXPENDITURES FOR 2015 (BY SECTOR AND BY CATEGORY)

	Health-care ²	Edu- cation	Social protection and social security utilities	Housing and utilities	Debt and servicing	Building and construc- tion	Trans- portation and services, commu- nications	Culture and art ²	State adminis- tration	Special- purpose fund	Physical culture and sport activities	Econo- mic	Other sectors	Transfers to other budgets	Total
Operating expenditures	4,558	5,982	3,847	1,349	1,577	22	1,166	720	658	222	217	80	257	-	20,654
Payroll ¹	1,983	3,864	290	-	-	-	-	410	542	-	99	-	21	-	7,210
Subsidies and current transfers to entities	503	2	19	1,348	-	-	1,164	233	-	210	61	22	127	-	3,688
Social security	24	69	3,343	-	-	1	-	1	-	-	2	-	54	-	3,493
Debt servicing	-	-	-	-	1,577	-	-	-	-	-	0	-	0	-	1,577
Public utility services	367	1,051	64	-	-	-	-	37	28	-	12	-	1	-	1,560
Research, development and realisation of state (regional) programmes	635	304	30	-	-	21	-	8	0	0	1	3	41	-	1,043
Foods	76	485	47	-	-	-	-	-	-	-	6	-	-	-	613
Pharmaceuticals and dressing materials	796	1	5	-	-	-	-	-	-	-	0	-	0	-	802
Other operating expenditures	176	207	49	1	-	-	1	31	88	12	36	56	13	-	669
Capital expenditures	3,673	331	341	797	-	1,521	368	42	47	32	25	90	40	-	7,307
Acquisitions of fixed assets	3,649	312	338	94	-	151	1	41	47	10	25	1	2	-	4,670
Capital transfers to entities	24	20	3	703	-	1,370	367	1	-	22	-	89	37	-	2,636
Lending operations	-	-	-	-	-	-	-	-	-	-	-	-	-2	-	-2
Transfers to other budgets	-	-	-	-	-	-	-	-	-	-	-	-	-	53	53
Total	8,231	6,313	4,188	2,146	1,577	1,543	1,533	762	705	254	242	170	295	53	28,010

1 – Salaries and related charges.

2 – Including (mainly within capital expenditures/acquisitions of fixed assets) transactions with assets from own revenues of budgetary entities (including recognition of land valuation); for healthcare sector: UAH 3,563 million; culture and art sector: UAH 13 million.



STRUCTURE OF KYIV'S CITY BUDGET EXPENDITURES FOR 2014 (BY SECTOR AND BY CATEGORY)

	Health-care	Edu-cation	Social protection and social security	Housing and utilities	Debt servicing	Building and construction	Trans- portation and services, commu- nications	Culture and art ²	State adminis- tration	Special- purpose fund	Physical culture and sport activities	Eco- nomic activities	Other sectors	Transfers to other budgets	Total
Operating expenditures	3,521	4,931	2,636	4,189	1,312	4	547	594	600	196	119	22	107	-	18,777
Payroll*	1,791	3,366	270	-	-	-	-	354	537	-	90	-	7	-	6,414
Subsidies and current transfers to entities	425	3	12	4,189	-	-	547	203	-	157	6	17	77	-	5,636
Social security	21	43	2,249	-	-	1	-	1	-	0	1	-	7	-	2,323
Debt servicing	-	-	-	-	1,312	-	-	-	-	-	-	-	-	-	1,312
Public utility services	256	778	37	-	-	-	-	20	22	-	6	-	-	-	1,120
Research, development and realisation of state (regional) programmes	536	274	11	-	-	3	-	4	0	6	0	2	13	-	848
Foods	53	373	34	-	-	-	-	-	-	-	5	-	-	-	464
Pharmaceuticals and dressing materials	333	0	3	-	-	-	-	-	-	-	0	-	-	-	336
Other operating expenditures	106	93	20	-	-	-	-	12	41	32	11	4	3	-	323
Capital expenditures	360	116	13	81	-	650	358	1,055	68	6	4	567	32	-	3,311
Acquisitions of fixed assets	350	112	10	16	-	36	2	1,054	68	1	4	-	23	-	1,676
Capital transfers to entities	10	5	2	65	-	615	356	1	-	5	-	567	9	-	1,634
Lending operations	-	-	-	-	-	-	-	-	-	-	-	-	-2	-	-2
Transfers to other budgets	-	-	-	-	-	-	-	-	-	-	-	-	-	1,144	1,144
Total	3,881	5,047	2,648	4,270	1,312	654	905	1,649	667	203	123	589	136	1,144	23,229

1 – Salaries and related charges.

2 – Including (mainly within capital expenditures/acquisitions of fixed assets) transactions with assets from own revenues of budgetary entities (including recognition of land valuation); for healthcare sector: UAH 170 million; culture and art sector: UAH 1,052 million.





6.4 Debt and Guarantees Issued

DEBT

Borrowings are intended to provide financing for facilities to the Kyiv's development budget (Special Fund) and are used to create, acquire or upgrade strategic facilities with long-term useful lives or facilities that support the fulfilment of the tasks of Kyiv's City Council aimed at serving the interests of the city residents and territorial communities.

If the debt repayments and related debt servicing payments set out by an agreement between a lender and a borrower are made in breach of the repayment schedule due to the fault of the borrower, the Kyiv City Council may not receive new borrowings within the next five years.

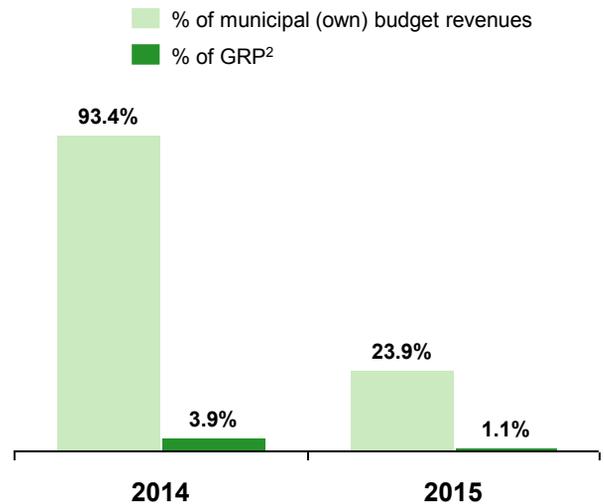
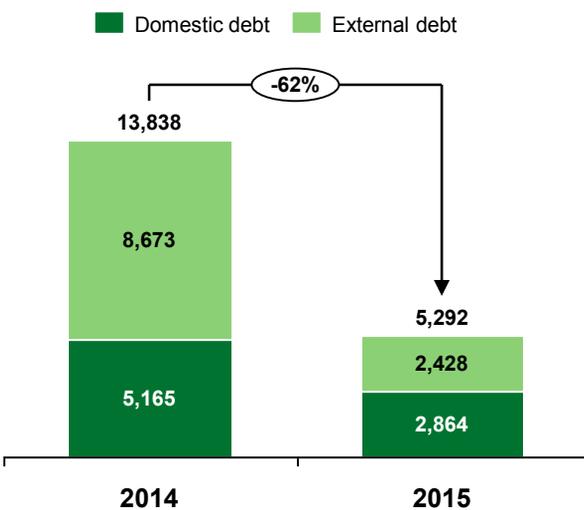
As at 31/12/2015, Kyiv's debt¹ decreased by 62% or UAH 8,546 million to UAH 5,292 million due to successful restructuring of the external debt in December 2015 and partial redemption of the City's domestic bond issue.



Debt at the period end
(UAH million)



Debt at the period end as a %
(UAH million)



¹ – Do not include: 1) debt for borrowings from resources of a single treasury account in amount of UAH 3,688 million as at 31/12/2014 and 31/12/2015; 2) restructured and transferred to state debt Kyiv's external debt in amount of USD 351.066 million (the equivalent of UAH 8,426 million) as at 31/12/2015.
² – GRP forecasts contained in Kyiv's Economic and Social Development Programme for 2016 were used for calculation of the 2015 indicator.

The domestic debt principal amount (in Ukrainian hryvnia) decreased by UAH 2,301 million to UAH 2,864 million in 2015 due to:

- **full redemption of domestic municipal bonds of series F** in the amount of UAH 875 million in October 2015;
- **partial redemption of domestic municipal bonds of series H (private placement)** in the amount of UAH 1,426 million.

In July 2015, the Kyiv City Council negotiated the restructuring of Kyiv's debt in respect of H and G series municipal bonds, resulting in extension of maturities of these bonds for the minimum of 360 days (i.e. to 10 October and 19 December 2016).

As at 31/03/2016, Kyiv's debt for municipal bonds reduced to UAH 1,915 million due to full redemption of bonds of series H in the amount of UAH 948.7 million in 1 quarter 2016. The Resolution of the Securities and Stock Market State Commission of 1 September 2016 №02-KФ-C-OBMΠ cancelled the registration of the domestic municipal bond issue of series H for the Kyiv City Council with the total par value of UAH 2,375 million.

In addition, in **December 2015, Kyiv successfully completed the restructuring of its external debt** for loan participation notes in the amount of USD 250 million maturing in 2015 and in the amount of USD 300 million maturing in 2016.

- On 16 December 2015, 59.5% holder of external bonds maturing in 2015 and 100% of holders of external bonds maturing in 2016 **supported the restructuring of Kyiv's debt liabilities**.
- According to the Kyiv City Council's resolution of 17 December 2015 № 26/26 "On External Debt", appropriate transactions were performed **to convert (exchange) partial municipal debt (USD 148.851 million) on external borrowings maturing in 2015 and full municipal debt (USD 300 million) on external borrowings maturing in 2016 to the sovereign debt of Ukraine**.
- As part of the restructuring, holders of Kyiv's unredeemed municipal bonds received **external government bonds in the total amount of USD 351.066 million (by USD 175.533 million) with maturities on 1 September 2019 and 1 September 2020 and sovereign derivatives in the amount of USD 111.394 million**. The external government bonds carry yield of 7.75% p.a.
- Kyiv imposed moratorium on payments to **holders of municipal bonds from 6 October 2015. Municipal bonds in the amount of USD 101.149 million maturing in 2015** whose holders refused to participate in Kyiv's debt restructuring were not serviced **as at 1 August 2016**.
- As at 31/12/2015, restructured and transferred to state debt Kyiv's external debt was USD 351.066 million (the equivalent of UAH 8,426 million). According to the Resolution of the Cabinet of Ministers of Ukraine of 18 December 2015 № 1040 "**Certain issues of entering into transactions to convert the Kyiv City Council's debt on external borrowings originated in 2005 and 2011 into sovereign debt in 2015**", the Ministry of Finance of Ukraine notifies the Kyiv City Council of its debt to the central government of Ukraine accompanied by relevant debt calculations within 5 business days after incurring redemption expenditures and servicing new external government bonds of Ukraine and making settlements on sovereign derivatives. **Within 10 business days** after receiving the notification from the Ministry of Finance of Ukraine, **the Kyiv City Council repays its debt to the central government** at the official exchange rate of Ukrainian hryvnia to the foreign currency set by the National Bank of Ukraine as at the date of the transaction.

As at 31/12/2015, Kyiv's statement of financial position (balance sheet) shows the City's external debt liabilities of **USD 101.149 million (the equivalent of UAH 2,428 million)**, which represents the portion of the City's debt to holders of external bonds who did not agree to debt restructuring.

Kyiv's city debt¹ as at 01/01/2015 and 31/12/2015

	Interest rate, %	Issuance date	Maturity date	As at 01/01/2015, UAH million	As at 31/12/2015, UAH million
Domestic debt				5,165	2,864
Municipal bonds (series G)	15.25%	Dec 2012	Dec 2016	1,915	1,915
Municipal bonds (series F)	15.25%	Nov 2012	Oct 2015	875	-
Municipal bonds (series H) ¹	15.2%	Oct 2014	Oct 2016	2,375	949
External debt				8,673	2,428
Bonds 2015 (USD 250 million) ^{3,4}	8.00%	Nov 2005	Nov 2015	3,942	2,428
Bonds 2016 (USD 300 million) ³	9.375%	July 2011	July 2016	4,731	-
Total debt				13,838	5,292

¹ – Do not include: 1) debt for borrowings from resources of a single treasury account in amount of UAH 3,688 million as at 31/12/2014 and 31/12/2015; 2) restructured and transferred to state debt Kyiv's external debt in amount of USD 351.066 million (the equivalent of UAH 8,426 million) as at 31/12/2015.

² – Bonds of series H in the amount of UAH 948.7 million were fully redeemed in 1 quarter 2016. As at 1 August 2016, the Securities and Stock Market State Commission was filed with documents for discontinuance and cancellation of bonds of series H (in the total amount of UAH 2,375 million). The Resolution of the Securities and Stock Market State Commission of 1 September 2016 №02-KF-S-OVMP cancelled the registration of the domestic municipal bond issue of series H for the Kyiv City Council with the total par value of UAH 2,375 million.

³ – Currency translations were based on the official exchange rates set by the National Bank of Ukraine as at 01/01/2015 and 31/12/2015.

⁴ – The figure shown as at 31/12/2015 represents the portion of the City's debt to holders of external bonds who did not agree to debt restructuring.

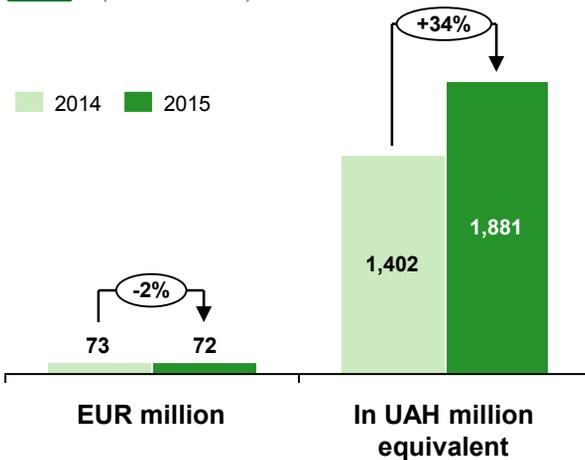


KYIV'S ISSUED GUARANTEES

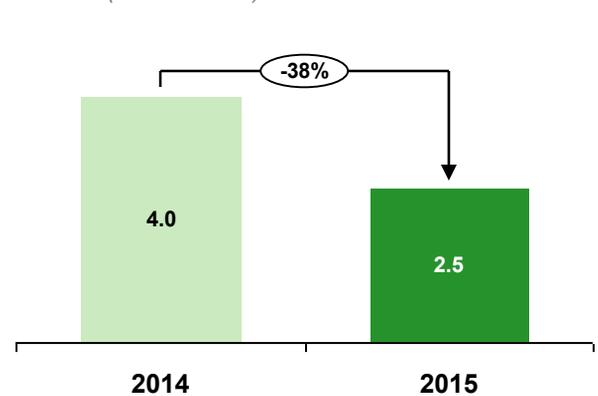
According to the Budget Code of Ukraine, **local guarantees are issued according to Kyiv's City Council resolutions to ensure full or partial performance of debt liabilities** of Ukrainian resident business entities operating in the public utility sector, which are located in the territory of Kyiv and realise investment programmes (projects) in this territory aimed at developing the municipal infrastructure or implementing resource saving technologies.

As at 31/12/2015, the debt facility secured by Kyiv's territorial community, which was drawn down by municipal entities, increased by 34% to UAH 1,883 million solely due to the Ukrainian hryvnia devaluation as the major portion of the debt is Euro-denominated.

Euro-denominated secured debt
(UAH million)



Ukrainian hryvnia-denominated secured debt
(UAH million)



Local guarantees and Kyiv's secured debt as at 01/01/2015 and 31/12/2015

Borrower	Lender	Key terms of guarantee liabilities					Secured debt amount as at	
		Amount, million	Currency	Interest rate, %	Date of origination	Date of maturity	01/01/2015, UAH million ¹	31/12/2015, UAH million ¹
ME "Kyivpastrans"	EBRD	60.0	EUR	Euribor + 5.75% ³	2010	2021	703	998
ME "Kyivmetropolitan"	EBRD	40.0	EUR	Euribor + 5.75% ³	2010	2021	694	811
ME "Kyivdorservice"	EBRD	15.0	EUR	Euribor + 5.75% ³	2010	2019	3	4
ME "Project Implementation Group" ²	NEFCO	5.0	EUR	6.90%	2013	2021	3	67
ME "Project Implementation Group" ²	NEFCO	4.0	UAH	3.00%	2013	2018	4.0	2.5
Total							1,406	1,883

¹ – Currency translations were based on the official exchange rates set by the National Bank of Ukraine as at 01/01/2015 and 31/12/2015.

² – ME "Energy Savings in Kyiv City Administrative and Community Buildings Project Implementation Group" ("Project Implementation Group").

³ – Interest margin on the EBRD loans is adjusted under loan agreements and is revised on each interest payment date with reference to Kyiv's unsecured and unsubordinated long-term debt ratings assigned by S&P and Moody's.



Guarantees issued to secure loans from the European Bank for Reconstruction and Development (EBRD)

In 2010, according to the Resolution of the Kyiv City Council as at 02/12/2010 № 250/5062 "On Issuance of Guarantees to the European Bank for Reconstruction and Development", the Kyiv City Council issued guarantees to the European Bank for Reconstruction and Development **to secure performance of obligations under the loan agreements signed by:**

- **ME "Kyivpastrans"** as a borrower and the EBRD as a lender on loan facilities of EUR 60 million as at 17/08/2007. The loan facilities were allocated to replace the fleet of trolleybuses (202 vehicles, 181 vehicles procured) and buses (185 vehicles fully procured);
- **ME "Kyivskiy Metropolitan"** as a borrower and the EBRD as a lender on loan facilities of EUR 40 million as at 17/08/2007. The loan facilities were allocated to replace subway coaches (50 coaches procured);
- **Kyiv City Council ME "Kyivdorservice"** as a borrower and the EBRD as a lender on loan facilities of EUR 15 million as at 31/10/2008 (as amended) that were allocated to implement the programme "Kyiv City Traffic Management System (Traffic Management System Design Planning, Procurement, Installation and Servicing)".

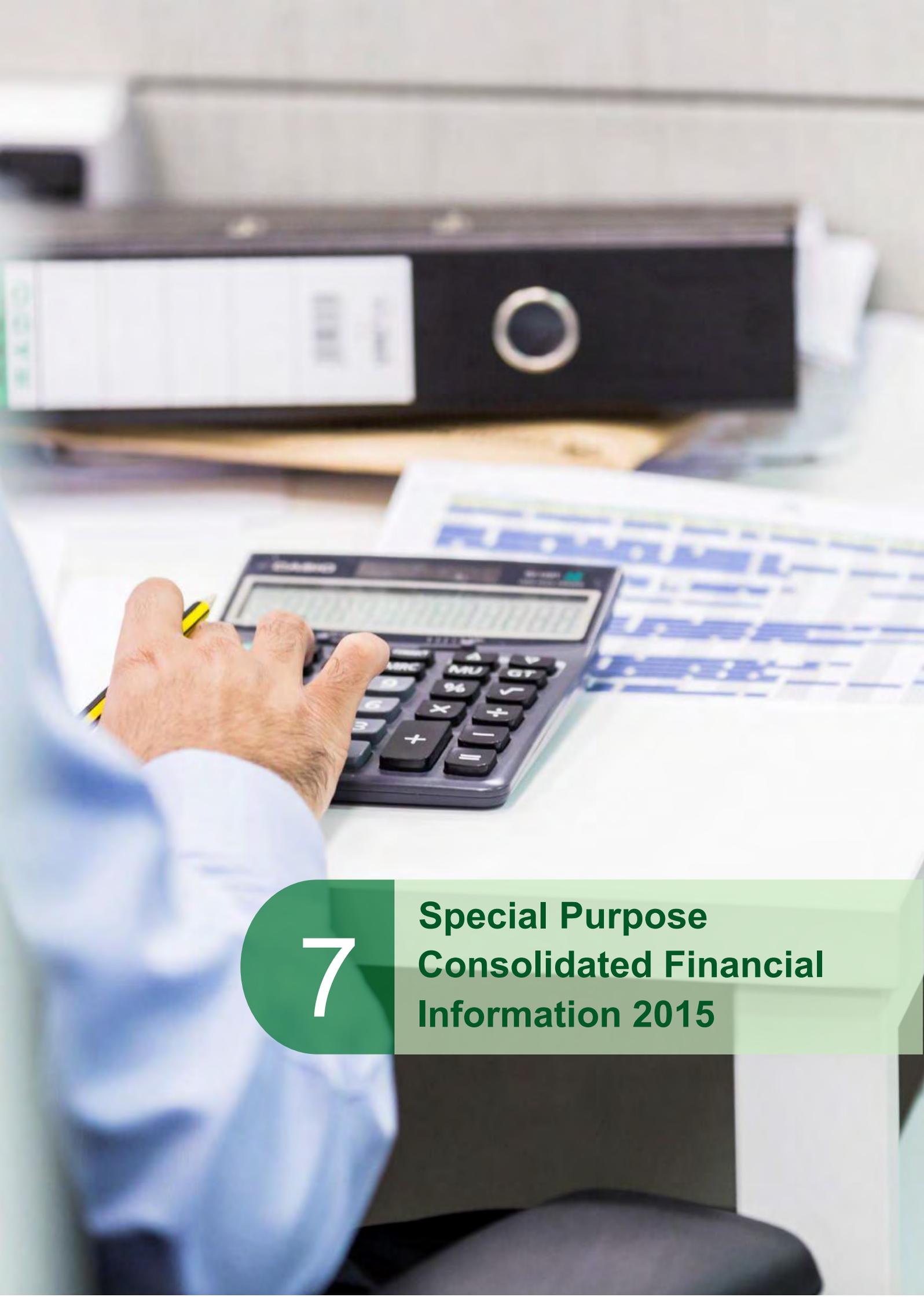
Guarantees issued to secure loans from the Nordic Environment Finance Corporation (NEFCO)

In 2013, the Kyiv City Council initiated cooperation with NEFCO that finances a wide range of energy-efficient projects in Central and Eastern European countries including Ukraine to focus on **efficiency improvement initiatives of fuel and power resources utilisation by budgetary entities.**

Resolution № 429/9917 of the Kyiv City Council as at 13/11/2013 "On approval of agreements" approved the issuance of the guarantees to secure performance of obligations under **the two loan agreements** signed between Municipal Entity "**Energy Savings in Kyiv's Administrative and Community Buildings Project Implementation Group**" as a borrower and NEFCO as a lender on a:

- loan disbursement of EUR 5 million according to the Resolution of the Kyiv City Council as at 02/10/2013 № 13/9601 "On measures to raise a loan from the Nordic Environment Finance Corporation (NEFCO) and to issue guarantees" to finance **the Heat Saving Improvements in Kyiv's Budgetary Entities** project intended to implement energy-efficient initiatives for the municipally owned facilities. The co-financing contributions included EUR 2.0 million funded from Kyiv's city budget and EUR 1.5 million funded from a E5P grant;
- loan disbursement of UAH 4 million according to the Resolution of the Kyiv City Council as at 02/10/2013 № 13/9601 "On measures to raise a loan from the Nordic Environment Finance Corporation (NEFCO) and to issue guarantees" to finance **the Energy Saving in Kyiv's Budgetary Entities** project intended to implement energy-efficient initiatives for municipally-owned facilities, including replacement, repair and installation of energy-saving equipment. The co-financing contribution funded from Kyiv's city budget amounted to UAH 1.5 million.





7

**Special Purpose
Consolidated Financial
Information 2015**

**7. Special purpose consolidated financial information 2015**

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**Description of approach to preparation of the special purpose consolidated financial information**

The special purpose consolidated financial information of the Kyiv City includes 1,970 entities (31 December 2014: 1,853 entities (Note 1)). Main forms of the special purpose consolidated financial information include the data of all 1,970 entities. Due to technical constraints, detailed information in the Notes were prepared in respect of 94 largest entities (31 December 2014: 87 entities). The information regarding other entities was included in the Notes in the line "Other". This special purpose consolidated financial information is unaudited.

Limitations and deviation from International Public Sector Accounting Standards ("IPSAS")

1. The major part of land of the Kyiv City presented in the special purpose consolidated financial information is carried at net book value that equals nil as the Kyiv City has not been able to measure fair value of land reliably. The total area of the Kyiv City's land and land accounting limitations are disclosed in Note 6.
2. Part of entities of the Kyiv City did not perform revaluation of their property, plant and equipment as at 31 December 2015 and 2014. Therefore, fair value of property, plant and equipment carried at fair value according to the accounting policies may substantially differ from their carrying amounts disclosed. In addition, part of the entities did not perform an analysis of whether the objective evidence of impairment exists, and, in case of need, did not perform the impairment test of the construction in progress, property, plant and equipment items, intangible assets and inventories as at 31 December 2015 and 2014, respectively.
3. Part of entities of the Kyiv City did not make reclassification of the items of investment property from property, plant and equipment and did not perform revaluation of investment property to fair value. Therefore, fair value of investment property, required to be accounted at fair value according to the accounting policies, may substantially differ from its carrying amount.
4. Due to technical constrains, some intercompany balances and transactions were not eliminated during consolidation, as well as not all of the non-cash items of income and expenses were identified and netted-off in the consolidated financial statements in full amounts.
5. Some entities did not calculate and recognise:
 - Deferred tax liabilities/deferred tax assets;
 - Provisions for unused vacations;
 - Bonus accruals;
 - Guarantee accruals;
 - Post-employment benefit plan liabilities;
 - Provisions for land rehabilitation;
 - Financial instruments at amortized cost.
6. During 2009-2013 Executive body of the City's council received non-interest-bearing medium-term borrowings from the State Treasury through the single treasury account to cover cash deficits in the City's and municipal district budgets. The most part of the borrowings received as at 31 December 2015 were not repaid by the Kyiv City. Initially, these borrowings were recorded at cost and not re-measured to fair value.
7. Some entities of the Kyiv City accounted for property, which was privatised and was not owed by the City as at 31 December 2015 and 2014. The majority of such assets were identified and excluded from the property, plant and equipment cost during the preparation of the special purpose consolidated financial information. However, part of entities during the separation and calculation of the privatised assets included into the calculation of non-residential premises which cannot be privatised and should be carried on the holding company's balance according to the Ukrainian legislation.
8. Due to the fact that some entities of the Kyiv City did not prepare detailed financial information disclosures in the Kyiv City special purpose financial information as at and for the years then ended, the comparability of the amounts as at 31 December 2015 and for the year then ended with respective prior period amounts is limited.
9. Due to technical constrains certain disclosures required by the International Public Sector Accounting Standards, were not prepared:
 - Application of new, revised standards and accounting pronouncements and their influence on the financial statements;

**7. Special purpose consolidated financial information 2015**

- Critical accounting estimates and judgements in applying accounting policies in respect of
 - A – Recognition of revenue from non-exchange transactions recognition,
 - B – Property, plant and equipment valuation and investment property.
- Reconciliation of net cash flows to consolidated financial results;
- Purposes, policies and methods of credit risk management;
- Credit risk concentration;
- Categories of assets pledged as collateral;
- Amount of fully amortized items of property, plant and equipment;
- Disclosure of the information in respect of fair value model for the financial instruments classified as Level 3;
- Income, expenses from the operations with financial instruments by accounting categories;
- Disclosure related to employee benefits;
- Operations with related parties apart from key management personnel and associates;
- Disclosures relating to construction contracts;
- Disclosures relating to operating lease;
- Disclosures relating to contingent liabilities and commitments for acquisition and construction of property, plant and equipment;
- Information relating to segments in accordance with IPSAS.

**Consolidated Statement of Financial Position**

<i>In thousands of Ukrainian hryvnias</i>	Note	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	69,716,665	65,821,219
Investment property	7	2,752,125	-
Intangible assets	8	186,089	352,829
Investments accounted for using equity method	9	23,947	157,647
Available-for-sale investments	10	79,964	262,161
Deferred tax assets		12,779	8,963
Long-term receivables from exchange transactions	11	89,692	118,415
Other non-current assets	15	69,402	112,835
Total non-current assets		72,930,663	66,834,069
Current assets			
Inventories	12	9,014,560	6,295,320
Current receivables from exchange transactions	11	3,251,358	2,203,917
Receivables from non-exchange transactions	13	1,085,297	664,109
Taxes receivable of entities		98,095	139,956
Deferred expenses		98,386	100,265
Current financial investments		42,497	8,396
Cash and cash equivalents	14	2,702,645	1,223,193
Total current assets		16,292,838	10,635,156
TOTAL ASSETS		89,223,501	77,469,225
LIABILITIES			
Non-current liabilities			
Long-term borrowings	16	10,175,855	6,167,348
Deferred tax liabilities		66,483	99,133
Non-current provisions	17	582,867	243,938
Other non-current liabilities	18	3,003,747	5,885,448
Deferred income	19	2,369,490	1,583,265
Total non-current liabilities		16,198,442	13,979,132
Current liabilities			
Short-term borrowings	16	9,845,032	14,036,310
Payables under exchange transactions	20	8,422,095	4,927,664
Taxes and transfers payable	21	542,599	461,934
Payments received in advance from non-exchange transactions	22	1,189,754	701,136
Current provisions	23	465,779	316,076
Other current liabilities		7	178
Total current liabilities		20,465,266	20,443,298
TOTAL LIABILITIES		36,663,708	34,422,430
Net assets			
Accumulated surplus		22,539,818	18,687,920
Revaluation reserve		29,315,577	23,931,715
Non-controlling interest		704,398	427,160
Total net assets		52,559,793	43,046,795
TOTAL NET ASSETS AND LIABILITIES		89,223,501	77,469,225



7. Special purpose consolidated financial information 2015

Consolidated Statement of Financial Performance

<i>In thousands of Ukrainian hryvnias</i>	Note	2015	2014
Revenue			
General Fund			
Personal income tax		7,761,080	8,108,944
Corporate income tax		1,883,910	-
Government subventions and dotations (General Fund)	24	6,583,508	3,023,664
General Fund local taxes and levies	25	4,841,845	97,754
Excise tax on excisable goods sold by retailers		925,532	-
Administrative levies, revenue from non-commercial operations	26	464,185	325,913
Duties and charges on special use of natural resources	27	47,390	2,010,598
Non-tax receipts and other budget revenues	28	22,425	13,428
Other taxes and charges		29,739	-
Special Fund			
Revenue from exchange transactions of budgetary entities	29	1,323,116	519,513
Non-tax receipts	30	349,792	173,335
Receipts from special-purpose funds	31	262,537	229,094
Sale of land and intangible assets		179,623	81,223
Special Fund local taxes and fees	32	-	1,404,245
Subventions from the State budget (Special Fund)	33	-	654,057
Other taxes and fees	34	295	51,178
Budgetary entities finance income		39	16,966
Revenue from exchange transactions of municipal entities	35	12,438,854	9,677,533
Other income of municipal entities	36	1,320,797	1,277,380
Income from debt write-off in course of Eurobonds restructuring	16	2,299,728	-
Municipal entities finance income		26,265	16,338
Total revenue		40,760,660	27,681,163
Expenses			
Housing and utilities	37	(6,861,628)	(6,633,345)
Education	38	(5,550,496)	(4,985,878)
Health services	39	(4,488,276)	(3,768,531)
Building and construction	40	(3,614,678)	(3,320,668)
Transportation services, public road facilities, communications, telecommunication and IT	41	(3,401,825)	(2,718,422)
Social protection and social security	42	(2,263,290)	(1,341,319)
Other services related to economic activities	43	(991,916)	(1,498,813)
Culture and art	44	(796,035)	(716,711)
State administration	45	(623,988)	(447,060)
Special funds		(298,396)	(20,063)
Sport		(197,598)	(88,261)
Transfers to state budget and other budgets	46	(53,275)	(1,143,912)
Other expenses		(884,256)	(125,044)
Impairment of non-current assets		(441,749)	-
Share of loss of associates accounted for using equity method	9	(133,700)	(50,176)
TOTAL EXPENSES BEFORE FINANCE COSTS		(30,601,106)	(26,858,203)
SURPLUS BEFORE TAXATION AND FINANCE COSTS			
		10,159,554	822,960
Income tax		(34,888)	(138,963)
SURPLUS FOR THE REPORTING PERIOD BEFORE FINANCE COSTS		10,124,666	683,997
Finance costs	47	(5,994,856)	(6,562,429)
SURPLUS/(DEFICIT) FOR THE REPORTING PERIOD		4,129,810	(5,878,432)
Surplus attributable to non-controlling interest		277,912	27,511
Surplus/(deficit) attributable to the Kyiv City community		3,851,898	(5,905,943)
SURPLUS/(DEFICIT) FOR THE REPORTING PERIOD		4,129,810	(5,878,432)

**Consolidated Statement of Changes in Net Assets**

<i>In thousands of Ukrainian hryvnias</i>	Attributable to the Kyiv City community			Non-controlling interest	Total
	Revaluation reserve	Accumulated surplus	Total		
Balance as at 1 January 2014	21,863,343	24,593,863	46,457,206	406,984	46,864,190
(Deficit)/surplus for the reporting period	-	(5,905,943)	(5,905,943)	27,511	(5,878,432)
Revaluation of non-current assets	2,068,372	-	2,068,372	-	2,068,372
Dividends declared	-	-	-	(7,335)	(7,335)
Balance as at 31 December 2014	23,931,715	18,687,920	42,619,635	427,160	43,046,795
Surplus for the reporting period	-	3,851,898	3,851,898	277,912	4,129,810
Revaluation of non-current assets	5,383,862	-	5,383,862	-	5,383,862
Dividends declared	-	-	-	(674)	(674)
Balance as at 31 December 2015	29,315,577	22,539,818	51,855,395	704,398	52,559,793



7. Special purpose consolidated financial information 2015

Consolidated Statement of Cash Flow

<i>In thousands of Ukrainian hryvnias</i>	Note	2015	2014
Cash flows from operating activities			
Personal income tax		8,042,567	7,985,313
Corporate income tax		1,576,612	-
Transfers from state administration bodies		9,475,758	8,973,701
Duties and charges on special use of natural resources		47,390	1,928,165
Excise tax on excisable goods sold by retailers		975,551	-
Administrative levies, revenue from non-commercial operations		464,185	325,913
Local taxes and fees		4,904,499	1,520,505
Other non-tax receipts		372,217	186,763
Receipts for services provided/goods sold by budgetary entities		1,323,116	519,513
Special purpose funds		262,537	229,094
Other taxes receipt		30,034	51,178
Receipts from services provided/goods sold by municipal entities		9,929,534	9,862,284
Rentals received		28,201	224,495
Payments received in advance		1,705,287	920,141
Return of advances issued		39,024	46,011
Interest income from balances on current bank accounts		13,795	6,518
Taxes reimbursement		2,100	2,866
Other receipts		777,151	428,456
Payments for services/goods received		(17,206,101)	(22,714,696)
Salaries and related taxes		(9,002,417)	(5,674,194)
Transfers to State budget and other budgets		(53,275)	(1,143,612)
Taxes and fees paid		(1,024,831)	(270,157)
Return of advances received		(25,998)	(132,012)
Advances issued		(570,304)	(131,663)
Research, development and realisation of state (regional) programmes		(1,042,750)	(51,849)
Social security payments		(3,493,236)	(1,945)
Net cash flows from operating activities		7,550,646	3,090,788
Cash flows from investing activities			
Proceeds from sale of non-current assets		368,547	275,489
Interest received		572	7,155
Other receipts		4,619	5,026
Purchase of non-current assets		(2,492,394)	(1,285,097)
Other payments		(55,736)	(7,457)
Net cash flows from investing activities		(2,174,392)	(1,004,884)
Cash flows from financing activities			
Proceeds from borrowings		1,099,954	3,607,643
Repayment of borrowings		(3,270,156)	(3,937,935)
Interest received		39	16,966
Interest paid		(1,707,697)	(1,470,732)
Other receipts		3,439	4,593
Dividends paid		(674)	(7,335)
Net cash flows from financing activities		(3,875,095)	(1,786,800)
Net change in cash and cash equivalents for the reporting period		1,501,159	299,104
Cash and cash equivalents at the beginning of the reporting period	14	1,223,193	913,919
Effect of exchange rate changes on cash and cash equivalents		(21,707)	10,170
Cash and cash equivalents at the end of the reporting period	14	2,702,645	1,223,193

7. Special purpose consolidated financial information 2015



Report on the performance of the Kyiv City's Budget 2015

In thousands of Ukrainian hryvnias

REVENUE	Original budget	Adjustments	Final budget	Actual on comparable basis	Difference from final budget
General Fund					
Personal income tax and corporate income tax	7,406,759	1,798,647	9,205,406	9,667,495	462,089
Subventions and dotations	8,215,415	1,264,668	9,480,083	9,475,758	(4,325)
Local taxes and levies	3,886,810	943,112	4,829,922	4,904,590	74,668
Excise tax on excisable goods sold by retailers	796,000	110,000	906,000	975,551	69,551
Administrative levies, revenue from non-commercial operations	248,000	193,694	441,694	464,185	22,491
Duties and charges on special use of natural resources	32,811	12,700	45,511	47,391	1,880
Ecological tax	80,000	(47,750)	32,250	29,739	(2,511)
Non-tax receipts and other budget revenues	57,021	32,875	89,896	94,057	4,161
Special Fund					
Revenue from exchange transactions of budgetary entities	608,097	(24,378)	583,719	5,026,902	4,443,183
Non-tax receipts	186,400	12,122	198,522	354,132	155,610
Sale of land and intangible assets	480,000	-	480,000	351,423	(128,577)
Receipts from special purpose funds	217,900	-	217,900	262,537	44,637
Other taxes and levies	-	-	-	204	204
TOTAL REVENUE	22,215,213	4,295,690	26,510,903	31,653,964	5,143,061
EXPENSES					
Health services	(3,792,400)	(669,492)	(4,461,892)	(8,231,106)	(3,769,214)
Education	(5,638,185)	(801,832)	(6,440,017)	(6,313,213)	126,804
Social protection and social security	(3,610,300)	(355,886)	(3,966,186)	(4,187,825)	(221,639)
Housing and utilities	(1,046,087)	(1,156,312)	(2,202,399)	(2,145,932)	56,467
Debt servicing	(1,964,839)	358,500	(1,606,339)	(1,576,847)	29,492
Building and construction	(888,443)	(757,746)	(1,646,189)	(1,542,905)	103,284
Transportation services, public road facilities, communications, telecommunication and IT	(1,295,670)	(268,327)	(1,563,997)	(1,533,483)	30,514
Culture and art	(684,644)	(63,053)	(747,697)	(761,703)	(14,006)
State administration	(591,155)	(135,647)	(726,802)	(704,539)	22,263
Special purpose funds	(217,500)	(107,696)	(325,196)	(298,396)	26,800
Sport	(197,717)	(58,252)	(255,969)	(241,694)	14,275
Other services related to economic activities	(154,748)	(31,363)	(186,111)	(170,390)	15,721
Transfers to state budget and other budgets	(66,046)	(1,499)	(67,545)	(53,275)	14,270
Other expenses	(153,725)	(160,764)	(314,489)	(248,732)	65,757
TOTAL EXPENSES	(20,301,459)	(4,209,369)	(24,510,828)	(28,010,040)	(3,499,212)
SURPLUS FOR THE REPORTING PERIOD	1,913,754	86,321	2,000,075	3,643,924	1,643,849

The reasons for deviation of budget figures from actuals are described in Part "V. Analysis of Kyiv City budget performance 2015".



Report on the performance of the Kyiv City's Budget 2014

In thousands of Ukrainian hryvnias

REVENUE	Original budget	Adjustments	Final budget	Actual on comparable basis	Difference from final budget
General Fund					
Personal income tax and corporate income tax	9,136,667	(1,116,532)	8,020,135	8,044,718	24,583
Subventions and dotations	3,131,709	2,178,560	5,310,269	5,123,512	(186,757)
Duties and charges on special use of natural resources	4,412,571	(1,337,093)	3,075,478	1,934,164	(1,141,314)
Administrative levies, revenue from non-commercial operations	250,554	100,400	350,954	325,913	(25,041)
Local taxes and levies	111,300	-	111,300	97,754	(13,546)
Non-tax receipts and other budget revenues	72,378	-	72,378	91,524	19,146
Special Fund					
Subventions and dotations	154,982	3,844,779	3,999,761	3,850,190	(149,571)
Revenue from exchanges transactions of budgetary entities	452,297	-	452,297	2,147,473	1,695,176
Local taxes and levies	1,098,048	276,000	1,374,048	1,422,751	48,703
Receipts from special purpose funds	151,803	87,078	238,881	229,094	(9,787)
Sale of land and intangible assets	947,000	(374,333)	572,667	268,616	(304,051)
Non-tax receipts	361,972	-	361,972	208,075	(153,897)
Other taxes and levies	82,805	-	82,805	51,178	(31,627)
TOTAL REVENUE	20,364,086	3,658,859	24,022,945	23,794,962	(227,983)
EXPENSES					
Building and construction	(1,139,200)	258,537	(880,663)	(653,866)	226,797
Other services related to economic activities	(513,800)	(118,080)	(631,880)	(588,725)	43,155
Housing and utilities	(675,044)	(3,948,061)	(4,623,105)	(4,269,848)	353,257
Culture and art	(661,787)	2,461	(659,326)	(1,649,032)	(989,706)
Health services	(3,634,480)	(54,494)	(3,688,974)	(3,881,267)	(192,293)
Transportation services, public road facilities, communications, telecommunication and IT	(968,881)	18,960	(949,921)	(904,955)	44,966
Education	(5,207,369)	(264,486)	(5,471,855)	(5,047,381)	424,474
Social protection and social security	(3,264,872)	313,392	(2,951,480)	(2,648,400)	303,080
State administration	(644,177)	(1,478)	(645,655)	(667,493)	(21,838)
Special purpose funds	(210,987)	(110,899)	(321,886)	(236,017)	85,869
Sport	(182,457)	9,107	(173,350)	(122,842)	50,508
Transfers to state budget and other budgets	(1,468,273)	319,387	(1,148,886)	(1,143,912)	4,974
Debt servicing	(1,359,486)	(51,700)	(1,411,186)	(1,312,243)	98,943
Other expenses	(1,636,740)	1,498,737	(138,003)	(102,913)	35,090
TOTAL EXPENSES	(21,567,553)	(2,128,617)	(23,696,170)	(23,228,894)	467,276
SURPLUS FOR THE REPORTING PERIOD	(1,203,467)	1,530,242	326,775	566,068	239,293

**Reconciliation of Consolidated Financial Performance and Performance of the Kyiv City's Budget**

<i>In thousands of Ukrainian hryvnias</i>	Note	2015	2014
Budget performance		3,643,924	566,068
(I) Recognition of non-operating foreign exchange differences on Eurobonds and adjustment of finance costs accrued on a cash basis		(4,117,970)	(4,477,043)
(II) Elimination of budget revenue from dividends from joint stock companies and share of profit of municipal entities		(75,934)	(95,870)
(III) Recognition of share of financial result after tax of associates	9	(133,700)	(50,176)
(IV) Financial performance of municipal entities, budgetary entities and joint stock companies not included by the Kyiv City's budget		2,499,947	(1,999,489)
(V) Recognition of income from debt write-off in course of Eurobonds restructuring	16	2,299,728	-
(VI) Adjustment for receipts from taxes and levies accrued on a cash basis		13,815	178,078
Consolidated surplus/(deficit) for the reporting period		4,129,810	(5,878,432)

- (I) Whereas, the Kyiv City budget performance report presents transactions according to the cash-basis method, budget performance results were adjusted for recognition of foreign currency exchange differences arising on debt instruments denominated in foreign currency.
- (II) Budget performance report does not include profit/loss of municipal entities, budget entities and joint-stock companies for the reporting period, consequently, their activities results were added to Special purpose Consolidated Financial Information in the course of consolidation.
- (III) Budget income includes dividends received from joint-stock companies and share of municipal entities profit. Whereas, special purpose consolidated financial information provides for consolidation of information of entities, equity changes were winded up with appropriate budget incomes.
- (IV) Budget performance report does not include losses of associates for the reporting period, for this reason the financial results of their activities were included to special purpose financial information in the course of consolidated information preparation.
- (V) Budget performance report does not include income received as a result of debt write-off in course of Eurobonds restructuring.
- (VI) Taxes and other levies receipts were included to budget incomes on cash basis. Adjustment represents application of accrual method for taxes and other fees accounting.



1 General information

This special purpose consolidated financial information of the Kyiv City (the "City") includes information in respect of the Kyiv City State Administration (the "KCSA"), 18 departments of KCSA (2014: 16 departments), 10 District State Administrations (the "DSA") (2014: 10 DSA) and 1,934 (2014: 1,819) directly or indirectly accountable municipal entities, institutions and organisations of the Kyiv City community (including 408 municipal entities and 1,526 budgetary entities (2014: 345 municipal entities and 1,474 budgetary entities)). In addition, the City has corporate rights in and exercises control over 7 joint stock companies that are its subsidiaries (together referred to as the "City").

The City operates to preserve and unleash the cultural, economic, scientific and industrial potential of the City to ensure its prosperity and municipal community well-being. The City's principal activities are aimed at sustainable enhancement of living standards for all layers of the City's residents and facilitation of business development.

The City's principal activities are the provision of infrastructure, health, communications, education and transportation services, sport and cultural development, social protection, waste management, emergency services and sale of electricity, water and other utility services to the residents of the municipality, as well as comprehensive development, improvement and maintenance of urban land.

The registered office of the Kyiv City State Administration is located at 36, Khreschatyk Street, Kyiv. Budgetary entities, municipal entities and joint stock companies domicile and operate in Kyiv.

2 Operating environment of the City

Starting in late 2013 the political situation in Ukraine has experienced instability with numerous protests against authority and continued political uncertainty that has led to a deterioration of the State's finances, volatility of financial markets and sharp depreciation of the national currency against major foreign currencies. The ratings of Ukrainian sovereign debt were downgraded by international rating agencies with negative outlooks for the future. The National Bank of Ukraine, among other measures, imposed certain restrictions on processing of client payments by banks and on the purchase of foreign currency on the inter-bank market.

The political situation in 2014 has also been volatile, with changes in the Ukrainian Parliament, the Presidency and the municipal government in the city of Kyiv. In March 2014, various events in Crimea led to the annexation of the Republic of Crimea by the Russian Federation. This event resulted in a significant deterioration of the relationship between Ukraine and the Russian Federation.

The political situation in Eastern Ukraine also deteriorated in 2014 resulting in armed conflict and military activity in some parts of Donetsk and Luhansk regions. The armed conflict in the region has put further pressure on relations between Ukraine and the Russian Federation. Escalating political tensions have had an adverse effect on Ukrainian financial markets, resulting in a hampering of ability of Ukrainian companies and banks to obtain funding from the international and capital and loan markets. This has contributed to further significant devaluation of Hryvnia against major foreign currencies.

In 2015, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions, and a peaceful resolution of the conflict did not occur as it was foreseen by the Minsk agreements.

In 2015, the Ukrainian economy was going through a recession, a gross domestic product contracted by 10% (2014: 7%), and an annual inflation rate reached 43% (2014: 25%). Unfavorable conditions in the markets where Ukraine's primary commodities were traded were influencing further devaluation of the Ukrainian Hryvnia against major foreign currencies. The Ukrainian companies and banks continued to suffer from lack of funding from domestic and international financial markets.

The National Bank of Ukraine (the "NBU") extended its range of measures that were introduced in 2014 and aimed at limiting the outflow of foreign currency from the country, inter alia, a mandatory sale of foreign currency earnings, certain restrictions on purchases of foreign currencies on the interbank market and on usage of foreign currencies for settlement purposes, limitations on remittances abroad.

In 2015, political and economic relationships between Ukraine and the Russian Federation remained strained that led to a significant reduction in trade and economic cooperation. On 1 January 2016, a free-trade element of Ukraine's association agreement with the European Union has come into force. In late 2015, the Russian Federation denounced the free trade zone agreement with Ukraine, and further trade restrictions were announced by both countries.

In early 2015, the Government of Ukraine agreed with the IMF a four-year program for USD 17.5 billion loan aimed at supporting the economic stabilization of Ukraine. The program defines economic reforms that must be undertaken by the Government of Ukraine to reinstate a sustainable economic growth in the mid-term perspective.



2 Operating environment of the City (Continued)

In November and December 2015, Eurobonds of the City of Kyiv issued in 2005 and 2011 and maturing in 2015-2016 were restructured into foreign governmental bonds of Ukraine with the maturities in 2019-2020 and government derivatives, and an agreement has been reached with the lenders on the reduction of the total amount of the borrower's debt.

In November 2015, Moody's Investors Service upgraded the sovereign rating of Ukraine from Caa3 to Ca, with the rating outlook changed from negative to stable. In December 2015, Moody's Investors Service changed to stable from negative the outlook on the City of Kyiv's foreign- and local-currency ratings and affirmed the City's Ca ratings. The main drivers of the City of Kyiv's outlook change were the restructuring of the City of Kyiv's Eurobonds and the decrease in inherent risk, given the Ukrainian Government's improved credit profile.

Stabilization of the economic and political situation depends, to a large extent, upon the ability of the Ukrainian Government to continue reforms and the efforts of the NBU to further stabilize the banking sector, as well as upon the ability of the Ukrainian economy in general to respond adequately to changing markets. Nevertheless, further economic and political developments, as well as the impact of the above factors on Ukraine and the City of Kyiv are currently difficult to predict.

Changes in the legislation. Effective from 1 January 2015, 40% of personal income tax are allocated to the budget of the City of Kyiv and 60% – to the state budget (2014: 50% of personal income taxes were allocated to the budget of the City of Kyiv and 50% – to the state budget). In addition, effective from 1 January 2015, the budget of the city of Kyiv receives new income sources:

- 10% of corporate income tax (other than corporate income tax of state-owned entities and municipal entities and financial institutions);
- Excise tax on excisable goods sold by retailers;
- Transport tax from owners of motor vehicles with the engine volume of over 3 cc that are not older than 5 years;
- Real estate tax;
- Additional subventions from the state budget for medical care and education.

Management estimates that the effect of these changes in legislation increased revenues by UAH 11,004,529 thousand for the year ended 31 December 2015. Respective revenues were recognized in the consolidated statement of financial performance.

3 Summary of significant accounting policies

Basis of preparation. Consolidated financial statements of the City is prepared based on the significant accounting policies described in this Note. Currently, the City continues to align its special purpose consolidated financial information (the "consolidated financial information") with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB). This special purpose consolidated financial information does not comply with IPSAS due to deviations and limitations, outlined on p.192-193 above.

This consolidated financial information has been prepared in accordance with the City's accounting policies under the historical cost convention, except for property, plant and equipment and certain categories of financial instruments, that were accounted for at revalued amount or fair value respectively, and subject to limitations and approach to preparation of the City consolidated financial information.

Consolidation of controlled entities. The controlled entities are all those entities over which the City as the controlling entity has the power to govern their financial and operating activities. The controlled entities are to be fully consolidated from the date on which control is transferred to the City. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealized gains and losses on transactions between members of the City are to be eliminated in full. Where the controlled entities use accounting policies other than those adopted in this consolidated financial information for similar transactions and events in similar circumstances, appropriate adjustments are to be made to their financial information in preparing the consolidated financial information of the City.

Associates. The City's investments in associate are accounted for using the equity method. An associate is an entity in which the City has significant influence, but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the City's share of financial after tax result of the associate. Goodwill relating to the associate is included in the carrying value of the investment.



3 Summary of significant accounting policies (Continued)

The statement of financial performance reflects the share of the results of the associate. Where there has been a change, recognized directly in the net assets of the associate, the City recognizes its share of any changes and discloses the respective information, when applicable, in the statement of changes in net assets. Unrealized gains and losses resulting from transactions between the City and the associates are eliminated to the extent of the interest in the associate.

The share of surplus or deficit of associates is shown on the face of the statement of financial performance.

The financial statements of the associates are prepared for the same reporting period as the controlling entity. Where necessary, adjustments are made to bring the accounting policies in line with those of the City.

After application of the equity method, the City determines whether it is necessary to recognize an additional impairment loss on the City's investment in its associates. The City determines at each reporting date whether there is an objective evidence that the investment in the associate is impaired.

If this is the case, the City calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount of impairment in the statement of financial performance. However, when the City's share of losses in the associate equals or exceeds its interest in the associate, including any other unsecured receivables, the City does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Upon loss of significant influence over the associate, the City measures and recognises any retaining investment at its carrying amount.

Foreign currency translation. The functional currency of each of the City's consolidated entities is the currency of the primary economic environment in which companies and institutions operate. The presentation currency of the City is the national currency of Ukraine, Ukrainian hryvnia ("UAH").

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the National Bank of Ukraine ("NBU") at the end of a respective reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the NBU are recognised in surplus or deficit.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of financial performance within finance income or costs. All other foreign exchange gains and losses are presented in the statement of financial performance within other operating expenses. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Property, plant and equipment

Property, plant and equipment are stated at revalued amounts, less accumulated depreciation and provision for impairment, where required. Fair value is based on valuations carried out by external independent valuers or internal specialists with relevant knowledge and experience. The frequency of future revaluations depends upon changes in the fair values of the assets being revalued. Increases in the carrying amount arising on future revaluations will be credited to other comprehensive income and increase the revaluation reserve. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation reserve; all other decreases are charged to surplus or deficit. The revaluation reserve is transferred directly to retained earnings when the surplus is realised either on the retirement or disposal of the asset or as the asset is used by the City; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in surplus or deficit as an expense when incurred.



3 Summary of significant accounting policies (Continued)

Costs of minor repairs and maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items is capitalised and the replaced part is written off.

Property, plant and equipment are derecognised upon disposal or when no future economic benefit or service potential is expected from the continued use of the asset. Gains and losses on disposals, determined by comparing proceeds with carrying amount of property, plant and equipment, are recognised in the consolidated statement of financial performance.

At the end of each reporting period, the City's management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, the City's management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and an impairment loss is recognised in profit or loss to the extent it exceeds the previous revaluation surplus. An impairment loss recognised in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last recognition of the impairment loss.

Depreciation. Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their cost to residual values over their estimated useful lives:

– Land plots	not depreciated
– Buildings and structures	up to 100 years
– Machinery and equipment	5-30 years
– Motor vehicles	10-40 years
– Fixtures and fittings	3-25 years
– Other PPE items	2-15 years
– Leasehold improvements	over the term of the underlying lease

Leased assets consist of vehicles and machinery and other assets include furniture and fittings and office equipment.

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, or cost of service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Service concession assets. The City analyses all aspects of service concession arrangements that it enters into. When the City acts as a grantor, it recognises the service concession asset if the following conditions are met:

- The City controls or regulates the services that operator must provide together with the asset and has the right to determine the conditions on which such services are rendered;
- The City controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the asset at the end of the arrangement.

Any assets provided under service concession arrangements are accounted for as a separate group of property, plant and equipment. When an asset is reclassified as a service concession asset, the City also recognises a liability at cost which corresponds to service concession asset value.

The City recognises liabilities under service concession arrangement using a financial liability model. According to this model, the City recognises a liability to pay cash or another financial asset to the operator for the upgrade of the existing service concession asset or development of the new service concession asset related to the service concession arrangement.

Carrying amount of the assets decreases directly to its recoverable amount or its recoverable service amount, in case if carrying amount exceeds estimated recoverable amount of this asset or its recoverable service amount.

Investment property. Investment property includes items held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost, including acquisition costs. Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.



3 Summary of significant accounting policies (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Finance leases. Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the City. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The City also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the City will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the City. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

Impairment of non-financial assets

Impairment of cash-generating assets. At each reporting date, the City should assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the City should estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

Cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

When carrying value of the asset exceeds its recoverable amount, it is deemed that this asset is impaired and its value is decreased to the recoverable amount.

Impairment of non-cash-generating assets. The City should assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the City estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its service cost.

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the City determines fair value less cost to sell based on the best available information.



3 Summary of significant accounting policies (Continued)

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the City estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Intangible assets. Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed as either finite or indefinite.

Intangible assets with a finite life is amortized over its useful life:

- Software 10 years

Other intangible assets according to their useful lives, however, not more than 20 years.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

Financial instruments

Initial recognition and measurement. Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables or available-for-sale financial assets, as appropriate. The City determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require transfer of assets within time frames established by regulations or market conventions (regular way trades) are recognized on the trade date, i.e., the date that the City commits to purchase or sell the asset.

Subsequent measurement. The subsequent measurement of financial assets depends on their classification.

Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs, that are included in calculation of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Derecognition. The City derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- The rights to receive cash flows from the asset have expired or been waived;
- The City has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the City has transferred substantially all the risks and rewards of the asset; or (b) the City has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Available-for-sale investments. The City classifies available-for-sale financial assets as non-derivative financial assets that are designated as available for sale and are not classified as loans and receivables, held-to-maturity or financial assets at fair value through surplus or deficit.



3 Summary of significant accounting policies (Continued)

After initial measurement, available-for-sale investments are subsequently measured at fair value with gains or losses recognized directly in net assets through the statement of changes in net assets until the financial asset is derecognized, at which time the cumulative gain or loss is recognized in surplus or deficit.

Impairment of financial assets. The City assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following situations:

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization;
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

Financial liabilities

Initial recognition and measurement. Financial liabilities within the scope of IPSAS 29 are to be classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The City determines the classification of its financial liabilities at initial recognition.

All financial liabilities should be recognized initially at fair value and, in the case of loans and borrowings, including directly attributable transaction costs.

The City's financial liabilities include trade and other payables, bank overdrafts, borrowings, loans from international institutions, bonds issued and finance lease liabilities.

Subsequent measurement. The measurement of financial liabilities depends on their classification.

De-recognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

Offsetting of financial instruments. Financial assets and financial liabilities are offset with subsequent inclusion of their net amount to the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including amortised discount or premium, are included in the carrying values of related items.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that precisely discounts the estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received by the parties of the contract that are an integral part of the effective interest rate.



3 Summary of significant accounting policies (Continued)

Inventories. Inventory is measured at the lower of cost and net realizable value. The cost of raw materials, spare parts and goods is to be determined on the first-in, first-out basis ("FIFO"). The cost of non-replaceable goods and direct materials is determined on the identified cost basis.

The cost of finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of related production overheads based on the production output of homogeneous products. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Receivables from exchange transaction and non-exchange transactions. Receivables from exchange transactions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. The provision for impairment of receivables is established when there is an objective evidence that the City will not be able to collect all amounts due according to the original terms of the receivables.

Receivables from non-exchange transactions comprise taxes and levies payable to the City's budget. These receivables are initially assessed at nominal amount or face value; that is, the receivable reflects the amount of tax owed or levy payable.

Cash and cash equivalents. Cash and cash equivalents comprise cash on hand, deposits on call, balances on Treasury accounts and highly liquid short-term investments with an original maturity of three months or less, which are readily convertible to known amounts of cash. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Provisions. Provisions are recognized when the City has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the amount of obligation can be estimated reliably.

When the City expects some part of or the entire provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities. The City does not recognize a contingent liability, but discloses details of any contingencies in the notes to the consolidated financial information, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Employee benefits. The cost of all short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The City recognizes the expected cost of performance bonuses only when the City has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

Prepayments received for non-exchange transactions. Payments received in advance from non-exchange transactions include taxes and levies received by the City before the tax event and are accounted for as the City's liabilities.

Net assets. Net assets represent the residual interest in the City's assets after deduction of all of its liabilities. Net assets may be either positive or negative.

Budget information. The City's annual budget is performed on a cash basis. Reconciliation of budget revenues and expenses is presented in the report on the performance of the budget. As a result of adoption of cash basis principles for budgeting purposes, there are differences due to application of different accounting principles that require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement to the report on the performance of the budget.

General fund. General budget fund provides financing of primary functions and tasks of the state and territory communities. The General Fund comprises:

- All budget revenues, except for those which refer to the Special Fund;
- All budget expenses financed from the General Fund appropriations;
- Budget lending facilities (repayment of general purpose loans to the budget and disbursement of loans from the General Fund appropriations);
- General Fund financing facilities.



3 Summary of significant accounting policies (Continued)

Special fund. Special budget fund provides extensive use of budget funds for their intended budget purpose. The Special Fund includes budget appropriations for expenditures by specifically identified sources of revenue. Capital expenditures are incurred only within the limits of the Special Fund. The Special Fund comprises:

- Special purpose budget revenues (including own revenues of budgetary institutions);
- Budget expenses covered from specifically identified Special Fund appropriations (including own revenues of budgetary institutions);
- Budget lending facilities (repayment of special purpose loans to the budget and provision of loans from specifically identified Special Fund appropriations);
- Special Fund financing facilities.

Revenue from non-exchange transactions

Taxes and levies. Revenues from taxes and levies are measured at fair value when the event occurs and the asset recognition criteria are met. Deferred income is recognised in case of conditions that give rise to a liability to repay the amount. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities. Revenues from non-exchange transactions with other government entities are measured at fair value and recognized upon obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the City and can be measured reliably.

Revenue from exchange transactions

Rendering of services. The City recognises revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to the stage of completion on the basis of the actual service provided as portion of the service to be provided. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

Sale of goods. Revenue from the sale of goods or other assets is recognised when all conditions listed below are met: the significant risks and rewards of ownership of goods or other assets have been transferred to the buyer; an entity does not subsequently exercise management and control over the goods or other assets sold; the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and that related expenses can be estimated reliably.

Rental income. Rental income is recorded in the accounting period in which the services are rendered by reference to the stage of completion of the specific service assessed on the basis of the actual service provided.

Revenue from construction contracts. Where the outcome of a construction contract can be estimated reliably, revenue and costs associated with a construction contract are recognised as revenues and costs respectively by reference to the stage of completion of activities under the contract at the end of the reporting period. Losses expected to arise on construction contracts are expensed as incurred.

Taxes.

Income tax. Income taxes have been provided for in this consolidated financial information in accordance with the Ukrainian legislation enacted or substantively enacted as at the reporting date. The income tax charge/credit comprises current tax and deferred tax, and is recognised in profit or loss, except instances when it relates to operations, recognised in other comprehensive income or directly in equity, in the same or different period.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred tax. Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit.



3 Summary of significant accounting policies (Continued)

Deferred tax balances are measured at tax rates that are enacted as at reporting date and which are expected to be applied in the period when the temporary differences will be reversed or the tax loss carry forwards will be utilized.

Deferred tax assets arising from deductible temporary differences and tax loss carry forwards are recognised only to the extent that it is probable that the temporary differences will be reversed in future and there is sufficient future taxable profit available against which the deductions can be utilised.

Value added tax (VAT). VAT is levied at two rates: 20% applies to the supply of goods and services where supply takes place in Ukraine, including supplies without direct payment, and the import of goods to Ukraine (unless such supplies are not expressly exempt by the legislation); 0% applies to the export of goods and accompanying services. Output VAT on the sale of goods and services is accounted for on the date the goods/services are delivered to a customer or the date the payment is received from the customer, whichever is earlier. Input VAT is accounted for as follows: entitlement to an input tax credit for purchases arises when VAT invoice is received that is issued on the earlier of the date of payment to the supplier or the date, on which the goods/services are received or entitlement to an input tax credit for imported goods or services arises on the date the tax is paid.

Prepayments to suppliers and prepayments from customers are disclosed net of VAT balances as it is expected that such balances will be settled by delivery of the underlying product or service.

Related parties. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. Related parties include:

- The party is, directly or indirectly, either under common control with the entity or has significant or joint control over the City;
- The party is an associate of the City;
- Individuals who directly or indirectly own shares of the reporting entity, which gives them significant influence over the entity, and close family members of such individuals;
- Key management personnel of the City and their close family members;
- Entities in which a substantial ownership share, directly or indirectly is owned by the person referred to in the third or fourth paragraphs, or those for which that person is able to exercise significant influence.

4 Critical accounting estimates and judgements in applying accounting policies

The management of the City makes judgements and estimates in applying accounting policies. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgements that have the most significant effect on the amounts recognised in the consolidated financial information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are:

Assessment of receivables from exchange transactions. Accounts receivable from exchange transactions are reviewed for impairment on an ongoing basis. In determining whether impairment charge should be recorded in surplus/(deficit) for the reporting period, the City analyses aging of the receivables from exchange transactions. Depending on the overdue period, the City applies the following provisioning rates:

- Less than 179 overdue - 0%;
- 180 to 359 days overdue - 50%;
- More than 360 overdue - 100%.

During the year ended 31 December 2015, due to a continued impact of economic recession, the management of the City revised its accounting estimate in respect of the probability of settlement of trade accounts receivable from consumers for housing and utilities and decided to accrue 100% allowance for all amounts overdue more than 365 days and 50% allowance for all amount overdue 180-364 days. As at 31 December 2014, the City applied 30% allowance for trade accounts receivable from consumers for housing and utilities.



4 Critical accounting estimates and judgements in applying accounting policies (Continued)

Measurement of investments in associates and subsidiaries. The City owns 408 municipal entities and 1,526 budgetary entities. The consolidated financial information includes financial information of 339 municipal entities and 1,474 budget entities (2014: 345 municipal entities and 1,474 budget entities) that provided their 2015 financial statements. 69 municipal and 52 budget entities that are not included into consolidated financial information are in undergoing reorganisation or liquidation process or are immaterial for the City.

In addition, the City has an investment in 38 entities (2014: 40 entities) with ownership share amounting from 1% to 100%, including 10 entities, corporate rights for which owned by the Kyiv city territory community are transferred to District State Administrations (2014: 10 entities). As at 31 December 2015 the City had no control or sufficient influence over 17 entities, of which 9 are in undergoing liquidation process, 8 had stopped their business activities. As at 31 December 2014 the City had no control or sufficient influence over 17 entities, of which 8 are in undergoing liquidation process, 8 had stopped their business activities and 1 was in undergoing process of the City's ownership registration in securities registrar. 12 entities are immaterial for the consolidated financial information and no financial statements were provided by them as at 31 December 2015 and 2014. Consequently, investments in such entities were not classified as associates or subsidiaries. Assets, liabilities and financial results of these entities were not included into consolidated financial information as at 31 December 2015 and 2014.

Deferred income. Management applies critical accounting estimates regarding recognition of assets received free of charge from real estate developers and other investors. In some cases there are no contractual liabilities regarding transfer of assets, but considering the fact that the City has certain liabilities to service these assets connected with provision of public utilities to citizens, the City considers that recognition of income from assets received free of charge during the depreciation period of these assets as appropriate.

Investment property. Management uses significant judgments when classifying non-current assets such as property, plant, and equipment or investment property. The City's management believes that the assets held for rendering social services, e.g. leasing to public organizations, artistic unions, state-owned and municipal institutions at the lower than market rates, shall not be treated as investment property and shall be classified as property, plant, and equipment. Management assumes that in such assets are held for rendering social services and not for rental income or capital appreciation, and the income earned is related to the purposes for which such assets are held. Such properties do not belong to the category of investment property and are accounted for in accordance with the requirements of IPSAS 17 "Property, plant, and equipment".

5 Related party transactions

Associates

Cash balances placed on accounts with the associated bank amounted to 266,850 UAH thousand as at 31 December 2015 (2014: UAH 241,247 thousand).

During the year ended 31 December 2015 the City obtained short-term borrowings in the associated bank, which have been fully repaid as at 31 December 2015 (31 December 2014: UAH 197,691 thousand), with the respective finance costs comprised UAH 19,615 thousand in 2015 (2014: UAH 126,836 thousand).

As at 31 December 2015 the carrying value of assets pledged as collateral to the associated bank comprised UAH 575,625 thousand (31 December 2014: UAH 343,015 thousand).

Key management personnel

Information about operations with key management personnel is as follows.

The key management personnel are Head of Kyiv City State Administration, his deputies and department directors, who together constitute the governing body of the City. During 2015, the total remuneration of 22 members of the Kyiv City State Administration top management amounted to UAH 3,988 thousand (2014: UAH 4,130 thousand).

**5 Related party transactions (Continued)**

Key management personnel remuneration for 2015 was as follows:

<i>In thousands of Ukrainian hryvnias</i>	Annual salary	Social contributions	Total annual salary and social contributions
Head of Kyiv City State Administration*	-	-	-
First Deputy Head of Kyiv City State Administration	61	22	83
Deputies of Head of Kyiv City State Administration (4 persons)	436	156	592
Chief of Administrative Staff of Kyiv City State Administration	93	34	127
Director of Economics and Investment Department	223	75	298
Director of Financial Controlling and Internal Audit Department	177	64	241
Director of Community Services Department	168	61	229
Director of Finance Department	166	50	216
Director of Public Relations Department	163	55	218
Director of Urban Development and Architecture Department	160	58	218
Director of Education and Science, Youth and Sports Department	157	57	214
Director of Culture Department	156	52	208
Director of Municipal Property of Kyiv City Department	155	54	209
Director of Land Resources Department	154	56	210
Director of Health Services Department	117	42	159
Director of Social Policy Department	114	41	155
Director of Production Sector and Entrepreneurial Development Department	104	38	142
Director of Administrative Services Department	128	36	164
Director of Construction and Housing Department	97	35	132
Director of Urban Amenities and Environmental Protection Department	75	27	102
Director of Transport Infrastructure Department	64	23	87
Total	2,968	1,036	4,004

* Head of Kyiv City State Administration works on a voluntary basis and during 2015 did not receive a salary as the head of the KCSA.

Key management personnel remuneration for 2014 was as follows:

<i>In thousands of Ukrainian hryvnias</i>	Annual salary	Social contributions	Total annual salary and social contributions
Head of Kyiv City State Administration	46	15	61
First Deputy Head of Kyiv City State Administration	156	51	207
Deputies of Head of Kyiv City State Administration (4 persons)	409	132	541
Chief of Administrative Staff of Kyiv City State Administration	96	31	127
Director of Social Policy Department	221	80	301
Director of Finance Department	219	65	284
Director of Economics and Investment Department	205	64	269
Director of Construction and Housing Department	198	62	260
Director of Land Relations Department	168	61	229
Director of Education and Science, Youth and Sports Department	165	60	225
Director of Community Services Department	163	60	223
Director of Urban Amenities and Environmental Protection Department	163	49	212
Director of Urban Development and Architecture Department	150	55	205
Director of Production Sector and Entrepreneurial Development Department	143	51	194
Director of Public Relations Department	136	49	185
Director of Health Services Department	122	36	158
Director of Municipal Property of Kyiv City Department	120	41	161
Director of Culture Department	120	43	163
Director of Transport Infrastructure Department	70	25	95
Director of Financial Controlling and Internal Audit Department	22	8	30
Total	3,092	1,038	4,130



7. Special purpose consolidated financial information 2015

6 Property, plant and equipment

<i>In thousands of Ukrainian hryvnias</i>	Land	Buildings and structures	Machinery and equipment	Vehicles	Construction in progress	Service concession assets	Other property, plant and equipment	Total
Cost	5,762,646	82,302,436	4,705,163	10,743,381	9,624,464	2,105,929	3,645,355	118,889,374
Accumulated depreciation	-	(42,849,592)	(2,696,015)	(8,010,281)	-	(355,879)	(1,288,782)	(55,200,549)
Net book value at 31 December 2013	5,762,646	39,452,844	2,009,148	2,733,100	9,624,464	1,750,050	2,356,573	63,688,825
Additions, disposals and other movements	(204,917)	573,649	187,622	537,712	152,902	715,282	278,795	2,241,045
Revaluation	-	666,773	-	1,401,599	-	-	-	2,068,372
Depreciation charge	-	(1,288,707)	(257,037)	(298,715)	-	(198,361)	(134,203)	(2,177,023)
Cost	5,557,729	82,060,037	4,805,670	14,614,604	9,777,366	2,821,211	3,881,849	123,518,466
Accumulated depreciation	-	(42,655,478)	(2,865,937)	(10,240,908)	-	(554,240)	(1,380,684)	(57,697,247)
Net book value at 31 December 2014	5,557,729	39,404,559	1,939,733	4,373,696	9,777,366	2,266,971	2,501,165	65,821,219
Additions, disposals and other movements	176,616	1,816,207	320,238	536,713	675,311	721,921	222,483	4,469,489
Movements to investment property	-	(2,752,125)	-	-	-	-	-	(2,752,125)
Revaluation	795,831	2,393,322	(50,553)	1,100,193	-	1,148,800	(3,731)	5,383,862
Depreciation charge	-	(2,261,137)	(233,175)	(361,767)	-	(212,126)	(137,575)	(3,205,780)
Cost	6,530,176	83,517,441	5,075,355	16,251,510	10,452,677	4,691,932	4,100,601	130,619,692
Accumulated depreciation	-	(44,916,615)	(3,099,112)	(10,602,675)	-	(766,366)	(1,518,259)	(60,903,027)
Net book value at 31 December 2015	6,530,176	38,600,826	1,976,243	5,648,835	10,452,677	3,925,566	2,582,342	69,716,665

**6 Property, plant and equipment (Continued)**

During 2015 some entities performed revaluation of land, in particular for indexation purposes, buildings and constructions, and vehicles. For this purpose independent valuers were involved to determine fair value of property, plant and equipment.

Major items of revaluation increase in 2015 were rolling stock of Utility Enterprise "Kyivskiy Metropoliten" and equipment of Public Joint Stock Company "Joint-Stock Company "Kyivvodokanal".

In accordance with the Law of Ukraine "On Leases of the State and Municipal Property" and Provision on Leases of Municipal Property of the City of Kyiv approved by Resolutions of the Kyiv City Council # 34/6250 dated 22 September 2011 and # 415/1280 dated 21 April 2015, municipal non-residential premises of the total space of 601.8 thousand square meters (2014: 582.5 thousand square meters), that form 52% of the total space of municipal property leased (2014: 48%), were leased to public organizations, artistic unions, state and municipal budget institutions at the rental rate of UAH 1 a year.

Also, the category of Buildings and Constructions includes municipal items which, pursuant to relevant resolutions of the Kyiv City Council, were transferred free of charge to the management area of executive bodies, law enforcement agencies, judicial authorities, etc. without changing their titles of ownership. Total space of those items as at 31 December 2015 amounted to 156.48 thousand square meters (2014: 138.32 thousand square meters).

Such terms of lease and free of charge transfers lead to significant shortfall of income of the City.

The total area of Kyiv City's land as at 31 December 2015 and 2014 comprised 83.6 thousand hectares. According to Management's estimates, as at 31 December 2015, 70.1 thousand hectares were in municipal ownership, 9 thousand hectares were in state ownership, and 4.5 thousand hectares were privately owned. Currently, due to absence of the full actual register of the land and due to absence of registered state acts for ownership rights for the majority of land, the City was unable to determine reliably square of land being in municipal ownership. Most of the land of the Kyiv City territorial community, which as at 31 December 2015 and 2014 was not included to the State Cadastral Register, was not recognised in balance sheets of the respective municipal and budgetary entities of the City. These land was recognized by the City in the consolidated financial information at net book value of nil.

By the usage of the land, owners of the land and types of economic activities, the land of the City was divided in the following way (information is provided based on the form "6-zem"):

<i>In hectares</i>	Deve- loped	Forests and other forested areas	Waters	Agri- cultural land	Open wetlands	Open land without vegetation	Other	Total
At 1 January 2014	36.8	35.1	6.7	4.7	0.1	0.1	0.1	83.6
At 31 December 2014	36.9	35.2	6.7	4.7	0.1	-	-	83.6
At 31 December 2015	37.2	35.3	6.6	4.4	0.1	-	-	83.6

Service concession assets. As at 31 December 2015 and 2014, service concession assets consisted of electricity and heat supply assets, that were used to provide electricity and heat supply services to consumers in Kyiv. In 2001, the City community entered into a service concession arrangement with PJSC "KYIVENERGO" until 2017 in respect of its electricity and heat supply assets as part of the City's power sector management reform programme.

Concession agreement was signed on 27 September 2001 and effective though 31 December 2017 respectively. According to the terms of the main agreement and addendums in case that no party anticipate in writing about the termination of its` validity, the agreement is considered to be prolonged for the next 5 years.

For using the community property PJSC "KYIVENERGO" pays a concession fee to the City community in the amount of 10% of the net profit generated by the company for the previous fiscal year but not less than UAH 2,000 thousand per year.

Any refurbishments, upgrades or improvements of these assets are municipal property of the City community. Improvements made and funded by the company that cannot be separated without damaging underlying assets are to be reimbursed by the City community during the term of agreement.

As at 31 December 2015, total improvements of municipal property to be reimbursed amounted to UAH 352,982 thousand (Note 18).

The fair values of municipal assets held and operated by PJSC "KYIVENERGO" were estimated by a certified independent valuer as at 1 November 2011, mainly using depreciated replacement cost.

**7. Special purpose consolidated financial information 2015****6 Property, plant and equipment (Continued)**

Heritage assets. Heritage assets are city-owned assets that have one or more of the following characteristics:

- Historical or natural significance;
- Cultural, educational, or artistic importance; and/or
- Significant architectural characteristics.

The value of heritage assets often is not determinable. The city does not expect to use these assets to meet its obligations. Examples of heritage assets include monuments, city parks and various city buildings of historical or cultural significance. Heritage assets are not recognized as assets on the statement of financial position in accordance with IPSAS 17 Property, Plant and Equipment.

7 Investment property

During the year ended 31 December 2015, the City management decided to change classification of part of the items of property, plant and equipment, which are leased to commercial entities on market basis. As at 31 December 2015, investment property comprised of non-residential buildings and structures, with fair values determined based on the estimates of independent experts.

8 Intangible assets

<i>In thousands of Ukrainian hryvnias</i>	Property use rights and industrial property	Software	Other intangible assets	Total
Cost	109,086	38,290	422,922	570,298
Accumulated amortisation and impairment	(59,456)	(26,128)	(72,380)	(157,964)
Net book value at 31 December 2013	49,630	12,162	350,542	412,334
Additions	-	257	3,102	3,359
Disposals	-	(3)	(34,865)	(34,868)
Depreciation charge	(10,384)	(5,505)	(12,107)	(27,996)
Cost	109,086	38,544	391,159	538,789
Accumulated amortisation and impairment	(69,840)	(31,633)	(84,487)	(185,960)
Net book value at 31 December 2014	39,246	6,911	306,672	352,829
Additions	11,782	11,838	32,418	56,038
Disposals	-	(49)	(201,512)	(201,561)
Depreciation charge	(1,806)	(2,171)	(17,240)	(21,217)
Cost	120,868	50,333	222,065	393,266
Accumulated amortisation and impairment	(71,646)	(33,804)	(101,727)	(207,177)
Net book value at 31 December 2015	49,222	16,529	120,338	186,089

9 Investments accounted for using equity method

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Carrying value at 1 January 2015	157,647	207,823
Share of loss of associates accounted for using equity method	(133,700)	(50,176)
Carrying value at 31 December 2015	23,947	157,647

Name	Share of ownership as at 1 January and 31 December 2015
PJCS Bank "KHRESCHATYK"	25%
PrJSC "PARTNER"	10%

Summarised financial information of PJSC Bank "KHRESCHATYK" is presented below:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Assets	9,135,350	8,932,598
Liabilities	9,516,192	8,397,956
Loss from continuing operations	(1,162,009)	(194,626)

**10 Available-for-sale investments**

As at 31 December 2014, included in investments available for sale was the investment in 29.95% of shares in PJSC "Scientific Manufacturing Centre "Borshchagivsky Chemical and Pharmaceutical Factory". On 20 March 2015, pursuant to the public auction results, the shares in PJSC "Scientific Manufacturing Centre "Borshchagivsky Chemical and Pharmaceutical Factory" were sold to LLC "FC "Kub" acting on the basis of the power of attorney issued on behalf of PrJSC "Pharmaceutical Firm "Darnytsia". The initial sales price of the shares amounted to UAH 143,200 thousand, and the actual sales price amounted to UAH 171,844 thousand.

As at 31 December 2015 and 2014, the carrying amounts of investments available for sale corresponded to their fair values.

11 Receivables from exchange transactions

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
<i>Long-term receivables from exchange transactions</i>	89,692	118,415
Total long-term receivables from exchange transactions	89,692	118,415
<i>Current receivables</i>		
Trade receivables	2,983,295	1,430,700
Other receivables from exchange transactions	1,386,458	915,876
Provision for impairment	(2,147,036)	(1,376,465)
Total financial receivables	2,222,717	970,111
VAT receivables	110,506	330,320
Prepayments issued	918,135	903,486
Total current receivables	3,251,358	2,203,917

Reconciliation of allowance for impairment of receivables is provided below:

<i>In thousands of Ukrainian hryvnias</i>	Current receivables
At 1 January 2015	1,376,465
Charge for the period	770,571
At 31 December 2015	2,147,036

Analysis of financial receivables by credit quality is as follows:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Neither past due nor impaired, excluding receivables for utilities from retail customers		
Receivables for services and goods provided	1,269,770	543,345
Other receivables from exchange transactions	555,230	23,164
Total neither past due nor impaired	1,825,000	566,509
Past due but not impaired, excluding receivables for utilities from individuals		
From 1 to 30 days overdue	160,723	4,562
From 31 to 90 days overdue	12,804	720
From 91 to 180 days overdue	22,301	-
Total past due but not impaired	195,828	5,282
Past due and impaired, excluding receivables for utilities from individuals		
From 181 to 360 days overdue	14,975	11,718
Over 360 days	348,031	10,381
Total past due and impaired	363,006	22,099
Receivables for utilities from individuals	1,648,281	1,723,398
Other receivables	427,330	147,703
Total financial receivables	4,459,445	2,464,991
Less: provision for impairment	(2,147,036)	(1,376,465)
Total financial receivables net of provision	2,312,409	1,088,526



7. Special purpose consolidated financial information 2015

11 Receivables from exchange transactions (Continued)

As at 31 December 2015, the management of the City accrued allowance for receivables from consumers for housing and utilities based on the analysis of the settlement history according to the assumptions described in Note 4. As at 31 December 2014, the management of the City was unable to estimate reliably the credit quality of the receivables for utilities from individuals and based on the analysis of settlement history decided to make an impairment provision of 30% of the respective balance.

12 Inventories

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Construction in progress under construction contracts	5,697,644	4,444,978
Flats and non-residential premises	2,239,105	1,242,104
Auxiliary and other materials	261,010	152,828
Goods held for resale	168,144	61,584
Spare parts	102,779	70,903
Finished goods and work in progress	41,732	27,298
Other inventories	504,146	295,625
Total inventories	9,014,560	6,295,320

13 Receivables from non-exchange transactions

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Receivables from land tax	454,331	340,713
Receivables from corporate income tax	319,366	-
Receivables from individual income tax	249,951	287,517
Receivables from local taxes and fees	58,370	35,879
Receivables from excise tax on excisable goods sold by retailers	3,279	-
Total receivables from non-exchange transactions	1,085,297	664,109

14 Cash and cash equivalents

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Current accounts	2,471,644	586,756
Treasury accounts	138,170	423,192
Short-term deposits	78,532	141,010
Cash-on-hand and cash in transit	13,022	7,168
Other cash and cash equivalents	1,277	65,067
Total cash and cash equivalents	2,702,645	1,223,193

Analysis of cash and cash equivalents by credit quality is presented below based on Moody's ratings where available, or ratings assigned by other international rating agencies converted to the nearest equivalent on the Moody's rating scale. Analysis of cash and cash equivalents as at 31 December 2015 is as follows:

<i>In thousands of Ukrainian hryvnias</i>	Current accounts	Treasury accounts	Short- term deposits	Other cash	Total
Moody's rating					
Caa3	30,491	138,170	-	-	168,661
Unrated	2,441,153	-	78,532	14,299	2,533,984
Total cash and cash equivalents	2,471,644	138,170	78,532	14,299	2,702,645

Analysis of cash and cash equivalents as at 1 January 2015 is as follows:

<i>In thousands of Ukrainian hryvnias</i>	Current accounts	Treasury accounts	Short- term deposits	Other cash	Total
Moody's rating					
Caa3	4,137	423,192	-	-	427,329
Unrated	582,619	-	141,010	72,235	795,864
Total cash and cash equivalents	586,756	423,192	141,010	72,235	1,223,193

Balances with related parties are disclosed in Note 5.

**15 Other non-current assets**

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Municipal property held for sale	66,185	102,500
Other non-current assets held for sale	392	2,294
Other	2,825	8,041
Total other non-current assets	69,402	112,835

16 Borrowings

Long-term borrowings of the City are presented below:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Loan from the Ministry of Finance of Ukraine	8,425,811	-
Loans from international institutions	1,492,883	1,180,523
Bank loans	230,001	200,000
Finance lease	24,902	54,309
Eurobonds	-	4,730,567
Other non-current borrowings	2,258	1,949
Total long-term borrowings	10,175,855	6,167,348

Current borrowings of the City are presented below:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Municipal bonds	2,884,791	5,271,463
Eurobonds	2,427,643	4,198,771
Treasury borrowings	3,688,454	3,688,454
Finance lease	477,305	420,451
Loans from international institutions	316,729	220,074
Bank loans	28,790	228,657
Accrued expenses on Loan from the Ministry of Finance of Ukraine	15,705	-
Other short-term loans	5,615	8,440
Total current borrowings	9,845,032	14,036,310

Analysis of borrowings by currency is presented below:

Currency	31 December 2015	31 December 2014
USD – Eurobonds and loan from the Ministry of Finance of Ukraine	10,869,159	8,929,338
UAH – other borrowings	7,334,243	9,863,334
EUR – loans from international institutions	1,809,612	1,400,597
Other	7,873	10,389
Total borrowings	20,020,887	20,203,658

Analysis of borrowings by maturity is presented below:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
In default	2,427,643	-
With undetermined maturity	12,114,265	3,688,454
Less than 6 months	180,429	565,276
From 6 to 12 months	3,542,891	9,774,139
From 1 to 5 years	1,747,786	5,985,303
Over 5 years	-	180,097
Other short-term borrowings	7,873	10,389
Total borrowings	20,020,887	20,203,658

**7. Special purpose consolidated financial information 2015****16 Borrowings (Continued)**

The line "With undetermined maturity" includes amount of treasury borrowings.

Interest rates on borrowings are presented below:

	Interest rate
Loan from the Ministry of Finance of Ukraine	7.75%*
Municipal bonds	15,20% - 15,25%
Eurobonds	8%
Finance leases	22%
Bank loans	22% - 27%
Loans from international institutions	Euribor + 5,5% - Euribor + 6%

* Within the settlement of the loan from the Ministry of Finance the City compensates in full the costs of the Ministry of Finance for the foreign governmental bonds of Ukraine during the years 2015-2020 and state derivatives during 2020-2040 years. Specified interest rate corresponds to the nominal coupon rate of the foreign governmental bonds of Ukraine. The City cannot determine reliably the effective interest rate on the loan from Ministry of Finance, as the expenses for state derivatives service during years 2020-2040 cannot be foreseen reliably.

Movements of borrowings are presented below:

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Borrowings as at 1 January 2015	20,203,658	15,442,253
Proceeds from borrowings	1,099,954	3,607,643
Repayment of borrowings	(3,270,156)	(3,937,935)
Interest accrued	1,451,766	1,693,994
Interest paid	(1,707,697)	(1,470,732)
Income from debt write-off in course of Eurobonds restructuring	(2,299,728)	-
Foreign currency exchange differences	4,543,090	4,868,435
Borrowings as at 31 December 2015	20,020,887	20,203,658

Eurobonds and the loan from the Ministry of Finance of Ukraine

In 2005 and 2011, the City placed in the public market Eurobonds in the amount of USD 250,000 thousand and USD 300,000 thousand maturing in November 2015 and July 2016, respectively. A coupon rate under those bonds is 8%, with the coupon payment frequency of twice a year.

In accordance with Resolution of the Cabinet of Ministers of Ukraine # 1040 dated 18 December 2015, the 2005 and 2011 Eurobonds were restructured, the total local debt under restructuring amounts to USD 550,000 thousand (UAH 12,918,221 thousand at the restructuring date).

Within the restructuring process, a part of the debt in the amount of USD 448,851 thousand (UAH 10,542,466 thousand at the restructuring date) was transferred to the state debt of Ukraine through an additional issue and placement of foreign governmental bonds of Ukraine (at the coupon rate of 7.75%) and government derivatives, with write-off of the part of the debt in the amount of USD 97,785 thousand (UAH 2,299,728 thousand at the date of restructuring). Based on the restructuring, as at 31 December 2015, the City recognized liabilities to the Government in the amount of UAH 8,425,811 thousand denominated in USD as a borrowing from the Ministry of Finance of Ukraine, and income from write-off of the part of the debt in the amount of 2,299,728 thousand in the special purpose consolidated financial information.

Terms and conditions on repayment of principal and interest on the debt on the loan from the Ministry of Finance of Ukraine are defined in the Resolution of the Cabinet of Ministers #1040 as at 18 December 2015. The Ministry of Finance within five business days after expenses on settlement of debt and related charges incurred, notifies Kyiv City Council the amount of liability to compensate the related expenses to the state. The Kyiv City Council within ten business days from the date of the notification from the Ministry of Finance, repays outstanding amounts to the state at the official exchange rate established by the National Bank of Ukraine at the date of disbursements.

This obligation has been recognized at the nominal value since the City was not able to measure reliably the fair values of liabilities at the recognition date.

As at 31 December 2015, included in non-current borrowings of the City were liabilities to Eurobonds holders who refused to participate in the restructuring process in the amount of USD 101,149 thousand (UAH 2,427,643 thousand at the reporting date). As at 31 December 2015, the City suspended servicing the debt under those Eurobonds.

**16 Borrowings (Continued)****Municipal bonds**

In 2015, in accordance with placement terms and conditions, the City repaid the debt under municipal bonds in the amount of UAH 2,301,337 thousand. Maturities under these bonds remaining on the City's balance sheet were extended for one year – until 10 October and 19 December 2016, respectively. Coupon rate under those bonds amounted to 15.20% and 15.25%, respectively, with the coupon payment frequency of four times a year.

Treasury borrowings

Under the Budget Code of Ukraine, article 73, paragraph 3 (being in force until 1 January 2015), according to the relevant City Council decision, municipalities and governing bodies of relevant city councils could receive medium-term repayable non-interest bearing borrowings from the single treasury account in the amount of estimated income budget deficit as defined in the State Budget Law of Ukraine for the respective reporting period. The procedure and conditions of receipt and repayment for these borrowings were defined by the Cabinet of Ministers of Ukraine.

During the period from 2009 to 2013, the City received UAH 3,761,755 thousand of medium-term borrowings. The City repaid UAH 73,301 thousand of borrowings in 2014.

On 28 December 2014, amendments to the Budget Code were made under which repayment of the outstanding medium-term borrowings to the state budget, which are accounted at the State Treasury Service of Ukraine was postponed until further legislative guidance. Accordingly, in 2015 the City did not make payments on these borrowings.

Finance lease

During 2009, the City entered into a finance lease arrangement in respect of underground railway carriages. Financial lease carries a contractual interest rate of 22% p.a. and is repayable on 10 February 2018.

Loans from international institutions

In 2008 the City concluded an agreement with the European Bank for Reconstruction and Development for the provision of a credit line in the amount of EUR 115,000 thousand for the development of municipal transport in Kyiv. The loan balance as at 1 January and 31 December 2015 was EUR 72,823 thousand and EUR 69,008 thousand, respectively. This loan is repayable in 2021 and bears an interest rate of Euribor +5,5% - Euribor + 6%.

17 Non-current provisions

Movements in provision for liabilities and charges are as follows:

<i>In thousands of Ukrainian hryvnias</i>	Provisions for liabilities under construction contracts	Other	Total
Balance at 1 January 2014	-	57,023	57,023
Charge for the year	226,848	-	226,848
Utilisation of provision	-	(39,933)	(39,933)
Balance at 31 December 2014	226,848	17,090	243,938
Charge for the year	351,022	-	351,022
Utilisation of provision	-	(12,093)	(12,093)
Balance at 31 December 2015	577,870	4,997	582,867

Provisions for liabilities under construction contracts are recorded based on the estimates of cash or assets to be transferred to creditors under construction contracts.

Other provisions are recorded based on the probable amount required to cover the provision and expensed immediately. Provisions are utilised only for the purposes for which they were originally raised and re-measured at each balance sheet date.



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18 Other non-current liabilities

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Non-current liabilities under construction contracts	1,051,308	4,257,646
Non-current liabilities in respect of state budget financing	1,298,573	918,155
Liabilities to reimburse improvements of property, plant and equipment (service concession arrangements)	352,982	352,982
Other non-current liabilities	300,884	356,665
Total other non-current liabilities	3,003,747	5,885,448

Non-current liabilities under construction contract includes investor contributions under investment contracts for construction of residential and other real estate properties.

19 Deferred income

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Assets received free of charge from third parties	1,860,905	1,079,513
Assets received free of charge from the State budget	-	162,319
Other deferred income	508,585	341,433
Total deferred income	2,369,490	1,583,265

Assets received free of charge from third parties represent infrastructure items transferred into municipal ownership by third parties for provision of power and heat supply services.

20 Payables under exchange transactions

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Advances received	4,266,780	1,310,098
Trade payables	2,543,225	1,458,589
Accrued salaries, wages and related taxes	104,449	124,429
Third-party payables	15,392	108,128
Other payables under exchange transactions	1,492,249	1,926,420
Total payables under exchange transactions	8,422,095	4,927,664

21 Taxes and transfers payable

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
VAT payable	261,657	98,135
Payables for other taxes and transfers	64,364	32,775
Transfers to the State Pension Fund of Ukraine	56,181	83,822
Other taxes and transfers payables	160,397	247,202
Total taxes and transfers payable	542,599	461,934

22 Payments received in advance from non-exchange transactions

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Prepaid personal income tax	372,373	342,803
Prepaid local taxes and levies	367,797	192,117
Prepaid land tax	199,564	166,216
Prepaid corporate income taxes	196,721	-
Prepaid excise tax on excisable goods sold by retailers	53,299	-
Total payments received in advance under non-exchange transactions	1,189,754	701,136

**23 Current provisions**

During 2015, movements in provision for liabilities and charges were as follows:

<i>In thousands of Ukrainian hryvnias</i>	Provisions for liabilities under construction contracts	Legal provisions	Provisions for unused vacations	Other	Total
Balance at 1 January 2014	-	104,928	27,541	47,598	180,067
Charge for the year	102,879	-	146,235	27,591	276,705
Utilisation of provision	-	(4)	(140,692)	-	(140,696)
Balance at 1 January 2015	102,879	104,924	33,084	75,189	316,076
Charge for the year	-	98,026	249,307	14,729	362,062
Utilisation of provision	(32,434)	(9,778)	(149,365)	(20,782)	(212,359)
Balance at 31 December 2015	70,445	193,172	133,026	69,136	465,779

Provisions for liabilities under construction contracts are recorded based on the estimates of cash or assets to be transferred to creditors under construction contracts. These provisions are capitalised as part of cost of assets under construction.

Legal provisions include fines and penalties in respect of late payments for electricity arising from legal proceedings.

Other provisions are recorded based on the probable amount required to cover the provision and expensed immediately.

24 Government subventions and dotations (General Fund)

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Medical care subvention	3,192,621	-
Educational subvention	2,114,709	-
Subvention to repay a debt on the difference in tariffs for heat energy centralized water supply and disposal services produced, transported, and supplied to households	586,024	-
Subvention to train regular labor force	292,245	-
Subventions from the State budget for communication services benefits and compensation of travel privilege for certain categories of citizens	246,133	235,225
Subvention to Government Social Assistance	59,934	-
Subvention to purchase new tram cars	49,286	-
The State budget subvention for elections of city council and village, town and city mayors	35,030	7,770
The State budget subvention to healthcare institutions	7,526	18,889
Subvention from the State budget to the Kyiv city budget to fulfil functions of the Capital of Ukraine	-	1,799,991
Additional dotation from the State budget to balance fiscal capacity of municipal budgets	-	865,616
Subvention from the State budget for providing of housing allowances benefits for citizens	-	61,745
Additional dotation to municipal budgets to reimburse lost revenues of municipal budgets as a result of tax allowances granted by the government to space, aircraft construction, shipbuilding and cinema businesses in respect of land tax	-	34,428
Total government subventions and dotations	6,583,508	3,023,664

In 2015, the budget of the City of Kyiv received from the state budget the following subventions that had not been received in the prior year:

- Medical care subvention;
- Educational subvention;
- Subvention to train regular labor force;
- Subvention to purchase new tram cars;
- Subvention to provide partial funding to youth sports schools and subvention to construct (purchase) residential property to the families of deceased servicemen and the disabled servicemen of I-II Groups who participated directly in the Anti-Terrorist Operation (included in the category of Subvention to Government Social Assistance).

**7. Special purpose consolidated financial information 2015****24 Government subventions and dotations (General Fund) (Continued)**

In 2015, the general fund of the City of Kyiv's budget was complemented by the subvention to repay a debt on the difference in tariffs for heat energy centralized water supply and disposal services produced, transported, and supplied to households. In 2014, this subvention was included in proceeds of the specific fund (Note 33).

In 2015, the budget of the City of Kyiv did not receive the following proceeds compared to prior year:

- Subvention to fulfill functions of the Capital of Ukraine;
- Additional dotation from the State budget to balance fiscal capacity of municipal budgets;
- Additional dotation to municipal budgets to reimburse lost revenues of municipal budgets as a result of tax allowances granted by the government to space, aircraft construction, shipbuilding and cinema businesses in respect of land tax.

25 General Fund local taxes and levies

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Fixed tax	1,922,474	-
Rental payments for the use of natural resources	1,771,401	-
Land Tax	810,496	-
Real estate tax, other than on land	182,545	-
Transport Tax	123,315	-
Vehicle parking charge	23,240	24,885
Other local Taxes	8,374	72,869
Total local taxes and levies	4,841,845	97,754

In accordance with the Tax legislation and the Budget Code of Ukraine, the following changes took effect from 1 January 2015 and influenced on comparability of the data for 2015 and 2014 in special purpose consolidated financial information:

- Transfer of fixed tax from a special to general fund of the local budget (Note 32);
- Inclusion of land fees paid in the form of natural resources rent fee and land tax to the category of local taxes (Note 27);
- Transfer of real estate tax, other than on land, from a special to general fund of the local budget (Note 32);
- Introduction of transport tax;
- Cancellation of charge for conducting certain entrepreneurial activities. The amount of those charges for 2014 was included into the category of Other Local Taxes.

In accordance with amendments to the Tax Code, effective from 1 January 2015, the number of fixed taxpayer groups reduced from six to four, and the maximum amount of the taxes allowed for simplified taxation was increased.

26 Administrative levies, revenue from non-commercial operations

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Licensing and certification fees	150,210	120,733
Rent proceeds	113,326	186,422
State custom duties	64,085	14,655
State registration fees	4,192	4,103
Other administrative services fee	132,372	-
Total administrative levies, revenue from non-commercial operations	464,185	325,913

27 Duties and charges on special use of natural resources

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Natural resources rent fee	-	1,250,905
Land tax	-	714,035
Other duties and charges for special use of natural resources	47,390	45,658
Total duties and charges for special use of natural resources	47,390	2,010,598

In accordance with the Law of Ukraine "On Amending the Tax Code of Ukraine and Certain Legislative Acts of Ukraine Regarding the Tax Reform" # 71-VIII dated 28 December 2014 (hereinafter "changes in the tax legislation"), effective from 1 January 2015, land fees paid in the form of natural resources rent fee and land tax are included in local taxes that are set by local government authorities (Note 25).

**28 Non-tax receipts and other budget revenues**

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Administrative fines and other penalties	6,441	5,984
Proceeds from disposal of derelict property, findings, inherited property, property received by community as inheritance or gift and currency valuables or cash with unknown owners	1,425	2,600
Other receipts	14,559	4,844
Total non-tax receipts and other budget revenues	22,425	13,428

29 Revenue from exchange transactions of budgetary entities

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Receipts of budgetary entities from entities, organisations, individuals and other budgetary entities for special-purpose activities	728,674	103,683
Fees for services provided by budgetary entities in the normal course of their core activities	484,957	318,813
Rental fees for properties of budgetary entities	109,485	82,414
Other income	-	14,603
Total revenue from exchange transactions of budgetary entities	1,323,116	519,513

30 Non-tax receipts

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Receipts from participation in infrastructure development	333,367	164,624
Receipts from compensation of loss from agricultural and forestry production	12,122	4,006
Other receipts	4,303	4,705
Total non-tax receipts	349,792	173,335

31 Receipts from Special-purpose funds

Sources of special fund appropriations during 2015 were as follows:

- Fees for temporary use of municipally owned assets of the Kyiv City community for placement of outdoor advertising and fees for placement of advertising on municipal transport;
- Receipts under investment agreements and auctions;
- Replacement cost of green spaces subject to removal in Kyiv;
- Proceeds from contribution to the maintenance of city improvement from owners of temporary commercial, household, cultural and other buildings, including mobile retail outlets.

In 2015, total amount of receipts to special funds amounted UAH 262,537 thousand (2014: 229,094 thousand).

Sources of special fund appropriations during 2014 were as follows:

- Fees for temporary use of municipally owned assets of the Kyiv City community for placement of outdoor advertising and fees for placement of advertising on municipal transport;
- Receipts under investment agreements and auctions;
- Special fund balance as at 1 January 2014;
- Replacement cost of green spaces subject to removal in Kyiv;
- Proceeds from contribution to the maintenance of city improvement from owners of temporary commercial, household, cultural and other buildings, including mobile retail outlets.

32 Special Fund local taxes and fees

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Fixed tax	-	1,390,329
Real estate tax, other than on land	-	11,534
Charge on trade activities with oil products, liquefied and compressed natural gas on stationary, small-capacity and mobile petrol filling stations and points	-	2,382
Total local taxes and fees	-	1,404,245

In accordance with amendments to the Budget Code of Ukraine, fixed tax and real estate tax, other than on land, are included in the proceeds of the local budget's general fund effective from 1 January 2015 (Note 25).

**7. Special purpose consolidated financial information 2015****33 Subventions from the State budget (Special Fund)**

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
The State budget subventions to municipal budgets for compensation of tariffs for heat, centralised water supply and water disposal, generated, distributed and supplied to citizens	-	476,165
The State budget subventions to municipal budgets for construction, reconstruction, repairs and maintenance of city streets and municipal roads	-	177,892
Total State budget subventions	-	654,057

According to the approved budget of the Kyiv City for 2015, the subvention to repay a debt on the difference in tariffs for heat energy centralized water supply and disposal services produced, transported, and supplied to households was included in earning of the general fund of the City of Kyiv's budget (Note 24).

In 2015, the subvention to build, reconstruct, repair, and maintain street and roads owned by community in populated areas was not received by the budget of the City of Kyiv.

34 Other taxes and fees

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Receipts from trade operations held by tax agents with self-produced fuel and/or fuel produced under tolling arrangements within the customs area of Ukraine	-	14,459
Charge for the initial registration of wheeled vehicles in Kyiv	-	12,118
Receipts from emission of pollutants into the air from stationary contamination sources	-	8,472
Receipts from fuel imported into Ukrainian customs area by tax agents	-	6,736
Receipts from pollutants dumped directly into waters	-	4,310
Other taxes and levies	295	5,083
Total other taxes and fees	295	51,178

In 2015, the budget of the City of Kyiv did not obtain receipts from trade operations held by tax agents with self-produced fuel and/or fuel produced under tolling arrangements within the customs area of Ukraine.

In accordance with amendments to the tax legislation, effective from 1 January 2015, fees for the first registration of wheeled vehicles in the City of Kyiv were changed to transport taxes included to local taxes and duties of the general fund (Note 25).

In accordance with amendments to the Budget Code of Ukraine, environmental taxes (that includes proceeds from emissions of pollutants into the air by stationary pollution sources and proceeds from discharges of pollutants directly into water bodies) shall be received by the general fund of local budgets effective from 1 January 2015 (category of Other Taxes and Duties in revenues of the general fund within the consolidated statement of financial performance).

35 Revenue from exchange transactions of municipal entities

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Housing and utilities	5,016,002	3,940,663
Building and construction	4,126,493	3,489,998
Transportation services, public road facilities, communications, telecommunication and IT	2,141,698	1,113,183
Other services related to economic activities	639,213	867,876
Health care	279,503	92,636
Culture and art	112,367	88,836
Education	90,861	55,799
Other revenue from exchange transactions	32,717	28,542
Total revenue from exchange transactions of municipal entities	12,438,854	9,677,533

36 Other income of municipal entities

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Assets received free of charge	302,088	85,355
Rental income	93,687	60,066
Fines, penalties, damages	9,580	13,899
Income from liquidation	1,955	12,130
Income from recognition of assets as a result of physical inventory counts	321	28,153
Other income	913,166	1,077,777
Total other income of municipal entities	1,320,797	1,277,380

**36 Other income of municipal entities (Continued)****Expenses**

Operating expenses of the City by business segments and nature are disclosed below.

Tax and levy expenses comprise expenses in respect of water tax, state custom duties, rental fees for state property and tax fines and penalties payable to state budget.

The item "Services used" represents expenses incurred for third party services received relating to the City's business activities.

Expenses incurred for purchases of construction materials, foods, fuel, drugs, pharmaceuticals and other commercial materials are disclosed within the item "Consumables and other materials".

37 Housing and utilities

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Water, heating, electricity and other utilities	413,938	154,217
Salaries and related taxes	224,671	820,519
Depreciation	211,157	705,591
Maintenance and repairs	123,623	106,134
Services used	76,294	967,101
Taxes and levies payable to the State budget	11,282	31,923
Consumables and other materials	10,048	588,241
Rent	7,369	5,590
Transportation	1,600	2,060
Other expenses	5,781,646	3,251,969
Total housing and utilities	6,861,628	6,633,345

38 Education

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	3,003,093	2,272,680
Water, heating, electricity and other utilities	873,691	319,909
Services used	413,362	1,017,400
Depreciation	266,529	285,822
Consumables and other materials	12,057	184,344
Maintenance and repairs	4,958	31,055
Taxes and levies payable to the State budget	-	161
Other expenses	976,806	874,507
Total education	5,550,496	4,985,878

39 Health services

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	588,608	961,000
Services used	447,742	1,101,957
Water, heating, electricity and other utilities	72,478	125,713
Depreciation	5,881	261,297
Taxes and levies payable to the State budget	115	14,443
Maintenance and repairs	36	31,001
Consumables and other materials	-	124,367
Other expenses	3,373,416	1,148,753
Total health services	4,488,276	3,768,531

40 Building and construction

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Consumables and other materials	2,372,603	2,774,418
Depreciation	112,853	97,368
Services used	43,649	110,294
Maintenance and repairs	38,800	14,753
Salaries and related taxes	15,124	135,340
Water, heating, electricity and other utilities	14,684	10,860
Taxes and levies payable to the State budget	7,247	10,636
Other expenses	1,009,718	166,999
Total building and construction	3,614,678	3,320,668



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41 Transportation services, public road facilities, communications, telecommunication and IT

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	730,239	996,227
Depreciation	385,023	554,526
Consumables and other materials	258,561	695,905
Maintenance and repairs	76,305	235,112
Taxes and levies	17,388	15,186
Water, heating, electricity and other utilities	15,670	8,532
Transportation	15,204	38,826
Rent	6,994	10,025
Services used	3,867	50,233
Other expenses	1,892,574	113,850
Total transportation services, public road facilities, communications, telecommunication and IT	3,401,825	2,718,422

42 Social protection and social security

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Services used	451,075	632,216
Depreciation	65,889	21,863
Salaries and related taxes	56,152	33,232
Social benefits	38,756	45,268
Other expenses	1,651,418	608,740
Total social protection and social security	2,263,290	1,341,319

43 Other services related to economic activities

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	46,766	6,560
Services used	16,530	304,772
Water, heating, electricity and other utilities	7,948	6,514
Rent	5,927	5,233
Depreciation	4,181	15,800
Maintenance and repairs	442	3,585
Other expenses	910,122	1,156,349
Total other services related to economic activities	991,916	1,498,813

44 Culture and art

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	395,589	362,721
Water, heating, electricity and other utilities	36,175	22,025
Services used	20,933	14,014
Depreciation	-	12,078
Consumables and other materials	-	10,697
Other expenses	343,338	295,176
Total culture and art	796,035	716,711

45 State administration

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Salaries and related taxes	12,259	87,899
Services used	-	58,393
Maintenance and repairs	-	30,857
Depreciation	-	22,901
Water, heating, electricity and other utilities	-	5,384
Consumables and other materials	48	2,546
Other expenses	611,681	239,080
Total state administration	623,988	447,060

**46 Transfers to state budget and other budgets**

According to the Budget Code of Ukraine, the City makes transfers to state budget of Ukraine if estimated municipal revenues exceed estimated municipal expenditure. The amount subject to transfer is calculated using financial fiscal capacity ratios and adjusting coefficients.

In 2015 subvention from the City budget to the State budget for the fulfilment of programs of social, economic, and cultural development of regions comprised of UAH 45,887 thousand (2014: UAH 3,131 thousand).

During 2015, there were no cash transfers to the State budget (2014: UAH 1,140,481 thousand).

47 Finance costs

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Foreign exchange difference on borrowings, net	4,543,090	4,868,435
Interest costs	1,451,766	1,693,994
Total finance costs	5,994,856	6,562,429

48 Commitments and contingencies

The management of the City considers that respective provisions were recognized in respect of all substantial liabilities in this special purpose consolidated financial information.

Operating lease commitments. The future minimum lease payments under operating leases are as follows:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
Not later than 1 year	764	3,568
From 1 to 5 years	1,130	7,589
Over 5 years	-	13,686
Total future minimum lease payments	1,894	24,843

The analysis above as at 31 December 2015 includes future lease payments for 7 biggest entities that lease assets (31 December 2014: 28 biggest entities).

Assets pledged and restricted. The carrying value of assets pledged and restricted as at 31 December 2015 totaled UAH 949,717 thousand (31 December 2014: UAH 438,802 thousand).

A at 31 December 2015, contingent liabilities included contingencies on legal cases in the amount of UAH 739,799 thousand, the result of which was uncertain at the reporting date (31 December 2014: nil).

49 Financial risk management

Exposure to currency, commodity, interest rate, liquidity and credit risk arises in the normal course of the City's operations. This note presents information about the City's exposure to each of the above risks, policies and processes for measuring and managing risk, and the City's management of capital as well as information about fair value of all financial and non-financial assets and liabilities measured at fair value. Further quantitative disclosures are included throughout this special purpose financial information.

Fair values

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities; (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy.

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:



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49 Financial risk management (Continued)

As at 31 December 2015:

<i>In thousands of Ukrainian hryvnias</i>	Fair value			Carrying value
	Level 1	Level 2	Level 3	
Financial assets				
Investments	-	-	122,461	122,461
Accounts receivables	-	-	2,312,409	2,312,409
Cash and cash equivalents	2,702,645	-	-	2,702,645
Non-financial assets				
Property, plant and equipment	-	-	69,716,665	69,716,665
TOTAL ASSETS	2,702,645	-	72,151,535	74,854,180
Financial liabilities				
Accounts payables	-	-	4,035,474	4,035,474
Borrowings				
- Eurobonds	2,036,186	-	-	2,427,643
- municipal bonds	-	2,884,791	-	2,884,791
- other borrowings	-	-	14,708,453	14,708,453
TOTAL LIABILITIES	2,036,186	2,884,791	18,743,927	24,056,361

Category of financial liability with Level 3 fair value includes Eurobonds, debt on which was out of service as at 31 December 2015.

As at 31 December 2014:

<i>In thousands of Ukrainian hryvnias</i>	Fair value			Carrying value
	Level 1	Level 2	Level 3	
Financial assets				
Investments	-	-	98,757	98,757
Accounts receivables	-	-	1,088,526	1,088,526
Cash and cash equivalents	1,223,193	-	-	1,223,193
Non-financial assets				
Property, plant and equipment	-	-	65,821,219	65,821,219
TOTAL ASSETS	1,223,193	-	67,008,502	68,231,695
Financial liabilities				
Accounts payables	-	-	3,385,009	3,385,009
Borrowings				
- Eurobonds	5,581,422	-	-	8,929,338
- municipal bonds	-	5,271,463	-	5,271,463
- other borrowings	-	-	6,002,857	6,002,857
TOTAL LIABILITIES	5,581,422	5,271,463	9,387,866	23,588,667

The valuation techniques used in the fair value measurement for level 2 and level 3 measurements are as follows:

	Valuation technique
Financial assets	
Investments	Discounted cash flows
Accounts receivables	Discounted cash flows
Non-financial assets	
Property, plant and equipment	Market approach / Depreciated replacement cost method
Financial liabilities	
Accounts payables	Discounted cash flows
Borrowings	
- municipal bonds	Market quotations
- other borrowings	Discounted cash flows

**49 Financial risk management (Continued)****Credit risk**

Credit risk is the risk of the City's financial loss if a customer or counterparty relating to a financial instrument fails to meet its contractual obligations, and arises principally from investments, loans, accounts receivable and cash and cash equivalents of the City. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The maximum exposure to credit risk is presented below:

<i>In thousands of Ukrainian hryvnias</i>	31 December 2015	31 December 2014
- Investments	122,461	98,757
- Accounts receivables	2,312,409	1,088,526
- Cash and cash equivalents	2,702,645	1,223,193
Maximum exposure to credit risk	5,137,515	2,410,476

Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting the obligations as they fall due. The City's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the City's reputation.

The tables below show the City's liabilities as at 31 December 2015 and 2014 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross loan commitments. Such undiscounted cash flows differ from the amount included in the statement of financial position because amounts disclosed in the statement of financial position are based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The analysis of financial liabilities at 31 December 2015 is as follows:

<i>In thousands of Ukrainian hryvnias</i>	Demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Other*	Total
Liabilities						
Borrowings	481,682	3,828,406	3,469,568	-	14,549,781	22,329,437
Accounts payable	3,788,672	211,930	34,872	-	-	4,035,474
Total liabilities	4,270,354	4,040,336	3,504,440	-	14,549,781	26,364,911

* Category "Others" includes liabilities for borrowing from Ministry of Finance and Eurobonds, the expenses for debt service of which cannot be estimated reliably.

The analysis of financial liabilities at 31 December 2014 is as follows:

<i>In thousands of Ukrainian hryvnias</i>	Demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Other	Total
Liabilities						
Borrowings	5,266,574	10,074,292	6,758,843	209,474	10,388	22,319,571
Accounts payable	3,351,969	33,040	-	-	-	3,385,009
Total liabilities	8,618,543	10,107,332	6,758,843	209,474	10,388	25,704,580

Market risk

The City takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity instrument investments, all of which are exposed to general and specific market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.



7. Special purpose consolidated financial information 2015

49 Financial risk management (Continued)

Currency risk. Financing received from third parties exposes the City to currency risk.

Foreign currency denominated financial liabilities represent Eurobonds issued and the credit line obtained from European Bank for Reconstruction and Development (Note 16).

The following table presents sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the City, with all other variables held constant:

<i>In thousands of Ukrainian hryvnias</i>	At 31 December 2015 Impact on profit or loss	At 31 December 2014 Impact on profit or loss
US dollar strengthening by 30%	(3,260,748)	(2,678,801)
US dollar weakening by 10%	1,086,915	892,934
Euro strengthening by 30%	(542,884)	(420,179)
Euro weakening by 10%	180,961	140,060

Interest rate risk. The City takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the City's exposure to interest rate risks. The table presents the aggregated amounts of the City's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

<i>In thousands of Ukrainian hryvnias</i>	Demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Other*	Non- monetary	Total
31 December 2015						
Total financial assets.	4,925,362	-	89,692	-	122,461	5,137,515
Total financial liabilities	(3,969,100)	(3,754,820)	(1,782,659)	(14,549,782)	-	(24,056,361)
Net interest sensitivity gap at 31 December 2015	956,262	(3,754,820)	(1,692,967)	(14,549,782)	122,461	(18,918,846)
31 December 2014						
Total financial assets.	2,193,304	-	118,415,	-	98,757	2,410,476
Total financial liabilities	(8,886,266)	(9,707,137)	(4,984,876)	(10,388)	-	(23,588,667)
Net interest sensitivity gap at 31 December 2014	(6,692,962)	(9,707,137)	(4,866,461)	(10,388)	98,757	(21,178,191)

* Category "Others" includes liabilities for Borrowing from Ministry of Finance and Eurobonds, for which the period of expenses for debt service of which cannot be estimated reliably.

50 Presentation of financial instruments by measurement category

The following table provides a reconciliation of financial instruments with their measurement categories as at 31 December 2015:

<i>In thousands of Ukrainian hryvnias</i>	Loans and accounts receivable	Assets available for sale assets	Total
Financial assets			
- Investments	-	122,461	122,461
- Accounts receivable from the exchange transactions	2,312,409	-	2,312,409
- Cash and cash equivalents	2,702,645	-	2,702,645
Financial assets	5,015,054	122,461	5,137,515
Financial liabilities			
- Loans	20,020,887	-	20,020,887
- Accounts payable	4,035,474	-	4,035,474
TOTAL FINANCIAL LIABILITIES	24,056,361	-	24,056,361

**50 Presentation of financial instruments by measurement category (Continued)**

The following table provides a reconciliation of financial instruments with their measurement categories as at 31 December 2014:

<i>In thousands of Ukrainian hryvnias</i>	Loans and accounts receivable	Assets available for sale assets	Total
Financial assets			
- Investments	-	98,757	98,757
- Accounts receivable from the exchange transactions	1,088,526	-	1,088,526
- Cash and cash equivalents	1,223,193	-	1,223,193
TOTAL FINANCIAL ASSETS	2,311,719	98,757	2,410,476
Financial liabilities			
- Loans	20,203,658	-	20,203,658
- Accounts payable	3,385,009	-	3,385,009
TOTAL FINANCIAL LIABILITIES	23,588,667	-	23,588,667

51 Segment information

Operating segments are components of an organisation that take part in commercial activity, from which an organisation can receive profit or incur losses, that has separate financial information available, and whose operational results are reviewed by the entity's chief operating decision maker on a regular basis. An entity's chief operating decision maker is an individual or a group of individuals who conduct performance assessment of an entity and allocate resources.

For management purposes the City is organised into segments based on the services they provide:

- 1) State administration;
- 2) Building and construction;
- 3) Housing and utilities;
- 4) Health services;
- 5) Education;
- 6) Transportation services, public road facilities, communications, telecommunication and IT;
- 7) Other, comprising less significant services and other units of the City.

No individually material segments were aggregated to arrive at the operating segments disclosed above. The City does not monitor geographical segments.

The City reviews results of its departments on an individual basis in order to assess performance and allocate resources. Performance of segments is assessed based on non-financial qualitative indicators and operating surplus or deficit of the segment, determined according to the accounting policy applied in this consolidated financial information. Financing (including finance income and finance costs) and fiscal revenues of the City are managed on a group basis and not allocated to individual operating segments.

Management of segments is performed by the management of the Kyiv City State Administration.

Segments accounts were prepared in accordance to the Budget Code of Ukraine, National Standards (Regulations) of Accounting in Ukraine and appropriate Resolutions of the State Treasury Service of Ukraine regarding accounting regulations for budget organisations.



51 Segment information (Continued)

Segment information for the year ended 31 December 2015 is given below:

<i>In thousands of Ukrainian hryvnias</i>	The Kyiv City budget	State administration	Building and construction	Housing and utilities	Health services	Education	Transportation services, public road facilities, communications, telecommunication and IT	Other segments	Total for reporting segments
Segment revenues									
Budgetary appropriations	-	704,537	1,542,905	2,145,932	8,231,106	6,313,213	1,533,483	5,333,916	25,805,092
External revenues	31,653,964	28,871	2,445,413	7,049,253	1,293,916	92,917	2,331,805	591,075	45,487,214
Intersegment revenues	-	68	1,303	284,964	27,172	247	119,825	360,911	794,490
Segment expenses									
General segment expenses	(53,275)	(800,814)	(3,069,255)	(7,909,102)	(8,165,426)	(5,784,778)	(3,375,009)	(6,514,234)	(35,671,893)
Intersegment expenses	(26,379,918)	(786)	(115,131)	(644,046)	(2,493)	(12,739)	(8,826)	(10,466)	(27,174,405)
Surplus/(deficit) from operations	5,220,771	(68,124)	805,235	927,001	1,384,275	608,860	601,278	(238,798)	9,240,498
Finance income/(costs)	(1,576,847)	-	(1,713)	(508)	-	-	(173,744)	(21,901)	(1,774,713)
Share of loss of associates accounted for using equity method	-	(133,700)	-	-	-	-	-	-	(133,700)
Surplus/(deficit) for the reporting period	3,643,924	(201,824)	803,522	926,493	1,384,275	608,860	427,534	(260,699)	7,332,085
Other segment information									
Segment assets	-	1,510,212	19,861,251	45,299,485	7,656,552	4,252,887	24,027,777	4,851,939	107,460,103
Segment liabilities	-	55,132	14,808,415	9,328,221	159,786	81,106	5,943,245	349,951	30,725,856

**7. Special purpose consolidated financial information 2015****51 Segment information (Continued)**

Segment information for the year ended 31 December 2014 is given below:

<i>In thousands of Ukrainian hryvnias</i>	The Kyiv City budget	State administration	Building and construction	Housing and utilities	Health services	Education	Transportation services, public road facilities, communications, telecommunication and IT	Other segments	Total for reporting segments
Segment revenues									
Budgetary appropriations	-	667,493	653,866	4,269,848	3,881,267	5,047,381	904,955	6,491,841	21,916,651
External revenues	23,794,962	39,340	3,748,589	3,860,000	1,113,361	63,066	2,228,689	1,176,465	36,024,472
Intersegment revenues	-	183	31,325	203,616	5,492	6,405	154,754	516,903	918,678
Segment expenses									
General segment expenses	-	(1,617,241)	(3,586,367)	(7,174,520)	(3,979,423)	(4,628,544)	(2,816,263)	(11,294,294)	(35,096,652)
Intersegment expenses	(21,916,651)	(173,446)	(7,008)	(579,855)	(10,974)	(128,989)	(7,957)	(10,450)	(22,835,330)
Surplus/(deficit) from operations	1,878,311	(1,083,671)	840,405	579,089	1,009,723	359,319	464,178	(3,119,535)	927,819
Finance income/(costs)	(1,312,243)	-	(863)	(252)	-	(8)	(175,673)	(14,197)	(1,503,236)
Share of loss of associates accounted for using equity method	-	(50,176)	-	-	-	-	-	-	(50,176)
Surplus/(deficit) for the reporting period	566,068	(1,133,847)	839,542	578,837	1,009,723	359,311	288,505	(3,133,732)	(625,593)
Other segment information									
Segment assets	-	1,227,022	17,100,497	39,962,358	6,878,807	4,346,143	22,218,748	8,149,075	99,882,650
Segment liabilities	-	117,755	12,809,421	3,893,768	219,823	279,844	5,348,790	3,725,357	26,394,758



7. Special purpose consolidated financial information 2015

51 Segment information (Continued)

Reconciliation of segment results to the City's consolidated results is given below.

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Segment revenues	72,086,796	58,859,801
Netting of budget appropriations	(25,805,092)	(21,916,651)
Elimination of gain on recognition of land and other non-current assets by budgetary entities	(3,703,786)	(1,627,960)
Netting of state subventions to the citizens	(1,966,171)	(2,099,848)
Reversal of gain on depreciation of property, plant and equipment constructed for budget funds	(912,011)	(1,249,773)
Netting of intersegment revenues	(794,490)	(918,678)
Adjustment to recognize revenue in the correct accounting period	1,058,794	-
Netting of state subventions for tariffs compensation to entities that are not included to the City structure	-	(3,196,133)
Other adjustments	796,620	(169,595)
Consolidated revenue	40,760,660	27,681,163

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Segment operating expenses	(62,846,298)	(57,931,982)
Netting of intersegment expenses	27,174,405	22,835,329
Elimination of loss on recognition of land and other non-current assets by budgetary entities	3,703,786	1,627,960
Netting of state subventions to the citizens	1,966,171	2,099,848
Reclassification of non-operating foreign currency exchange differences arisen on foreign currency loans from operating to finance costs	303,521	582,149
Netting of state subventions for tariffs compensation to entities that are not included to the City structure	-	3,196,133
Other adjustments	(902,691)	732,360
Consolidated expenses	(30,601,106)	(26,858,203)

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Segment finance costs	(1,774,713)	(1,503,236)
Recognition of foreign exchange differences on Eurobonds	(4,480,478)	(4,286,285)
Reclassification of non-operating foreign currency exchange differences under foreign currency loans from operating to finance costs	(65,592)	(582,149)
Reversal of financial expenses, related to the financial year 2014	362,506	-
Other adjustments	(36,579)	(190,759)
Consolidated finance costs	(5,994,856)	(6,562,429)

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Segment Assets	107,460,103	99,882,650
Netting of intragroup balances	(555,641)	(1,956,589)
De-recognition of privatised property	(23,538,191)	(23,538,275)
Recognition of service concession assets	3,925,566	2,266,971
Recognition and revaluation of property, plant and equipment that are not recorded on the City's balance sheet	1,833,353	1,833,353
Provision for doubtful accounts	(799,508)	(324,713)
Other adjustments	897,819	(694,172)
Consolidated assets	89,223,501	77,469,225

<i>In thousands of Ukrainian hryvnias</i>	2015	2014
Segment liabilities	30,725,856	26,394,758
Netting of intragroup balances	(555,641)	(1,956,589)
Recognition of municipal bonds and Eurobonds	13,738,245	14,200,801
Recognition of medium-term borrowings	3,688,454	3,688,454
Netting of municipal entities liabilities under concession agreements	(2,980,607)	(1,480,316)
Netting of liabilities under construction by means of the City budget funds	(6,991,189)	(6,711,019)
Other adjustments	(961,410)	286,341
Consolidated liabilities	36,663,708	34,422,430



52 Events after the end of the reporting period

Terms of functioning

In 2016, the Government of Ukraine and the NBU continued undertaking measures on further stabilization of the macroeconomic situation and the banking sector. Thus, a discount rate was established by the NBU at the level of 22.0% p.a. from 28 January 2016, 15.5% p.a. from 29 July 2016, and 15.0% p.a. from 16 September 2016. The inflation rate decreased; in particular, in July 2016, the inflation rate was at the level of 9.9% on a year-on-year basis (compared to July 2015).

Subsequent to the reporting date, UAH continued depreciation against major foreign currencies. In particular, as at 31 August 2016, the official exchange rate of UAH to USD as established by the NBU increased to UAH 25.65 per USD 1 in comparison to UAH 24.00 per USD 1 as at 31 December 2015 (depreciation by 6.9%).

In September 2016, Fitch rating agency downgraded a long-term default issuer rating of the City of Kyiv in foreign and domestic currencies from CCC to CC. The City of Kyiv's rating downgrade was caused by the decision of the City to extend the maturities of municipal bonds (Series G) from 19 December 2016 for the period of 360 days.

Changes in the legislation

Effective from 1 January 2016, the tax legislation has been amended as follows:

- Real estate tax, other than on land. In 2016, legal entities shall pay taxes at new rates that have become effective from 1 January 2016. Furthermore, effective from 1 January 2016, an additional real estate tax, other than on land, has been established for legal entities and individuals at the rate of UAH 25 thousand per annum for the apartments with the area space of over 300 square meters and houses with the area space of over 500 square meters.
- Transport tax. Effective from 1 January 2016, taxable items shall be motor vehicles produced earlier than 5 years ago (inclusive) the average market prices of which exceed 750 minimal salaries as established by the Law as at 1 January of 2016, i.e. over UAH 1,033,500.

Municipal bonds

In 1st quarter of 2016, the liabilities of the City of Kyiv under municipal bonds decreased by UAH 1,915,000 thousand as a result of full repurchase of Series H bonds in the amount of UAH 948.7 million. Order of the National Commission for Securities and Stock Market # 02-KΦ-C-OBMΠ dated 1 September 2016 cancelled the registration of Series H municipal bonds issued by the Kyiv City Council for the total nominal value of UAH 2,375,000 thousand.

Loans

On 27 April 2016, the Cabinet of Ministers of Ukraine, as represented by the Ministry of Finance of Ukraine, the Kyiv City Council, and PJSC "JSC "Kyivvodokanal" entered into an agreement according to which KCSA transfers as a mortgage collateral to the Ministry of Finance of Ukraine properties of the Bortnytska Aeration Station, with collateral value of UAH 599,575 thousand. On 7 July 2016, the mortgage agreement was approved by the Kyiv City Council.

Associates

On 2 June 2016, the National Bank of Ukraine resolved to recall the banking license from PJSC CB "Khreshchatyk" and liquidate it. PJSC CB "Khreshchatyk" was included into the category of insolvent banks on 5 April 2016. PJSC CB "Khreshchatyk" is an associate bank, as 25% of its shares are owned by the Kyiv City State Administration. As at 2 June 2016, cash balances of the City with PJSC CB "Khreshchatyk" amounted to UAH 84,622 thousand.





8

Appendices



APPENDIX 1

List of administrative services provided by Administrative Services Centres as of 01/06/2016 by service provider

1. Kyiv City Council

- 1.1 Resolutions on ownership transfer, assignment for permanent use, and lease of privately or municipally owned land
- 1.2 Resolutions on sale of state and municipally owned land

2. Urban Amenities and Environmental Protection Department

- 2.1 Waste disposal licence
- 2.2 Special use of water licence
- 2.3 Licence to emit gaseous pollutants from stationary sources
- 2.4 Licence to alter atmosphere and atmospheric conditions for economic purposes
- 2.5 Conclusion of state environmental inspection
- 2.6 Licence to alter urban amenity assets
- 2.7 Issuing greenery removal resolution
- 2.8 Issuing greenery removal authorisation
- 2.9 Approving subsurface use for geological surveys and exploration of nationally important natural resources, and other uses
- 2.10 Approving declarations of intent as part of environmental impact assessment
- 2.11 Registering waste generation declarations

3. Culture Department

- 3.1 Licence to carry out work at local monuments (except for archaeological sites), adjacent areas, protective zones, and newly discovered cultural heritage assets
- 3.2 Licence to resume earthwork
- 3.3 Approving programmes and projects of urban development, architectural and landscape alterations, reclamation, road and earth works that may impact local monuments, adjacent areas and protective zones
- 3.4 Approving transfer of local monuments by their owners or their authorised representatives to disposal of other entities

4. Urban Development and Architecture Department

- 4.1 Resolution on changing status of residential buildings and premises to non-residential
- 4.2 Licence to place outdoor advertisements (incl. reissuing, cancelling, issuing a duplicate licence, extending, and amending the licence agreement)
- 4.3 Issuing a location certificate for temporary commercial, household, social or other structures to perform business activities
- 4.4 Issuing a location certificate for seasonal outdoor facility of a restaurant/cafe
- 4.5 Assigning mail address to an immovable property item
- 4.6 Assigning mail address to a newly built asset
- 4.7 Issuing city planning conditions and land plot building restrictions
- 4.8 Issuing a land plot development certificate

5. Production Sector and Entrepreneurial Development Department

- 5.1 Report on inspection of compliance of special-purpose entities or special purpose metal processing entities and their reception facilities with the Law of Ukraine "On Scrap Metals"

6. Housing and Utilities infrastructure Department

- 6.1 Issuing licence to generate heat, excluding heat generation at non-regulated tariff
- 6.2 Issuing licence to transfer heat through main and local (distribution) networks, excluding heat transportation at non-regulated tariff
- 6.3 Issuing licence to supply heat, excluding heat supply at non-regulated tariff
- 6.4 Reissuing licence to generate heat, excluding heat generation at non-regulated tariff
- 6.5 Reissuing licence to transfer heat through main and local (distribution) networks, excluding heat transportation at non-regulated tariff
- 6.6 Reissuing licence to supply heat, excluding heat supply at non-regulated tariff
- 6.7 Revoking licence to generate heat, excluding heat generation at non-regulated tariff
- 6.8 Revoking licence to transfer heat through main and local (distribution) networks, excluding heat transportation at non-regulated tariff



List of administrative services provided by Administrative Services Centres as of 01/06/2016 by service provider

- 6.9 Revoking licence to supply heat, excluding heat supply at non-regulated tariff
- 6.10 Issuing licence to provide centralised hot water supply and drainage services, excluding centralised hot water supply and drainage services at non-regulated tariff
- 6.11 Reissuing licence to provide centralised hot water supply and drainage services, excluding centralised hot water supply and drainage services at non-regulated tariff
- 6.12 Revoking licence to provide centralised hot water supply and drainage services, excluding centralised hot water supply and drainage services at non-regulated tariff

7. Construction and Housing Department

- 7.1 Issuing certificates for obtaining residential premises
- 7.2 Executing exchange of residential premises
- 7.3 Issuing residential premises reservations

8. Education and Science, Youth and Sports Department

- 8.1 Issuing licence to provide educational services in pre-school and secondary education sectors
- 8.2 Reissuing licence to provide educational services in pre-school and secondary education sectors
- 8.3 Revoking licence to provide educational services in pre-school and secondary education sectors

9. Economics and Investment Department

- 9.1 Issuing a one-time (individual) licence
- 9.2 Issuing goods import licence
- 9.3 Issuing goods export licence
- 9.4 State registration of foreign investments
- 9.5 Re-registration of foreign investments
- 9.6 Revoking state registration of foreign investments
- 9.7 Issuing a duplicate notice of foreign investment
- 9.8 State registration of agreements (contracts) on joint investment activities involving a foreign investor
- 9.9 Issuing a duplicate card of state registration of an agreement (contract) on joint investment activities involving a foreign investor

10. Registration Department

- 10.1 State registration of ownership and other possession rights for real property (excluding state registration of mortgages)
- 10.2 Issuing a statement of information from the state register of ownership rights for real property

11. Crime Prevention Department of the National Police of Ukraine, the General Directorate of the National Police of Ukraine in the City of Kyiv

- 11.1 Issuing oversize/overload vehicle permits
- 11.2 Approving routes of vehicles transporting dangerous goods

12. General Directorate of Veterinary Medicine

- 12.1 Operational licences for assets (facilities): processing inedible animal products; producing, blending and preparing feed supplements, premixes and feeding stuff
- 12.2 Operational licence
- 12.3 Licence to conduct events that involve animals

13. General Directorate of the State Migration Service of Ukraine in the City of Kyiv

- 13.1 Issuing a passport of citizen of Ukraine
- 13.2 Issuing a passport of citizen of Ukraine if it is damaged, lost or stolen
- 13.3 Affixing photographs in passports of citizens who reached the age of 25 and 45

14. General Directorate of the State Employment Service of Ukraine in Kyiv Oblast

- 14.1 Licence to perform high risk work and operate high risk machinery and equipment
- 14.2 Registration of declarations of inventory compliance with workplace safety laws
- 14.3 Departmental registration of large-tonnage and other production equipment that is not used on public roads



List of administrative services provided by Administrative Services Centres as of 01/06/2016 by service provider

15. General Directorate of the State Sanitary and Epidemiological Service in the City of Kyiv

- 15.1 Conclusion on state sanitary and epidemiological service inspection of operating facilities (including military and defence installations)
- 15.2 Conclusion on state sanitary and epidemiological service inspection of goods, semi-finished products, substances, materials, and high risk features, which use, transfer or sale may cause harm to health
- 15.3 Conclusion on state sanitary and epidemiological service inspection of documents for machinery, technologies, equipment, tools being developed
- 15.4 Conclusion on state sanitary and epidemiological service's inspection of exporting, selling and using foreign-made raw materials, products (i.e. goods, equipment, manufacturing lines, etc.) if there is no data on their safety
- 15.5 Licence to perform any diagnostic, experimental, testing, measuring activities at enterprises and organisations that use biological agents, chemical substances, products and substances, which are sources of ionising and non-ionising radiation, and radioactive materials

16. General Directorate of the State Service of Ukraine for Geodesy, Cartography and Cadastre in the City of Kyiv

- 16.1 Conclusion on state land surveying documentation inspection for assets subject to mandatory (initial, second, additional) state inspection
- 16.2 Approving a land use design to allocate a land plot
- 16.3 State registration of a land plot and issuance of extract from the State Land Register
- 16.4 Entering land plot data (or data amendments) to the State Land Register
- 16.5 Entering to the State Land Register border data of a land plot subject to sublease, easement; issuing respective extract
- 16.6 Entering data (or data amendments) to the State Land Register on land located within administrative and territorial units; issuing respective extract
- 16.7 State registration of land use restrictions; issuing respective extract
- 16.8 Entering regulatory land use restrictions data to the State Land Register; issuing respective extract
- 16.9 Correcting mistakes in the State Land Register data made by a register owner; issuing respective extract
- 16.10 Providing information from the State Land Register on its items in the form of extract from the register; summaries on lands (areas); extracts from the register's cartographic basis and register's map
- 16.11 Issuing statements of possession and size of a land plot (land share); statements of availability of data in the register, which concerns ownership of land resulting from free privatisation, by type of intended use
- 16.12 Issuing extracts from land use documentation, which is part of the State Land Use Documentation Fund
- 16.13 Issuing state statistics statement of available lands and their distribution among land owners, land users, and agricultural assets.
- 16.14 Issuing extract from the State Register of Certified Surveyors
- 16.15 Issuing extract from technical documentation on the normative monetary evaluation of a land plot
- 16.16 Issuing extract from the State Register of Certified Geodesists

17. General Territorial Directorate of Justice in the City of Kyiv

- 17.1 Registering public associations
- 17.2 Receiving notice of public association establishment
- 17.3 Issuing duplicate certificate of registration of a public association and/or its statute
- 17.4 Entering data to the Register of Public Associations on a separate unit of a public association
- 17.5 Accepting notice of changes to statute of a public association, changes in leadership of a public association, change of person(s) authorised to represent a public association, change of location of a public association
- 17.6 Accepting notice of change in the name of a public association, its goals (objectives), person(s) authorised to represent a public association established through acceptance of a notice of its establishment
- 17.7 Entering to the Register of Public Association a record on voluntary dissolution or reorganisation of a public association, and on suspension of its activities

18. General Directorate of the State Emergency Service of Ukraine in the City of Kyiv

- 18.1 Registering fire safety compliance declaration of a business entity

19. Labour and social security offices of district administrations in the City of Kyiv

- 19.1 Notification-based registration of collective bargaining agreements

20. State Agricultural Inspection in the City of Kyiv

- 20.1 Special licence to remove and transfer soil from land plots



List of administrative services provided by Administrative Services Centres as of 01/06/2016 by service provider

21. State Drugs Control Service of Ukraine

- 21.1 Licence to inbound/outbound transportation or transit of drugs, psychotropic substances or precursors of drugs and psychotropic substances

22. State Archive Service of Ukraine

- 22.1 Licence to produce back-up copies for the back-up data warehouse, to produce information processing equipment compliant with technical information protection requirements

23. State Service of Geology and Mineral Resources of Ukraine

- 23.1 Special licences to use subsoil resources without action

24. State Architectural and Construction Inspectorate of Ukraine, Department of State Architectural and Construction Inspectorate in the City of Kyiv, Department of State Architectural and Construction Inspectorate in Kyiv Oblast

- 24.1 Registering declaration (notice of change of data in registered declaration) of beginning preparatory work
24.2 Registering declaration (notice of change of data in registered declaration) of beginning construction work
24.3 Registering declaration (notice of change of data in registered declaration) of readiness

25. State Architectural and Construction Inspectorate of Ukraine

- 25.1 Construction permit
25.2 Certificate of commissioning of constructed assets of complexity grades 4 and 5

26. Juvenile services of district administrations in the City of Kyiv

- 26.1 Issuing an administrative order on mode of participation of a separately residing parent in child's care
26.2 Issuing an administrative order to grant permission to execute notary documents and powers of attorney on child's behalf
26.3 Issuing an administrative order to enter into agreements related to residential property, where a child has rights of ownership or use
26.4 Issuing an administrative order to authorise conclusion of an inherited property distribution agreement, where one of heirs is a child
26.5 Issuing an administrative order to authorise cash withdrawal from a minor child's bank account
26.6 Issuing an administrative order to authorise registration, deregistration and reregistration at the Crime Prevention Department of the National Police of Ukraine, conclusion of a vehicle purchase and sale agreement, where a child has ownership rights
26.7 Issuing an administrative order to determine child's place of residence
26.8 Issuing an administrative order to enter into agreements related to sale of shares and certificates, for which a child has ownership rights
26.9 Issuing an administrative order to provide full civil capacity to an individual, who reached age of 16 and is employed under a labour agreement, and to a minor, who is registered as a parent
26.10 Issuing an administrative order to authorise conclusion of an alimony termination agreement due to acquisition of ownership rights for real property
26.11 Issuing an administrative order to determine child's first and/or last name
26.12 Issuing an administrative order to change child's last name
26.13 Issuing an administrative order to designate a trustee and approve an agreement on management of property, which is used for business purposes and was transferred to a child's ownership

27. Residence registration units of district state administrations in the City of Kyiv

- 27.1 Registration of place of permanent residence
27.2 Deregistration of place of permanent residence
27.3 Issuing a place of permanent residence registration certificate
27.4 Registration of place of temporary residence
27.5 Deregistration of place of temporary residence



List of administrative services provided by Administrative Services Centres as of 01/06/2016 by service provider

28. Legal entity and individual entrepreneur registration offices of district state administrations in the City of Kyiv

- 28.1 State registration of incorporation of a legal entity or state registration of an individual entrepreneur
- 28.2 State registration of changes to legal entity's data in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations, including changes to legal entity's statutory documents
- 28.3 State registration of changes to individual entrepreneur's data in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations
- 28.4 State registration of legal entity's change of business activity based on model statute (based on entity's statutory documents)
- 28.5 State registration of resolution on legal entity's spin-off
- 28.6 State registration of resolution on termination of a legal entity
- 28.7 State registration of resolution on cancellation of a resolution on termination of a legal entity
- 28.8 State registration of changes in termination commission's membership (or reorganisation commission, or liquidation commission), change of commission's chairperson, or official assignee
- 28.9 State registration of establishment (changes to corporate data, termination) of a separate legal entity's unit
- 28.10 State registration of cessation of business activities of an individual entrepreneur
- 28.11 Issuing an extract from the the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations

29. Family, youth and sports offices of district administrations in the City of Kyiv

- 29.1 Issuing a certificate certifying that parents were not given a parents of large family certificate at their place of registration
- 29.2 Issuing a parents of large family certificate and a child of large family certificate
- 29.3 Assigning Categories 2 and 3 to students of children's and youth athletic schools
- 29.4 Assigning Grade 2 to children's and youth athletic schools

30. Housing registration and distribution offices of district administrations in the City of Kyiv

- 30.1 Adopting a resolution on provision of social housing
- 30.2 Registering social housing recipients
- 30.3 Issuing a certificate of registration in lists of those willing to join Affordable Housing programmes (70x30 та 50x20x30)
- 30.4 Adopting a resolution on provision of housing, service residences
- 30.5 Making changes to registration files
- 30.6 Registration of those requiring improved housing
- 30.7 Issuing a certificate of registration in the housing register

31. Public housing privatisation offices of housing departments of district administrations in the City of Kyiv

- 31.1 Executing and issuing a residential property ownership certificate
- 31.2 Issuing a duplicate residential property ownership certificate
- 31.3 Making changes to a residential property ownership certificate
- 31.4 Issuing a certificate of unexercised right for privatisation of public housing

32. Archives of district administrations in the City of Kyiv

- 32.1 Issuing archive transcripts and copies of documents stored in archives



APPENDIX 2

Key entities, institutions and organisations municipally owned by Kyiv's territorial community and subordinate to KCSA entities as of 31/12/2015

1. KCSA's Executive Office

- 1.1. ME "Motor transport enterprise of the executive office of the Kyiv City State Administration"
- 1.2. ME "Informatyka"
- 1.3. ME "Dnipro"

2. Public Relations Department

- 2.1. ME of the Kyiv City Council "Telekompaniya Kyiv"
- 2.2. ME "Radiostantsiya Golos Kyieva"
- 2.3. ME of the Kyiv City Council "Vechirniy Kyiv"
- 2.4. ME "Redaktsiya Gazety Vechirniy Kyiv"
- 2.5. ME of the Kyiv City Council "Redaktsiya Gazety Ukrainska Stolytsya"
- 2.6. ME of the Kyiv City Council "Stolytsya"

3. Economics and Investment Department

- 3.1. Municipal Research and Development Institution "Naukovo-Doslidnyi Instiut Sotsialno-Ekonomichnogo Rozvytku Mista"
- 3.2. ME "Kyivske Investytsiyne Agentstvo"
- 3.3. ME "Kyivsystemomanagement"
- 3.4. ME "Kyivsky Miskyi Turystychno-Informatsiynyi Tsentr"

4. Finance Department

- 4.1. ME "Golovnyi Informatsiyno-Obchyskyuvaklnyi Tsentr"

5. Transport Infrastructure Department

- 5.1. Municipal corporation "Kyivavtodor"
- 5.2. ME for repairs and maintenance of bridges and roads in Kyiv "Kyivavtoshlyakhmist"
- 5.3. ME "Road Service "Magistral"
- 5.4. ME "Road Service of the Holosiyivsky District" of Kyiv
- 5.5. ME "Road Service of the Darnitsky District" of Kyiv
- 5.6. ME "Road Service of the Desnyansky District" of Kyiv
- 5.7. ME "Road Service of the Darnitsky District" of Kyiv
- 5.8. ME "Road Service of the Pechersky District" of Kyiv
- 5.9. ME "Road Service of the Podilsky District" of Kyiv
- 5.10. ME "Road Service of the Obolonsky District" of Kyiv
- 5.11. ME "Road Service of the Svyatoshynsky District" of Kyiv
- 5.12. ME "Road Service of the Darnitsky District" of Kyiv
- 5.13. ME "Road Service of the Shevchenkivsky District" of Kyiv
- 5.14. ME for outdoor illumination network in Kyiv "Kyivmisksvitlo"
- 5.15. ME "Kyivpastrans"
- 5.16. ME "Kyivdorservice"
- 5.17. ME "Kyivskyi Metropoliten"
- 5.18. ME "International Airport "Kyiv" (Zhulyany)"
- 5.19. ME "Kyivteleservis"
- 5.20. ME "Avtodorservis"
- 5.21. ME "Utchbovo-Kursovyi Kombinat"
- 5.22. Municipal transportation entity of the executive office of the Kyiv City Council (KCSA)
- 5.23. ME "Kyivtransparkservis"
- 5.24. Municipal shipping company "Kyiv"



Key entities, institutions and organisations municipally owned by Kyiv's territorial community and subordinate to KCSA entities as of 31/12/2015

- 5.25. ME "Komunalne Pidryadne Spetsialisovane Pidpryemstvo Budivelno-Elektromontaznykh Robit"
- 5.26. Municipal motor transport enterprise № 273901
- 5.27. ME "Pidryadne Spetsializovane Shlyakhove Remontno-Budivelne Upravlinnya"
- 5.28. Municipal motor transport enterprise № 273904 "KATP-273904"
- 5.29. Kyiv Municipal Industrial Enterprise "Miskpalyvo"
- 5.30. ME "Kyivinformatyka"

6. Land Relations Department

- 6.1. ME "Kyivsky Miskyi Tsentri Kadastru ta Pryvatyzatsiyi Zemli"
- 6.2. ME "Kyivsky Institut Zemelnykh Vidnosyn"

7. Construction and Housing Department

- 7.1. ME "Zhytloinvestbud-UKB"
- 7.2. ME for maintenance and repairs of housing stock "Zhytlo-Servis"
- 7.3. ME "Finansova Kompaniya Zhytloinvest"
- 7.4. ME for maintenance and operation of special-purpose housing stock "Spetszhytlofond"
- 7.5. ME "Dyrektsiya Budivnytstva Shlyakhovo-Transportnykh Sporud Mista Kyieva"
- 7.6. ME "Inzhenernyi Tsentri"
- 7.7. ME "Dyrektsiya Restavratsiyno-Vidnovlyvalnykh Robit"
- 7.8. ME "Zhytloinvestproyekt"

8. Culture Department

- 8.1. Kyiv Children's Academy of Arts
- 8.2. Municipal Higher Educational Institution, Choreography College "Kyivska Munitsipalna Ukrainska Akademiya Tantsyu Imeni Serzha Lifarya"
- 8.3. R. Gliere Kyiv Institute of Music
- 8.4. Kyiv Municipal Academy of Circus and Variety Arts
- 8.5. ME "Kyivkinofilm"
- 8.6. ME "Kinoteatr Ekran"
- 8.7. ME "Kyivkulturaservis"
- 8.8. ME "Agentstvo po Obslugovuvannyu Teatralnoyi ta Kontsertnoyi Diyalnosti"
- 8.9. ME "Dyrektsiya Teatralno-Kontsertnykh and Sportyvno-Vydovyschnykh Kas"
- 8.10. ME "Kinoteatr Bratislava"
- 8.11. ME "Kinoteatr Leningrad"
- 8.12. ME "Kinoteatr Leipzig"
- 8.13. ME "Kinoteatr Rosiya"
- 8.14. ME "Kinoteatr im. T.G. Shevchenka"
- 8.15. ME "Kinoteatr im. Y. Gagarina"
- 8.16. ME "Kinoteatr Kyivska Rus"
- 8.17. ME "Kinoteatr Zagreb"
- 8.18. ME "Kinoteatr Florence"
- 8.19. Cultural institutions subordinate to the Culture Department

9. Education and Science, Youth and Sports Department

- 9.1. ME "Tsentri Naukovo-Osvitnykh Innovatsiy ta Monitoryngu"
- 9.2. ME "Sportyvnyi Kompleks"
- 9.3. ME "Kyivsky Vodnyi Stadion"
- 9.4. Borys Grinchenko Kyiv University
- 9.5. Institutions of education, physical culture and sports subordinate to the Education and Science, Youth and Sports Department

10. Housing and Utilities infrastructure Department

- 10.1. ME "Kyivkomunservis"



Key entities, institutions and organisations municipally owned by Kyiv's territorial community and subordinate to KCSA entities as of 31/12/2015

- 10.2. ME "Vodno-Infomatsiynyi Tsentr"
- 10.3. ME "Kyivvodfond"
- 10.4. ME for processing non-metallic building materials
- 10.5. ME "Grupa Vprovadzhennya Proektu z Energozberezhennya v Administratyvnykh I Hromadskykh Budivlyakh Mista Kyjeva"
- 10.6. ME "Kyivske Komunalne Avtotransportne Pidpnyemstvo № 2737"
- 10.7. National historical and memorial Lukyanivskyi park
- 10.8. Funeral service: Special municipal entity "Spetsializovany Kombinat Pidpnyemstv Komunalno-Pobutovogo Obslughovuvannya"
- 10.9. Funeral service: Special municipal entity "Kyivsky Krematoriy"
- 10.10. ME "Dyrektsiya z Kapitalnogo Budivnytstva ta Rekonstruktsiyi Kyivbudrekonstruktsiya"
- 10.11. ME "Kyivska Spadschyna"
- 10.12. ME Special Contracted Construction and Repair Administration
- 10.13. Public ME "Kyivzhytloteplokumunenergo"
- 10.14. ME "Kyivzhytlospetssekspluatatsiya" (for maintenance and servicing housing and utility assets)

11. Urban Amenities and Environmental Protection Department

- 11.1. Kyiv National Zoological Park
- 11.2. ME "Prytulok dlya Tvaryn"
- 11.3. ME "Tsentr Identyfikatsiyi Tvaryn"
- 11.4. ME "Kyivska Miska Likarnya Veterynarnoyi Medytsyny"
- 11.5. ME "Kyivskyi Miskyi Budynok Pryrody"
- 11.6. Municipal accident rescue service "Kyivska Sluzhba Poryatunku"
- 11.7. Municipal association "Kyivzelenbud"
- 11.8. ME "Lisoparkove Gospodarstvo Koncha-Zaspa"
- 11.9. ME "Darnitske Lisoparkove Gospodarstvo"
- 11.10. ME "Svyatoshynske Lisoparkove Gospodarstvo"
- 11.11. ME for greenery maintenance of the Holosiyivsky District
- 11.12. ME for greenery maintenance of the Darnitsky District
- 11.13. ME for greenery maintenance of the Desnyansky District
- 11.14. ME for greenery maintenance of the Dniprovsky District
- 11.15. ME for greenery maintenance of the Obolonsky District
- 11.16. ME for greenery maintenance of the Pechersky District
- 11.17. ME for greenery maintenance of the Podolsky District
- 11.18. ME for greenery maintenance of the Svyatoshynsky District
- 11.19. ME for greenery maintenance of the Solomyansky District
- 11.20. ME for greenery maintenance of the Shevchenkivsky District
- 11.21. ME "Kyivblagoustriy"
- 11.22. ME "Pleso"
- 11.23. ME "Lik"
- 11.24. ME "Zagalnomyskyi Informatsiynyi Tsentr reaguвання na Tryvoznyi Vyklyky ta Nadzvychayni Podiyi u m. Kyjevi - Kyiv-112"

12. Production Sector and Entrepreneurial Development Department

- 12.1. ME "Bessarabskyi Rynok"
- 12.2. ME "Volodymyrskyi Rynok"
- 12.3. ME "Zhytniy Rynok"
- 12.4. ME "Podil-Nerukhomist"
- 12.5. ME "Miskyi Magazyn"
- 12.6. ME "Domashniy Magazyn"



Key entities, institutions and organisations municipally owned by Kyiv's territorial community and subordinate to KCSA entities as of 31/12/2015

- 12.7. ME "Kyivsky Rynky"
- 12.8. ME "Riko"
- 12.9. ME "Svitoch" of Kyiv
- 12.10. ME "Kyivskyi Ipodrom"
- 12.11. ME "Kyivsky Miskyi Biznes-Tsentr"
- 12.12. Kyiv Municipal Scientific and Manufacturing Enterprise "Kavitron"
- 12.13. ME "Kyivsky Zavod Aluminiyevykh Budivelnykh Konstruktsiy"
- 12.14. ME "Pecherskservis"
- 12.15. ME "Kyivska Spadschyna"

13. Health Services Department

- 13.1. ME "Kyivska Miska Stomatologichna Poliklinika"
- 13.2. ME "Stomatologiya Dniprovskogo Rayonu m. Kyveva"
- 13.3. Municipal organisation "Kyivmedspetstrans"
- 13.4. ME "Kyivsky Tsentr Novykh Tekhnologiy v Stomatologiyi"
- 13.5. Kyiv municipal hospital "Kyivsky Misky Tsentr Sertsya"
- 13.6. Centre for Emergency and Disaster Medicine of Kyiv
- 13.7. Territorial medical association "Stomatologiya"
- 13.8. Healthcare institutions subordinate to the Health Services Department

14. Social Policy Department

- 14.1. Social facilities subordinate to the Social Policy Department

15. Municipal Property of Kyiv City Department

- 15.1. ME "Kyivzhytlospetsekspluatatsiya"
- 15.2. ME of the Kyiv City Council "Kyivske Miske Byuro Tekhnichnoyi Inventaryzatsiyi ta Reyestratsiyi Prava Vlasnosti na Obyektry Nerukhomogo Mayna"
- 15.3. ME "Pharmacia"

16. Urban Development and Architecture Department

- 16.1. Municipal organisation of the executive office of the Kyiv City Council (KCSA) "Institut Generalnogo Planu Mista Kyveva"
- 16.2. ME "Kyivreklama"
- 16.3. ME "Kyivsky Tsentr Rozvytku Miskogo Seredovyscha"

17. Juvenile and Family Service

- 17.1. Municipal Children's Centre
- 17.2. Centre for children's social and pshychological rehabilitation of the Juvenile Service of the executive office of the Kyiv City Council
- 17.3. Centre for children's social and pshychological rehabilitation № 1 of the Juvenile Service of the executive office of the Kyiv City Council
- 17.4. Right-bank centre for HIV positive children and youth
- 17.5. Municipal institution "Kyivsky Miskyi Livoberezhnyi Tsentr dlya VIL-Infikovanykh Ditey ta Molodi"
- 17.6. Centre of social services for families, children and youth of the executive office of the Kyiv City Council (KCSA)
- 17.7. Centre for Social and Psychological Assistance
- 17.8. Family Centre "Rodynniy Dim"

18. Financial Controlling and Internal Audit Department

- 18.1. ME of the executive body of the Kyiv City Council (the Kyiv City State Administration) "Kyivekspertyza"





LIST OF ABBREVIATIONS USED IN THE ANNUAL REPORT

- **ASC** – Administrative Services Centre
- **ATO** – anti-terrorist operation
- **BAS** – Bortnytska aeration station
- **BDW** – Back-Up Data Warehouse
- **CAF** – collective accommodation facilities
- **CB** – commercial bank
- **CEP** – courier, express and parcel
- **CGU** – cash-generating unit
- **CJSC** – closed joint-stock company
- **CPI** – consumer price index
- **CPT** – corporate profit tax
- **dept.** – department
- **DSA** – District State Administration
- **EBRD** – European Bank for Reconstruction and Development
- **EDRPOU** – Unified state register of enterprises and organisations of Ukraine
- **EIU** – Economist Intelligence Unit
- **EU** – European Union
- **EUR** – euro
- **FDI** – foreign direct investment
- **FIE** – foreign investment enterprise
- **FIFO** – first-in, first-out basis
- **FTE** – full-time equivalent
- **GAAP** – Generally Accepted Accounting Principles
- **Gcal** – gigacalories
- **GDP** – gross domestic product
- **GIZ** – German Society for International Cooperation
- **GP** – general practitioner
- **GRP** – gross regional product
- **ha** – hectare
- **HC** – holding company
- **HDN** – hemolytic disease of the newborn
- **HEI** – higher educational institutions
- **HoReCa** – Hotel/Restaurant/Cafe
- **HPP** – heating power plant
- **IDP** – internally displaced person
- **IFC** – International Finance Corporation
- **IPSAS** – International Public Sector Accounting Standards
- **IPSASB** – International Public Sector Accounting Standards Board
- **ISO** – International Organization for Standardization
- **IT** – information technology
- **ITS** – information and telecommunication system
- **JSB** – joint-stock bank
- **JSC** – joint-stock company
- **JV** – joint venture
- **KIA** – Kyiv Investment Agency
- **KCC** – Kyiv City Council
- **KCSA** – Kyiv City State Administration
- **KTM** – Kyivski teplovi merezhi
- **kW*h** – kilowatt hour
- **LLC** – limited liability company
- **MCUE** – municipal commercial unitary entity
- **ME** – municipal entity
- **MSc** – master of science
- **MoH** – Ministry of Health
- **MW** – megawatt
- **NASU** – National Academy of Sciences of Ukraine
- **NBU** – National Bank of Ukraine
- **NEC** – National Energy Company
- **NEFCO** – Nordic Environment Finance Corporation
- **NTUU** – National Technical University of Ukraine
- **NFA** – no fixed abode
- **NGO** – non-governmental organizations
- **OJSC** – open joint-stock company
- **p.a.** – per annum
- **p.p.** – percentage point
- **PEI** – preschool educational institutions
- **PhD** – Doctor of Philosophy
- **PIT** – personal income tax
- **PJSC** – public joint-stock company
- **PMO** – project management office
- **pp** – percentage point
- **PPE** – property, plant and equipment
- **PrJSC** – private joint-stock company
- **R&D** – research and development
- **SE** – state enterprise
- **SI** – state institution
- **SFC** – State Fiscal Service
- **SFTC** – state foreign trade company
- **SJSHC** – state joint-stock holding company
- **SMC** – scientific and manufacturing centre
- **S&P** – Standard & Poor's
- **SU** – separate unit
- **The U.S.** – the United States
- **TIPs** – tourist information points
- **TMK** – transport model of Kyiv
- **TIM** – tourism and information point
- **TRC** – teleradiocompany
- **UAH** – Ukrainian hryvnia
- **UNDP** – United Nations Development Programme
- **USAID** – United States Agency for International Development
- **USD** – United States dollar
- **USSR** – Union of Soviet Socialist Republics
- **VAT** – value-added tax
- **VTEI** – vocational training educational institutions
- **yoy** – year-over-year





**Executive Body of the Kyiv City Council
(Kyiv City State Administration)**

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