



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

City of Kyiv Annual Report

The background of the cover is a photograph of the Millennium of Ukraine Independence Monument in Kyiv. The monument is a large bronze sculpture depicting three warriors in a boat, with a woman standing on the prow. The warriors are holding a bow, a sword, and a spear. The woman is dressed in traditional Ukrainian attire and has her arms outstretched. The boat is supported by a base of three large, ornate wheels.

2016

Coat of arms



Anthem of the City of Kyiv

How can one not love you, my dear Kyiv

Lyrics: Dmytro Lutsenko

Music: Igor Shamo

Green waters are playing the waves in quiet sunset,
Falling in love with the banks of Dnipro,
Where lovely dreams sway in the trees...
How can one not love you, my dear Kyiv!

Velvety evening, windfall is bliss...
How can one not love you, my dear Kyiv!

I will pour my heart inside canna flowers,
Let 'em tell my loving how truly I love her.
I will dream and live on wings of hope...
How can one not love you, my dear Kyiv!

Tired city is sleeping, quite and gentle in peace,
Lights blossom like necklace above Dnipro.
Twilight is glowing in velvet like the surf of the bliss...
How can one not love you, my dear Kyiv!

Twilight is glowing in velvet like the surf of the bliss...
How can one not love you, my dear Kyiv!



1 September 2017



**Klitschko, Vitalii
Volodymyrovych**
Mayor of Kyiv

Dear Kyivans and guests of the capital,

I am delighted to present to you the third comprehensive Annual Report of the City of Kyiv prepared by the Kyiv City State Administration based on the results of the year 2016. Its goal is to update you on our social and economic progress and financial performance.

In 2016, the City of Kyiv cemented its leading positions among Ukrainian cities in terms of economic development by demonstrating a record increase in revenues of 22% (to UAH 38.7 billion) and a growth in nominal Gross Regional Product (GRP) of 25% to UAH 564.9 billion (estimated value), which makes up 23.7% of the country's GDP.

Due to this and because of the higher efficiency of cost management, we have achieved a budget surplus of UAH 5 billion for the second year in a row. The surplus was directed on financing of top-priority projects: development of infrastructure facilities (repair works on roads and bridges), education (in particular, construction of new schools and nurseries), social sphere and environmental protection (renovation of parks and public gardens). We appreciate that each mentioned area has yet much to be done, nevertheless, step by step, we are gradually resolving all issues.

Strengthened economy of the city and amplified capital expenditure programs led to creation of new jobs (for 11.9 thousand persons). As a result, an unemployment rate decreased to 6.4%, which is the lowest figure among largest cities and regions of Ukraine.

Kyiv keeps expanding: construction of 1,334 thousand square meters of residential properties were completed during the year. At the same time, we continue defending interests of communities and, literally speaking, "fighting" against illegal developments (for instance, we have won a lawsuit in the scandal-ridden Verkhniy Val construction case and succeeded in returning a land plot under the public garden devoted to the Heroes of Heavenly Hundred, etc.).

Kyiv is turning into a city for a comfortable life of its residents. And I would like to express my gratitude to my team, the capital's community, and active citizens for the assistance and participation in transformations that are taking place in our City.

Vitalii Klitschko

Mayor of Kyiv



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Notes:

- Figures in this document are presented in accordance with the international financial standard: UAH 123,456.78 means one hundred and twenty-three thousand four hundred and fifty-six Ukrainian hryvnia seventy-eight kopyok.
- Calculated and actual values may differ due to rounding.
- The financial data of the structural units of the Executive body of the KCC (KCSA), departments, budgetary institutions, municipal enterprises and other companies controlled by the city of Kyiv, are presented in accordance with the Ukrainian Accounting Standards. The financial information provided in Section 7 may differ from some of the financial information in Sections 1-6 due to consolidation and IPSAS adjustments.



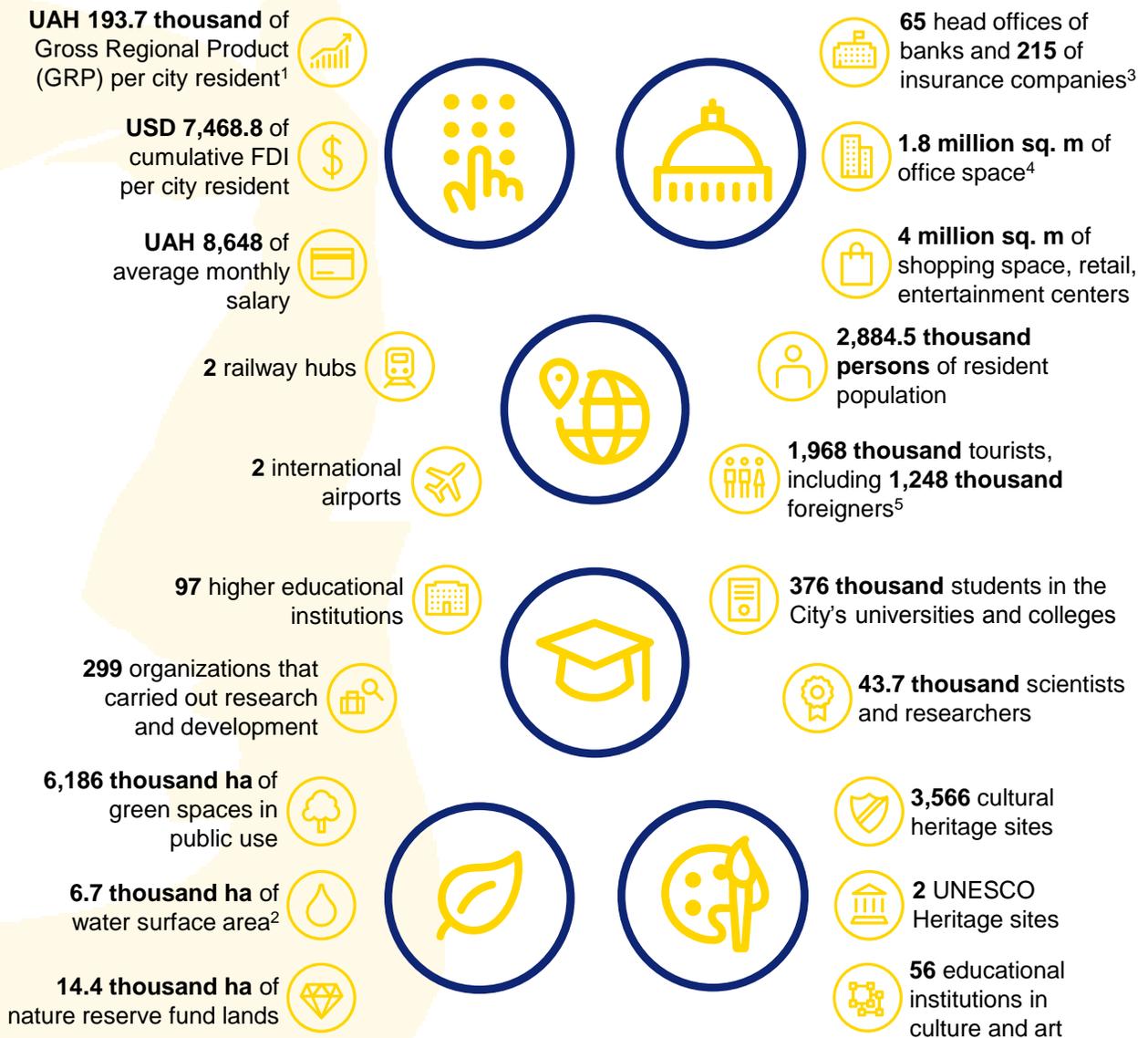
Section 1.

KEY FACTS



Kyiv in 2016 at glance

Kyiv is a political, social, economic, cultural, educational and research center of a modern European country that is comfortable for all



Kyiv's Credit Ratings

Leading rating agencies have improved the City's credit ratings

	2015 ⁶	2016 ⁷	Outlook
S&P Global Ratings	CC	B-	Stable
Moody's	Ca	Ca	Stable
Fitch Ratings	CC	B-	Stable

¹ Estimated data

² Including the waters of the Dnipro River within the city borders

³ Data based on an official registration address

⁴ According to information of DTZ Property Times Ukraine and Colliers real estate market overview

⁵ According to the data of the State Border Service and reporting Ne1-CMA

⁶ Long-term credit ratings of the City of Kyiv debt denominated in foreign currency as at 30 September 2016. Ratings are speculative-grade. Moody's outlook is stable, and S&P and Fitch outlooks are negative. Source: Cbonds, Moody's Investors' Service, S&P Global Ratings, Fitch Ratings

⁷ Source: Cbonds, Moody's Investors' Service, S&P Global Ratings, Fitch Ratings (31 March 2017)



Section 2.

KEY FINDINGS OF THE REPORT



Key findings of the Annual Report

General information about the Kyiv City State Administration (the KCSA)



The KCSA operations are based on the pillars of legality, personal responsibility, and the balance between country-wide interests and interests of Kyiv's community.



In 2016, the executive body of the Kyiv City Council (the KCSA) was structured as follows:

- KCSA Executive Office;
- 21 departments;
- 4 divisions (1 inspection);
- Child and Family Service;
- Kyiv City Public Archive.



Management of the KCSA is represented by the Mayor of Kyiv and his seven deputy Mayors.



Total headcount of the executive body of the Kyiv City Council (the KCSA) was approved at 1,954 employees (Resolution of the KSC # 741/741 dated 25 December 2014) or 1,906 employees if excluding Department of Information and Communication Technologies, Office for Advertising, Kyiv's City Public Archive.



In 2016, average annual costs per staffing position at the KCSA amounted to UAH 18 thousand.

The strategy and social and economic development of the City of Kyiv in 2016



The Kyiv's 2025 Development Strategy is pursued across 9 key strategic initiatives aimed to enhance the quality of life and economic welfare of its residents.



Within the framework the 2025 Development Strategy for 2016:

- Kyiv's City nominal GRP increased by UAH 113.2 billion (+25%) to UAH 564.9 billion;
- Preliminary estimates indicates that real domestic regional product grew by 3.3% as compared to 2015;
- Index of the quality of life (an integral indicator based on 21 indicators of the 2025 Development Strategy) reached 114 from the relative baseline index of 100 for 2009 (with a target index for the year 2025 of 191).



Of the target indicators of the 2025 Strategy, the level of execution against the target indicators for 2016 were as follows:

- 35 indicators: a high level;
- 18 indicators: a medium level;
- 17 indicators: a low level.

Kyiv's City budget execution in 2016



Kyiv's City budget revenues grew by 22% to UAH 38.7 billion (the plan execution level of 103%):

- Own revenues (net of subventions and subsidies) grew by 32% – to UAH 29.3 billion (104% of the plan) due to the increased proceeds from personal income taxes, corporate income taxes, property taxes, excise taxes, and single tax proceeds;
- Transfers from the state budget dropped by 1% – to UAH 9.4 billion (99% of the plan).



Expenditures grew by 20% to UAH 33.6 billion (92% of the plan), including:

- Municipal expenditures of general and special funds grew by 20% to UAH 33.5 billion (92% of the plan) due to the increased expenditures to health care, construction, culture, social care and security;
- Inter-budget transfers from the Kyiv's City budget grew to UAH 124.5 million.



Budget surplus grew by 40% to UAH 5.1 billion.

Local debt decreased by 59% to UAH 2.8 billion.

Kyiv's City financial and economic performance in 2016



In accordance with the consolidated financial statements of municipal entities and budget institutions of the city of Kyiv:



Total assets as at 31 December 2016 grew from UAH 89.2 billion to UAH 100.9 billion, including:

- Property, plant, and equipment amounted to UAH 75.3 billion (prior year: UAH 69.7 billion);
- Inventories amounted to UAH 9.6 billion (prior year: UAH 9.0 billion);
- Borrowings amounted to UAH 18.8 billion (prior year: UAH 20.1 billion).

Net assets increased from UAH 52.6 billion to UAH 61.5 billion.



Total revenues amounted to UAH 51.6 billion (2015: UAH 40.8 billion).

Total operating expenses amounted to UAH 40.7 billion (2015: UAH 30.6 billion).

Surplus for the reporting period amounted to UAH 8.1 billion (2015: UAH 4.1 billion).



Section 3.

GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION



Kyiv City Council: Structure and Composition

Kyiv City Council (the KCC) is the legislative branch of the city authorities

		2015	2016		
Sessions held	2015 year:  38	2016 year: 29	urgent matters	114	71
			general and various matters	319	312
Decisions made	2015 year:  1,296	2016 year: 1,753	urban planning and land use issues	674	1 246
			property matters	189	124

Factions of the Council [persons]

Total number of deputies: 120



Andrii Strannikov



Serhii Husovskyi



Volodymyr Bondarenko



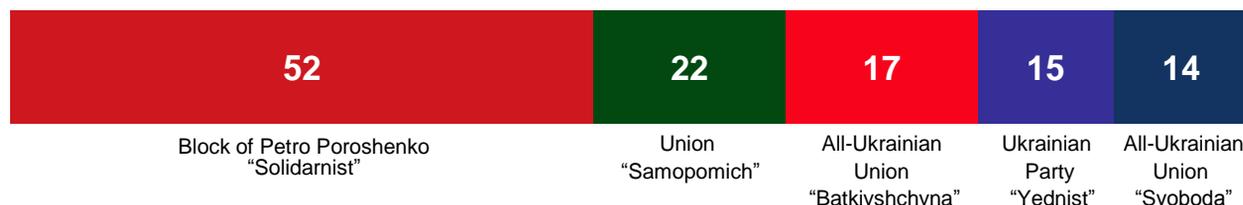
Oleksandr Omelchenko



Yurii Syrotiuk



БАТЬКІВЩИНА
ВСЕУКРАЇНСЬКЕ ОБ'ЄДНАННЯ



In 2016, there were 13 permanent commissions at the Kyiv City Council

Quantity of meetings per commission

	2015 year	2016 year
▪ Budget and socio-economic development	41	49
▪ Property	34	32
▪ Adhering to the rule of law, law and order and preventing corruption	33	28
▪ Environmental policy	22	25
▪ Housing and utilities, and fuel and energy	15	31
▪ Urban planning, architecture and land use	31	32
▪ Local self-government, regional and international relations	21	33
▪ Health and social protection	30	20
▪ Internal procedures of the KCC and ethics of deputies	22	25
▪ Trade, entrepreneurship and regulatory policy	22	28
▪ Education, science, family, youth and sports	21	27
▪ Transport, communications and advertising	17	24
▪ Culture, tourism and information policy	27	31

The Kyiv City Council Commission on rehabilitee right restoration continued functioning in 2016 (8 meetings conducted both in 2015 and 2016).

Permanent KCC commissions consist of elected Council members and are formed to studying, preliminary consideration and elaboration of issues within the Council's jurisdiction as well as overseeing the implementation of decisions made by the Council and its executive bodies.

Kyiv City State Administration (the KCSA) serves as the executive body of the KCC and performs the functions of the public executive power body at the same time, which is a special feature of executive branch in Kyiv.



Summary of policies of the Kyiv City State Administration

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 government in Kyiv.

Basic organizational principles of the 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).

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.

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, also is accountable and subordinate to the Cabinet of Ministers of Ukraine on matters concerning the implementation of the executive branch’s authority.

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

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.

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

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 Executive Office of the executive body of Kyiv City Council (KCSA).

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.

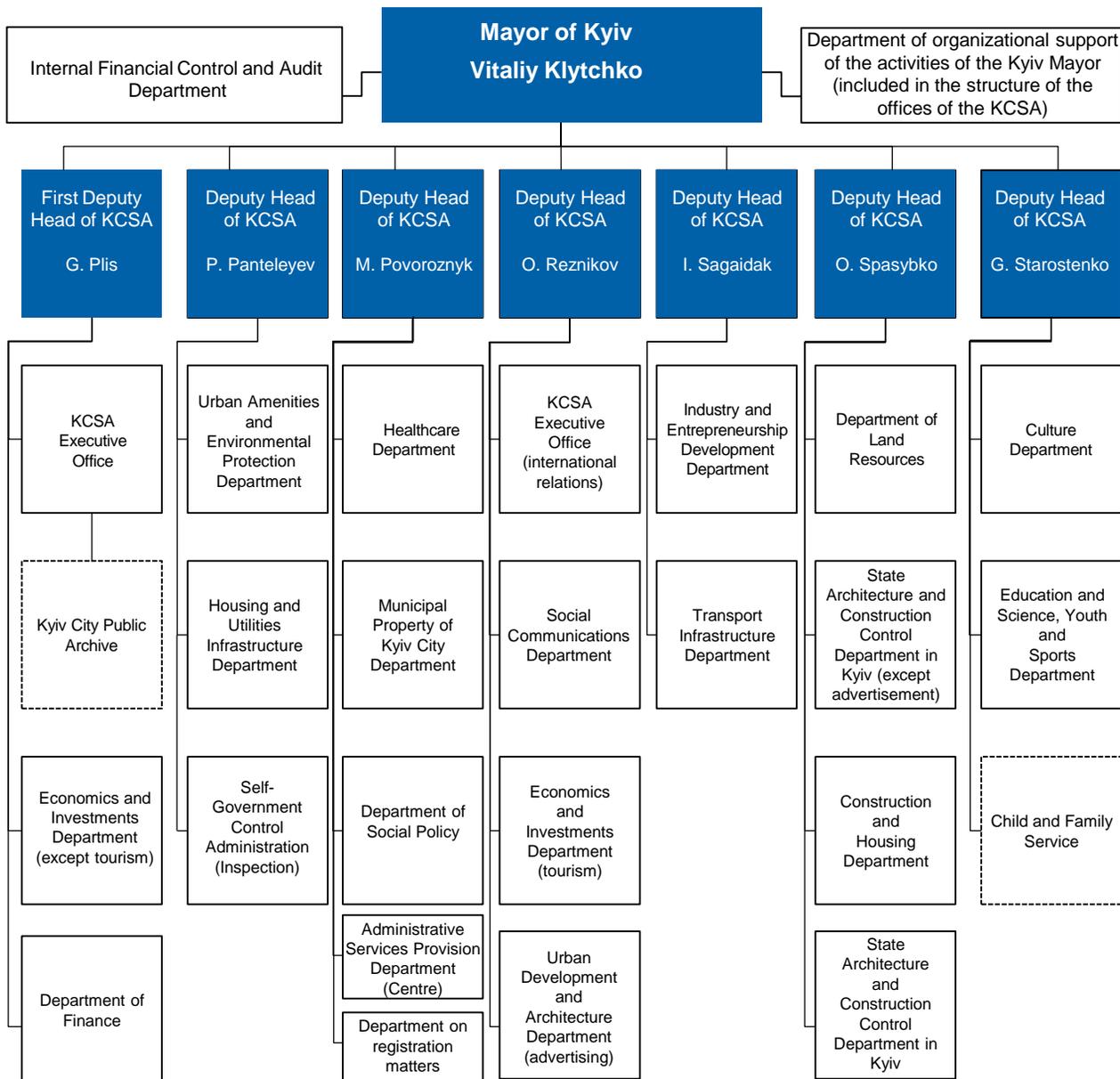
The report of the executive body of the Kyiv City Council (the Kyiv City State Administration) is published on the Kyiv City State Administration’s official website (i.e. general web portal of the territorial community of Kyiv) and in the municipal mass media.



Structure of the Kyiv City State Administration

28 units existed within the executive body of Kyiv City Council (the Kyiv City State Administration) in 2016, including:

- Executive Office
- 21 departments¹
- 4 offices (1 inspection)¹
- Child and Family Service
- Kyiv City Public Archive



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

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

The division of responsibilities between the Mayor of Kyiv, First Deputy Mayor, Deputy Mayor and Chief of Staff of the KCSA presented on this page was true to prior amendment made by the order of the executive body of RCI (KCSA) №231 dated March 2, 2017.

Notes:

¹ The registration Service Department was established as an additional structural unit according to the Kyiv City Council's Resolution № 319/319 dated April 4, 2016 (in operation since April 27, 2016 code 40452947); According to the Kyiv City Council's Resolution № 857/857 dated July 28, 2016 were established as independent structural units of the executive body of KCC (KCSA) - the IT and Communications Department (in operation since October 27, 2016 code 40918711) and the Advertising Office (in operation since May 23, 2016 code 41348526); According to the Kyiv City Council's Resolution № 544/1548 dated December 8, 2016 – Department of Ecology and Natural Resources and Office of Tourism and Promotion (in operation since August 1, 2017 code 41492529).



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Key management personnel of the Kyiv City State Administration



The Mayor of Kyiv
Vitaliy Klytchko
Elected in May 2014

Education:

- Hrygoriy Skovoroda Pereyaslav-Khmelnitskyi State Pedagogical University.
- National Academy for Public Administration under the President of Ukraine. Master of Science in Management of Public Development.
- PhD in Sports Science.

Professional background:

- People's Deputy of Ukraine in the 7th convocation;
- Deputy of Kyiv City Council;
- World Boxing Champion certified by the WBC (World Boxing Council).

KEY RESPONSIBILITIES:

- manages the KCSA activities;
- represents the KCSA in affairs with central executive authorities and political parties;
- controls provision of financing to municipal entities, institutions and organizations of Kyiv;
- controls the development and progress achieved on implementation of socio-economic and cultural programs in the city;
- coordinates efforts to construct facilities of especial importance to the city.

Extract from declaration on income and expenses, financial obligations and assets for 2016

Total income			Information on vehicles in private ownership		
Salary	Royalty	Interest income			
			Motorcycle A Fine Custom, Puncher 8.125-4	Land Rover Discovery 3.0, 2013	Bicycles, 9 units
UAH 147.9 thousand	UAH 1.66 million	UAH 5.29 thousand		Toyota Sequoia, 2014	
			Ironhorse Widebody 2013		
Information on assets in private ownership			Bank deposits, securities and other assets		
Apartment	Land	House	Money lent to third parties	On bank accounts	Cash
251.8 m ²	2,500 m ²	785.5 m ²	EUR 8.515 million	EUR 1 thousand	USD 30.1 thousand
			USD 741.5 thousand	UAH 125.4 thousand	EUR 42.0 thousand
				USD 1,386	

- Civil servant
- Family members



Key management personnel of the Kyiv City State Administration



First Deputy Head of KCSA

Gennadiy Plis

Appointed in January 2016

Coordinates the Pecherska and Shevchenkivska DKCSAs of Kyiv City

Education:

- Voroshilovgrad Machine-Building Institute. Higher technical education.
- Moscow State University of Railway Engineering postgraduate education.
- Yaroslav Mudryi National Law University. Degree in law.
- Kyiv Institute of Investment Management. Degree in economics.
- PhD in Engineering.
- Honorary title: Honored Economist of Ukraine

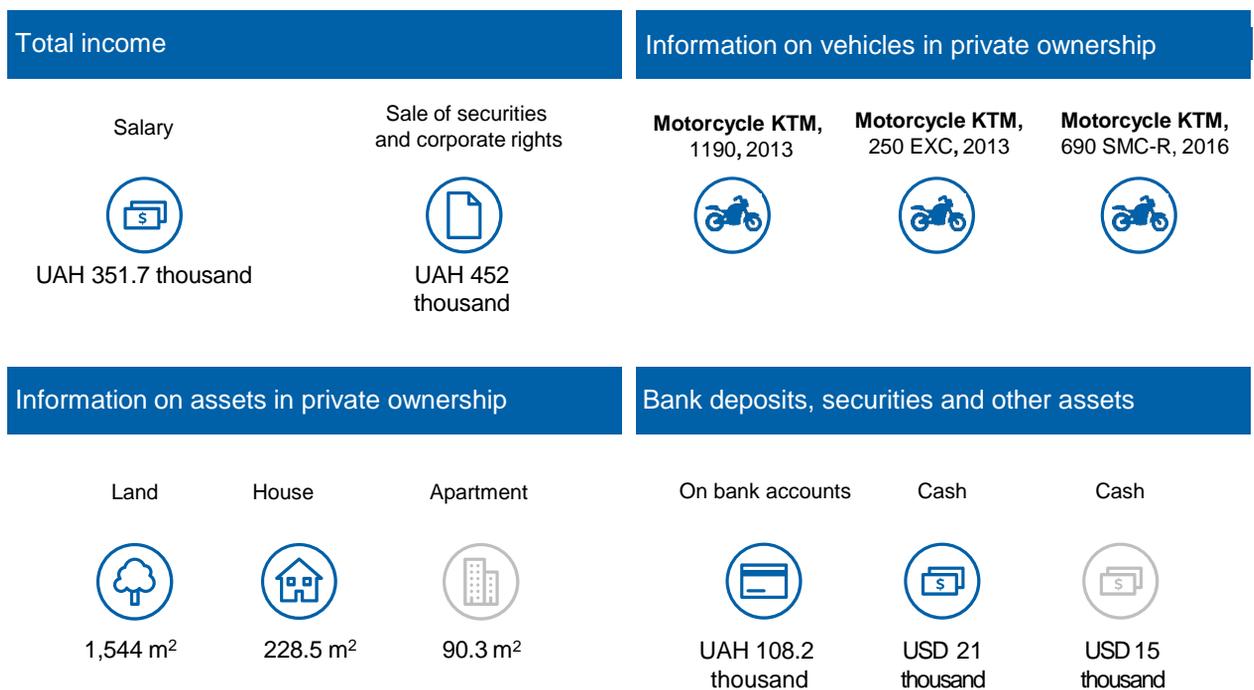
Professional background:

- Director of Financial Controlling and Internal Audit Department of KCSA;
- Chairman of the Supervisory Board of PAT "DPZKU";
- Head of Financial and Economic Directorate, Ministry of Energy and Coal Industry of Ukraine.

KEY RESPONSIBILITIES:

- acts as the Head of the KCSA in the absence of the City Mayor;
- coordinates the activities of deputy heads of the KCSA, heads of departments, functions, and other KCSA divisions;
- facilitates development of financial and credit, advisory and information systems for support of entrepreneurship;
- attracts 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 and controls activities performed by the District City State Administrations and proposes the improvement of the Kyiv's City districts' governance.

Extract from declaration on income and expenses, financial obligations and assets for 2016



Civil servant
 Family members



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
Petro Panteleyev
Appointed in September 2014

Coordinates the Sviatoshynskiy and Solomianskyi DKCSAs of Kyiv City

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 Shevchenkivskiy District State Administration;
- He was in charge of one of the Kyiv City State Administration functions 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 Shevchenkivskiy District State Administration in Kyiv.

KEY RESPONSIBILITIES:

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

Extract from declaration on income and expenses, financial obligations and assets for 2016

Total income

Salary



UAH 383.1 thousand

State material aid



UAH 29.2 thousand

Sale the property



UAH 570 thousand

Information on vehicles in private ownership

Volkswagen Touareg, 2010



Information on assets in private ownership

Apartment



61 m²

Apartment



94 m²

Bank deposits, securities and other assets

Cash



UAH 170 thousand

Cash



USD 20 thousand

Cash



EUR 3 thousand

- Civil servant
- Family members



Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
Mykola Povoroznyk
 Appointed in January 2016

Coordinates the Holoziivskyi and Darnytskyi DKCSAs of Kyiv City

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 programs;
- ensures organization and effectiveness of the labor 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 centers.

Extract from declaration on income and expenses, financial obligations and assets for 2016

Total income

Information on vehicles in private ownership

Salary



UAH 330.6 thousand

Salary



UAH 27.5 thousand

Entrepreneurship



UAH 803.3 thousand

Motorcycle
BMW K 1200 R, 2006



Volvo V-40, 2013, **Moskvich M-412, 1990**



Information on assets in private ownership

Bank deposits, securities and other assets

Land



1,000 m²
 1,000 m²

Land



1,496 m²

House



193 m²

Apartment



43.4 m²
 86.1 m²

On bank accounts



UAH 972.7 thousand

Capital contribution



UAH 59.1 thousand

Cash



UAH 260 thousand

- Civil servant
- Family members



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
Oleksii Reznikov
Appointed in March 2016

Education:

- Graduated with honors from Ivan Franko National University of Lviv with a degree in law.
- Honored 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 of the 7th convocation, Secretary of the Kyiv City Council;
- Professor of Public Law at the International Solomon University;
- Deputy of Kyiv City Council in the 6th convocation;
- Lawyer and partner at JSC «Medzhistor»;
- Head of the Ukrainian Legislation Centre
- Head of the brokerage firm «Galician Securities».

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 favorable 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 favorable conditions to promote tourism;
- facilitates development of international relations in tourism;
- coordinates efforts in regulating the publicity sector.

Extract from declaration on income and expenses, financial obligations and assets for 2016

Total income		Information on vehicles in private ownership	
Salary	Insurance proceeds	Trailer TIKI-TREILER B-300P, 2009	Quadricycle Kawasaki BRUTE FORCE ATV, 2009
UAH 237.8 thousand	UAH 1,081.4 thousand	AUDI A8 , 2012	Buggy Kawasaki TERYX UTV, 2010
		Volkswagen Amarok , 2009	
Information on assets in private ownership		Bank deposits, securities and other assets	
Land	Apartments	Contribution to the authorized capital of enterprises and construction financing fund	Cash
11.1 thousand m ²	167.5 m ²	UAH 620.1 thousand	EUR 450 thousand

- Civil servant
- Family members



Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
Illya Sagaidak
 Appointed in March 2016

Education:

- Taras Shevchenko Kyiv National University.
- PhD in Economics.
- Harvard Business School. Concentration: strategic financial analysis.

Professional background:

- Deputy of Kyiv City Council of the 8th convocation;
- Head of the Sviatoshynskiy District in Kyiv City State Administration (DKCSA);
- First Deputy Head of the Shevchenkivskiy District in Kyiv City State Administration;
- Assistant and advisor to a People's Deputy of Ukraine;
- Director of Phoenix Capital;
- 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 policies;
- coordinates implementation of the scientific and R&D programs, and the work of the Scientific and Economic Council on R&D and Project Design;
- supports development of foreign economic relations of industrial entities, institutions and organizations;
- oversees formation and implementation of the Municipal Informatization Program;
- ensures and supervises implementation of the complex information protection system.

Extract from declaration on income and expenses, financial obligations and assets for 2016¹

Total income		Information on vehicles in private ownership	
<p>Salary</p>  <p>UAH 241.3 thousand</p>	<p>Sale of property</p>  <p>UAH 145 thousand</p>	<p>Not available¹</p>	
Information on assets in private ownership		Bank deposits, securities and other assets	
<p>Apartment</p>  <p>69.9 m²</p>	<p>Cash</p>  <p>USD 79 thousand UAH 433 thousand</p>	<p>On bank accounts</p>  <p>UAH 519.7 thousand</p>	

 Civil servant

¹ Data do not include information on the declarant's family members.



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
Oleksandr Spasybko
Appointed in January 2016

Coordinates the Obolonskyi and Podilskyi DKCSAs of Kyiv City

Education:

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

Professional background:

- Director of the KCSA Construction and Housing Department;
- Assistant to the Head of the KCSA Analytical and Administrative Office;
- Director of LLC "Yaroslaviv Val";
- Legal counsel at the State enterprise JSC "Automobile roads of Ukraine";
- Senior expert of the legal counsel at LLC "Autolux Service".
- Leading specialist in the management of the sale of conversion property in corporation "Ukrinmash".

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 purchase, sale and lease draft agreements on the 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 expenses, financial obligations and assets for 2016

Total income

Salary



UAH 268.2 thousand

Salary



UAH 262.5 thousand

Income from entrepreneurship



UAH 199.9 thousand

Sale of property



UAH 145 thousand

Information on vehicles in private ownership

Porsche Cayenne, 2013



Information on assets in private ownership

Garage



15.4 m²

Land



1,008 m²
2,390 m²

House



247.9 m²

Apartment



55.5 m²
126.6 m²

Bank deposits, securities and other assets

Cash



UAH 600 thousand

Cash



USD 45 thousand

Cash



EUR 7 thousand

- Civil servant
- Family members



Key management personnel of the Kyiv City State Administration



Deputy Head of KCSA
 Anna Starostenko
 Appointed in September 2014

Coordinates the Desnianskyi and Dniprovskyi DKCSAs of the Kyiv City

Education:

- Institute of International Relations of Taras Shevchenko Kyiv National University. MSc in International Relations. Interpreter of German.
- European University Viadrina (Germany).
- 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 (MP) of Ukraine;
- Head of the Klytchko Foundation, a charitable organization;
- Manager in the Pivnichna Investment Group LLC.

KEY RESPONSIBILITIES:

- responsible for policies in sphere of culture and preservation of cultural heritage;
- ensure efficient work and development of the City's cultural facilities;
- coordinates activities of ethnic minorities and state-church relations state policies;
- ensures efficient work and development of education and science spheres, physical culture and sports facilities;
- ensures compliance with children's rights on development and education.

Extract from declaration on income and expenses, financial obligations and assets for 2016

Total income

Salary



UAH 344.2 thousand

Salary



UAH 45 thousand

Information on vehicles in private ownership

Ford Kuga Trend, 2010



Information on assets in private ownership

Apartment



58.0 m²

Bank deposits, securities and other assets

—

- Civil servant
- Family members



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Key management personnel of the Kyiv City State Administration



Head of KCSA Executive Office
Volodymyr Bondarenko
Appointed in August 2014

Education:

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

Professional background:

- Assistant and advisor to Vitali Klytchko, a People's Deputy of Ukraine;
- Assistant and advisor to Vitaliy Klitschko, a member of the Kyiv City Council;
- Staff at Secondary General School 61 in the Shevchenkivskiyi District of Kyiv.

KEY RESPONSIBILITIES:

- provides organizational, 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 the 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 organizational 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 expenses, financial obligations and assets for 2016

Total income		Information on vehicles in private ownership		
Salary	Salary	—		
UAH 262.5 thousand	UAH 98.5 thousand			
Information on assets in private ownership		Bank deposits, securities and other assets		
Apartment	Apartment	Cash	Cash	Cash
45.8 m ²	82.4 m ²	UAH 49.2 thousand	USD 3.2 thousand	EUR 3.1 thousand

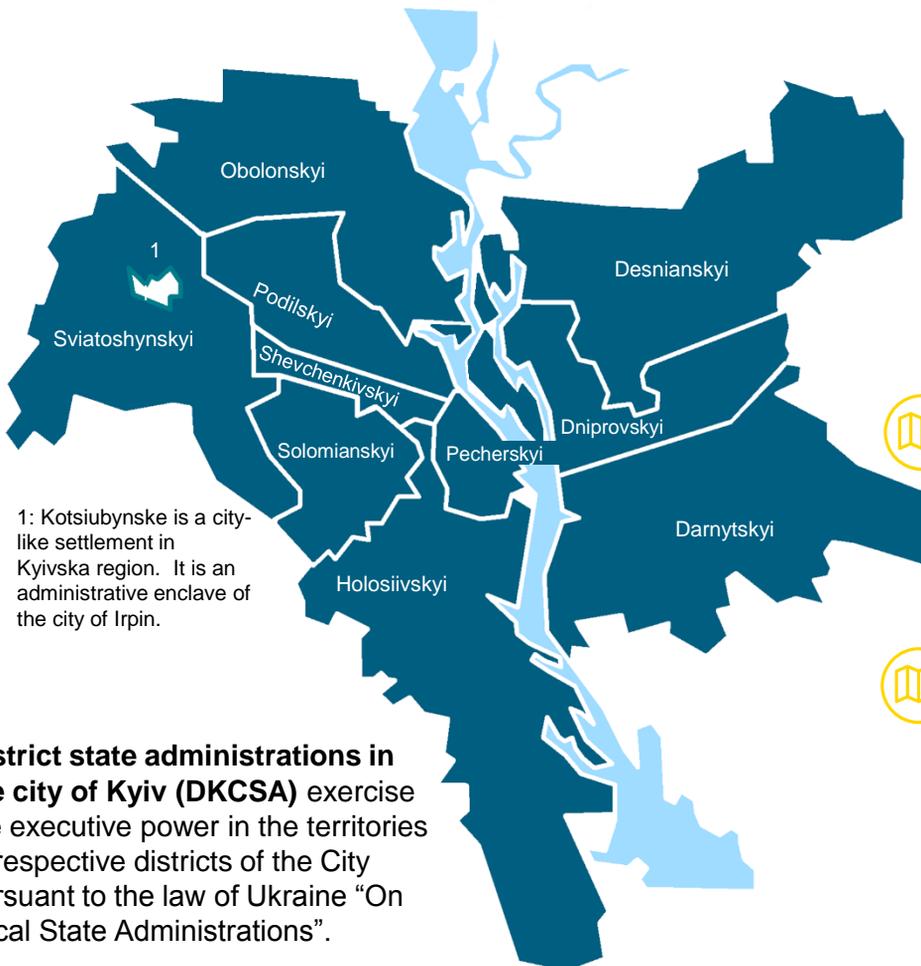
- Civil servant
- Family members



City of Kyiv

Kyiv is split onto 10 administrative districts

Administrative and territorial units (districts of the City of Kyiv)



District state administrations in the city of Kyiv (DKCSA) exercise the executive power in the territories of respective districts of the City pursuant to the law of Ukraine "On Local State Administrations".

Key tasks of district administrations are to:

- Ensure adherence to the Constitution, Laws of Ukraine, Acts of the President of Ukraine, Cabinet of Ministers of Ukraine, other high level executive authorities, ensure legality and law enforcement, compliance with the rights and freedoms of citizens;
- Implement government and regional programs on social and economic development, environmental protection programs, and programs for national and cultural development of minority nationalities;
- Prepare and execute relevant budgets;
- Report on execution of respective the budgets and programs;
- Interact the with local government authorities



83.6
thousand ha
area of the city of Kyiv



0.14%
of the total territory of
Ukraine is occupied by
the city of Kyiv



2,884.5
thousand persons
are Kyiv's City
permanent residents



6.9%
of total population of Ukraine

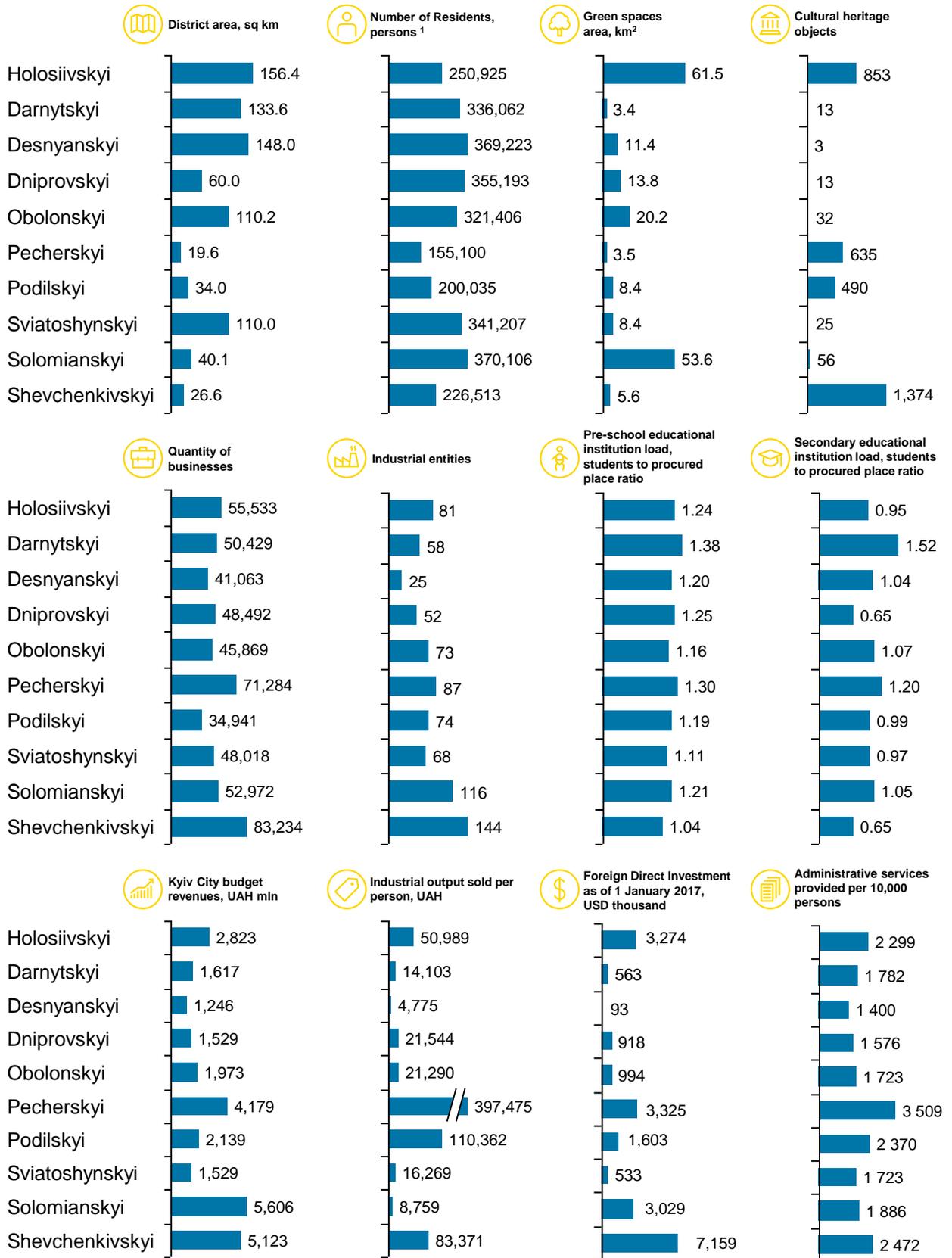
Source: KCSA

Calculations (estimates) regarding the number of population are based on available administrative data of state registration of births and deaths and changes in places of residence against the number of population under the 2001 population census.



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

General information about Kyiv's districts



Calculated and actual values may differ due to rounding.

Source: DKCSA



Administrative Services

Kyiv operates a network of eleven Administrative Services Centers (ASCs) and three branches

ASCs address and contact details:



Kyiv City's Administrative Service Centers

19 B, Dniprovska Naberezhna Str.,
Kyiv, 02081

Contacts:

(044) 202-60-38

(044) 202-60-39

Holosiivskyi ASC



42, Holosiivsky Ave

(044) 281-66-66

(044) 281-66-64

Pecherskyi ASC



15, M. Omelyanovycha-Pavlenka Str.

(044) 280-41-97

Darnitskyi ASC



21, Stepana Oliinyka Str.

(044) 565-00-11

Podilskyi ASC



9/6, Kostiantynivska-Horyva Str.

(044) 425-42-44

(044) 482-55-41

Desnyanskyi ASC



29, Volodymyra
Mayakovskogo Ave

(044) 546-99-00

39a, Lisovyi Ave
(branch)

(044) 518-04-62

Svyatoshynskyi ASC



29, Peremohy Ave

(044) 451-27-61

(044) 424-15-98

Dniprovskyi ASC



11/8, Bazhova Str.

(044) 559-73-78

(044) 559-30-25

Solomyanskyi ASC



41, Povitroflotsky Ave

(044) 207-09-68

Obolonskyi ASC



16, Marshala Timoshenko Ave

(044) 485-22-74

57, Heroiiv Stalinhrada, 57
(branch)

(044) 485-22-74

Shevchenkiivskyi ASC



24, B. Khmelnytskogo Str.

(044) 278-71-60

(044) 226-31-97

26/4, T. Shevchenko Blvd.
(branch)

(044) 235-32-16



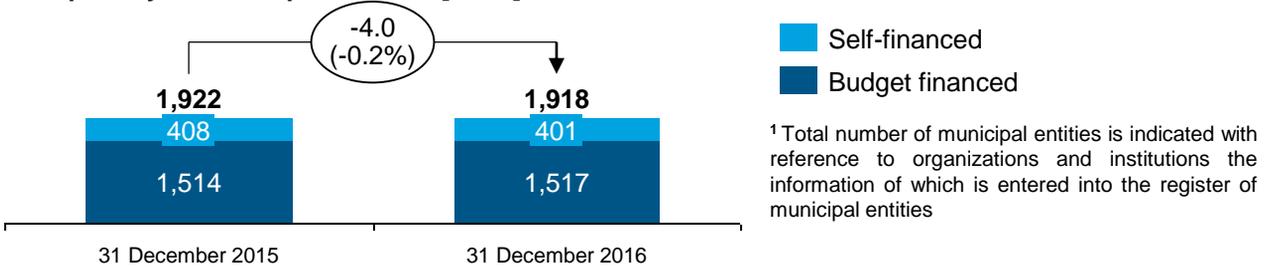
Municipal entities

Total assets of municipal entities grew by 12%

In 2016, the Kyiv City Council and structural units of its executive body (the KCSA) had 264 municipal entities subordinated to them. Of 264 commercial municipal entities, 222 entities were economically active, 29 entities were in liquidation based on the owner's decision and therefore did not report, 1 entity was located on the annexed territory of the Crimean Republic, 12 entities did not report, though they were not in liquidation based on the owner's decision.

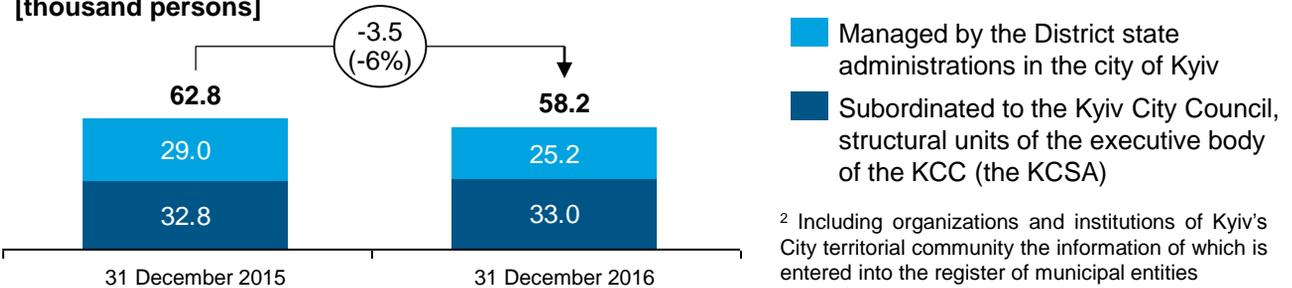
District state administrations in the city of Kyiv, as of 01.01.2017, managed 137 enterprises, self-financing institutions and bodies, 95 of which were economically active, 40 were in process of liquidation following their respective owners' decision and did not provide financial reports, 2 did not provide reports but were not in process of liquidation.

The quantity of municipal entities¹ [units]



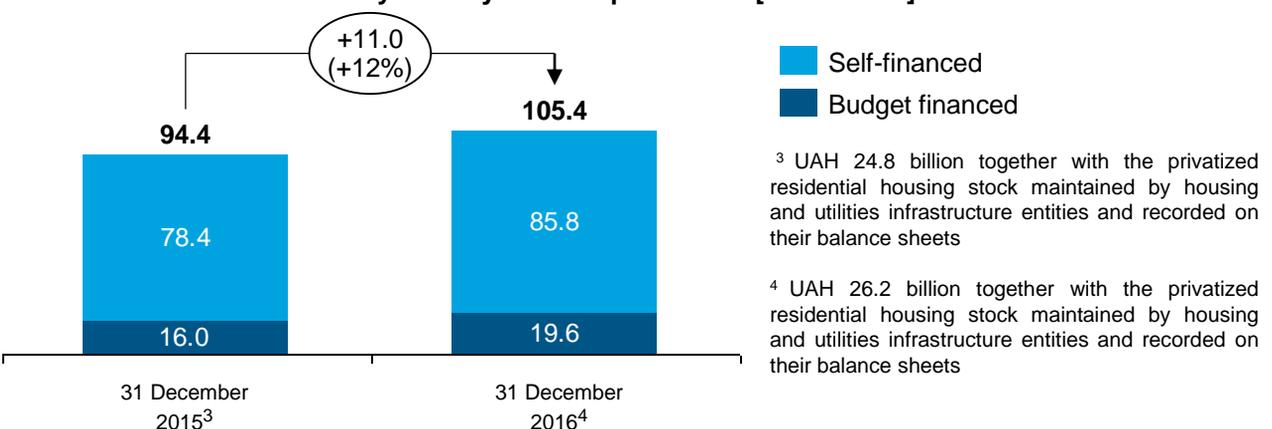
Of self-financed municipal entities, 264 entities subordinated to the Kyiv City Council and structural units of its executive body (the KCSA) employed 33 thousand persons. Total number of employees engaged by 137 municipal entities managed by the district state administrations amounted to 25.2 thousand persons.

Total headcount of the City's municipal entities² [thousand persons]



By the end of the reporting period, total assets of municipal entities grew by 12% and reached UAH 105.4 billion. Key drivers of this growth were acquisition and improvements of property, plant, and equipment.

Total value of assets owned by the City's municipal entities [UAH billion]



Calculated and actual values may differ due to rounding.
Source: KCSA

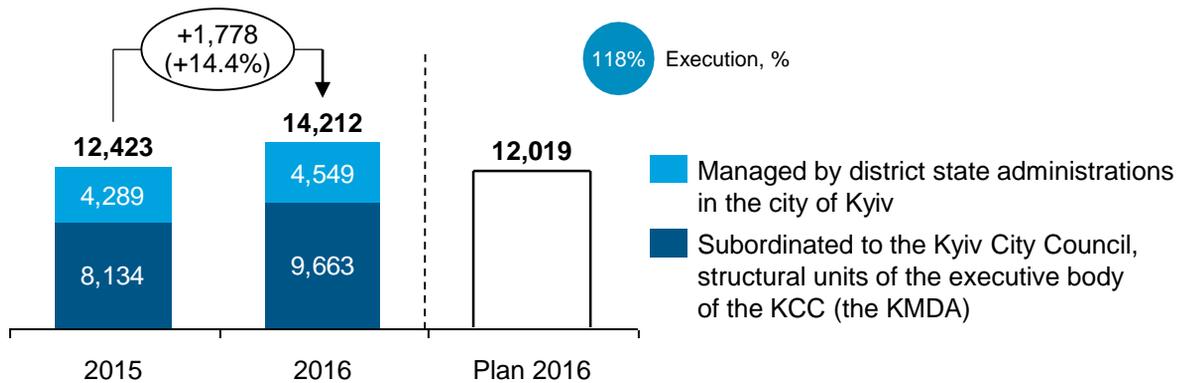


Municipal entities

Actual total revenue and total expenses exceeded planned figures

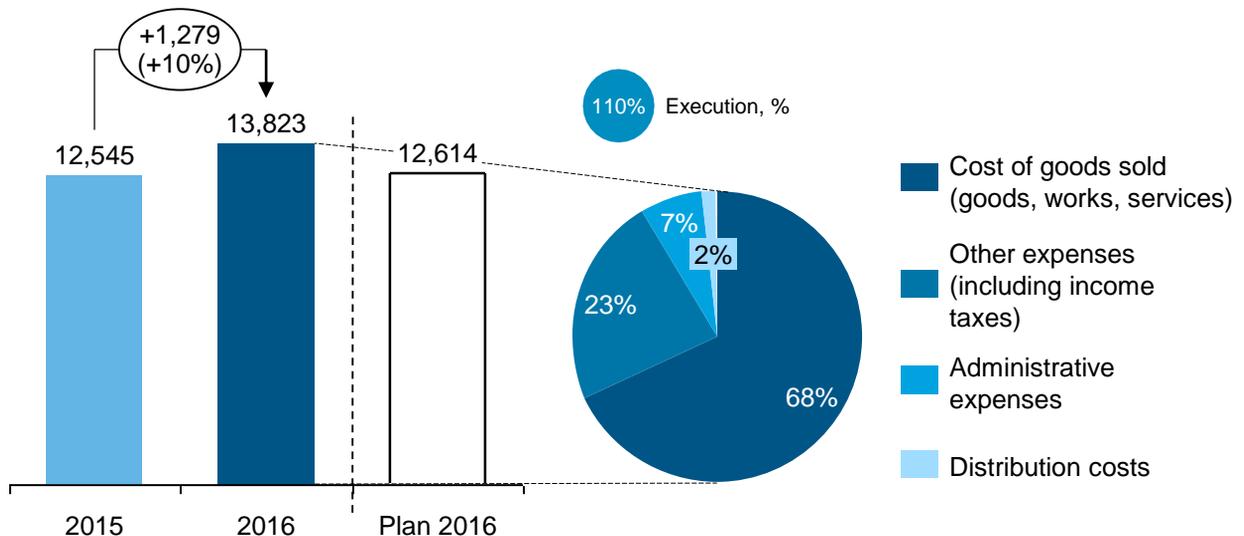
Actual total income amounted to UAH 14,212 million exceeding planned total revenue of municipal entities (UAH 12,019 million for 2016) by 18.2%. 264 commercial municipal entities subordinated to the Kyiv City Council and structural units of its executive body (the KCSA) received total revenue (net of VAT) in the amount of UAH 9.7 billion, which is by 9.9% more than in 2015. The trend of beating planned figures was observed among the municipal entities subordinated to the Kyiv City Council and the KCSA..

Total revenue of municipal entities, institutions, and organizations of Kyiv's City territorial community [UAH million]



Total expenses of municipal entities, institutions, and organizations of Kyiv's City Community grew by 9% to UAH 13,823 million compared to plan. Of them, cost of products sold reached UAH 9,407.8 million, i.e. 68%; other expenses, including income taxes – UAH 3,210 million, 23%; administrative expenses – UAH 981 million, 7%; distribution costs – UAH 224.9 million, 2% of total expenses.

Total expenses of municipal entities, institutions, and organizations of Kyiv's City Community [UAH million]



Calculated and actual values may differ due to rounding.
Source: KCSA

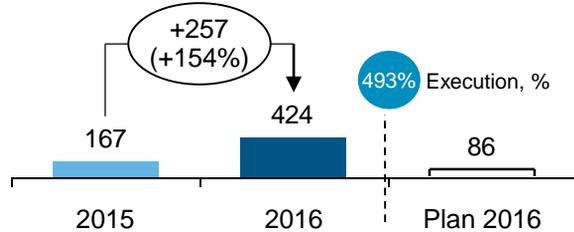


Municipal entities

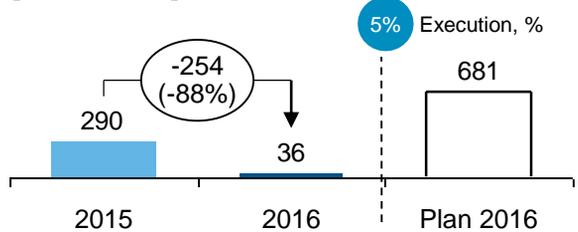
Overperformed plan on revenues and reduced losses resulted in a significant growth of profits

129 out of 264 self-financed municipal entities subordinated to the Kyiv City Council and structural units of its executive body (the KCSA) were profitable with total net profit amounted to UAH 406.5 million (2015: UAH 125.4 million). Municipal entities distributed UAH 40.7 million of net profit to the Kyiv's City budget. Total net profit of municipal entities subordinated to district state administrations amounted to UAH 17.8 million in the reporting year (2015: UAH 41.6 million). Total losses in 2016 were by 88% lower than in 2015.

Total profits of the City's municipal entities [UAH million]



Total losses of the City's municipal entities [UAH million]



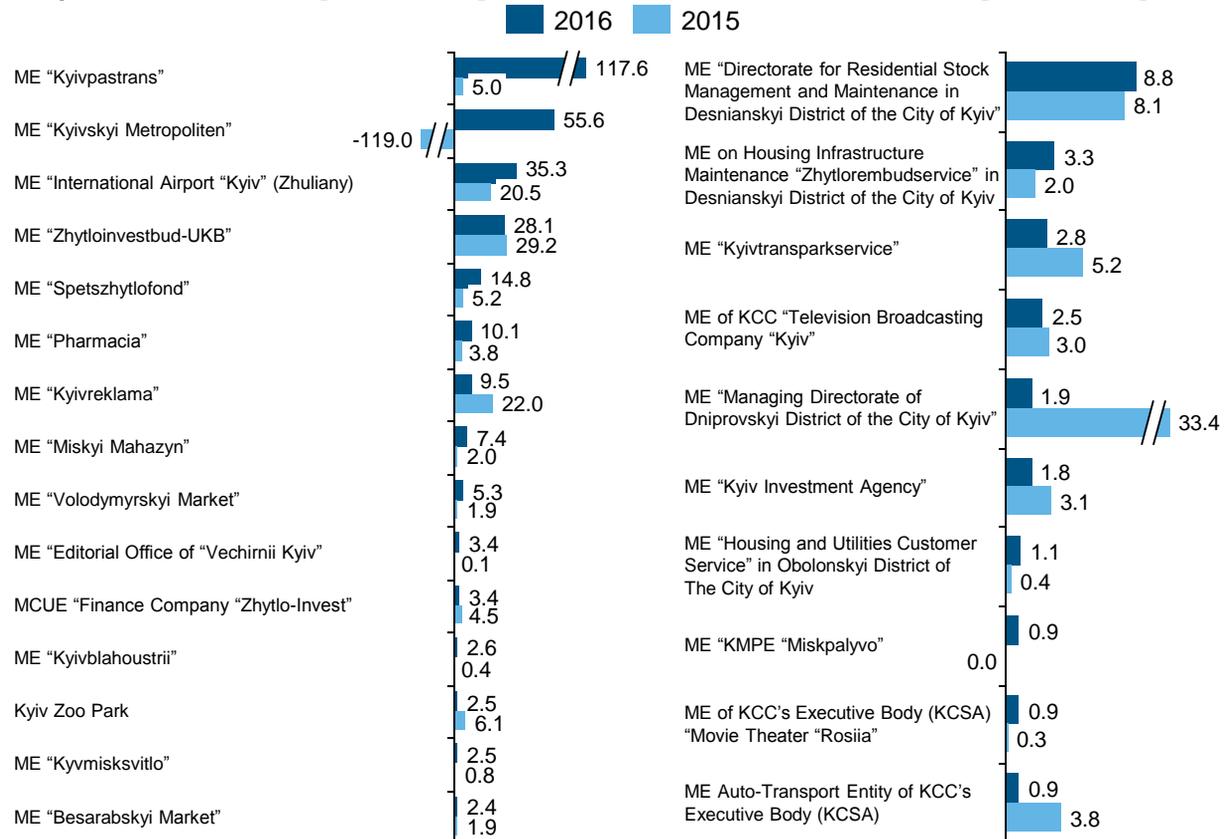
Total net profit of the four largest municipal entities in 2015 amounted to UAH 43 million, whereas in 2016 it was UAH 236.6 million. The growth in net profit was mainly due to the outperformed plan by transport entities.

63 out of 264 self-financed municipal entities subordinated to the Kyiv City Council and structural units of its executive body (the KCSA) made losses in 2016, with total losses reaching UAH 32.2 million. Most municipal entities of housing and utilities sector were loss-making, with their total losses amounting to UAH 18.3 million. Total losses of municipal entities subordinated to district state administrations amounted to UAH 3.8 million in the reporting year (2015: UAH 8.4 million).

30 entities received the financial results of nil based on the 2016 performance.

Net profits in 2015-2016¹ [UAH million]

Net losses in 2015-2016² [UAH million]



¹ Among the municipally subordinated entities
Calculated and actual values may differ due to rounding.
Source: KCSA

² Subordinated to the KCSA structural units



International relations

Collaboration with partner cities within the framework of the Association Agreement between Ukraine and the EU



- raising local production exports;
- cultural and scientific-research cooperation.

Participation in international initiatives



- Has signed the Paris declaration and joined the initiative of leading cities' mayors in combatting the AIDS epidemic;
- Participated in the World Cities Forum in Chicago and in the anti-AIDS conference;
- Participated in the European People's Party political assembly.

Cooperation with international intergovernmental organizations



World bank

Improvement of traffic management system and analysis of the current situation



EBRD

Improvement of financial and operational activities, elaboration of a corporate development and training plan for Kyivpastrans and Kyivmetropolitan



USAID

Creating an online procurement system, increasing accessibility for disabled people, improving the waste management system, parking space



GIZ

Assistance in tourism development strategies, financing anti-corruption program



Japanese International Cooperation Agency

Support for the modernization of the Bortnitska Aeration Station



Northern Ecological Finance Corporation

Support for thermosanation and energy saving projects



German State Development Bank KfW



UNDP



The 'Horizon 2020' - research and innovations program of EU

Achievements of international activity in directions

Kyiv and Chicago have reached an agreement on establishing a Sister-city Council at the KCSA



A direct air connection between Kyiv and Gdansk has been established

An investment forum in Kyiv has been held



Kyiv and Israel have exchanged experience in the sphere of security

Has been provided the functioning of the institution for attraction and support of foreign investments, the Kyiv Investment Agency



The Mayor of Kyiv has visited Japan, the sister-city Kioto, had a meeting with the Mayor of Kioto, also visited the ASTEM science center

- Attracting and supporting investment
- Cooperation with major international concerned parties



KCSA public procurement

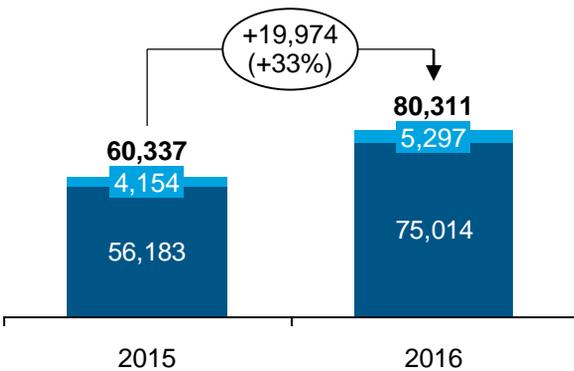
Proportion of procurement via tenders, so called public procurement procedures, increased in 2016

The total amount of procurement increased by 90.4% to UAH 17.6 billion, of it: procurement via public procurement procedures (i.e. tenders) grew by 95.8%, while procurement without tenders increased by 73.9%.

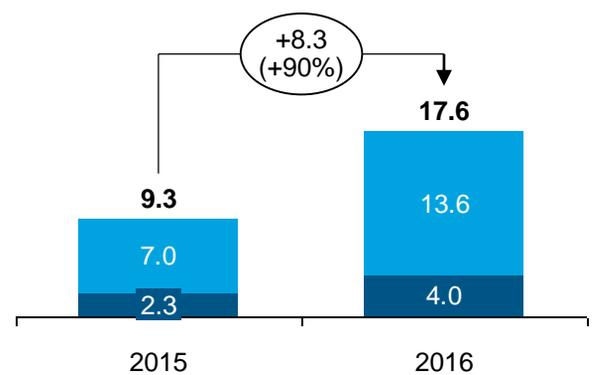
A total number of contracts concluded via public procurement procedures increased by 27%, while without public procurement grew by 33%.

Key growth factors were a general growth of budget expenditures and a decision to conclude a maximum possible volume of procurement contracts via the Prozorro procurement system.

KCSA procurement contracts [q-ty of deals]



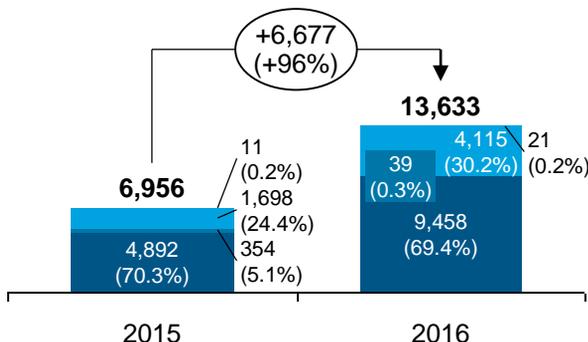
Total value of procurement contracts [UAH billion]



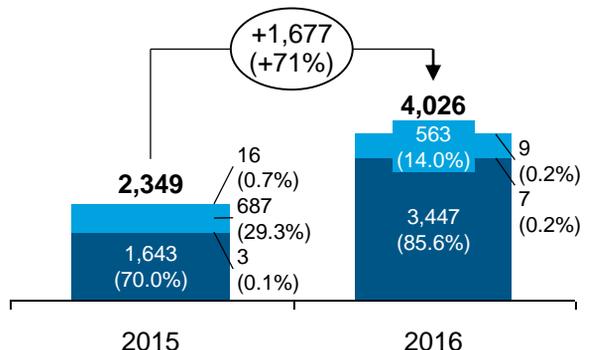
■ with the application of procurement procedures ■ without application of procurement procedures

In 2016, the KCSA concluded **5,297** contracts for procurement of goods, works and services via public procurement procedures with the total value of **UAH 13,633 million**, 69% of which were financed from the municipal budget.

Purchases via public procurement procedures by source of financing [UAH million]



Purchases without using public procurement procedures by source of financing [UAH million]



UAH 1,670,266
Average amount of contract concluded via public procurement procedures

UAH 40,761
Average amount of contract without using public procurement procedures

Calculated and actual values may differ due to rounding.
Source: KCSA

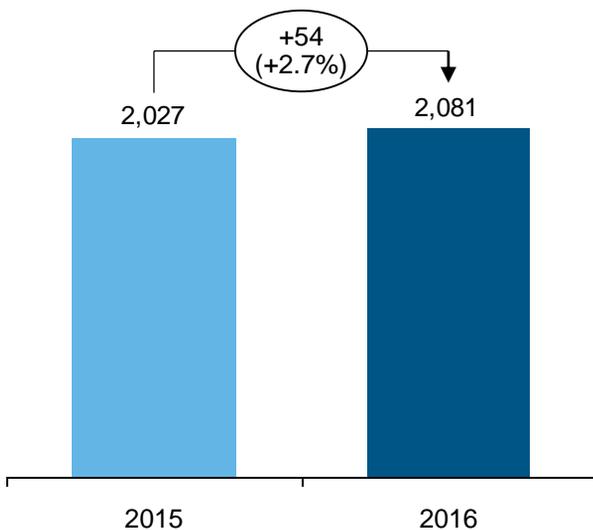


Headcount and expenses of Secretariat of the Kyiv City Council and departments of its executive body (the KCSA)

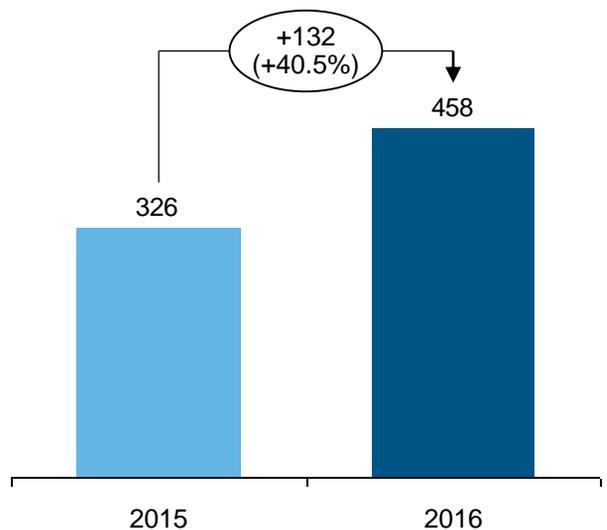
Financing of budget programs increased by 49.7% in 2016

The increase in funding of budgeted expenses of the Kyiv City Council Secretariat and the KCSA departments in 2016 was largely driven by the reassignment of powers onto a local level (Department on matters of registration, Department on state control over architecture and construction, etc.), based on budgets substantiated by subject departments and decisions made by the City Council on their financing.

Headcount of Secretariat of the Kyiv City Council and departments of the KCSA [staffing positions]

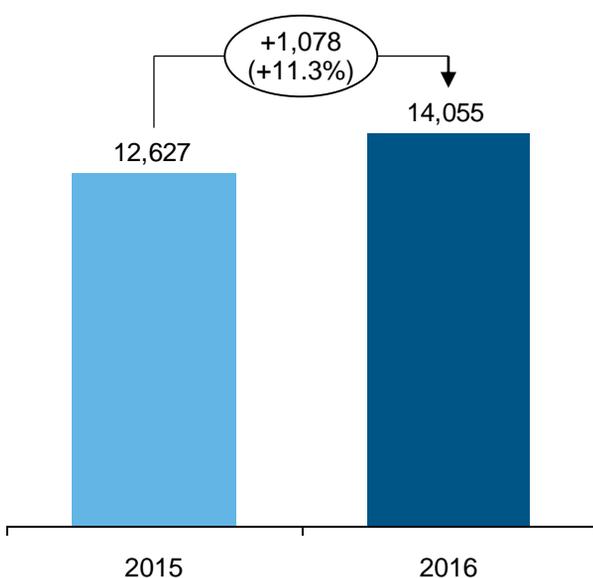


Budget program financing [UAH million]

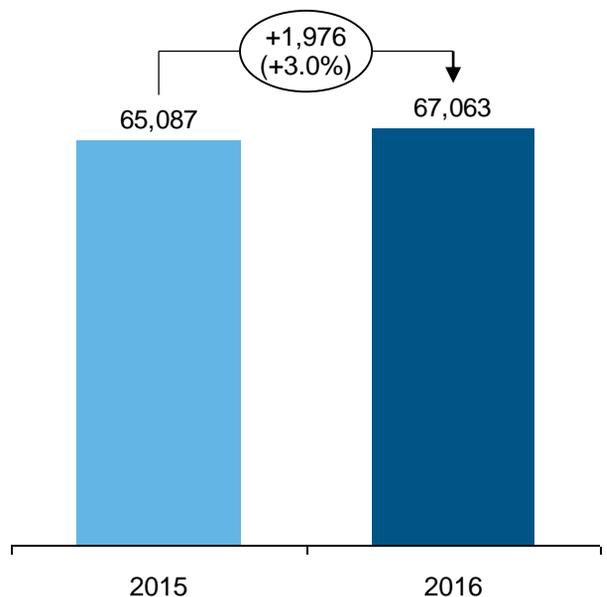


Energy and utility service expenses grew in 2016 largely due to the increase in energy costs.

Heating and utilities expenses [UAH thousand]



Total area of premises [in square meters]



Calculated and actual values may differ due to rounding.

Source: KCSA



3. GENERAL INFORMATION ABOUT THE KYIV CITY STATE ADMINISTRATION

Maintenance costs of a staffing position of the Kyiv City Council (Secretariat) and departments of the KCSA

# Department	Number of staffing positions [persons]		Change %	Financing of budget programs ¹ [UAH thousand]		Change %	Average expenses per staffing position ¹ [UAH thousand per month]		Change %
	2015	2016		2015	2016		2015	2016	
1 KCSA Executive Office	275	293	6.5%	55,026	77,754	41.3%	17	22	29.4%
2 Administrative Services Provision Department (Centre) ²	116	114	-1.7%	8,342	25,453	205.1%	6	19	216.7%
3 Economics and Investments Department	123	123	0.0%	18,123	24,063	32.8%	12	16	33.3%
4 Department of Land Resources	126	129	2.4%	17,969	23,789	32.4%	12	15	25.0%
5 Department of Social Policy	120	120	0.0%	16,791	23,290	38.7%	12	16	33.3%
6 Culture Department ³	81	80	-1.2%	17,878	21,993	23.0%	18	23	27.8%
7 Department of Finance	97	97	0.0%	14,353	20,595	43.5%	12	18	50.0%
8 Municipal Property of Kyiv City Department	80	85	6.3%	14,681	17,235	17.4%	15	17	13.3%
9 Education and Science, Youth and Sports Department	94	93	-1.1%	12,765	19,002	48.9%	11	17	54.5%
10 Housing and Utilities Infrastructure Department	109	109	0.0%	14,150	18,871	33.4%	11	14	27.3%
11 Urban Amenities and Environmental Protection Department	100	99	-1.0%	14,236	18,666	31.1%	12	16	33.3%
12 Urban Development and Architecture Department	88	80	-9.1%	13,249	17,944	35.4%	13	19	46.2%
13 Construction and Housing Department	80	80	0.0%	10,883	14,273	31.1%	11	15	36.4%
14 Healthcare Department	79	79	0.0%	10,597	14,092	33.0%	11	15	36.4%
15 Industry and Entrepreneurship Development Department	65	64	-1.5%	9,277	12,159	31.1%	12	16	33.3%
16 Social Communications Department	53	53	0.0%	7,241	10,001	38.1%	11	16	45.5%
17 Transport Infrastructure Department	51	51	0.0%	6,506	9,345	43.6%	11	15	36.4%
18 Internal Financial Control and Audit Department	41	41	0.0%	5,893	8,380	42.2%	12	17	41.7%
19 Department on registration matters ⁴	n.a.	45	n.a.	n.a.	7,719	n.a.	n.a.	14	n.a.
20 State Architecture and Construction Control Department in Kyiv ⁴	39	36	n.a.	n.a.	4,301	n.a.	n.a.	10	n.a.
21 Child and Family Service	21	21	0.0%	2,584	3,620	40.1%	10	14	40.0%
22 Self-Government Control Administration (Inspection)	14	14	0.0%	1,182	2,339	97.9%	7	14	100.0%
Total for the KCSA departments and divisions⁵	1,852	1,906	2.9%	271,726	394,884	45.3%	12	17	41.7%
23 Kyiv City Council (Secretariat)	175	175	0.0%	54,000	62,839	16.4%	26	30	15.4%
Grand total⁶	2,027	2,081	2.7%	325,726	457,723	40.5%	13	18	38.5%

¹ Amounts include own revenues (from lease of premises) and accounting records for value of tangible assets.

² According to the Kyiv City Council's decision dated 22.01.2015 № 5/870, expenses for 2015 covered a period of 8 months.

³ Excluding revaluation of non-current assets totaling UAH 160,884 thousand (letter of Culture department dated 16.03.2016 №060-1795).

⁴ These departments were created in 2016, therefore 2015 figures are not available; furthermore, costs of financing activities of Department on registration matters covered 9 months of 2016.

⁵ Total headcount of the executive body of the Kyiv City Council (Kyiv City State Administration) is approved at 1,954 positions (decision of the Kyiv City Council dated 25.12.2014 №741/741)

⁶ Excluding: Department of Informational and Communicational Technologies, Advertising Division, Kyiv State Archive
Source: the KCSA.

Calculated and actual figures may differ due to rounding.



Expenses of the Kyiv City Council (Secretariat) and departments of the KCSA in 2015-2016

The increase in energy and utilities costs was mainly due to the consumer price inflation and the growth of tariffs.

Departments are sorted in descending order by total amount of financing their expenses in 2016, see the previous page

# Department	Total area of premises occupied [sq m]		Change %	Energy and utilities costs [UAH thousand]			Average costs per square meter of area ¹ [UAH per sq m]		Change %
	2015	2016		2015	2016	Change %	2015	2016	
1 KCSA Executive Office	1,138	1,138	0.0%	419	91	-78.3%	368	80	-78.3%
2 Administrative Services Provision Department (Centre) ²	2,110	2,110	0.0%	241	629	161.0%	114	298	161.0%
3 Economics and Investments Department	1,309	1,309	0.0%	214	205	-4.2%	164	157	-4.2%
4 Department of Land Resources	3,418	3,418	0.0%	559	710	27.0%	164	208	27.0%
5 Department of Social Policy	2,402	2,587	7.7%	385	404	4.9%	160	156	-2.6%
6 Culture Department ³	10,820	10,820	0.0%	1,041	1,386	33.1%	96	128	33.1%
7 Department of Finance	1,084	1,084	0.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Municipal Property of Kyiv City Department	1,371	1,371	0.0%	392	460	17.3%	286	336	17.3%
9 Education and Science, Youth and Sports Department	1,810	1,810	0.0%	310	412	32.9%	171	228	32.9%
10 Housing and Utilities Infrastructure Department	2,913	2,913	0.0%	367	331	-9.8%	126	114	-9.8%
11 Urban Amenities and Environmental Protection Department	3,467	3,467	0.0%	553	755	36.5%	160	218	36.5%
12 Urban Development and Architecture Department	4,379	4,379	0.0%	831	1,013	21.9%	190	231	21.9%
13 Construction and Housing Department	3,303	2,853	-13.6%	314	342	8.9%	95	120	26.1%
14 Healthcare Department	1,958	1,958	0.0%	722	645	-10.7%	369	329	-10.7%
15 Industry and Entrepreneurship Development Department	1,014	1,014	0.0%	187	283	51.3%	184	279	51.3%
16 Social Communications Department	1,212	1,212	0.0%	166	153	-7.8%	137	126	-7.8%
17 Transport Infrastructure Department	858	858	0.0%	287	234	-18.5%	334	273	-18.5%
18 Internal Financial Control and Audit Department	451	451	0.0%	135	115	-14.8%	299	255	-14.8%
19 Department on registration matters ⁴	n.a.	1,992	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20 State Architecture and Construction Control Department in Kyiv ⁴	n.a.	249	n.a.	n.a.	62	n.a.	n.a.	249	n.a.
21 Child and Family Service	257	257	0.0%	82	36	-56.1%	319	140	-56.1%
22 Self-Government Control Administration (Inspection)	89	89	0.0%	5	22	340.0%	56	246	340.0%
Total for the KCSA departments and divisions⁵	45,363	47,339	4.4%	7,210	8,288	15.0%	159	175	10.2%
23 Kyiv City Council (Secretariat)	19,724	19,724	0.0%	5,417	5,767	6.5%	275	292	6.5%
Grand total⁶	65,087	67,063	3.0%	12,627	14,055	11.3%	194	210	8.0%

¹ Expenses on energy and utilities per square meter of total area of premises occupied.

² Expenses on energy and utilities of Department of Finance were covered at cost of the Kyiv City Council.

³ Expenses on energy and utilities of Department on registration matters were covered at cost of Economics and Investments Department.

⁴ State Architecture and Construction Control Department was created by Decision of the Kyiv City Council in 2016.

⁵ Payments for energy costs and utilities commenced in May 2015.

⁶ Excluding: Department of Informational and Communicational Technologies, Advertising Division, Kyiv State Archive

Source: the KCSA.

Calculated and actual figures may differ due to rounding.



Section 4.

STRATEGY OF KYIV



Key activities implemented in 2016 within the Strategy-2025

World-class infrastructure.

Transport



- Continued conducting reconstruction of Peremohy and Mykoly Bazhana prospects, Vasylykivska street, road junction at the crossroads of Peremohy prospect and Danyla Shcherbakivskoho street, on the right-bank road approaches to Pivdennyi bridge, with exits from Saperno-Slobidska street to Stolychne highway.



- Continued works on construction of the Podilskyi bridge crossing over the Dnipro, an access motor-road from Chervonozorianyi prospect to international Airport "Kyiv" (Zhuliany), Velyka Okruzhna belt-road.

- Purchased 11 tramway cars, 26 trolley-buses, 50 buses.



- Built 4.2 km of bike lanes.

- Prepared a feasibility study for construction of the section of Syretsko-Pecherska metro line from Syrets station to Vynohradar residential area.

- Performed capital repairs of 566.7 thousand sq. m of roads and 316.8 thousand sq. m of pass ways within residential blocks.

Effective energy system



- Conducted a comprehensive insulation of 5 buildings where budget-financed institutions are located.

- Installed 1,720 heat meters in residential buildings.

- Upgraded lighting systems in 15 buildings where budget-financed institutions are located.



- Developed a project on launching a production and putting into operation of energy efficient photodiode lighting systems for streets, housing and utilities infrastructure needs, transport, and budget-financed institutions of Kyiv.

- Performed capital repairs of utilities grids (cold and hot water supplies, centralized heating, and sewage systems) in 348 buildings.

Engineering infrastructure.

Utilities



- Continued works on construction of the Second thread of the main public sewer.

- Performed preparatory works on Reconstruction of Facilities for Cleansing Sewer Waters and Construction of a Technological Line for Treating and Utilizing Sludge of the Bortnychi Aeration Station (Startup Complex 5 of Turn I).

- Performed capital repairs and improvements on 426 elevators in residential buildings.

- Equipped 155 play grounds.



Education



- Renovated facilities of comprehensive educational institutions of the City within the Project "Renewed School".

- Reorganized 5 schools/ kindergartens/ nurseries and educational complexes into pre-school educational institutions (have created and restored 2,932 places to study).

- Formed 8 educational complexes which include elementary schools.

- The number of inclusive classes have grown by 43%: 395 children studied in 136 such classes.

- Completed:

- Reconstruction of comprehensive secondary school №140 in 47/8 Lvivska Street in Sviatoshynskyi district;

- Construction of a pre-school educational institution in Osokorky residential area, urban block 10, site 36 in Darnytskyi district.

- Renewed, upon capital repairs and reconstruction, operations of pre-school educational institutions №720 in Pecherskyi district and №423 in Shevchenkovskyi district.





Key activities implemented in 2016 within the Strategy-2025

E-government



- Have developed and is being implemented an analytical platform “Managing the Property Complex of the City” which includes the following modules:
 - Monitoring of real estate developments;
 - Accounting for parking sites;
 - Real-time broadcasting of digging works;
 - Calculation of a obligatory contribution to the City's infrastructure development budget using a simplified procedure;
 - Road repairs;
 - Pre-school and educational institutions.
- Developed a software analytics platform for managing financial and business activities in the city of Kyiv.
- Introduced the platform “Open Budget”, which insures transparency and free access of the public to the data on the status of the City's budget execution in real time.
- Introduced the platform “Public Budget” (a participation budget), which allows the Kyiv residents to participate directly in the budgeting process.
- Within a process of implementation of the platform “Electronic Medicine”, introduced the project “Medical Care without Lines”.
- Developed and implemented warning systems for emergencies



Social care and protection



- Implemented an investment project on sales of bread and breadstuffs at lower than market prices.
- Acquired 455 apartments for further distribution among the people who require improving their housing.
- Installed 290 video cameras in the city center and on bridges across the Dnipro and 3,424 video cameras on municipal property (schools, kindergartens, hospitals, museums, etc.).
- Provided a non-recurring targeted financial support to 440.2 thousand persons from certain categories of socially and economically disadvantaged groups of people.
- Provided annual financial support to over 21 thousand of the ATO participants and members of their families; paid cash compensation for housing to 52 persons.



Economic development. Business activities. Investments. Employment



- Held an exhibition of industrial products by Kyiv-based manufacturers “Made in Kyiv” where 149 industrial entities and 41 institutions presented their best specimen products.
- Held almost 3 thousand food markets.
- Conducted First Investment Forum with participation of domestic and foreign investors.
- 284 persons received financial support to start up their own businesses.
- Created jobs to more than 14 thousand persons, and 148 persons were employed based on recommendations of the Employment service.
- Facilitated trainings on occupational guidance for the unemployed in accordance with market needs using the most effective training programs and intensive module technologies. Held 168 workshops with 1,450 persons participating and 5.7 thousand unemployed had completed courses, were re-trained, or improved their qualifications.
- Occupational guidance services were provided to 42.6 thousand students of comprehensive secondary schools.



Tourism



- Upgraded directional signs on popular attractions and tourist information stands (poles).
- Filled the tourist portal of visitkyiv.travel with contents in three languages (Ukrainian, Russian, English).
- Opened and financed functioning 2 tourist information centers at the airports Kyiv (Zhuliany) and Boryspil.



Ecology and environmental protection



- Performed capital repairs in 16 parks, 4 boulevards, and 38 public gardens (58 sites).



Key activities implemented in 2016 within the Strategy-2025

Healthy Kyiv residents



- Held 347 sports and mass participation events in which about 706 thousand persons took part
- Held 567 municipal competitions with more than 92.5 thousand persons participating, held competitions of XXIII Spartakiada (Sports and Athletic Meeting) "Believe in Yourself", including the participation of disabled children.
- Equipped with facilities 188 sports grounds.
- Performed capital repairs of stadiums and sports grounds in 16 comprehensive secondary educational institutions.
- Completed capital repairs of 36 buvettes and built 8 water wells.
- Opened:
 - 1 traumatology department in Kyiv City Children's Clinical Hospital # 1;
 - A department of post-intensive care for the newly born on the basis of Kyiv City Maternity Hospital # 2;
 - A mammography office in the branch of "Consulting and Diagnostic Center".
 - 2 hospitals of intensive care for adults and 2 departments of emergency medical care for children;
 - A hospice department in the Kyiv City Clinical Hospital for War Veterans;
 - An office for free HIV testing.
- Purchased:
 - 100 units of specialized emergency medical vehicles "Ford Fiesta" (Euro 5+);
 - 15 specialized ambulance vehicles;
 - endoprotheses (for total amount of UAH 10 million) and life saving medication (UAH 72 million).
- Financed:
 - UAH 47 million for treatment of oncology patients (by UAH 31 million more than in 2015);
 - 100% need of funds for conducting hemodialysis.



Cultural heights



- Conducted 10 thousand cultural and educational and artistic activities, exhibitions, festivals, events, concerts, and programs devoted to municipal, state, and religious festivities.
 - Increased the number of annual and life-long municipal grants to outstanding leaders in culture and arts, the number of nominations to the Kyiv Artistic Award and the Kyiv Pectoral Theater Award and the amount of a theater benefit.
 - Upgraded facilities of public libraries and extended their social and cultural functions, opened a renovated space of "BiblioHUB" in the Central Children's Library named after T. Shevchenko.
 - Opened the Memorial Apartment of V. S. Kosenko, the branch of the Museum of Theater, Music, and Movie Art of Ukraine.
 - Entered into 175 guarding agreements on items of cultural heritage.
- Have performed works on restoration of:
- The Kyiv Academic Operetta Theater;
 - Educational institution of Kyiv Children's Arts School №2 named after M. I. Verykivskyy, with the extension of a concert hall.







Indicators of performance against the Kyiv's Strategy 2025

A comparative assessment of the actual value of the 2016 and 2016 target value:

-  Current value of the indicator is on track with the target value growth as defined by the Strategy 2015
-  Growth is small of below the estimated level as defined by the Strategy 2015
-  Current value is worse than the baseline or the target
-  Data on the indicator is not available or not sufficient for calculations

Overall: 35 indicators in the green zone,
18 indicators in the yellow zone,
17 indicators in the red zone.

	Indicator	Measurement unit	Baseline (2009/2010)	Target value 2016	Fact 2016	Target value (2025)	Performance of the indicator
Strategic goals							
1	Average annual growth of real GRP	% / year	5.7	6.0 ¹	2.5 ¹² (expected)	6.5	
2	Income per capita	UAH	52,709 (2013)	59,079*	91,356.6	77,043*	
General							
3	Resident population	mIn persons	2.72	2.89 ¹	2.88	3.1	
4	City area	th hectares	84	84 ⁶	84	84	
Economic development							
5	Cumulative foreign direct investments per one resident citizen	USD th/citizen	5.6	9.4 ¹	7.5	30.8	
6	Capital investments per year	UAH th/citizen	5.2	9.3 ¹	33.9	16.8	
7	Share of small companies in sales of city's products	%	15	7.5 ²	15 ¹⁵ (2015)	35	
8	Nominal GRP per capita	UAH th/citizen	97.4 (2012)	130.2*	155.9 ¹⁴ (2015)	171.1*	
9	Foreign direct investment per capita	USD	9,959 (as of January 1, 2014)	10,720*	7,468.8	12,250*	
10	Export of goods per capita	USD	4,322 (2013)	4,654*	3,872.6	5,007*	
11	The quantity of small enterprises per 10 thousand persons	units	252 (2012)	289*	290 ¹⁵ (2015)	311*	
12	The quantity of medium enterprises per 10 thousand persons	units	14 (2012)	15*	11 ¹⁵ (2015)	18*	
13	Volume of innovative products as a percentage of total volume of sold industrial products	%	4.4 (2012)	7.5*	0.4 ¹⁵ (2015)	10*	
14	The average monthly wage (nominal)	UAH	5,007 (2013)	6,893*	8,648	8,825*	



Indicators of performance against the Kyiv's Strategy 2025

(Continued)

	Indicator	Measurement unit	Baseline (2009/2010)	Target value 2016	Fact 2016	Target value (2025)	Performance of the indicator
Transport							
15	Length of lines of public transport	km/1000 persons	9.6	15.6 ³	13.1 ³	16.1	
16	Density of roads	km/km ²	2.1	2.5 ³	2.12 ³	2.8	
17	The quantity of victims in accidents	persons/km	2.3	1.6 ³	2.3 ³	1.2	
18	Distribution of passenger by mode of transport	the ratio of public/private/alternative	52/48/0	40/25/35 ³	37/30/33 ³	50/40/10	
19	The average speed of public and auto transport during peak hours	km/h	23	35 ³	17.5 ³	40	
20	Area of roads that require repairs	%	85	35 ³	60 ³	<15	
Housing and utilities services							
21	Length of electricity distribution networks	km/1000 persons	4.2	5.0 ⁴	4.54 ⁴	9.4	
22	Density of electricity distribution networks	km/m ²	13.9	16.7 ⁴	15.5 ⁴	40	
23	Length of water supply pipelines	km/1000 persons	1.5	1.7 ⁴	1.5 ⁴	3.6	
24	Density of water supply pipelines	km/km ²	5	5.7 ⁴	5.1 ⁴	15.3	
25	Length of sewage network	km/1000 persons	0.9	1.2 ⁴	0.92 ⁴	3	
26	Density of sewage network	km/km ²	3.1	4.0 ⁴	3.2 ⁴	12.8	
27	Share of water losses from general consumption	%	20	15 ⁴	18.6 ⁴	5	
28	Degree of wear of electric transforming substations	%	41	41 ⁴	67.2 ⁴	<10	
29	Degree of wear of heating networks	%	52	52 ⁴	69.4 ⁴	<15	
30	Degree of wear of Desnianska and Dniprovskia intake stations	%	75	45 ⁴	90/89 ⁴	<10	
31	Share of buildings worn out by more than 40%	%	16	10 ⁴	- ¹⁸	<5	
32	The level of total area equipped with the residential water supply system in the urban area	%	99 (2012)	99.3 [*]	100 ⁴	99.8 [*]	



Indicators of performance against the Kyiv's Strategy 2025

(Continued)

	Indicator	Measurement unit	Baseline (2009/2010)	Target value 2016	Fact 2016	Target value (2025)	Performance of the indicator
Ecology							
33	Emissions of harmful substances	t/km ² /year	333	275		250	
34	The share of solid household waste processing	%	5	15 ⁴	14 ⁴	40	
35	The share of re-equipped systems of environmentally unsafe sewage and cleaning constructions	%	15	45 ⁴	25.2 ⁴	75	
36	Generally accessible existing green zones	m ² /inhabitant	16	18 ⁵	21.6 (31.12.2016)	20	
37	The share of recycled waste from the total amount of generated waste	%	0.2 (2012)	9.5 [*]	22 ¹⁵	19.2 [*]	
38	The area of land of natural reserve fund	th ha	12.5 (01.01.2013)	15.9 [*]	13.3 ⁶	17.6 [*]	
39	Specific weight of the area of the natural reserve fund to the area of the administrative-territorial unit	%	14.9 (01.01.2013)	19 [*]	15.9 ⁶	21.0 [*]	
Culture							
40	The quantity of visits to museums per resident	visitors/residents of the city	1.5	0.355 ⁷	0.349 ⁷	2.8	
41	The quantity of visits to the theatres per resident	visitors/residents of the city	0.4	0.242 ⁷	0.250 ⁷	1.2	
42	The quantity of galleries	galleries/100,000	1.42	–	– ¹⁹	3.22	
Tourism							
43	The quantity of tourists	million persons	1	1.2 ¹	1.2	2.6	
44	Average length of stay of tourists	days	2.1	2.2 ¹	1.9	3	
45	The quantity of places at hotels	thousand units	10	10.7 ¹	9.2	18	
46	The occupancy rate of rooms at hotels	%	33	29 ¹	34	68	
47	The share of revenues from tourism in GRP	%	0.7	1.4 ¹	1.4	min. 2.5	
Healthcare							
48	Life expectancy at birth	years	72.7	73.8 ⁸	74.0 ¹² (2015)	79.8	
49	Primary morbidity	persons	966.6	860.5 ⁸	868.4 ⁸	777.3	
50	Mortality of working age	cases/1000 inhabitants	3.7	3.8 ⁸	3.8 ¹² (2015)	2.6	

Source: KCSA



Indicators of performance against the Kyiv's Strategy 2025

(Continued)

	Indicator	Measurement unit	Baseline (2009/2010)	Target value 2016	Fact 2016	Target value (2025)	Performance of the indicator
51	The proportion of spending on primary healthcare from all public expenditure on healthcare	%	8-10	19.0 ⁸	19.0 ⁸	20-30	
52	Implementation of the contractual relationship	yes/no	no	yes ⁸	yes ⁸	yes	
53	The average quantity of working days of hospital beds per year	Days	297	310 ⁸	307.4 ⁸	330	
54	The average duration of treatment at hospital	Days	11	10.8 ⁸	10.6 ⁸	6	
55	Mortality in children under 1 year	cases/1000 births	7.5	6.1 ⁸	5.6 ⁸	4	
56	Provision of the population by physicians of all specialties (on 10 thousand of people as of end of the year)	Persons	82.4 (2012)	88.9*	84.2 ⁸	89.7*	
57	Mortality rate on 1000 population	per thousand	9.8 (2013)	9.5*	10.5 ⁸	9.1*	
58	Demographic dependency ratio: per 1,000 residents aged 16 to 59 (urban areas)	per thousand	510 (as of January 1, 2013)	489.7*	675 ¹² (2015)	487.9*	
Education							
59	The ratio of students to teachers in schools	Coefficient	10	10 ⁹	9 ⁹	8	
60	The quality of education (Newsweek)	Ranking	64	–	– ²⁰	78	
61	The ratio of children to teachers at PEI	Coefficient	92	9 ⁹	8.2 ⁹	7	
62	The ratio of students to teachers at Vocational training educational institutions	Coefficient	21	7.1 ⁹	6.7 ⁹	18	
63	The ratio of children to places at Preschool educational institutions	%	112	100 ⁹	118 ⁹	92	
64	The ratio of teacher salaries to average salary	%	74	82 ⁹	70 ⁹	100	
65	Turnover ratio of teaching staff	%	12	12 ⁹	13 ⁹	3	
66	The quantity of schools that need overhaul	Units	377	222 ⁹	235 ⁹	40	
67	The proportion of employed graduates of PTNZ	%	87	98.6 ⁹	98.6 ⁹	95	
68	Coverage of preschool by education institutions	%	65 (2012)	61*	67.3 ⁹	65	
Security							
69	The quantity of crimes	crimes/1000 persons	12.8	21 ¹⁰	25.2 ²¹	8.5	
70	Integrated safety rating by EIU	ranking	70	–	– ²²	78.9	

Source: KCSA



Indicators of performance against the Kyiv's Strategy 2025

(Continued)

	Indicator	Measurement unit	Baseline (2009/2010)	Target value 2016	Fact 2016	Target value (2025)	Performance of the indicator
Social protection and safety							
71	International household incomes inequality index	coefficient	0.41	0.37 ¹¹	0.268 ¹⁶ (2015)	0.33	
72	Number of workplaces for persons with NFA	places	0	–	– ²³	500	
73	General quantity of persons with NFA to the number of persons in institutions for persons with NFA	%	230	178 ¹¹	177 ²⁴	100	
Labor market							
74	Unemployment rate among persons aged 15-70	%	5.2 (2013)	5.1 ¹¹	6.7	5.1	
75	Average salary level	EUR/person	315	248.8 ¹¹	304.5 ²⁵	>1100	
76	Unemployment rate ratio among economically active men to Unemployment rate ratio among economically active women	coefficient	1.3	1 ¹¹	0.9 ¹⁷ (2015)	1	

* The target value of indicator on 2016 and 2020 in accordance to the Regulations of the Cabinet of Ministers of Ukraine from 06.08.2014 № 385 and decision Kyiv City Council from May 14, 2015 № 463/1327;

¹ The indicator value based on information provided by Department of Economics and Investments of Kyiv City Council executive body (Kyiv City State Administration);

² The indicator value based on information provided by Department of Industry and Enterprise Development of Kyiv City Council executive body (Kyiv City State Administration);

³ The indicator value based on information provided by Department of Transport Infrastructure of Kyiv City Council executive body (Kyiv City State Administration);

⁴ The indicator value based on information provided by Department of Housing and Utility Infrastructure of Kyiv City Council executive body (Kyiv City State Administration);

⁵ The indicator value based on information provided by Department of Urban Improvement and Preservation of the Natural Environment of Kyiv City Council executive body (Kyiv City State Administration);

⁶ The indicator value based on information provided by Department of Land Resources of Kyiv City Council executive body (Kyiv City State Administration);

⁷ The indicator value based on information provided by Department of Culture of Kyiv City Council executive body (Kyiv City State Administration);

⁸ The indicator value provided based on information Department of Healthcare of Kyiv City Council executive body (Kyiv City State Administration);

⁹ The indicator value based on information provided by Department of Education, Youth and Sports of Kyiv City Council executive body (Kyiv City State Administration);

¹⁰ The indicator value based on information provided by National Police Headquarters in Kyiv;

¹¹ The indicator value based on information provided by Department of Social Policy of Kyiv City Council executive body (Kyiv City State Administration);

¹² Data on 2016, according to the schedule of promulgation of express editions of Main Office of Statistics of Kyiv, provided in July 2017;

¹³ The indicator value on 2016 according to The state statistical observation is calculated and published on the site of the Main Department of Statistics of Kyiv in May 2017 (emission volumes, including stationary and mobile sources in 2015 - 171.0 thousand tonnes, emissions of stationary sources in 2016 - 34.3 thousand tonnes). In 2016, calculations were carried out on volumes of pollutant emissions from mobile sources of pollution;

¹⁴ Data on 2016, according to the schedule of promulgation of express editions of Main Office of Statistics in Kyiv;

¹⁵ Data on 2016, according to the schedule of promulgation of express editions of Main Office of Statistics of Kyiv;

¹⁶ Data on 2016, according to the schedule of promulgation of express editions of Main Office of Statistics of Kyiv;

¹⁷ Data on 2016, according to the schedule of promulgation of express editions of Main Office of Statistics of Kyiv;

¹⁸ accounting of residential buildings, which have amortization depreciation over 40% is not provided by regulations It is expedient to exclude marked indicator from; the list of targets indicators

¹⁹ Galleries are not registered with the Department of Culture of the executive body of the Kyiv City Council (Kyiv City State Administration);

²⁰ The 2010 Newsweek magazine conducted a study. Indicators: state of health and education, quality of life, Economic dynamism and a favorable political situation. As a result, an interactive rating of the states was compiled. The level of education quality in countries was assessed by the average level of TIMSS (Trends in International Mathematics and Science Study) or PISA (Program for International Student Assessment). For countries that do not carry out such tests, assessments are based on the level of literacy (the CIA directory of countries of the world) and the average duration of training. Ukraine in the researches such as TIMSS participated in 2011. PISA studies were conducted in 2012. 64 countries participated in the study. Ukraine was not among the participants. Therefore, information on the quality of education (Newsweek) for 2016 can not be provided.

²¹ According to information from the National Police Headquarters in Kyiv as of December 31, 2014, 73,461 criminal offenses were registered in the capital. The value of this indicator is calculated on the basis of 1,000 people. The average population of the current population is used to calculate 2,916,165;

²² According to the information provided by the National Police Headquarters in Kyiv, there is no data on the complex EIU (Economist Intelligence Unit) security rating;

²³ According to the Department of Social Policy, vacancies for persons without a PMM are not reserved separately;

²⁴ Social protection institutions for the homeless, subordinated to the Department of Social Policy, has expanded 466 beds, and the Center for the registration for homeless people in 2016 recorded 825 people;

²⁵ 0.0361 EUR - according to the average annual exchange rate of the EUR for 2016.

A close-up photograph of a hand with purple nail polish holding a black and silver pen. The pen is positioned over a document that features a blue pie chart and some text. In the background, a laptop screen is visible, displaying a red and blue graphic. The overall scene suggests a professional or business setting.

Section 5.

SOCIAL AND ECONOMIC PERFORMANCE



Kyiv's City social and economic development in 2016

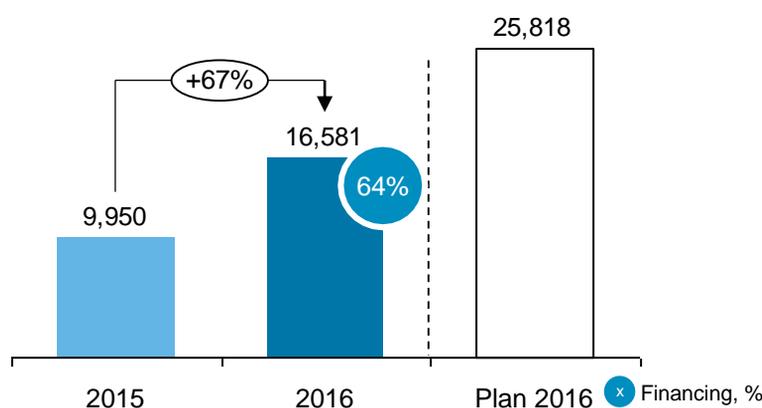
In 2016, financing dedicated on implementation of special-purpose municipal programs grew from UAH 10.0 billion to UAH 16.5 billion

Total actual spend on special-purpose municipal programs on improvement of social and economic situation amounted to 64% of the plan, total underspend equaled UAH 9.2 billion.

Insufficient funding of special-purpose municipal programs largely incurred at:

- Development of the City's infrastructure – Comprehensive Special-Purpose Program on Improving Energy Efficiency and Development of Housing and Utilities Infrastructure of Kyiv for the Years 2016–2020 (by UAH 4.3 billion lower than the planned figures);
- Economic development – Comprehensive Kyiv City Special-Purpose Program on Promoting Entrepreneurship, Industry, and Consumer Market for the Years 2015–2018 (by UAH 1.6 billion lower than the planned figures);
- Social care and protection – Program for Building/Purchasing Affordable Housing in the City of Kyiv for the Years 2010–2017 роки (0% of funding with plan at UAH 2.3 billion).

Funding of municipal special-purpose programs [UAH million]



Financing and executing budget on municipal special purpose programs by areas [UAH million, %]

Area	2015			2016			
	Actual	Financed [%]	Share [%]	Actual	Plan	Financed [%]	Share [%]
Demographic situation	82.1	94%	1%	0.0	0.0	-	0%
Economic development	474.9	16%	5%	1,954.8	3,580.8	55%	12%
Infrastructure	320.2	23%	3%	1,357.9	5,669.3	24%	8%
Health care	1,165.3	82%	12%	1,978.0	2,283.9	87%	12%
Social care and security	717.6	25%	7%	1,256.9	3,517.2	36%	8%
Education	6,284.4	96%	63%	8,447.9	9,029.8	94%	51%
Tourism	2.3	18%	0%	8.6	53.5	16%	0%
Culture	738.4	101%	7%	1,385.0	1,437.7	96%	8%
Science, technologies, and innovations	2.2	1%	0%	112.1	154.1	73%	1%
Environment and environmental security	87.4	77%	1%	13.4	19.6	68%	0%
Other municipal special-purpose programs	75.4	89%	1%	66.2	72.0	92%	0%
Total	9,950.3	60%	100%	16,580.9	25,817.7	64%	100%

Source: KCSA



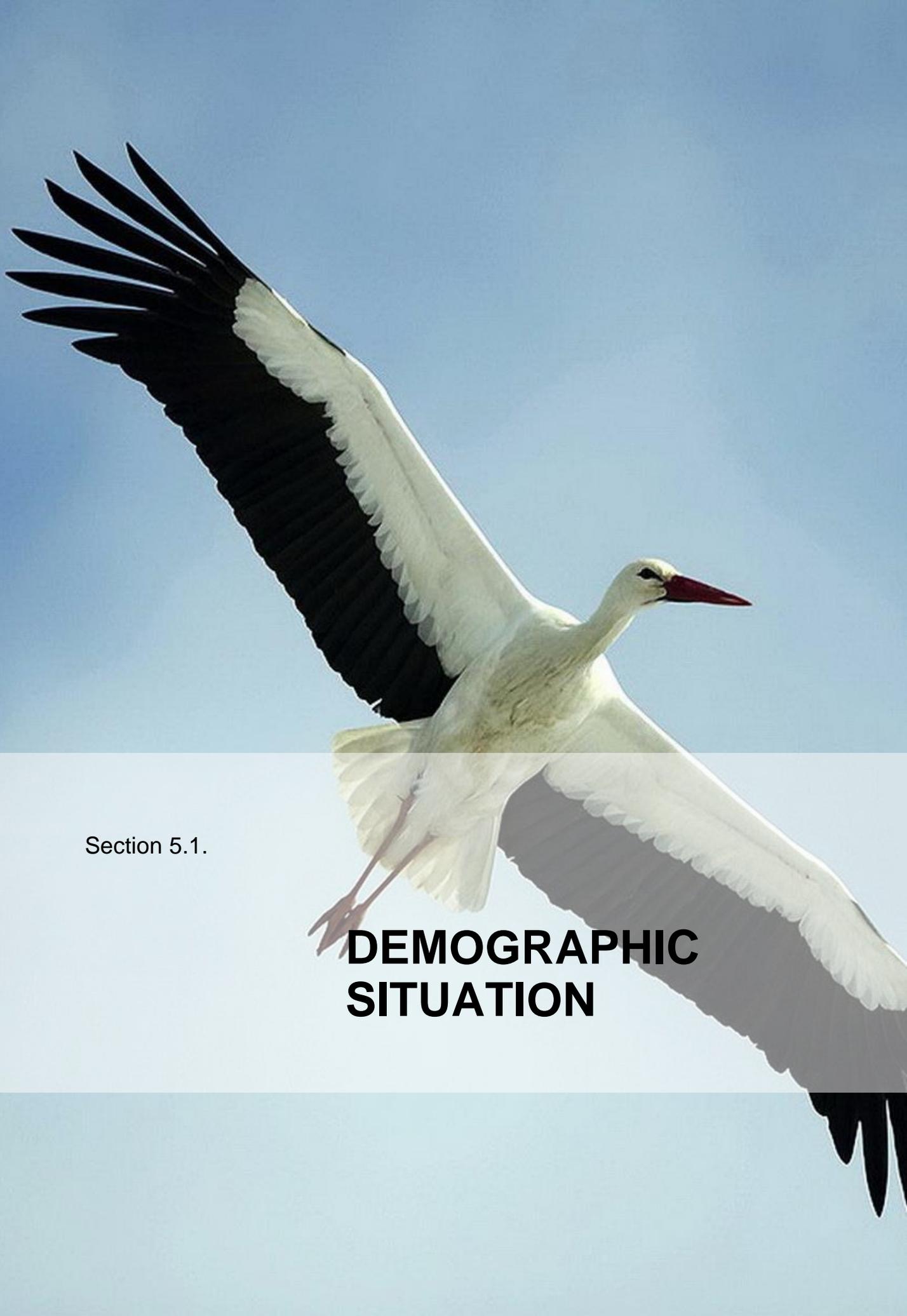
The list of municipal special-purpose programs that were effective in the city of Kyiv in 2016

#	Name of municipal special purpose programs that were effective in 2016	Document according which the program was approved
Demographic situation		
1	Municipal special-purpose program for family and youth support in the period from 2012 to 2016	Decision of the Kyiv City Council # 5/8289 dated September 20, 2012
Economic development		
2	Program of Kyiv's City public occupation for the period to 2017	Decision of the Kyiv City Council # 27/9615 dated October 2, 2013
3	Comprehensive Kyiv's City special-purpose program for assistance to entrepreneurship, industry, and consumer market in the period from 2015 to 2018	Decision of the Kyiv City Council # 409/1274 dated April 16, 2015
Infrastructure		
4	Special-purpose program "Drinking water of Kyiv City for the period from 2011 to 2020"	Decision of the Kyiv City Council # 220/5032 dated November 4, 2010
5	Comprehensive special-purpose program for improving energy efficiency and developing housing and municipal infrastructure in the Kyiv City for the period from 2016 to 2020	Decision of the Kyiv City Council # 232/232 dated March 17, 2016
Health care		
6	Municipal special-purpose program "Health of Kyiv Citizens" for the period from 2012 to 2016	Decision of the Kyiv City Council # 208/7545 dated March 15, 2012
7	Municipal special-purpose program for rehabilitation and recreation of Kyiv's City children for the period up to 2018	Decision of the Kyiv City Council # 21/21 dated July 3, 2014
8	Municipal special-purpose program for training medical staff for medical institutions of Kyiv City for the period from 2011 to 2017	Decision of the Kyiv City Council # 9/5396 dated February 17, 2011
9	Municipal special-purpose program in respect of local incentives to medical employees of Kyiv City for the period from 2013 to 2016	Decision of the Kyiv City Council # 446/9934 dated November 13, 2013
10	Municipal comprehensive program "Capital's youth and sports" for the period from 2016 to 2018	Decision of the Kyiv City Council # 870/870 dated July 28, 2016
Social care and security		
11	Municipal special-purpose program "Social partnership" for the period from 2016 to 2018	Decision of the Kyiv City Council # 89/89 dated February 11, 2016
12	Program for construction (purchase) of affordable housing in Kyiv City for the period from 2010 to 2017	Decision of the Kyiv City Council # 30/4842 dated September 16, 2010
13	City special-purpose program for Municipal Rescue Service "Kyivska Sluzhba Poriatunku" re-equipment, perspective and social development, 2012 – 2016	Decision of the Kyiv City Council # 21/7358 dated January 26, 2012
14	Municipal special-purpose program "Children, Family and Capital for the period from 2016 to 2018"	Decision of the Kyiv City Council # 90/90 dated February 11, 2016
15	Municipal special-purpose program "Care Towards Kyivans" for the period from 2016 to 2018	Decision of the Kyiv City Council # 116/116 dated March 3, 2016
16	Municipal special-purpose comprehensive program for prevention and fighting crime in the Kyiv "Safe Capital" for the period from 2016 to 2018	Decision of the Kyiv City Council # 334/334 dated April 14, 2016

Source: KCSA



#	Name of municipal special purpose programs that were effective in 2016	Document according to which the program was approved
Education		
17	City special purpose program for legal education for Kyiv city citizen for 2012 – 2016	Decision of the Kyiv City Council # 1005/7241 dated December 29, 2011
18	City complex special purpose program “Kyiv Education for 2016 – 2018”	Decision of the Kyiv City Council # 125/125 dated March 3, 2016
Tourism		
19	City special purpose program for tourism development in Kyiv city for 2016 – 2018	Decision of the Kyiv City Council # 91/91 dated February 11, 2016
Culture		
20	Complex special purpose program "Culture of the capital, 2016 – 2018"	Decision of the Kyiv City Council # 323/323 dated April 14, 2016
Science, technologies, and innovations		
21	City special purpose program “Digital capital” for 2015 – 2018	Decision of the Kyiv City Council # 654/1518 dated July 2, 2015
Ecology and environment		
22	Kyiv city program for the regulation of pet case and the control of homeless animals population by non-cruel means for 2012 – 2016	Decision of the Kyiv City Council # 382/7719 dated April 5, 2012
23	Program of land use and protection land of Kyiv city for 2016 – 2020	Decision of the Kyiv City Council # 729/729 dated July 14, 2016
Other municipal special-purpose programs		
24	City complex program "Local Self-Government and Civil Society Support in Kyiv City for 2012 – 2016"	Decision of the Kyiv City Council # 842/7078 dated December 15, 2011
25	City special purpose program for international relations development for 2015 – 2018	Decision of the Kyiv City Council # 73/938 dated February 12, 2015
26	City special purpose program "Awards" for 2012 – 2016	Decision of the Kyiv City Council # 226/8510 dated November 01, 2012
27	City special purpose program "Informational Kyiv" for 2016 – 2018	Decision of the Kyiv City Council # 333/333 dated April 14, 2016
28	City special purpose program for improving military draft preparation, recruitment office registration, service draft, draft under mobilization, contracted service for 2016 – 2018	Decision of the Kyiv City Council # 859/859 dated July 28, 2016



Section 5.1.

DEMOGRAPHIC SITUATION

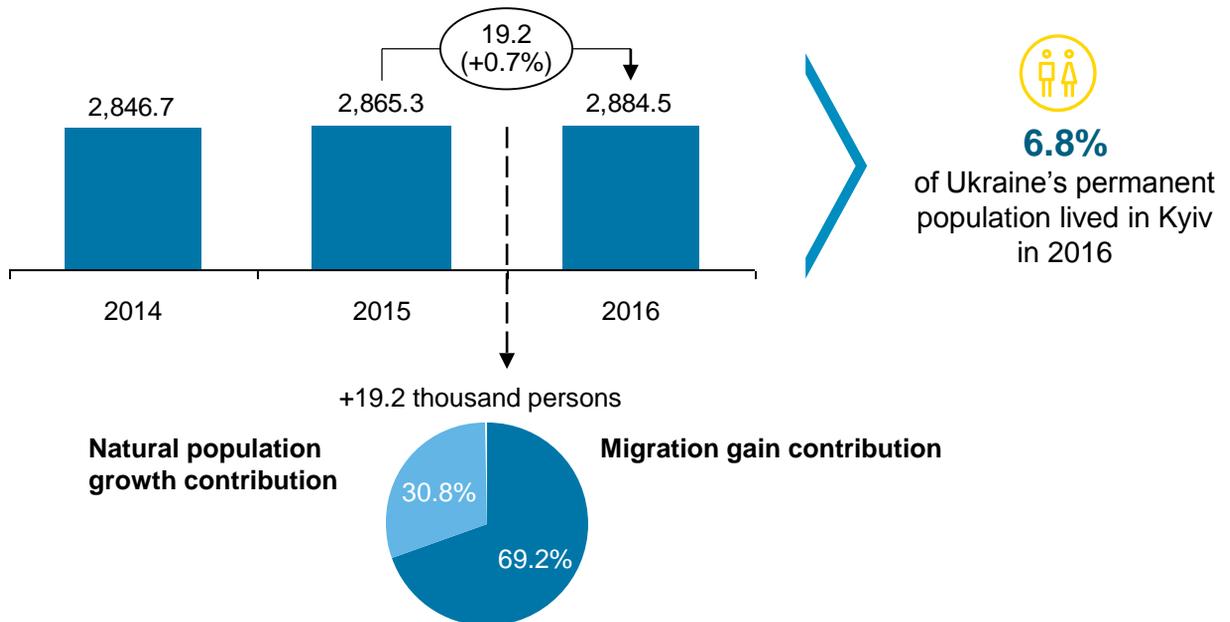


Demographic situation

Estimated permanent population in the city of Kyiv is increased by 19.2 thousand persons reaching 2.88 million persons

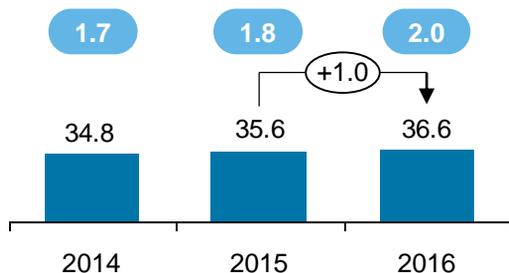
The quantity of official resident population in the city of Kyiv increases at a modest rate. Positive net migration and birth rates were the key reasons for the population growth.

Permanent population of Kyiv [thousand persons]



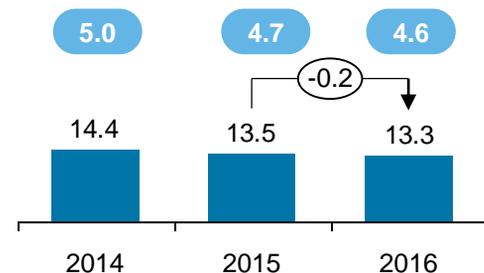
The quantity of the newly born in Kyiv [thousand persons]

Natural population growth ratio



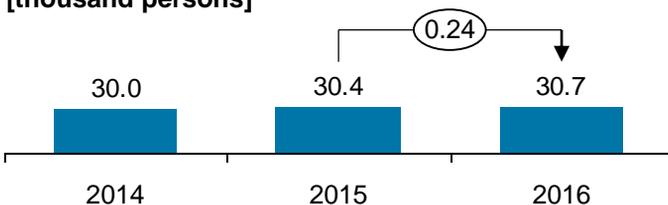
Net migration gain [thousand persons]

Migration gain ratio



The quantity of births registered in Kyiv in 2016 increased by 1,012 persons as compared to 2015. 2016 saw an insignificant decline in migration gain which was by 1.3% less than in 2015. The number of deaths registered grew by 241 persons compared to 2015.

The quantity of the deaths in Kyiv [thousand persons]



Calculated and actual values may differ due to rounding.

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>



Summary of special-purpose municipal programs in 2016 that related to the demographic situation

Special-Purpose Municipal Program for Family and Youth Support in 2012 to 2016



Responsible for execution:

Education and Science, Youth, and Sports Department



Program 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 program activities and actions in 2016:

The Kyiv City Council Decision # 90/90 dated February 11, 2016 approved the execution of the City special-purpose program “Children. Family. The capital in 2016 – 2018”, which had encompassed the previous stages of the city special purpose youth and family support program for 2012 – 2016.



Program funding in 2016:

Plan:

UAH 0 thousand

Actual:

UAH 0 thousand

% execution:

-

Source: KCSA



Section 5.2.

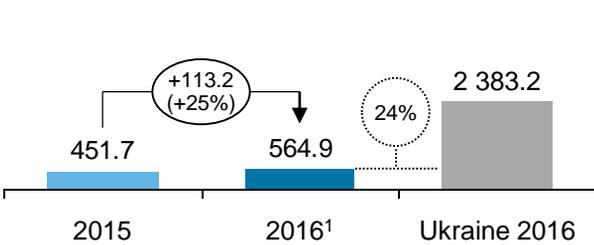
ECONOMIC DEVELOPMENT



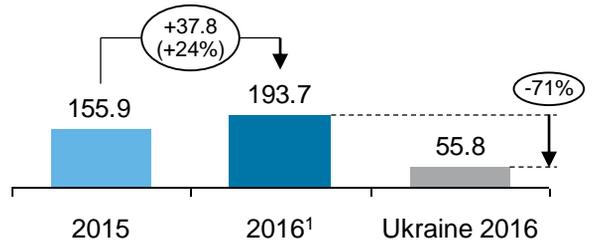
Gross regional product and consumer prices

Kyiv's Gross Regional Product is estimated to grow by UAH 113.2 billion to UAH 564.9 billion in 2016

Gross regional product of the city of Kyiv in actual prices [UAH billion]

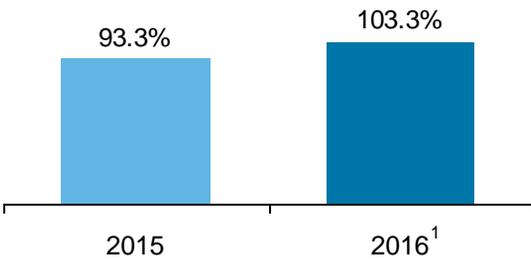


Gross regional product of the city of Kyiv in actual prices per capita [UAH billion]



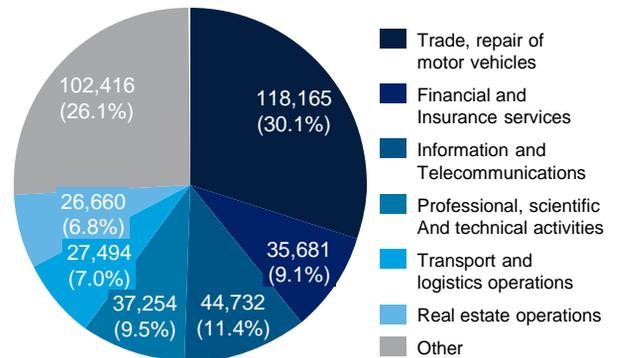
Real gross regional product per capita of the city of Kyiv exceeded a corresponding indicator for Ukraine by UAH 137.9 thousand.

Real gross regional product in previous year prices [% to the prior year]



¹ Expected data

Gross value added by type of economic activity for 2015, in actual prices [UAH million]



Growth of consumer prices [December 2016 vs December 2015; %]

Category of goods/services	2014 Rate growth, %	2015 Rate growth, %	2016 Rate growth, %
Food and alcohol-free beverages	25.8%	40.9%	4.8%
Alcohol beverages and tobacco products	26.4%	25.1%	18.4%
Clothes and footwear	27.8%	35.4%	-1.0%
Housing, water, energy, gas, and other fuels	33.4%	64.3%	54.0%
Household appliances, consumer electronics, and current maintenance of housing facilities	28.9%	37.0%	5.6%
Health care	29.7%	28.4%	8.8%
Transport	38.2%	29.3%	10.9%
Communication	1.3%	8.4%	7.3%
Recreation and culture	36.8%	42.3%	6.1%
Education	5.7%	25.1%	16.5%
Restaurants and hotels	13.7%	21.9%	12.5%
Miscellaneous goods and services	18.2%	33.8%	4.0%
Growth in consumer prices	25.8%	38.6%	14.0%

Calculated and actual values may differ due to rounding.

Source: <http://www.kiev.ukrstat.gov.ua>, <http://www.ukrstat.gov.ua>

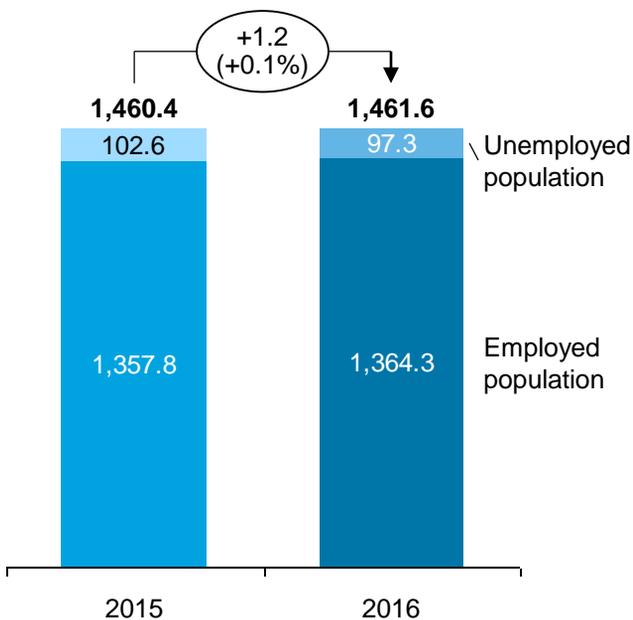


Labor market

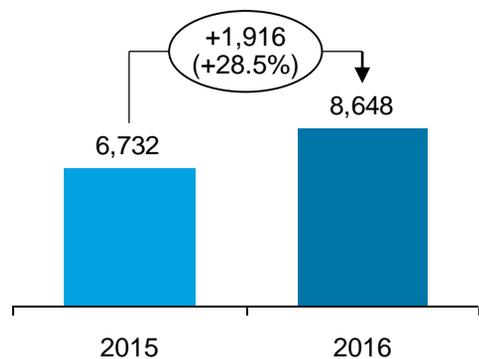
The statistical unemployment level in Kyiv is lower than in other regions of Ukraine

Unemployment rate within the population aged 15-70 was 6.7% in 2016 according to the State Statistics Service of Ukraine¹.

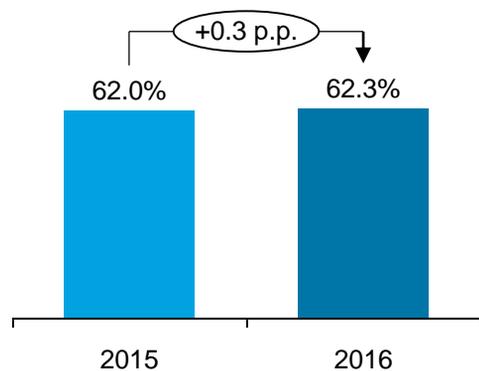
Economically active population of Kyiv aged 15-70 [thousand persons]



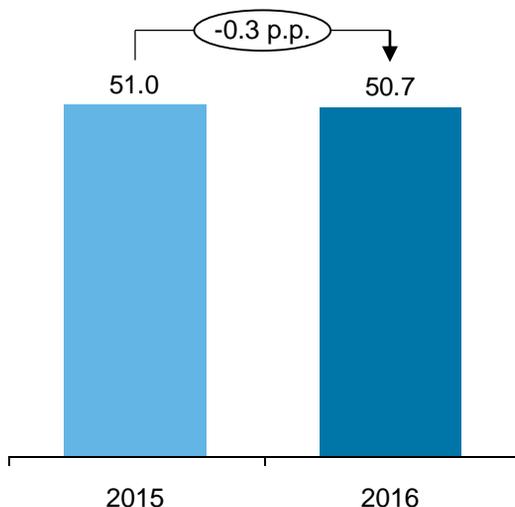
Nominal average monthly salary [UAH per month]



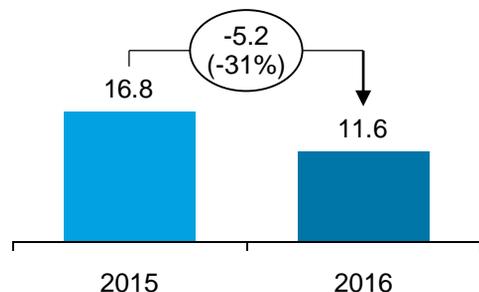
Employment rate of the population in the age of 15-70 years [% of population]



Share of economically active population in relation to the total population of Kyiv [%]



Registered unemployed persons [thousand persons]



Note: p.p. - percentage point

¹ According to the State Statistics Service, "Economic activity of the population for 2016" dated March 27, 2017, No. 117/0 / 09.2vn-17. Source: KCSA, <http://www.kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding

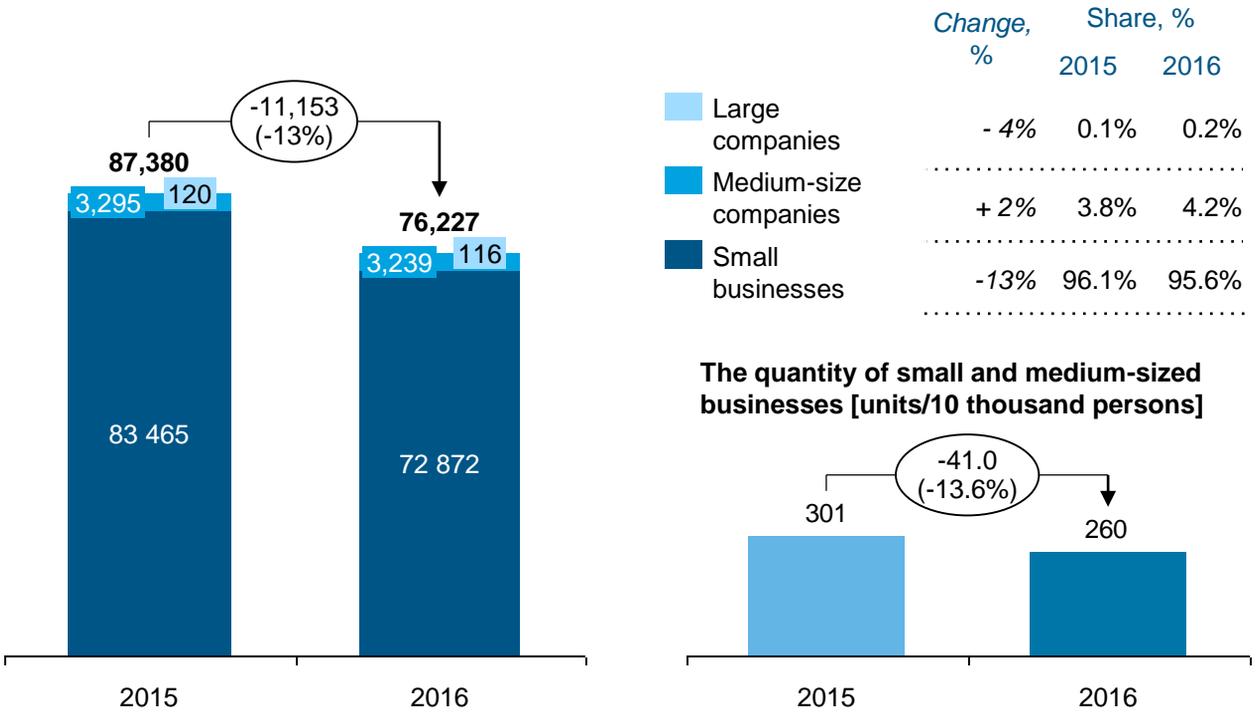


Entrepreneurship

In 2016, the volume of revenues to the budget of taxes and fees from business entities increased

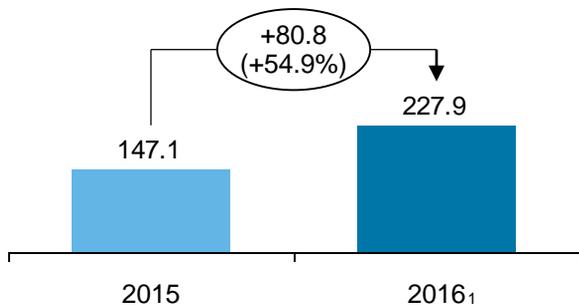
According to the preliminary data of the Main Office of Statistics of Kyiv, the number of small and medium-sized businesses per 10 thousand citizens decreased in 2016 as compared to 2015.

The quantity of companies by size and type of economic activity [units]

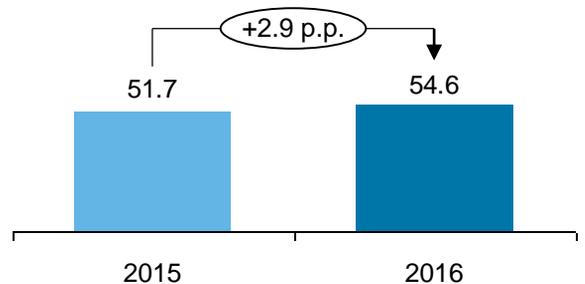


As compared to the previous year, revenues of the Joint budget increased 1.5 times, while revenues of the budget of Kyiv grew 1.7 times.

Budget revenues from taxes and levies imposed on businesses [UAH million]



The share of employed persons in the small and medium-size companies to total employed population in Kyiv [%]



Note: p.p. - percentage point

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>, SFS

¹ The data for 2016 are preliminary and will vary by the end of the year
Calculated and actual values may differ due to rounding.



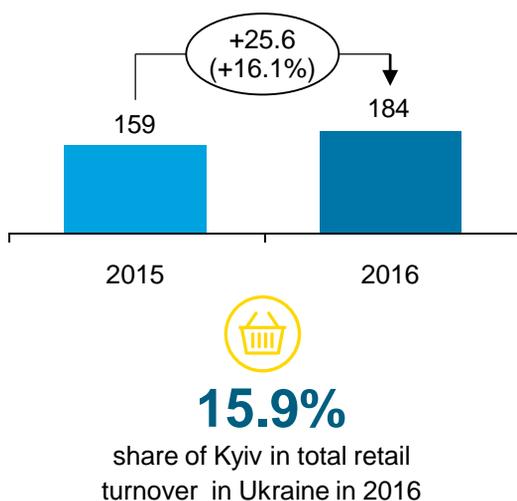
Consumer market

In 2016, the volume of retail trade turnover increased by 16.1% to UAH 184 billion

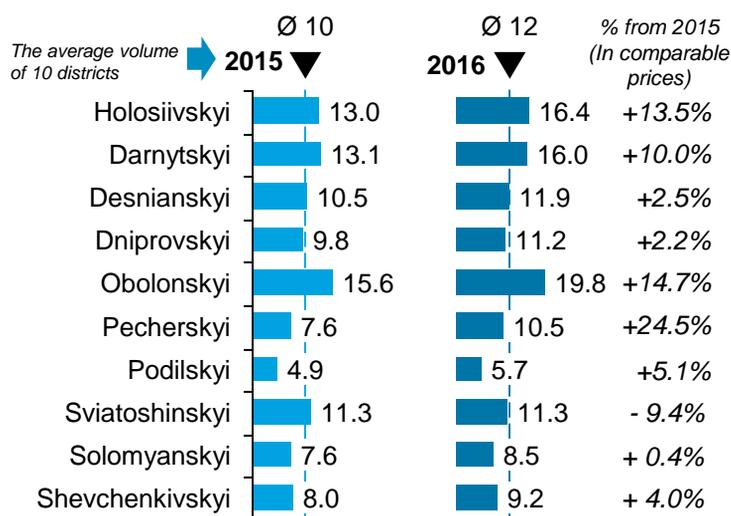
Retail trade

Retail trading volumes grew in 2016 due to the increase in the population's consumer demands driven by the growth in real disposable income. Compared to 2015, sales of retailers increased by 16.1%, which is a sign of recovering purchasing power of the population. Retail trade turnover grew in 2016 in all districts, except for Sviatoshyn.

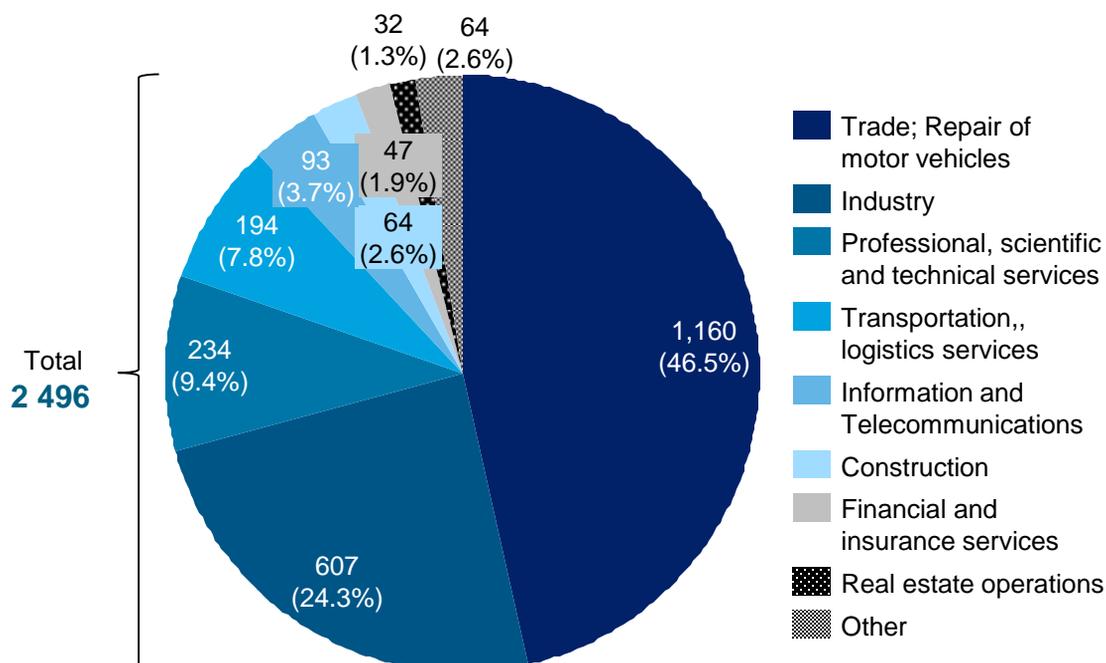
Retail trade turnover [UAH billion]



Retail trade turnover (by district) [UAH billion]



Sales of products (goods, services) by type of economic activity in 2016 [UAH billion]



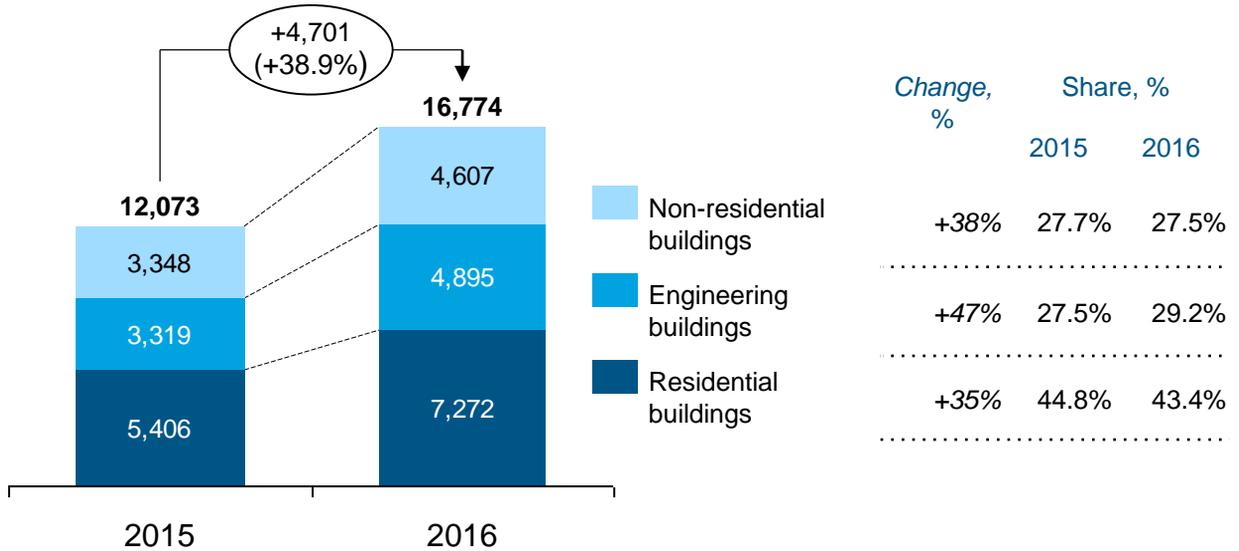
Source: KCSA, <http://www.kiev.ukrstat.gov.ua>
Calculated and actual values may differ due to rounding.



Construction

Kyiv-based companies performed construction works totaling UAH 16.8 billion in 2016, which is 39% higher than in 2015

The structure of projects and the value of delivered construction works in Kyiv [UAH million]



22.8%

of all construction in Ukraine was done in Kyiv

Construction volumes grew by UAH 4.7 billion to UAH 16.8 billion in 2016, largely due to the increase in capital expenses spent by the Kyiv City budget.

Social infrastructure facilities put into operation

Objects	Units of measurement	2014	2015	2016
Residential buildings	Total area [thousand m ²]	1,442.4	1,365.8	1,334.0
Schools	Capacity, places	720	304	400
Pre-schools educational institutions	Capacity, places	1,480	1,630	1,440
Hospitals	Beds	15	71	24



Industrial production

In 2016, the volume of sales of industrial products increased by UAH 24.1 billion

Industrial Production Index for Kyiv-based companies amounted to 104.4% in relation to 2015, which is 1.6 percentage points above the average for Ukraine.

The amount of goods sold was UAH 148.4 billion in 2016, which represented a UAH 24.1 billion increase from the 2015 level. This equals to 8.4% of total goods sold in Ukraine (the share in 2015 was 8.0%).

Goods sold by main processing activity [UAH million]

	2015	Share, 2015	2016	Share, 2016
Processing industry, total	94.7	76%	114.7	77%
Out of it:				
Food, beverages, and tobacco products	54.9	44%	67.8	46%
Textile, clothes, leather, leather products, and other materials	1.3	1%	1.2	1%
Wood-ware and paper manufacturing, printing activities	5.9	5%	6.4	4%
Chemical substances and products' manufacturing	1.3	1%	1.3	1%
Essential medicines and pharmaceuticals	10.0	8%	12.7	9%
Rubber and plastic; other non-metal mineral manufacturing	9.6	8%	10.9	7%
Metallurgy, ready-made metal product manufacturing, production of other types of equipment except machinery and equipment	3.2	3%	4.4	3%
Heavy engineering, other than repairs and assembling of machinery and equipment	6.1	5%	7.1	5%
Other types of processing industry	2.5	2%	3.1	2%
Energy, gas, vapor, and conditioned air supplies	27.0	22%	30.9	21%
Mining and quarrying	0.3	0%	0.5	0%
Water supply; sewage, waste management	2.2	2%	2.3	2%
Total	124.3		148.4	100%

Industrial production index by main type of activity in the city of Kyiv [% to previous year]

	2015	2016	Growth/ Decline
Industry	94.6%	104.4%	↗
Processing industry	94.9%	104.0%	↗
Food, beverages, and tobacco products	87.2%	95.0%	↘
Essential medicines and pharmaceuticals	90.8%	102.2%	↗
Rubber and plastic production; other non-metal minerals	108.6%	105.8%	↗
Heavy engineering, other than repairs and assembling of machinery and equipment	106.6%	101.6%	↗
Wood-ware and paper manufacturing, printing activities	86.5%	91.2%	↘
Metallurgy, ready-made metal product manufacturing, production of other types of equipment except machinery and equipment	107.2%	108.2%	↗
Chemical substances and products' manufacturing	69.7%	97.6%	↘
Textile, clothes, leather, leather products, and other materials	107.3%	89.6%	↘
Energy, gas, vapor, and conditioned air supplies	92.1%	107.3%	↗

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>

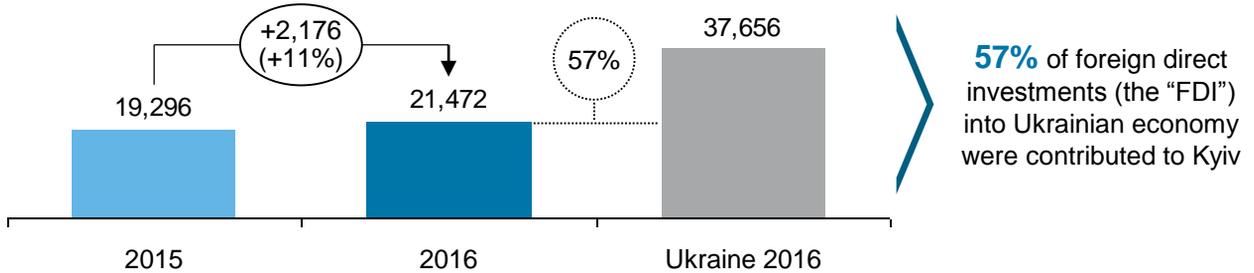
Calculated and actual values may differ due to rounding.



Foreign Direct Investment

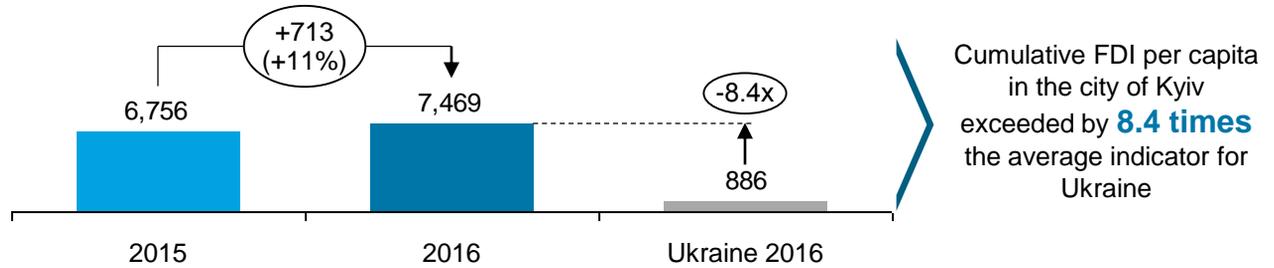
By end of 2016 cumulative foreign direct investments reached USD 21.5 billion

Cumulative foreign direct investments (into share capital) to the economy of Kyiv [USD million]



57% of foreign direct investments (the “FDI”) into Ukrainian economy were contributed to Kyiv

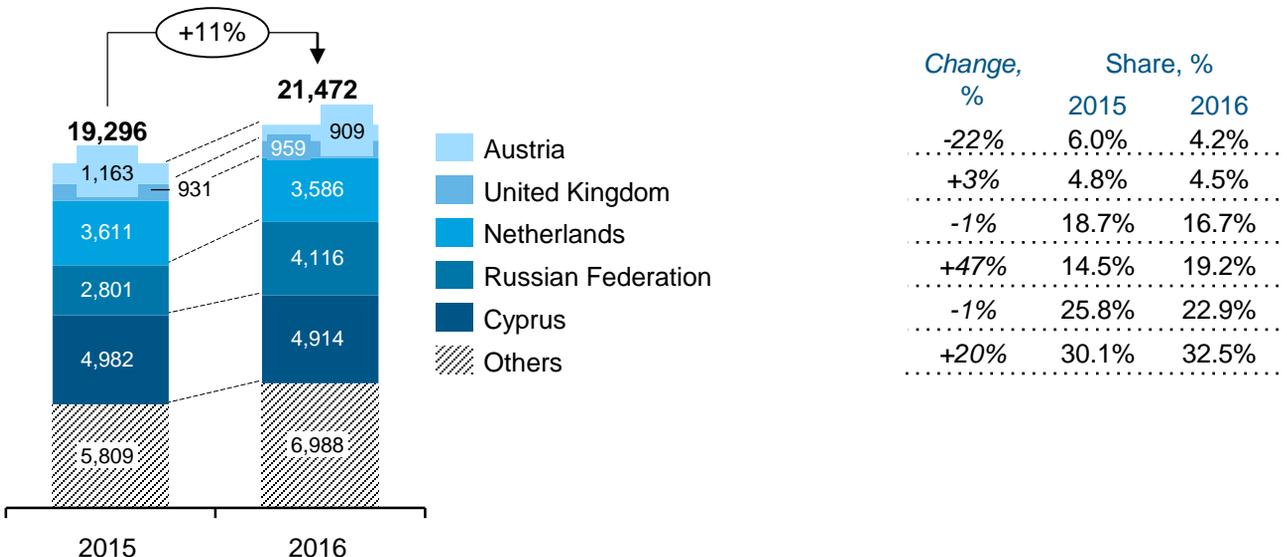
Cumulative foreign direct investments per capita [USD/ 1 person]



Cumulative FDI per capita in the city of Kyiv exceeded by **8.4 times** the average indicator for Ukraine

By end of 2016, top-5 invested countries by volume of FDI made investments totalling USD 14,484 million, which represented 67.5% of the total volume of FDI directed to Kyiv’s economy. One of the key reasons for the growth of FDI in 2016 was a conversion of interbank loans provided by foreign parent banks into share capital of their Ukrainian subsidiaries.

Share of TOP-5 countries-investors into the economy of Kyiv [USD million]



Among other countries, the most significant FDI growth came from Luxembourg (+USD 603 million), Hungary (+USD 167 million) and the British Virgin Islands (+USD 110 million).

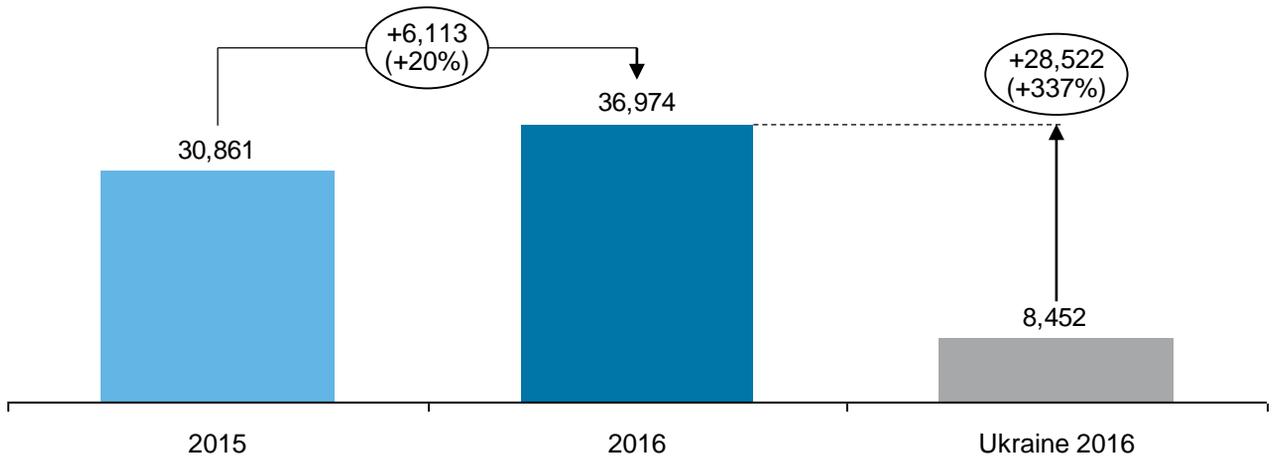
Source: KCSA, <http://www.kiev.ukrstat.gov.ua>
 Calculated and actual values may differ due to rounding.



Capital investments

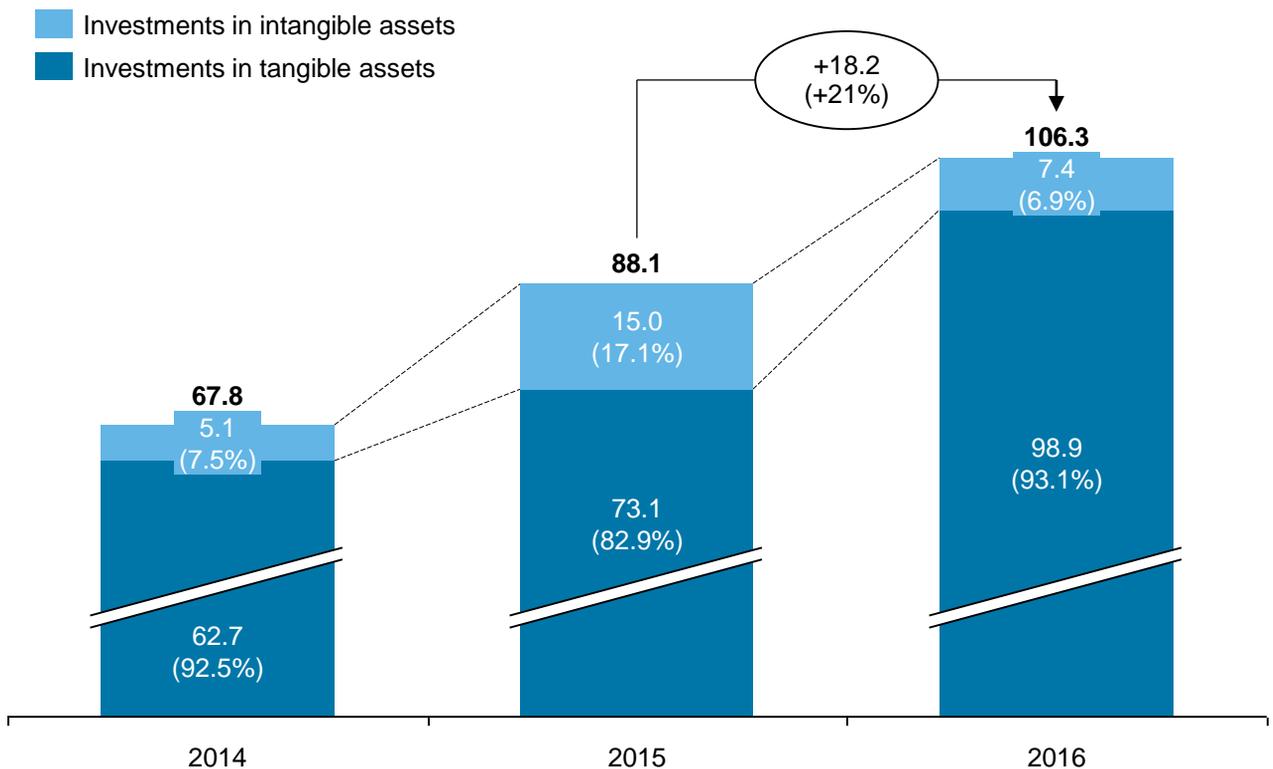
In 2016, total capital investments into the city of Kyiv increased by UAH 18.2 billion and amounted to UAH 106.3 billion

Capital investments per capita [UAH / person]



In 2016, capital investments in all types of assets increased, except for residential buildings. Among intangible assets, investments in software and databases grew, at the same time, compared with 2015, investments in trademark rights, copyright and related rights, patents, licenses, concessions, etc. fell.

Capital investments by types of assets 2016 [UAH billion]



Source: KCSA, <http://www.kiev.ukrstat.gov.ua>
Calculated and actual values may differ due to rounding.

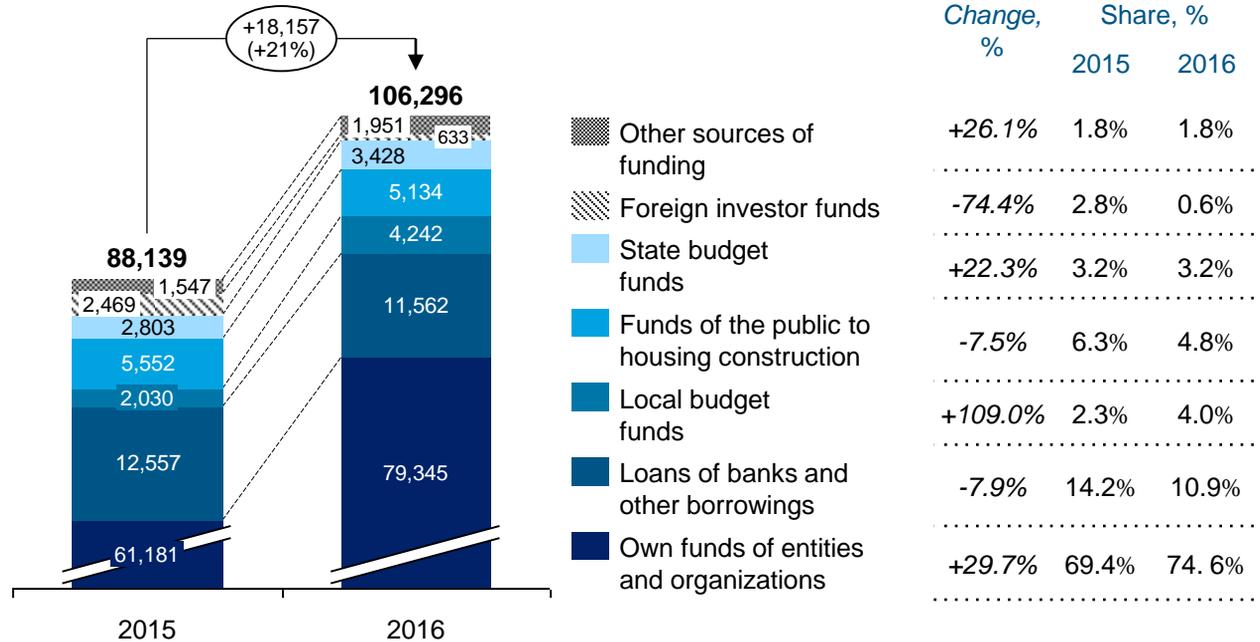


Capital investments

During the recent three years, the volume of capital investments has been growing steadily

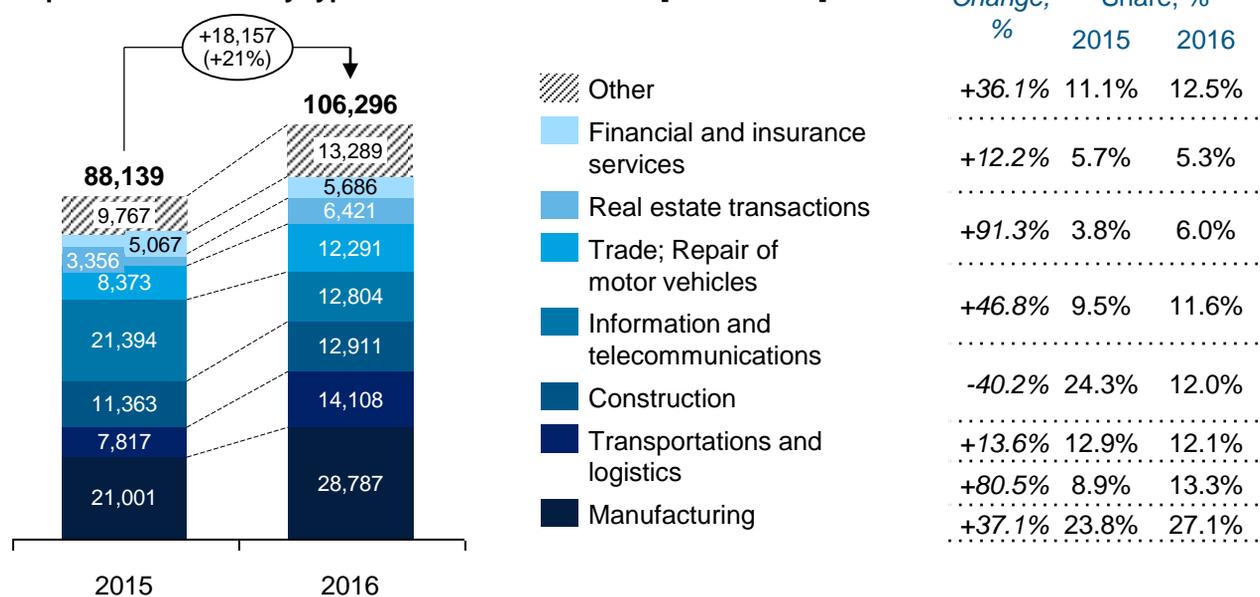
Insufficient corporate lending and low investment attractiveness that had been observed for the last few years resulted in a decrease in the share of bank lending and foreign investments among the sources of financing for capital investment. Own funds of companies remained to be the key source of financing.

Capital investments by source of financing in 2016 [UAH million]



In 2016, all spheres, except for IT and telecommunications, saw an increase in capital investment. The decrease in these two spheres is explained by an absence of large-scale realized projects.

Capital investments by type of economic activities¹ [UAH million]



¹ Due to rounding of parts, the total sum may differ from the sum of actual amounts.

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



KP “Kyiv Investment Agency” performance

Three investment agreements were concluded in 2016 as a result of investment tenders

The list of the investment project tenders held by Economics and Investments Department of the executive body of the KCC (KCSA) in 2016

	Project name	Implementation period	Total investment, VAT included [UAH million.]
	1 Construction of a medical center based on the premises of Kyiv Municipal Clinic # 14 located at 3 Zoolohychna Str. In Shevchenkivskyi district	4 years	174.0
	2 Installation of stations for final purification of drinking water aimed at increasing free supply of high-quality drinking water to educational institutions in Obolonskyi district	20 years	2.4
	3 Installation of a ropes course at the territory of the regional landscape park “Partisanska Slava”	10 years	1.4

Total budget of all projects amounted to UAH 177.78 million.

Activities of the Economy and Investments Department on support of investment agreements:

- 1) In 2016 according to the terms of investment agreements:
 - UAH 870 thousand out of UAH 9,000 thousand planned were paid to the special-purpose fund of special fund of the City’s budget;
 - UAH 3,400 thousand were paid to improve operational assets of Kyiv municipal tuberculosis hospital.
- 2) 39 supplementary agreements to 59 investments agreements that are supported by the Agency were concluded;
- 3) On April 20, 2016, an Act of Acceptance was signed with regards to the Investment Agreement # 050-13/i/142 dated July 16, 2014 “On Implementing the Investment Project in regarding to the Establishment and Operation of Open Car Parking, together with Transport Infrastructure/Road Service Facilities at the Crossroads of Revutskoho and Anna Akhmatova Streets in Darnytskyi District”.

The following reasons were key drivers for low efficiency on attracting investments:

- 1) Absence of approved town-planning documentation on investment projects with high level of completion which significantly increases a period of time for preparatory (investment) works;
- 2) Long process of replacement of members of the Investment committee.

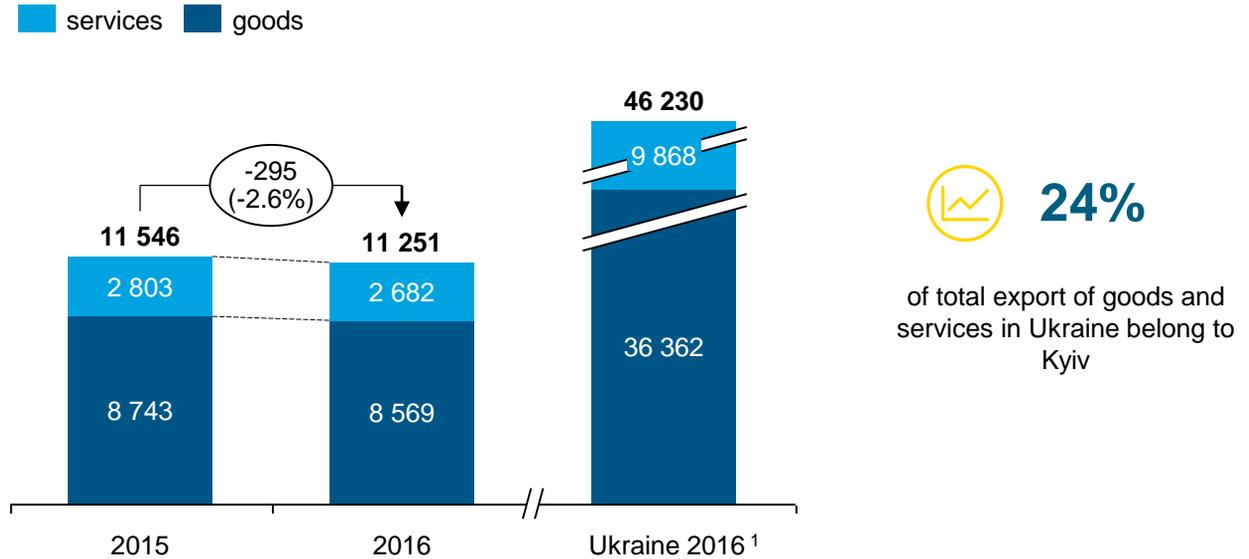
Source: KCSA



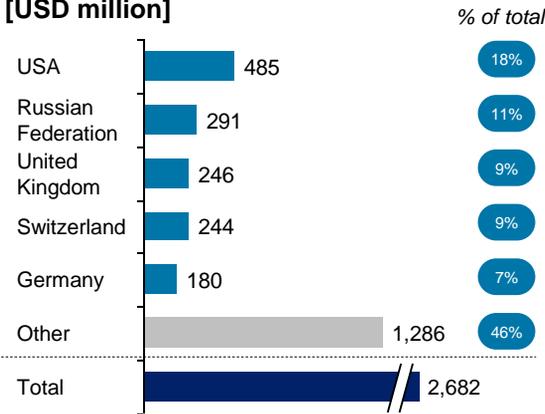
Foreign trade

In 2016, the volume of export of goods and services decreased by 2.6% to USD 11.3 million compared to 2015

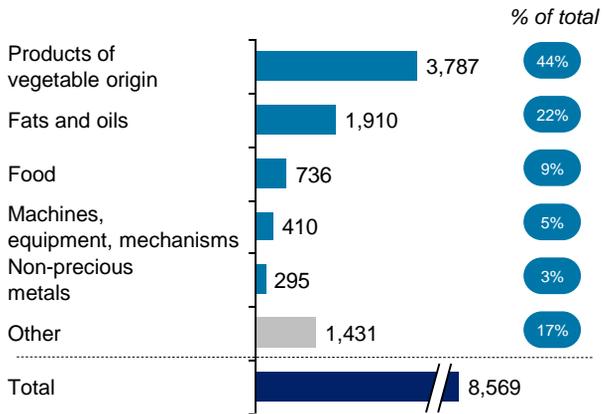
Export from Kyiv [USD million]



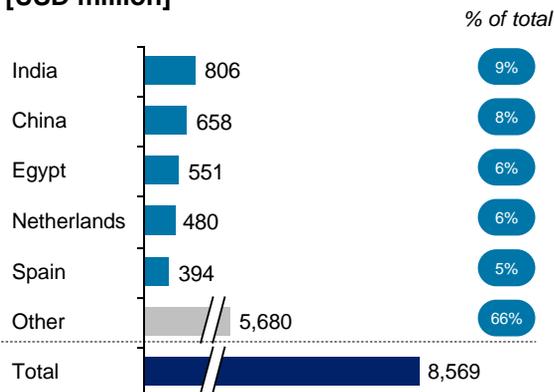
TOP-5 export destinations for services [USD million]



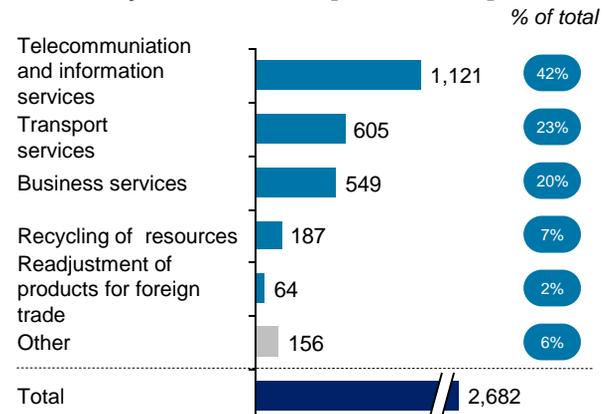
TOP-5 of exported goods [USD million]



TOP-5 export destinations for goods [USD million]



TOP-5 exported services [USD million]



¹ The export volume of Ukraine is based on the country of origin
 Source: KCSA, <http://www.kiev.ukrstat.gov.ua>
 Calculated and actual values may differ due to rounding.

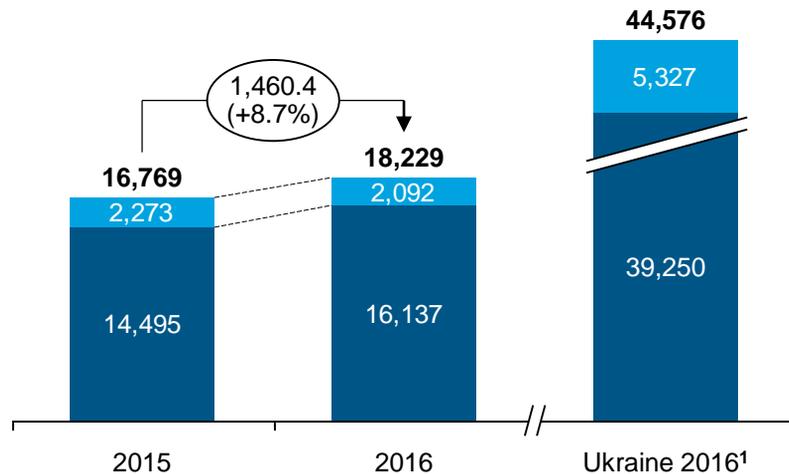


Foreign trade

In 2016, the volume of import of goods and services increased by 8.7% compared to 2015 and reached USD 18.2 billion

Imports of Kyiv [USD million USA]

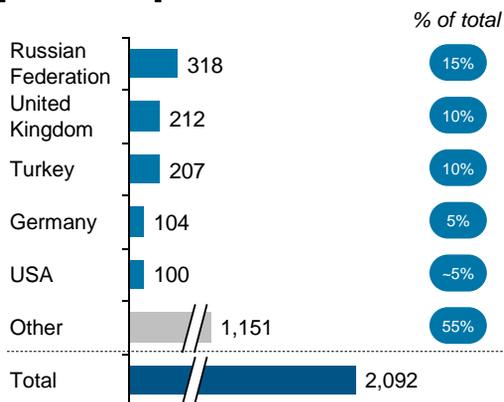
■ services ■ goods



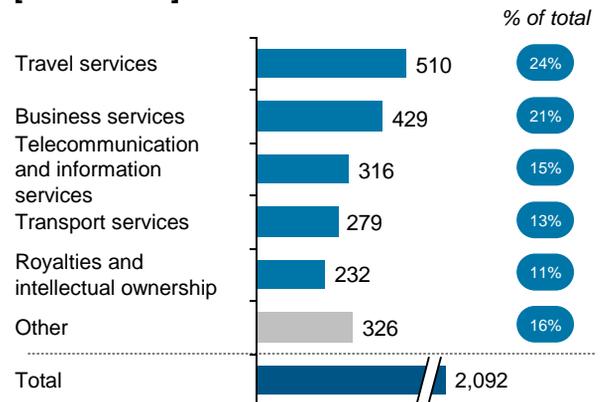
41%

the volume of imports of goods and services of Ukraine is the share of Kyiv

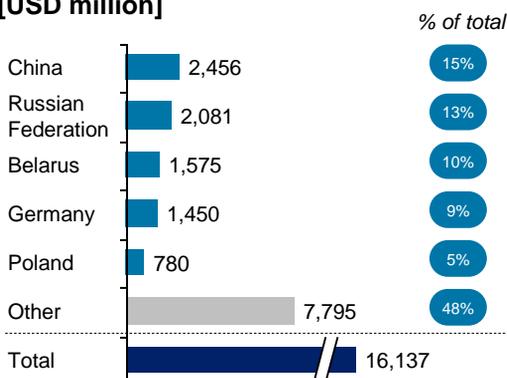
TOP-5 import origin countries for services [USD million]



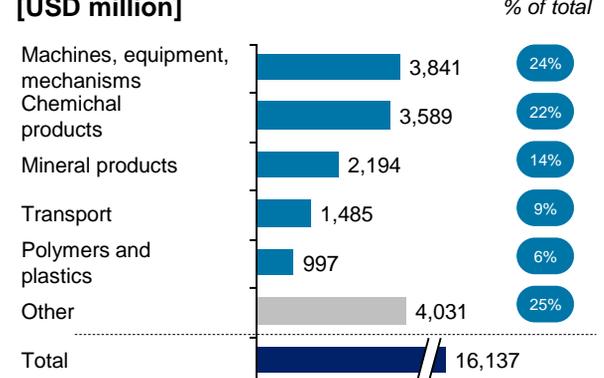
TOP-5 of imported services [USD million]



TOP-5 import origin countries for goods [USD million]



TOP-5 of imported goods [USD million]



¹ The value of import of Ukraine is based on the country of origin
 Source: KCSA, <http://www.kiev.ukrstat.gov.ua>
 Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs that impacted business activity in 2016

The execution of program activities promoted development of business in Kyiv

Complex Special-Purpose Municipal Program to Promote Entrepreneurship, Industry, and Consumer Market for 2015 – 2018



Responsible for execution:

Industry and Entrepreneurship Development Department



Program goals:

- Forming a favorable business environment, engaging the entrepreneurial potential of the city's community, raising the competitiveness of small and medium enterprises as well as their contribution to solving socioeconomic development-related issues.
- Shaping the conditions necessary for the restoration of sustainable development in Kyiv's industrial sphere and developing its engineering and manufacturing potential by means of innovation and increase of output of hi-tech, energy-efficient, ecological, export-oriented and import-substituting products.
- Meeting the needs of consumers concerning various goods and services at European level, providing for food security, forming a modern retail, restaurant and personal services infrastructure.



Key program activities and actions in 2016:

- The "Kyiv Business City" project was in operation, aiming to create an online service for entrepreneurs allowing to receive a complete list of permits and licenses required to start a business.
- The "Industry and Science" (<http://ispn.kievcity.gov.ua>) information system was developed and launched operation.
- The new order of seasonal and mobile retail object placement was introduced (Public auctions were introduced as to object placement rights and unified object archetypes were created)
- The "How to turn an idea into a successful business" programme was organised and conducted in cooperation with "Kyiv Mohyla Business School" LLC.
- A Memorandum on Cooperation was signed between the KCSA and the Business ombudsman's council.
- An Agreement on extending cooperation with enterprises and deeping social and economic development between the "Ukroboronprom" State concern and the KCSA.
- Events held:
 - The II National Export Support Forum;
 - The "Made in Kyiv" trade exposition and presentation;
 - The "Capital Quality Standard" competition.
- About 2 thousand social retail spots were set up at 96 of the city's markets.



Summary of special-purpose municipal programs that impacted the situation on the labor market



Key program activities and actions in 2016:

- The investment project on creating bread-selling points offering their bread and wheat products below market prices continued.
- 2,741 fairs were held with 150,600 tones of produce sold.
- Measures were taken to introduce patronage assistance for units of the Armed Forces of Ukraine.



Program funding in 2016:

Budget:	Actual:	% execution :
UAH 3,550,384 thousand	UAH 1,925,426 thousand	54.2%

Employment rate in Kyiv remained the highest in Ukraine, due to the implementation of the employment program

Program of population employment in Kyiv till 2017



Responsible for execution:

Social Policy Department



Program goals:

- Implementation of regional policy of ensuring the civil rights to have a fair job.



Key program activities and actions in 2016:

- Monitoring the employment rate
- The professional trainings for unemployed in accordance with the needs of the labor market and taking into account specific needs in the staff of certain employers.



Program funding in 2016:

Budget:	Actual:	% execution:
UAH 30,406 thousand	UAH 29,409 thousand	96.7%



Section 5.3.

INFRASTRUCTURE



Power supply



2 HPPs of
KYIVENERGO, PJSC



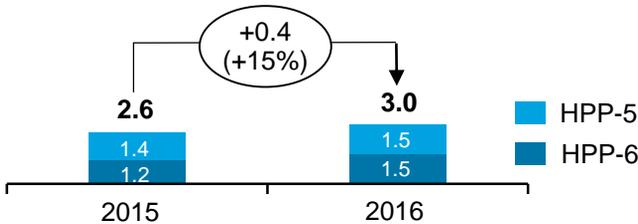
13,000 km of electrical
grid network



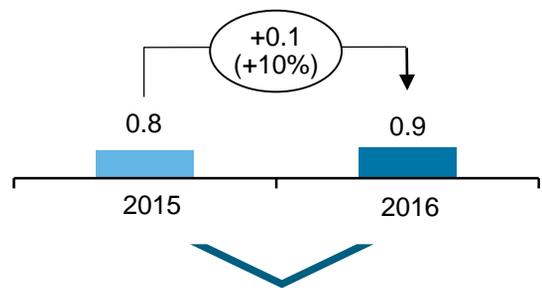
Darnytska HPP of
Euro-reconstruction, LLC

In 2016, the total volume of electricity production increased by 48% to 3.9 billion kW*h. As a result, a share of electricity produced in the city increased from 37% to 40%, resulting in improvement of the capital's energy safety.

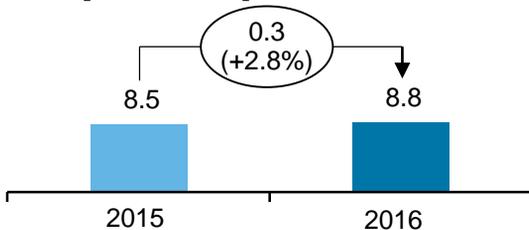
**Electricity production [billion kW*h]
KYIVENERGO, PJSC**



Euro-reconstruction, LLC (HPP-4)

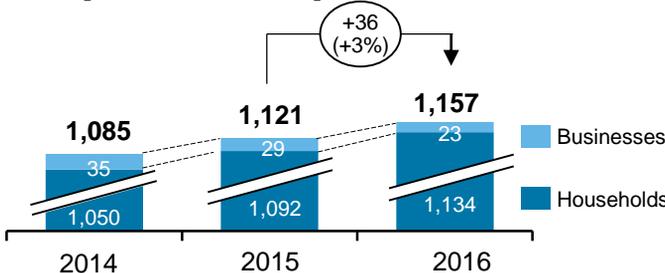


Electricity distribution and sales by KYIVENERGO, PJSC [billion kW*h]



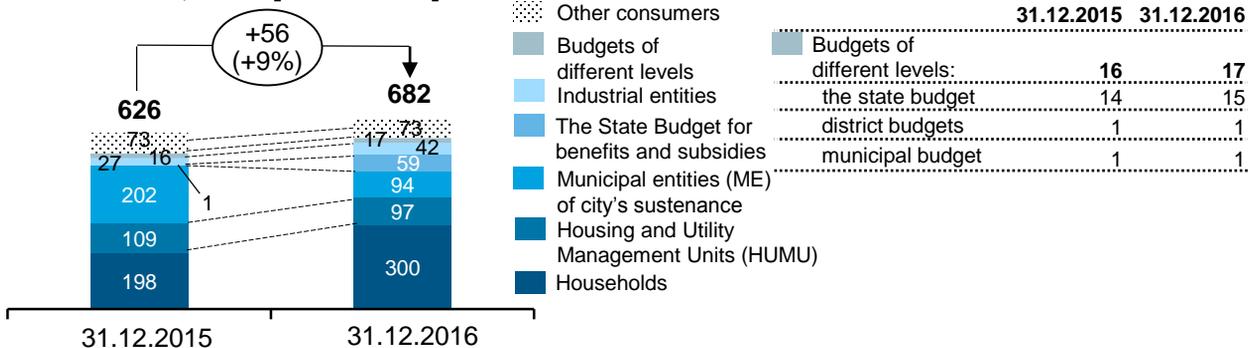
Full volume of electricity generated by Euro-Reconstruction LLC was consumed for own needs of the company.

A number of electricity consumers of KYIVENERGO, PJSC [thousand of units]



The number of households increased due to population growth and new homes constructed. At the same time, insufficient economic recovery after the significant stagnation did not change the downward trend on reducing the number of corporate customers.

Accounts receivable for electricity of KYIVENERGO, PJSC [UAH million]



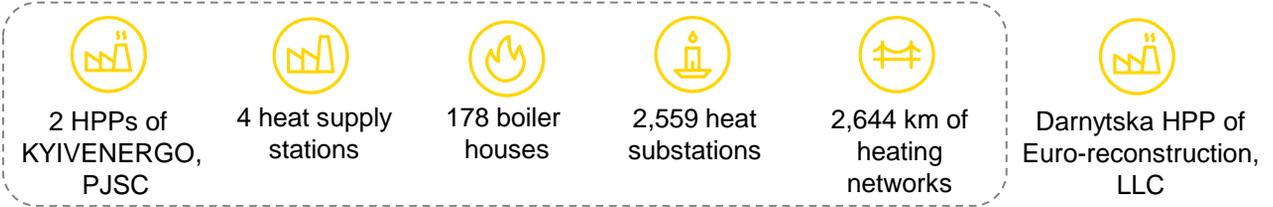
Households remained largest debtors of KYIVENERGO, PJSC. Total amount of their debt increased in 2016 by 51.5% due to a significant increase in tariffs in 2015. At the same time, municipal entities of city's sustenance (that keep the city functioning) reduced their debt their by 53.5%.

Source: KCSA, <http://kyivenergo.com>
Calculated and actual values may differ due to rounding.

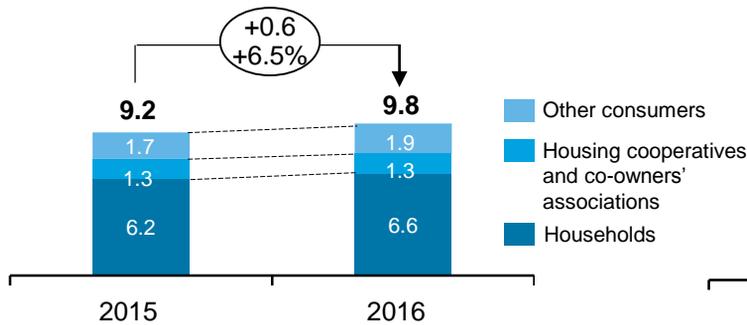


Heat supply

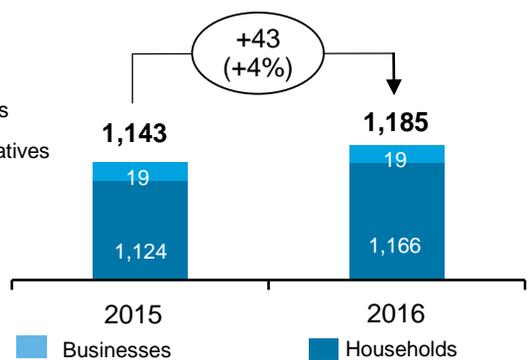
PJSC "KYIVENERGO" is the main supplier of electricity and heat in the city of Kyiv



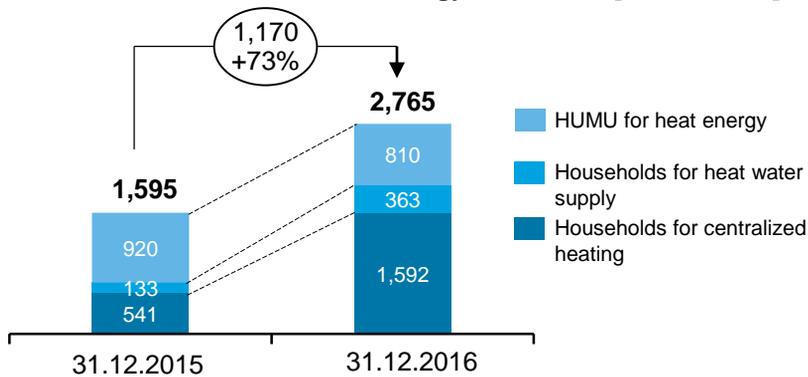
Heat energy consumption by customer [million Gcal]



The quantity of heat energy consumers [thousand units]



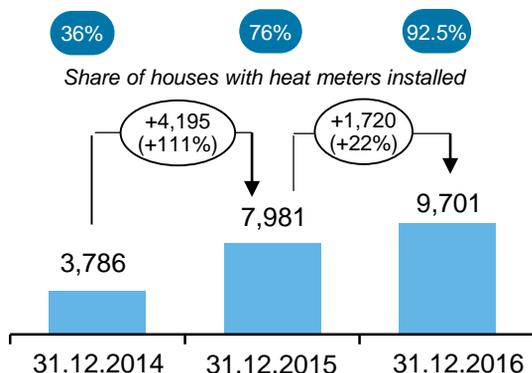
Accounts receivable for heat energy consumed [UAH million]



Change, %	Share, %	
	2015	2016
- 12%	58%	29%
+ 172%	8%	13%
+ 194%	34%	58%

In 2016, total accounts receivables for centralized heating and hot water supply increased by 73% due to a significant growth of tariffs and a switch of the tariff-setting approach on heat supply to market prices of gas.

The quantity of houses with heat energy meters [units]



During the 2015-2016, the meters were installed as at the expense of the investment program, the funds for which are included in the tariff for heating and hot water supply, as well as at the expense of targeted financing from the city budget.

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>, <http://kyivenergo.com>
 Calculated and actual values may differ due to rounding.



Water supply and sewage facilities

PJSC "JSC "Kyivvodokanal" provides collection, purification and discharging of water and sewage intake in Kyiv



Water extraction facilities of PJSC "JSC "Kyivvodokanal"

Dniprovskaya water pump station

600

Desnianskaya water pump station

1,080

Artesian wells

420

Installed capacity
[million cubic meters
per day]



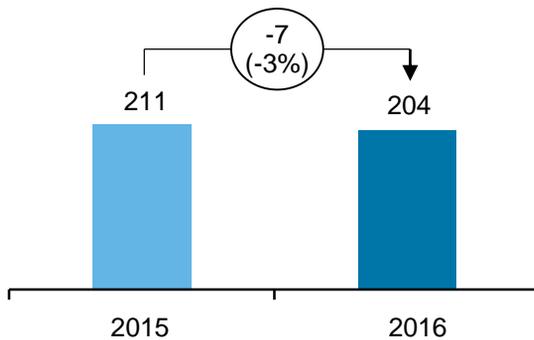
Water intake facilities of "JSC "Kyivvodokanal", PJSC

34
sewage pump
stations

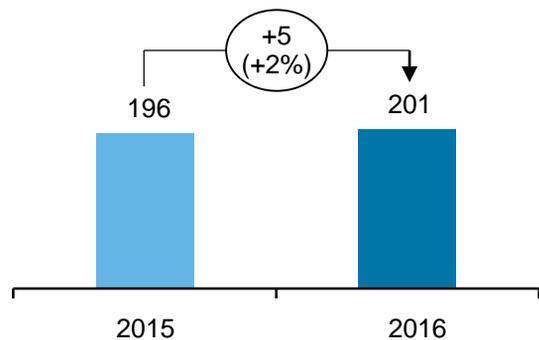
2,654 km
of
sewer networks

1.8 million cubic meters per day
installed capacity of
Bortnytska aeration station

Water discharging of PJSC "JSC "Kyivvodokanal" [million cubic meters]

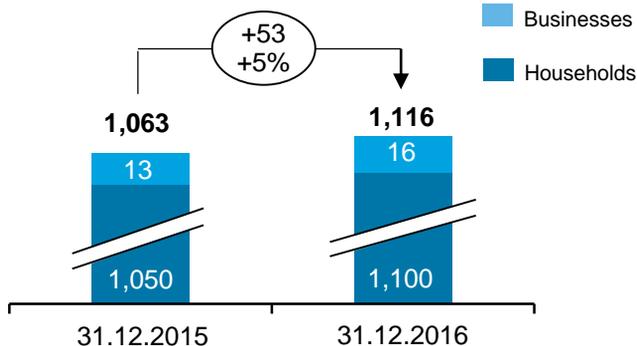


Sewage intake of PJSC "JSC "Kyivvodokanal" [million cubic meters]

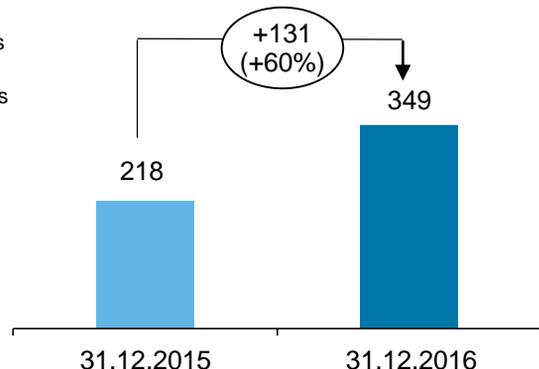


Bortnytska aeration station is the only water treatment facility in Kyiv and surrounding cities and villages of the Kyiv region.

The number of consumers of water discharge services [thousand units]



Accounts receivable for water supply and water discharge services [UAH million]



By the end of 2016, accounts receivable for water supply and water discharge services grew mostly due to the increase in tariffs while disposable income of the population increased insignificantly.



Gas supply, utility and maintenance services

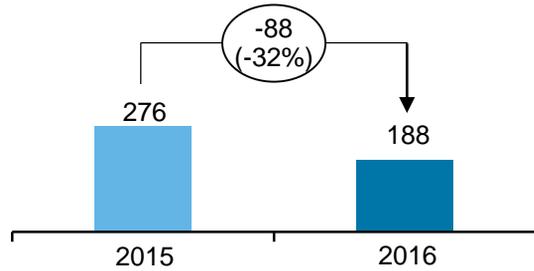


4,842 km
of gas grid network

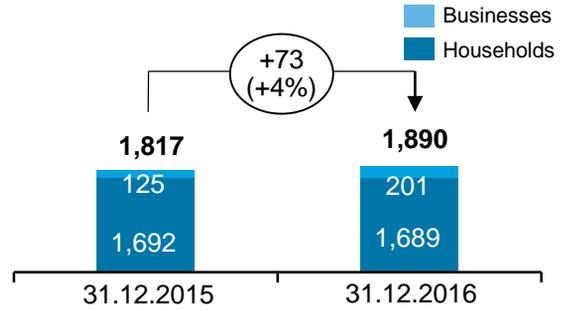


196
gas pipeline stations

Gas consumption [million cubic meters]

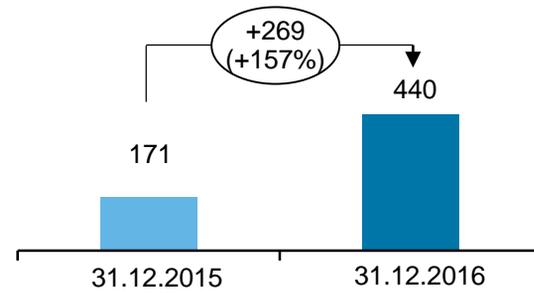


The number of gas consumers [thousand]

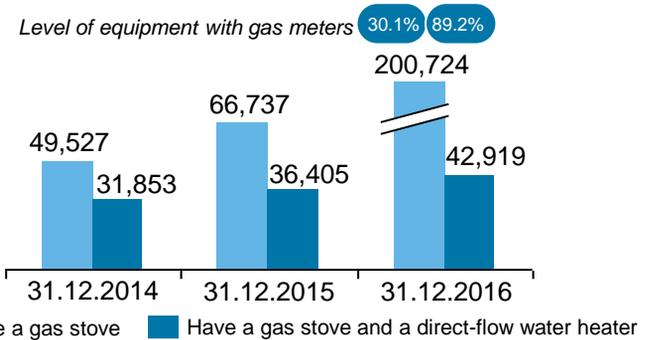


The 157% increase in gas debts is due to the growth of the minimum tariffs of gas for the population from May, 2016.

Accounts receivable for gas supply [UAH million]

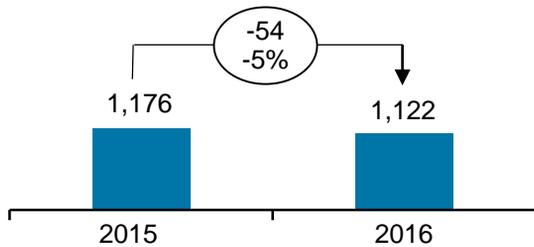


Flats equipped with gas meters [units]



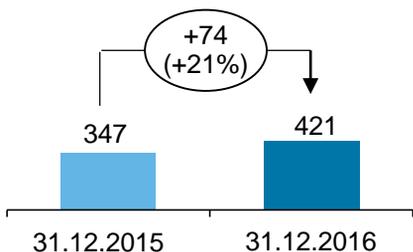
The number of consumers of services for the maintenance of building's outdoor areas increased by 0.3% to 1,710 thousand people as at the end of 2016.

Revenue from services on maintenance of houses and outdoor areas [UAH million]

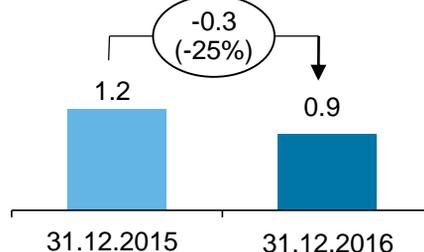


8,327 houses from total Kyiv's 11,453 are maintained by municipal house maintenance management companies

Accounts receivable of municipal house maintenance management companies for maintenance of houses and outdoor areas [UAH million]



Accounts receivable of municipal house maintenance management companies for disposal of household waste [UAH million]



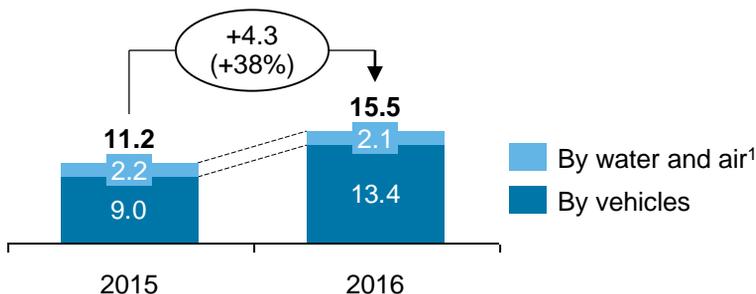
Source: KCSA, <http://www.kiev.ukrstat.gov.ua>, <http://kyivenergo.com>
Calculated and actual values may differ due to rounding.



Transportation

The volume of freight transport in Kyiv increased by 38.3% in 2016

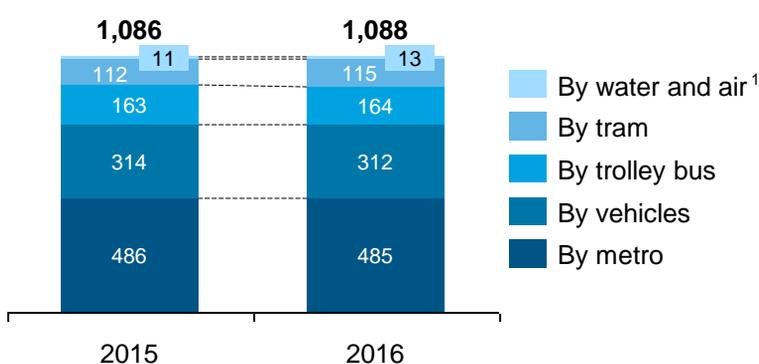
Freight by transport type [million tonnes]



8.9%

the share of Kyiv in the total volume of freight transport in Ukraine in 2016

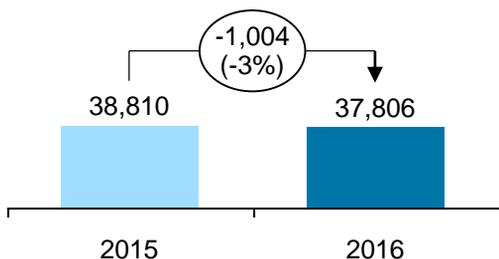
Passenger transportation by transport type [million passengers]



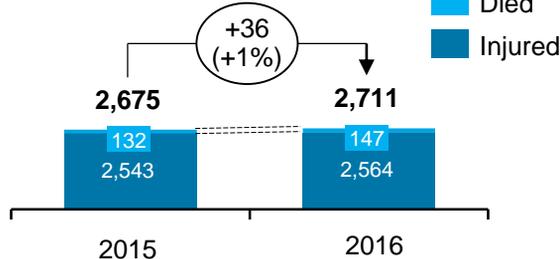
24.4%

the share of Kyiv in the total quantity of passengers carried in Ukraine in 2016

Road accidents in the city of Kyiv [number]

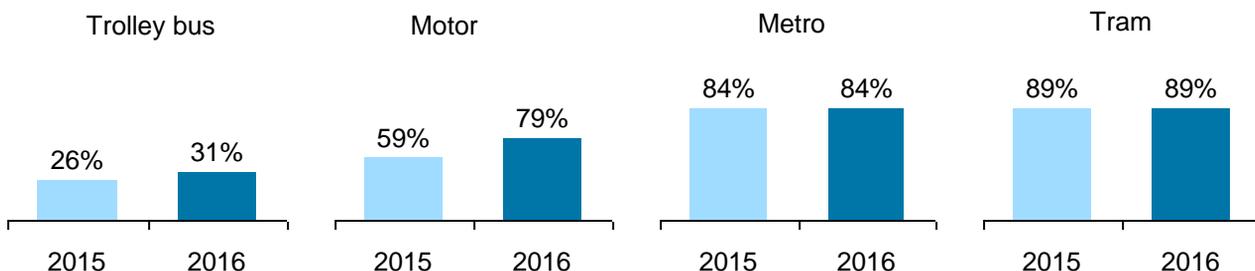


The quantity of victims of traffic accidents [persons]



The quantity of accidents in Kyiv decreased in 2016, however, the quantity of victims of the accidents, including mortality, grew.

Tear and wear rate by transport type [%]



¹ Absolute values for certain types of transport are confidential in accordance with the Law of Ukraine "On State Statistics"
 Source: <http://www.kiev.ukrstat.gov.ua>, <http://www.ukrstat.gov.ua>
 Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs related to Housing and Utilities in 2016

Complex Special-purpose Municipal Program for an Increase in Energy Efficiency and the Development of Housing and Utilities of Kyiv for years 2016-2020



Responsible for execution:

Housing and Utilities Infrastructure Department



Program goals:

- Ensure sustainable functioning of the housing and utilities facilities in Kyiv on the basis of energy saving
- Meet the needs of customers in housing and utilities services, preventing emergencies related to the functioning of the city's sustenance.



Key program activities and actions in 2016:

- Works on the construction of the Second thread of the Main municipal sewage facility continued.
- 1,133 heat energy meters were installed in the city's housing stock at the cost of city budget.
- Works completed:
 - windows were replaced at 736 properties;
 - facades were overhauled and heat insulated at 152 properties;
 - stairwells were repaired at 428 properties;
 - roofs were replaced or repaired at 324 properties;
 - adjoining areas of residential buildings were asphalted on 139 properties.
- Comprehensive heat insulation of 5 buildings of budget-financed institutions was made.
- 375 containers for separate collection of valuable components of household waste were repaired.
- Overhaul of lighting systems on 15 buildings of budget-financed institutions was made.
- Preparatory works were done at the object "Reconstruction of sewage treatment facilities and construction of a technological line for the processing and utilization of waste of the Bortnytska Aeration Station" (5th launching complex of the 1st stage).
- 62 project-winners of the competition for implementation of energy-efficient measures were implemented in multi-apartment buildings with housing construction cooperatives and apartment building co-owner associations.
- Part of loan principal exposures issued by authorized banks for the implementation of housing construction cooperatives and apartment building co-owner associations of energy-efficient measures in multi-apartment buildings were reimbursed to 29 borrowers.



Program funding in 2016:

Plan:	Actual:	% of execution:
UAH 5,661,675 thousand	UAH 1,352,131 thousand	23.9%



Summary of special-purpose municipal programs related to Housing and Utilities in 2016

Special-purpose Program "Drinking Water of the City of Kyiv for 2011 – 2020"



Responsible for execution:

Housing and Utilities Infrastructure Department



Program goals:

- Provision of the drinking water of the guaranteed quality in accordance with current normative requirements at an affordable, economically justified price.
- Ensure sustainable and balanced development of centralized and decentralized drinking water supply systems of city of Kyiv.
- Raise the safety level of water supply facilities, promote rational use, conservation and protection of the natural environment.



Key program activities and actions in 2016:

- Improvement of water quality control system of DWS (water supply station for drinking water preparation).
- Overhaul of 36 pump-room complexes was completed
- 8 artesian wells were built.



Program funding in 2016:

Plan:

UAH 7,619
thousand

Actual:

UAH 5,743
thousand

% of execution:

75.4%

Source: KCSA



Section 5.4.

HEALTHCARE



Healthcare

Availability of healthcare services remained at the level of the year 2015

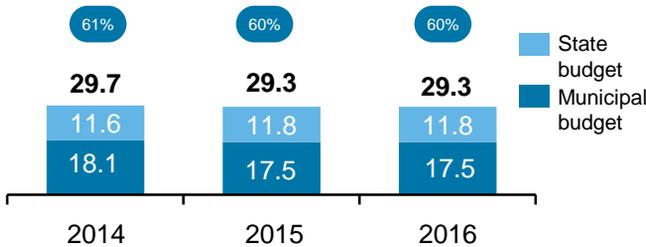


Healthcare facilities accountable to the KCSA's Healthcare Department

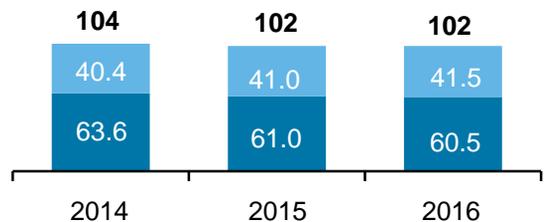
Healthcare facilities accountable to Kyiv's district healthcare agencies

The quantity of hospital beds in Kyiv [thousand]

Share of beds financed by the municipal budget

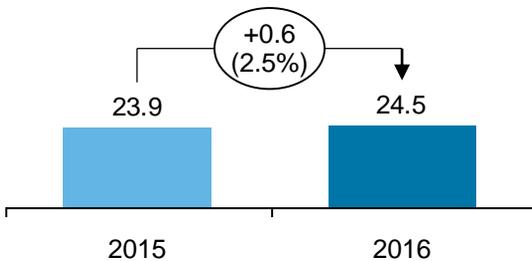


The quantity of hospital beds per 10,000 people [number]

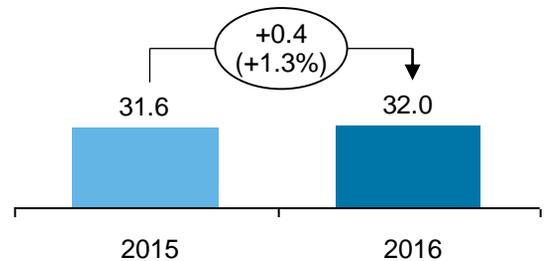


In 2016, the Order of Ministry of Health of Ukraine regarding the quantity of provided hospital beds (no more than 60 per 10,000 people) in municipal hospitals came into force, causing a decrease in the quantity of hospital beds, including those in Kyiv.

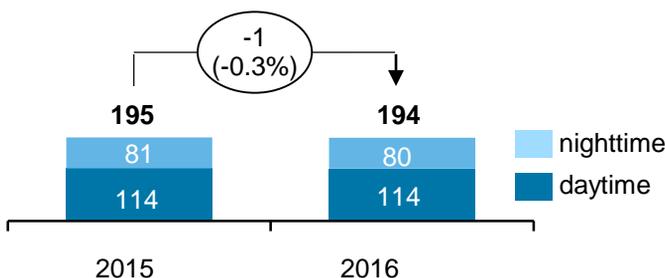
The quantity of doctors (excluding dentists) [thousand]



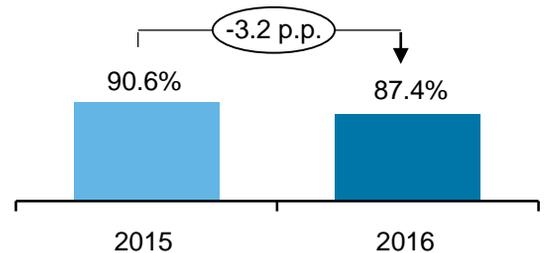
The quantity of nursing staff [thousand]



The quantity of ambulance teams [units]



Share of arrival on emergencies within 10 minutes from the call [%]



Note: p.p. – percentage point

Source: KCSA, <http://www.kiev.ukrstat.gov.ua>, <http://www.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs that related to Healthcare in 2016

Five special-purpose municipal programs aimed at improving the health of the city's residents, stimulating sports activities, training and improvement of skills of medical staff operated in 2016

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



Responsible for execution:

Healthcare Department



Program goals:

- Achieve best possible health for all Kyiv residents regardless of age, gender, or social status.
- Provide health promotion and healthcare services to Kyivians throughout their lives.
- Decrease occurrence and reduce suffering caused by principal diseases, injuries, and disabilities.



Key program activities and actions in 2016:

- The program financed purchase of:
 - an equipment for municipal health facilities in Kyiv totalling UAH 318,471.9 thousand;
 - medications and drugs for treatment of hemophilia and blood cancer for the total amount of UAH 171,146.9 thousand;
 - consumables for dialysis, for peritoneal dialysis, immunosuppressive drugs and erythropoietin drugs for the total amount of UAH 126,605.5 thousand;
 - insulin in total amount of UAH 100,450.3 thousand;
 - medication for treatment of cancer patients in total amount of UAH 40,270.7 thousand;
 - clinical nutrition for patients with phenylketonuria, medicines for cystic fibrosis, medications for children with juvenile rheumatoid arthritis for the total amount of UAH 33,278.9 thousand;
 - consumables for ostomy patients, cochlear implant systems and hearing aids for the total amount of UAH 7,338.6 thousand;
 - medical products for neurosurgical interventions in the total amount of UAH 4,149.2 thousand;
 - drugs for treatment of respiratory disorders of newborn children totaling UAH 2,632.8 thousand;
 - a coronary stent system without medical coverage for patients in critical condition, dual-chamber cardioverter defibrillator for the total amount of UAH 1,704.3 thousand;
 - care solutions for seriously ill people for the total amount of UAH 953.8 thousand;



Program funding in 2016:

Budget:

UAH 1,238,725 thousand

Actual:

UAH 884,940 thousand

% of performance:

71.4%



Summary of special-purpose municipal programs that related to Healthcare in 2016

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



Responsible for execution:

Education and Science, Youth and Sports Department



Program goals:

- Enforce a priority of child protection – the right for health improvement and recreation.
- Facilitate the development of health improvement and recreation.
- Enhance the quality and affordability of health improvement and recreation services for children of Kyiv.



Key program activities and actions in 2016:

- Recreational services to 8,462 children were covered by the city's budget in 2016.



Program funding in 2016:

Budget:

UAH 179,669
thousand

Actual:

UAH 177,081
thousand

% of performance:

98.6%

Special-purpose Municipal Doctor Training Program for Kyiv Healthcare Facilities for 2011 – 2017



Responsible for execution:

Healthcare Department



Program goals:

- Ensure the adequate staffing of municipal healthcare facilities, especially primary healthcare facilities, with appropriately trained doctors.



Key program activities and actions in 2016:

- As at 31.12.2016, the program covered studying costs of 27 students of Bohomolets National Medical University.
- 9 intern doctors were trained at a full-time internship at Department of Pediatrics and Department of General Medicine (Family Medicine specialty).



Program funding in 2016:

Budget:

UAH 735
thousand

Actual:

UAH 625
thousand

% of performance :

85.0%



Summary of special-purpose municipal programs that related to Healthcare in 2016

Special-purpose Municipal Program for Local Incentives to Kyiv's Health Professionals for 2013 – 2016



Responsible for execution:

Healthcare Department



Program goals:

- Create adequate conditions to ensure continuous staffing and increase the staffing levels of doctors and nurses.
- Promote reputation and social status of the municipal healthcare professionals to enhance staffing of the city's healthcare facilities.
- Improving health of the city's residents by ensuring provision of necessary medical training of doctors and nursing staff to meet the requirements of the public health system.



Key program activities and actions in 2016:

- Municipal extra bonuses to medical staff of clinic and hospital at 20% of the basic salary and at 50% for ambulance teams and palliative care professionals (hospice staff) were regularly paid. In December 2016, average share of incentive payments to medical staff accountable to the KCSA Health Services Department constituted 43.7% (with average monthly salary of UAH 9,335.8). As of December 31, 2016, there was no outstanding accounts payable on salaries.
- One three-room and one one-room apartments were provided for free to healthcare facilities employees in 2016. 1,181 employees remained on a waiting list.
- According to the "Kyiv Resident Cards" project, healthcare employees were provided with compensations for public transport fees on working days.
- 541 employees of Kyiv municipal healthcare facilities received Diplomas of Honor from Health Services Department of Executive body of KCSA, 16 employees received Diplomas of Honor from Ministry of Health of Ukraine, 34 employees received Letters of Gratitude from the Mayor of Kyiv.



Program funding in 2016:

Budget:

UAH 457,936 thousand

Actual:

UAH 548,025 thousand

% of performance:

119.7%



Summary of special-purpose municipal programs that related to Healthcare in 2016

Special-purpose Municipal Program “Youth and Sports of Kyiv” for 2016 – 2018

Sub-program 1. Special-purpose Municipal Program for youth support for 2016 – 2018



Responsible for execution:

Education and Science, Youth and Sports Department



Program goals:

- Shaping and supporting realization of potential of the youth for self-actualization and success, aiming at stable development and competitiveness of Kyiv.
- The Ukrainian forum “Youth for a safe world”, aimed to shape a civic consciousness, was held in 2016.
- 100 most prominent young people were awarded with UAH 3,000 each by the Mayor of Kyiv for special achievements in development of the capital.
- The activities (festivals, marathons, conferences) promoting the health, democratic and liberal values, shaping civic, patriotic and ecological consciousness were delivered in 2016.
- The initiative of “Development of CSR” Centre on Ukrainian Pact for the youth – 2020 was supported.
- The youth humor festivals (competitions) “Kyiv Open Smile” and Kyiv League of Smiha were held.
- Tours for young people to museums, memorial complexes, and state establishments were delivered throughout a year.



Key program activities and actions in 2016:



Program funding in 2016:

Budget:

UAH 72,016
thousand

Actual:

UAH 65,827
thousand

% of performance:

91,4%

Sub-program 2. Special-purpose Municipal Program “Kyiv sports” for 2016 – 2018



Responsible for execution:

Education and Science, Youth and Sports Department



Program goals:

- Creation of conditions and support in development of athletics in Kyiv with efficient infrastructure, organization, information, and financing.
- In 2016 347 athletic events were organized with approximately 706 thousand athletes attended.
- 567 local competitions were held, where 92,537 athletes participated. 3,952 athletes from Kyiv participated in 215 international competitions.
- Athletes and teams from Kyiv gained 7 medals at Olympics, 74 medals at World championships, 122 medals at European championships, and 978 medals at National championships.
- Athletes from Kyiv gained 5 medals at Paralympics in 2016, XXIII Spartakiad “Believe in yourself” for athletics and sports promotion among children with disabilities.
- Necessary financing to maintain a network of children’s and youth athletic schools in Kyiv was allocated. As of January 1, 2017, 88 children’s and youth athletic schools functioned in Kyiv, with 35,275 students and 1,451 coaches.
- 13 sports facilities were overhauled.



Program funding in 2016:

Budget:

UAH 334,787
thousand

Actual:

UAH 301,467
thousand

% of performance:

90.0%



Section 5.5.

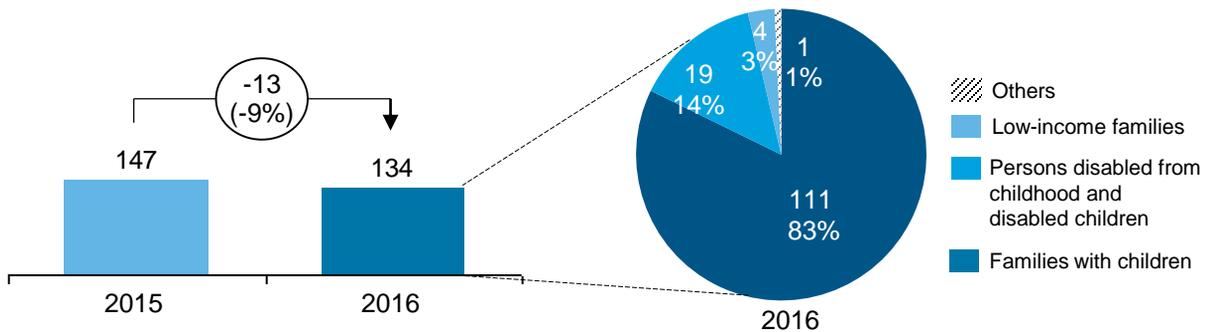
SOCIAL PROTECTION AND SAFETY



Social protection and safety

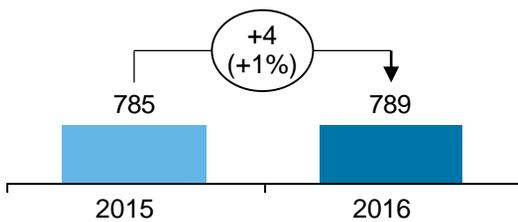
A major proportion of financial assistance is directed to support families with children and those Kyivans who participated in the ATO

Government benefit recipients in Kyiv [thousand persons]

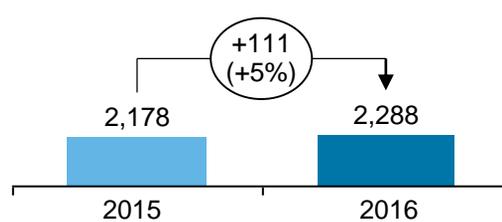


An average pension in Kyiv was by 37% higher than the average nationwide pension.

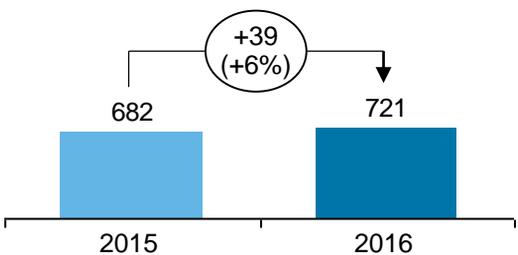
The quantity of pensioners in Kyiv [thousand persons]



Average monthly pension [UAH]

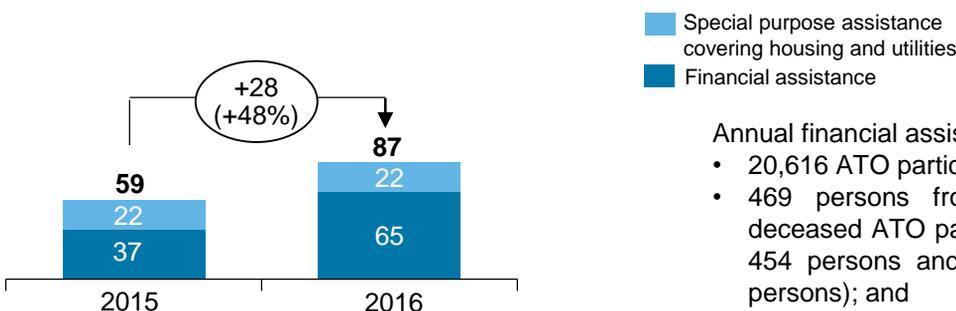


Holders of the Kyiv Resident Card [thousand persons]



A Kyiv Resident card is a personalized electronic plastic card that supports applications related to providing and recording social support actions (providing special purpose financial assistance at cost of Kyiv City budget to socially vulnerable persons), information services and other services.

Financial assistance to participants of the ATO and their families (Kyiv residents) [UAH million]



Annual financial assistance was provided to:

- 20,616 ATO participants (UAH 2,500 each),
- 469 persons from the families of the deceased ATO participants (UAH 25 000 to 454 persons and UAH 2,500 each to 33 persons); and
- 115 persons (UAH 5,000 each).

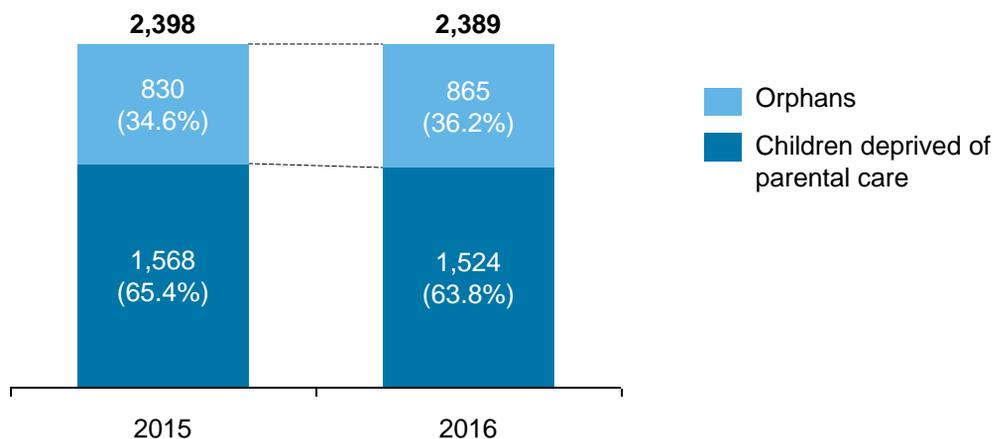
Source: KCSA, <http://www.kiev.ukrstat.gov.ua>, <http://dsp.kievcity.gov.ua>
 Calculated and actual values may differ due to rounding.



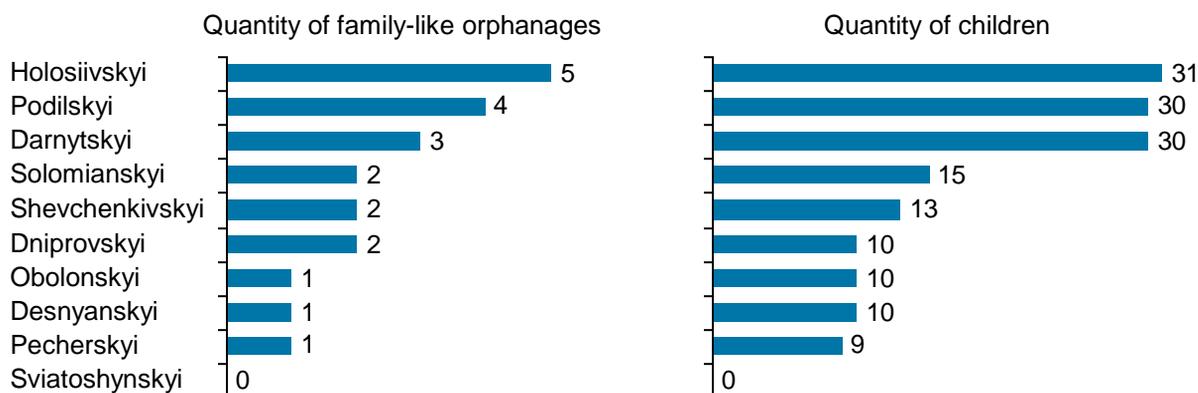
Social protection and safety of orphans

As of 30.12.2016, 2,389 orphans and children deprived of parental care were registered at district offices for children's affairs, including 865 orphans (36.2%) and 1,524 children deprived of parental care. The quantity of orphans increased by 1.4% compared to the number in the previous year (2015 – 34.6%).

Orphans and children deprived of parental care [persons]



Family-like orphanages and children residing in them



In 2016, there were 6 state orphanages in Kyiv where cost of living of orphans and children deprived of parental care are fully covered by the state budget:

- 2 healthcare facilities: Kyiv Children's Home "Berizka" and Kyiv M.M. Gorodetskiy City Orphanage for infants and children to 4 years old;
- 2 educational facilities for children from 3 to 18 years old: Children's Home "Maliatko" and sanatorium boarding school # 21;
- 2 social protection facilities: Svyatoshytsky school boarding house for boys and Darnitsky boarding house for girls (for disabled children from 4 to 35 years old).

As of the end of the year 2,199 orphans were covered with family-like forms of education. It represented 92% of the total amount of the registered children). In comparison with 2015, the percentage increased by 0.7%.

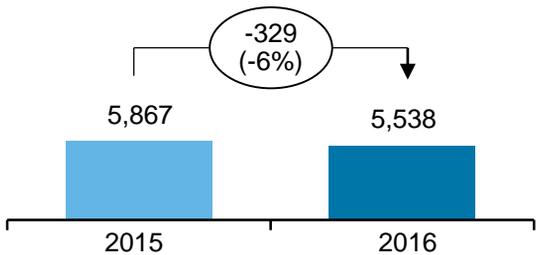
105 orphans and children deprived of parental care were adopted in 2016 (97 children in 2015) from the number of all children in the district registers of the offices for children's affairs. Of these, 87 were adopted by Ukrainian citizens, 18 by foreign citizens.



Crime situation

In 2016, a share of solved criminal offenses committed after the final results of the pretrial investigation was 15.5%.

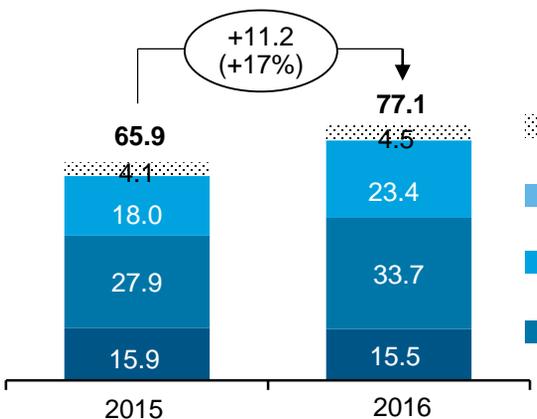
A number of persons who committed criminal offenses [persons]



Divisions of the General Directorate of the National Police in Kyiv identified persons who committed 14,586 criminal offenses, including:

- 85 intentional murders;
- 116 serious bodily injuries, 19 of them with lethal consequences;
- 210 robberies, 832 grabbing and 4,578 thefts;
- 80 cases of hooliganism;
- 61 traffic accidents with lethal consequences;
- 200 unlawful appropriation of vehicles.

A number of criminal offenses [thousand]

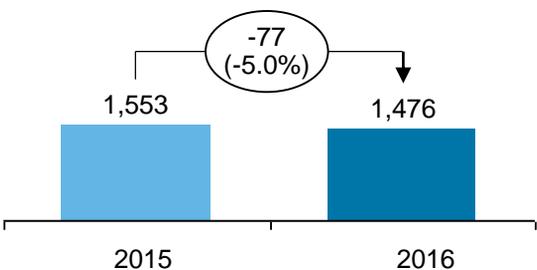


- Especially serious criminal offenses
- Serious criminal offenses
- Ordinary criminal offenses
- Minor criminal offenses

Change, %	Share, % 2015	Share, % 2016
+ 10%	6.2%	5.8%
+ 30%	27%	30%
+ 21%	42%	44%
- 3%	24%	20%

Significant growth in crime was driven by property crimes, which grew by 70.2% as compared to 2015.

A number of detected minors who were engaged in vagrancy and begging [persons]



4,569

family violence cases were documented in 2016.



9,980

police visits related to ordinary family conflicts in 2016.



1,853

minors are brought to administrative responsibility in 2016.

In 2016, 513 criminal offenses related to the illicit trafficking of weapons, ammunition and explosives were registered. Suspicions were summoned on 218 criminal proceedings. 225 criminal proceedings were directed to the courts.



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

In 2016, major objectives of four special-purpose municipal programs related to the social protection and safety sector were achieved as a result of sufficient financing.

Special-purpose Municipal Program “Social Partnership” for 2016 – 2018



Responsible for execution:

Department of Social Policy



Program goals:

- Provide successful interaction between the KCSA, district state administrations and public institutions focused on social issues, city development, promotion of civil initiatives, improving social protection, promotion of civil development.
- Implement actions aimed at providing rights and achieving the equality of women and men.
- Facilitate participation of the communities in preparation and delivery of social activities dedicated to state holidays or notable dates and social activities covered by the city's budget.



Key program activities and actions in 2016:

- 65 public and local organizations of people with disabilities, 66 organizations of veterans, 6 public organization of women and other organizations received payments totaling UAH 11,250.8 thousand, which represented 93.4% of planned amount.
- 65 social activities dedicated to state holidays or notable dates were delivered, covering 126.5 thousand persons. Actual cost of delivering activities were UAH 1,748.5 thousand out of the budgeted UAH 1,885.5 thousand.
- Municipal and district organizations of the Ukrainian Red Cross Society received financial assistance of UAH 1,232.3 thousand (total plan was UAH 1,349.8 thousand) for programs of medical and social aid for disabled and lonely elderly people.
- The center for Children in Need “Our Kids” received financial support of UAH 752.5 thousand (100% of planned amount).
- Charitable organization “Aspern Fund” received financial support to cover costs of utility services and rentals in total amount of UAH 155.8 thousand out of the budgeted UAH 315 thousand.
- The Kyiv association of Samaritan Society of Ukraine received financial support for implementation of activities aimed at providing social services. The amount of the financial assistance equaled UAH 370 thousand (100% of planned amount).



Program funding in 2016:

Budget:

UAH 16,723 thousand

Actual:

UAH 15,510 thousand

% of performance:

92.7%



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

Municipal Special-Purpose Program “Children, Family, Capital city for the Period from 2016 to 2018”



Responsible for execution:

Child and Family Service



Program goals:

- Ensure efficient operations of the integrated system for protection of the rights of children who happened to be in difficult life circumstances, children without parental care, orphans, and children deprived of parental care.
- Implement a new effective family-oriented approach to prevent social orphanhood and to the care over orphans and children deprived of parental care.
- Create conditions for execution of the right of every child to be brought up in a family.
- Implement and improve the quality of social services delivery for families in difficult life circumstances.
- Improve a complex model of delivering social support to families of displaced people.
- Engage the city’s community (public, charitable, religious organizations) into support of social programs, projects, actions to increase the potential of families, children and young people.
- Intensify support of social programs and volunteer movement in implementation of social and family policies by the community.
- Develop system of foster care.
- Implement support services for vulnerable categories of children and families with children.



Key program activities and actions in 2016:

- The specialists of the City Children Center provided 4,402 consultations, including 375 psychological diagnostics, 3,391 psychological and informational consultations, and 636 trainings to 1,855 persons.
- The specialists of the Kyiv city family center “Family house” delivered 56,480 psychological consultations to 22,628 persons.
- The Kyiv city Right-bank center for HIV-infected children and youth delivered social, educational, and psychological services to 1,368 persons. The Kyiv city Left-bank center to HIV-infected children and youth delivered social services to 2,568 persons. 438 children received psychological consultations aimed to improve a psycho-emotional state.
- The Kyiv city center of social and psychological aid delivered social services to 293 persons and 53 families. As a result, 113 persons and 45 families were removed from the supervision list after resolving their problems.
- The specialists of the Kyiv city center and district centers of social services for families, children, and youth delivered 564,935 individual and group services to 226,688 recipients. The overall quantity of services included 72,127 psychological services, 266,640 social and educational services, 5,390 social and medical consultations concerning addiction, HIV, and tuberculous, 24,819 economical services, 4,416 legal services, 191,543 informational services.



Program funding in 2016:

Budget:

UAH 57,615
thousand

Actual:

UAH 46,684
thousand

% of performance:

81.0%



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

Municipal Special-purpose Program “Care Towards Kyivans” for the Period from 2016 to 2018



Responsible for execution:

Department of Social Policy



Program goals:

Significant improvement of effectiveness of the system of social support by including new social support services and more accurate identification of those in need to ensure they achieve sufficient level of living and solve material, technical, social, and cultural problems. Provide activities on individual support for low-income residents, engage public institutions, enhancement of living conditions of residents with disabilities.



Key program activities and actions in 2016:

- A financial assistance was provided for 424,019 persons from vulnerable groups of people and war veterans from Kyiv (devoted to notable dates).
- A lump-sum targeted social financial assistance was provided to 16,219 persons with low income in distress.
- 1,079 means of transportation and rehabilitation were purchased for Kyiv residents with disabilities. In addition, 113 health rehabilitation travels were granted to disabled children with cerebral paralysis within the course of rehabilitation with support.
- Methodical and informational publications on legal, social, economical, and other topics were issued, which costed UAH 99.5 thousand.
- Free meals provided to 752 persons, 22,449 single persons with low income received food sets; 2,544 persons who are unable to care for themselves received washing products.
- A financial support was delivered to 21,190 participants of anti-terrorist operation, their families, and families of residents of Kyiv, who were killed or died due to injury inflicted at the Revolution of Dignity and their families. Complex social and psychological help was delivered to 67,810 participants of anti-terrorist operation, their families and families of killed (dead) participants of anti-terrorist operation.
- Funeral costs were covered for the participants of the anti-terrorist operation, who were not eligible to the cover set out by the article 14 of Law of Ukraine “On burial and funeral business”. 37 persons received such services.
- 25,568 persons in difficult life circumstances received free primary legal aid. 177 persons received free secondary legal aid with representation in courts of different instances.



Program funding in 2016:

Budget:

UAH 1,130,328 thousand

Actual:

UAH 1,066,681 thousand

% of performance:

94.4%



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

Affordable Housing Construction (Purchase) Program of Kyiv for 2010 – 2017

	Responsible for execution:	Department of Construction and Housing		
	Program goals:	Facilitate faster provision of houses to people who require improvement of housing conditions according to the law by improving and creating financial and investment instruments of the state support, including construction of affordable houses with financial participation of citizens.		
	Key program activities and actions in 2016:	Due to the lack of financing, the program's activities were not implemented.		
	Program funding in in 2016:	Budget:	Actual:	% of performance:
		UAH 2,147,300 thousand	UAH 0 thousand	0%

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

	Responsible for execution:	Urban Amenities and Environmental Protection Department		
	Program goals:	<ul style="list-style-type: none"> ▪ Ensure stable performance of mobile, technically equipped, multifunctional emergency rescue service that is constantly ready to prevent man-caused and natural emergencies, minimize the consequences, protect the population and territory of Kyiv from potentially adverse impact. 		
	Key program activities and actions in 2016:	<ul style="list-style-type: none"> ▪ Fast response to emergencies was provided (2,099 responses during the period). ▪ Decrease in the number of cases of serious injuries and deaths of people in emergency situations. ▪ Emergency and safety events were conducted to promote healthy lifestyle for children and youth. ▪ Civil defense trainings were delivered in the Podilskyi, the Obolonskyi, and the Desnianskyi districts of Kyiv. 		
	Program funding in in 2016:	Budget:	Actual:	% of performance:
		UAH 16,162 thousand	UAH 18,037 thousand	111.6%



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

Complex Special-purpose Municipal Program “Safe Capital City” to Prevent and Combat Crimes in Kyiv for 2016 – 2018



Responsible for execution:

Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration)



Program goals:

- Ensure effective implementation of the state crime prevention policy through a complex of measures to eliminate causes and conditions of crimes.
- Create a social crime prevention system and zero-tolerance crime environment.
- Facilitate effective functioning of law enforcement authorities to improve efficiency and increase crime detection rate.
- Increase the level of public order, ensure security of residents, visitors and tourists in Kyiv.



Key program activities and actions in 2016:

- The “CLOUD” platform for processing and storing of data from the city’s video surveillance system was created, based on the city center of data processing. 3 surveillance halls were created using a “videowall” technology. 306 cameras were installed in the city center and on the bridges over the Dnipro river.
- Purchase of vehicles, fuel and lubricants, uniforms, communication equipment, office and special equipment, other material and technical equipment was financed. A centralized management system of police “Tsunami” and the cynological center were developed.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 149,051 thousand	UAH 109,854 thousand	73.7%

Source: KCSA



Summary of special-purpose municipal programs that related to Social protection and safety in 2016

Comprehensive Special-purpose Municipal Program “Electronic Capital” for 2015–2018



Responsible for execution:

Executive Office of the Executive Body of Kyiv City Council (the KCSA)



Program goals:

- Improve quality of life of Kyiv’s citizens.
- Develop democratic institutions.
- Create favorable conditions for doing business and improvement of competitiveness of entities in the city.
- Improve effectiveness and openness of city government management.
- Improve economical and ecological situation in Kyiv.



Key program activities and actions in 2016:

- A number of analytical and communicational systems were developed and upgraded:
 - Analytical system “Management of municipal property “,
 - Register of the territorial community of the city of Kyiv,
 - KIAS "Management of financial and economic activities in Kyiv”,
 - An intranet website (internal corporate portal);
 - A project management system.
- The communicational system “A single web-portal of the territorial community of Kyiv" was updated.
- The "Open Budget" was introduced, which ensured transparency and free public access to the real-time execution of the budget of the city of Kyiv.
- Purchased software and hardware for the situational center of counteraction to threats in Kyiv.
- Information kiosks were purchased and installed near tourist attractions and along major tourist routes in Kyiv.
- 3424 video cameras were installed on municipal objects (gardens, schools, hospitals, museums, etc.).



Program funding in 2016:

Plan:	Actual:	% of execution:
UAH 154,065 thousand	UAH 112,134 thousand	72.8%

Source: KCSA

A photograph of a graduation ceremony. In the foreground, several graduates in black gowns with red stoles are cheering with their arms raised. In the background, a large stone building is visible, and several black graduation caps with red tassels are flying through the air. The scene is bright and celebratory.

Section 5.6.

EDUCATION

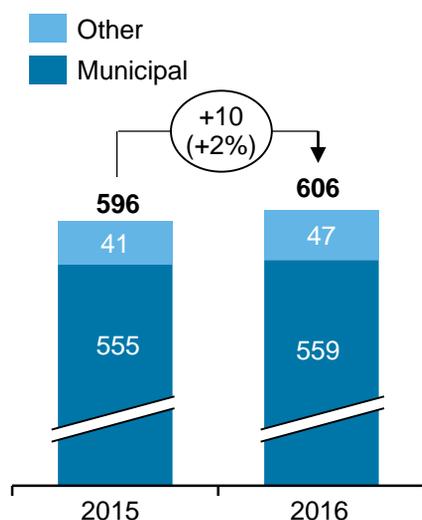


Education

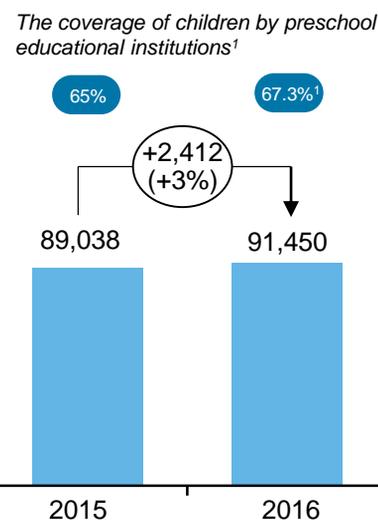
There are 10 new preschool educational institutions opened in 2016, 4 of these were financed by the city

The number of preschool educational institutions owned by the municipality and the number of children who attend them both increased in 2016. Preschool educational institutions covered 67.3% of the total number of children of the corresponding age.

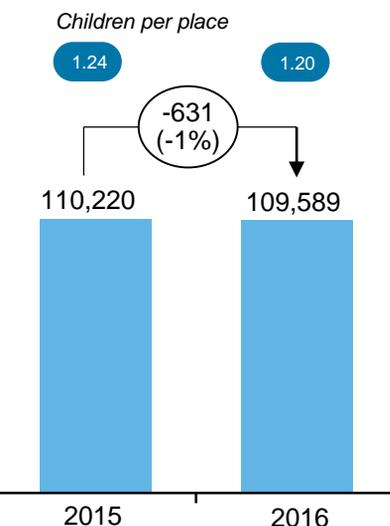
Preschool educational institutions (PEIs) [units]



Number of places in PEIs in Kyiv [persons]

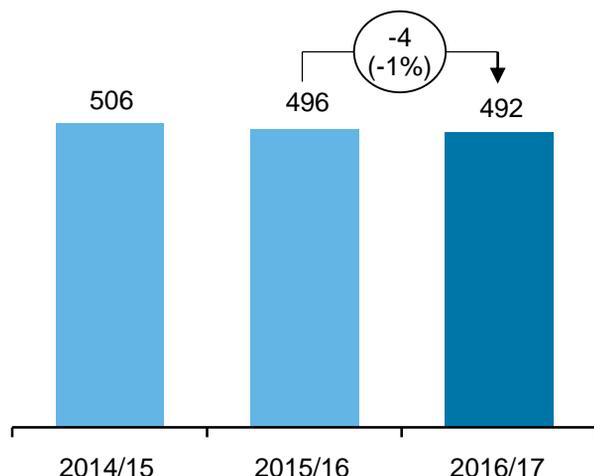


The quantity of children in PEIs in Kyiv [persons]

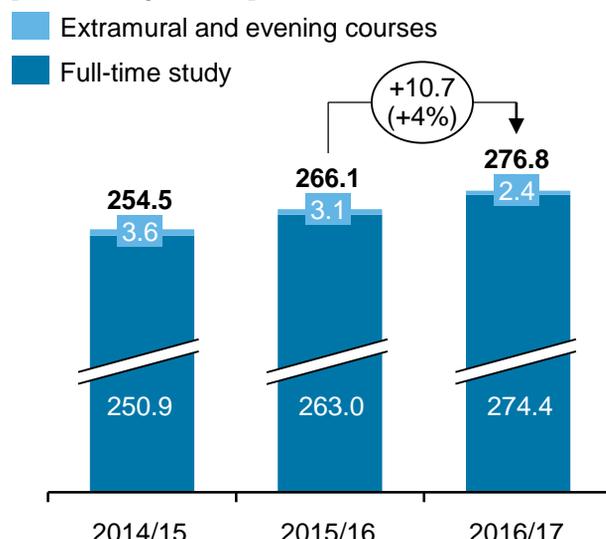


492 schools operated in Kyiv as at the beginning of 2016/2017 academic year with 276.8 thousand children studying in them.

The quantity of schools in Kyiv [units]



The quantity of children studying in schools [thousand persons]



¹ Percentage of children of the corresponding age

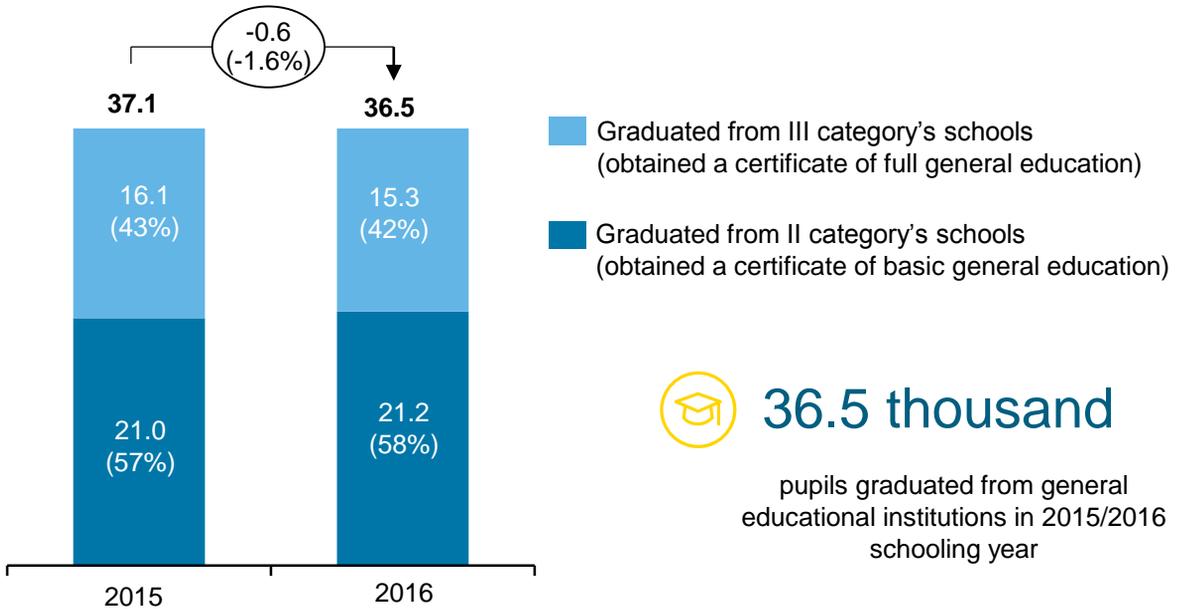
Source: KCSA, <http://kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



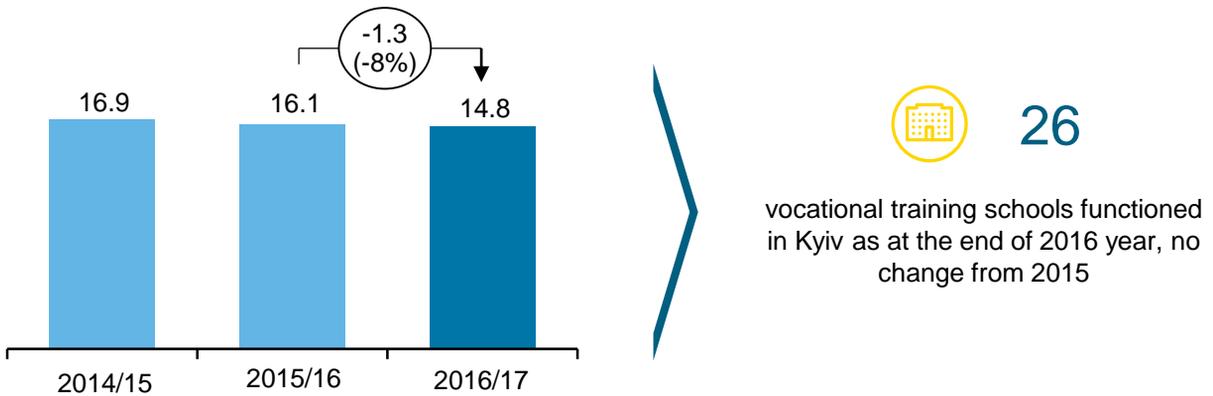
Education

A number of pupils graduated from educational institutions (schools) [thousand persons]

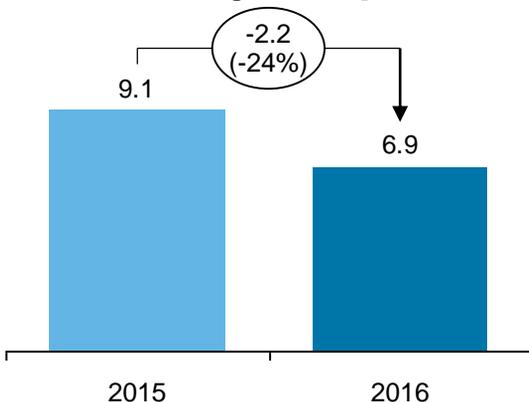


The number of people who entered vocational training educational institutions have decreased by 24%, a number of whose graduating from them decreased by 2.8%

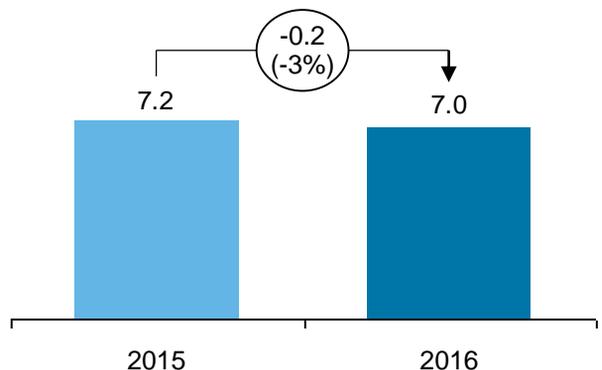
The quantity of students in vocational training schools [thousand persons]



The quantity of people who entered vocational training schools [in thousands]



The quantity of graduated students [in thousands]



Source: <http://www.kiev.ukrstat.gov.ua>
Calculated and actual values may differ due to rounding.

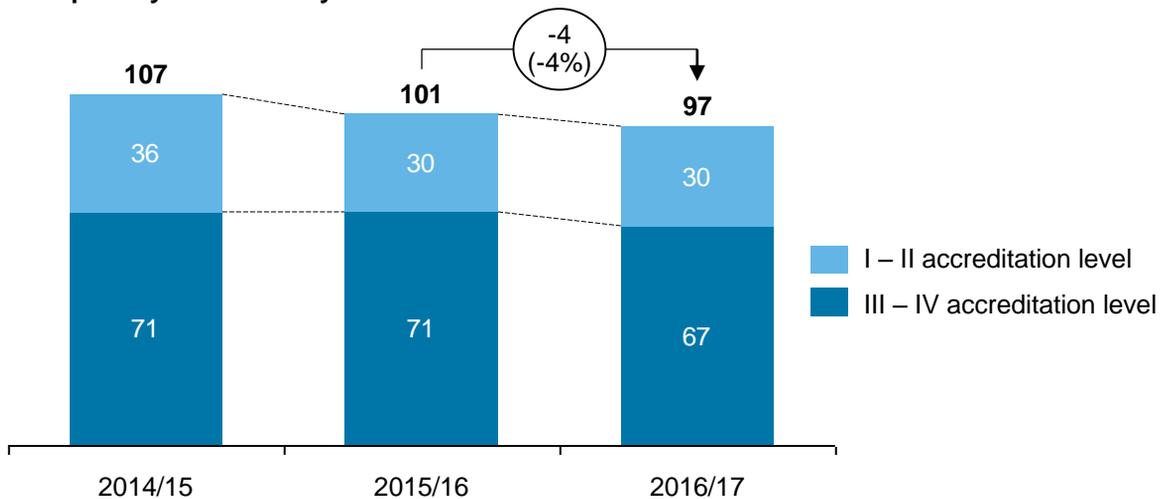


Education

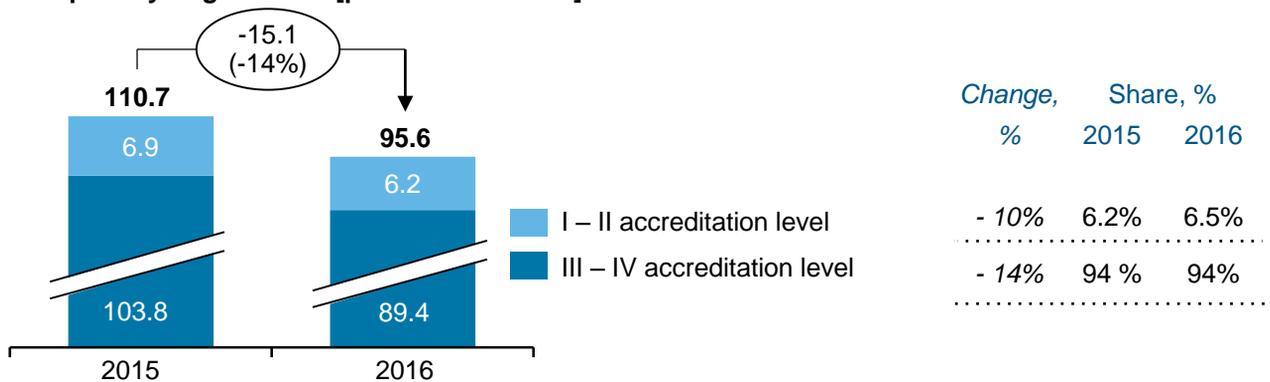
The quantity of enrolled students and graduates decreased compared to the prior year

The quantity of higher education institutions (HEI) of III-VI accreditation levels decreased by 4 as at the beginning of 2016/2017 academic year. At the same time, the total quantity of graduates and applicants to higher education institutions decreased. The quantity of graduates of I-II accreditation level HEIs was 14.4 times less than that of the III – IV accreditation level HEIs while the quantity of enrolled students was 11.4 times less, correspondingly.

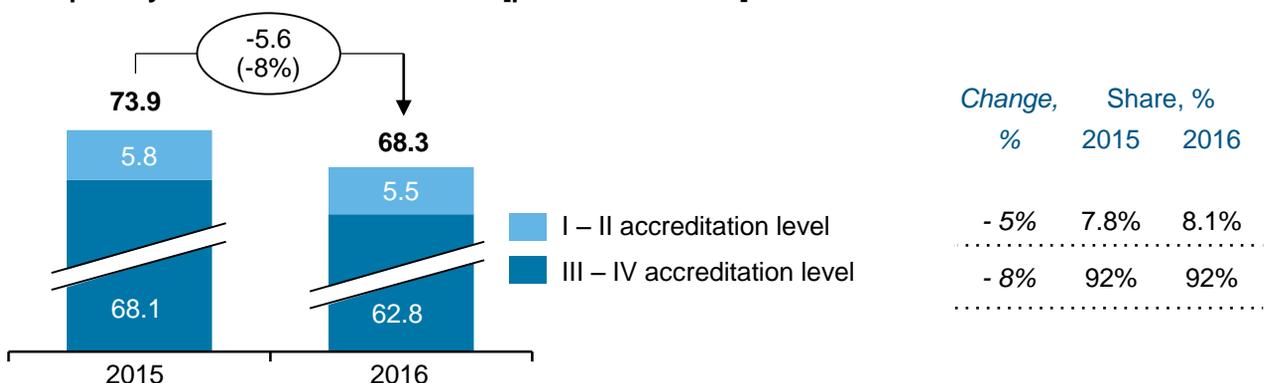
The quantity of HEIs in Kyiv



The quantity of graduates [persons thousand]



The quantity of HEIs students enrolled [persons thousand]





Summary of special-purpose municipal programs in 2016 related to Education

Special-purpose municipal program “Education in Kyiv for 2016 – 2018”



Responsible for execution:

Education and Science, Youth and Sports Department



Program goals:

Expansion of favorable conditions and opportunities for comprehensive development of a person within the open educational space of the capital, ensuring the transition to innovative education.



Key program activities and actions in 2016:

Preschool education

- Additional 1,440 places were created for preschool children through the construction of new and reconstruction of preschool educational properties (PEI) owned by the municipality.
- 3,370 children of parents with a status of internally displaced people were enrolled to PEI bypassing a waiting list.
- UAH 40 thousand were allocated for the purchase of necessary household goods.
- Additional 22 groups of inclusive education in PEI were opened. Sufficient number of assistant teachers were hired to work at all inclusive groups.
- Meal subsidies were provided to 2,568 children of the ATO participants. Free hot meals were provided to 8,209 children in sanatoriums and special PEIs. Free hot meals were also provided to all children with disabilities, orphans and children deprived of parental care.
- Purchase of medicine on over-of-budget money was made.
- Enrollment of children to the PEI was provided on the electronic queueing system.
- Updated software and hardware complex of the electronic queueing system.

Full secondary education

- Free meals for children at municipally owned secondary schools were provided to 119,655 persons, including 2,035 children with disabilities.
- Quality of schooling was examined at private secondary schools.
- Expanded the network of inclusive and special classes.
- "Open Center of Capital Education" website was developed.
- Up-to-date facilities for teaching natural sciences were purchased.
- Launched a pilot work on "Organizational, psychological and pedagogical conditions for the introduction of e-learning elements in school".

Nurture and extra-curricular education

- 80 day-camps and 124 language camps were organized.

Vocational training education (VTE)

- Free hot meals and scholarships were provided to orphans and children deprived of parental care in full.
- 6,170 people who studied at the State's cost graduated. Of them 5,371 persons were employed.



Summary of special-purpose municipal programs in 2016 that impacted the education sector

Vocational training education (VTE) (continued)

- Trainings to improve professional skills for professors and VTEIs' staff were delivered.
- Competitions to test skills of VTEIs' students were organized.

Higher education and science

- 1,115 students were enrolled into universities and other higher education institutions. Cost of studying of 61.5% of them will be covered by the State.



Key program activities and actions in 2016 :

Budget:	Actual:	% of performance:
UAH 9,029,824 thousand	UAH 8,447,928 thousand	93.6%

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



Responsible for execution:

Executive Office of the Executive body of the Kyiv City Council (the Kyiv City State Administration)



Program goals:

Increase the general level of legal culture and improvement of public legal education system. Acquisition of the required level of legal knowledge, and the formation of their respect for law by the citizens.



Key program activities and actions in 2016:

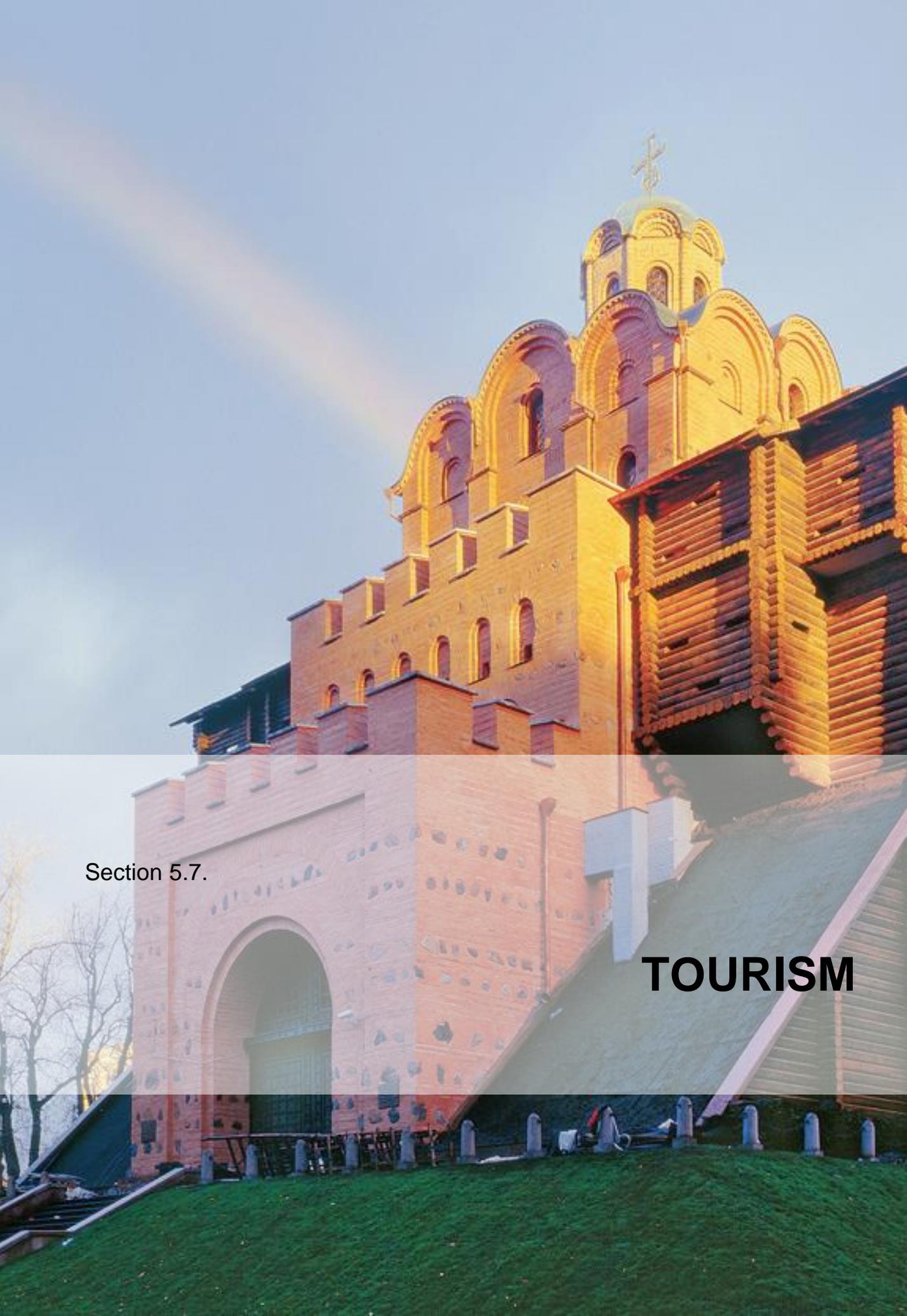
The Program activities were implemented according to the agenda of the departments and other government agencies.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 0 th	UAH 0 th	-

Source: KCSA



Section 5.7.

TOURISM



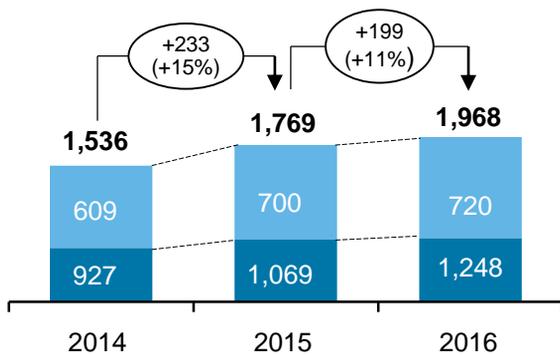
Tourism

Kyiv's attractiveness as tourist destination is growing

The increase in the number of tourists was largely driven by higher inflow of foreign tourists. Their number increased by 17% compared while domestic (internal) tourists grow by 3%.

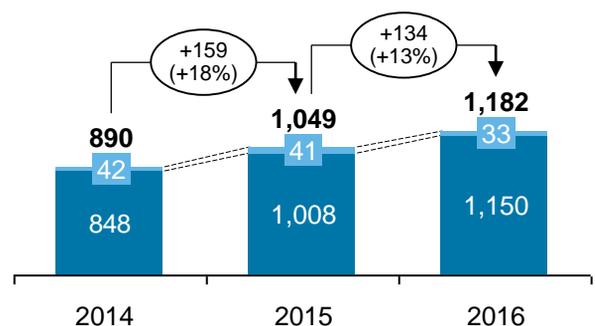
The quantity of foreign and domestic tourists¹ [persons thousand]

Foreign tourists
Domestic tourists

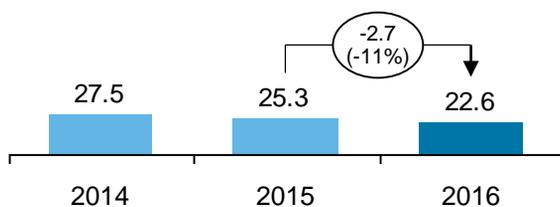


The quantity of persons who stayed at collective accommodations in Kyiv [persons thousand]

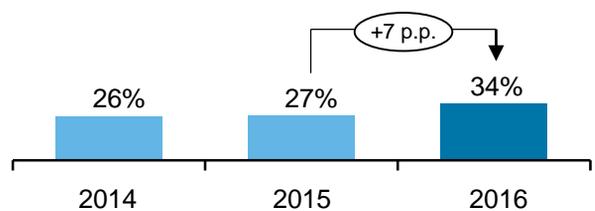
Specialized collective accommodations
Hotels and similar collective accommodations



The quantity of places in collective accommodations [thousand places]

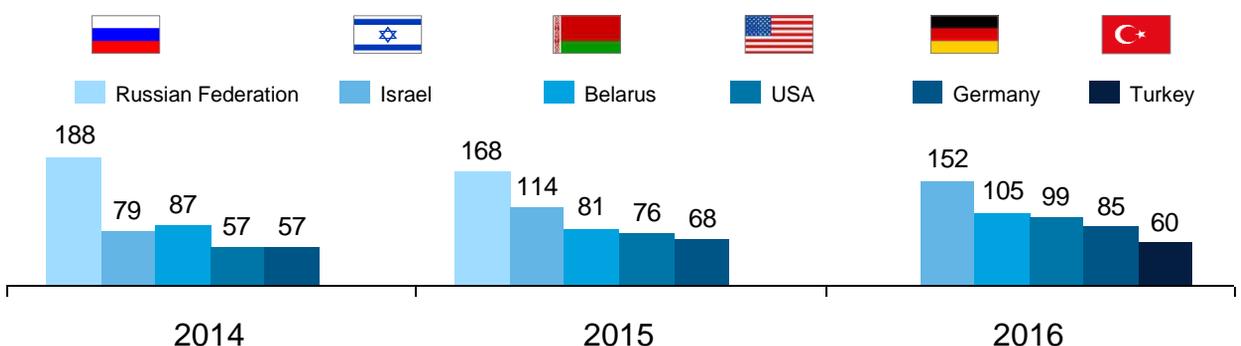


Room's occupancy rate [%]



Significant changes in the list of top 5 countries with largest numbers of tourists visited Kyiv: Israel topped the list while the last long-term leader, Russian Federation, dropped out of the Top 5.

Top 5 countries by the number of foreign tourists to Kyiv [persons thousand]



Note: p.p. – percentage point

¹ Source: according to the information of the Administration of the State Border Guard Service and Report "#1-CMA"

Source: KCSA, <http://kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs in 2016 that related to Tourism

The tourism infrastructure in Kyiv is being developed in accordance with European standards

Tourism is one of the key areas of social and economic development according to the Kyiv 2025 Development Strategy. Its development has a great potential for growth.

Special-purpose Municipal Tourism Development Program for 2016-2018 years



Responsible for execution:

Economics and Investments Department



Program goals:

Create competitive products for tourists, increase tourist flows, turn tourism into one of the most profitable areas of the Kyiv economy, which will ensure significant contribution to the city's social and economic development by increasing revenues of Kyiv's budget from tax and currency revenues, inflow of investments, increase of the number of jobs; and also create favorable conditions for recreation and health improvement of citizens and guests based on preservation and rational use of cultural, historical and natural heritage of Kyiv.



Key program activities and actions in 2016:

- Parking spots were modernized, 22 signs were installed near tourist attractions in the central part of Kyiv.
- Stock count of tourist guidance signs with sightseeing and tourist information stands was performed jointly with ME "KM TIC".
- Two sociological researches of tourist flows to Kyiv and one advertising influence research were carried out.
- Two conferences were conducted. Representatives from Kyiv participated in 10 international exhibitions.
- Kyiv's cross-promotion with Tel-Aviv and a photo exhibition were conducted in the central part of Tel Aviv (Israel).
- Six promotional and informational tours to Kyiv for foreign media representatives were conducted.
- Agreements on cooperation with the Kyiv National University of Trade and Economics, Taras Shevchenko National University of Kyiv and public organization "Running Ukraine" were signed.
- Content for Kyiv travel portal visitkyiv.travel was prepared.
- Two tourist information centers at international airports Kyiv (Zhuliany) and Boryspil were opened.
- 3D constructions of touristic logo of Kyiv were made and installed.



Program funding in 2016:

Budget:

Actual:

% of performance:

UAH 53,495 thousand

UAH 8,622 thousand

16.1%



Section 5.8.

CULTURE

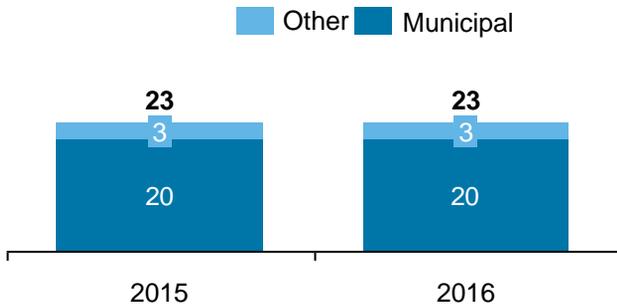


Culture and art institutions

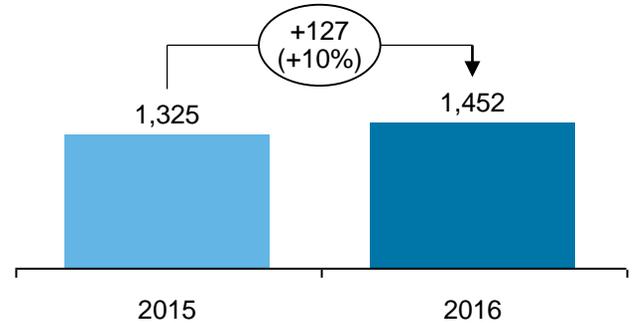
The quantity of theater visits increased, the quantity of concert visits decreased in 2016

Kyiv has a developed system of cultural and arts centers and historical monuments. The capital of Ukraine is a multicultural city where more than 135 nationalities live and more than 1,200 registered religious organizations act.

The quantity of theatres [units]

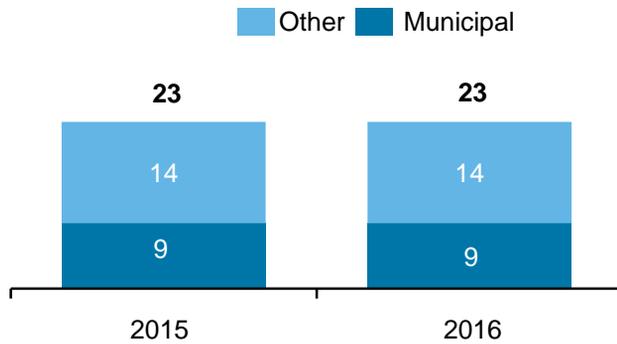


The quantity of theater visits [thousand]

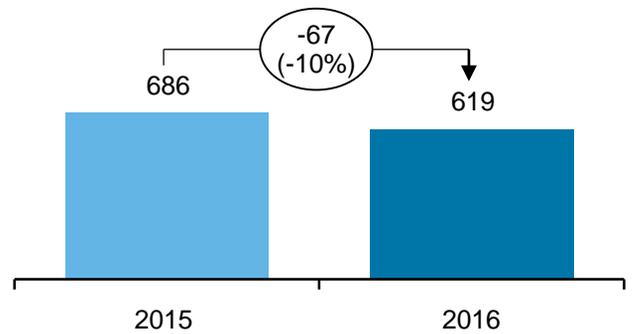


The network of municipal theatrical centers consists of 20 theatres, including 19 theaters under the city administration, and one under the local administration.

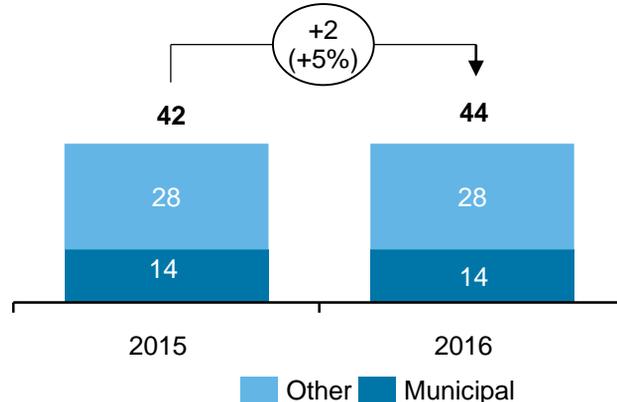
The quantity of concert organizations [units]



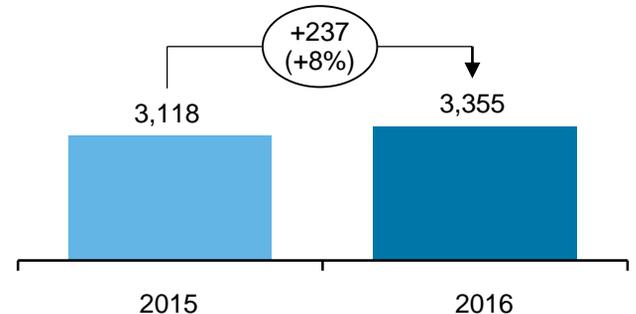
The quantity of concert entries [persons thousand]



The quantity of museums [units]



The quantity of museum visits [persons thousand]



Source: KCSA, <http://kiev.ukrstat.gov.ua>
Calculated and actual values may differ due to rounding.



Culture

Public libraries and municipal cinemas in Kyiv were renovated in 2016

The quantity of libraries



143¹

The quantity of cinemas and public film screening places



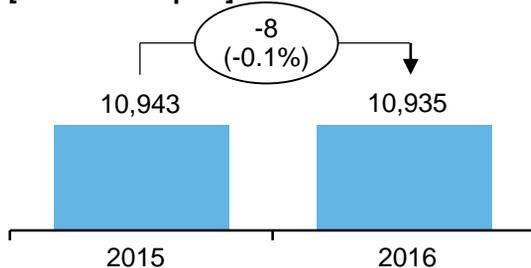
16

The quantity of clubhouses



30

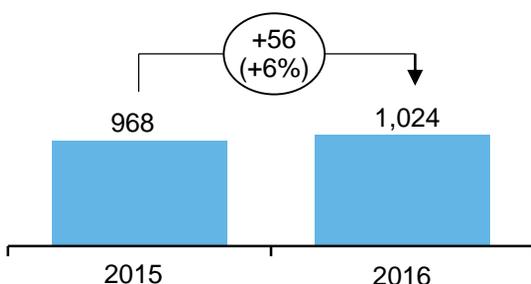
The quantity of books in public libraries in Kyiv [thousand copies]



Renovated public space “BiblioHUB” in Taras Shevchenko Central Library for children was opened. A collaboration “Otsium. A network of public spaces” project is being implemented at the premises of the youth library named after E.S. Kravchenko. Project “Light cinema travels across libraries” was presented.

Promin movie theater was overhauled. Modern halls were opened in movie theaters Leipzig, Fasel and Taras Shevchenko Cinema.

The quantity of movie goers to cinemas and public film screening places [thousand persons]



¹ 139 of them are public libraries of the city of Kyiv
 Source: KCSA, <http://kiev.ukrstat.gov.ua>
 Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs that related to Culture in 2016

Complex special-purpose municipal program “The Capital City Culture for 2016–2018”



Responsible for execution:

Culture Department



Program goals:

- Support and development of professional arts, support of creative diversity in Kyiv; provision of open access to information that is stored and available for use at the public libraries; promotion of free, creative, intellectual, and spiritual development of children in primary specialized art educational institutions, higher arts educational institutions and cultural institutions; promotion of availability of arts education and guarantees of the right to acquire it.
- Provision of free, equal development of citizens of different nationalities in Kyiv; satisfaction of their national and cultural needs; promotion of tolerance; impermissibility of racism, xenophobia, and antisemitism; preservation, revival and development of ethnic, cultural and language originality, learning languages and history of national minorities of Kyiv.
- Implementation of the constitutional right for freedom of ideology and religion, protection of right and legal interests of religious organizations; improvement of religious and ideological tolerance, assistance to the religious organization for optimal realization of their possibilities to provide help to people in need.
- Preservation, development and promotion of cultural and historical heritage of Kyiv; provision of access to cultural values for citizens; integration of the capital of Ukraine into the European and worldwide culture.



Key program activities and actions in 2016:

Subprogram 1.

Special-purpose Municipal Program «Art Kyiv»

- Cultural and artistic projects were implemented based on partner terms using extra budgetary funds.
- 10 thousand of cultural, educational and artistic activities, exhibitions of masters of fine art and folk art were delivered with participation of artistic amateur collectives and clubhouse facilities.
- A range of cultural events was delivered:
 - choreography festival “KMATOB-FEST-2016”;
 - the 4th international music festival “O-FEST”;
 - International Festival “Dialog of cultures”;
 - Film Festival “Open night”;
 - The international contemporary art festival “GogolFest”;
 - International Film and TV and radio programs Festival for children and youth “Gold chicken”;
 - “Molodist” International Film Festival;
 - The international Roma culture festival "AMALA”;



Summary of special-purpose municipal programs that related to Culture in 2016



Key program activities and actions in 2016:

- The quantity of annual and lifetime urban grants to prominent professionals of culture and arts was increased. The “Kyiv Pektoral” Theatre Prize ceremony was held.
- The municipal theatres were renovated, new cinema halls were opened.
- The art school of Desnianskyi district connected to the developed network of art schools.
- The municipal libraries were renovated, their social and cultural functionality was extended.
- A range of social projects was created and represented in partnership with embassies and institutions of different countries.
- Programs on the occasion of city, state and religious holidays were prepared.

Subprogram 2.

The special-purpose Municipal Program “Ethnical Kyiv”

- Delivered a range of cultural events, in particular:
 - A round-table meeting within the International Native Language Day;
 - A traditional contest of Kobzar’s poems reading among pupils and students in languages of national minorities in Kyiv;
 - international ethnic holiday "Novruz";
 - ethnic community festival "Ethnical Wreath on Kontraktova Square" to celebrate the Kyiv Day;
 - the Memory Day of memory of victims of genocide of Crimean Tatar people;
 - the Council on nationalities’ session at the Kyiv City Council.
- Supported national communities of Kyiv in conducting events devoted to the history of national minorities and national holidays and in normal course of functioning of Sunday schools and native language courses for minorities of Ukraine.

Subprogram 3.

The special-purpose Municipal Program «Kyiv spiritual»

- Religious buildings used for other purposes were transmitted to parishioners.
- A series of meetings with representatives of Christian religious communities of Kyiv were delivered, held to prevent inter-confessional conflicts.
- Facilitated celebrations of various religious holidays, in particular:
 - The Kyivan Rus’ Baptism Day;
 - The National Easter Egg Festival 2016 as part of Resurrection of Christ celebration;
 - International festival of Jewish music and dance «Jewish Art Fest».
- A series of events with representatives of Protestant religious organizations in Kyiv were held in preparation to the Reformation 500th Anniversary. A plan of municipal events to celebrate this event was developed and approved.



Summary of special-purpose municipal programs that related to Culture in 2016



Key program activities and actions in 2016:

Subprogram 4. The special-purpose Municipal Program “Historical Kyiv”

- Protection zone near an architecture site of local importance, sport construction “VELOTREK”, was established.
- 175 security agreements for cultural heritage were concluded.
- Continued monitoring conditions of historical Kyiv monuments.
- A plan of organizational and scientific events on saving, exploring and historic preservation of the coastal city quarter of the medieval Kyiv of the XI-XIII centuries on Poshtova square was coordinated. Archaeological oversight on construction works is being made.
- A concept of State Historical and Architectural Reserve "Ancient Kyiv" is being developed.



Program funding in in 2016:

Budget:	Actual:	% of performance:
UAH 1,437,680 thousand	UAH 1,385,019 thousand	96.3%

Source: KCSA

A large, white, parabolic satellite dish antenna is shown from a low angle, looking up. The dish is supported by a metal structure and has a central feed horn. The background is a clear, bright blue sky. The dish's surface is composed of many small, rectangular panels. The central feed horn is a white, cylindrical structure with a flared top. The overall scene is clean and modern, representing advanced technology.

Section 5.9.

SCIENCE, TECHNOLOGIES AND INNOVATION

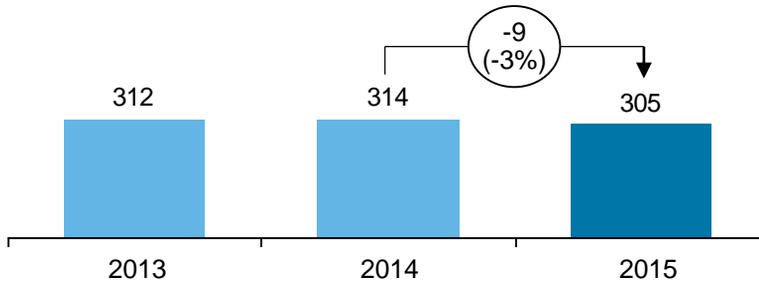


Organizations conducting research and development and scientific staff

The quantity of scientific organizations in Kyiv and the quantity of scientific staff decreased in 2015

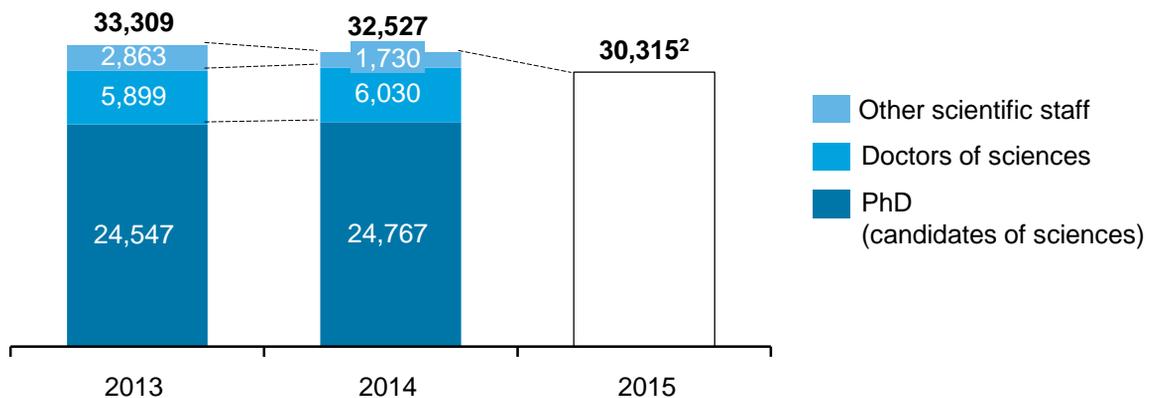
305 organizations performed scientific-and-technological activities in 2015, that is 9 organizations less than in 2014.

The quantity of scientific R&D organizations in Kyiv¹ [units]



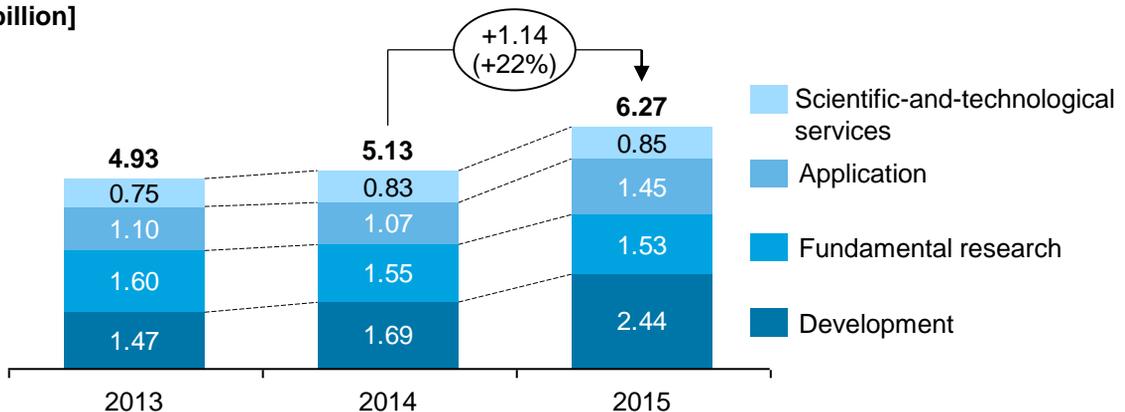
The total number of scientific staff decreased during the last few years in Kyiv. There was no data for 2016 at the moment report was completed.

The quantity of scientific staff in scientific R&D area in 2013–2015¹ [persons]



The volume of scientific-and-technological implemented works amounted to UAH 6.27 billion in 2015. Scientific research constituted the largest part of implemented work.

The volume of scientific and scientific-and-technological implemented researches in 2013–2015¹ [UAH billion]



¹ Annual data is published once in two years

² Statistical observations on the number of doctors and candidates of science in the Ukrainian economy have been canceled since 2015

Source: KCSA, <http://kiev.ukrstat.gov.ua>

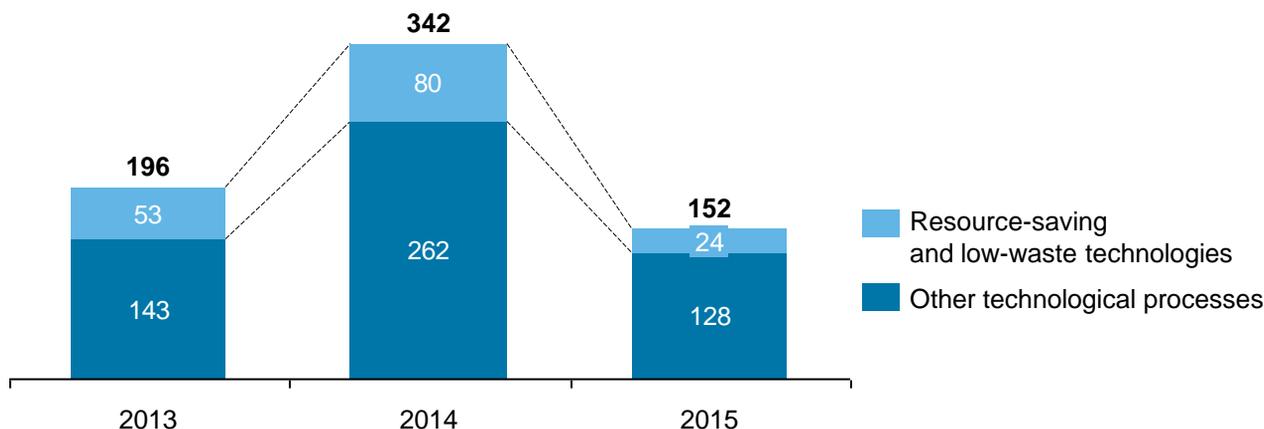
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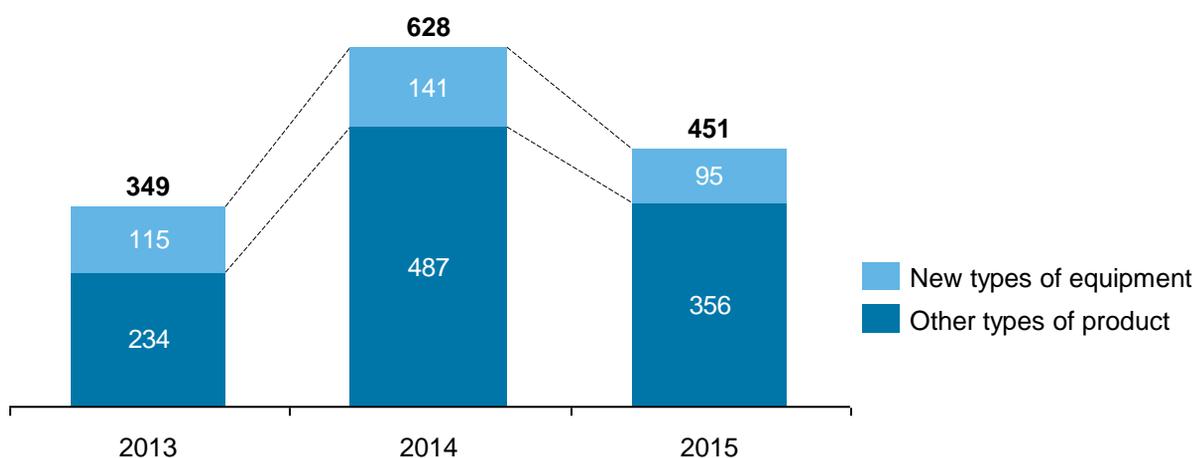
Implementation of innovations at industrial enterprises

The indicator "Share of innovative enterprises in the total number of surveyed industrial enterprises" was 17.3% in 2015. 152 new technological processes, including 24 low-waste and resource-saving processes were implemented during the year.

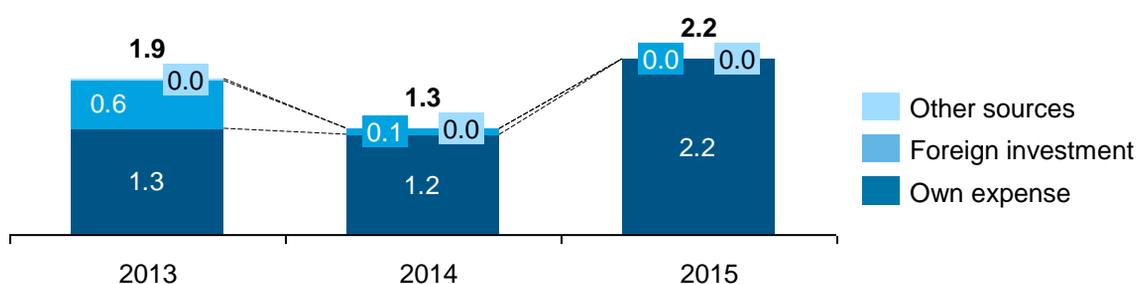
Implementation of new technological processes [units]



Innovations types ¹ [units]



Sources of financing innovations, 2013-2015 [UAH billion]



¹ The data on implementation of new technologies is collected and published once in two years

Source: <http://kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



Science, technologies, innovations

Kyiv Smart City Initiative

In 2016:

- The Expert Council on development and implementation of the "Kyiv Smart City" concept was created. The statute and composition were approved.
- A draft "Kyiv Smart City 2020" concept was developed. The basic ideas of development of Kyiv as a smart city with advanced knowledge and new technologies were detailed in the concept.
- A draft agreement with international organization «City Protocol Society» was prepared. The main purpose was to study the international experience and share knowledge.
- Kyiv Smart City HUB was created as a test platform for implementation of ideas and solutions for other interested cities in Ukraine.

The open budget of Kyiv



Project goal: to ensure absolute transparency and free public access to information on the status of the capital budget.



Description: This system automatically collects and processes information in a single window.



Implementation: Communication flow between the municipality and the Treasury was automated. Development of the project with a goal to improve the specifications of information and integration of data from other systems continued.



Site: <http://new.kievcity.gov.ua>

Public budget



Project goal: to develop the culture of participation in local self-government in the city's development.



Description: The program provides an opportunity for every citizen to participate in the distribution of the local budget by preparation of projects aimed at urban improvement and via voting for or against them.



Implementation: 62 projects were implemented, 497 projects were submitted.



Site: <https://gb.kyivcity.gov.ua>

OpenWorld



Project goal: to help blind people and people with eyesight problems to navigate the city.



Description: The special Bluetooth-Low-Energy beacon helps to find the exact position of the object in space. The beacons will be installed on public transport, traffic lights and other important places.



Implementation: The development of industrial versions of beacon was finished, money for equipment of first three streets with beacons were raised through crowdfunding on the "Bigggidea platform".



Site: <http://open-world.org.ua>



Science, technology and innovation

Policlinics without queues



Objective: to develop a convenient application for registering an appointment to a doctor at public polyclinics, to reduce of queues therein.



Description: a system allow patients to appoint a visit to a doctor on a website or via a terminal at a medical premises. Afterwards, the system sends reminders and other messages to the patients.



Execution: Policlinics without queues works in a pilot mode in the Kyiv Children's Diagnostic Center and since the launch more than 10 thousand patients have used it.



Website: <http://www.newmedicine.com.ua>

Projects that relate to the city's transport infrastructure and are developed by the IT community

within the framework of the initiative of Kyiv Smart City

“Smart roads” project



Objective: to draw attention to the problems associated with moving around the city.



Description: web-services based on analytics program, which allow a user to track places where crashes and other problem areas are constantly occurring and to identify areas that require immediate modernization.



Execution: the “Smart Roads” project was implemented in Mariupol. Development of the web-site is underway based on Kyiv Smart City’s website.



Website: <http://www.kyivsmartcity.com/projects/smart-roads>

as separate initiatives

Ukraine Traffic Safety



Objective: to fine tune procedures at KCSA for acceptance of projects on road safety. To ensure the safety of all road users. To develop and implement urban accident prevention solutions on the roads.



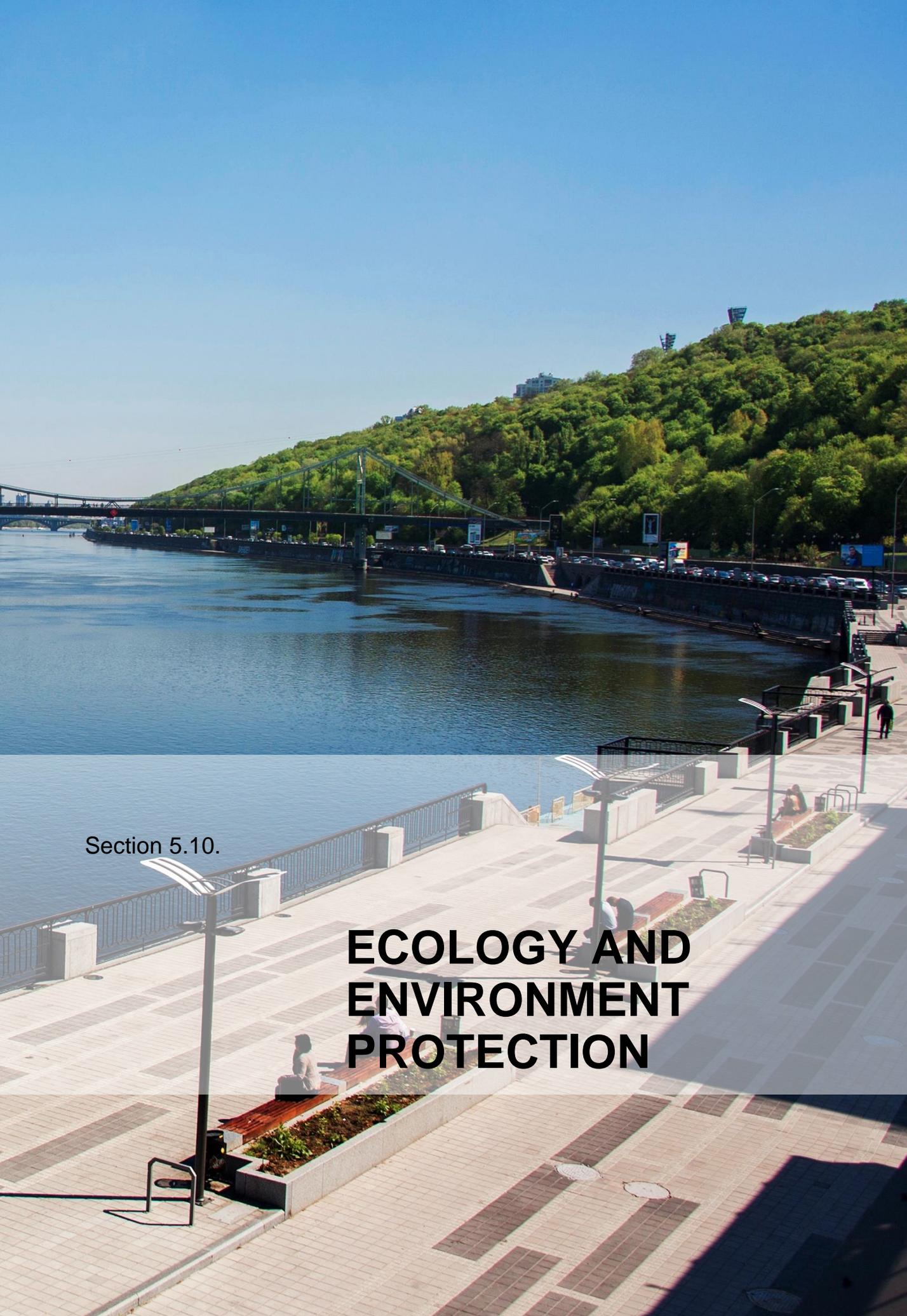
Description: the public road safety program that develops a control on the violation of traffic rules.



Execution: monitoring of the situation is carried out, statistical, research and technical means are involved into continuous control of the traffic rules’ violation.



Сайт: <http://www.utraffic.com.ua>



Section 5.10.

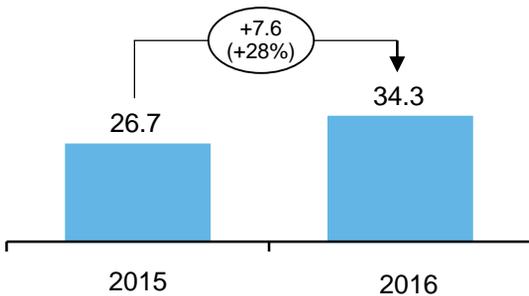
ECOLOGY AND ENVIRONMENT PROTECTION



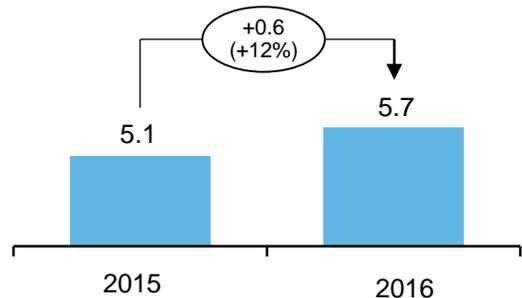
Ecology and environment protection

Emission volumes of harmful substances and carbon dioxide are increasing

Air emissions of harmful substances from stationary sources [thousand tonnes]

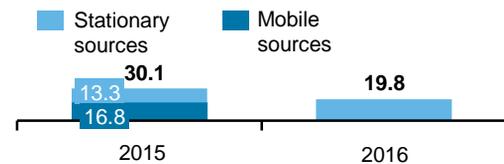


Emissions of carbon dioxide from stationary sources [million tonnes]

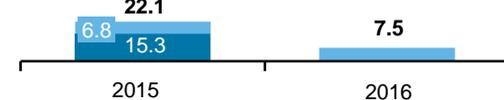


In 2016, the volume of air emissions of sulfur dioxide and nitric oxide from the stationary sources of pollution increased by 49% and amounted to 19.8 thousand tonnes.

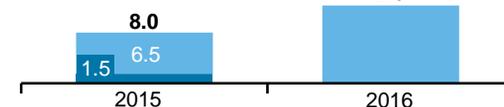
Air emissions of sulfur dioxide and nitric oxide [thousand tonnes]



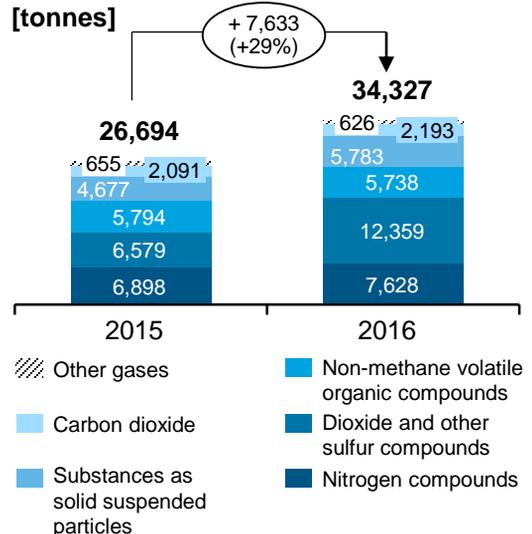
Emissions of nitric oxide [thousand tonnes]



Emissions of sulfur dioxide [thousand tonnes]

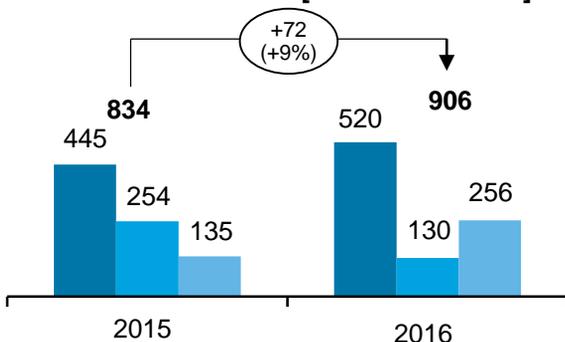


Air emissions of carbon dioxide and other substances from stationary sources [tonnes]



A significant reduction in household waste sorting was offset by incineration and burying in 2016.

Solid household waste [thousand tonnes]



Change, % Share, %
% 2015 2016

Incinerated	+ 89%	16%	28%
Sorted	- 49%	30%	14%
Buried	+ 17%	53%	57%

In 2016, no estimates were made by the State Statistics Services on emissions from polluting substances, carbon dioxide, sulfur dioxide and nitrogen oxides from mobile sources of pollution.

Source: KCSA, <http://kiev.ukrstat.gov.ua>

Calculated and actual values may differ due to rounding.



Summary of special-purpose municipal programs in the area of ecology and environment protection in 2016

Kyiv's City Land Use and Conservation Program for 2016-2020



Responsible for execution:

Department of Land Resources



Program goals:

- Establish boundaries of the city of Kyiv.
- Form and formalize the municipal lands.
- Improve the governance in using and protecting the municipal lands, enhance a role of local governance in regulation of land relations.
- Optimize the land-related economical system of the territory of Kyiv.
- Simplify procedures of registration of the rights on land.
- Increase revenues from land taxes, land sales and land lease to the city budget.
- Increase ecological and economic efficiency of the urban land use.



Key program activities and actions in 2016:

- A new project on sustainable land management to establish Kyiv boundaries was developed.
- Activities related to development of municipal land cadaster was performed.
- The following activities was held:
 - development of projects concerning granting, transferring, and using the rights on land;
 - privatization of land by citizens and registration of property rights on land for entities, establishments, and organizations;
 - inventory of lands in ownership of citizens, entities, establishments, and organizations.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 8,890 thousand	UAH 3,540 thousand	39.8%

Municipal Pet Care Control and the Regulation of the Number of Homeless Animals by Humane Methods for 2012–2016



Responsible for execution:

Urban Amenities and Environmental Protection Department



Program goals:

Resolve a problem of regulation of number of homeless animals by humane methods. Regulate a problem of domestic and other animal care in Kyiv.



Key program activities and actions in 2016:

- Upgrade of the database of sterilized pets.
- A search system for lost pets was improved.
- Dogs' walking zones were created and equipped for training.
- 1,105 homeless dogs were captured; 944 dogs were sterilized.
- 8,432 stray animals and animals of socially vulnerable people were sterilized, including 2,972 dogs and 5,460 cats.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 10,661 thousand	UAH 9,810 thousand	92.0%

Section 5.11.

OTHER SPECIAL- PURPOSE MUNICIPAL PROGRAMS



Summary of other special-purpose municipal programs in 2016 that were included into the Program of economic and social development of Kyiv

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



Responsible for execution:

Social Communications Department



Program goals:

Facilitate the development of civil society in Kyiv and strengthening the democracy in Ukraine. Ensure the protection of civil rights and liberties and efficient interaction of municipal authorities with civil society organizations. Popularize the experience in the field of establishment and development of self-governance in Kyiv.



Key program activities and actions in 2016:

- 141 draft legal acts were placed online on the official site of KCSA for public discussion.
- Implementation plan of National Strategy for Civil Society Promotion in 2016-2017 was approved.
- Activities to extend the network of bodies of self-government were performed, 114 consultations were provided.
- Streets and other places with names related to the communistic totalitarian regime were renamed.
- Methodological work and coordination with the Public Council under KCSA was done.
- Project “Improving access for organizations of civil society to social services” progressed.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 13,056 thousand	UAH 10,784 thousand	82.6%

Source: KCSA



Summary of other special-purpose municipal programs in 2016 that were included into the Program of economic and social development of Kyiv

Special-Purpose Municipal Program “Kyiv informational”



Responsible for execution:

Social Communications Department



Program goals:

- Inform the public about activities of local authorities by promoting municipal media of Kyiv: ME KCC (Municipal Entity of Kyiv City Council) “Vechirniy Kyiv”, ME “Radiostantsia ”Holos Kyieva”, ME KCC “Telekanal “Kyiv”.
- Develop digital communication channels, improve relations between information agencies and civil society institutes.



Key program activities and actions in 2016:

- Socially important information was broadcasted via “Telekanal “Kyiv”, radio station “Holos Kyieva”, and newspapers “Vechirniy Kyiv” and “Khreshchatyk”.
- The official web-page of the KCSA provided transparency and public access to decisions of the Kyiv City Council.
- 27 media events were delivered aimed at researching and shaping the public opinion, including round table discussions, briefings, presentations, photo exhibitions, theme discussions with the participation of professionals, experts, deputies of Kyiv City Council, and leaders of public opinion.
- 18 info campaigns were run with support from the public, including: “25 years of Ukraine’s Independence”, “Crimea is Ukraine!”, “Days of Europe in Kyiv”, “Receive warm subsidies”, “Decline bribes”, “Kyiv is Ukrainian speaking”, “Services 15-51” etc.
- 2 trainings and 3 seminars for professionals in media communications at district state administrations and media were held to cover the topic of counteracting of informational aggression.
- A sociological research on “Traditional and innovative communication channels of Kyiv’s city government for informing the public about municipal services, initiatives and socially important events” was conducted.
- Communicational strategy of Ukrainian language popularization and “Kyiv reads, read with us!” campaign were developed.
- A tender for publishing 37 books funded for UAH 829 thousand by the city’s budget was held; 15,920 books were published for city libraries.
- A web-site of “Vechirniy Kyiv” newspaper (<https://vechirniykyiev.com.ua/>) was upgraded with a new administrating system and a set of thematic modules: photo and video galleries, questionnaires, poles.
- The broadcasting network of the leading informational radio station of the capital city “Kyiv-98 FM” was renovated.



Program funding in 2016:

Budget:

UAH 51,533
thousand

Actual:

UAH 50,551
thousand

% of performance:

98.1%



Summary of other special-purpose municipal programs in 2016 that were planned by the Program of economic and social development of Kyiv

Program to Strengthen and Develop International Relations for 2015–2018



Responsible for execution:

Executive Office of the Executive Body of Kyiv City Council (KCSA)



Program goals:

- Implementation of foreign policy of the country 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 activities on attraction of non-budget funds (i.e. grants, technical assistance funds, etc.) to implement the City's development programs for the community needs.



Key program activities and actions in 2016:

- 73 business trips were organized for 141 delegates, which is 30.4% above the annual target.
- 700 persons took part in official events and receptions at 9 events organized.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 4,100 thousand	UAH 3,104 thousand	75.7%

Special-Purpose Municipal Program for improvement of preparation of citizens to military service, registration process to military offices, call-up process to military service of persons liable for call-up during mobilization and contracting on military service for 2012–2016



Responsible for execution:

Executive Office of the Executive body of Kyiv City Council (KCSA)



Program goals:

- Provide effective organization and implementation of activities for preparation of citizens to military service, registration process to military offices and call-up process.



Key program activities and actions in 2016:

- Provision of vehicles for transportation needs of military medical commissions and regional military commissariats as well as persons being called up or mobilized to military service.
- Conducting actions on registration to military offices and call-up. A plan for call-up to military service in 2016 was achieved: by 89% from the spring call-up plan and by 100% of the autumn plan.
- Activities to prevent violation of legislation by citizens, entities, institutions and organizations during the call-up to military service were executed.



Program funding in 2016:

Budget:	Actual:	% of performance:
UAH 2,677 thousand	UAH 1,290 thousand	48.2%

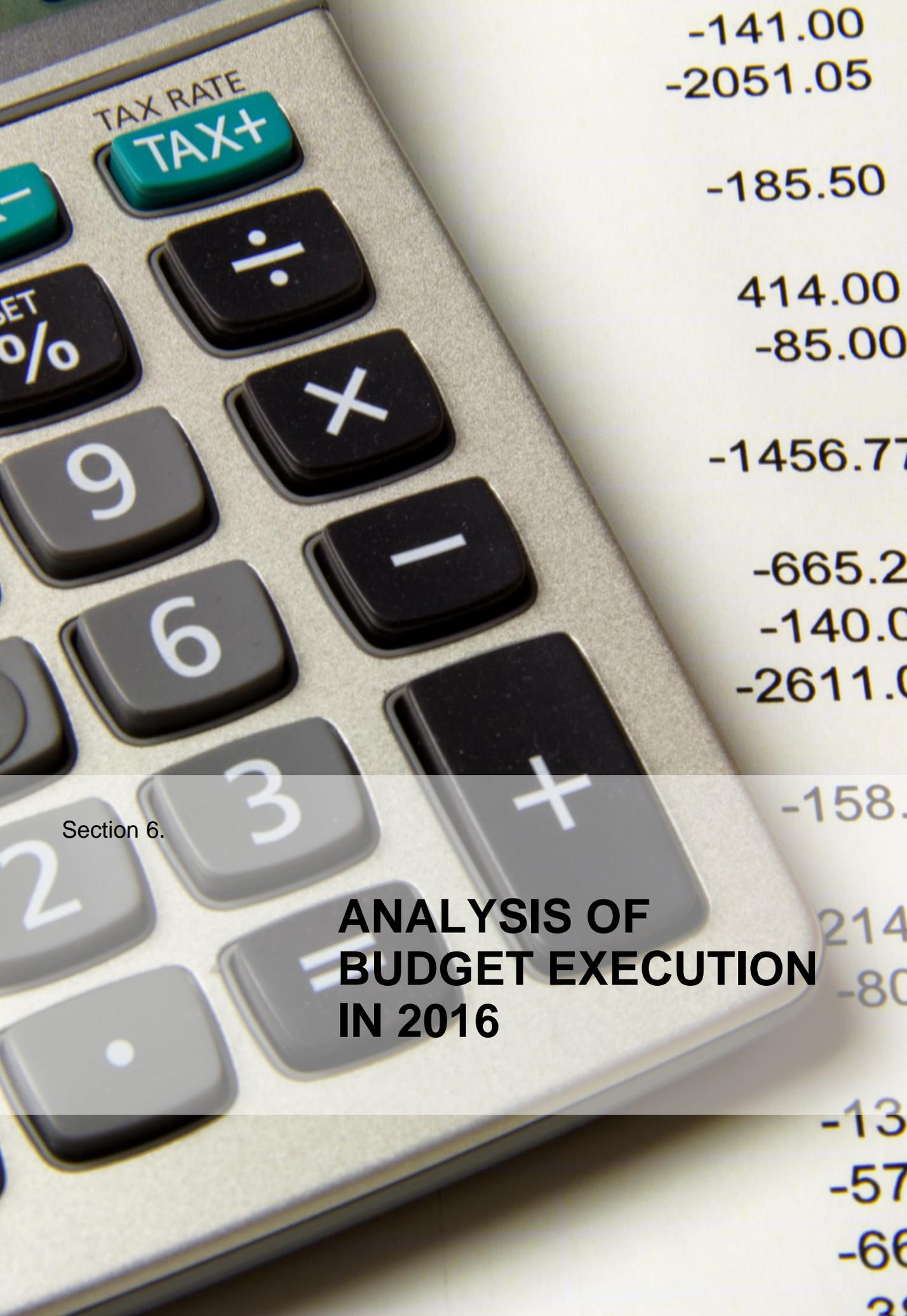


Summary of other special-purpose municipal programs in 2016 that were planned by the Program of economic and social development of Kyiv

Special-Purpose Municipal Program “Awards” for 2012–2016

	Responsible for execution:	Executive Office of the Executive Body of Kyiv City Council (KCSA)		
	Program goals:	<ul style="list-style-type: none"> ▪ Provide material and technical support of the awarding process; ▪ Organize activities on celebrating national and professional holidays, anniversaries of commemorative dates and events etc. 		
	Key program activities and actions in 2016:	<ul style="list-style-type: none"> ▪ 4,030 persons were awarded, including: <ul style="list-style-type: none"> - by a “Badge of Honor” (40 persons); - by a “Honor. Glory. Nation” medal (1,408 persons); - by a KCSA certificate of honor (189 persons); - by an award of the Kyiv City Mayor (2,393 persons). 		
	Program funding in 2016:	Budget: UAH 603 thousand	Actual: UAH 519 thousand	% of performance: 86.2%

Source: KCSA



-141.00
-2051.05

-185.50

414.00
-85.00

-1456.77

-665.2
-140.0
-2611.0

-158.

214
-80

-13
-57
-66

Section 6.

ANALYSIS OF BUDGET EXECUTION IN 2016



Section 6.1.

BUDGETING PROCESS REGULATORY FRAMEWORK



Key policies towards city budget preparation and execution

The Budget Code of Ukraine sets the legal framework of underlying principles, policies regarding the budgeting process and relationships between the government budget and local budgets.

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

- Municipal (the KCSA and Kyiv City Council departments and functions);
- 10 districts (Holosiivskyi, Darnytskyi, Desnianskyi, Dniprovskyi, Obolonskyi, Pecherskyi, Podilskyi, Svyatoshytskyi, Solomyanskyi and Shevchenkivskyi).

Kyiv's city budget structure:

Kyiv's city budget is comprised of General and Special Funds. The parts of the budget are determined exclusively according to the Budget Code of Ukraine and the Law of Ukraine "On the State Budget of Ukraine" for the respective year.



- Revenues collected from the General fund sources are allocated to the centralized revenue pool. Revenues are not allocated for special purposes.
- Operating expenses (payroll, utilities, etc.) of the budget and the municipal entities are funded from this pool.
- The deficit of the General fund is covered from excess cash available at the end of the previous budgeting period.
- The surplus of General Fund is allocated to the development budget, repayment of outstanding borrowings and maintenance of the acceptable balance of budget funds at the level predetermined by the plan.
- The Special Fund revenues are tied to specific expenses or purposes.
- The Special fund is comprised of the following sections:
 - development budget (for capital expenditures and major overhauls);
 - special-purpose fund (special-purpose programs, such as capital expenditure, repayment of municipal debt, creation of city parks and green zones, provision of urban amenities, etc.);
 - environment protection fund (environment programs) and others.
- Capital expenditures are funded from the Special Fund only.
- The deficit of the Special fund is covered by municipal borrowing raised to the development budget, General fund cash, disposal of securities and cash balances of the fund, than other revenues generated by budgetary entities.
- The surplus of the Special Fund is allocated to repayment of municipal debt and/or acquisition of securities.

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

Source: KCSA



Budget owners

Budget funds are allocated to budget owners in order to fund the programs and the events which are to be covered from the budget.

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

In 2016, the quantity of budget owners amounted to 456 budgetary entities, including 34 primary budget owners, 69 Level 2 budget owners, and 353 Level 3 budget owners.

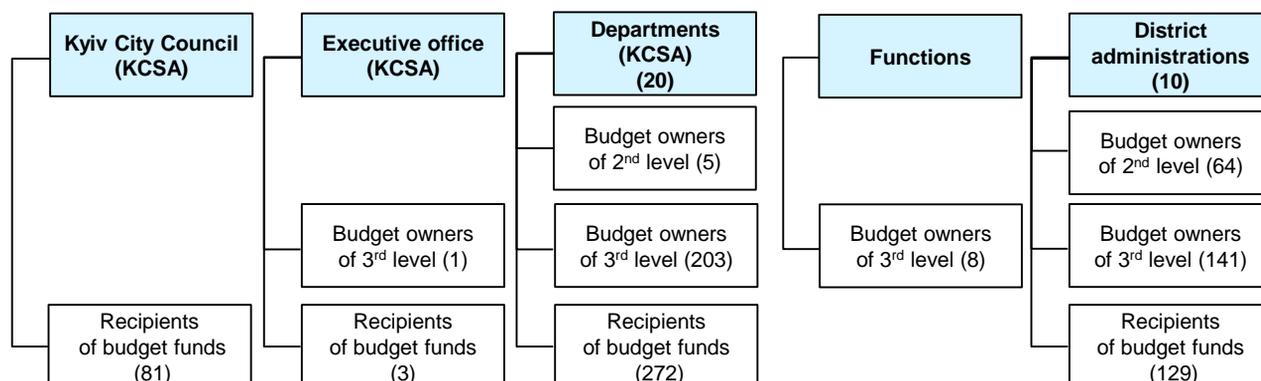
The budget owners may authorize the recipients of budget funds to perform activities within a budget program, disbursing budget funds (on returnable basis or non-returnable) within the limits of the respective budgetary appropriations.

- Beneficiaries of budget funds use such funds on the basis of budget spending plan.
- Beneficiaries of budget funds include municipal entities, as well as civic and other entities that are not classified as municipal entities.

547 organizations obtained budget funds in 2016, including the municipal entity "Kyivskyi Metropolitan", the municipal entity "Kyivpastrans", the municipal corporation "Kyivavtodor".

The structure of entities and organizations funded from the Kyiv's city budget

Main budget owners



The data shown for 2016.

Some entities/organizations are recipients of budget funds from multiple budget owners.

Source: KCSA



Intra-budget relations

Kyiv City State Administration is responsible for significant part of social expenditures of the city of Kyiv

The State of Ukraine is responsible for execution of expenditures on national scale, including expenditures for national defense, law enforcement and international relations. The executive body of Kyiv City State Administration is responsible mainly for social expenditures.

The main groups of expenditures allocated in the budget of Kyiv city, include:

-  education;
-  public health;
-  social security and social welfare;
-  culture and art;
-  residential facilities management and public infrastructure;
-  transport and roads;
-  construction, including construction of housing for special categories of citizens;
-  sports;
-  mass media;
-  environment protection and ecology programs;
-  water rescue.

Personal income taxes constitute the largest source of revenues of Kyiv's city budget.

- 50% of personal income tax was paid to the Kyiv's city budget before 31.12.2014, with the other 50% paid to the State budget of Ukraine;
- Starting from 01.01.2015, only 40% of personal income tax to be paid to the Kyiv's city budget, while the 60% is collected into the government budget of Ukraine.

According to the Budget Code of Ukraine, the local authorities may receive the full amount of revenues collected within the jurisdiction of local governance bodies, including the full amount of property tax, land tax, licensing fees and corporate profit tax (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 allocated to Kyiv's city budget.

The Budget Code of Ukraine provides for inter-budget transfers in the form of:

- Equalization subsidies, that are peculiarity of the Ukrainian budget system. The government supports local budgets of some Ukrainian regions and cities, when expected revenues are not sufficient to finance all the expenditures required in a given fiscal year.
- The subventions from the government budget, that are provided directly to a local budget for strictly pre-determined purposes and based on pre-determined conditions.

In addition, according to the Law of Ukraine "On the Hero City of Kyiv, the Capital of Ukraine", the Government is required to:

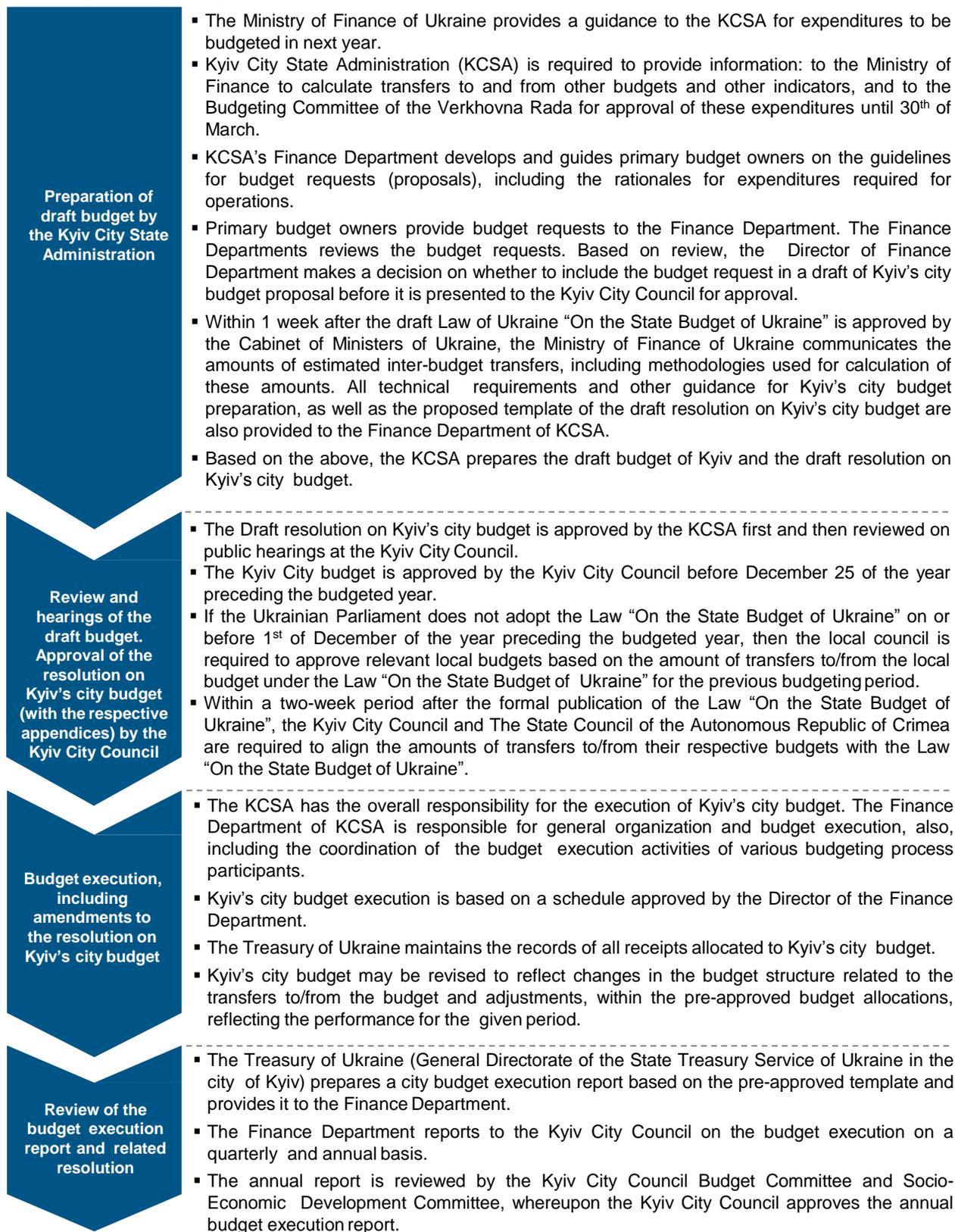
- Cover specific expenses incurred by the city of Kyiv related to functions of a capital of Ukraine;
- Provide subventions and allocate resources required for implementation of programs and projects needed for execution of functions of a capital of Ukraine.



Budget 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.

The stages of the budget process:





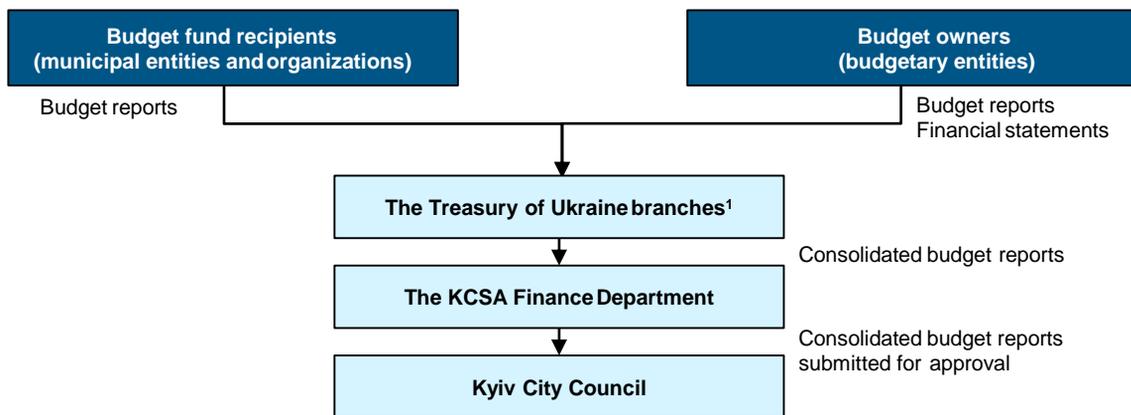
Reports on execution of the budget of Kyiv city

Under the Article 58 and Article 80 of the Budget Code, the 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 items, 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) of Accounting in Ukraine and other regulations issued by the Ministry of Finance of Ukraine.

In 2015, consolidated financial statements of special purpose of Kyiv 2014 were originally prepared and published. Total quantity of municipal entities owned by Kyiv City as of 1 January 2015, amounted to 1,938 legal entities (1,535 budgetary entities and 403 municipal entities). The consolidated financial information included accounting records on 1,826 legal entities (1,474 budget institutions, 345 municipal entities and 7 joint-stock companies in which the territorial community of Kyiv have a share of corporate rights and control). In 2016, 1,918 municipal entities and budgetary institutions’ operated in Kyiv.

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 the Kyiv’s city beneficiaries

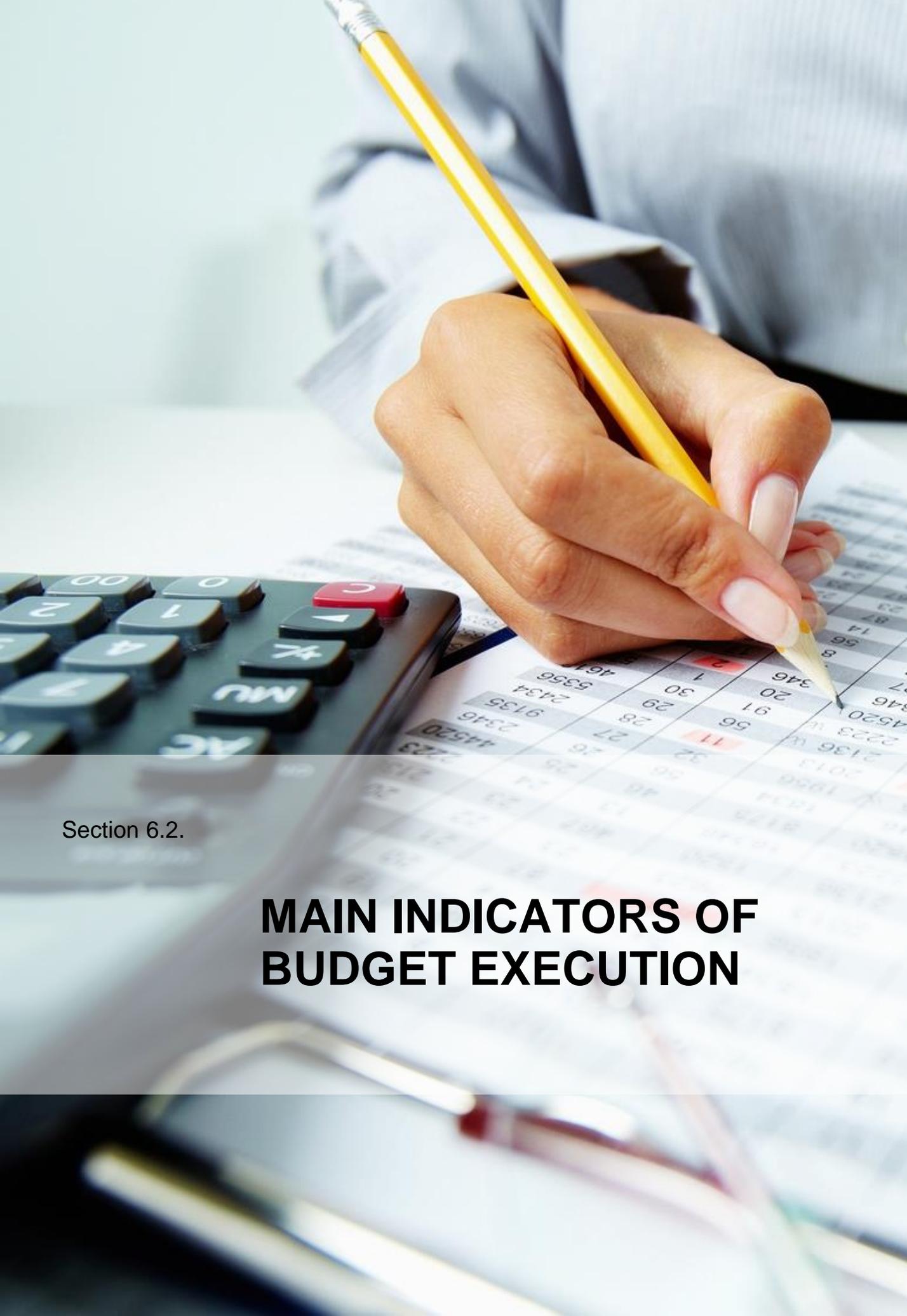
According to Order № 44 dated January 24, 2012 issued by the Ministry of Finance of Ukraine, budget owners are required to prepare quarterly and annual financial statements; and monthly, quarterly and annual budget reports and present them to their local Treasury of Ukraine branches (the General Directorate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

The beneficiaries (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).

The 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 2016

The 2016 Kyiv city budget, including budget programmes, was approved by Kyiv City Council resolution № 61/61 dated December 22, 2015 “On the Kyiv City Budget for 2016”.



Section 6.2.

MAIN INDICATORS OF BUDGET EXECUTION



Summary of budget execution in 2016

Revenues [UAH million]

Indicator	Approved by City Council for operating year ¹	Plan 2016 ²	Actual as at 31.12.2016	Plan execution, %	Actual as at 31.12.2015	Abs change (2016-2015)	YoY change 2016/2015, %
REVENUES							
Revenues of general fund							
Tax proceeds, including:	23,255	23,255	24,090	104%	15,625	8,465	54%
Corporate and personal income taxes, and capital gains taxes	13,587	13,587	14,017	103%	9,667	4,350	45%
Rents and fees for the use of natural resources	48	48	52	108%	47	5	11%
Excise taxes	1,306	1,306	1,366	105%	976	391	40%
Local taxes and charges	8,313	8,313	8,654	104%	4,905	3,749	76%
Other taxes	1	1	1	-	30	-30	-100%
Non-tax revenues, including:	551	551	615	112%	557	58	11%
Revenues from property and entrepreneurial activities	38	38	48	126%	78	-30	-38%
Administrative fees and charges	477	477	533	112%	464	69	15%
Other proceeds	37	37	34	94%	15	20	135%
Revenues from operations with capital	3	3	4	124%	1	3	183%
Subventions and subsidies	9,502	9,502	9,419	99%	9,476	-57	-1%
Total revenues of general fund	33,311	33,311	34,128	102%	25,659	8,470	33%
Revenues of special fund							
Tax proceeds	733	733	641	87%	0.2	640	314x
Non-tax proceeds	984	3,174	3,489	110%	5,381	-1,892	-35%
Proceeds from capital transactions	150	150	129	86%	351	-222	-63%
Special purpose funds established by local government authorities	249	249	300	120%	263	37	14%
Total revenues of special fund	2,116	4,306	4,559	106%	5,995	-1,436	-24%
TOTAL REVENUES	35,427	37,617	38,687	103%	31,654	7,033	22%

¹ Incorporates latest amendments made by the decision of the Kyiv City Council dated 22.12.2016 № 779/1783

² A UAH 2.2 billion difference between the Plan 2016 and the Plan approved by City Council for the operating year is due to specifics of accounting within "Own proceeds of budget institutions" line.

Source: KCSA

Calculated and actual values may differ due to rounding.



Summary of budget execution in 2016

Expenditures [UAH million]

Indicator	Approved by City Council for operating year	Plan 2016 ¹	Actual as at 31.12.2016	Execution, %	Actual as at 31.12.2015	Abs change (2016-2015)	YoY change 2016/2015, %
EXPENDITURES of general and special fund							
Education	8,070	8,581	8,052	94%	6,313	1,739	28%
Health care	6,626	7,855	7,640	97%	8,231	-591	-7%
Social care and social security	4,773	4,793	4,648	97%	4,188	460	11%
Construction	4,099	4,099	3,642	89%	1,543	2,099	136%
Transport, road facilities, communication, telecommunications, and information systems	2,912	2,912	2,553	88%	1,533	1,019	66%
Housing and utilities	2,737	2,737	2,598	95%	2,146	452	21%
Culture and art	966	1,300	1,266	97%	762	504	66%
Public administration	1,087	1,259	1,192	95%	705	488	69%
Debt service	896	896	281	31%	1,577	-1,295	-82%
Other services related to economic activities ²	816	816	710	87%	170	540	317%
Special-purpose funds	336	336	313	93%	298	15	5%
Physical culture and sports	331	333	301	90%	242	59	24%
Expenditures not included into major groups	271	273	179	66%	176	3	2%
Agriculture and forestry, fishery and hunting	43	40	29	72%	33	-4	-13%
Mass media	38	38	37	97%	34	3	9%
Prevention and liquidation of emergencies and consequences of natural disasters	10	10	10	100%	8	2	20%
Lending	-	-2	-3	185%	-2	-0.3	13%
Inter-budget transfers	142	142	124	84%	53	71	133%
TOTAL EXPENDITURES (general and special fund together)	34,152	36,418	33,573	92%	28,010	5,563	20%
Surplus	1,275	1,199	5,114	426%	3,644	1,470	40%
% from budget revenues	3.6%	3.2%	13.2%	-10 p.p.	11.5%	1.7 p.p.	-
Budget financing	-1,275	-1,275	-5,114	401%	-3,644	-1,470	40%
Financing of credit operations	-2,864	-2,864	-2,864	100%	-2,301	-563	24%
Cash flows from debt financing	-	-	-	-	-	-	-
Repayment of debt	-2,864	-2,864	-2,864	100%	-2,301	-563	24%
Financing of assets' operations	1,589	1,589	-2,250	-142%	-1,343	-907	68%
Changes in budget funds	1,589	1,589	-2,250	-142%	-1,343	-907	68%
Financing from single treasury account	-	-	-	-	-	-	-
Budget funds (period-end)	n.a.	n.a.	4,023	n.a.	1,775	2,248	127%
Debt (period-end) ³	n.a.	n.a.	2,750	n.a.	6,718	-3,968	-59%
Municipal guaranteed debt (period-end) ⁴	n.a.	n.a.	1,881	n.a.	3,415	264	8%

¹ Incorporates latest amendments made by the decision of the Kyiv City Council dated 22.12.2016 № 779/1783.

² Include funds of the City budget as well as budget institutions.

³ UAH equivalent of debt of Kyiv denominated in USD and EUR is derived based on official NBU exchange rates of USD/UAH, EUR/UAH as at 31 December 2015 and 31 December 2016.

⁴ Borrowings of municipal entities guaranteed by the city of Kyiv denominated in USD and EUR are shown in UAH equivalent based on the official NBU exchange rates of USD/UAH, EUR/UAH on 31 December 2015 and 31 December 2016.

Source: KCSA

Calculated and actual values may differ due to rounding.

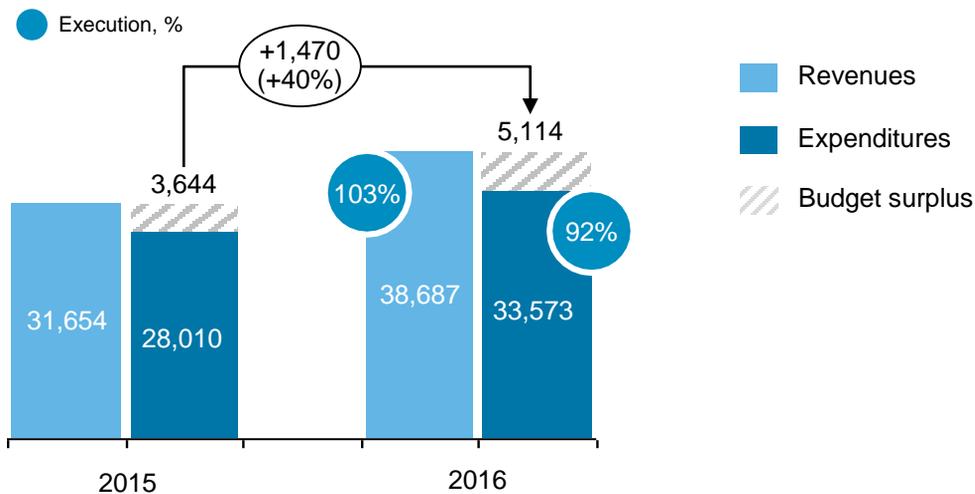


Summary of Kyiv's City budget execution

In 2016, the improved macroeconomic situation in the country drove a growth of Kyiv's City budget surplus by UAH 1,470 million to UAH 5,114 million.

Key drivers for the growth in budget revenues were increased proceeds from personal income taxes, land taxes, and other property taxes. The growth in expenditures compared to the prior year related to the increased expenditures on education, construction, transport, and information systems and, to a lesser extent, to housing and utilities, culture and arts, social care and protection. A detailed analysis of factors effecting the budget execution is provided in this Section.

Summary of Kyiv's City budget execution [UAH million]



The growth in the budget surplus by UAH 1,470 million (or by 40%) in 2016 was achieved mainly due to the following:

- Higher municipal revenues by UAH 7,090 million (or by 32%) from UAH 22,178 million to UAH 29,268 million, more detail are provided on the next page;
- Over-performed plan on budget revenues in general by UAH 1,070 million, or by 2.8%, including general fund proceeds by UAH 817 million (or by 2.5%) and special fund receipts by UAH 253 million (or by 5.9%); and
- Under-performance on expenditures by UAH 2,845 million, or by 7.8%.

Budget funding

To save costs on debt servicing, the City prematurely bought back domestic local loan bonds of Series H issued by the Kyiv City Council with total nominal value of UAH 2,375.0 million, including UAH 948.7 million in 2016.

Furthermore, on 12 October 2016, the Kyiv City Council fully repaid its domestic local loan bonds of Series G with total par value of UAH 1,915,253 thousand.

Total repaid debt amounted to UAH 2,863.9 million, which is by UAH 562.6 million more than in the prior year.

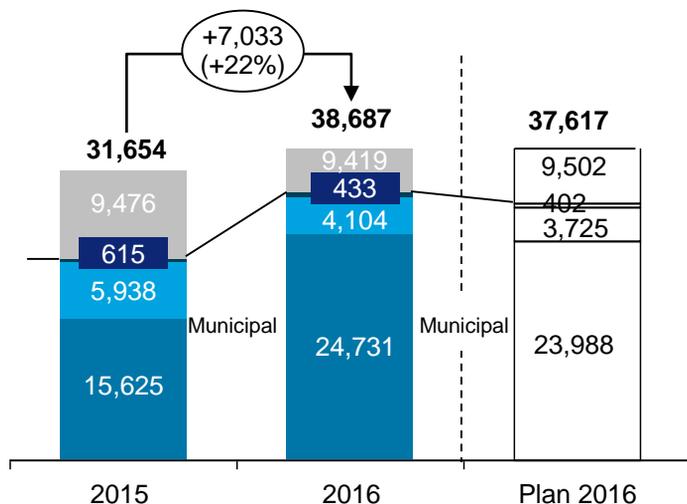
Due to the reduced debt burden, interest costs decreased by UAH 1.3 billion in 2016.

As a result, Kyiv's City budget balance to be brought forward increased by UAH 2,248 million to UAH 4,023 million as at 31 December 2016.



Summary of Kyiv's City budget execution

Kyiv's City budget revenues by source [UAH million]



■ Subventions and subsidies

Municipal revenues:

- Revenue from capital transactions and special-purpose funds established by local government authorities
- Non-tax proceeds
- Tax proceeds

A detailed analysis of revenues is presented on pages from 130 to 148.

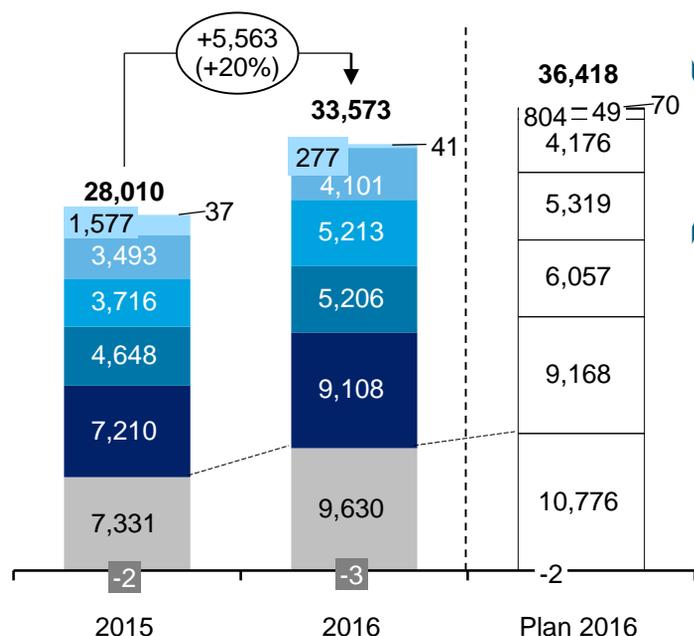
In 2016, tax proceeds grew mainly due to the following:

- Corporate income taxes, personal income taxes, and capital gains taxes (48% of municipal revenues) that grew from UAH 9,667 million to UAH 14,017 million;
- Local taxes and charges (22% of revenues) grew from UAH 4,905 million to UAH 8,654 million mostly driven by land taxes (due to the increase in the statutory non-monetary valuation of land) and single tax proceeds.

A decrease in non-tax proceeds was mainly caused by a lower amount of non-monetary values of land plots and structures (by UAH 1,892 million).

The major part of subsidies and subventions (UAH 3,555 million) were received from the State budget to reimburse the expenditures of Kyiv's City budget on benefits granted to households and housing subsidies to low-income families to cover their payments for used energy and utilities.

Kyiv's City budget expenditures by type of expenditure [UAH million]



□ Unallocated expenditures

Current expenditures:

- Other current expenditures
- Debt servicing
- Social security
- Current transfers to entities
- Use of goods and services
- Payroll and salary related charges

Capital expenditures

Lending facilities

In terms of sectors, most growth in expenditures was achieved in the following:

- Education (by UAH 1,739 million to UAH 8,052 million);
- Construction (by UAH 2,099 million to UAH 3,642 million);
- Transportation, communication, and information systems (by UAH 1,019 million to UAH 2,553 million).

A detailed analysis of the expenditures is presented on pages from 149 to 178.

At the same time, there was a reduction in expenditures on debt servicing (by UAH 1,296 million) and health care (by UAH 591 million to UAH 7,640 million).



Section 6.3.

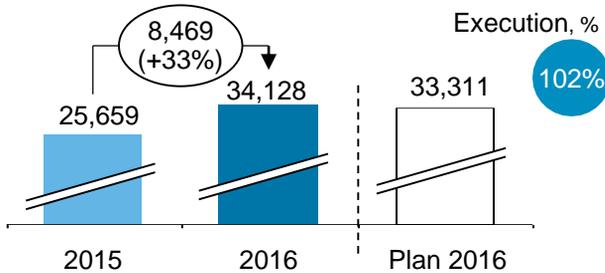
KYIV'S CITY BUDGET REVENUES



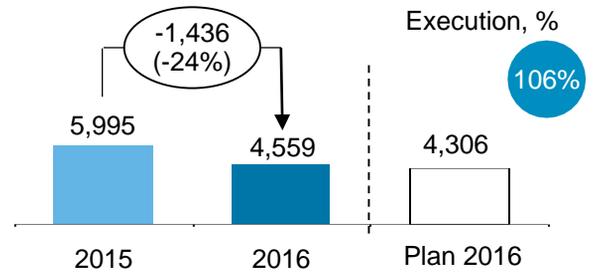


Revenues of Kyiv's City budget

Revenues of Kyiv's City general fund [UAH million]



Revenues of Kyiv's City special fund [UAH million]



Increase in revenues of Kyiv's City general fund by UAH 8,469 million (or by 33%) compared to 2015 was a key factor giving rise to the revenue growth of Kyiv's City budget by UAH 7,033 million in 2016.

An increase of general fund revenues was mainly driven by higher personal income taxes, the proceeds from which grew from UAH 8,042 million to UAH 11,086 million.

A detailed analysis of general fund revenues is presented on the next page.

The general fund revenue plan was exceeded by 2.5% or by UAH 817 million, also due to the over-performed plan on tax proceeds by 3.6% or by UAH 835 million.

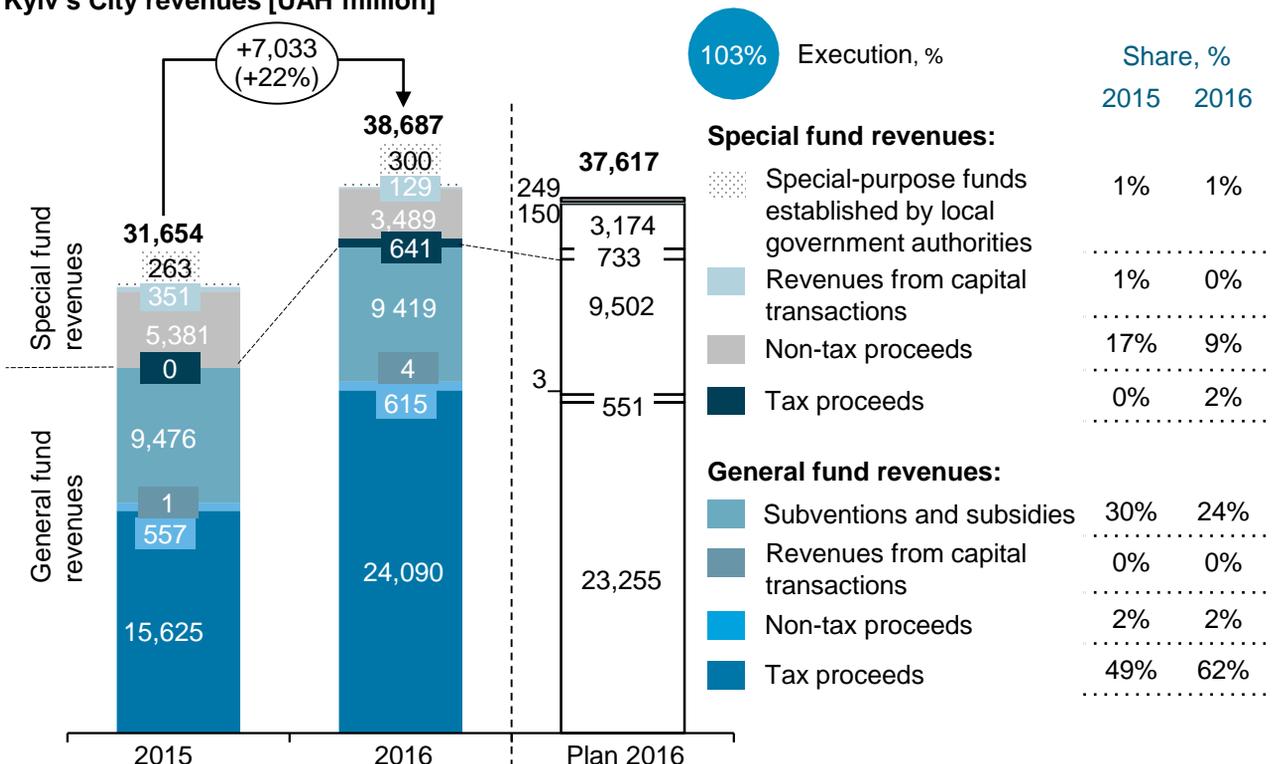
Decrease in revenues of Kyiv's City special fund by UAH 1,436 million (or by 24%) was mainly caused by reduction in non-tax proceeds.

Non-tax proceeds of special fund decreased by UAH 1,892 million (or by 35%) largely due to the lower revaluation amounts on assets of budget institution as compared to 2015.

A detailed analysis of special fund revenues is presented on pages 144-146.

A special fund revenue plan was exceeded by 5.9% or by UAH 253 million as actual non-tax proceeds were higher than planned by 9.9% or by UAH 315 million, which compensated the under-performance on the tax proceeds plan by 12.6% or by UAH 92 million.

Kyiv's City revenues [UAH million]



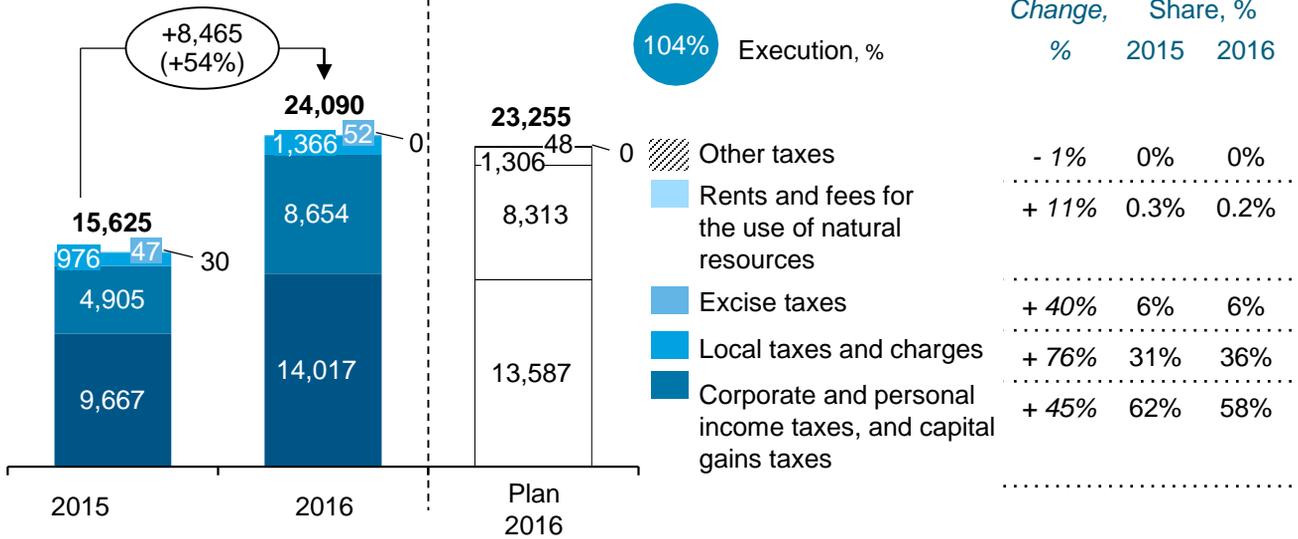
Source: KCSA
Calculated and actual values may differ due to rounding.



General fund revenues of Kyiv's City budget

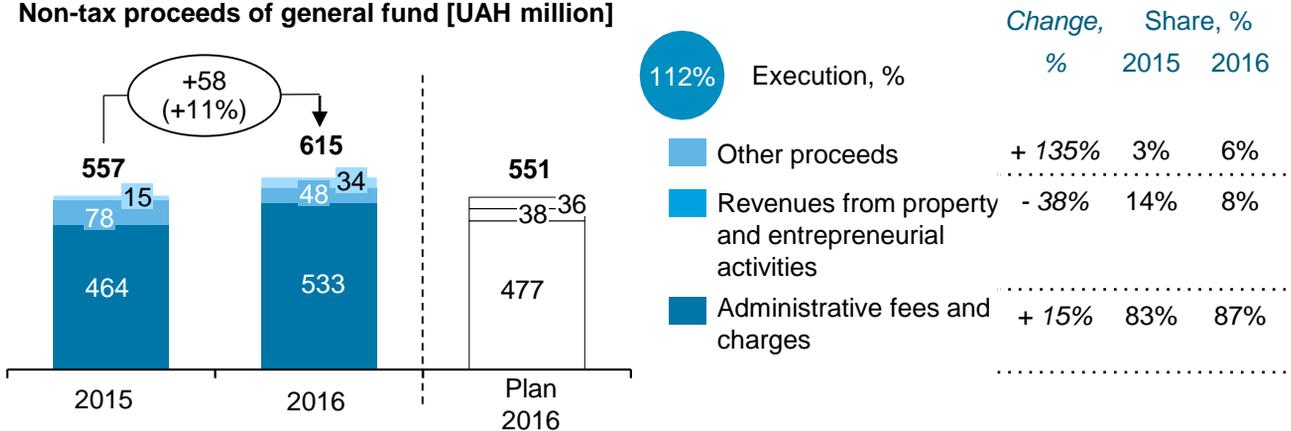
A growth of 2016 general fund revenues was driven by the increase of local taxes and charges by 76%, as well as the growth of corporate and personal income taxes and capital gains taxes by 45%. Largest contribution to the growth of the latter taxes was made by personal income taxes, which grew from UAH 8,042 million to UAH 11,086 million.

Tax proceeds of general fund [UAH million]



A detailed analysis of general fund tax proceed components is presented on pages 134-135.

Non-tax proceeds of general fund [UAH million]



A detailed analysis of general fund non-tax proceeds is presented on page 135.

Subventions and subsidies

Similar to 2015, an increase in the transfers was mainly caused by the higher subventions to provide benefits and housing subsidies to households that grew by UAH 539 million to UAH 1,465 million.

In 2016, Kyiv's City budget received transfers that were not received in 2015 for the total amount of UAH 288 million.

At the same time, a few subventions that were transferred in 2015 were not received by the budget's general fund in 2016 with the total amount of such transfers of UAH 1,238 million. Out of it, UAH 586 million related to subventions to settle debts arisen on the difference in tariffs for heat energy, heating and hot water supplies, and services of centralized water supply and disposal.

A detailed analysis is presented overleaf.



Revenues of city budget general fund

Transfers from the State budget of Ukraine to the general fund by categories [UAH million]

	Actual 2015, UAH mln	Actual 2016, UAH mln	Plan 2016, UAH mln	Execution 2016,%	YoY change 2015/2016, %
Total subventions and subsidies	9,475.8	9,418.9	9,502.0	99%	- 0.6%
Healthcare subvention from the state budget to local budgets	3,192.6	3,205.4	3,205.4	100%	+ 0.4%
Educational subvention from the state budget to local budgets	2,114.7	2,254.7	2,254.7	100%	+ 7%
Subvention for benefits to families with children, low-income households, adults with childhood disabilities, children with disabilities and temporary state aid for children	1,966.2	2,089.1	2,099.1	100%	+ 6%
Subvention for benefits and housing subsidies provided to households for payment of electricity, natural gas, heat and water supply, water disposal and other housing bills	925.9	1,465.4	1,465.4	100%	+ 58%
Subvention for service for the debt of borrowings, made in 2012 into the general fund of the city budget	-1	248.1	300.0	83%	-
Subvention for implementation of activities concerning social and economical development of different regions	-1	68.4	88.3	77%	-
Subvention for construction/purchase of housing for families of military killed on duty, the anti-terrorist operation veterans and with I-II degree disabilities	23.0	66.5	66.5	100%	+ 189%
Subvention for the governmental social benefits for care of orphans and children deprived of parental care, monetary allowances for foster and adoptive parents	7.7	8.4	9.3	91%	+ 10%
Subvention for purchase of pharmaceuticals and medical devices for ambulance teams	6.5	8.3	8.4	100%	+ 28%
Additional grant to compensate the local budgets for the loss of revenue resulting from land tax allowances	-1	2.8	2.8	100%	-
Subvention for purchases of consumables for healthcare facilities and inhalation anesthesia medications	1.0	1.2	1.3	98%	+ 26%
Subvention for modernization and update of material-technical base of public vocational training professional institutions	-1	0.3	0.3	100%	-
Subvention for provision of subsidies to households to compensate purchases of solid and liquid domestic fuel and liquefied gas	0.17	0.21	0.5	38%	+ 21%
Subvention for communication benefits	246.1	-2	-2	-	-
Subvention for trainings of working staff from the government budget to local budgets	292.2	-2	-2	-	-
Subvention for purchases of new tramcars manufactured in Ukraine for municipal electric transport services	49.3	-2	-2	-	-
Subvention for compensation of tariffs for heat, water supply and disposal	586.0	-2	-2	-	-
Subvention for local council elections	35.0	-2	-2	-	-
Subvention for part funding of children's and youth athletic schools that received support from the Temporary Disablement Social Insurance Fund before 2015	29.2	-2	-2	-	-

¹ Subvention was not received in 2015

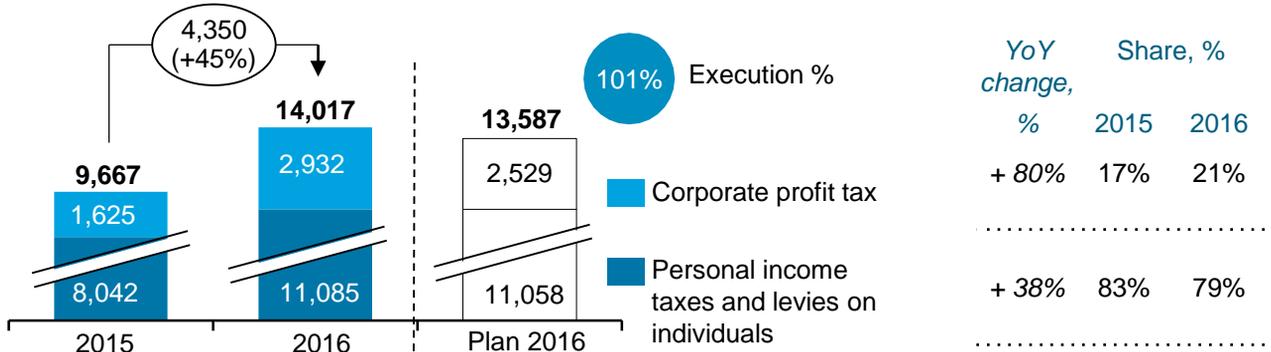
² Subvention was not received in 2016



Tax revenues of general fund

Personal income taxes and corporate profit taxes

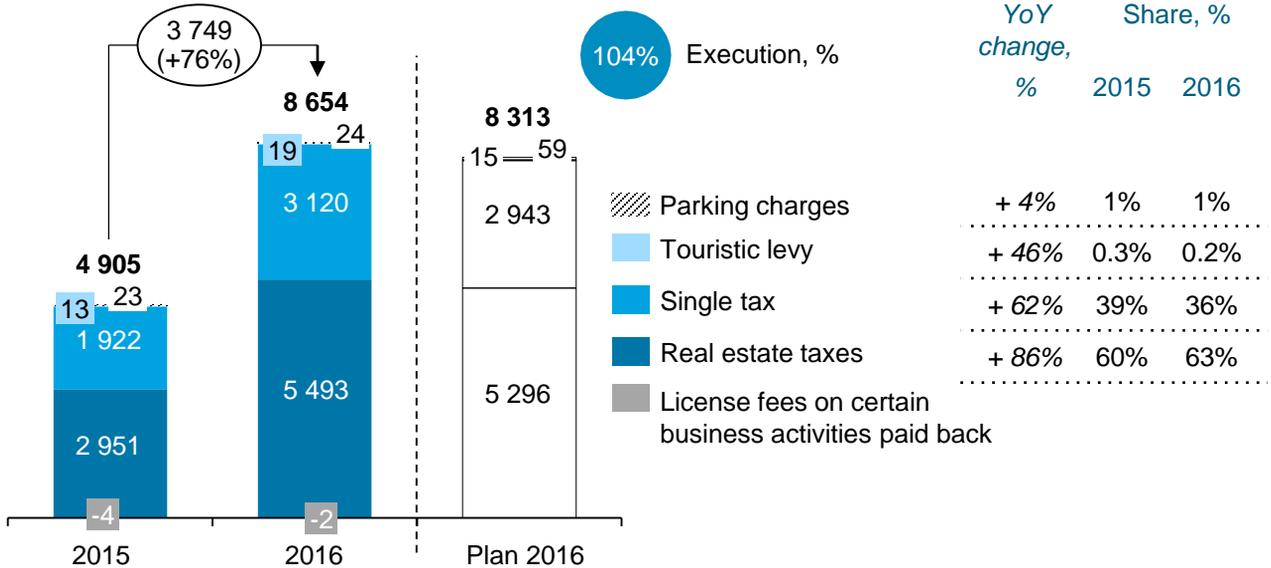
Personal income taxes and levies on individuals and corporate profit taxes [UAH million]



Detailed analysis of the components of personal income taxes and levies on individuals and corporate profit taxes is available on pages 136-138.

Local taxes and charges

Local taxes and charges [UAH million]



A property tax that relates to local taxes and charges was introduced on 1 January 2015. According to the Article of 265 of Tax Code of Ukraine, the property tax includes the following types of taxes:

- 1) Land tax;
- 2) Transport tax;
- 3) Individuals and legal entities real estate property taxes other than a land plot.

Prior to 1 January 2015 the budget of Kyiv had been receiving only land tax which was not classified as local taxes and charges.

Detailed analysis of the components of local taxes and levies is presented on page 139.



Tax proceeds of general fund

Excise taxes and rents

During 2016, Kyiv's City budget received UAH 1,366 million of excise taxes on retail sales of excisable goods, which is by 5%, or by UAH 390 million higher than in 2015. A key driver of this growth was the increased retail turnover.

In 2016, similar to the previous year, rents for the use of other natural resources remained an insignificant source of the City's budget revenues and amounted to 0.2% of tax proceeds of the budget's general fund.

Other tax proceeds of general fund

During 2016, Kyiv's City budget received UAH 5.1 thousand of taxes included into the category of "Other tax proceeds".

Last year, Kyiv's City budget recorded UAH 29.7 million under this income line. Major categories of proceeds were the amounts received from:

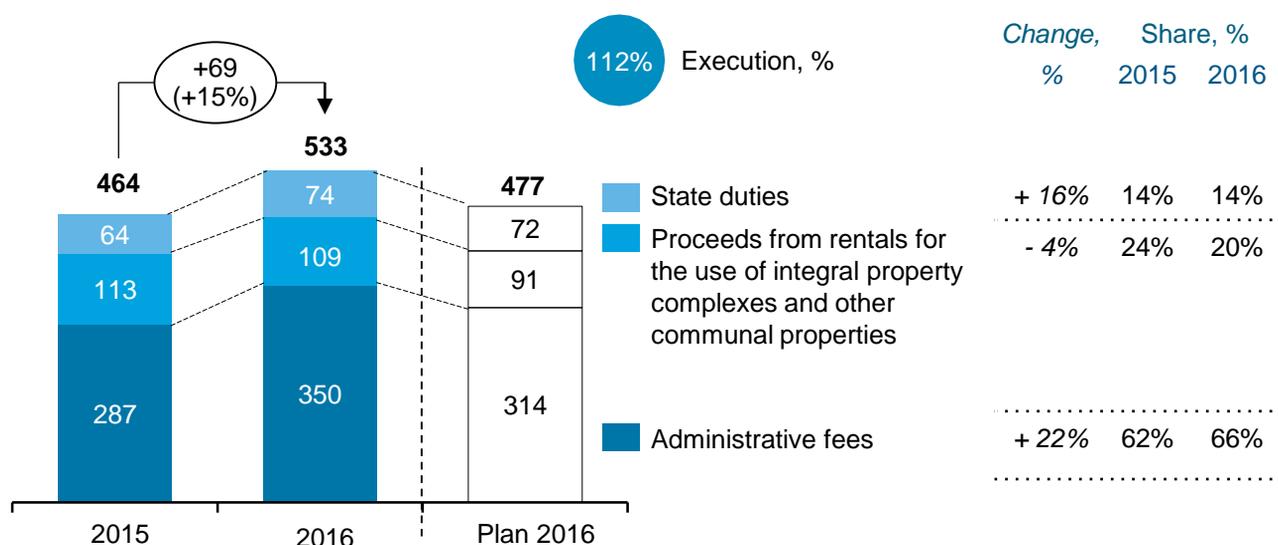
- Emissions of pollutants into the air by stationary pollution sources (UAH 16.7 million);
- Discharges of pollutants directly into water (UAH 9.4 million); and
- Other categories (UAH 3.6 million).

Non-tax proceeds of general fund

Administrative fees and charges

During the reporting period, Kyiv's City budget received UAH 533 million of taxes that are classified as "Proceeds from administrative fees". A major factor for the increased proceeds under this category was the growth of payments for administrative services by UAH 63 million (+22%) due to the increased volumes of services performed and value indexation of fees for certain services.

Proceeds from administrative fees and charges [UAH million]



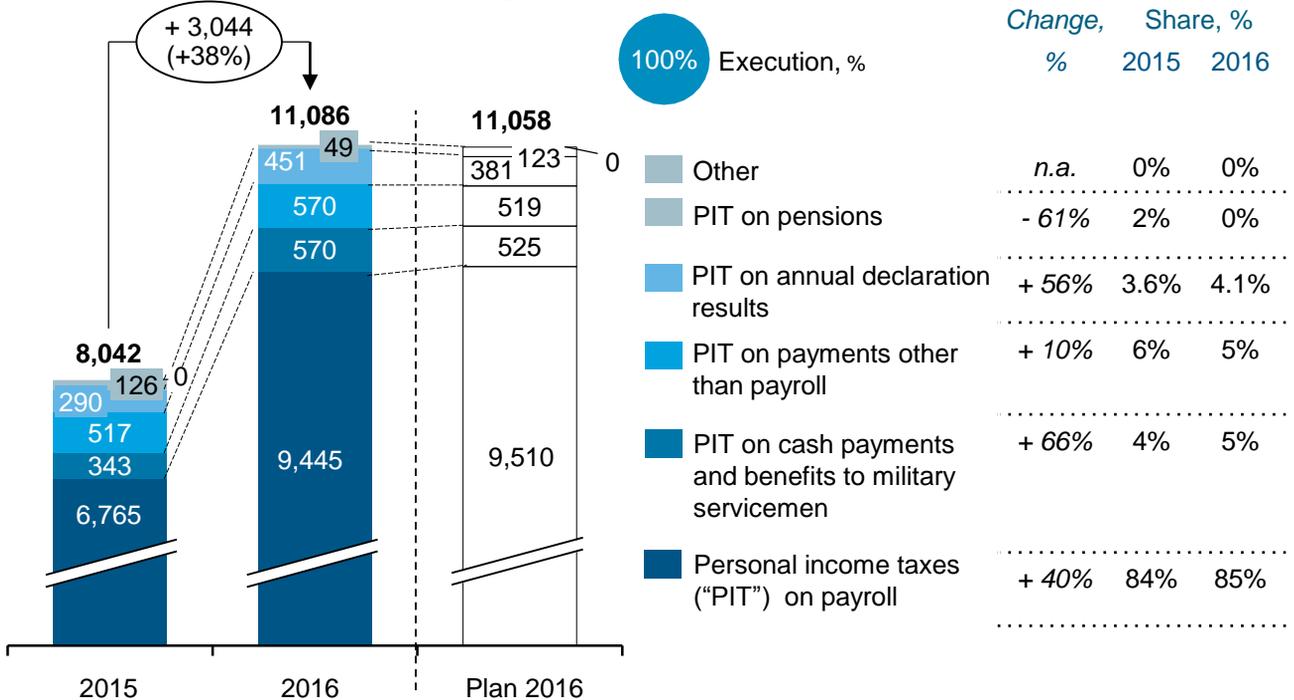
A detailed analysis of administrative fee components is presented on page 143.

Source: KCSA
Calculated and actual values may differ due to rounding.



Tax proceeds of general fund: corporate and personal income taxes

Personal income taxes and charges [UAH million]



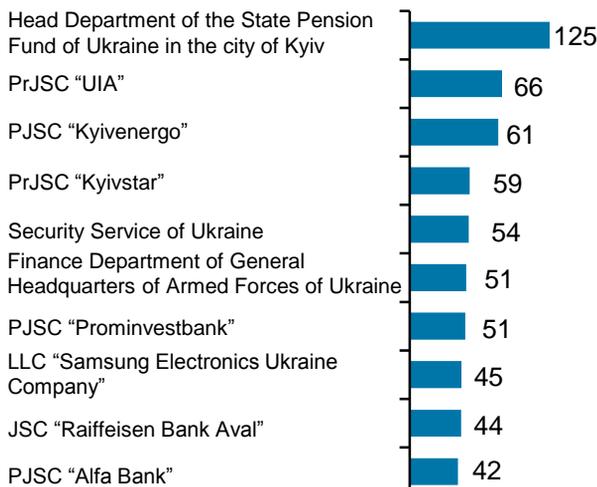
In 2016, personal income taxes and charges were a key source for general fund of Kyiv's City and amounted to 44.9% of total revenues of general fund of Kyiv's City budget. Key drivers for the increase in personal income tax ("PIT") proceeds were a general growth of average salaries as well as changes in the process of PIT calculation.

In 2016, proceeds from PIT on payroll grew by UAH 2,680 million. This was attributable to a change in a PIT assessment approach: in 2015 a PIT rate of 15% was applied to monthly personal income capped at 10 minimum salaries and a rate of 20% was applied to the excess amount; while in 2016 a single PIT rate of 18% was applied. In addition, due to the increase in the amount of cash payments to military servicemen, the relevant PIT base also grew.

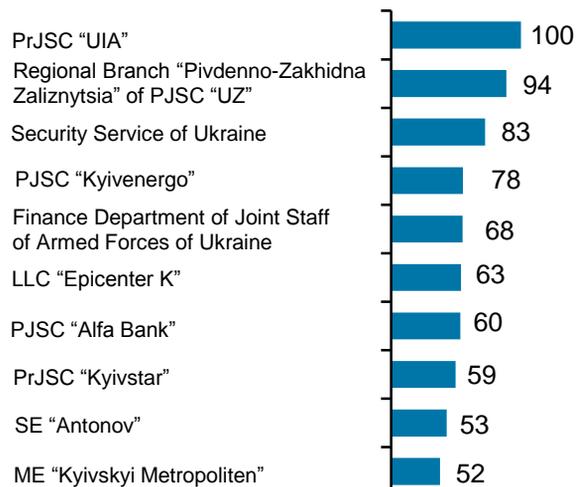
A revision of a minimum pension taxable by PIT decreased a tax assessment base, which resulted in respective reduced proceeds in the reporting year.

Top 10 personal income taxpayers [UAH million]

In 2015



In 2016



Source: KCSA, State Fiscal Service Head Office in the city of Kyiv, and Central Office for Large Taxpayers
Calculated and actual values may differ due to rounding.

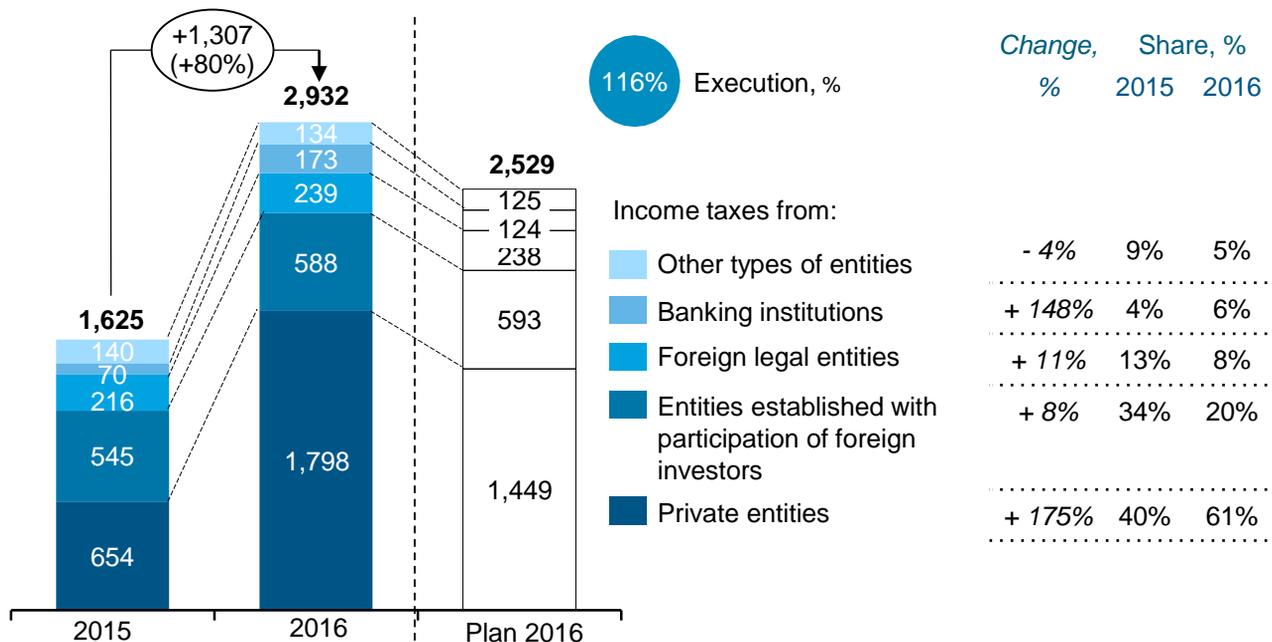


Tax proceeds of general fund: corporate and personal income taxes

Corporate income taxes

Growth in corporate income tax proceeds in 2016 was largely a result of the increase in relevant proceeds from private entities, primarily due to changes in procedures of tax settlements in 2016.

Structure of corporate income taxes [UAH million]

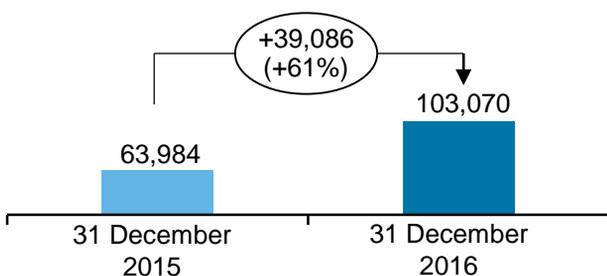


Corporate income taxes received from other entities include income taxes paid by insurance companies and financial institutions, other than insurance companies, municipal entities and financial institutions, as well as income taxes from consumer cooperation organizations and entities, cooperatives, and public unions.

Income taxes received from private entities grew by 175%, or by UAH 1,144 million due to the following:

- Ukrainian economy was recovering from the crisis and, correspondingly, taxable profits of entities grew;
- A tax calculation approach was revised: effective from 2016, income taxes shall be paid on a quarterly basis compared to the prior years when taxes were paid annually until January 20 of a year following the reporting one. As such, income taxes for 2015 were actually paid in 2016. In addition, in 2016, income taxes were paid for three quarters of the year and advance payments for October and November of 2016;
- General fund of Kyiv's City budget received 10% of income taxes from non-government entities and financial institutions as opposed to 2015, when 100% of those taxes was directed to the state budget.

The number of income taxpayers to the local budget



Source: KCSA
Calculated and actual values may differ due to rounding.

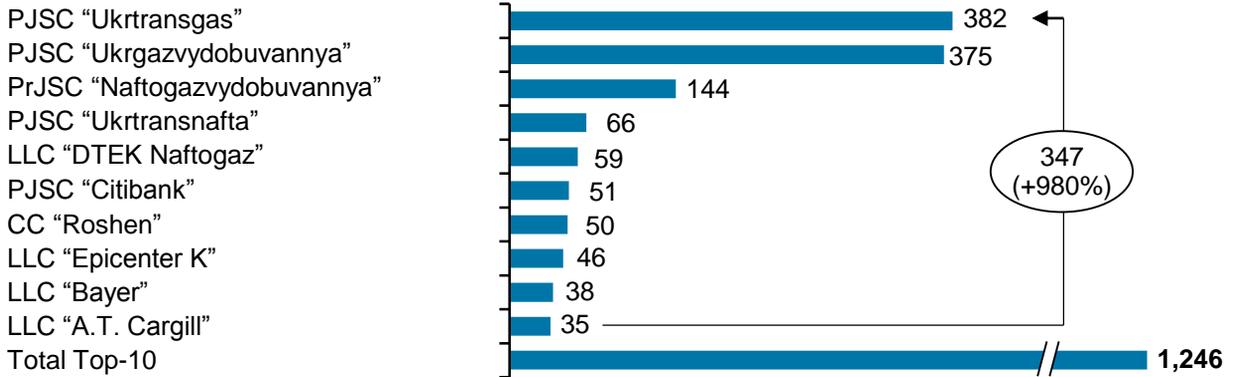


Tax proceeds of general fund: corporate and personal income taxes

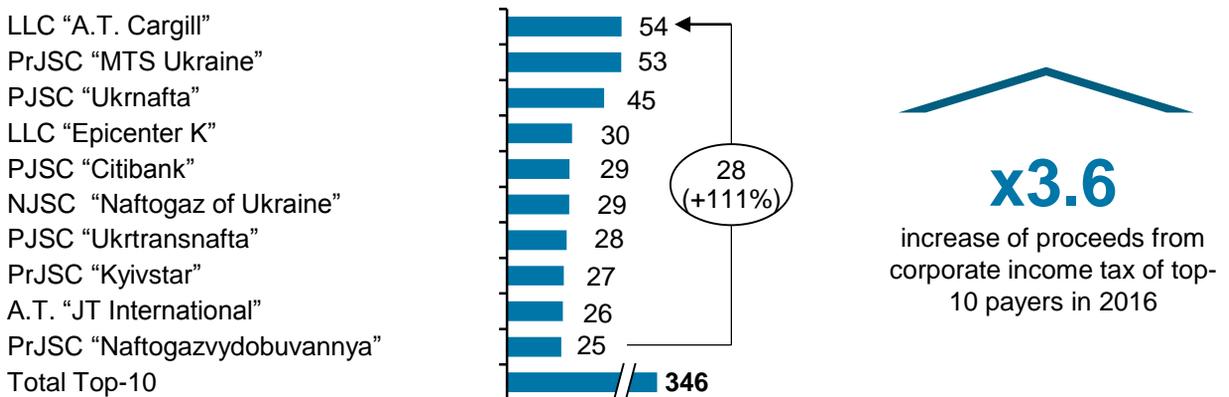
Corporate income taxes

Largest payers of corporate income taxes (Top 10):

in 2016 [UAH million]

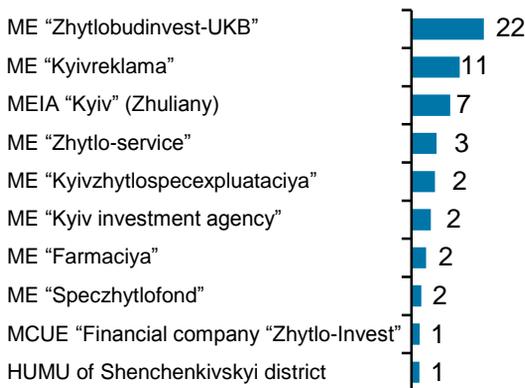


in 2015 [UAH million]

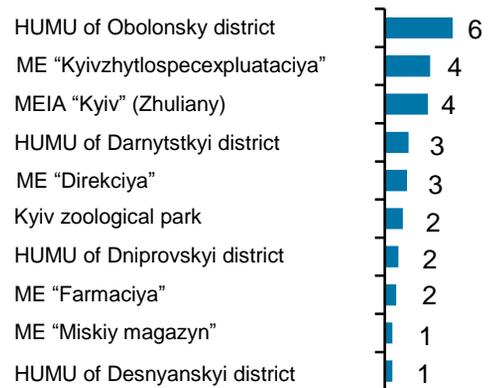


Largest corporate income tax payers among municipal entities [UAH million]

In 2015



In 2016



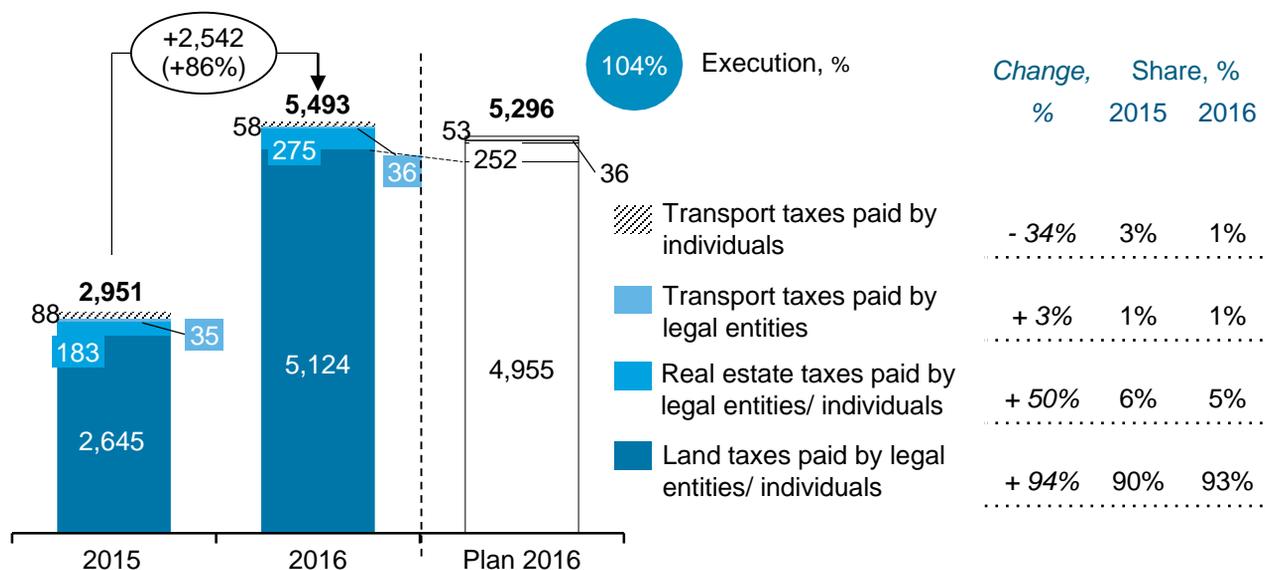
HUMU of Shenchenkivskiyi district – ME «Municipal maintenance management company of Shevchenkivskiyi Kyiv's city district».
 HUMU of Obolonsky district – ME «Municipal maintenance management company of Obolonskiy Kyiv's city district».
 HUMU of Darnytskiy district – ME «Municipal maintenance management company of Darnytskiy Kyiv's city district».
 HUMU of Dniprovskiyi district – ME «Municipal maintenance management company of Dniprovskiy Kyiv's city district».
 HUMU of Desnyanskiy district – ME «Municipal maintenance management company of Desnyanskiy Kyiv's city district».

Source: KCSA, Executive Office of State Fiscal Service and Office of Large Tax Payers
 Calculated and actual values may differ due to rounding.



Tax proceeds of general fund: local taxes and charges

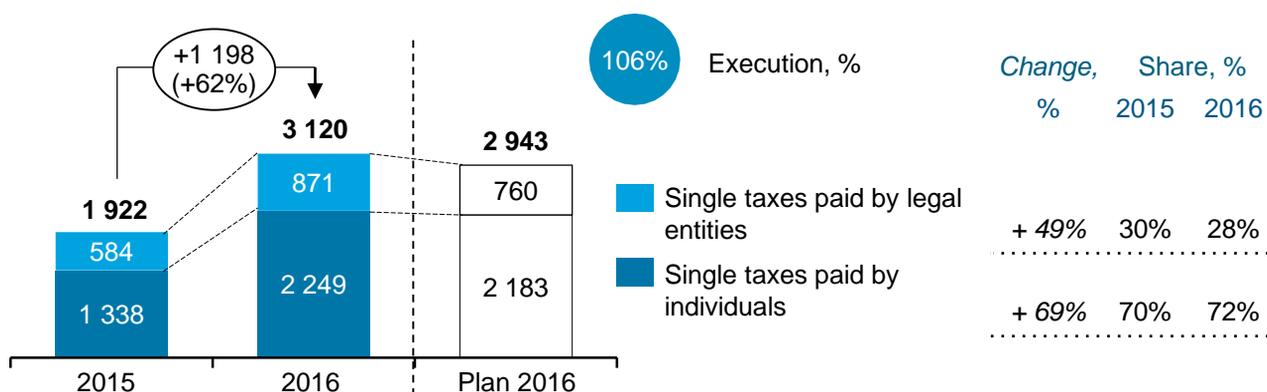
Real estate taxes [UAH million]



Growth in real estate taxes is largely attributable to the increase in land taxes for individuals and legal entities due to changes in the methodology and revaluation of land value estimates.

A detailed analysis of land taxes, real estate taxes, and transport taxes is provided on pages from 140 to 142.

Single taxes [UAH million]



Proceeds from single taxes paid by individuals increased by UAH 914 million (+69%) compared to 2015. Volumes of proceeds from single taxes paid by legal entities increased by UAH 286 million (+49%).

Key reasons for the growth in proceeds from single taxes include an increased minimum salary which became effective on 1 January 2016, a growth in a number of single taxpayers by 8% and 14% for legal entities and individuals, respectively, and an increased single tax rate from 2% to 3% (for VAT payers) and from 4% to 5% (for VAT non-payers) in 2016 compared to 2015.

Parking charges

In the reporting period, Kyiv's City budget received UAH 24 million of parking charges, which represented 41% of the planned figure for 2016. Volumes of parking charges increased by 3%, or by UAH 1 million compared to 2015.

Source: KCSA
Calculated and actual values may differ due to rounding.



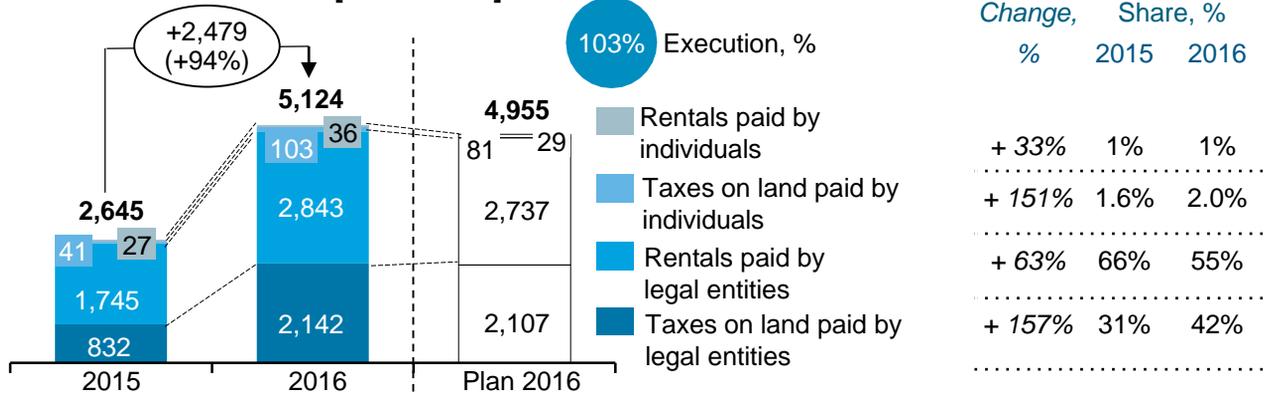
Tax proceeds of general fund: local taxes and charges

Real estate taxes: land tax

Land taxes are paid by legal entities and individuals in the form of rentals for land plots under state and municipal ownership and tax on land.

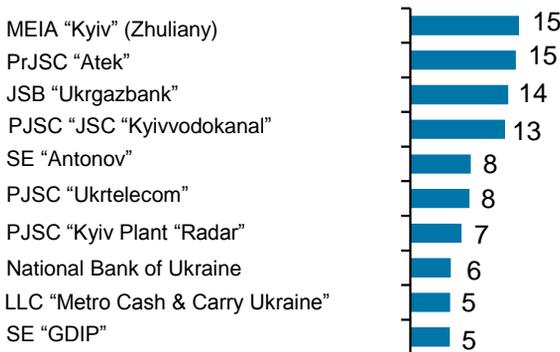
In 2016, volumes of proceeds from rentals for land and taxes on land increased due to the growth of statutory monetary valuation of land plots caused by its indexation (on consumer price index of 143%). In addition, a methodology of land valuation was modified following the Decision of the Kyiv City Council # 217/217 dated 10 March 2016 On Amendments to Decision of the Kyiv City Council # 23/23 Dated 3 July 2014 "On Approval of Technical Documentation Regarding Statutory Monetary Valuation of Land in the City of Kyiv".

Proceeds from land taxes [UAH million]

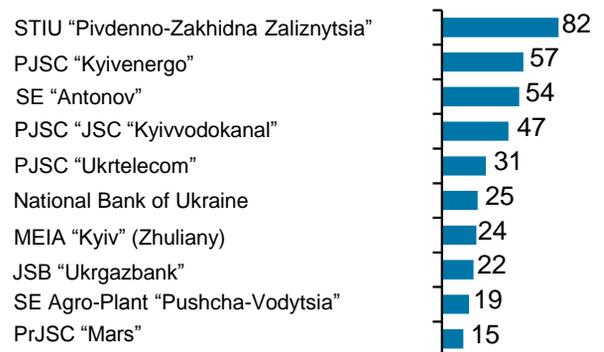


Top 10 land taxpayers [UAH million]

In 2015



In 2016

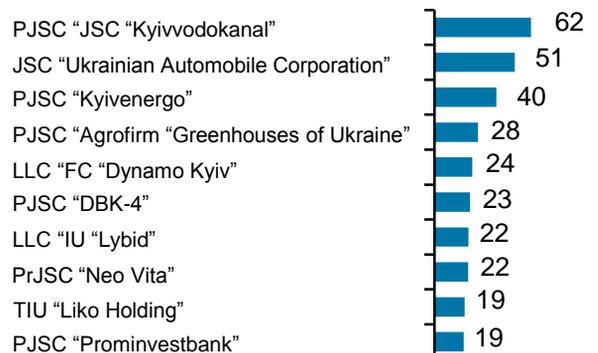


Top 10 land rental payers [UAH million]

In 2015



In 2016



Source: KCSA, State Fiscal Service Head Office in the city of Kyiv, and Central Office for Large Taxpayers
Calculated and actual values may differ due to rounding.



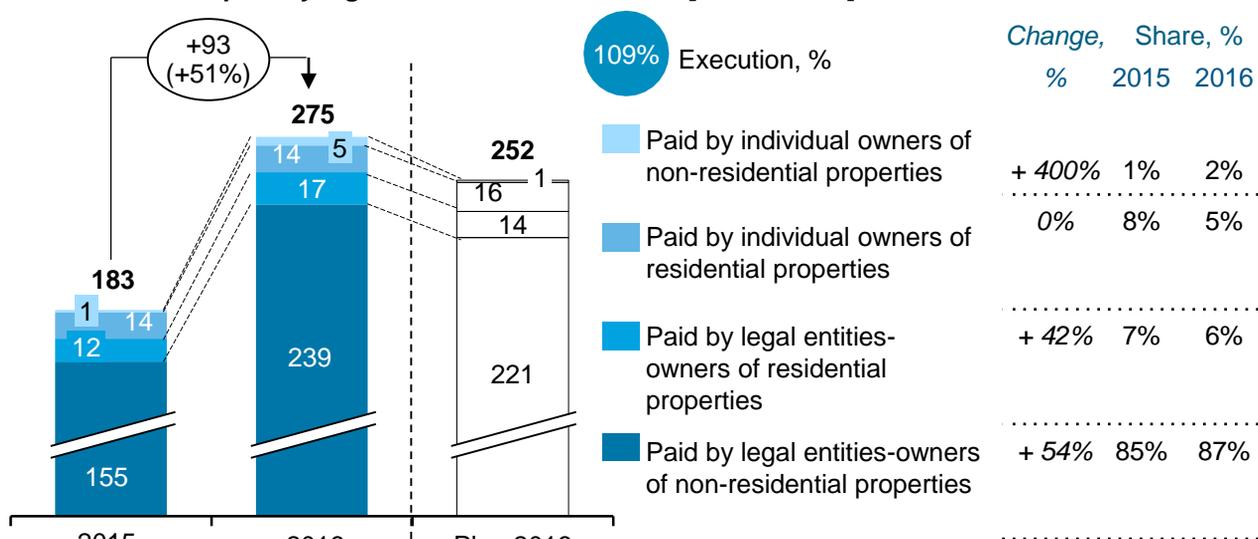
Tax proceeds of general fund: local taxes and charges

Property taxes: real estate taxes

Taxes on real estate, other than land plots, were introduced effective from 1 January 2015. According to Article 266 of the Tax Code of Ukraine, taxpayers of this tax shall be individuals and legal entities, in particular, non-residents, that possess residential and/or non-residential properties.

The Kyiv City Council is entitled to introduce tax rates on residential and/or non-residential properties depending on their location (zone distribution) and types of property in the amount that does not exceed three percent of the minimum salary established by the law effective as at 1 January of the reporting (tax) year per 1 square meter of taxation base.

Real estate taxes paid by legal entities and individuals [UAH million]



In 2016, a growth of proceeds from real estate taxes paid by legal entities and individuals was mainly attributable to the increase of the tax rate from 2% to 3% of the minimum salary.

Another factor is due to payment of new taxes by owners of apartments with the space in excess of 300 sq. m and houses with the space in excess of 500 sq. m in the amount of UAH 25 thousand a year per each item starting from 1 January 2016.

Top 10 real estate taxpayers [UAH million]

In 2015

LLC "Epicenter K"	1.36
LLC "Real Estate F.C.A.U."	1.34
PJSC "Ukrsotsbank"	1.11
PJSC "HC "Kyivmiskbud"	1.08
JSB "Ukr gazbank"	0.87
PJSC "VTB Bank"	0.83
LLC "Metro Cash & Carry Ukraine"	0.79
JSC "Ukreximbank"	0.71
PJSC "JSC "Kyivvodokanal"	0.70
PJSC "Prominvestbank"	0.66

In 2016

PJSC "Kyivenergo"	2.39
LLC "Epicenter N"	2.34
LLC "Vita Veritas"	2.11
LLC "IU "Lybid"	2.10
LLC "Leroy Merlin Ukraine"	2.08
LLC "Lastivka Ltd"	1.84
PJSC "Ukrsotsbank"	1.78
PJSC "HC "Kyivmiskbud"	1.73
PrJSC "Mandarin Plaza"	1.64
LLC "Epicenter K"	1.60

Top 10 real estate taxpayers paid UAH 19 million, or 6.9% of total volume of this tax paid by individuals and legal entities in 2016.

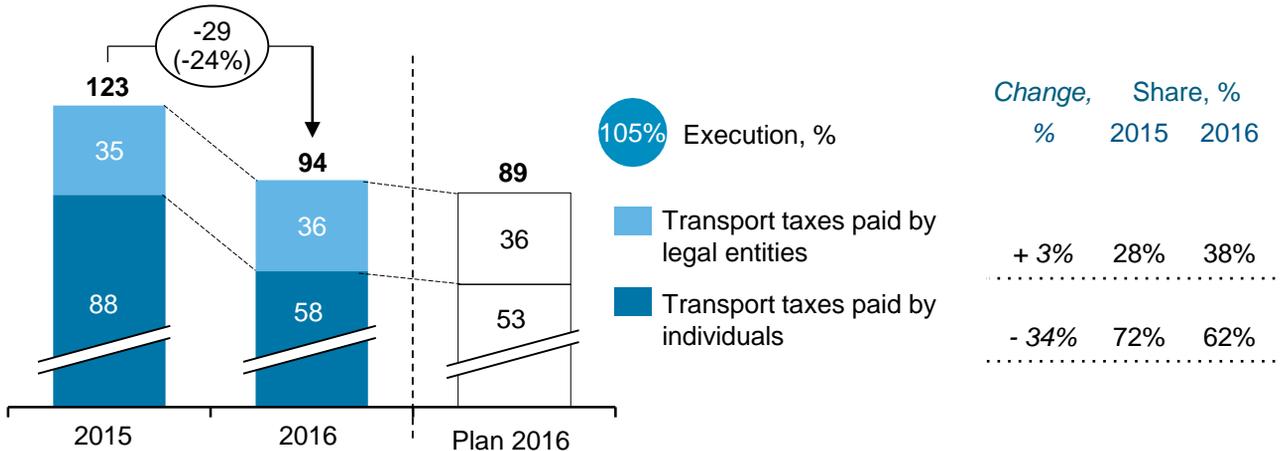


Tax proceeds of general fund: local taxes and charges

Property taxes: transport taxes

In 2016, proceeds from transport taxes paid by individuals decreased by 34% due to the change in a taxable base for transport tax purposes.

Transport taxes paid by legal entities and individuals [UAH million]



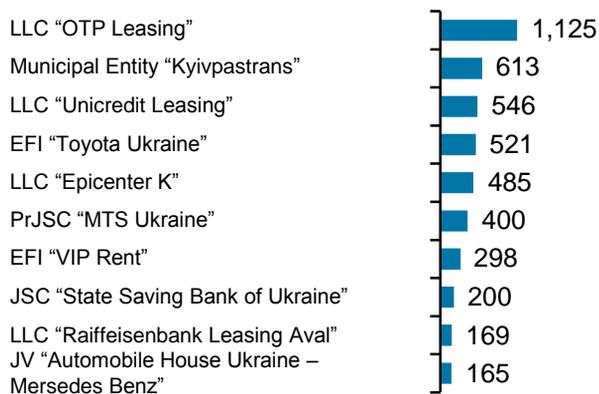
In the reporting year, a taxable base was changed for transport tax purposes:

- Before 1 January 2016, it included motor vehicles up to 5 years old with engine volume exceeding 3,000 cubic cm;
- Effective from 1 January 2016 – motor vehicles with the manufacture year of not more than 5 years ago and an average market value exceeding 750 minimum salaries (or UAH 1,033,500 as of 1 January 2016).

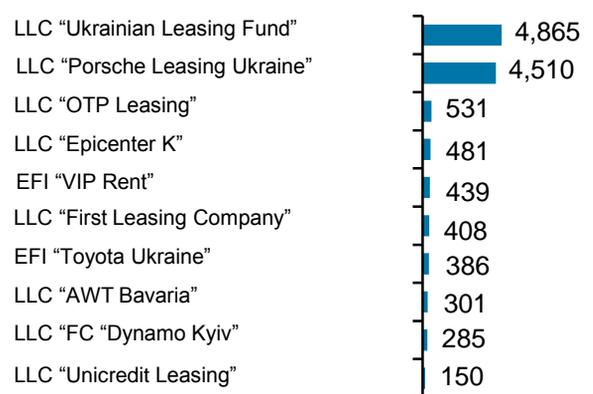
As a result, a number of vehicles subject to taxation in 2016 decreased compared to 2015.

Top 10 transport tax payers [UAH thousand]

In 2015



In 2016





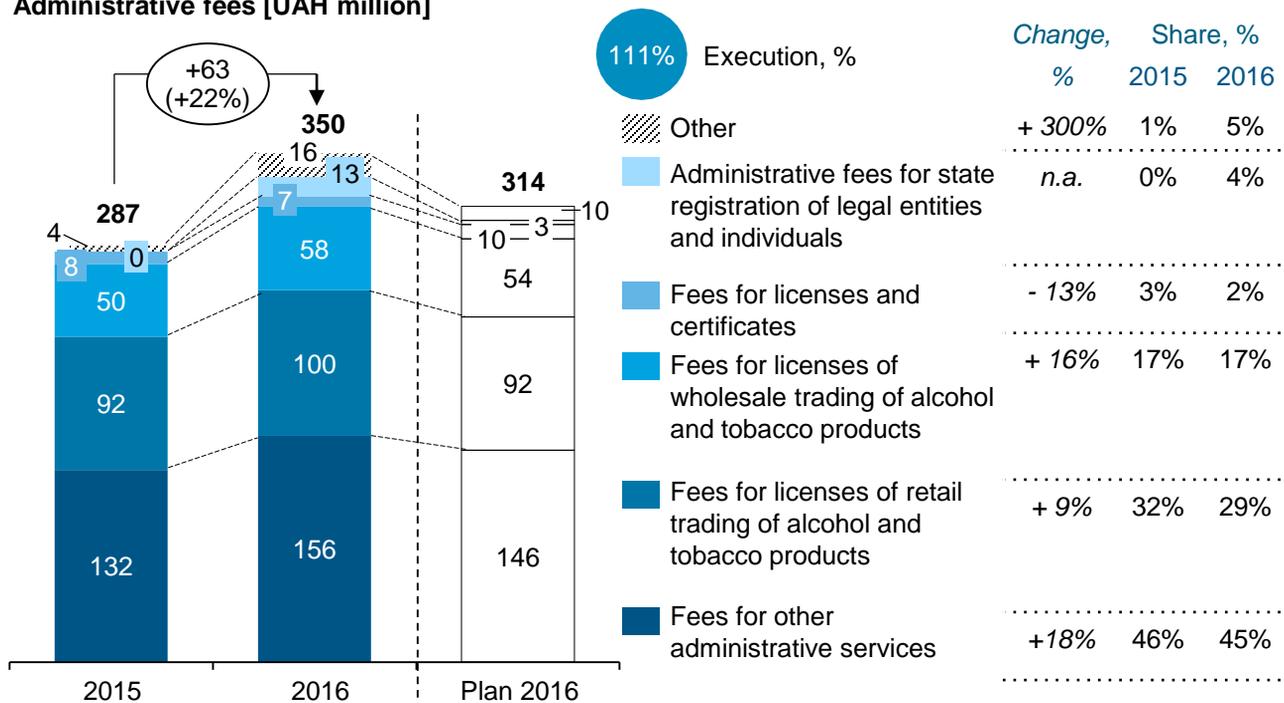
Non-tax proceeds of general fund: administrative fees and charges

Administrative fees

In 2016, the growth of revenues to the city's budget from payment for the providing of administrative services was due to the transfer of powers from the state level to local self-government bodies, simultaneously redistributing of administrative fees' funds from the state budget to local for the following services:

- State registration of property rights on real estate and their encumbrances;
- State registration of legal entities and sole traders;
- Registration of place of residence / temporary residence of persons;
- Provision of information from the State Land Cadaster;
- Issue of certificates of putting into commission of completed object's constructions.

Administrative fees [UAH million]



Proceeds from rentals for the use of integral property complexes and municipal properties

In the reporting period, proceeds from rentals and distribution of profits in accordance with the agreement on the use of integral property complexes and other municipal properties in the city of Kyiv amounted to UAH 109 million (UAH 113 million in 2015), which represented 120% of the planned amount.

Proceeds from distribution of profits amounted UAH 19 million (out of which, UAH 15 million from PJSC "Kyivgaz", UAH 2 million from PJSC "Kyivenergo", UAH 2 million from PJSC "Kyivvodokanal"). Proceeds from rentals of properties reached UAH 90 million, of which: ME "Kyivzhytlospetspeksploatatysiia" – UAH 23 million, ME "Kyivpastrans" – UAH 14 million, ME "Kyivskiy Metropolitan" – UAH 9 million, ME International Airport "Kyiv" (Zhuliany) – UAH 7 million, ME "Besarabskyi Market" – UAH 6 million, and entities owned by the City's districts – UAH 8 million.

State duties

Proceeds from state duties grew by 16% from UAH 64 million in 2015 to UAH 75 million in 2016.

Proceeds for 2016 included UAH 46 million, or 61%, of proceeds from state duties on printing and issuance of passports (certificates) and local IDs (passports) of a Ukrainian citizen. Another UAH 17 million, or 23%, were received from state duties on issuance of patents on intellectual property, maintenance of their validity and transfer of rights by their owners.

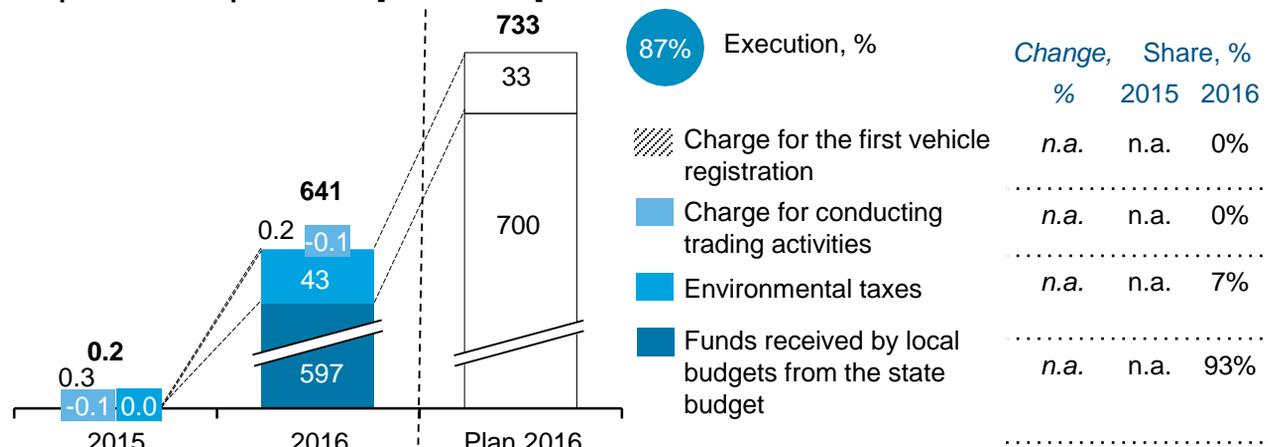
Source: KCSA
Calculated and actual values may differ due to rounding.



Special fund revenues of Kyiv's City budget

Tax proceeds of special fund

Tax proceeds of special fund [UAH million]



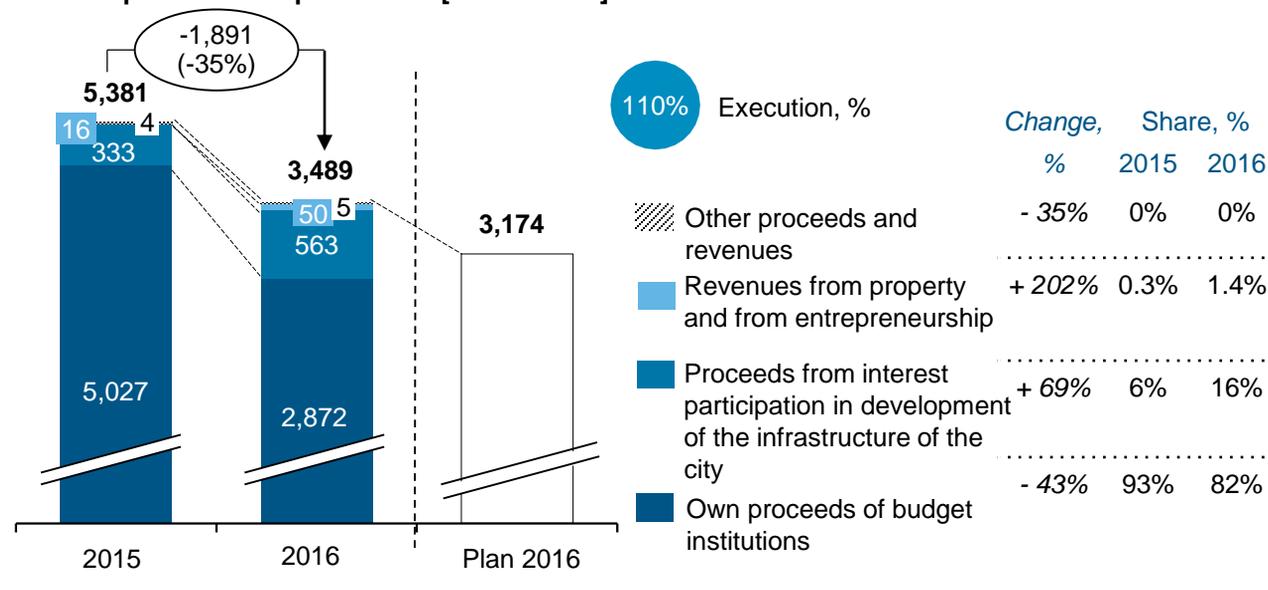
In 2016, the special fund of Kyiv's City budget received UAH 597 million, which included the excess of actual proceeds by 50% over the planned proceeds from customs charges at the customs offices in the city of Kyiv. Those funds were received as a result of the experiment on raising funds for general use motor road development in all regions of Ukraine and in the city of Kyiv, as well as implementing measures on development of the road infrastructure in the city of Kyiv that were introduced for the period from 1 September 2015 to 1 January 2018. No similar proceeds were available in 2015.

In addition, in accordance with amendments to the Budget Code of Ukraine, environmental taxes levied to Kyiv's City budget shall be included into special fund proceeds of the local budget effective from 1 January 2016. In 2015, environmental taxes were included to other taxes and duties of the general fund of the local budget.

Non-tax proceeds of special fund

Reduction in non-tax proceeds to the special fund was mainly due to decreased own proceeds of budget institutions by 43%, or by UAH 2,157 million. This was caused by the lower revaluation amount of properties of budget institutions than in 2015.

Non-tax proceeds of special fund [UAH million]



A detailed analysis of components of special fund non-tax proceeds is provided on page 146.

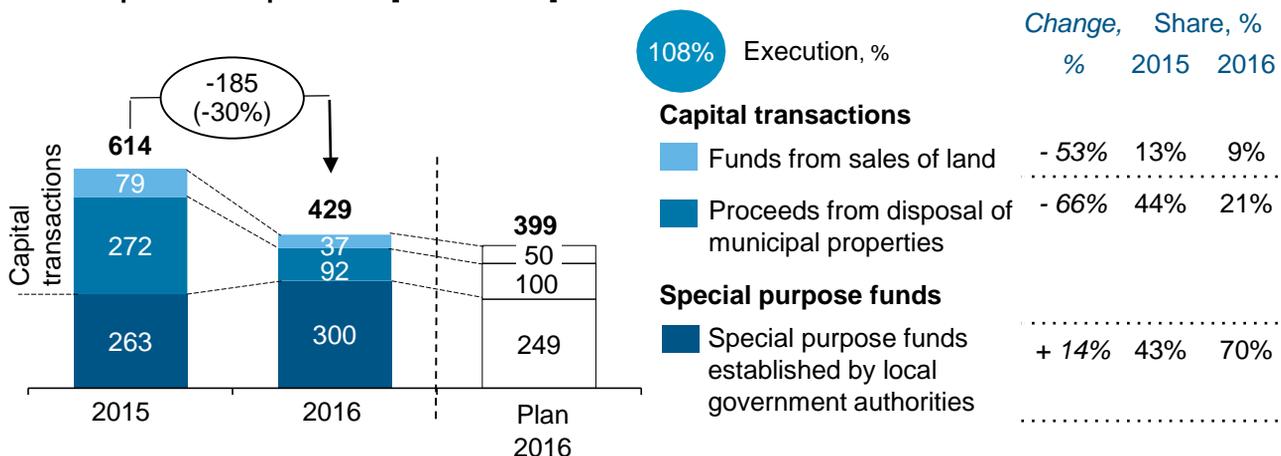


Special fund revenues of Kyiv's City budget

Special fund proceeds from capital transactions and proceeds to special-purpose funds

In 2016, actual revenue from capital transactions achieved 86% of the plan reaching UAH 129.2 million. This was by 63% lower than in 2015.

Other special fund proceeds [UAH million]



Annual planned proceeds **from sales of land** were fulfilled by 73.6%: proceeds in 2016 amounted to UAH 36.8 million as compared to UAH 50 million planned.

At the same time, by 1 January 2017, Head Office of the State Treasury of Ukraine in the city of Kyiv had received UAH 51.2 million from sale of land plots in 2016, including that to be sent to the state budget of UAH 0.1 million. Of this amount, UAH 15.9 million were paid back to commercial entities:

- Pursuant to the decision of the Kyiv City Council
 - # 996/996 dated 28 July 2016, UAH 0.1 million returned to LLC "Youth Recreation Center "ZIRKA";
- Pursuant to the rulings of Commercial Court in the city of Kyiv
 - # 910/28538/15 dated 25 August 2016: UAH 0.1 million returned to LLC "LIGA-VEST";
 - # 910/11077/15 dated 29 February 2016: UAH 15.7 million returned to PJSC "ATP-1".

Special fund of Kyiv's City budget received UAH 92 million from revenues **on disposal of properties**, which was by UAH 180 million less than in 2015. The annual proceeds from disposal of properties were planned at UAH 100 million, therefore the plan was executed at 92%.

In 2015, a 29.95% shareholding in JSC "SRC "Borshchahivskiy Chemical and Pharmaceutical Plant" was sold for UAH 171.8 million. In 2016, largest proceeds were received from disposal of non-residential buildings or premises on 10 Kruhlouniversytetska street (UAH 35 million), 39 Hoholivska street (UAH 11 million), and 7 Kaisarova street (UAH 9 million), which totaled to UAH 55 million representing 60% of proceeds from disposal.

During 2016, a **special-purpose fund** established by the Kyiv City Council received funds of UAH 300 million, which was 120.3% of the planned figure of UAH 249 million and by UAH 37 million more than similar proceeds in 2015.

The special-purpose fund was established by the Kyiv City Council in accordance with the provisions relating to such funds as approved by the decision "On Kyiv's City Budget for the Year 2016". The special purpose fund consists of revenues and expenditures used to finance the development of municipal economy and resolve the most important issues of the city of Kyiv.



Non-tax proceeds of special fund

Own proceeds of budget institutions

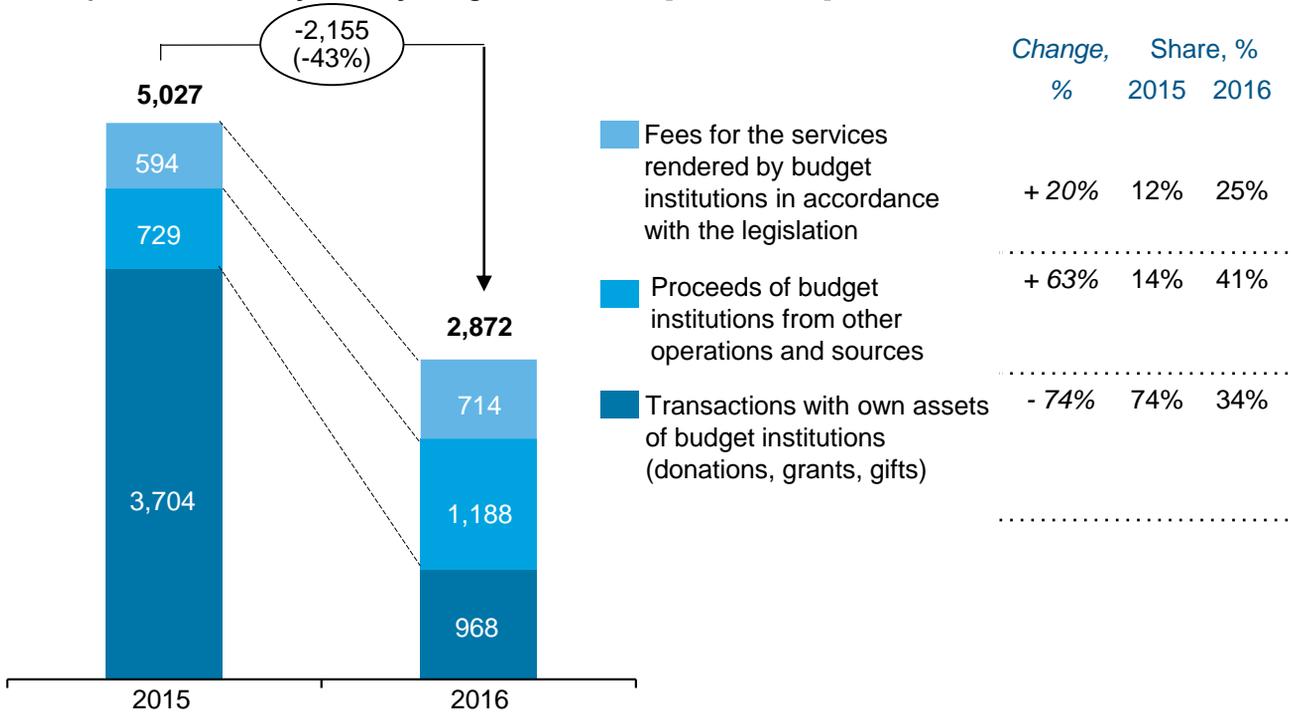
Own proceeds of budget institutions are recorded on special fund accounts of Kyiv's City budget.

The decrease in such proceeds was a result of lower total value change from revaluation of buildings and land plots of budget institutions. Those transactions are recorded in the books as transactions with assets of own proceeds of budget institutions (donations, grants, gifts).

As usual, transactions with own assets of budget institutions are non-monetary by nature, and they are impossible to plan, thus, those transactions are not considered at the moment the Kyiv City Council approves the budget.

Non-cash transactions with own assets of budget institutions, in particular, operations on reflecting an expert monetary valuation of land plots, are recorded both in revenues and expenditures of Kyiv's City budget.

Own proceeds from Kyiv's City budget institutions [UAH million]



Proceeds of budget institutions from other activities include the following:

- Rentals from leased properties of budget institution;
- Proceeds from budget institutions from other activities;
- Funds received by budget institutions from entities, organizations, individuals, and other budget institutions to perform special purpose actions, in particular, activities on withdrawal for public needs of land plots and other facilities placed on them.

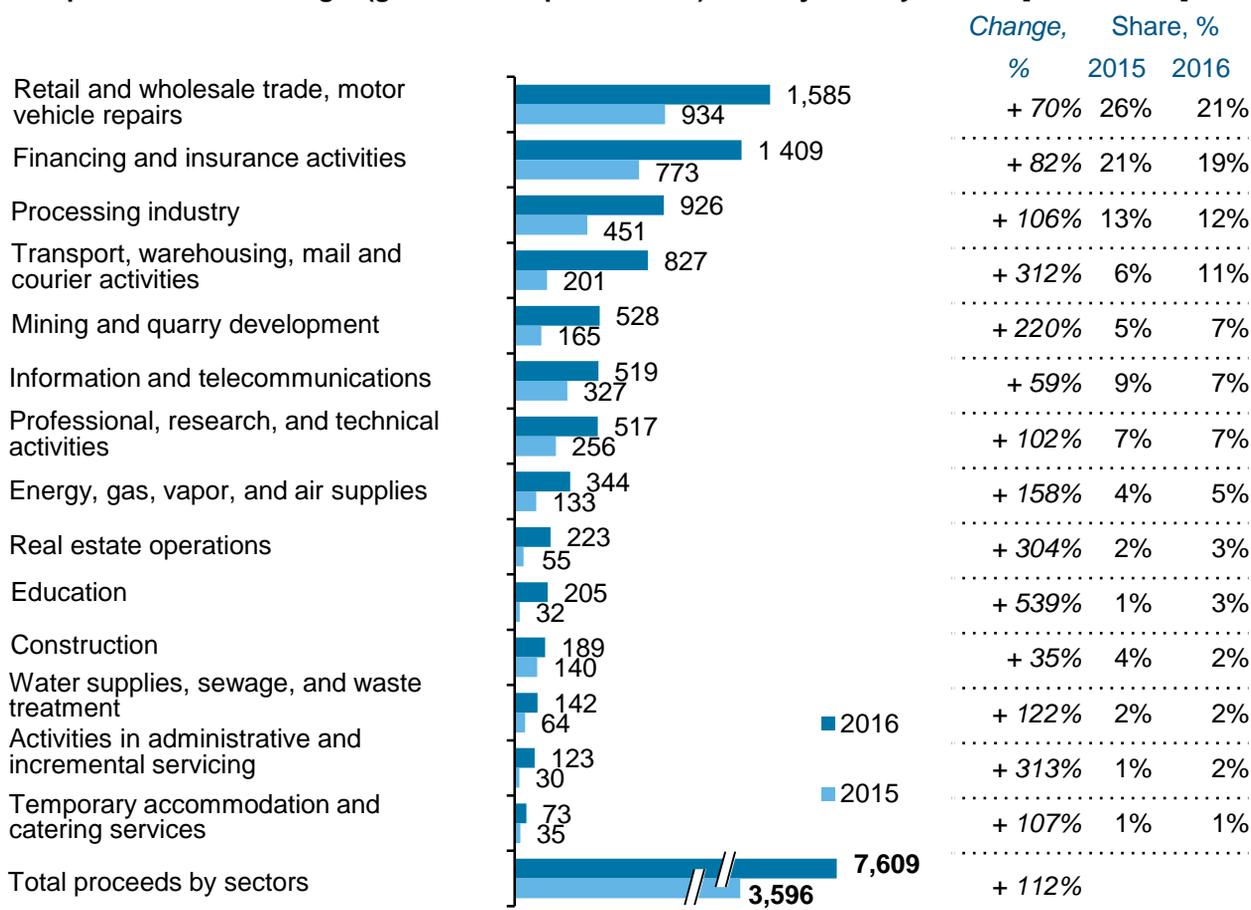
Source: KCSA
Calculated and actual values may differ due to rounding.



Structure of general and special fund budget proceeds by economy segment

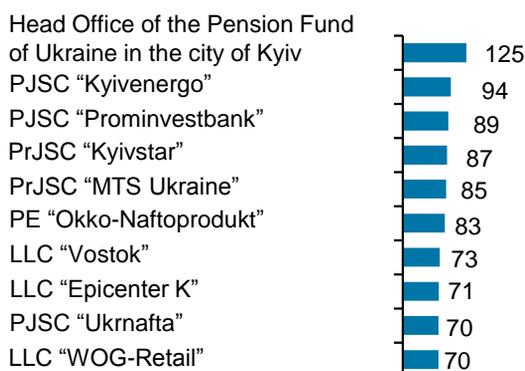
Tax proceeds to the Kyiv city's budget from local entities increased by UAH 4,013 million, or by 112%: from UAH 3,596 million in 2015 to UAH 7,609 million in 2016. Proceeds grew on all sectors of the economy, with most growth experienced from retail and wholesale trade and financing and insurance activities.

Tax proceeds to the budget (general and special funds) from Kyiv's City entities [UAH million]



Top 10 corporate taxpayers to Kyiv's City budget [UAH million]

In 2015



In 2016



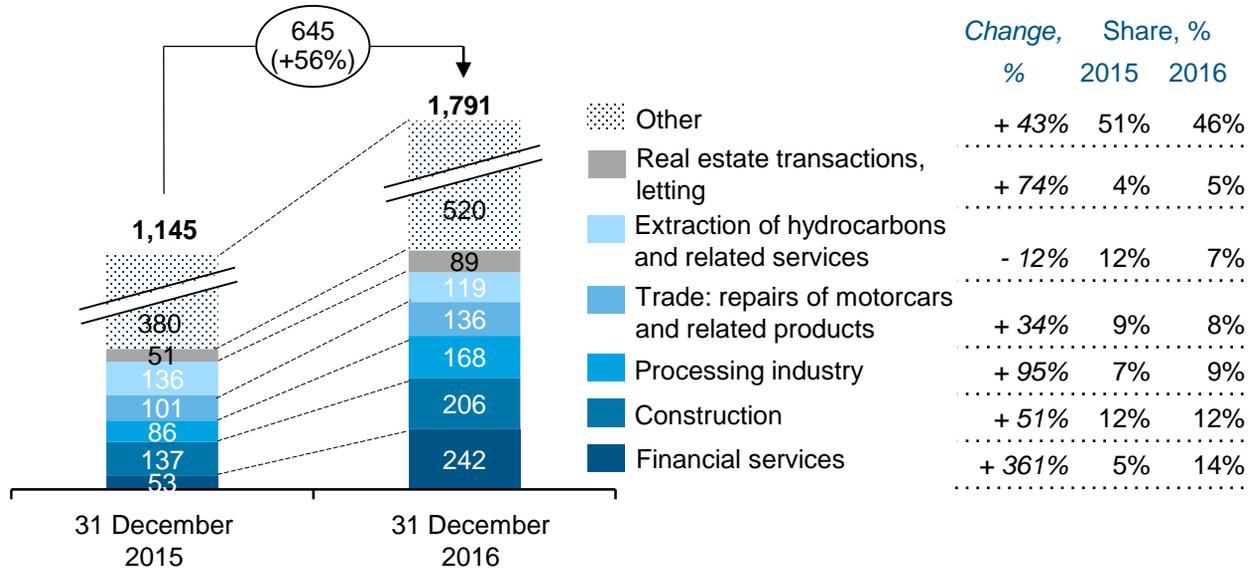
Top 10 taxpayers paid 26% of total tax proceeds to the city budget from Kyiv's City entities in 2016; their share grew insignificantly compared to 24% of payments in 2015.



Composition of tax debts of entities due to the budget by economy segment

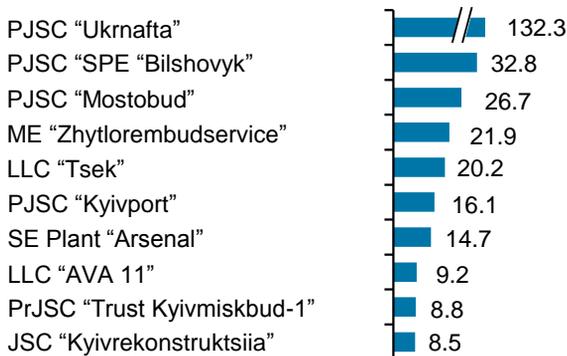
The largest corporate debtor to the City's budget on tax proceeds among local entities was PJSC "Ukrnafta", with the outstanding amount of UAH 119 million at the end of 2016, which was 6.7% of total tax debt.

Accounts receivable to Kyiv's City budget on tax proceeds by segment [UAH million]

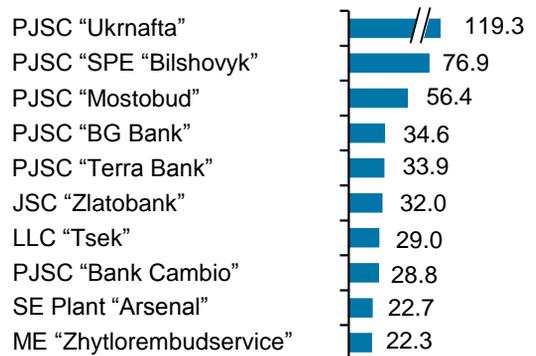


Top 10 taxpayer debtors [UAH million]

As at 31 December 2015



As at 31 December 2016



Tax debt of top 10 taxpayers amounted to UAH 456 million, or 25%, of total debt due to the City's budget on tax proceeds from local entities as at the end of 2016.

The image is a low-angle shot of a grand, classical-style building facade on the left, featuring a series of ornate columns and decorative carvings. On the right, a Ukrainian national flag (blue and yellow) is flying from a tall pole against a clear, bright blue sky. A semi-transparent white horizontal band is overlaid across the middle of the image, containing text.

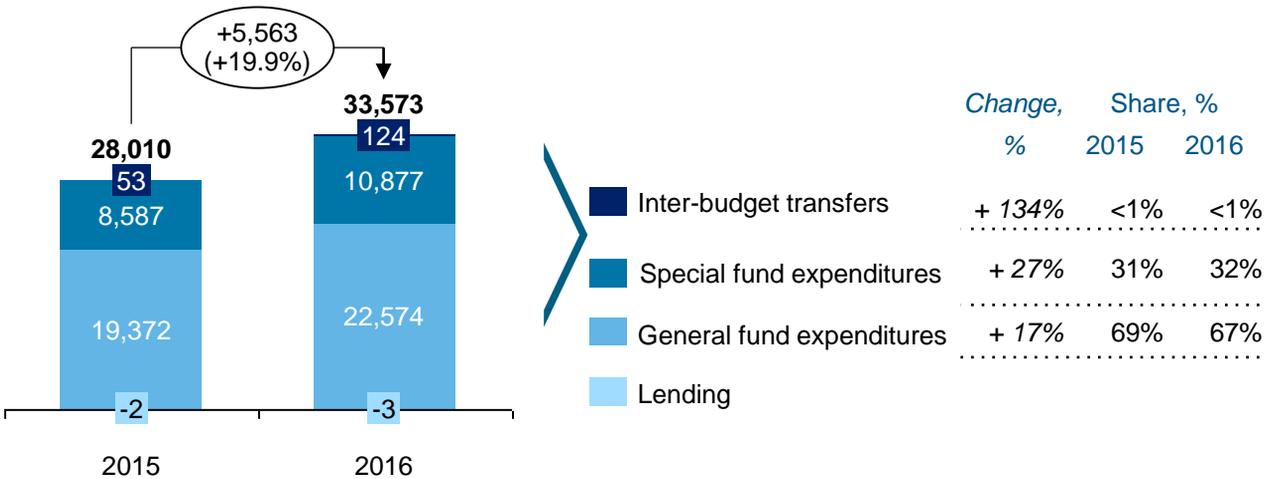
Section 6.4.

EXPENDITURES



Expenditures of Kyiv's City budget in 2016

Expenditures of the city of Kyiv [UAH million]



The growth in general fund of Kyiv expenditure by UAH 3,201.6 million (or 16.5%) compared to 2015 was due to an increase in budget revenues as a result of decentralization of the scope of powers of state authorities and strengthening of the financial basis, which, in particular, allowed indexing of salary pools.

The special fund expenditure growth by UAH 2,290.3 million (or 26.7%) was largely due to the increase capital expenditures in construction sector.

Detailed analysis of the composition of general and special fund expenditures is represented below on page 152 in this section.

Transfers to budgets of other levels amounted to UAH 8 million (an increase of UAH 1 million in the reported year).

Composition of inter-budget transfers changed in favor of current transfers which increased from UAH 28 million in 2015 to UAH 82 million (it represented 66% of the total amount of transfers). Capital transfers increased from UAH 25 million to UAH 43 million, respectively.

City budget holders

In 2016 the city's budget expenditures were carried out through 34 budget holders:

- Kyiv City Council (Secretariat);
- Apparatus of the Executive Body of Kyiv City Council (KCSA);
- 22 KCSA departments and 4 divisions; and
- 10 District State Administrations.

A detailed breakdown of expenditures by budget holder is provided on the next page.



Budget expenditures of Kyiv by major budget fund holders

[UAH million] Primary budget fund holders	2015	2016	Changes, %	Execution, %	Share 2016, %
Healthcare Department	7,144	6,154	-14%	120%	18%
Department of Social Policy	4,350	4,935	13%	98%	15%
Transport Infrastructure Department	2,570	4,121	60%	90%	12%
Construction and Housing Department	655	1,657	153%	94%	5%
Culture Department	517	1,221	136%	170%	4%
Education and Science, Youth and Sports Department	818	1,141	40%	97%	3%
Department of Finance	1,700	902	-47%	57%	3%
Housing and Utilities Infrastructure Department	1,232	749	-39%	72%	2%
Urban Amenities and Environmental Protection Department	275	450	63%	93%	1%
KCSA Executive Office	148	356	140%	88%	1%
Kyiv City Council (Secretariat)	161	153	-5%	91%	<1%
Urban Development and Architecture Department	41	65	59%	89%	<1%
Social Communications Department	49	57	17%	95%	<1%
Economics and Investments Department	36	55	52%	76%	<1%
Child and Family Service	16	36	126%	77%	<1%
Department of Land Resources	20	27	37%	82%	<1%
Administrative Services Provision Department (Centre)	8	25	218%	90%	<1%
Municipal Property of Kyiv City Department	18	18	<1%	85%	<1%
Industry and Entrepreneurship Development Department	14	15	6%	97%	<1%
Internal Financial Control and Audit Department	9	13	41%	97%	<1%
Department on registration matters	-	8	-	81%	<1%
State Architecture and Construction Control Department in Kyiv	-	4	-	56%	<1%
Information and Communication Technologies Department	-	4	-	82%	<1%
Self-Government Control Administration (Inspection)	1	2	134%	98%	<1%
Subtotal	19,783	22,169	12%	99%	-
Kyiv's District State Administrations					
Darnytska	968	1,404	45%	101%	4%
Sviatoshynska	969	1,347	39%	97%	4%
Dniprovska	1,002	1,336	33%	96%	4%
Desnianska	995	1,288	29%	95%	4%
Shevchenkivska	819	1,251	53%	105%	4%
Obolonska	862	1,199	39%	95%	4%
Solomianska	811	1,159	43%	102%	3%
Holosiivska	706	993	41%	97%	3%
Podilska	630	836	33%	97%	2%
Pecherska	446	594	33%	96%	2%
Subtotal	8,208	11,406	39%	98%	-
Total without lending	27,992	33,576	20%	98%	-
Lending	-2	-3	13%	185%	-
Total	27,989	33,573	19.9%	92.2%	-

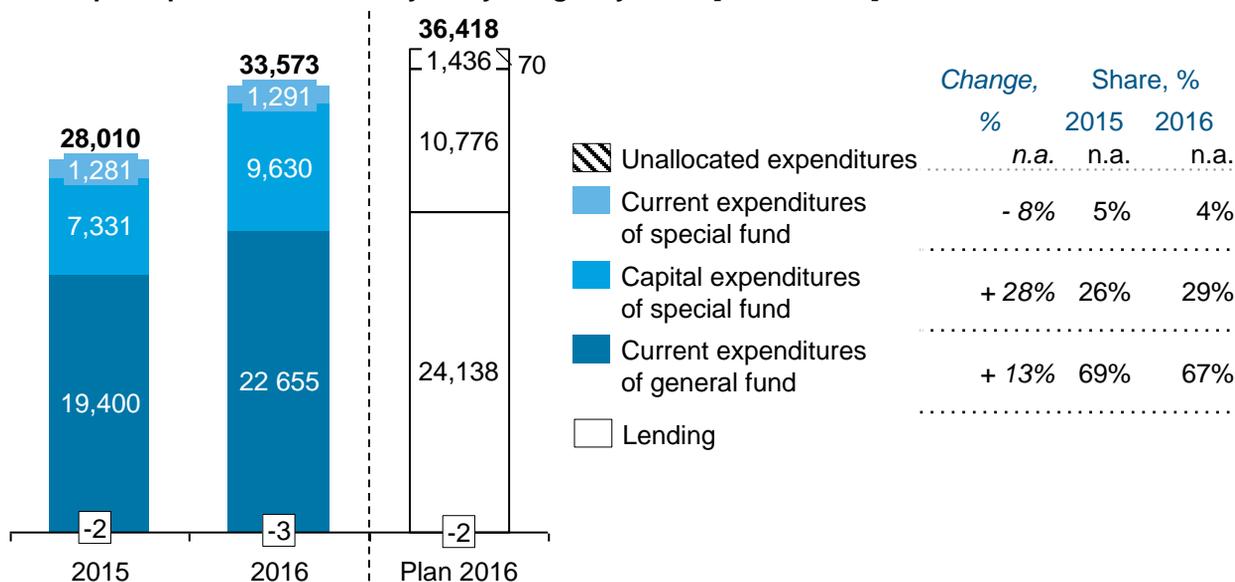
Source: KCSA
Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Structure of Kyiv's City budget expenditures by type of expenditures (economic classification)

Municipal expenditures of the Kyiv city budget by fund¹ [UAH million]



In 2016, current expenditures of general fund increased by 13% (or UAH 2.7 billion), mainly due to the decentralization of scope of powers and strengthening the city's finances, which allowed the increase of local expenditures. In particular, salary pools were revised and spending on municipal special-purpose programs.

An increase in capital expenditures of the special fund by 28% (or UAH 2.1 billion) was a result of an increase in capital transfers by 111.3% (or UAH 3 billion) due to higher capital investment in transport infrastructure and repair works at educational institutions.

Municipal expenditures of the Kyiv city budget by fund [UAH million]

	2016 plan			2016 fact			Share %	Execution, %
	General fund	Special fund	Total	General fund	Special fund	Total		
Current expenditures	24,138	1,436	25,573	22,655	1,291	23,946	71%	94%
Labor costs ²	9,019	148	9,168	8,977	131	9,108	27%	99%
Use of goods and services	5,032	1,024	6,057	4,296	909	5,206	16%	86%
Debt servicing	804	-	804	277	-	277	1%	34%
Current transfers	5,098	221	5,319	4,999	214	5,213	16%	98%
Social security	4,171	5	4,176	4,097	4	4,101	12%	98%
Other current expenditures	12	37	49	8	33	41	0%	84%
Capital expenditures	-	10,776	10,776	-	9,630	9,630	29%	89%
Acquisition of fixed assets	-	4,218	4,218	-	4,005	4,005	12%	95%
Capital transfers	-	6,558	6,558	-	5,625	5,625	17%	86%
Unallocated expenditures	70	-	70	-	-	-	-	-
Lending	-	-2	-2	-	-3	-3	-	185%
Total	24,208	12,210	36,418	22,655	10,918	33,573	100%	92%

¹ The total amount includes repayment of loans granted for the financing of citizens for construction of - UAH 2.5 million. In 2015, - UAH 2.8 million, in 2016 (and - UAH 1.5 million planned in 2016)

² Payroll and payroll taxes

Source: KCSA

Calculated and actual values may differ due to rounding



Kyiv's City budget expenditures

Kyiv's City budget expenditures by type of expenditure (economic classification) [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget execution, Plan	%
Current expenditures	20,682	23,946	15.8%	73.8%	71.3%	25,573	93.6%
Labor costs ¹	7,210	9,108	26.3%	25.7%	27.1%	9,168	99.3%
Use of goods and services	4,648	5,206	12.0%	16.6%	15.5%	6,057	85.9%
Current transfers	1,577	277	-82.4%	5.6%	0.8%	804	34.4%
Social security	3,716	5,213	40.3%	13.3%	15.5%	5,319	98.0%
Other current expenditures	3,493	4,101	17.4%	12.5%	12.2%	4,176	98.2%
Current transfers	37	41	9.2%	0.1%	0.1%	49	83.5%
Capital expenditures	7,331	9,630	31.4%	26.2%	28.7%	10,776	89.4%
Acquisition of fixed assets	4,670	4,005	-14.2%	16.7%	11.9%	4,218	94.9%
Capital transfers to entities	2,661	5,625	111.3%	9.5%	16.8%	6,558	85.8%
Unallocated expenditures	-	-	-	-	-	70	-
Lending	-2	-3	13.4%	<1.0%	<1.0%	-2	185.1%
Total	28,010	33,573	19.9%			36,418	92.2%

In 2016 expenditures increased on:

- construction: by UAH 2,995 million, due to the construction of infrastructure facilities and purchase of housing for further distribution to those in need
- education: by UAH 1,739 million, due to infrastructure improvements and salary pool indexation
- other services related to economic activity: by UAH 540 million, due to repayment of debt of the Kyiv City Council due to the Government

The reduction of health expenditures was due to specific accounting entries that reflected the non-monetary revaluation of land and fixed assets of hospitals, which were by UAH 2.7 billion lower in the reported year.

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget execution, Plan	%
Education	6,313	8,052	27.5%	22.5%	24.0%	8,581	93.8%
Health care	8,231	7,640	-7.2%	29.4%	22.8%	7,855	97.3%
Social care and social security	4,188	4,648	11.0%	15.0%	13.8%	4,793	97.0%
Construction	1,543	3,642	136.0%	5.5%	10.8%	4,099	88.8%
Housing and utilities	2,146	2,598	21.0%	7.7%	7.7%	2,737	94.9%
Transport, road facilities, communication, telecommunications, and information systems	1,533	2,553	66.5%	5.5%	7.6%	2,912	87.7%
Culture and arts	762	1,266	66.2%	2.7%	3.8%	1,300	97.3%
Public administration	705	1,192	69.2%	2.5%	3.6%	1,259	94.7%
Other services related to economic activities	170	710	317.0%	0.6%	2.1%	816	87.1%
Special-purpose funds	298	313	4.9%	1.1%	0.9%	336	93.1%
Physical culture and sports	242	301	24.5%	0.9%	0.9%	333	90.3%
Debt service	1,577	281	-82.2%	5.6%	0.8%	896	31.4%
Expenditures not included into major groups	176	179	1.8%	0.6%	0.5%	273	88.4%
Mass media	34	37	8.8%	0.1%	0.1%	38	97.4%
Agriculture and forestry, fishery and hunting	33	29	-13.0%	0.1%	0.1%	40	71.5%
Prevention and liquidation of emergencies and consequences of natural disasters	8	10	19.6%	0.0%	0.0%	10	99.6%
Inter-budget transfers	53	124	133.6%	0.2%	0.4%	142	87.6%
Lending	-2	-3	13.4%	<1%	<1%	-2	185%
Total	28,010	33,573	19.9%			36,418	92.2%

Note: ¹ Payroll and payroll taxes

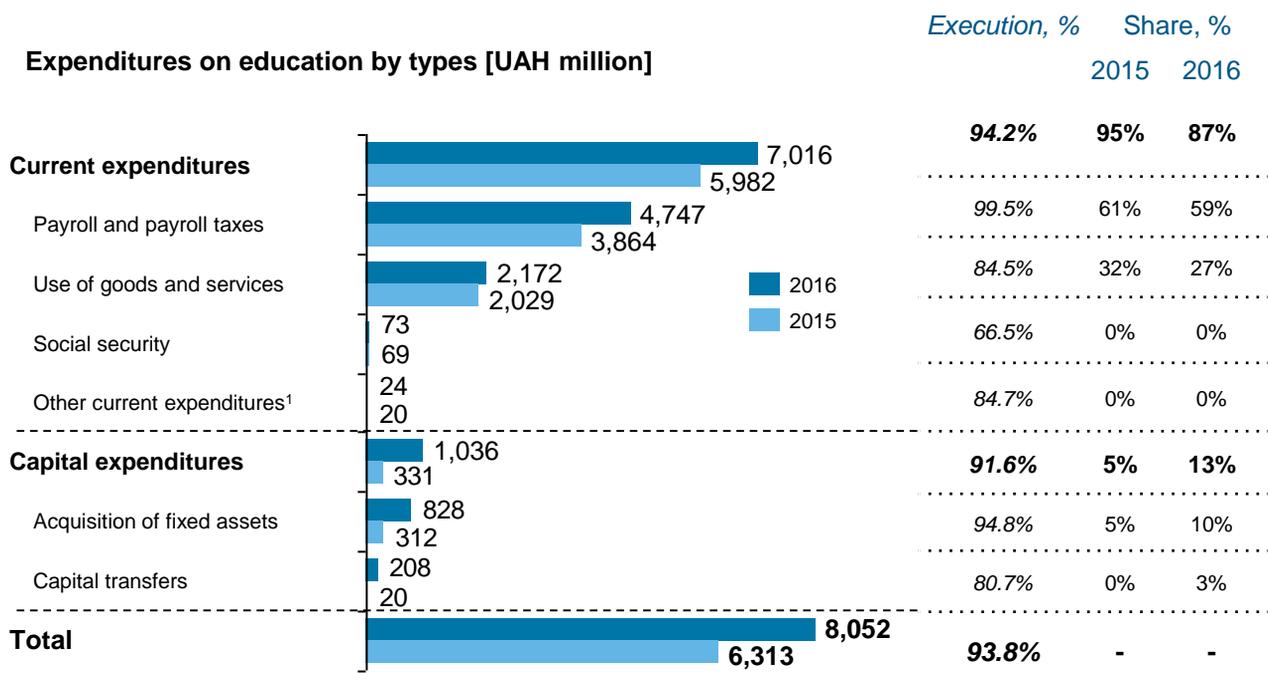
Source: KCSA Calculated and actual values may differ due to rounding



Expenditures: education

In 2016 expenditures on operating and investment activities of Kyiv's City educational institutions increased by UAH 1.7 billion

In 2016 expenditures of general fund were UAH 6.6 billion, or 82% of all expenditures, expenditures of special fund were UAH 1.5 billion, or 18%, respectively.



The increase in expenditures on education was mainly due to higher expenditures on secondary schools (+ UAH 934 million), pre-schools (+ UAH 368 million), and higher educational institutions of the IIIrd and IVth accreditation levels (+ UAH 145 million) due to the indexation of salary pools and repair works performed.

Expenditures on education by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget execution, Plan	Budget execution, %
Regular schools ²	3,094	4,028	30%	49%	50%	4,219	95%
Pre-school educational institutions	1,936	2,304	19%	31%	29%	2,485	93%
Vocational training educational institutions	332	363	9%	5%	5%	376	96%
Higher educational institutions of III rd and IV th levels of accreditation	157	302	92%	2%	4%	321	94%
Extra-curricular educational institutions	185	221	20%	3%	3%	238	93%
Special educational institutions for children with special needs	162	206	27%	3%	3%	222	93%
Higher educational institutions of I st and II nd levels of accreditation	155	198	28%	2%	2%	204	97%
Other educational programs	-	108	-	-	1%	161	67%
Boarding schools, sanitarium boarding schools	93	88	-5%	1%	1%	96	92%
Centralized accounting departments of regional, municipal, and district education authorities	54	58	7%	1%	1%	61	96%
Others	144	176	22%	2%	2%	197	89%
Total	6,313	8,052	28%	-	-	8,581	94%

Note: ¹ Other current expenses include current transfers and other current expenditures

² Secondary schools (in particular, school-kindergarten, boarding school), specialized schools, lyceums, gymnasiums, colleges

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: education

In 2016 the total capital expenditures increased by 213% compared with 2015 year, or by UAH 705 million to UAH 1 036 million.

The main causes of increase were increase of the budget, which allowed increase the number of overhaul and purchase the fixed assets.

As a whole, at the expense of the Kyiv city budget, capital expenditures were funded for a total amount of UAH 625 million. UAH 354 million of capital expenditures was financed from charitable and sponsorship funds, UAH 57 million - at the expense of the paid funds provided by budget institutions.

Capital expenditures financed from the Kyiv City's budget

Expenditures for the purchase of long-term equipment in 2016 [UAH thousand]

Food equipment for 721 institutions	39,419
Furniture and cabinets for 399 institutions	30,450
Computer's equipment for 757 institutions	37,645
Laundry facilities for 104 institutions	5,607
Installation of video surveillance system in 1008 institutions	23,877
Shooting gallery for 104 establishments	8,192
Purchase books	11,088
Purchase of 3 cars for family-type orphanages	969
Purchase of household appliances for family-type orphanages	671
Final settlements homes bought in 2015 for family-type orphanages	68
Other equipment of educational institutions	48,819
Total	206,805

Capital expenditures in 2016 [UAH thousand]

Replacement of windows in 361 institutions	123,900
Overhaul gyms in 72 institutions	68,354
Insulation of facades in 87 institutions	51,332
Overhaul of institutions	47,320
Overhaul of roofs in 153 institutions	37,061
Overhaul and arrangement of kids places in 80 institutions	32,968
Overhaul of networks in 135 institutions	20,708
Overhaul in 39 catering department	16,863
Overhaul of public places in 68 institutions	10,105
Restoration of groups in 32 educational institutions	8,934
Laundry services in 8 institutions	1,159
Total	418,704

The main directions of the use of charity and sponsorship funds and funds of budgetary institutions from the provision of paid funds to finance capital expenditures were also overhaul institutions and renewal of their fixed assets.



6.4. EXPENDITURES

Expenditures: education

Average city budget expenditures per student in 2016 increased by 28%, mainly due to the indexation of salary pool, overhauls and renewal of fixed assets

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, thousand UAH		
	2015	2016	2015	2016	% change	2015	2016	% change
Pre-school educational institutions	513	525	98,985	99,828	1%	19.6	23.1	18%
Schools, lyceums and gymnasiums	404	396	247,537	257,273	4%	12.5	15.7	25%
Evening (shift-type) schools	11	9	3,480	2,318	-33%	8.4	11.0	31%
Boarding schools	8	7	2,091	1,438	-31%	44.3	60.9	38%
Orphanages	1	1	325	319	-2%	55.2	62.8	14%
Special educational institutions for children with special needs	16	16	2,724	2,839	4%	59.6	72.6	22%
Specialized schools with in-depth study of individual subjects and courses for in-depth training of children in the field of science and arts, physical culture and sports, lyceums with intensive military-physical training	1	2	658	996	51%	45.8	54.2	18%
Extra-curricular educational institutions and extra-curricular activities for children	40	39	74,217	74,003	0%	2.5	3.0	20%
Vocational training educational institutions	26	26	14,710	13,198	-10%	22.6	27.5	22%
Higher educational institutions I st and II nd accreditation level	5	4	3,763	3,610	-4%	41.2	54.9	33%
Higher educational institutions III rd та IV th accreditation level	2	3	2,846	3,057	7%	55.3	98.9	79%
Postgraduate educational institutions	1	1	12,248	12,678	4%	1.1	1.4	23%
Procedural guidance and other public education activities	31	30	-	-	-	-	-	-
Service of technical supervision of construction and capital repairs	1	1	-	-	-	-	-	-
Centralised accounting offices of educational departments	11	11	-	-	-	-	-	-
Groups of centralized economic services	10	10	-	-	-	-	-	-
Other institutions of education	3	2	3,278	1,775	-46%	4.0	5.4	36%
Other educational programs	-	-	-	-	-	-	-	-
Assistance to 18-year old orphaned children and children deprived of parental care	-	-	288	272	-6%	1.7	1.8	4%
Total	1,084	1,083	467,150	473,604	1%	13.5	17.0	26%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: healthcare

In 2016, the expenditures on healthcare decreased by UAH 591 million to UAH 7.6 billion

General fund expenditures on healthcare amounted to UAH 5.4 billion or 71% of total expenditures in the sector. Special fund expenditures amounted to UAH 2.2 billion or 29% of the total expenditure in healthcare.

Expenditures to healthcare by types [UAH million]

	Execution, %		Share, %	
	2015	2016	2015	2016
Current expenditures	97.3%	97.3%	55%	78%
Payroll and payroll taxes	99.7%	99.7%	24%	34%
Use of goods and services	93.2%	93.2%	25%	25%
Current transfers	98.7%	98.7%	6%	19%
Social security	92.9%	92.9%	<1%	<1%
Other current expenditures	91.1%	91.1%	<1%	<1%
Capital expenditures	97.3%	97.3%	45%	22%
Acquisition of fixed assets	97.3%	97.3%	44%	20%
Capital transfers	96.6%	96.6%	<1%	2%
Total	97.3%	97.3%	-	-

In 2016, expenditures for the purchase of fixed assets decreased by 57%, or by UAH 2,090 million. This is to a large extent related to a decrease in the amount of expert valuation of fixed assets of hospitals by UAH 2,688 million. It was partially offset by a higher expenses on purchase of fixed assets by UAH 620 million as compared to 2015.

The increase of expenditures on other health care activities by 157% (or UAH 765 million) was a result of an increase in financing of the municipal special-purpose program "Health of Kyivans" which almost tripled.

Expenditures on healthcare by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Plan	Budget execution, %
Hospitals	4,900	2,234	-54%	60%	29%	2,269	98%
Other healthcare activities ¹	486	1,251	157%	6%	16%	1,330	94%
Specialized hospitals (bed fund available)	622	1,048	68%	8%	14%	1,075	97%
Specialised hospitals (no bed fund available)	627	887	41%	8%	12%	899	99%
Primary medical assistance centres	650	844	30%	8%	11%	856	99%
Perinatal centres and birthing hospitals	206	346	68%	2%	5%	354	98%
Local medical associations	186	318	71%	2%	4%	324	98%
Centers of urgent medical aid and emergency medicine, emergency medical treatment stations	188	242	29%	2%	3%	244	99%
Sanatoriums for children and youngsters	58	117	99%	1%	2%	120	97%
Provisions for centralized treatment of patients with pancreatic diabetes and diabetes insipidus	91	100	10%	1%	1%	110	91%
Others ²	216	253	17%	3%	3%	274	92%
Total	8,231	7,640	-7%			7,855	97%

¹ Includes expenditures for the performance of their functions for enterprises and organizations subordinate to the Department of Health, and expenditures for the city target program "Health of Kyiv"

² Includes expenditures for sanatoriums for consumptives, child care centers, clinics and ambulances (including dental centers, health centers, programs and others health activities)



6.4. EXPENDITURES

Expenditures: healthcare

During 2016 there was a slight decrease in the total number of beds and headcount at healthcare institutions of Kyiv

Health care institutions that received funding from the budget of the city of Kyiv

Health care institutions	Number of institutions as at year-end			Number of beds, as at year-end			Doctor's visits, thousand			Number of staff positions, as at year-end		
	2015	2016		2015	2016	% change	2015	2016	% change	2015	2016	% change
Hospitals	26	26		10,679	10,465	-2%	1,332	1,277	-4%	19,203	18,711	-3%
Community medical institutions	5	5		1,595	1,495	-6%	200	166	-17%	2,259	2,288	1%
Specialised hospitals (beds available)	23	24		4,418	4,638	5%	561	849	51%	7,381	7,923	7%
Perinatal centres and birthing hospitals	6	6		1,130	1,130	0%	309	316	3%	2,975	2,955	-1%
Sanatoriums for consumptives	2	2		300	300	0%	-	-	-	170	178	5%
Sanatoriums for children and teenagers (nontuberculous)	9	9		625	375	-40%	-	-	-	484	453	-6%
Child care centres	2	2		270	270	0%	-	-	-	428	437	2%
Blood transfusion stations	2	2		-	-	-	-	-	-	251	242	-4%
Emergency medical assistance centres	1	1		-	-	-	-	-	-	2,703	2,831	5%
Outpatient hospitals and ambulatory care clinics	1	1		20	20	0%	814	907	11%	549	528	-4%
Specialised clinics (no bed fund available)	29	29		1,119	1,117	0%	11,761	12,896	10%	11,140	10,977	-1%
General and specialised dental clinics	8	8		-	-	-	331	340	3%	564	555	-2%
Health Centers of sanitary education	3	1		-	-	-	-	-	-	104	34	-68%
Primary medical assistance centres	28	28		470	490	4%	12,023	12,185	1%	9,190	8,918	-3%
Other health care institutions and activities	6	6		-	-	-	-	-	-	2,064	2,082	1%
Total	151	150		20,626	20,300	-2%	27,329	28,938	6%	59,463	59,110	-1%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: social care and social security

In 2016, expenditures on social care and social security increased by UAH 460 million to UAH 4.6 billion

In 2016, the general fund expenditures amounted to UAH 4.5 billion, or 97% of all social care expenditures, the special fund expenditures amounted to UAH 119 million, or 2.6%, respectively.

Expenditures on social care and security by types [UAH million]

	2016	2015	Execution, %		Share, %	
			2015	2016	2015	2016
Current expenditures	4,572	3,847	97.1%	92%	98%	
Payroll and payroll taxes	348	290	98.1%	7%	7%	
Use of goods and services	221	194	77.6%	5%	5%	
Current transfers	27	19	70.7%	<1%	1%	
Social security	3,975	3,343	98.7%	80%	86%	
Other current expenditures	0	1	78.8%	<1%	<1%	
Capital expenditures	76	341	90.4%	8%	2%	
Acquisition of fixed assets	72	338	91.1%	8%	2%	
Capital transfers	4	3	77.5%	<1%	<1%	
Total	4,648	4,188	97.0%	-	-	

In 2016 social security expenditures increased by 19%, or by UAH 632 million. This was driven by an increase in subsidies granted to individuals for cover utility costs that increased by UAH 550 million from UAH 496 million in 2015 to UAH 1,045 million in 2016.

The number of residents that were receiving subsidies grew as well due to an increase in the number of citizens who applied for subsidies, the amount of subsidies was also increasing during 2016.

Expenditures on social care and social security by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Plan	Budget execution, %
Social benefits, allowances and subsidies provided	3,361	4,012	19%	80%	86%	4,083	98.2%
Maintenance of institutions	712	518	-30%	6%	4%	578	90.3%
Social protection activities	114	118	3%	3%	3%	132	89.5%
Total	4,188	4,648	11%	100%	100%	4,793	97.0%

Source: KCSA
Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Expenditures: social care and social security

Expenditures on social care and social security by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	execution, %
Social benefits, allowances and subsidies provided	3,361	4,012	19%	80%	86%	4,083	98%
New-born benefit	1,372	1,407	3%	33%	30%	1,414	100%
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	496	1,045	111%	12%	22%	1,045	100%
Government social benefits to people with childhood disabilities and disabled children	261	317	22%	6%	7%	317	100%
Other social protection expenditures for general population	268	283	6%	6%	6%	311	91%
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	227	-7%	6%	5%	227	100%
Other social protection expenditures for war and labour veterans	94	143	53%	2%	3%	157	91%
Single mother child benefits	131	122	-7%	3%	3%	123	99%
Allowances to Chernobyl victims for housing and utility bills	88	102	16%	2%	2%	102	100%
Government social assistance to disadvantaged households	66	98	49%	2%	2%	99	99%
Allowances to military and others veterans for housing and utility bills	74	78	6%	2%	2%	78	100%
Others	270	190	-30%	6%	4%	210	90%
Maintenance of institutions	712	518	-30%	6%	4%	578	90%
Nursing homes for senior citizens and disabled persons accountable to social protection agencies	392	170	-57%	9%	4%	199	90%
Community social service centres	96	157	63%	2%	3%	162	90%
Other institutions and establishments	115	64	-45%	3%	1%	69	90%
Maintenance of local community centres for teenagers	42	53	26%	1%	1%	59	90%
Foster homes for minors with disabilities	33	36	12%	1%	1%	43	90%
Maintenance of social service centres for families, children and youth	21	27	25%	1%	1%	29	90%
Maintenance of organisations providing social services to vulnerable children	9	9	-5%	<1%	<1%	11	90%
The Kyiv Centre for Social, Professional and Labour Rehabilitation of Disabled Persons	3	3	7%	<1%	<1%	6	90%
Services of technical supervision over construction and capital repairs	<1	<1	26%	<1%	<1%	<1%	90%
Centralized accounting departments	<1	-	-	<1%	-	-	90%
Social protection activities	114	118	3%	3%	3%	132	90%
Processing data on accrual and payment of benefits and compensations	57	40	-30%	1%	1%	41	90%
Health promotion and recreation of children	28	37	31%	1%	1%	39	90%
Other expenditures	19	29	49%	<1%	1%	31	90%
Other programs of social protection for children	4	4	17%	<1%	<1%	5	90%
Social programs and activities of government agencies for youth	3	3	20%	<1%	0%	3	90%
Programmes and activities of social service centres for families, children and youth	2	3	44%	<1%	<1%	5	90%
Social programmes and activities of government agencies for family affairs	1	1	13%	<1%	<1%	6	90%
Total	4,188	4,648	11%	100%	100%	4,793	90%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: construction

Budget expenditures on construction increased UAH 2 billion in 2016

In 2016 the expenditures of special fund amounted to UAH 3.6 billion which represented 100% the expenditures of the sector.

Expenditures on construction by types [UAH million]

	2016	2015	Execution, %		Share, %		
			2015	2016	2015	2016	
Current expenditures	9	22			78.2%	1%	<1%
Use of goods and services	9	21			86.2%	1%	<1%
Other current expenditures ¹	1	0			28.3%	<1%	<1%
Capital expenditures	3,633	1,521			88.9%	99%	100%
Acquisition of fixed assets	624	151			92.6%	10%	17%
Capital transfers	3,009	1,370			88.1%	89%	83%
Total	3,642	1,543			88.8%	-	-

The increase of expenditures on construction was mainly due to an increase in expenditures for the purchase and construction of housing for ATO participants, members of the Heavenly Hundred families, victims of the Chernobyl accident and other recipients of benefits (+ USD 525 million), and due to an increase of capital investment in infrastructure of the city (+ USD 1.5 billion).

Expenditures on construction by functions [million UAH]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Capital expenditures	984	2,479	152%	64%	68%	2,830	88%
Housing construction and purchase of houses for certain categories of population	54	579	966%	4%	16%	579	100%
Works ² of general comprehensive educational institutions	255	383	50%	17%	11%	433	88%
Construction and development of the subway	162	88	-46%	11%	2%	114	77%
Residential construction and purchase of housing for specialized hospitals	51	80	58%	3%	2%	95	84%
Works ² at specialized educational institutions	6	12	110%	<1%	<1%	17	73%
Preservation, development, reconstruction and restoration of historical and cultural monuments	2	11	361%	<1%	<1%	15	74%
Development of schemes and design solutions for mass application	27	9	-67%	2%	<1%	11	82%
Payment of compensation for reducing the cost of housing construction for youth housing complexes	1	<1%	-54%	<1%	<1%	2	30%
Works ² at public hospitals	<1	<1		<1%	<1%	3	<1%
Total	1,543	3,642	136%	-	-	4,099	89%

¹ Other expenses include current transfers and social security expenditures

² Including urgent renovation works, construction, and modernization

Source: KCSA Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Expenditures: building and construction

The largest volumes of financing in 2016 (at the expense of all sources of financing) on objects of social and engineering-transport infrastructure

#	Construction project	Sector	Budgeted cost, UAH million	Budget execution as at 31.12.2016 ¹		Financing in 2016 ² , UAH million	% execution in 2016
				UAH million	%		
1	Acquisition (construction) of houses for people at waiting lists of those who needs improvement of living conditions (including victims of the consequences of the Chernobyl accident, ATO participants, members of the Heavenly Hundred families, etc.) and relocation out of unsafe dwellings	House-building	512	512	100	512	100
2	Purchase of tramway cars and trolleybuses	Transport	468	468	100	468	100
3	Construction of the access road from Chervonozorianskiy avenue (near the adjoining of Kirovogradskaia street) to International airport Kyiv (Zhuliany)	Transport	737	343	47	248	100
4	Purchase of buses	Transport	211	211	100	211	100
5	Reconstruction of Peremohy avenue	Transport	441	372	84	178	75
6	Construction of the Second thread of the main city sewer collector in Kyiv	Utilities	1,207	939	78	273	92
7	Reconstruction and upgrade of lifts in residential buildings	Utilities	740	246	33	98	83
8	Construction of a preschool institution at the 36th section in 10 microdistricts of Osokorky residential area ³	Education	88	82	93	82	93
9	Construction of a secondary school on the corner of the Lebedeva-Kumacha Street and the Zemliachka Street (T. Yablonska Street) in Solomianskyi district	Education	231	97	42	82	95
10	Restoration with adaptation of the structures of the cycling track with improvement of the surrounding territory within the streets B. Khmelnytskyi, M. Kotsiubynskyi and V. Lypynskyi in Shevchenkivskyi district	Physical Culture and Sports	82	77	94	77	94
11	Reconstruction of School #140 at 47/8, Lvivska Street with construction of extension	Education	139	135	97	66	100
12	Construction of the Podilsky bridge over the Dnipro River	Transport	11,251	3,506	31	62	92
13	Reconstruction of a non-residential building with an extension for locating a territorial Center for social servicing of pensioners in Kyiv and the Center for early social rehabilitation of disabled children at 37G, O. Teligy Street	Social protection	81	70	86	60	95
14	Equipping engineering inputs with heat meters at municipal residential buildings, housing construction cooperatives and apartment building co-owner associations including cost of dispatching control hardware and software	Utilities	190	132	69	57	67
15	Construction of preschool educational institution at 63A, Nauky avenue of Holosiivskyi district	Education	77	64	83	54	82
16	Reconstruction of a non-residential building at 43A, Degtiarivska Street for restoration of activity of preschool educational institution in Shevchenkivskyi district ³	Education	52	50	96	50	96
17	Reconstruction of Vasylkivska Street between Holosiivska Square and Amurska Square	Transport	102	81	79	40	100
18	Insulation improvements in budgetary entities' buildings	Utilities	832	196	24	70	94
19	Reconstruction of a reception and specialized departments of the Kyiv's City Clinical Hospital #12 at 4A, Pidvysotskogo Street in Pecherskyi district	Healthcare	510	103	20	34	100
20	Construction of a heating grid on Lisna Street with connection to the heat networks of the existing boiler facility at 28, Lisna Street in Obolon district	Utilities	46	32	70	32	70
Total			17,997	7,715	43	2,752	43

¹ Funding amount from the beginning of work on the object until 31.12.2016

² Funding amount in 2016

³ The object has been put into operation.



Expenditures: transport, communication, and information system development

In 2016 the expenditures increased by UAH 1 billion, or by 67%

In 2016 the general fund expenditures amounted to UAH 1.3 billion, which was 51% of all expenditures. Special fund expenditures reached UAH 1.2 billion, or 49% of all expenditures.

Expenditures on transport, road transport, communications, telecommunications and computer science by types [UAH million]

	Execution, %		Share, %	
	2015	2016	2015	2016
Current expenditures				
	1,306	1,166	99.3%	76%
Use of goods and services	7	1	63.4%	<1%
Current transfers	1,299	1,164	99.6%	76%
Capital expenditures				
	1,247	368	78.1%	24%
Acquisition of fixed assets	1	1	16.4%	<1%
Capital transfers	1,246	367	78.3%	24%
Total	2,553	1,533	87.7%	-

The increase of expenses for reconstruction and repair of roads related to the receipt of funds in the amount of 50% of actual excess customs revenues over the plan as set out by an experiment within the framework of changes to the Budget Codex (for more details, see the section "Budget Revenues").

Other factors to the increase of expenditures were increase of compensatory payments for local travel allowances and price regulation, and other measures (these expenses comprised loan repayment to European Bank for Reconstruction and Development, capital repairs of the rolling stock and on transport and social infrastructure of KP "Kyivpastrans" and KP "Kyiv Metropoliten").

The increase of expenditures for the national informatization program (+ UAH 110 million) was driven by approval and receipt of financing for the development of the city's program "Electronic Capital".

Expenditures on transport, road transport, communications, telecommunications and computer science by functions [UAH million]

	2015	2016	Change, %	Share	Share	Budget Plan	Budget execution, %
	actual	actual		2015, %	2016, %		
Other activities in electric transport	586	790	35%	38%	31%	793	100%
Reimbursement of electric transport travel allowances	296	481	63%	19%	19%	481	100%
Motor roads construction, repair and maintenance expenditures	1	388	73,653%	<1%	15%	700	55%
Regulation of municipal public electric transport travel fares	251	363	45%	16%	14%	363	100%
Other activities in motor transport	95	124	31%	6%	5%	145	86%
Regulation of municipal public motor transport travel fares	134	120	-10%	9%	5%	120	100%
National Informatization programme	2	112	4,866%	<1%	4%	135	83%
Reimbursement of motor transport travel allowances	98	97	-1%	6%	4%	97	100%
Activities and services that are not assigned to other categories	65	77	18%	4%	3%	78	99%
Reimbursement of railway transport travel allowances	6	-	-	<1%	-	-	-
Total	1,533	2,553	67%	-	-	2,912	88%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: housing and utilities

In 2016 the volume of housing and utility financing increased by 21% (or by UAH 452 million)

In 2016 general fund expenditures amounted to UAH 1.6 billion, which was 62% of all expenditures. Expenditures of special fund amounted to UAH 1 billion, or 37% of all expenditures

Expenditures on housing and utilities by types [UAH million]

	2016	2015	Execution, %		Share, %	
			2015	2016	2015	2016
Current expenditures	1,624	1,349	98.9%	63%	63%	
Use of goods and services	0	1	-	<1%	-	
Current transfers	1,624	1,348	98.9%	63%	63%	
Social security	0	0	99.9%	<1%	<1%	
Capital expenditures	973	797	88.9%	37%	37%	
Acquisition of fixed assets	208	94	90.5%	8%	4%	
Capital transfers	766	703	88.5%	29%	33%	
Total	2,598	2,146	94.9%	-	-	

Increase of subsidies to the housing and utilities sector for UAH 590 million was due to the provision of financial support to utility companies for the maintenance and service of housing stock that are members of the municipal concern "Center for Utility Service" to settle their debt due to PJSC "Kyivenergo" and PJSC "AK Kyivvodokanal" for consumed thermal energy and cold water and to pay off the debts of the housing and utilities bodies due to PJSC "AK Kyivvodokanal", which was accumulated over 2012-2014. In 2015, the above expenditures were not made.

The increase of expenditures for the purchase of fixed assets by UAH 114 million was due to the higher volume of capital repairs of the housing stock. In addition, in 2015, a number of projects on energy efficiency improvements to residential buildings in which housing cooperatives and building cooperatives launched. Due to an increase in the number of applications for participation in this program in 2016, the amount of expenditures for this program was also revised.

Expenditures on housing and utilities by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Urban amenities	1,011	1,317	30%	47%	51%	1,373	96%
Housing and public utility subventions	92	686	644%	4%	26%	688	100%
Capital repairs of local government authorities' residential property fund	265	348	32%	12%	13%	407	86%
Housing and public utility municipal entities ¹	127	184	45%	6%	7%	196	94%
Housing management facilities	58	38	-35%	3%	1%	46	83%
Capital repairs of residential property fund of apartment buildings co-owners associations	7	24	228%	<1%	1%	27	88%
Repayment of outstanding balances for tariffs compensation ²	586	<1	-	27%	<1%	-	-
Total	2,146	2,598	21%			2,737	95%

Source: KCSA

¹ Regional manufacturer's associations, other enterprises, institutions and housing and communal services organization are included

² Including centralized water supply and sewage services transported and supplied to the population

Calculated and actual values may differ due to rounding

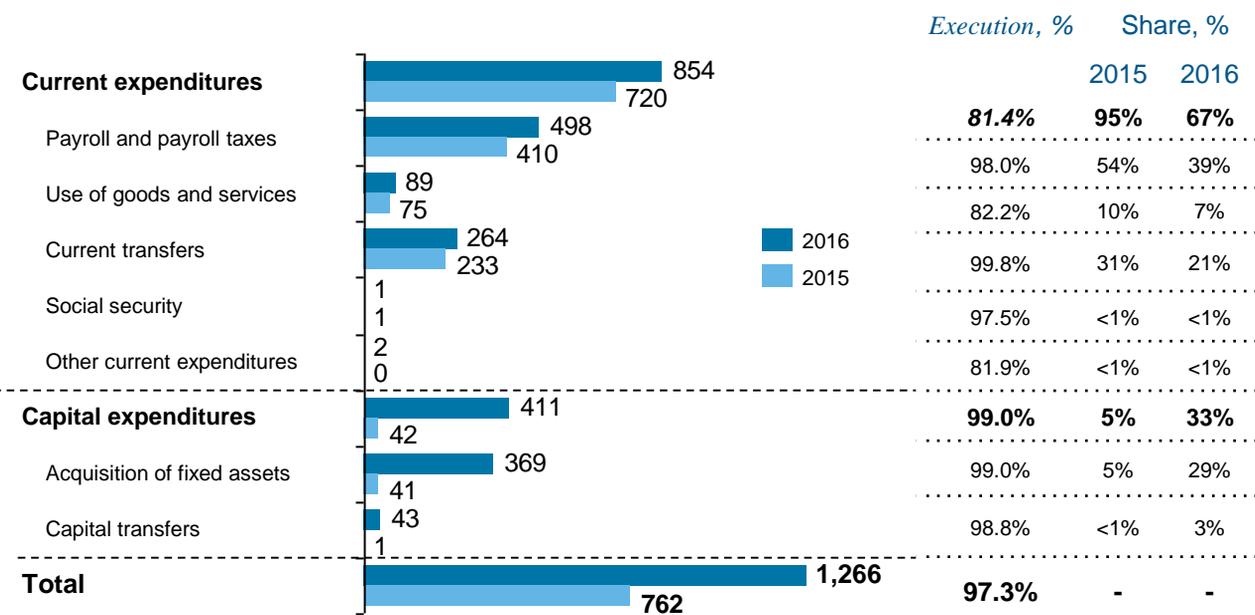


Expenditures: culture and art

Expenditures on maintenance of cultural and art establishments increase by UAH 504 million

In 2016 general fund expenditures amounted to UAH 0.8 billion, which was 64% of the total expenditures in the sector. Expenditures of special fund amounted to UAH 0.5 billion.

Expenditures on culture and art by types [UAH million]



The increase in the expenditures on culture and art in 2016 was caused by indexation of salary pool (+UAH 88 million) and the acquisition of fixed assets (+USD 328 million).

The average month salary of industry workers for the reporting period amounted UAH 5,928 (for example in 2015: UAH 4,571).

The increase in purchase costs of fixed assets was largely due to accounting in the books for expert valuation of land and properties of museums and libraries totaling UAH 290 million (in 2015 there were no such expenditures, as there was no revaluation).

Expenditures on culture and art by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Museums and exhibitions	111	400	259%	15%	32%	405	99%
Aesthetic education school for children	263	334	27%	35%	26%	351	95%
Theaters	170	228	34%	22%	18%	229	100%
Libraries	106	143	35%	14%	11%	152	94%
Other cultural and educational institutions and activities	48	80	67%	6%	6%	82	98%
Philharmonics, musical bands and ensembles, other artistic institutions and events	49	59	18%	6%	5%	59	100%
Palaces and houses of culture, clubs and other club establishments	13	19	43%	2%	2%	20	95%
Cinematography	1	3	314%	<1%	<1%	3	98%
Total	762	1,266	66%	-	-	1,300	97%



6.4. EXPENDITURES

Expenditures: culture and art

In 2016, the average cost of content for 1 viewer / visitor increased by 62%, due to an increase in museum expenditures due to the specificity of the revaluation of fixed assets. Excluding revaluation, the average maintenance cost was UAH 182, which is 25% higher than in 2015.

	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		
	2015	2016	Change, %	2015	2016	Change, %	2015	2016	Change, %
Museums and exhibitions	22	22	0%	879,184	980,480	12%	127	408	221%
Aesthetic education schools for children	56	56	0%	22,555	23,347	4%	11,674	14,317	23%
Theatres	20	20	0%	705,892	709,932	1%	241	322	34%
Libraries	13	13	0%	572,840	616,390	8%	184	232	26%
Other cultural and educational institutions and activities (zoo, recreational parks etc.)	21	21	0%	2,315,074	2,264,048	-2%	21	35	71%
Philharmonics and music bands	9	9	0%	333,900	359,700	8%	148	163	10%
Palaces of culture, culture centres clubs and other cultural institutions of club type	8	8	0%	378,106	380,550	1%	36	51	42%
Cinematography	1	1	0%	7,369	5,496	-25%	82	456	456%
Total	150	150	0%	5,214,920	5,339,943	2%	146	237	62%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: state (municipal) management

Expenditures for supporting and functioning of state (municipal) management institutions increased by UAH 487 million

In 2016, expenditures of the general fund consisted of UAH 0.9 billion, which were 79% of total expenditures. Expenditures of the special fund was UAH 0.25 billion or 21% of all expenditures.

Expenditures for state management divided by types [UAH million]

Execution, % Share, %

	2016	2015	Share, %	
			2015	2016
Current expenditures	950	658	95.7%	80%
Payroll and payroll taxes	807	542	98.8%	68%
Using of goods and services	136	113	82.1%	11%
Other current expenditures	6	3	72.4%	1%
Capital expenditures	243	47	90.8%	20%
Acquisition of fixed assets	243	47	90.8%	20%
Capital transfers	0	0	100.0%	<1%
Total	1,192	705	94.7%	-

In 2016, the increase of expenditures for state (municipal) management was mainly due to the increase of capital expenditures and expenditures for payroll and payroll taxes.

The increase of capital expenditures by UAH 196 million from UAH 47 million to UAH 243 million was due to the expert monetary assessment of the departments of the culture department to reflect them in the accounting. In 2015 there was not monetary assessment.

Payroll expenditures (including payroll taxes) increased by 49% or by UAH 265 million due to the indexation of salary. In 2016 salary was paid in full, the payments for material rehabilitation, bonuses for the volume and quality of work performed and other incentive payments were made.

Expenditures for state management divided by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Bodies of executive power in Kyiv	666	1,130	70%	94%	95%	1,189	95%
Municipal authorities	39	63	61%	6%	5%	71	89%
Total	705	1,192	69%	-	-	1,259	95%



Expenditures: debt service

Expenditures on debt service decreased by 82%

In 2016 debt servicing expenditures were made from general fund

Expenditures for debt servicing by the type [UAH million]

	2016		2015		Execution, %		Share, %	
	2016	2015	2016	2015	2015	2016	2015	2016
Current expenditures	281	1,577	31.4%	100%	100%			
Use of goods and services	5		5.1%	-	2%			
Debenture stock servicing	277	1,577	34.4%	100%	98%			
Total	281	1,577	31.4%	-	-			

In 2016 expenditures on debt servicing decreased by 82%, or UAH 1,296 million. This is due to the fact that in 2015 was executed 2005 and 2011 Eurobonds restructuring, the total amount of local debt was USD 550,000 thousand (UAH 12,918,221 thousand at the date of restructuring). As part of the restructuring, part of the debt in the amount of USD 448,851 thousand (UAH 10,542,466 thousand at the date of the restructuring) was transferred to the state debt through additional issue and placement of foreign state bonds of Ukraine (at a coupon rate of 7.75%) and state derivatives with a subsequent partial write-off in amount of USD 97,785 thousand (UAH 2,299,728 thousand at the date of restructuring). Also, during the year 2016, the debt on domestic local debt bonds was fully repaid, which led to a reduction in interest accrued on bonds.

In 2015 UAH 1,577 million was disbursed for the payment of interest on external borrowings made to the development budget of Kyiv and on domestic debt servicing, including UAH 820 million for domestic debt interest payment, and UAH 757 million for external debt obligations interest payment.

In 2016 the debt servicing charges amounted UAH 281 million, including interest paid on domestic debt (local bond bonds) for repayment of UAH 277 million. And other expenses for debt servicing of UAH 5 million.

Expenditures for debt servicing by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Service of Internal debt obligations	820	277	-66%	52%	98%	549	50%
Payment for services (except utility services)	-	5	-	-	2%	92	5%
Service of external debt obligations	757	-	-	48%	-	256	-
Total	1,577	281	-82%	-	-	896	31%



Expenditures: other services related to economic activities

Expenditures of other services related to economic activities have been increased by 317% or by UAH 540 million

In 2016, expenditures of the general fund consisted of UAH 644 million, which were 91% of total expenditures. Expenditures of the special fund was UAH 66 million or 9% of all expenditures.

Expenditures of other services related to economic activities divided by types [UAH million]

Execution, % Share, %
2015 2016

Type	2016 (UAH million)	2015 (UAH million)	Execution, %	Share, % 2015	Share, % 2016
Current expenditures	644	80	86.7%	47%	100%
Using of goods and services	609	58	88.1%	34%	101%
Current transfers	35	22	70.4%	13%	81%
Other current expenditures	0	0	15.5%	<1%	18%
Capital expenditures	66	90	90.7%	53%	104%
Acquisition of fixed assets	1	1	0.0%	1%	<1%
Capital transfers	66	89	96.2%	52%	110%
Total	710	170	87.1%	-	-

In 2016, expenditures on payment of services (except utilities) increased by UAH 547 million or by 992.78% (from 55 million in 2015 to UAH 602 million in 2016). This happened mainly due to the payment of expenditures for debt repayment to the state (UAH 598 million) in accordance with Agreement on repayment of debts of Kyiv City Council to the state #13010-05/38 from March 11, 2016.

Expenditures for other services related to economic activities divided by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Other actions related to economic activities	111	667	502%	65%	94%	768	87%
Contributions of government and municipal authorities to authorized capitals of business entities	59	42	-29%	35%	6%	42	100%
Financing energy-saving measures	-	1	-	-	<1%	4	28%
Support for small and medium businesses	1	<1	-47%	<1%	<1%	2	19%
Total	170	710	317%	-	-	816	87%

Other actions related to economic activities [UAH million]

On ensuring the fulfillment of obligations of the Kyiv City Council to the state for repayment of debts to the state	598
On expenditures related to servicing and repayment of Loan agreement between Municipal enterprise (ME) "Grupa Vprovadzhennia Proektu z Energozhhberezhennia v Administratyvnykh i Hromadskykh Budivliakh Mista Kyiva" and Nordic Environment Finance Corporation (NEFCO)	37
On monitoring of individual assignments related to the scientific and methodological and analytical support of the process of social and economic development planning	12
Other expenditures	21
Total	667

Source: KCSA

Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Expenditures: special-purpose fund

The use of the special-purpose fund is governed by the "Regulations on the formation and use of the special-purpose fund special fund budget of Kyiv in 2016" (Annex 8 to the decision of the Kyiv city council "On budget of Kyiv for 2016" dated 22.12.2015 # 61/61).

Expenditures for special-purpose funds by types [UAH million]

	2016	2015	Execution, %		Share, %	
			2015	2016	2015	2016
Current expenditures	210	229	96.6%	77%	67%	
Use of goods and services	14		-	5%	-	
Current transfers	210	215	96.7%	72%	67%	
Other current expenditures	0		-	0%	-	
Capital expenditures	103	69	86.8%	23%	33%	
Acquisition of fixed assets	25	10	91.1%	3%	8%	
Capital transfers	79	59	85.5%	20%	25%	
Total	313	298	93.1%	-	-	

In 2016, the expenditures of the special-purpose fund increased by 5% (or by UAH 15 million) due to the growth of capital expenditures in the capital repairs (UAH 20 million) and reconstruction and restoration (UAH 5 million). Expenditures on the purchase of equipment and objects of long-term use decreased by UAH 10 million.

Expenditures on special-purpose funds by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Special-purpose funds formed by local self-government bodies and local executive authorities	254	284	12%	85%	91%	302	94%
Protection and rational use of natural resources	34	25	-24%	11%	8%	29	89%
Other activities in the field of environmental protection	<1	2	361%	<1%	1%	3	69%
Elimination of other environment pollution	4	2	-60%	1%	<1%	2	100%
Preservation of the natural reserve fund	4	<1	-95%	1%	<1%	1	33%
Waste disposal	3	-	-100%	1%	-	1	0%
Total¹	298	313	5%	-	-	336	93%

Special-purpose fund expenditures

	UAH million
Works and activities related to the improvement and greenery of the city ²	212
Providing order of advertising in the field of outdoor advertising in the city of Kyiv	28
For works in the field of housing	26
Capital investment	8
Organization of traffic in the city	2
Other	8
Total	284

¹ The total amount is displayed correctly, but with the addition of all components, the total amount does not match the amounts due to rounding

² 110 million UAH are aimed at maintenance and repair of city roads



Expenditures: physical culture and sports

Expenditures on the maintenance and functioning of physical education and sports facilities increased by 24% (or by UAH 59 million)

In 2016 the general fund expenditures amounted UAH 250 million, which is 83% of all expenditures. Expenditures of the special fund amounted UAH 50 million, or 17% of all expenditures.

Expenditures on physical culture and sports by types [UAH million]

	Execution, %		Share, %	
	2015	2016	2015	2016
Current expenditures	217	256	91.0%	85%
Payroll and payroll taxes	99	123	99.3%	41%
Use of goods and services	54	63	76.7%	21%
Current transfers	61	65	95.5%	22%
Social security	2	6	73.2%	2%
Other current expenditures	1	1	57.5%	0%
Capital expenditures	25	44	86.9%	15%
Acquisition of fixed assets	25	44	86.9%	15%
Capital transfers	0	0	99.0%	0%
Total	242	301	90.3%	-

The increase in expenditures in 2016 is mainly due to an increase in the cost of maintenance and training work of children's and youth sports schools (+UAH 43 million), to ensure the preparation of higher-level athletes by schools of higher sporting skills, and increase in capital expenditures (+UAH 19 million) for the renewal of fixed assets.

Expenditures on physical culture and sport by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Maintenance and training work of children's and youth sports schools	122	165	35%	50%	55%	176	94%
Maintenance and training work of children's and youth sports schools that are subordinated to public organizations	45	48	5%	19%	16%	48	100%
Providing training for athletes of higher categories	29	34	18%	12%	11%	42	81%
Other expenditures	12	18	50%	5%	6%	23	79%
Financial support of sports facilities	18	14	-22%	7%	5%	15	96%
Other ¹	16	22	38%	7%	7%	30	75%
Total	242	301	24%	-	-	333	90%

Source: KCSA

¹ Includes expenditures for the Sport center for all and physical culture events, for the maintenance of centers for disabled sports and rehabilitation schools, centralized accounting, training and training sessions and competitions and sporting events, training and training sessions and competitions from non-olympic sports

Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Expenditures: physical culture and sport

	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		
	2015	2016	2015	2016	% зміна	2015	2016	% change	2015	2016	% change
Children's and youth athletic schools	58	59	25,744	26,286	2%	-	-	-	4.7	6.3	33%
Children's and youth athletic schools operated by non- government sports organisations	29	29	2,949	7,706	161%	-	-	-	15.4	6.2	-60%
Athletic facilities	2	2	-	-	-	-	-	-	8,939.6	6,983.8	-22%
Higher sportsmanship schools	2	2	265	269	2%	-	-	-	108.1	126.2	17%
Community sports centres and events	2	2	388,724	95,491	-75%	234	347	48%	1,786	3,268	83%
The Kyiv City Centre for Sports and Athletics for Disabled Persons "Invasport"	1	1	-	-	-	-	-	-	4,326.8	4,707.5	9%
Central accounting costs	1	1	-	-	-	-	-	-	1,273.7	1,960.7	54%
Athletic meets and competitions	-	-	-	-	-	378	459	21%	11.6	14.5	26%
Athletic meets and competitions for athletes with disabilities	-	-	-	-	-	95	90	-5%	12.5	13.9	11%
Non-Olympic athletic meets and competitions	-	-	-	-	-	146	108	-26%	9.6	11.2	16%
Total	95	96	417,682	129,752	-69%	853	1,004	18%	283	300	6%

Source: KCSA

Calculated and actual values may differ due to rounding



Expenditures: unallocated

Expenditures not attributed to the main groups (unallocated) increased by 2% (or by UAH 3 million)

In 2016 the general fund's expenditures amounted to UAH 147 million, which was 82% of all expenditures. Expenditures of the special fund consisted of UAH 33 million or 18% of total expenditures of this group.

The structure of unallocated expenditures by types [UAH million]

	2016	2015	Execution, %		Share, %	
			2015	2016	2015	2016
Current expenditures	147	174	86.7%	99%	82%	
Payroll and payroll taxes	8	7	100.0%	4%	4%	
Using of goods and services	9	45	64.8%	25%	5%	
Current transfers	105	68	94.2%	38%	58%	
Social security	25	54	68.4%	31%	14%	
Other current expenditures	1	1	96.5%	0%	1%	
Capital expenditures	33	2	97.3%	1%	18%	
Acquisition of fixed assets	2	32	97.3%	1%	18%	
Capital transfers	1	0	99.8%	0%	0%	
Total	179	176	88.4%	-	-	

The largest part of expenditures was expenditures for the decision of deputies of the Kyiv City Council about social and economic problems, the implementation of election programs and instructions of voters of UAH 77 million (or 51%), the city target program of prevention and counteraction in crime in Kyiv "Bezpechna Stolytsa" of UAH 30 million (or 30%) and provision of activity of the municipal rescue service "Kyivska Sluzhba Poriatunku" of UAH 12 million (or 8%).

The structure of unallocated expenditures by functions [UAH million]

	2015	2016	Change, %	Share	Share	Budget execution, %
	actual	actual		2015, %	2016, %	
Other expenditures	86	153	77%	49%	85%	165 93%
Repayment of interests for using of long-term preferential loans for construction (reconstruction) and purchases of housing for young families and other socially vulnerable categories of citizens	51	24	-53%	29%	13%	35 69%
Expenditures for covering other debts that arose in previous years	<1	2	1,732%	<1%	1%	2 100%
Expenditures related to the providing and servicing of preferential long-term loans granted to citizens for the construction (reconstruction) and purchases of housing	3	<1	-76%	2%	<1%	1 58%
Undistributed expenditures	-	-	-	-	-	70 -
Conduct elections of deputies of local councils and village, town, city mayors	36	-	-	20%	-	-
Total	176	179	2%	-	-	203 88%

Source: KCSA

Calculated and actual values may differ due to rounding



6.4. EXPENDITURES

Expenditures: land planning, forestry, fish farming and hunting

In 2016 the general fund expenditures amounted to UAH 13 million, which was 45% of all expenditures. Expenditures of the special fund amounted to UAH 16 million, or 55% of all expenditures in this sector.

Expenditures for agriculture, forestry, fish farming and hunting by types [UAH million]

	Execution, %		Share, %	
	2015	2016	2015	2016
Current expenditures	27	33	88.9%	100%
Payroll and payroll taxes	16	14	86.5%	44%
Use of goods and services	6	5	87.3%	15%
Current transfers	4	12	100.0%	36%
Social security	0	0	100.0%	<1%
Other current expenditures	2	2	93.3%	5%
Capital expenditures	1		13.0%	-
Acquisition of fixed assets	1		100.0%	4%
Capital transfers			0.0%	<1%
Total	29	33	71.5%	-

In 2016, expenditures for this sector decreased by 3% (-UAH 4 million) due to reduction of subsidy expenditures and current transfers to forest enterprises by 64% (-UAH 7.6 million) and certain development measures for the implementation of state (regional) land management programs by 40% (-UAH 0.1 million). Costs for the maintenance of the "Association of Veterinary Medicine in Kyiv" increased due to the indexation of salary (+USD 2.4 million) and the purchase of fixed assets (+UAH 1.2 million).

Expenditures for agriculture and forestry, fish farming and hunting by functions [UAH million]

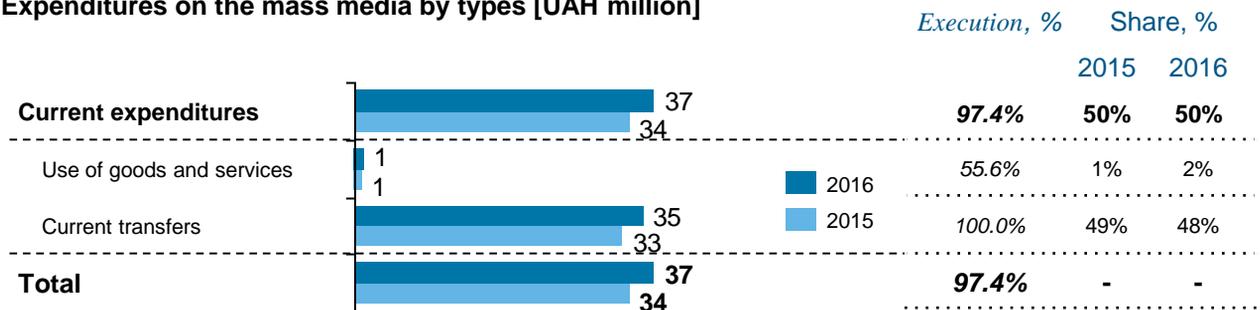
	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Measures for conducting laboratory diagnostic, treatment and preventive maintenance works, maintenance of veterinary hospitals and veterinary laboratories	21	24	16%	63%	85%	27	89%
Forestry and hunting	12	4	-64%	36%	15%	12	35%
Land development	<1	<1	-40%	<1%	<1%	<1	22%
Total	33	29	-13%	-	-	40	72%



Expenditures: mass media

In 2016 mass media expenditures were fully funded from the general fund.

Expenditures on the mass media by types [UAH million]



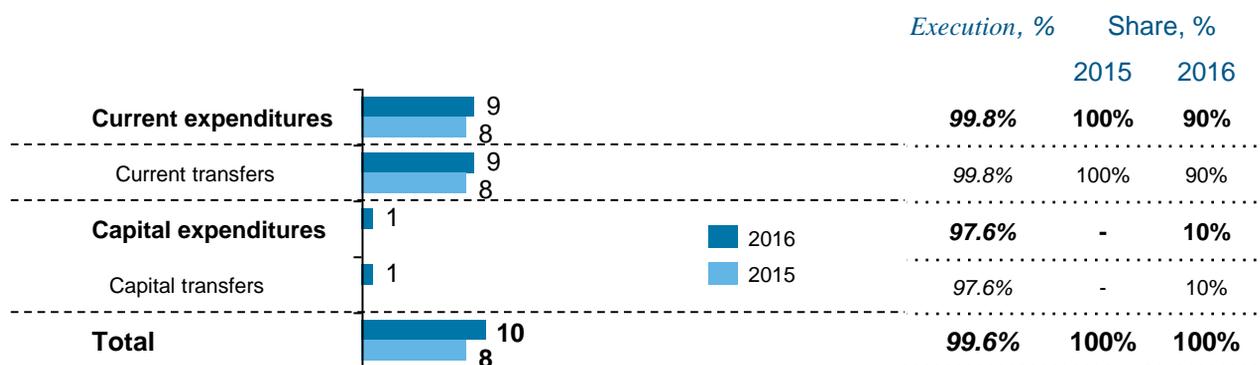
Expenditures on the media by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
TV and radio broadcasting	25	29	14%	74%	78%	29	98%
Printed media (newspapers and magazines)	8	7	-8%	23%	19%	7	100%
Book publishing	1	1	19%	2%	2%	1	84%
Other mass media	<1	<1	-10%	1%	1%	<1	49%
Total	34	37	9%	-	-	38	97%

Expenditures: emergency response and prevention

In 2016 the general fund expenditures amounted to UAH 9 million, which was 90% of all expenditures. Expenditures of the special fund amounted to UAH 1 million, or 10% of all expenditures of this group.

Expenditures for prevention and prevention of emergencies and consequences of natural disaster by types [UAH million]



Expenditures for prevention and prevention of emergencies and consequences of a natural disaster by functions [UAH million]

	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Measures to organize rescue on the waters	8	10	20%	100%	100%	10	100%
Total	8	10	20%	-	-	10	100%

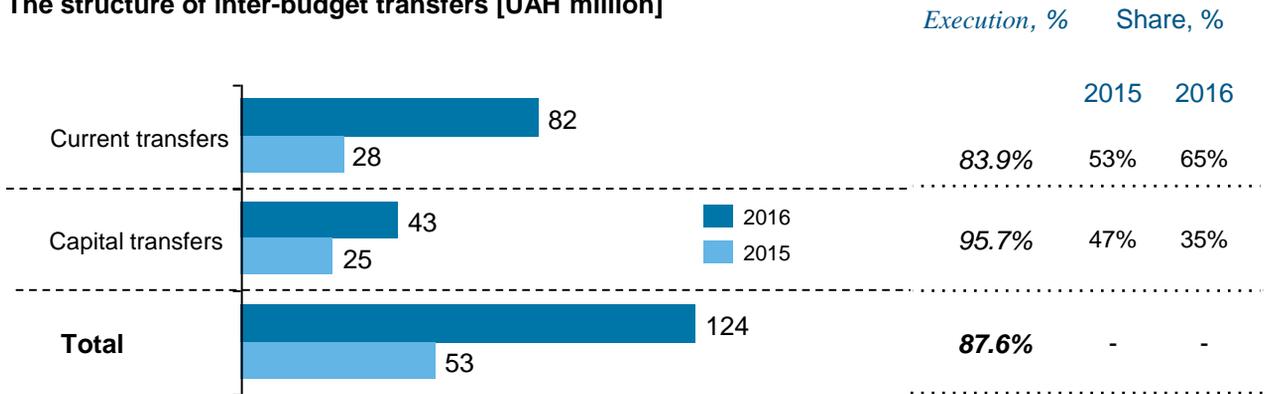


Expenditures: transfers from Kyiv's budget to other budgets

In 2016 inter-budget transfers increased by 134% (or by UAH 71 million)

In 2016 the general fund expenditures amounted to UAH 147 million, which was 82% of all expenditures. Special fund expenditures amounted to UAH 33 million, or 18% of all expenditures.

The structure of inter-budget transfers [UAH million]



The structure of inter-budget transfers [UAH million]

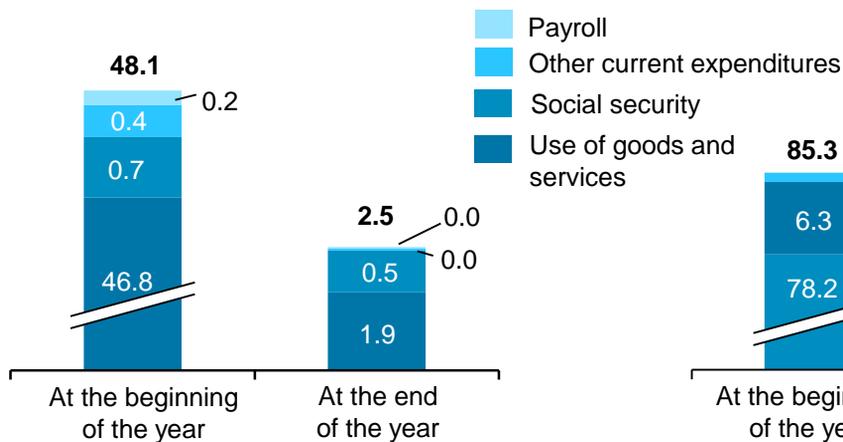
	2015 actual	2016 actual	Change, %	Share 2015, %	Share 2016, %	Budget Plan	Budget execution, %
Subvention from Kyiv's city budget to the government budget to fund socio-economic and culture development programmes of the region	46	116	153%	86%	93%	134	87%
Other subventions for the implementation of the Program of economic and social development of Kyiv	7	8	11%	13%	6%	8	96%
A grant for the rehabilitation of children in settlements of the Kyiv region	<1	<1	20%	1%	<1%	1	100%
Total	53	124	134%			142	88%

Source: KCSA
Calculated and actual values may differ due to rounding

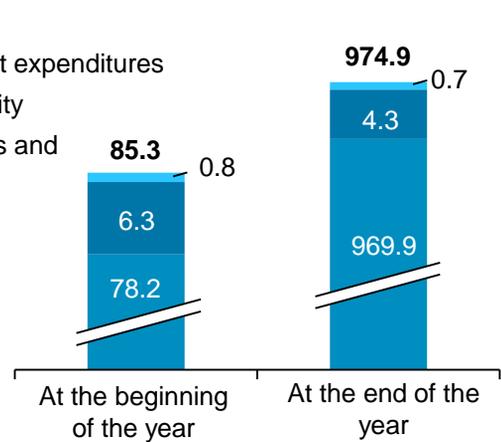


General fund: accounts payable and receivable

Composition of accounts receivable of general fund in 2016 [UAH million]

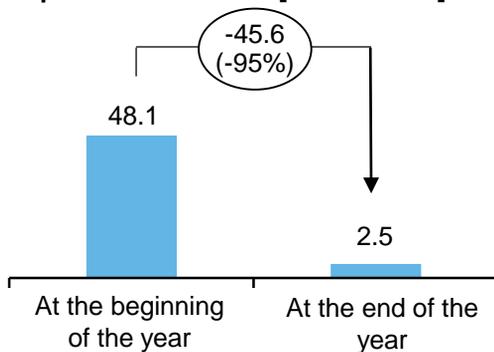


Composition of accounts payable of the general fund in 2016 [UAH million]

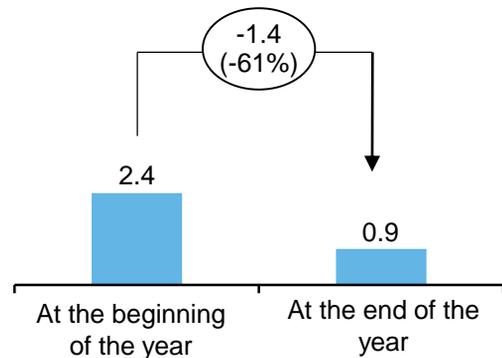


The most significant component within accounts receivable of general fund is balances for the use of goods and services. The largest share within these balances at the beginning of the year held receivables for services (UAH 43 million), however, by the end of the year, the largest balances were for the purchase of materials, equipment and inventory (UAH 1.1 million).

Accounts receivable of general fund expenditures in 2016 [UAH million]

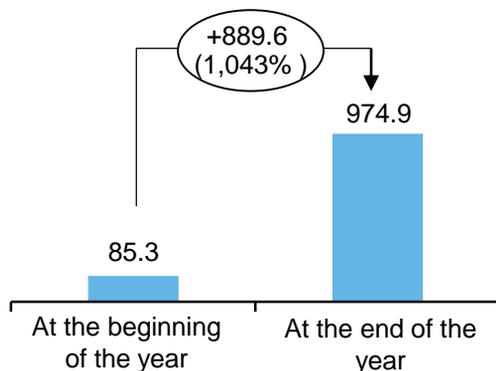


Of it overdue portion [UAH million]

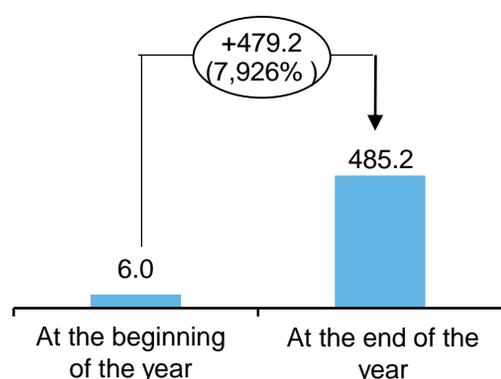


Significant changes in accounts payable occurred on payments to the population: an increase from UAH 78 million to UAH 970 million. Of these, the largest increase was due to the privileges and subsidies provided: up to UAH 481 million of overdue payments accumulated by the end of the year.

Accounts payable for general fund expenditures in 2016 [UAH million]



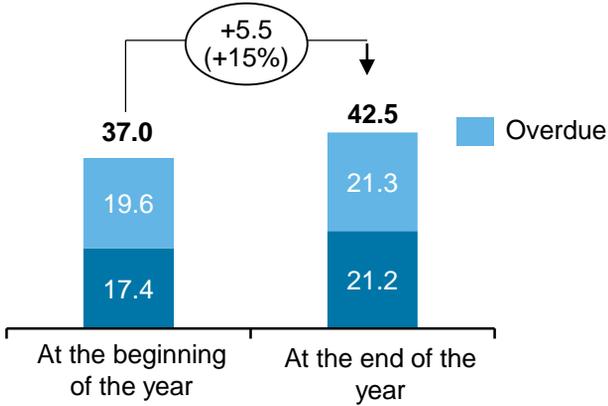
Of it overdue portion [UAH million]



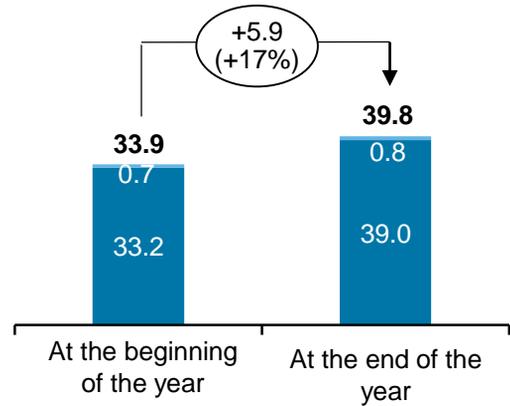


Special fund accounts payable and receivable

The structure of accounts receivable of special fund income in 2016 [UAH million]

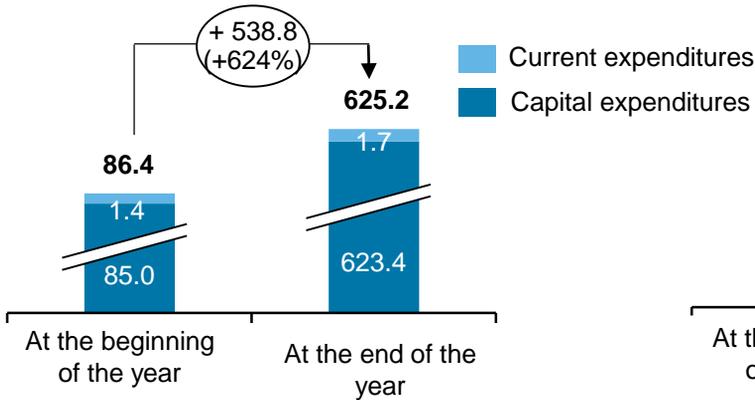


The structure of accounts payable (advances received) of special fund in 2016 [UAH million]

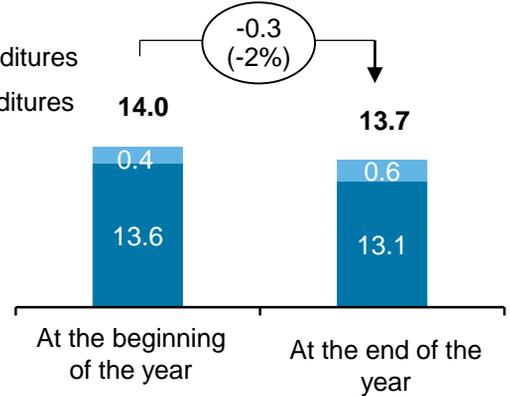


The share of overdue accounts receivable of the special fund income was reduced from 53% to 50% compared with the beginning of 2016.

Accounts receivable of special fund expenditures in 2016 [UAH million]

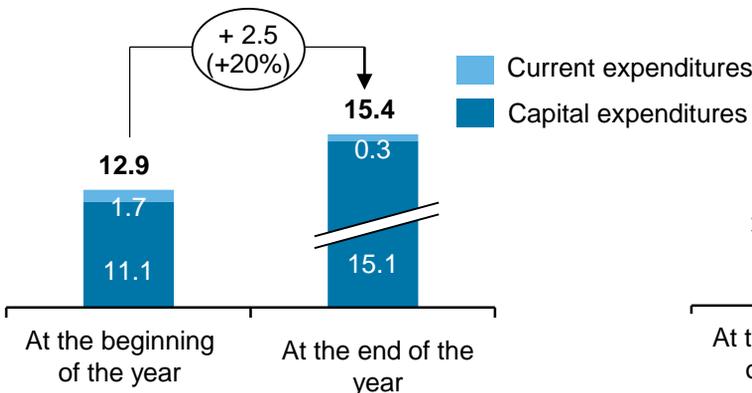


overdue among it [UAH million]

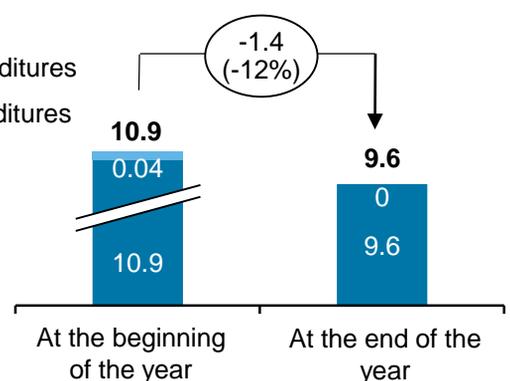


Due to increased financing of capital expenditures of the budget, in particular, construction of roads and other infrastructure, the amount of pre-paid expenditures of the special fund increased significantly at the end of the reporting year.

Accounts payable of special fund expenditures in 2016 [UAH million]



overdue among it [UAH million]



Source: KCSA
Calculated and actual values may differ due to rounding.



Section 6.5.

MUNICIPAL DEBT AND GUARANTEES



Municipal debt

The Kyiv's City debt decreased by UAH 3,968 million

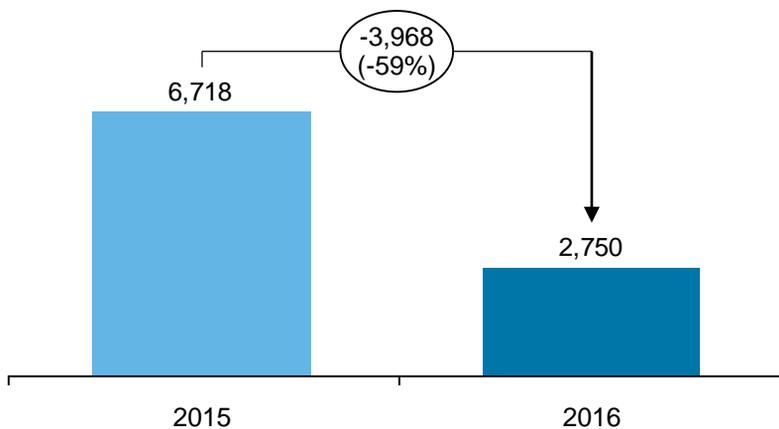
Local borrowings may be attracted with the purpose of financing the development budget (the special fund) of the city of Kyiv. Financing is used to create, add, or renovate strategic facilities of long-term use or expense items ensuring the execution of the Kyiv City Council's tasks aimed at satisfying interests of the public and territorial communities of the city.

In order to reduce the amount of local debt and reduce expenditures required to service the debt, local loan bonds of Series H issued by the Kyiv City Council were redeemed early for the total nominal value of UAH 2,375 million, including in 2016 – for the amount of UAH 948.7 million. The regulation of the National Commission for Securities and Stock Market # 02-KF-S-OVMP dated September 1, 2016 cancelled registered issue of local bonds of Series H issued by the Kyiv City Council.

Also, on October 12, 2016, local bonds of Series G issued by the Kyiv City Council were redeemed in full for the total nominal value of UAH 1,915 million. The regulation of the National Commission for Securities and Stock Market # 03-KF-S-OVMP, dated November 10, 2016, cancelled registered issue of local bonds of Series G issued by the Kyiv City Council.

The amount of the restructured debt is not included in the amount of local debt on the chart below (liabilities to the Treasury and the Ministry of Finance). As of January 1, 2017 the amount of the obligations of KCSA before the state of Ukraine, which arose as a result of the restructuring of Eurobonds in 2015 amounts to USD 351,066,000.

Kyiv's City debt at the end of the period [UAH million]



Kyiv's City debt shown on the graph was translated into the national currency in accordance with the official exchange rates established by the National Bank of Ukraine (NBU) as at December 31, 2015 and December 31, 2016. As of December 31, 2016, the principal remaining balance amounted to USD 101,149,000.

The debt at the end of 2016 in the amount of USD 101,149,000 represents the outstanding principal from the credit issued by Credit Suisse International bank attracted to fund the special fund with the purpose of financing capital construction projects in the city of Kyiv, including the construction of Podilsko-Voskresenskyi Bridge, and the Kyiv City Heart Center.

The expenditures to debt service in 2016 amounted to UAH 281.44 million, including those incurred to repay interest payments on local debt obligations (local bonds) in the amount of UAH 276.78 million, and other expenditures to debt service in the amount of UAH 4.6 million.



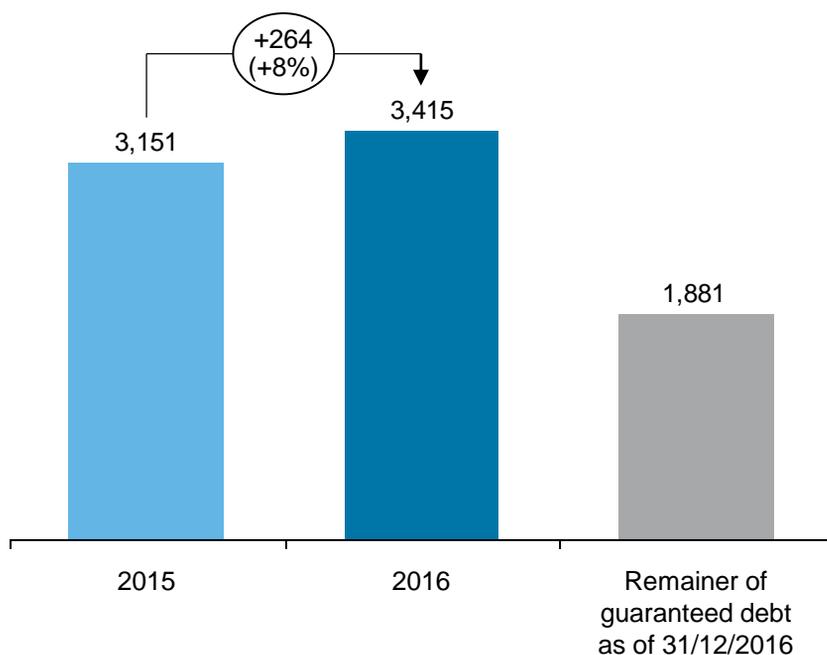
Guarantees issued by the city of Kyiv

Kyiv's City guarantees were issued for the borrowings attracted for the city's infrastructure development

In accordance with the Budget Code of Ukraine, local guarantees can be issued based on a decision of the Kyiv City Council for the purpose of ensuring full or partial execution of debt obligations of business entities that are residents of Ukraine and belong to the municipal sector of economy, are located in the territory of Kyiv, and are engaged in implementing investment programs (projects) in this territory, aimed at developing municipal infrastructure or adopting resource saving technologies.

As of December 31, 2016, the volume of the debt guaranteed by the Kyiv's City territorial community and used by municipal entities increased by 8% up to UAH 3,415 million, which is solely connected with the UAH devaluation since the debt's principal is denominated in EUR.

Debt guaranteed by the city¹ [UAH million]



¹ Currency translation was performed in accordance with the official exchange rates established by the NBU as at December 31, 2015 and December 31, 2016.



Guarantees issued for the borrowings from EBRD and NEFCO



Guarantees issued for the borrowings from European Bank for Reconstruction and Development (EBRD)

In 2010, in execution of Decision of the Kyiv City Council # 250/5062 dated December 2, 2010 “On Issuing Guarantees to European Bank for Reconstruction and Development”, the Kyiv City Council issued to European Bank for Reconstruction and Development guarantees to secure for obligations with regard to the debt agreements entered into by:

- The Municipal Entity “Kyivpastrans” as a borrower and EBRD as a lender on granting the loan in the amount of EUR 60 million dated August 17, 2007. The funds are directed at the renewal of trolleybus fleet (202 units, 181 units delivered) and bus fleet (185 units, all delivered in full);
- The Municipal Entity “Kyivskyi Metropoliten” as a borrower and EBRD as a lender on granting the loan in the amount of EUR 40 million dated August 17, 2007. The funds received are directed at the renewal of metro fleet (50 units delivered);
- The Municipal Entity of the Kyiv City Council “Kyivdorservice” as a borrower and EBRD as a lender on granting the loan in the amount of EUR 15 million dated October 31, 2008 (as subsequently amended) to implement the Program of Traffic Management System in the City of Kyiv (Designing, Supplying, Assembling, and Maintaining the Traffic Management System).



Guarantees issued under the borrowings from Nordic Environment Finance Corporation (NEFCO)

In 2013, in order to implement the measures on fuel and energy resources utilization efficiency improvement by public sector institutions, the cooperation was initiated with NEFCO the organization financing a broad range of energy efficiency projects in the countries of Central and Eastern Europe, in particular, in Ukraine.

The decision of the KCC # 429/9917 dated November 13, 2013 “On Approval of Agreements” approved issuing guarantees to secure for obligations under two loan agreements entered into between Municipal Entity “Group for Implementing Energy Saving Project in Kyiv’s City Administrative and Public Buildings” as borrower and NEFCO as a lender:

- On granting a loan in the amount of EUR 5 million in accordance with Decision of the KCC # 13/9601 dated October 2, 2013 “On Measures for Attracting a Borrowing from Nordic Environment Finance Corporation (NEFCO) and Issuing a Local Guarantee” to finance the Project of Thermal Insulation in Budgetary Institutions of the City of Kyiv. The project envisages for implementing energy saving activities by municipal property facilities. Kyiv City co-funded the share amounting to EUR 2.0 million, whereas the grant’s funds amounted to EUR 1.5 million;
- On granting a loan in the amount of UAH 4 mln in accordance with Decision of the KCC # 13/9600 dated October 2, 2013 “On Measures for Attracting a Borrowing from Nordic Environment Finance Corporation (NEFCO) and Issuing a Local Guarantee” to finance the Project of Energy Saving by Budget Institutions of the City of Kyiv which envisages for implementing energy saving activities by municipal property facilities, in particular, replacement, repairs, and installation of energy saving equipment. The volume of Kyiv’s City budget co-funding share amounted to UAH 1.5 million.



Guarantees issued by the city of Kyiv

Terms and conditions of guarantees issued for the borrowings from EBRD and NEFCO

#	Borrowings				
	1	2	3	4	5
Guarantee's subject matter	Rolling stock renewal	Rolling stock renewal	Traffic management system	Energy saving	Implementing energy saving activities
Borrower's name	ME "Kyivpastrans"	ME "Kyiv Metro"	ME "Kyivdorservice"	ME "GIESP"	ME "GIESP"
Lender's name	EBRD	EBRD	EBRD	NEFCO	NEFCO
Volume of the borrowing guaranteed	60.0	40.0	15.0	5.0	4.0
	EUR mln	EUR mln	EUR mln	EUR mln	UAH mln
Date of entering into a local guarantee agreement	August 17, 2007	August 31, 2007	October 31, 2008	October 2, 2013	October 2, 2013
Volume of guarantee, mln	60.0	40.0	15.0	5.0	4.0
Guarantee period	2010–2021	2010–2021	2010–2019	2013–2021	2013–2018
Collateral or other security	Agreement on Municipal Support	Agreement on Municipal Support	Agreement on Municipal Support	Direct Local Guarantee to NEFCO	Direct Local Guarantee to NEFCO
Debt currency	EUR	EUR	EUR	EUR	UAH
Borrower's debt amount in the currency of issue as at December 31, 2015, mln	38.07	30.94	0.15	2.64	2.5
Borrower's debt amount in the currency of issue as at December 31, 2016, mln	38.33	25.78	-	2.4	1.5
Interest rate	EURIBOR + margin ² 5.75%	EURIBOR + margin ² 5.75%	EURIBOR + margin ² 5.75%	6.90%	3.0%
Maturity date	2021	2021	2019	2021	2018
Reason for issuing a guarantee	Decision of the KCC # 250/5062 dated December 2, 2010	Decision of the KCC # 250/5062 dated December 2, 2010	Decision of the KCC # 250/5062 dated December 2, 2010	Decision of the KCC # 13/9601 dated October 2, 2013	Decision of the KCC # 13/9600 dated October 2, 2013
Objective of using the funds granted under the agreement (investment programs/projects were the funds attracted for)	Renewal of trolleybus and bus fleet	Renewal of metro cars	Program of Traffic Management System in the City of Kyiv (Designing, Supplying, Assembling, and Maintaining the Traffic Management System)	Project of Thermal Remediation in Budget Institutions of the City of Kyiv	Project of Energy Saving by Budget Institutions of the City of Kyiv
Status of the programs'/projects' implementation as at December 31, 2016	In progress	In progress	Upon agreement with EBRD, the project was closed due to absence of project design documents	In progress	In progress

¹ KP "Group for Implementing Energy Saving Project in Kyiv's City Administrative and Public Buildings".

² Margins on borrowings from EBRD are adjusted in accordance with loan agreements and revised at each date of interest payment by using references to the rating of unsecured and non-subordinated long-term debt of the city of Kyiv assigned by S&P and Moody's



Profile Name: 6-22-05
Date: 6-22-05
Profile Type: Industry Profile

Balance Sheet

Assets

Cash
Marketable Securities
Accounts Receivable
less Allowance for Bad Debt
Accounts Receivable, net
Raw Material
Work in Process
Finished Goods
Inventory
Other Current Assets

Total Current

Property
less A
Property
Intangible
Depletion
Investment
Other Assets

Total Assets

Liabilities & Net Worth

Short Term Debt
Accounts Payable
Other Current Liabilities
Long Term Liabilities

Net Income
Assets
Liabilities
Net Worth

Working Capital

Working Capital
Working Capital to Sales
Net Income to Working Capital
Inventory to Working Capital
Short Term Debt to Working Capital
Long Term Debt to Working Capital

Operating Efficiency

Operating Expenses
Operating Expense
Depreciation & Amortization
Assets to Sales
Net Worth to Sales
Fixed Assets to Sales
Cost of Sales to Sales

Section 7.

CONSOLIDATED SPECIAL PURPOSE FINANCIALS

Risk

Z Score
Fixed Assets



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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 1,956 entities (31 December 2015: 1,970 entities) (Note 1). Main forms of the special purpose consolidated financial information include the data of all 1,956 entities. Due to technical constraints, detailed information in the Notes were prepared in respect of 100 largest entities (31 December 2015: 94 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 departures 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 2016 and 2015. 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 2016 and 2015, respectively.
3. Part of entities in the city of Kyiv did not separate investment property items from property, plant, and equipment and did not revalue them at fair value as at 31 December 2015. Correspondingly, the fair value of investment property accounted for at fair value according to the accounting policies may significantly differ from its carrying amount. As at 31 December 2016, no updates were made to investment property items.
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 Kyiv's City entities do not calculate and recognize in full:
 - deferred tax liabilities/deferred tax assets;
 - provisions for litigation;
 - 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 2016 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 2016 and 2015. 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 in the city of Kyiv did not prepare detailed financial information to be disclosed in certain notes of the special purpose consolidated financial information as at 31 December 2016 and 2015 and for the years then ended, the comparability of the amounts as at 31 December 2016 and for the year then ended with respective prior period amounts was limited.



Description of approach to preparation of the special purpose consolidated financial information

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;
- critical accounting estimates and judgments 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

Units of measure: UAH th	Notes	31 December 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant, and equipment	6	75,325,013	69,716,665
Investment property	7	2,752,125	2,752,125
Intangible assets	8	80,126	186,089
Investments accounted for using equity method	9	-	23,947
Available-for-sale investments		47,222	79,964
Deferred tax assets		142,838	12,779
Long-term receivables from exchange transactions	10	89,550	89,692
Other non-current assets	14	496,267	69,402
Total non-current assets		78,933,141	72,930,663
Current assets			
Inventories	11	9,632,579	9,014,560
Current receivable from exchange transactions	10	3,804,749	3,251,358
Receivables from non-exchange transactions	12	2,591,297	1,085,297
Receivable of entities on taxes		172,713	98,095
Deferred expenses		126,610	98,386
Current financial investments		8,396	42,497
Cash and cash equivalents	13	5,595,174	2,702,645
Total current assets		21,931,518	16,292,838
TOTAL ASSETS		100,864,659	89,223,501
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	11,317,945	10,255,601
Deferred tax liabilities		916,473	66,484
Non-current provisions	16	59,732	534,120
Other non-current liabilities	17	3,957,451	2,972,747
Deferred income	18	2,515,991	2,369,490
Total non-current liabilities		18,767,592	16,198,442
Current liabilities			
Short-term borrowings	15	7,527,050	9,867,745
Payables under exchange transactions	19	9,688,777	8,399,382
Taxes and transfers payables	20	390,059	542,599
Payments received in advance from non-exchange transactions	21	2,149,655	1,189,754
Current provisions	22	848,753	465,786
Total current liabilities		20,604,294	20,465,266
TOTAL LIABILITIES		39,371,886	36,663,708
Net assets			
Accumulated surplus		29,852,451	22,539,818
Revaluation reserve		31,087,960	29,315,577
Non-controlling interest		552,362	704,398
Total net assets		61,492,773	52,559,793
TOTAL NET ASSETS AND LIABILITIES		100,864,659	89,223,501



Consolidated statement of financial results

Units of measure: UAH th	Notes	2016	2015
Revenue			
<i>General fund</i>			
Personal income tax		10,940,163	7,761,080
Corporate income tax		2,369,855	1,883,910
Subventions and dotations	23	5,864,225	6,583,508
Local taxes and charges to general fund	24	8,864,676	4,841,845
Excise taxes on excisable goods sold by retailers		1,396,039	925,532
Administrative fees and charges, revenue from non-commercial operations	25	532,889	464,185
Duties and fees for the special use of natural resources	26	52,474	47,390
Other non-tax proceeds and other budget revenue	27	46,059	22,425
Other taxes and charges		5	29,739
<i>Special fund</i>			
Revenue from exchange transactions of budget institutions	28	2,046,629	1,323,116
Taxes and other charges to special fund	29	640,502	295
Other non-tax proceeds	30	567,853	349,831
Special purpose funds	31	299,937	262,537
Funds from sales of land, intangible assets and from privatization		129,276	179,623
Revenue from exchange transactions of municipal and corporate entities	32	14,707,464	12,438,854
Other income of budget, municipal and corporate entities	33	3,094,696	1,320,797
Income from debt write-off within Eurobonds restructuring	15	-	2,299,728
Finance income of municipal and corporate entities		37,988	26,265
TOTAL REVENUE		51,590,730	40,760,660
Expenses			
Housing and utilities	34	(8,215,226)	(6,861,628)
Education	35	(6,775,210)	(5,550,496)
Health care	36	(7,727,339)	(4,488,276)
Building and construction	37	(6,474,785)	(3,614,678)
Transportation services, public road facilities, communication, telecommunications and information technologies	38	(3,508,992)	(3,401,825)
Social care and social security	39	(2,447,514)	(2,263,290)
Culture and arts	40	(1,217,376)	(796,035)
Other services related to economic activities	41	(1,083,441)	(991,916)
State administration	42	(712,508)	(623,988)
Special purpose funds		(312,964)	(298,396)
Sport		(284,525)	(197,598)
Transfers to the State Budget and other budgets	43	(124,463)	(53,275)
Other expenses		(439,813)	(884,256)
Impairment of non-current assets		(356)	(441,749)
Effect of residential property de-recognition as a result of privatization		(1,408,865)	-
Share of loss in associates accounted for using equity method		-	(133,700)
TOTAL EXPENSES BEFORE FINANCE COSTS		(40,733,377)	(30,601,106)
SURPLUS BEFORE TAXES AND FINANCE COSTS		10,857,353	10,159,554
Income taxes		(42,147)	(34,888)
SURPLUS FOR THE REPORTING PERIOD BEFORE FINANCE COSTS		10,815,206	10,124,666
Finance costs	44	(2,706,710)	(5,994,856)
SURPLUS FOR THE REPORTING PERIOD		8,108,496	4,129,810
Surplus attributable to non-controlling interest		(152,036)	277,912
Surplus attributable to Kyiv's City community		8,260,532	3,851,898
SURPLUS FOR THE REPORTING PERIOD		8,108,496	4,129,810



Consolidated statement of changes in net assets

Units of measure: UAH th	Attributable to Kyiv's City community			Non-controlling interest	Total
	Revaluation reserve	Accumulated surplus	Total		
Balance as at 1 January 2015	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
Other comprehensive income	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
Surplus/(deficit) for the reporting period	-	8,260,532	8,260,532	(152,036)	8,108,496
Other comprehensive income	2,527,437	-	2,527,437	-	2,527,437
Prior period adjustments*	(755,054)	(947,899)	(1,702,953)	-	(1,702,953)
Dividends declared	-	-	-	-	-
Balance as at 31 December 2016	31,087,960	29,852,451	60,940,411	552,362	61,492,773

* Adjustments were made due to the fact that some municipal entities presented the updated amounts of revaluation reserve and retained earnings/accumulated deficit as at 31 December 2015 in the statement of financial position as at 31 December 2016 and due to residential property de-recognition as a result of privatization during 2015.



Consolidated statement of cash flows

Units of measure: UAH th	Notes	2016	2015
Cash flows from operating activities			
Personal income tax		11,085,652	8,042,567
Corporate income tax		2,864,074	1,576,612
Transfers from public administration bodies		9,418,932	9,475,758
Duties and fees for the special use of natural resources		52,474	47,390
Excise taxes on excisable goods sold by retailers		1,366,405	975,551
Administrative fees and charges, revenue from non-commercial operations		424,560	464,185
Local taxes and charges		8,653,560	4,904,499
Other non-tax proceeds		601,859	372,217
Proceeds from products sold and services provided by budget institutions		2,046,629	1,323,116
Special purpose funds		299,937	262,537
Other taxes and duties		640,668	30,034
Proceeds from products sold and services provided by municipal entities		6,841,654	9,929,534
Rental fees received		309,060	28,201
Advances received		1,590,885	1,705,287
Repayment of advances granted		83,110	39,024
Interest income on current account balances		25,322	13,795
Taxes and duties reimbursed		4,490	2,100
Other proceeds		4,759,432	777,151
Expenditures to goods, works, services		(19,688,821)	(17,206,101)
Salaries and related charges		(12,605,795)	(9,002,417)
Transfers to the State Budget and other budgets		(162,526)	(53,275)
Taxes and charges paid		(1,307,469)	(1,024,831)
Repayment of advances received		(133,397)	(25,998)
Advances issued		(844,568)	(570,304)
Research, development and implementation of state (regional) programs		(419,782)	(1,042,750)
Social security payments		(4,167,941)	(3,493,236)
Net cash flows from operating activities		11,738,404	7,550,646
Cash flows from investing activities			
Proceeds from sale of non-current assets		141,862	368,547
Interest received		1,551	572
Other proceeds		-	4,619
Acquisition of non-current assets		(4,648,547)	(2,492,394)
Other payments		(435,550)	(55,736)
Net cash flows from investing activities		(4,940,684)	(2,174,392)
Cash flows from financing activities			
Proceeds from borrowings received		440,193	1,099,954
Repayment of borrowings		(3,422,273)	(3,270,156)
Interest received		45	39
Interest paid on Eurobonds placed		(1,139,348)	(1,707,697)
Other proceeds		220,641	3,439
Dividends paid		-	(674)
Net cash flows from financing activities		(3,900,742)	(3,875,095)
Net cash flows for the reporting period		2,896,978	1,501,159
Cash and cash equivalents at the beginning of the reporting period	13	2,702,645	1,223,193
Effect of exchange rate changes on cash and cash equivalents		(4,449)	(21,707)
Cash and cash equivalents at the end of the reporting period	13	5,595,174	2,702,645



7. SPECIAL PURPOSE CONSOLIDATED FINANCIAL INFORMATION FOR 2016

Report on the performance of the Kyiv City`s Budget 2016

Units of measure: UAH th	Original budget	Adjustments	Final budget*	Actual on a comparable basis	Deviation from final budget
REVENUE					
General fund					
Personal and corporate income taxes	9,399,400	4,187,631	13,587,031	14,017,480	430,449
Subventions and dotations	9,660,371	(158,410)	9,501,961	9,418,932	(83,029)
Local taxes and charges	5,062,281	3,250,470	8,312,751	8,653,724	340,973
Excise taxes on excisable goods sold by retailers	955,000	351,420	1,306,420	1,366,405	59,985
Administrative fees and charges, revenue from non-commercial operations	382,125	94,413	476,538	532,889	56,351
Duties and fees for the special use of natural resources	37,331	11,080	48,411	52,474	4,063
Other non-tax proceeds and other budget revenue	32,621	45,550	78,171	86,505	8,334
Other taxes and charges	32,600	(32,600)	-	5	5
Special fund					
Own revenue receipts of budget institutions	679,495	-	679,495	2,871,619	2,192,124
Special purpose funds	246,870	2,500	249,370	299,937	50,567
Funds from sales of land, intangible assets and from privatization	350,000	(200,000)	150,000	129,276	(20,724)
Environmental tax	-	32,600	32,600	43,193	10,593
Other non-tax proceeds	298,050	6,284	304,334	617,417	313,083
Other taxes and charges	-	700,000	700,000	597,309	(102,691)
TOTAL REVENUE	27,136,144	8,290,938	35,427,082	38,687,165	3,260,083
EXPENSES					
Education	(7,024,978)	(1,044,597)	(8,069,575)	(8,052,449)	17,126
Health care	(5,038,194)	(1,588,231)	(6,626,425)	(7,639,958)	(1,013,533)
Social care and social security	(5,019,259)	246,606	(4,772,653)	(4,648,114)	124,539
Building and construction	(1,291,542)	(2,807,460)	(4,099,002)	(3,641,853)	457,149
Housing and utilities	(1,147,534)	(1,589,001)	(2,736,535)	(2,597,612)	138,923
Transportation services, public road facilities, communication, telecommunications and information technologies	(1,568,677)	(1,343,458)	(2,912,135)	(2,552,720)	359,415
Culture and arts	(853,897)	(111,872)	(965,769)	(1,265,613)	(299,844)
State administration	(849,709)	(237,717)	(1,087,426)	(1,192,416)	(104,990)
Other services related to economic activities	(901,966)	86,085	(815,881)	(710,478)	105,403
Special purpose funds	(248,470)	(87,702)	(336,172)	(312,964)	23,208
Sport	(262,235)	(68,556)	(330,791)	(300,797)	29,994
Debt servicing	(1,111,022)	214,741	(896,281)	(281,439)	614,842
Transfers to the State Budget and other budgets	(2,500)	(139,600)	(142,100)	(124,463)	17,637
Other expenses	(316,160)	(45,538)	(361,698)	(251,977)	109,721
TOTAL EXPENSES	(25,636,143)	(8,516,300)	(34,152,443)	(33,572,853)	579,590
SURPLUS FOR THE REPORTING PERIOD	1,500,001	(225,362)	1,274,639	5,114,312	3,839,673

Reasons for deviations of planned figures from actuals are described in Part "6. Analysis of budget execution in 2016".

* Approved by City Council for operating year with changes.



Report on the performance of the Kyiv City`s Budget 2015

Units of measure: UAH th	Original budget	Adjustments	Final budget*	Actual on a comparable basis	Deviation from final budget
REVENUE					
General fund					
Personal and corporate income taxes	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 charges	3,886,810	943,112	4,829,922	4,904,590	74,668
Excise taxes on excisable goods sold by retailers	796,000	110,000	906,000	975,551	69,551
Administrative fees and charges, revenue from non-commercial operations	248,000	193,694	441,694	464,185	22,491
Duties and fees for the special use of natural resources	32,811	12,700	45,511	47,391	1,880
Environmental tax	80,000	(47,750)	32,250	29,739	(2,511)
Other non-tax proceeds and other budget revenue	57,021	32,875	89,896	94,057	4,161
Special fund					
Own revenue receipts of budget institutions	608,097	(24,378)	583,719	5,026,902	4,443,183
Funds from sales of land, intangible assets and from privatization	480,000	-	480,000	351,423	(128,577)
Special purpose funds	217,900	-	217,900	262,537	44,637
Other non-tax proceeds	186,400	12,122	198,522	354,132	155,610
Other taxes and charges	-	-	-	204	204
TOTAL REVENUE	22,215,213	4,295,690	26,510,903	31,653,964	5,143,061
EXPENSES					
Health care	(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 care 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, communication, telecommunications and information technologies	(1,295,670)	(268,327)	(1,563,997)	(1,533,483)	30,514
Culture and arts	(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 the 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

* Approved by City Council for operating year with changes.



Reconciliation of consolidated financial results and performance of the Kyiv City's Budget

Units of measure: UAH th	Notes	2016	2015
Budget performance results		5,114,312	3,643,924
(I) Recognition of non-operating foreign exchange differences on Eurobonds and adjustment of finance costs accrued on a cash basis		(1,442,651)	(4,117,972)
(II) Elimination of budget revenue from dividends of joint stock companies and withdrawal of a share of profit of municipal entities		(90,067)	(75,934)
(III) A share in financial results of associates after tax	9	(23,947)	(133,700)
(IV) Financial results of municipal entities, budget institutions, and corporate entities not included into the budget of the city of Kyiv and adjusted for the effect of eliminated adjustments in the budget expenditures		3,119,459	563,320
(V) Recognition of income from debt write-off within Eurobonds restructuring	15	-	2,299,728
(VI) Adjustment of proceeds from taxes and charges accrued on a cash basis		(639,707)	13,815
(VII) Effect of residential property de-recognition as a result of privatization		(1,408,865)	-
(VIII) Result of receivables recognition on the planned allocation of benefits and subsidies to households	12	966,070	-
(IX) Effect of eliminated adjustments in the budget expenditures		2,513,892	1,936,629
Consolidated surplus/(deficit) for the reporting period		8,108,496	4,129,810

(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 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.

(III) 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.

(IV) Budget performance report does not include profit/loss of municipal entities, budget institutions 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.

(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.

(VII) Budget performance report does not include losses for the reporting period from residential property de-recognition as a result of privatization.

(VIII) A part of expenditures on payment of benefits and subsidies to households was not supported by planned allocations to such expenditures by the state during 2016, correspondingly, the consolidated financial result was adjusted for that amount.

(IX) In the process of preparing the consolidated information, the local budget expenditures were eliminated against revenues received by budget institutions and municipal entities from the City's budget.



1. General information

This special purpose consolidated financial information of the city of Kyiv (the “City”) includes information in respect of the executive body of the Kyiv City Council, the Kyiv City State Administration (the “KCSA”), 20 departments of the KCSA (2015: 18 departments), 10 district state administrations (“DSAs”) (2015: 10 DSAs), and 1,918 (2015: 1,934) directly or indirectly accountable municipal entities, institutions, and organizations of Kyiv’s City community (including 401 municipal entities and 1,517 budget institutions (2015: 408 municipal entities and 1,526 budget institutions)). In addition, as at 31 December 2016 and 2015, the City had a share in corporate rights in and control over 7 joint stock companies, its subsidiaries (altogether referred to as the “City”).

The City operates to preserve and augment the cultural, economic, scientific, and industrial potential of the City to ensure its prosperity and increase the municipal community’s well-being. The City’s principal activities are aimed at sustainable enhancement of living standards for all segments of the City’s residents and creating favorable conditions for entrepreneurial development.

The City’s principal activities are represented by rendering services on the development of infrastructure, health care, communication, education, transport, sports, and culture, social care, waste management, emergency services, and supply of energy, water, and other utility services to Kyiv’s City residents, as well as services of comprehensive development, improvement, and maintenance of urban land.

The registered address of the Kyiv City State Administration is at: 36 Khreshchatyk Street, Kyiv, Ukraine, 01044. Budget institutions, municipal entities, and joint stock companies are registered and operate in Kyiv.

2. Operating environment of the City

In the recent years, Ukraine has been in a political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. In 2016, an armed conflict with separatists continued in certain parts of Luhanska and Donetsk regions. These events resulted in higher inflation, devaluation of the national currency against major foreign currencies, decrease of GDP, illiquidity and volatility of financial markets. In January 2016, the agreement on the free trade area between Ukraine and the EU came into force. As a result, the Russian Federation implemented a trade embargo or import duties on key Ukrainian export products. In response, Ukraine implemented similar measures against Russian products.

In 2016, average inflation amounted to 13.9% comparing to 48.7% in 2015. Despite the fact that the cumulative inflation in Ukraine for the three latest years slightly exceeded 100%, management believes that the Ukrainian economy is not hyperinflationary due to slowing down of inflation during 2016 and lack of qualitative characteristics of the hyperinflationary economic environment.

The economic situation began to stabilize in 2016, which resulted in GDP growth around 1% and stabilization of Ukrainian Hryvnia. This allowed the National Bank of Ukraine to ease some foreign exchange restrictions imposed during 2014-2015, including decrease of the required share of foreign currency proceeds sale to 65% and permission of dividends remittance abroad. However, certain other restrictions were prolonged. Significant external financing is required to support the economy. During 2015 and 2016, Ukraine received the first tranches of extended fund facilities (“EFF”) agreed with the IMF. Further stabilization of the economic and political situation depends, to a large extent, upon success of the Ukrainian government’s efforts, yet further economic and political developments are currently difficult to predict.

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 government bonds of Ukraine with the maturities in 2019-2020 and government derivatives, and an agreement was reached with the lenders on the reduction of 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 Kyiv’s City foreign- and national-currency ratings and affirmed the City’s Ca ratings. The main drivers for changes in Kyiv’s City outlook were restructuring of Kyiv’s City Eurobonds and decrease in systemic risk, considering the improved credit profile of Ukraine.

In November 2016, the international rating agency of Fitch upgraded the long-term foreign and national currency issuer default rating of the city of Kyiv from CC to B-. The improved rating of Kyiv is explained by the City’s repayment in full of municipal bonds and increased ratings of Ukraine in foreign and national currencies.

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.



3. Summary of significant accounting policies

Basis of preparation. The consolidated financial statements of the City are 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 above on Description of approach to preparation of the special purpose consolidated financial information.

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.

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.



3. Summary of significant accounting policies

Foreign exchange rates of major currencies against UAH established by the National Bank of Ukraine as at 31 December 2016 and 2015 were as follows:

	As at 31 December 2016	As at 31 December 2015
UAH/USD	27.1909	24.0007
UAH/EUR	28.4226	26.2231

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.

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 constructions	Up to 100 years
- Machinery and equipment	5–30 years
- Vehicles	10–40 years
- Tools, fixtures, and fittings	3–25 years
- Other PPE items	2–15 years
- Leasehold improvements	Over the term of the underlying lease



3. Summary of significant accounting policies

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.

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.



3. Summary of significant accounting policies

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.

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.



3. Summary of significant accounting policies

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 the calculation of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

De-recognition. 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.

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).



3. Summary of significant accounting policies

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.

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.



3. Summary of significant accounting policies

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.

Payments received in advance from 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. 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.

Special fund. Special budget fund provides extensive use of budget funds for their intended budget purpose. 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.



3. Summary of significant accounting policies

Revenue from non-exchange transactions

Taxes and charges. 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.

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.



3. Summary of significant accounting policies

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 judgments used 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 accounts receivable on exchange transactions. Accounts receivable on exchange transactions, including receivables from households for utilities, 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 analyzes aging of receivables on exchange transactions. Depending on the overdue period, the City applies the following provisioning rates:

- Less than 179 days overdue – 0%;
- From 180 to 365 days overdue – 50%;
- More than 365 days overdue – 100%.

Assessment of investments in associates and subsidiaries. The City owns 401 municipal entities and 1,517 budget institutions. The consolidated financial information includes financial information about 290 municipal entities and 1,517 budget institutions (2015: 339 municipal entities and 1,474 budget institutions) that submitted their financial statements for 2016. 111 municipal entities not included into the consolidated financial information are in the process of reorganization or liquidation or are not material for the City.

In addition, the City has investments in 38 entities (2015: 38 entities), with ownership interests ranging from 1% to 100%, including 10 entities the corporate rights to which owned by the Kyiv's City community are placed in management of district state administrations (2015: 10 entities). As at 31 December 2016, the City had no control or significant influence over 16 entities, of which 9 were in the stage of liquidation, and 7 entities were dormant. As at 31 December 2015, the City had no control or significant influence over 17 entities, of which 9 entities were in the stage of liquidation, and 8 entities were dormant. 15 entities that were immaterial for the consolidated financial information failed to provide their financial statements as at 31 December 2016 and 2015 (2015: 12 entities). Consequently, investments in such entities were not classified as associates or subsidiaries. Assets, liabilities, and financial results of such entities were not included into the consolidated financial information as at 31 December 2016 and 2015.



4. Critical accounting estimates and judgments used in applying accounting policies

Deferred income. Management applies significant judgments regarding recognition of liabilities on the assets received free of charge from real estate developers and other investors. In some cases, there are no contractual commitments regarding the transfer of assets, however, considering that the City has certain obligations on servicing those assets that are related to rendering public utilities to households, the City believes that revenue from the assets received free of charge may be recognized during the depreciation period of those assets.

Investment property. Management uses significant judgments when classifying non-current assets 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 budget 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, as such, assets are held for rendering social services and not for rental income or capital appreciation, and the gain 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".

Classification of individual items of consolidated financial information. Consolidated financial information regarding concession assets and non-current assets held for sale and discontinued operations is presented in Notes 6, "Property, plant, and equipment", and 14, "Other non-current assets," respectively. Information on other taxes and charges of the special fund is provided in Note 29 "Taxes and other charges to special fund" under the heading "Other taxes and charges". During 2016 subventions from the State Budget were not received in the special fund, therefore the corresponding note is absent in this consolidated financial information.

5. Related party transactions

Associates. Cash balances placed on accounts with the associated bank amounted to UAH 5,196 th as at 31 December 2016 (2015: UAH 266,850 th).

During the year ended 31 December 2015, the City obtained short-term borrowings in the associated bank, which were fully repaid as at 31 December 2015, with the respective finance costs on short-term borrowings amounting to UAH 19,615 th in 2015.

As at 31 December 2015, the carrying value of the assets pledged as collateral to the associate amounted to UAH 575,625 th.

Key management personnel. Information about operations with key management personnel is as follows.

Key management personnel is represented by Head of the Kyiv City State Administration, his deputies and directors of departments who, taken together, make up the governing body of the City. During 2016, total remuneration to 29 members of the Kyiv City State Administration's management personnel amounted to UAH 9,237 th (2015: UAH 3,988 th).



5. Related party transactions

Remuneration to key management personnel for 2016 was as follows:

Units of measure: UAH th	Annual payroll	Social charges	Total annual payroll and related charges
Head of the Kyiv City State Administration	148	33	181
First Deputy Head of the Kyiv City State Administration	352	77	429
Deputies of the Head of the Kyiv City State Administration (6 persons)	1,805	397	2,202
Head of Apparatus of the Kyiv City State Administration	263	58	321
Director of Economy and Investments Department	287	63	350
Director of Internal Financial Control and Audit Department	282	62	344
Director of Housing and Utility Infrastructure Department	357	79	436
Director of Finance Department	323	62	385
Director of Public Communication Department	272	58	330
Director of Urban Construction and Architecture Department	188	41	229
Director of Education and Science, Youth, and Sports Department	260	57	317
Director of Culture Department	254	55	309
Director of Kyiv's City Communal Property Department	274	58	332
Director of Land Resource Department	265	58	323
Director of Health Care Department	196	35	231
Director of Social Policies Department	307	67	374
Director of Industry and Entrepreneurial Development Department	262	58	320
Director of Administrative Services Department (Center)	349	69	418
Director of Construction and Housing Provision Department	246	48	294
Director of Municipal Improvement and Environmental Protection Department	256	49	305
Director of Transport Infrastructure Department	183	40	223
Director of Department for State Architectural and Construction Control in the city of Kyiv	118	26	144
Director of Information and Communication Technologies Department	42	9	51
Director of Self-Governing Control Department (Inspection)	319	70	389
Total	7,608	1,629	9,237

Remuneration to key management personnel for 2015 was as follows:

Units of measure: UAH th	Annual payroll	Social charges	Total annual payroll and related charges
Head of the Kyiv City State Administration*	-	-	-
First Deputy Head of the Kyiv City State Administration	61	22	83
Deputies of the Head of the Kyiv City State Administration (4 persons)	436	156	592
Head of Apparatus of the Kyiv City State Administration	93	34	127
Director of Economy and Investments Department	223	75	298
Director of Finance Department	216	61	277
Director of Internal Financial Control and Audit Department	177	64	241
Director of Housing and Utility Infrastructure Department	168	61	229
Director of Public Communication Department	163	55	218
Director of Urban Construction 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 Kyiv's City Communal Property Department	155	54	209
Director of Land Resource Department	154	56	210
Director of Health Care Department	117	42	159
Director of Social Policies Department	114	41	155
Director of Industry and Entrepreneurial Development Department	104	38	142
Director of Administrative Services Department (Center)	128	36	164
Director of Construction and Housing Provision Department	97	35	132
Director of Municipal Improvement and Environmental Protection Department	75	27	102
Director of Transport Infrastructure Department	64	23	87
Total	3,018	1,047	4,065

* Head of the Kyiv City State Administration worked on a voluntary basis and, during 2015, did not receive a salary as the Head of the KCSA.



6. Property, plant, and equipment

Units of measure: UAH th	Land plots	Buildings and constructions	Machinery and equipment	Vehicles	Construction in progress	Service concession assets	Other property, plant and equipment	Total
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 as 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 transfers	176,616	1,816,207	320,238	536,713	675,311	721,921	222,483	4,469,489
Transfers to investment property	-	(2,752,125)	-	-	-	-	-	(2,752,125)
Revaluation of property, plant, and equipment	795,831	2,393,322	(50,553)	1,100,193	-	1,148,800	(3,731)	5,383,862
Depreciation charge for the period	-	(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 as 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
Additions, disposals, and other transfers	1,488,827	2,546,836	759,463	916,866	3,312,053	163,106	161,283	9,348,434
De-recognition of residential property as a result of privatization	-	(2,670,674)	-	-	-	-	-	(2,670,674)
Transfers to investment property	-	-	-	-	-	-	-	-
Revaluation of property, plant, and equipment	2,190,999	329,059	4,687	47	-	-	2,645	2,527,437
Depreciation charge for the period	-	(2,295,840)	(269,620)	(517,557)	-	(268,220)	(245,612)	(3,596,849)
Cost	10,210,002	83,722,662	5,839,505	17,168,423	13,764,730	4,855,038	4,264,529	139,824,889
Accumulated depreciation	-	(47,212,455)	(3,368,732)	(11,120,232)	-	(1,034,586)	(1,763,871)	(64,499,876)
Net book value as at 31 December 2016	10,210,002	36,510,207	2,470,773	6,048,191	13,764,730	3,820,452	2,500,658	75,325,013



6. Property, plant, and equipment

During 2016, some entities revalued their land plots, in particular, for rental indexation purposes, as well as buildings and constructions. For this purpose, independent appraisers were engaged to determine the fair value of property, plant, and equipment.

Property, plant and equipment include municipal non-residential premises, which were leased to public organizations, artistic unions, state and municipal budget institutions at the rental rate of UAH 1 a year 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.

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 2016 amounted to 175.69 thousand square meters (2015: 156.48 thousand square meters).

Such terms of lease and free of charge transfers lead to significant shortfalls in the City's income.

The total area of Kyiv City's land as at 31 December 2016 and 2015 comprised 83.6 thousand hectares. According to the City's management estimates, as at 31 December 2016, 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 the absence of a single complete actual register of land and due to the absence of registered state acts of ownership rights to the majority of land plots, the City is unable to determine reliably the area of land held in municipal ownership. Most of the land of Kyiv's City community, as at 31 December 2016 and 2015, was not included into the State Cadastral Register and was not recognized on balance sheets of relevant municipal entities and budget institutions of the City. Those land plots were recognized by the City in the consolidated financial information at the value equal to nil.

Service concession assets. As at 31 December 2016 and 2015, service concession assets consisted of energy and heat supply facilities used to provide energy and heat supply services to consumers in Kyiv. In 2001, the City community transferred energy and heat supply facilities into ownership and use by PJSC “KYIVENERGO” by 2017 under the service concession arrangement within the framework of the City's power sector management and reform project.

The concession agreement was signed on 27 September 2001 and is effective until 31 December 2017. According to the terms and conditions of the main and supplementary agreements, in the event that neither party notifies in writing about the agreement's termination, it is considered to be extended for the next 5 years.

For the use of the municipal property, PJSC “KYIVENERGO” shall pay a concession fee to the City's community in the amount of 10% of net profits generated by the company for the previous budget year, but not less than UAH 2,000 th per year.

Any renovations, upgrades, or improvements of the said assets shall be the municipal property of the City's community.

Improvements made and funded by the company that cannot be separated without damaging the underlying assets shall be reimbursed by the City's community during the term of the agreement.

As at 31 December 2016 and 2015, total improvements of municipal property to be reimbursed amounted to UAH 352,982 th (Note 17).

The fair values of municipal properties held and operated by PJSC “KYIVENERGO” were assessed by a certified independent appraiser as at 1 November 2011 by using mainly the depreciated replacement cost method.

Heritage and cultural assets. Heritage and cultural assets are the assets owned by the City 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 and cultural assets is often not determinable. The City does not expect to use those assets to meet its obligations. Examples of heritage and cultural assets include monuments, city parks, and various city buildings of historical or cultural significance. Heritage and cultural assets are not recognized as assets in the consolidated statement of financial position in accordance with the requirements of IPSAS 17 “Property, Plant, and Equipment”.



7. Investment property

As at 31 December 2016 and 2015, investment property was represented by non-residential buildings and constructions leased to commercial entities on market-based terms and conditions.

8. Intangible assets

Units of measure: UAH th	Property use rights and industrial property	Software	Other intangible assets	Total
Cost	109,086	38,544	391,159	538,789
Accumulated depreciation and impairment	(69,840)	(31,633)	(84,487)	(185,960)
Net book value as 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 charges for the period	(1,806)	(2,171)	(17,240)	(21,217)
Cost	120,868	50,333	222,065	393,266
Accumulated depreciation and impairment	(71,646)	(33,804)	(101,727)	(207,177)
Net book value as at 31 December 2015	49,222	16,529	120,338	186,089
Additions	5,045	102	6,897	12,044
Disposals	(35,047)	-	(10,055)	(45,102)
Depreciation charges for the period	(2,009)	(2,725)	(68,171)	(72,905)
	(32,011)	(2,623)	(71,329)	(105,963)
Cost	90,866	50,435	218,907	360,208
Accumulated depreciation and impairment	(73,655)	(36,529)	(169,898)	(280,082)
Net book value as at 31 December 2016	17,211	13,906	49,009	80,126

9. Investments accounted for using equity method

As at 31 December 2015, the carrying amounts of the City's investments in associates included the investment in PJSC CB "Khreshchatyk".

On 2 June 2016, the National Bank of Ukraine took a decision to revoke the banking license of PJSC CB "Khreshchatyk" and liquidate it. PJSC CB "Khreshchatyk" was included into the category of insolvent banks on 5 April 2016. Correspondingly, the total investment with the carrying amount of UAH 23,947 th was recognized in other expenses of the consolidated statement of financial results for 2016.



10. Receivables from exchange transactions

Units of measure: UAH th	31 December 2016	31 December 2015
<i>Long-term receivables from exchange transactions</i>	89,550	89,692
Total long-term receivables from exchange transactions	89,550	89,692

Current receivables

Receivables for goods and services	3,014,693	2,983,295
Other receivables from exchange transactions	1,571,704	1,386,458
Allowance for estimated irrecoverable amounts	(1,462,458)	(2,147,036)
Total financial receivables	3,123,939	2,222,717

VAT receivables	155,205	110,506
Prepayments made	525,605	918,135
Total current receivables	3,804,749	3,251,358

Reconciliation of allowance for estimated irrecoverable amounts is provided below:

Units of measure: UAH th	2016 Allowance amount	2015 Allowance amount
As at 1 January 2016	2,147,036	1,376,465
Change in allowance in the reporting period	(684,578)	770,571
As at 31 December 2016	1,462,458	2,147,036

Analysis of financial receivables by credit quality is as follows:

Units of measure: UAH th	31 December 2016	31 December 2015
Neither past due nor impaired, other than receivables for utilities from individuals		
Receivables for goods and services provided	1,548,289	1,269,770
Other receivables from exchange transactions	968,926	555,230
Total neither past due nor impaired	2,517,215	1,825,000

Past due, but not impaired, other than receivables for utilities from individuals

From 1 to 30 days	25,165	160,723
From 31 to 90 days	7,295	12,804
From 91 to 180 days	6,140	22,301
Total past due, but not impaired	38,600	195,828

Past due and impaired, other than receivables for utilities from individuals

From 181 to 360 days	7,261	14,975
Over 360 days	407,707	348,031
Total past due and impaired	414,968	363,006

Receivables for utilities from individuals	1,389,307	1,648,281
Other receivables	315,857	427,330
Total financial receivables	4,675,947	4,459,445

Allowance for estimated irrecoverable amounts	(1,462,458)	(2,147,036)
Total financial receivables, net of allowance	3,213,489	2,312,409

11. Inventories

Units of measure: UAH th	31 December 2016	31 December 2015
Apartments and non-residential premises	4,227,543	2,239,105
Construction in progress under construction contracts	3,489,518	5,697,644
Auxiliary and other materials	485,427	261,010
Spare parts	178,532	102,779
Merchandise for resale	172,853	168,144
Finished goods and work in progress	20,158	41,732
Other inventories	1,058,548	504,146
Total inventories	9,632,579	9,014,560



12. Receivables from non-exchange transactions

Units of measure: UAH th	31 December 2016	31 December 2015
Receivables from planned allocation of expenditures to benefits and subsidies to households	966,070	-
Receivables from land tax	689,643	454,331
Receivables from corporate income tax	397,062	319,366
Receivables from personal income tax	342,631	249,951
Receivables from local taxes and fees	181,916	58,370
Receivables from excise tax on excisable goods sold by retailers	13,975	3,279
Total receivables from non-exchange transactions	2,591,297	1,085,297

Accounts receivable from planned allocation of expenditures to benefits and subsidies to households attributable to municipal entities have arisen as a result of relevant debts of the local budget on expenditures for benefits and housing subsidies to households on payments for energy, natural gas, heat and water supply and water disposal services, housing rent, removal of domestic waste and refuse. The main reason for appearance of this debt is the failure of the State to ensure for planned allocation of expenditures to benefits and subsidies to households.

13. Cash and cash equivalents

Units of measure: UAH th	31 December 2016	31 December 2015
Treasury accounts	4,100,004	1,815,004
Accounts with banks	1,066,236	794,810
Cash-on-hand and in transit	312,505	13,022
Short-term deposits	114,674	78,532
Other cash and cash equivalents	1,755	1,277
Total cash and cash equivalents	5,595,174	2,702,645

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 2016 was as follows:

Units of measure: UAH th	Accounts with banks	Treasury accounts	Short-term deposits	Other cash	Total
Moody's rating					
Caa2	327	-	-	-	327
Caa3	183,892	4,100,004	34,021	-	4,317,917
Unrated	882,017	-	80,653	314,260	1,276,930
Total cash and cash equivalents	1,066,236	4,100,004	114,674	314,260	5,595,174

Analysis of cash and cash equivalents as at 31 December 2015 was as follows:

Units of measure: UAH th	Accounts with banks	Treasury accounts	Short-term deposits	Other cash	Total
Moody's rating					
Caa3	30,491	1,815,004	-	-	1,845,495
Unrated	764,319	-	78,532	14,299	857,150
Total cash and cash equivalents	794,810	1,815,004	78,532	14,299	2,702,645

Balances with related parties are disclosed in Note 5.



14. Other non-current assets

Units of measure: UAH th	31 December 2016	31 December 2015
Prepayments for property, plant, and equipment	417,372	-
Municipal property held for sale	66,185	66,185
Cash on accounts with non-performing banks	8,128	-
Other non-current assets held for sale	232	392
Other	4,350	2,825
Total other non-current assets	496,267	69,402

15. Borrowings

Long-term borrowings of the City are presented as follows:

Units of measure: UAH th	31 December 2016	31 December 2015
Borrowing from the Ministry of Finance of Ukraine	9,545,777	8,425,810
Borrowings from international institutions	1,478,648	1,541,630
Bank borrowings	268,863	230,001
Finance leases	1,657	24,902
Other long-term borrowings	23,000	33,258
Total long-term borrowings	11,317,945	10,255,601

Short-term borrowings of the City are presented as follows:

Units of measure: UAH th	31 December 2016	31 December 2015
Treasury borrowings	3,688,454	3,688,454
Eurobonds	2,750,328	2,427,643
Finance leases	509,063	477,305
Borrowings from international institutions	413,331	339,442
Interest accrues on the borrowing from the Ministry of Finance of Ukraine	114,162	15,704
Bank borrowings	43,618	28,790
Municipal bonds	-	2,884,792
Other short-term borrowings	8,094	5,615
Total short-term borrowings	7,527,050	9,867,745

Analysis of borrowings by currency is presented below:

Units of measure: UAH th	31 December 2016	31 December 2015
USD	12,435,213	10,869,158
UAH	4,519,208	7,370,026
EUR	1,890,479	1,877,072
Other	94	7,090
Total borrowings	18,844,994	20,123,346

Balances on transactions with related parties are disclosed in Note 5.



15. Borrowings

Presented below is analysis of borrowings by maturity:

Units of measure: UAH th	31 December 2016	31 December 2015
In default	2,750,328	2,427,643
With undetermined maturity	13,234,231	12,114,264
Less than 6 months	354,167	180,429
From 6 to 12 months	734,007	3,565,604
From 1 to 5 years	1,747,221	1,827,533
Over 5 years	24,946	783
Other borrowings	94	7,090
Total borrowings	18,844,994	20,123,346

The line "With Undetermined Maturity" includes the amount of treasury borrowings.

Summarized below are interest rates on borrowings:

	31 December 2016	31 December 2015
Borrowing from the Ministry of Finance of Ukraine	7.75%*	7.75%*
Municipal bonds	-	15.20% – 15.25%
Eurobonds	8%	8%
Finance leases	22%	22%
Bank borrowings	0.01% – 26.0%	0.01% – 27.0%
Borrowings from international institutions	3% – EURIBOR+6%	3% – EURIBOR+6%

* When settling the borrowing from the Ministry of Finance of Ukraine, the City shall compensate in full the costs of the Ministry of Finance of Ukraine for foreign government loan bonds of Ukraine during the period from 2015 to 2020 and government derivatives during the period from 2020 to 2040. The said interest rate corresponds to the nominal coupon rate of foreign government loan bonds of Ukraine. The City is unable to determine reliably the effective interest rate on the borrowing from the Ministry of Finance of Ukraine, since expenses for servicing government derivatives during the period from 2020 to 2040 cannot be reliably estimated.

Movements in borrowings are presented below:

Units of measure: UAH th	2016	2015
Borrowings as at the beginning of the year	20,123,346	20,240,665
Borrowings received	440,193	1,165,407
Borrowings repaid	(3,422,273)	(3,270,156)
Interest accrued	1,106,021	1,451,767
Interest paid	(1,002,982)	(1,707,697)
Debt write-off in the course of Eurobonds restructuring	-	(2,299,730)
Foreign currency exchange differences	1,600,689	4,543,090
Borrowings as at the end of the year	18,844,994	20,123,346

Key sources generating the City's debt are explained below.

Eurobonds and the borrowing from the Ministry of Finance of Ukraine. In 2015, the Eurobonds of 2005 and 2011 issues were restructured, with the total amount of local debt on them amounting to USD 550,000 th (UAH 12,918,221 th at the date of restructuring).

Within the restructuring process, a part of the debt in the amount of USD 448,851 th (UAH 10,542,466 th at the restructuring date) was transferred to the state debt of Ukraine through an additional issue and placement of foreign government 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 th (UAH 2,299,728 th at the date of restructuring).



15. Borrowings

In accordance with Resolution of the Cabinet of Ministers of Ukraine # 1040 dated 18 December 2015 and the agreement entered into between the Ministry of Finance of Ukraine and the Kyiv City Council, the City shall compensate in full the costs of the Ministry of Finance of Ukraine for foreign government loan bonds of Ukraine during the period from 2015 to 2020 and government derivatives during the period from 2020 to 2040. The said interest rate corresponds to the nominal coupon rate of foreign government loan bonds of Ukraine. The City is unable to determine reliably the effective interest rate on the borrowing from the Ministry of Finance of Ukraine, since expenses for servicing government derivatives during the period from 2020 to 2040 cannot be reliably estimated.

As at 31 December 2016 and 2015, included in short term borrowings of the City were liabilities to Eurobonds holders who refused to participate in the restructuring process in the amount of USD 101,149 th (UAH 2,750,328 th as at 31 December 2016 and UAH 2,427,643 th as at 31 December 2015). As at 31 December 2016, the City suspended servicing the debt under those Eurobonds.

Municipal bonds. During 2016 the City in advance repaid the debt under municipal bonds in full.

Treasury borrowings. Under the Budget Code of Ukraine, Article 73, Paragraph 3 (effective until 1 January 2015), according to the relevant local council's decision, local state administrations and executive bodies of relevant local 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. In the period from 2009 to 2013, the City received UAH 3,761,755 th of medium-term borrowings. In 2014, the City repaid UAH 73,301 th of borrowings. On 28 December 2014, amendments to the Budget Code were made under which repayment of the outstanding medium-term borrowings to the State Budget accounted for at the State Treasury Service of Ukraine was postponed until further legislative guidance. Accordingly, in 2016 and 2015, the City did not make payments on those borrowings.

Finance leases. In 2009, the City entered into a finance lease arrangement in respect of underground railway carriages. Financial leases carry a contractual interest rate of 22% p.a. and are repayable on 10 February 2018.

Borrowings from international institutions. In 2008, the City concluded an agreement with European Bank for Reconstruction and Development on granting a credit line in the amount of EUR 115,000 th for the development of Kyiv's City municipal transport. The borrowing balance as at 31 December 2016 and 2015 was EUR 64,110 th and EUR 69,008 th, respectively. This borrowing is repayable in 2021. Actual interest rate in 2016 was EURIBOR+6%.

In 2013, the City concluded an agreement with Nordic Environment Financial Corporation on granting loans in the amount of EUR 5,000 th and EUR 4,000 th for the implementation of measures on improved energy efficiency. The outstanding EUR-denominated borrowing as at 31 December 2016 and 2015 amounted to EUR 2,403 th and EUR 2,635 th, respectively. In accordance with the terms and conditions of the agreement, the borrowing shall be repayable in 2021, with the interest rate amounting to 6.9%. The outstanding UAH-denominated borrowing as at 31 December 2016 and 2015 amounted to UAH 1,500 th and UAH 2,500 th, respectively. In accordance with the terms and conditions of the agreement, the borrowing shall be repayable in 2018, with the interest rate amounting to 3%.

16. Non-current provisions

Movements in provisions for liabilities and charges are as follows:

Units of measure: UAH th	Provisions for liabilities under construction contracts	Other	Total
Balance at 1 January 2015	226,848	17,090	243,938
Charges for the year	302,275	-	302,275
Utilization of provision	-	(12,093)	(12,093)
Balance at 31 December 2015	529,123	4,997	534,120
Charges for the year	-	-	-
Utilization of provision	(473,173)	(1,215)	(474,388)
Balance at 31 December 2016	55,950	3,782	59,732



16. Non-current provisions

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 included in current expense immediately. Provisions are utilized only for the purposes for which they were originally created and re-measured at each reporting date.

17. Other non-current liabilities

Units of measure: UAH th	31 December 2016	31 December 2015
Non-current liabilities under construction contracts	1,803,560	1,051,308
Non-current liabilities in respect of state budget financing	551,448	1,298,573
Liabilities to reimburse improvements of property, plant, and equipment (service concession arrangements)	352,982	352,982
Other non-current liabilities	1,249,461	269,884
Total other non-current liabilities	3,957,451	2,972,747

Non-current liabilities under construction contracts includes investor contributions under investment contracts on construction of residential and other real estate properties.

18. Deferred income

Units of measure: UAH th	31 December 2016	31 December 2015
Assets received free of charge from third parties	1,843,367	1,860,905
Other deferred income	672,624	508,585
Total deferred income	2,515,991	2,369,490

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.

19. Payables under exchange transactions

Units of measure: UAH th	31 December 2016	31 December 2015
Advances received	4,900,552	4,266,780
Payables for goods, works, services	3,227,797	2,520,512
Accrued salaries, wages and related taxes	126,024	104,449
Payables to third parties	61,073	15,392
Other payable under exchange transactions	1,373,331	1,492,249
Total payables under exchange transactions	9,688,777	8,399,382

20. Taxes and transfers payables

Units of measure: UAH th	31 December 2016	31 December 2015
VAT payable	105,692	261,657
Payable on other taxes and transfers	65,249	64,364
Payable on transfers to the State Pension Fund of Ukraine	45,240	56,181
Other taxes and transfers payables	173,878	160,397
Total taxes and transfers payables	390,059	542,599



21. Payments received in advance from non-exchange transactions

Units of measure: UAH th	31 December 2016	31 December 2015
Prepaid corporate income tax	887,638	196,721
Prepaid personal income tax	523,691	372,373
Prepaid local taxes and charges	420,833	367,797
Prepaid land tax	283,134	199,564
Prepaid excise tax	34,359	53,299
Total payments received in advance from non-exchange transactions	2,149,655	1,189,754

22. Current provisions

During 2016, movements in provisions for liabilities and charges were as follows:

Units of measure: UAH th	Provisions for liabilities under construction contracts	Provisions for litigation	Provisions for unused vacations	Other	Total
Balance at 31 December 2014	102,879	104,924	33,084	75,189	316,076
Charges for the year	-	98,026	249,307	14,729	362,062
Utilization 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
Charges for the year	35,790	386,633	188,327	20,125	630,875
Utilization of provision	-	(108,122)	(200,300)	60,521	(247,901)
Balance at 31 December 2016	106,235	471,683	121,053	149,782	848,753

Provisions for liabilities under construction contracts are created based on the estimates of cash or assets to be transferred to creditors under construction contracts.

Provisions for litigation recognize penalty sanctions on legal cases for the untimely paid energy supplies.

Other provisions are created based on the probable amount required to cover the provision and included in current expense.



23. Subventions and dotations

Units of measure: UAH th	2016	2015
Subvention for medical care from the State Budget	3,205,419	3,192,621
Subvention for education from the State Budget	2,254,691	2,114,709
Subvention from the State Budget to service a debt under the borrowings received in 2012 to general fund of Kyiv's City budget	248,064	-
Subvention from the State Budget to local budgets to undertake measures on social and economic development of certain territories	68,389	-
Subvention from the State Budget to local budgets to construct (acquire) housing for the families of the military who directly participated in the anti-terrorist operation, as well as the disabled of Group I and II from the military	66,511	23,044
Subvention from the State Budget to health care facilities	9,588	7,526
Subvention from the State Budget to local budgets to pay state social aid to orphaned children and children deprived of parental care and cash cover to foster and adopting parents for rendering social services	8,421	7,690
Dotation from the State Budget to local budgets to compensate for losses of local budgets as a result of tax benefits provided by the state on payment of land taxes to space activity entities	2,813	-
Subvention from the State Budget to local budgets to upgrade and improve material and technical facilities of state-owned vocational educational institutions	329	-
Subvention from the State Budget to local budgets to repay debts on differences in tariffs for heat, centralized water supply and disposal services produced, transported, and delivered to households	-	586,024
Subvention from the State Budget to local budgets to train regular labor force	-	292,245
Subvention from the State Budget to provide benefits of communication services and compensation for travel privileges of certain categories of citizens	-	246,133
Subvention from the State Budget to municipal budget to acquire new tram carriages	-	49,286
Subvention from the State Budget to conduct election of deputies to local councils and village, town, and city heads	-	35,030
Subvention for part funding of children's and youth athletic schools that received support from the Temporary Disablement Social Insurance	-	29,200
Fund before 2015		
Total subventions and dotations	5,864,225	6,583,508

For the purposes of this special purpose consolidated financial information, revenues of the Kyiv City from the following subventions from the State Budget were netted off with relevant expenses in 2016 and 2015:

- subvention for benefits to families with children, low-income households, adults with childhood disabilities, children with disabilities and temporary state aid for children (UAH 2,089,134 th in 2016 and UAH 1,966,171 th in 2015, respectively);
- subvention for benefits and housing subsidies provided to households for payment of electricity, natural gas, heat and water supply, water disposal and other housing bills (UAH 1,465,368 th in 2016 and UAH 925,909 th in 2015, respectively);
- subvention for provision of subsidies to households to compensate purchases of solid and liquid domestic fuel and liquefied gas (UAH 205 th in 2016 and UAH 169 th in 2015, respectively).

In 2016, Kyiv's City budget received from the State Budget the following subventions that were not received in the prior year:

- subvention from the State Budget to service a debt under the borrowings received in 2012 to general fund of Kyiv's City budget;
- subvention from the State Budget to local budgets to undertake measures on social and economic development of certain territories;
- dotation from the State Budget to local budgets to compensate for losses of local budgets as a result of tax benefits provided by the state on payment of land taxes to space activity entities;
- subvention from the State Budget to local budgets to upgrade and improve material and technical facilities of state-owned vocational educational institutions.



23. Subventions and dotations

In 2016, Kyiv's City budget did not receive from the State Budget the following subventions that were received in the prior year:

- subvention from the State Budget to local budgets to repay debts on differences in tariffs for heat, centralized water supply and disposal services produced, transported, and delivered to households;
- subvention from the State Budget to local budgets to train regular labor force;
- subvention from the State Budget to provide benefits of communication services and compensation for travel privileges of certain categories of citizens;
- subvention from the State Budget to municipal budget to acquire new tram carriages;
- subvention from the State Budget to conduct election of deputies to local councils and village, town, and city heads;
- subvention for part funding of children's and youth athletic schools that received support from the Temporary Disablement Social Insurance Fund before 2015.

24. Local taxes and charges to general fund

Units of measure: UAH th	2016	2015
Single tax	3,030,179	1,922,474
Rental payments for the use of natural resources	2,920,395	1,771,401
Land tax	2,420,191	810,496
Real estate tax, other than on land	275,378	182,545
Transport tax	178,036	123,315
Vehicle parking charges	23,898	23,240
Other local taxes and charges to general fund	16,599	8,374
Total local taxes and charges to general fund	8,864,676	4,841,845

25. Administrative fees and charges, revenue from non-commercial operations

Units of measure: UAH th	2016	2015
License and certificate fees	194,344	150,210
Rental proceeds	108,330	113,326
State custom duties	74,533	64,085
State registration fees	5,192	4,192
Other administrative service fees	150,490	132,372
Total administrative fees and charges, revenue from non-commercial operations	532,889	464,185

26. Duties and fees for the special use of natural resources

Units of measure: UAH th	2016	2015
Rent fees for the special use of water	46,834	42,158
Rent fees for the use of resources	4,269	3,571
Rent fees for the special use of forest resources	1,293	1,646
Fees for the use of other natural resources	78	15
Total duties and fees for the special use of natural resources	52,474	47,390

27. Other non-tax proceeds and other budget revenue

Units of measure: UAH th	2016	2015
Administrative penalties and other sanctions	7,454	6,441
Proceeds on disposal of abandoned properties, findings, inherited property, property received by the community as inheritance or gift, and currency valuables or cash of unknown owners	3,995	1,425
Other receipts	34,610	14,559
Total other non-tax proceeds and other budget revenue	46,059	22,425



28. Revenue from exchange transactions of budget institutions

Units of measure: UAH th	2016	2015
Receipts of budget institutions from entities, organizations, individuals, and other budget institutions for special-purpose activities	1,394,176	728,674
Fees for services provided by budget institutions in the normal course of their primary activities	534,818	484,957
Rental fees for properties of budget institutions	117,635	109,485
Total revenue from exchange transactions of budget institutions	2,046,629	1,323,116

29. Taxes and other charges to special fund

Units of measure: UAH th	2016	2015
Proceeds from customs duties transferred to local budgets	597,258	-
Environmental tax	43,193	-
Other taxes and charges	51	295
Total taxes and other charges to special fund	640,502	295

Proceeds from customs duties transferred to local budgets arise as a result of the experiment conducted to provide funds for the development of motor roads of general use in all regions and the city of Kyiv, as well as measures on the development of road infrastructure in the city of Kyiv as approved by Paragraph 33 Section VI "Final and Transitional Provisions" of the Budget Code of Ukraine for the period from 1 September 2015 to 1 January 2018.

For the period of the experiment, in order to implement the measures specified, in the event general volumes of monthly customs proceeds are overfulfilled (customs duties, excise taxes on imported excisable goods (products) to the customs territory of Ukraine, value added taxes on imported goods (products) to the customs territory of Ukraine) as determined in the State Budget breakdown for general fund, 50 percent of such overfulfilled volumes shall be transferred to special funds of regional budgets and Kyiv's City budget pro rata to the amount of overfulfillment in the relevant territory from total volume of monthly indicative customs proceeds levied in the course of customs clearance of goods in the territories of relevant regions and the city of Kyiv in accordance with the procedure established by the Cabinet of Ministers of Ukraine. No such proceeds were received in the previous year.

In addition, in accordance with amendments to the Budget code of Ukraine, the environmental tax levied to Kyiv's City budget shall be included into special fund proceeds of the local budget effective from 1 January 2016. In 2015, environmental tax was included in other taxes and charges of the local budget's special fund.

30. Other non-tax proceeds

Units of measure: UAH th	2016	2015
Proceeds from participation in infrastructure development	563,128	333,367
Proceeds from compensation of loss from agricultural and forestry production	166	12,122
Other proceeds	4,559	4,342
Total other non-tax proceeds	567,853	349,831



31. Special purpose funds

In 2016, sources of special purpose fund proceeds were as follows:

- fees for temporary use of municipally owned assets of Kyiv's City community for placement of outdoor advertising and fees for placement of advertising on municipal transport;
- proceeds under the terms and conditions of investment agreements and auctions;
- replacement cost of green spaces subject to removal in the territory of Kyiv;
- proceeds from contributions to the maintenance of Kyiv's City improvement from owners of temporary commercial, household, cultural, and other buildings, including mobile retail outlets.

In 2016, total amount of proceeds to special funds amounted to UAH 299,937 th (2015: UAH 262,537 th).

In 2015, sources of special purpose fund proceeds were as follows:

- fees for temporary use of municipally owned assets of Kyiv's City community for placement of outdoor advertising and fees for placement of advertising on municipal transport;
- proceeds under the terms and conditions of investment agreements and auctions;
- replacement cost of green spaces subject to removal in the territory of Kyiv;
- proceeds from contributions to the maintenance of Kyiv's City improvement from owners of temporary commercial, household, cultural, and other buildings, including mobile retail outlets.

32. Revenue from exchange transactions of municipal and corporate entities

Units of measure: UAH th	2016	2015
Housing and utilities	6,182,851	5,016,002
Building and construction	3,866,537	4,126,493
Transportation services, public road facilities, communication, telecommunications and information technologies	2,201,530	2,141,698
Health care	1,544,287	279,503
Other services related to economic activities	633,722	639,213
Culture and arts	139,474	112,367
Education	100,700	90,861
Other revenue from exchange transactions	38,363	32,717
Total revenue from exchange transactions of municipal and corporate entities	14,707,464	12,438,854

33. Other income of budget, municipal and corporate entities

Units of measure: UAH th	2016	2015
Assets received free of charge	379,584	302,088
Rental income	116,669	93,687
Gains on disposals	19,282	1,955
Penalties, fines, forfeits	5,956	9,580
Income on recognition of assets as a result of physical inventory counts	5,135	321
Other income	2,568,070	913,166
Total other income of budget, municipal and corporate entities	3,094,696	1,320,797



33. Other income of budget, municipal and corporate entities

Expenses. Operating expenses of the City by business segments and nature are disclosed below.

Tax and charge expenses comprise expenses in respect of water tax, state custom duties, rental fees for state property, and tax fines and penalties payable to the State Budget.

The item "Services Used" represents expenses incurred for the 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 in the item "Consumables and Other Materials".

34. Housing and utilities

Units of measure: UAH th	2016	2015
Depreciation	553,426	211,157
Payroll and salary related charges	541,205	224,671
Services used	264,568	76,294
Water, heating, energy, and other utilities	175,184	413,938
Consumables and other materials	133,535	10,048
Maintenance and repairs	112,786	123,623
Social security benefits	22,046	-
Taxes and charges to the State Budget	19,881	11,282
Transportation	7,773	1,600
Rental expense	935	7,369
Other expense	6,383,887	5,781,646
Total housing and utilities	8,215,226	6,861,628

35. Education

Units of measure: UAH th	2016	2015
Payroll and salary related charges	4,619,200	3,003,093
Water, heating, energy, and other utilities	831,031	873,691
Services used	380,720	413,362
Consumables and other materials	350,288	12,057
Other expense	593,971	1,248,293
Total education	6,775,210	5,550,496

36. Health care

Units of measure: UAH th	2016	2015
Payroll and salary related charges	2,477,956	588,608
Consumables and other materials	726,225	-
Water, heating, energy, and other utilities	310,699	72,478
Services used	44,226	447,742
Maintenance and repairs	12,954	36
Depreciation	11,343	5,881
Taxes and charges to the State Budget	17	115
Other expense	4,143,919	3,373,416
Total health care	7,727,339	4,488,276



37. Building and construction

Units of measure: UAH th	2016	2015
Depreciation	184,560	112,853
Services used	88,306	43,649
Payroll and salary related charges	50,219	15,124
Water, heating, energy, and other utilities	27,564	14,684
Taxes and charges to the State Budget	12,145	7,247
Maintenance and repairs	9,822	38,800
Consumables and other materials	1,515	19,996
Other expense	6,100,654	3,362,325
Total building and construction	6,474,785	3,614,678

General expenses for construction increased due to the increased budget expenditures and increased activities of municipal entities in the sector.

38. Transportation services, public road facilities, communication, telecommunications and information technologies

Units of measure: UAH th	2016	2015
Payroll and salary related charges	1,228,090	730,239
Depreciation	736,011	385,023
Consumables and other materials	552,952	258,561
Maintenance and repairs	392,172	76,305
Water, heating, energy, and other utilities	137,689	15,670
Services used	74,393	3,867
Taxes and charges to the State Budget	20,915	17,388
Rental expense	9,782	6,994
Transportation	9,368	15,204
Other expense	347,620	1,892,574
Total transportation services, public road facilities, communication, telecommunications and information technologies	3,508,992	3,401,825

39. Social care and social security

Units of measure: UAH th	2016	2015
Payroll and salary related charges	348,479	56,152
Consumables and other materials	7,746	-
Social security benefits	779	38,756
Services used	532	451,075
Other expense	2,089,978	1,717,307
Total social care and social security	2,447,514	2,263,290

40. Culture and arts

Units of measure: UAH th	2016	2015
Payroll and salary related charges	394,974	395,589
Services used	68,299	20,933
Water, heating, energy, and other utilities	33,612	36,175
Consumables and other materials	14,814	-
Depreciation	4,160	-
Other expense	701,517	343,338
Total culture and arts	1,217,376	796,035

41. Other services related to economic activities

Units of measure: UAH th	2016	2015
Payroll and salary related charges	99,843	46,766
Services used	21,140	16,530
Water, heating, energy, and other utilities	14,134	7,948
Rental expense	7,686	5,927
Depreciation	4,814	4,181
Consumables and other materials	3,673	-
Maintenance and repairs	2,379	442
Other expense	929,772	910,122
Total other services related to economic activities	1,083,441	991,916



42. State administration

Units of measure: UAH th	2016	2015
Payroll and salary related charges	14,344	12,259
Water, heating, energy, and other utilities	1,399	-
Services used	312	-
Consumables and other materials	150	48
Other expense	696,303	611,681
Total state administration	712,508	623,988

43. Transfers to the State Budget and other budgets

In accordance with the Budget Code of Ukraine, the City shall distribute funds to the State Budget of Ukraine if estimated municipal revenues exceed the estimated municipal expenditures. The amount subject to distribution is calculated using financial fiscal capacity ratios and adjusting coefficients.

In 2016, subvention from Kyiv's City budget to the State Budget for the fulfillment of programs of social, economic, and cultural development of regions amounted to UAH 116,208 th (2015: UAH 45,887 th).

In 2016 and 2015, there were no cash distributions to the State Budget in the form of inter-budget special purpose transfers.

44. Finance costs

Units of measure: UAH th	2016	2015
Foreign exchange difference on borrowings, net	1,600,689	4,543,090
Interest expense	1,106,021	1,451,766
Total finance costs	2,706,710	5,994,856

45. Commitments and contingencies

Management of the City considers that respective provisions were recognized in respect of all significant liabilities in this special purpose consolidated financial information.

Operating lease commitments. The future minimum lease payments under operating leases were as follows:

Units of measure: UAH th	31 December 2016	31 December 2015
Not later than 1 year	3,063	764
From 1 to 5 years	4,214	1,130
Total future minimum lease payments	7,277	1,894

The analysis above as at 31 December 2016 includes future lease payments for 11 biggest entities that lease assets (31 December 2015: 7 biggest entities).

Assets pledged and restricted. The carrying value of assets pledged and restricted as at 31 December 2016 amounted to UAH 834,949 th (31 December 2015: UAH 949,717 th).

As at 31 December 2016, contingent liabilities included contingencies on legal cases in the amount of UAH 49,910 th, the result of which was uncertain at the reporting date (31 December 2015: UAH 739,799 th).

Contingencies on legal cases. In 2016, LLC "Ukrrosleasing" filed a suit against ME "Kyivskiy Metropolitan", which had a finance lease agreement concluded between them, regarding the debt collection on payment for a part of the lease subject matter and interest for the use in the amount of UAH 463,379 th (Note 15), as well as additional accruals in the amount of UAH 1,496,088 th. On 28 September 2016, the court ruled to partially satisfy the claim. Subsequent to the reporting date, this ruling was appealed and sent for consideration of the Kyiv Commercial Court of Appeals and the Higher Commercial Court of Ukraine (Note 49). As a result of court proceedings, on 25 April 2017, the Higher Commercial Court of Ukraine ruled to satisfy the claims of LLC "Ukrrosleasing" as follows:

- UAH 478,276 th – collection of payment for a part of the lease subject matter and interest for the use;
- UAH 1,445,936 th – additional accruals.



46. 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 risks, 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 consolidated financial information.

Fair values. Fair value measurements are analyzed by levels 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 valuation techniques with all material inputs observable for the asset or liability, either directly (that is, based on 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 judgment in categorizing financial instruments using the fair value hierarchy.

Fair values analyzed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

As at 31 December 2016:

Units of measure: UAH th	Fair value			Carrying value
	Level 1	Level 2	Level 3	
Financial assets				
Investments	-	-	55,618	55,618
Accounts receivables	-	-	3,213,489	3,213,489
Cash and cash equivalents	5,595,174	-	-	5,595,174
Non-financial assets				
Property, plant, and equipment	-	-	75,325,013	75,325,013
TOTAL ASSETS	5,595,174	-	78,594,120	84,189,294
Financial liabilities				
Accounts payables	-	-	4,601,128	4,601,128
Borrowings				
- Eurobonds issued	2,110,877	-	-	2,750,328
- Other borrowings	-	-	16,094,667	16,094,667
TOTAL LIABILITIES	2,110,877	-	20,695,795	23,446,123

Category of financial liability with level 1 fair value includes Eurobonds, debt on which was out of service as at 31 December 2016, however, quoted in an active market.

As at 31 December 2015:

Units of measure: UAH th	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	-	-	4,012,761	4,012,761
Borrowings				
- Eurobonds issued	2,036,186	-	-	2,427,643
- Municipal bonds issued	-	2,884,791	-	2,884,791
- Other borrowings	-	-	14,810,912	14,810,912
TOTAL LIABILITIES	2,036,186	2,884,791	18,823,673	24,136,107



46. Financial risk management

Valuation techniques used in the fair value measurement for level 2 and level 3 measurements were 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 issued	Market quotations
- Other borrowings	Discounted cash flows

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, 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:

Units of measure: UAH th	31 December 2016	31 December 2015
Investments	55,618	122,461
Accounts receivables	3,213,489	2,312,409
Cash and cash equivalents	5,595,174	2,702,645
Maximum exposure to credit risk	8,864,281	5,137,515

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 2016 and 2015 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amounts included in the consolidated statement of financial position because the amounts disclosed in the consolidated statement of financial position are based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined with 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 as at 31 December 2016 is as follows:

Units of measure: UAH th	On demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Other*	Total
Liabilities						
Borrowings	369,057	951,562	2,185,012	24,946	15,984,654	19,515,231
Accounts payable	4,529,084	9,445	62,599	-	-	4,601,128
Total liabilities	4,898,141	961,007	2,247,611	24,946	15,984,654	24,116,359

* Category "Other" includes liabilities for borrowing from Ministry of Finance, Eurobonds and other borrowings, the expenses for debt service of which cannot be estimated reliably.



46. Financial risk management

The analysis of financial liabilities as at 31 December 2015 is as follows:

Units of measure: UAH th	On demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Other*	Total
Liabilities						
Borrowings	707,074	3,618,869	3,625,858	783	14,548,998	22,501,582
Accounts payable	3,765,959	211,930	34,872	-	-	4,012,761
Total liabilities	4,473,033	3,830,799	3,660,730	783	14,548,998	26,514,343

* Category "Other" includes liabilities for borrowing from Ministry of Finance, Eurobonds and other borrowings, the expenses for debt service of which cannot be estimated reliably.

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 changes in a factor while holding all other factors remains 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 exchange rates.

Foreign currency risk. Financing received from third parties exposes the City to foreign currency risk.

Foreign currency denominated financial liabilities are represented by Eurobonds issued and the credit line obtained from European Bank for Reconstruction and Development (Note 15).

The following table presents sensitivities of surplus or deficit 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:

Units of measure: UAH th	Impact on surplus or deficit	
	at 31 December 2016	at 31 December 2015
USD strengthening by 30%	(3,730,564)	(3,260,747)
USD weakening by 10%	1,243,521	1,086,916
EUR strengthening by 30%	(567,144)	(563,122)
EUR weakening by 10%	189,048	187,707

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 summarizes 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, categorized by the earlier of contractual interest repricing or maturity dates.

Units of measure: UAH th	On demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	Other*	Non-monetary items	Total
31 December 2016							
Total financial assets	8,719,113	-	89,550	-	-	55,618	8,864,281
Total financial liabilities	(4,883,251)	(743,453)	(1,809,820)	(24,946)	(15,984,653)	-	(23,446,123)
Net interest sensitivity gap at 31 December 2016	3,835,862	(743,453)	(1,720,270)	(24,946)	(15,984,653)	55,618	(14,581,842)
31 December 2015							
Total financial assets.	4,925,362	-	89,692	-	-	122,461	5,137,515
Total financial liabilities	(3,946,387)	(3,777,533)	(1,862,405)	(783)	(14,548,999)	-	(24,136,107)

Net interest sensitivity gap at 31 December 2015	978,975	(3,777,533)	(1,772,713)	(783)	(14,548,999)	122,461	(18,998,592)
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* Category "Other" includes liabilities for borrowing from Ministry of Finance, Eurobonds and other borrowings, the expenses for debt service of which cannot be estimated reliably.



47. Presentation of financial instruments by measurement categories

The following table provides reconciliation of financial instruments by their measurement categories as at 31 December 2016:

Units of measure: UAH th	Loans and accounts receivable	Assets available for sale	Total
Financial assets			
- Investments	-	55,618	55,618
- Accounts receivable on the exchange transactions	3,213,489	-	3,213,489
- Cash and cash equivalents	5,595,174	-	5,595,174
Total financial assets	8,808,663	55,618	8,864,281
Financial liabilities			
- Borrowings	18,844,995	-	18,844,995
- Accounts payable	4,601,128	-	4,601,128
Total financial liabilities	23,446,123	-	23,446,123

The following table provides reconciliation of financial instruments by their measurement categories as at 31 December 2015:

Units of measure: UAH th	Loans and accounts receivable	Assets available for sale	Total
Financial assets			
- Investments	-	122,461	122,461
- Accounts receivable on the exchange transactions	2,312,409	-	2,312,409
- Cash and cash equivalents	2,702,645	-	2,702,645
Total financial assets	5,015,054	122,461	5,137,515
Financial liabilities			
- Borrowings	20,123,346	-	20,123,346
- Accounts payable	4,012,761	-	4,012,761
Total financial liabilities	24,136,107	-	24,136,107

48. Segment information

Operating segments are components of an organization that take part in commercial activities, from which an organization can receive income 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. The City's chief operating decision maker is an individual or a group of individuals who conduct performance assessment of the City and allocate resources.

For management purposes, the City is organized into segments based on the services they provide:

- 1) state administration;
- 2) building and construction;
- 3) housing and utilities;
- 4) health care;
- 5) education;
- 6) transportation services, public road facilities, communication, telecommunications and information technologies;
- 7) other, comprising less significant services and other units of the City.

No individually significant 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 policies 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.

The management of segments is performed by management of the Kyiv City State Administration.

Segments accounts were prepared in accordance with the Budget Code of Ukraine, Ukrainian Accounting Standards, and appropriate Resolutions of the State Treasury of Ukraine regarding accounting regulations for budget institutions.



48. Segment information

Segment information for 2016 is provided below:

Units of measure: UAH th	State		Building and Housing and construction	utilities	Health care	Education	Transporta- tion services, public road facilities, communi- cation, telecommu- nications and IT	Other segments	Total for reporting segments
	Kyiv's City administratio budget	n							
Segment revenues									
Budget allocations	-	1,192,416	3,641,853	2,597,612	7,639,958	8,052,449	2,552,720	7,614,407	33,291,415
External revenues	38,687,164	59,270	1,023,337	4,255,671	1,685,700	112,269	2,997,470	1,092,153	49,913,034
Intersegment revenues	-	-	85,562	399,480	4,016	2,886	29,502	364,169	885,615
Segment expenses									
General segment expenses	(6,111,185)	(2,376,380)	(4,118,434)	(9,330,429)	(6,982,603)	(7,536,933)	(3,865,116)	(9,439,748)	(49,760,828)
Intersegment expenses	(27,180,229)	(596)	(45,308)	(368,754)	(342,832)	(29,522)	(47,291)	(51,311)	(28,065,843)
Surplus/(deficit) from operations	5,395,750	(1,125,290)	587,010	(2,446,420)	2,004,239	601,149	1,667,285	(420,330)	6,263,393
Finance income/(costs)	(281,439)	-	(3)	(1,352)	-	-	(125,999)	(1,394)	(410,187)
Share in surplus/(deficit) of associates	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the reporting period	5,114,311	(1,125,290)	587,007	(2,447,772)	2,004,239	601,149	1,541,286	(421,724)	5,853,206
Other segment information									
Segment assets	-	1,945,816	22,933,993	44,900,172	10,164,317	4,944,983	27,938,366	6,006,843	118,834,490
Segment liabilities	-	50,162	16,985,747	9,900,734	477,114	94,755	7,990,249	1,368,360	36,867,121



48. Segment information

Segment information for 2015 is provided below:

Units of measure: UAH th	Kyiv's City budget	State administrati on construction	Building and Housing and utilities	Health care	Education	Transporta- tion services, public road facilities, communi- cation, telecommu- nications and IT	Other segments	Total for reporting segments	
Segment revenues									
Budget allocations	-	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 in surplus/(deficit) of associates	-	(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



48. Segment information

Reconciliation of segment results to the City's consolidated results is given below:

Units of measure: UAH th	2016	2015
Segment revenues	84,090,064	72,086,796
Netting of budget allocations	(23,279,594)	(25,805,092)
Elimination of gain on recognition of land and other non-current assets by budget institutions	(4,528,775)	(3,703,786)
Netting of state subventions to households	(4,055,305)	(1,966,171)
Reversal of gain on depreciation of property, plant, and equipment constructed for budget funds	(779,077)	(912,011)
Netting of intersegment revenues	(885,616)	(794,490)
Adjustment to recognize revenue in the correct accounting period	873,416	1,058,794
Other adjustments	155,617	796,620
Consolidated revenue	51,590,730	40,760,660

Units of measure: UAH th	2016	2015
Segment operating expenses	(77,826,671)	(62,846,298)
Netting of intersegment expenses	27,181,241	27,174,405
Elimination of loss on recognition of land and other non-current assets by budget institutions	4,528,775	3,703,786
Netting of state subventions to households	4,055,305	1,966,171
Reclassification of non-operating foreign currency exchange differences arising on foreign currency borrowings from operating to finance costs	-	303,521
Other adjustments	1,327,937	(902,691)
Consolidated operating expenses	(40,733,377)	(30,601,106)

Units of measure: UAH th	2016	2015
Segment finance costs	(410,187)	(1,774,713)
Recognition of foreign exchange differences on Eurobonds	(1,442,651)	(4,480,478)
Reclassification of non-operating foreign currency exchange differences under foreign currency borrowings from operating to finance costs	184,221	(65,592)
Reversal of finance costs relating to 2014	-	362,506
Interest accrual	(696,943)	(15,704)
Other adjustments	(341,150)	(20,875)
Consolidated finance costs	(2,706,710)	(5,994,856)

Units of measure: UAH th	2016	2015
Segment Assets	118,834,490	107,460,103
Netting of intragroup balances	(929,408)	(555,641)
De-recognition of privatized property, plant, and equipment	(23,538,191)	(23,538,191)
Recognition of service concession assets	3,820,452	3,925,566
Recognition and revaluation of property, plant, and equipment that are not carried on the City's accounting records	1,833,353	1,833,353
Allowance for estimated irrecoverable amounts	(585,898)	(799,508)
Other adjustments	1,429,861	897,819
Consolidated assets	100,864,659	89,223,501

Units of measure: UAH th	2016	2015
Segment liabilities	36,867,121	30,725,856
Netting of intragroup balances	(929,408)	(555,641)
Recognition of local loan bonds and Eurobonds	12,296,105	13,738,245
Recognition of medium-term borrowings	3,688,454	3,688,454
Netting of municipal entities' liabilities under concession agreements	(2,940,247)	(2,980,607)
Netting of other liabilities under concession agreements, including improvement	(1,968,430)	(2,103,837)
Netting of liabilities under construction by means of the City's budget funds	(6,991,189)	(6,991,189)
Other adjustments	(650,520)	1,142,427
Consolidated liabilities	39,371,886	36,663,708



49. Events after the reporting period

Terms of functioning. In 2017, 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 14% p.a. from 27 January 2017, 13% p.a. from 14 April 2017, and 12.5% p.a. from 26 May 2017. The inflation rate for January - July 2017 was at the level of 8.2% (4.8 in corresponding period of 2016).

Subsequent to the reporting date, UAH strengthened against major foreign currencies. In particular, as at 31 July 2017, the official exchange rate of UAH to USD as established by the NBU decreased to UAH 25.92 per USD 1 in comparison to UAH 27.19 per USD 1 as at 31 December 2016 (strengthening by 4.67%).

Legal proceedings. Subsequent to the reporting date, the ruling of first instance court regarding the claim of LLC "Ukrrosleasing" against ME "Kyivskyi Metropolitan" (Note 45) was appealed and sent for consideration of the Kyiv Commercial Court of Appeals and the Higher Commercial Court of Ukraine. As a result of court proceedings, on 25 April 2017, the Higher Commercial Court of Ukraine ruled to satisfy the claims of LLC "Ukrrosleasing" as follows:

- UAH 478,276 th – collection of payment for a part of the lease subject matter and interest for the use; and
- UAH 1,445,936 th – additional accruals.

Also, pursuant to the decision of the Commercial Court in the city of Kyiv, a ruling was taken to satisfy claims of LLC "Ukrrosleasing" and arrest the accounts of ME "Kyivskyi Metropolitan". As at 22 August 2017, the amount of UAH 155,921 th was charged back from the accounts of ME "Kyivskyi Metropolitan".

A stack of papers is shown in the foreground, slightly out of focus, with a blurred background of more papers. The lighting is warm and soft, creating a sense of depth and texture. The papers are stacked in a way that shows the edges of many sheets, creating a layered effect.

Section 8.

SUPPLEMENT



Entities, budgetary institutions and organizations in municipal property of the territorial community of the city of Kyiv, that are subordinated to the structural branches of KCSA and included in the special purpose consolidated financial information (selectively)

Name

1	Kyivsky scientific, methodological center on preservance, restoration and use of historical monuments, historical places and natural reserves
2	Museum of prominent actors of Ukrainian culture L. Ukrainki, M.Lysenka, P.Saksaganskogo, M. Starytskogo
3	National historic-architectural museum "Kyivska Fortetsia"
4	National museum of arts imeni Bogdana ta Varvary Hanenkiv
5	Department of Communal Infrastructure of Executive body of Kyiv Council (Kyiv State City Administration)
6	Department of Culture of Executive body of Kyiv Council (Kyiv State City Administration)
7	Department of Health of Executive body of Kyiv Council (Kyiv State City Administration)
8	Kyivsky universtyiy imeni Borisa Hrynchenka
9	Clinical hospital # 7 in Pechersky district of Kyiv
10	Clinical hospital # 1
11	Clinical hospital # 2
12	Clinical hospital # 12
13	Clinical hospital # 17
14	Clinical hospital # 13
15	Clinical hospital # 6
16	Kyiv city Clinical endocrinological center
17	Kyiv city oncology center
18	Clinical hospital # 18
19	Clinical hospital # 15
20	Kyiv city clinical hospital of ambulance
21	Commual organization "Kyivmedspetstrans"
22	Kyiv city maternity hospital
23	Oleksandrivska clinical hospital
24	Sviatoshyn psycho-neurological boarding school
25	Office of Education of Holosiyivskyi district State Administration
26	Office of Education of Darnytskyi district State Administration
27	Office of Education of Desnianskyi district State Administration
28	Office of Education of Dneprovskyi district State Administration
29	Office of Education of Obolonskyi district State Administration
30	Office of Education and innovation development of Obolonskyi district State Administration
31	Office of Education Podilsky district State Administration
32	Office of Education Podilsky district State Administration
33	Office of Education Solomyanskyi district State Administration
34	Office of Education Shevchenkivskyi district State Administration
35	Municipal entity KP "Kyivske investytsiynne agentstvo"
36	Municipal entity KP "Direktsia budivnytstva shlahovo-transportnih sporud in mista Kyeva"
37	Municipal entity KP "Zhytloinvestbud-UKB"
38	Municipal unity commercial entity "Finanova kompania "Zhytlo-invest" of department of construction and infrastructure of Executive body of Kyiv City Council (Kyiv City State Administration)



Name

- 39 Municipal entity KP "Inzhenerny center" Executive body of Kyiv City Council (Kyiv City State Administration)
- 40 Municipal entity KP "Direktsia z kapitalnogo budivnytstva ta rekonstruksii "Kyivbudrekonstruksia"
- 41 Municipal entity KP "Hospodar" Darnytskyi district of Kyiv
- 42 Municipal entity KP "Direktsia z upravlinna ta obslugovuvannia zhytlofogo fondu" Podilsky district of Kyiv
- 43 Municipal entity KP "Direktsia z upravlinna ta obslugovuvannia zhytlofogo fondu" Desnianskyi district of Kyiv
- 44 Municipal entity KP "Direktsia z upravlinna ta obslugovuvannia zhytlofogo fondu" Sviatoshynskyi district of Kyiv
- 45 Municipal entity KP "Direktsia zamovnyka z upravlinna zhytlovym hospodarstvom" Darnytskyi district of Kyiv
- 46 Municipal entity KP "Direktsia zamovnyka z upravlinna zhytlovym hospodarstvom" Obolonsky district of Kyiv
- 47 Municipal entity KP "Tsentr obslugovuvannia spozhyvachiv" Shevchenkivskyi district of Kyiv
- 48 Municipal entity KP "Zhytlorembudservis" Desnianskyi district of Kyiv
- 49 Municipal entity responsible residential housing infrastructure management of Dniprovskyi district of Kyiv
- 50 Municipal entity responsible residential housing infrastructure management of Svyatoshynsky district of Kyiv
- 51 Kyiv Zoo
- 52 Municipal entity of Executive body of Kyiv Council (Kyiv State City Administration) on defense, exploitation of lands and waters "Pleso"
- 53 Municipal entity of Executive body of Kyiv Council (Kyiv State City Administration) "Kyivreklama"
- 54 Municipal entity of Executive body of Kyiv Council (Kyiv State City Administration) "Kyivkomunservis"
- 55 Municipal entity of Executive body of Kyiv Council (Kyiv State City Administration) "Spetsializovane upravlinna protyzsuvnyh robot"
- 56 Municipal entity "Kyivzhytlospetsekspluatatsia"
- 57 Municipal entity "Kyivzhytlospetsekspluatatsia"
- 58 Municipal entity "Kyivzelenbud"
- 59 Municipal entity on greenplants' maintenance in Darnytskyi district of Kyiv
- 60 Municipal corporation "Kyivavtodor"
- 61 Municipal entity "Kyivavtoshlyahmist"
- 62 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Holosiyivskogo rayonu"
- 63 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Dniprovskogo rayonu"
- 64 Municipal entity "Kyivmisksvitlo"
- 65 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Darnytskogo rayonu"
- 66 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Pecherskogo rayonu"
- 67 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Podilskogo rayonu"
- 68 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Solomyanskogo rayonu"
- 69 Municipal entity "Shlahovo-ekspluatatsiynе upravlinna po remontu ta utrimannu avtomobilnyh shlahiv ta sporud na nyh Shevchenkovskogo rayonu"
- 70 Municipal entity "Grupa vprovadzhennya proektu z energozberezhennta v administratyvnyh gromadsykh budivlah m. Kyeva" of Executive body of Kyiv City Council (Kyiv City State Administration)
- 71 Municipal entity Main Information-Computation Center (GIOС)



#	Name
72	Municipal entity " Miskyi magazin"
73	Municipal entity "Bessarabskyi rynek"
74	Municipal entity "Volodymyrskyi rynek"
75	Municipal entity "Farmatsia"
76	Municipal entity International Airport "Zhyliany"
77	Municipal entity "Kyivpastrans"
78	Municipal entity "Kyivdorservis"
79	Municipal entity "Kyivkyi Metropoliten"
80	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Holosiyivskogo rayonu"
81	Municipal entity "Pozniaki-Invest-UKB Darnytskogo rayonu"
82	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Darnytskogo rayonu"
83	Municipal entity "Vatutinskinvesbud"
84	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Desnianskogo rayonu"
85	Municipal entity "Konsultativno-diagnostychnyi tsentr Desnianskogo rayonu"
86	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Dniprovskogo rayonu"
87	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Obolonskogo rayonu"
88	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Pecherskogo rayonu"
89	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Podilskogo rayonu"
90	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Svyatoshynskogo rayonu"
91	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Solomyanskogo rayonu"
92	Municipal entity "Solomyana-Servis" Solomyanskyi District State Administration in Kyiv
93	Municipal entity "Keruyucha kompania z obslugovuvannia zhytlovogo fondu Shevchenkivskogo rayonu"
94	Municipal non-commercial entity "Center of first aid # 1" Shevchenkivskyi district
95	Municipal non-commercial entity "Center of first aid # 2" Shevchenkivskyi district
96	Municipal "Khlib Kyieva"
97	PrAT "AK "Kyivvodokanal"
98	PAT "Kyivgas"
99	PAT "Holding company "Kyivmiskbud"
100	PrAT "Kompania Kyivenergoholding"



List of abbreviations used in the annual report

ASC – Administrative Services Centre	R&D – research and development
ATO – anti-terrorist operation	SE, DP – state-owned enterprise
bln - billion	SFS – State fiscal Service of Ukraine
BSOP – bodies of self-organization of the population	S&P – Standard & Poor's
CB – commercial bank	Sq. M – square meter
CC – confectionary company	th - thousand
CPT – corporate profit tax	TIC – tourist information center
DIF – documentation insurance fund	TIU – territorial intermediate union
DKCSA – district in Kyiv city state administration	tonne – 1000 kg (metric system)
DWS – Dniprovska water drainage station	UAH – Ukrainian hryvnia
EBRD – European Bank for Reconstruction and Development	UIA – Ukrainian International Airlines
EFI – enterprise with foreign investments	UNDP – United Nations Development Program
EIU – Economist Intelligence Unit	USAID – United States Agency for International Development
EUR – euro	USD – United States dollar
FDI – foreign direct investment	VAT – value-added tax
FIFO – first-in, first-out	VTEI – vocational training educational institutions
Gcal – gigacalories	
GDP – gross domestic product	
GO – non-governmental organizations	
GRP – gross regional product	
HEI – higher educational institutions	
HIV – human immunodeficiency virus	
HPP – heat and power plant	
HUMU – housing and utility management units	
IMF – International Monetary Fund	
IPSAS – International Public Sector Accounting Standards	
IS – information system	
ISO – International Organization for Standardization	
ITS – information and telecommunication system	
JSC – joint-stock company	
JV – joint venture	
KCSA – Kyiv City State Administration	
KIA – Kyiv Investment Agency	
KCC – Kyiv City Council	
km – kilometers	
KMPE – Kyiv municipal production enterprise	
KNTEU – Kyiv National Trade and Economic University	
KRCP – Kyiv regional collection point	
kW*h – kilowatt hour	
LF – law firm	
LLC – limited liability company	
MC – municipal corporation	
MCUE – municipal commercial unitary enterprise	
ME, KP – municipal enterprise	
MEIA – municipal enterprise international airport	
mln – million	
n.a. – not applicable/not available	
NASU – National Academy of Sciences of Ukraine	
NAS – National accounting standard	
NBU – National Bank of Ukraine	
NEFCO – Nordic Environment Finance Corporation	
NFA – no fixed abode	
NJSC – national joint-stock holding company	
p.p. – percentage point	
PIT – personal income taxes	
PJSC, PAT – public joint-stock company	
PE – private entity	
PEI – pre-school educational institutions	
PPE – property, plant, and equipment	
PrJSC, PrAT – private joint-stock company	

Notes

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Notes



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