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### **Formation of the fiscal sustainability of municipalities (by the example of the municipality «Birobidzhan City» the Jewish Autonomous region)**

*This article presents a methodological approach to evaluating the budget sustainability of municipalities (hereinafter referred to as MU) and its importance in the management of municipal finances. Assessment of the income and expenditure budget by the example of a particular municipal unit and analysis of the basic budget factors used in assessing the fiscal sustainability of MU. The growth of budget revenues is due to an increase in gratuitous revenues to the budget of Birobidzhan MU during 2015-2019, while reducing tax revenues. Analysis of the dynamics of gratuitous receipts to the local budget indicated that the financial health of MU depends largely on subventions from the higher budgets. The largest share in the structure of expenditures of the local budget of Birobidzhan is education and housing. Due to the strengthening of the fight against terrorism, the highest growth rate was observed in the group of expenditures on national security and law enforcement. Due to lagging revenue growth rates from the growth rate of budget expenditures in Birobidzhan, there is a systematic budget deficit and an increase in municipal debt. The municipal unit, unable to refuse to fulfill its social obligations, is objectively forced to increase the level of unproductive debt load using loans from commercial credit organizations in the conditions of low budget security and chronic deficit of the municipal budget. The article highlights the factors of instability of the studied MU and identifies budget risks that limit its budget stability, and determines the main directions for improving the budget stability at the municipal level.*

**Keywords:** budget stability, municipal formation, budget revenues, budget expenditures, budget security, budget balance, budget stability coefficients, budget risks.

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