

# METHODICAL FOUNDATIONS OF THE EVALUATION OF SUSTAINABILITY AND EFFECTIVENESS OF LOCAL BUDGET GENERATION

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The economic and political crisis had a negative impact on the budgetary system of Ukraine. Monitoring and evaluation of local budget helps local authorities to reflect and understand past performance, which serves as a guide for constructive changes during the period of implementation of the measures of improving the socio-economic development in the future. Financial sustainability of local government is a prerequisite for balanced budget.

The actual questions of financial analysis of the local budget through an objective assessment of its financial stability are considered in the article. Special attention is paid to the methodologies of calculating the financial stability of local budgets.

Assessment of financial stability of Chernivtsi city budget is based on the methodology, which includes a wide range of indicators. In the calculations are used indicators

of totals implementation of the budget and the main indicators of socio-economic development of the territory.

In the structure of the budget revenues following the results of 2015, official transfers occupied the main part of revenues – 51,6%, and personal income – 33,9%, which confirms the dependence of local budgets from the state budget and indicates a low level of financial stability, despite the implementation of Chernivtsi city budget on the 2013-2015 with surplus.

According to the survey limitations and possibilities of financial stability of Chernivtsi city budget in modern conditions of development are highlighted, the key vectors of strengthening of financial autonomy are determined, the ways of increasing the revenue base of local budgets due to the growth of their own tax sources are identified in the article.