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Analysis of Revenues and Expenditures of the Budget of a Constituent Entity of the Russian Federation Using the Example of St. Petersburg in 2023

Abstract: The relevance of this study's topic is essential since all countries rely on income and expenses. Income refers to funds or tangible assets that the state receives from any activity over time. The study object is the financial system of the Russian Federation. The study subject is the analysis of income and expenses of the Russian Federation and the St. Petersburg budget. The study aims to analyse the financial revenues and expenditures of the Russian Federation's budget. Statistical, logical, comparative and deductive methods were used to achieve the research goal. The study used regulatory legal acts of the Russian Federation, methodological materials and verified Internet sources. The author concludes that the implementation of the budget of St. Petersburg in 2023 is characterised by independence, sustainability and social orientation. The budget shows the size of the financial resources needed by the state and the actual reserves available. When fixing specific spending directions, the percentage of expenditures by industry and territory expresses the state's economic policy.

Keywords: budget of St. Petersburg, budget revenues and expenditures, budget powers, funds.

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Анализ доходов и расходов бюджета субъекта РФ на примере Санкт-Петербурга за 2023 год

Аннотация: Актуальность темы данного исследования важна, так как на доходах и расходах держатся абсолютно все государства мира. Доход подразумевает собой денежные средства или материальные ценности, полученные государством физическим или юридическим лицом в результате какой-либо деятельности за определенный период времени. Объектом исследования является финансовая система Российской Федерации. Предметом исследования является анализ доходов и расходов Российской Федерации и бюджета Санкт-Петербурга. Целью исследования является исследование анализа финансовых доходов и расходов бюджета Российской Федерации. Для достижения цели исследования применялись статистический, логический, сравнительный и

дедуктивный методы. В ходе исследования использовались нормативно-правовые акты Российской Федерации, методические материалы и верифицированные интернет-источники. Автор приходит к выводам, что исполнение бюджета Санкт-Петербурга в 2023 году характеризуется самостоятельностью, устойчивостью и социальной направленностью. Бюджет показывает размеры необходимых государству финансовых ресурсов и реально имеющихся резервов. При фиксации конкретных направлений расходования средств, процентное соотношение расходов по отраслям и территориям, является конкретным выражением экономической политики государства.

Ключевые слова: бюджет Санкт-Петербурга, доходы и расходы бюджета, бюджетные полномочия, денежные средства.

Introduction

The relevance of this study's topic is important since absolutely all countries of the world rely on income and expenses. Income refers to funds or tangible assets received by the State as a result of any activity over a certain period of time.

The study object is the financial system of the Russian Federation.

The study subject is the analysis of the income and expenses of the Russian Federation and the St. Petersburg budget.

The study aims to analyse the financial revenues and expenditures of the Russian Federation's budget.

To achieve this goal, it is necessary to solve the following tasks:

- distinguish the general provisions on the analysis of budget formation;
- define the concepts of budget revenues and expenditures;
- analyse the formation of income and expenses on the example of the subject—St. Petersburg.

Statistical, logical, comparative and deductive methods were used to achieve the research goal.

The study used regulatory legal acts of the Russian Federation, methodological materials and verified Internet sources.

Results

The Main Provisions, the Theoretical Foundations of Budget Formation

General Provisions on the Budget

In modern legal and economic literature, the concept of “budget” is considered in various aspects. The budget as an economic category is a set of social relations that arise in creating, distributing and using centralised funds that the state and municipalities need to fulfil their tasks and functions. The budget is the financial basis of the functioning of the state and municipalities, the central link of society's financial system, with all its links being connected. As a legal category, the budget is the leading financial plan of a state or municipality, a list of its income and expenses. Regarding material content, the budget is a centralised fund of state or municipal funds.

The budget is divided into several categories

(1) Legal category

- the main financial plan of the state or municipality, a list of its income and expenses;

(2) Economic category

- the material aspect is the centralised monetary fund of the state or municipalities;
- the social aspect is a system of economic relations that arises when creating, distributing, and using centralised funds, the state and municipalities need to fulfil their tasks and functions.

There is a definition of budget in the Russian Federation's legislation. According to Article 6 of the Budget Code of the Russian Federation, the budget (*The Budget Code ..., 1998*) is a form of formation and expenditure of funds intended to financially support the tasks and functions of the state and local government (*Gracheva & Sokolova, 2023*).

The federal budget is under the jurisdiction of Russia (Art. 71 of The Constitution of the Russian Federation) (*The Constitution ..., 1993*). It is approved by federal law and also has the highest legal force. Federal budget funds must comply with the norms of the Budget Code of the Russian Federation and the federal law that approved it for a certain period. Since 2008, the Budget Code of the Russian Federation has provided for the transition to budget approval not for one fiscal year, as before, but for a more extended period: for 3 years—the next fiscal year and the planning period.

The main directions of expenditures (their classification) are defined in Article 21 of the Budget Code of the Russian Federation. They are implemented in federal laws approving the federal budget for a certain period of our country's development, as well as in the laws of the constituent entities of the Russian Federation and regulations of representative bodies of local self-government on the relevant budgets. Thus, the expenses are uniform for the budgets of the budgetary system of the Russian Federation:

- national issues, including the provision of financial, tax, customs and financial supervisory authorities; elections and referendums; international relations and international cooperation; fundamental and applied research in the field of national issues;
- national defense;
- national security and law enforcement activities;
- national economy, including fuel and energy complex, agriculture and fisheries, water management, forestry, transport, forestry, communications and computer science;
- housing and communal services;
- environmental protection and natural resources: hydrometeorology, cartography and geodesy;
- education;
- culture, television and radio broadcasting, cinematography, mass media;
- healthcare, physical education and sports;
- social policy;
- inter-budget transfers (*Gracheva & Sokolova, 2023*).

Budget law—the main sub-branch of financial law, which includes financial and legal norms that establish the structure of the budgetary system of the Russian Federation, the list of budget

revenues and expenditures, the procedure for their distribution among different types of budgets, the budgetary rights of the Russian Federation, subjects of the Russian Federation, municipalities, regulating the budgetary process, regulating the formation and use of state extra-budgetary funds for financial ensuring the socio-economic development of the country and other needs of society, as well as establishing liability for violations of the budget legislation of the Russian Federation (*Gracheva & Sokolova, 2023*).

The norms of budget law are divided into substantive and procedural in their content. Budgetary material norms fix the structure of the budget system of the Russian Federation, the list of budget revenues and expenditures, and their distribution among different budgets. Procedural norms include norms regulating the procedure for drawing up, reviewing, approving and executing state and local budgets, the procedure for drawing up and approving a budget execution report, and the implementation of state and municipal financial control in budgetary activities. The norms of budgetary law establish the authority or competence of various subjects of budgetary and legal relations, expressed in the right to receive some budget revenues, allocate budget funds at their discretion, and independently execute the budget using the appropriations provided for by it.

The most important norms of budget law are enshrined in the Budget Code of the Russian Federation (*The Budget Code..., 1998*). These include the norms delimiting the competence of state authorities and local governments in the legal regulation of budgetary relations.

According to Article 7 of the Budget Code of the Russian Federation, the budgetary powers of the Russian Federation include matters of general fundamental importance for the functioning of the Russian budget system as a whole such as

- establishment of general principles of the organisation and functioning of the budget system of the Russian Federation, the basics of the budget process and inter-budgetary relations;
- defining the basics of drafting and reviewing draft budgets of the budgetary system of the Russian Federation, approving and executing them, conducting an external audit, reviewing and approving reports on their execution and monitoring their execution;
- establishment of the basics of budget classification and the general procedure for its application.

The budgetary powers of the Russian Federation also include the establishment of grounds, types of responsibility and the procedure for bringing to justice for violations of the budget legislation of the Russian Federation.

According to Article 8 of the Budget Code of the Russian Federation, the budgetary powers of the Russian Federation are issues of relations between subjects of the Russian Federation and other subjects of budgetary law. The budgetary powers of the subjects of the Russian Federation also include issues directly related to the preparation and consideration of draft budgets of the subjects of the Russian Federation, their approval, execution, and provision of inter-budgetary transfers from the budget of the subjects of the Russian Federation.

According to Article 9 of the Budget Code of the Russian Federation, the budgetary powers of municipalities include

- establishing the procedure for drafting and reviewing local budget drafts, approving and executing local budgets, approving and executing local budgets, monitoring their execution, and approving reports on the execution of local budgets;
- drafting and reviewing local budget drafts, approving and executing local budgets, monitoring their execution, and approving reports on the execution of local budgets;
- determining the procedure for providing inter-budget transfers from local budgets.

The Russian Federation's budgetary powers are exercised by state authorities: the Federal Assembly, the President, the Government, and federal executive authorities.

The relevant state authorities implement the budgetary powers of the Russian Federation's subjects.

The relevant local government bodies implement the budgetary powers of municipalities.

According to Article 1 of the Budget Code of the Russian Federation, budgetary relations are

- arising between subjects of budgetary, legal relations in the process of income generation and expenditure implementation of budgets of the budgetary system of the Russian Federation, implementation of state and municipal borrowings, regulation of state and municipal debt;
- preparation and review of draft budgets of the budgetary system of the Russian Federation, approval and execution of budgets of the budgetary system of the Russian Federation, control of their execution, implementation of budget accounting, preparation, review and approval of budget reports (*Gracheva & Sokolova, 2023*).

Regardless of its level in the budget system, each budget consists of income and expenses. As noted in the legal literature, the primary source of budget revenues is society's national income, and budget expenditures, being closely related to revenues, are determined by the goals and objectives facing the state and municipalities (local governments) at the present stage of their development.

Budget Revenue Generation

Paragraph 1 of Article 41 of the Budget Code states that budget revenues include tax, non-tax, and gratuitous receipts (*The Budget Code ..., 1998*).

Budget revenues in the literature are classified according to socio-economic criteria.

All budget revenues provided for by legislation are divided into several groups according to socio-economic criteria in the literature

- income from enterprises and other organisations of various forms of ownership;
- income from the use of state and municipal property;
- income from state foreign economic activity;
- income received from citizens.
- organisational and legal basis;

Incomes are divided into fixed regulatory and legal forms of income.

For tax and non-tax, gratuitous receipts (grants, subventions, subsidies).

Modern budget legislation preferably regulates budget revenues and expenditures. The Russian Federation's budget code includes many provisions developed by the science of financial law.

Also, the problems of forming the revenue side of the state budget are being studied more carefully, along with cost optimisation, receiving increasing attention. Budget revenues mainly depend on the budgetary structure of the state, determined by the form of government, namely the internal structure of the state and the system of relations between individual administrative-territorial units based on the distribution of authority.

Other important factors determine the specifics of the formation of the revenue side of the state budget, which can be classified into internal and external. The first ones include

- the scale of the state: the larger the area and population of a country, the more revenue is expected to flow into the budget, which is valid for those states that are approximately at the same level of economic development;
- natural resource potential of the state: revenues from the use of natural resources are a significant source of replenishment of state budget revenues, which allows not only to reduce the cost of acquiring them for domestic consumption but also to generate income from their export;
- the state of the real sector of the economy: the higher the level of profitability of business entities, the more taxes go to the budget due to the positive dynamics of the increase in the tax base, which, in addition to a direct contribution to the state budget, also leads to a reduction in government spending on maintaining unprofitable sectors of the economy;
- The country's tax system: implementing a simple and effective tax policy that does not create excessive pressure on business entities and the population while maintaining its stimulating function increases tax revenues for the state budget.

The external ones include

- the level of integration of the state into the global financial system indicates the country's ability to adapt quickly and without significant losses to adverse changes in the global economy and reduce their impact both on the overall economic situation in the country and on budget revenue generation;
- the state of the country's balance of payments: a negative balance of payments contributes to the outflow of capital from the country, leading to problems servicing public debt and increasing budget revenue deficits.

Thus, implementing measures to strengthen the budget revenue base by considering both internal and external factors influencing its formation will contribute to creating favourable macroeconomic conditions and improving the ratings of countries within the framework of regional integration formations and in the international arena.

The Budget Code of the Russian Federation establishes not only general provisions on the formation of budget revenues, regardless of their level in the budget system, but also regulates the revenues of certain types of budgets

- (1) the federal budget;
- (2) budgets of the subjects of the Russian Federation;
- (3) local budgets.

Budget revenues provided for in Article 41 of the Budget Code of the Russian Federation are divided into types

(1) Tax types of income include

- federal taxes and fees;
- taxes provided for by special tax regimes;
- regional taxes;
- local taxes;
- fines, penalties on taxes and fees.

(2) Non-tax types of income include

- income from the use of state-owned or municipal property;
- income from the sale of state-owned or municipal property;
- income from paid services provided by budget institutions;
- Compulsory withdrawal amounts (fines);
- means of self-taxation of citizens;
- other income.

(3) Gratuitous transfers are divided into

- inter-budget transfers from other budgets of the budgetary system (grants, subventions, subsidies);
- gratuitous receipts from individuals, legal entities, international organisations, and foreign governments, including donations.

Budget revenues are generated according to the budget and tax laws of the Russian Federation.

The non-tax revenues of the Russian Federation's Budget Code include incomes that, according to previously existing budget legislation, were considered "extra-budgetary funds."

Non-tax income includes

- income from the use of state-owned or municipal property after payment of taxes and fees provided for by the legislation on taxes and fees, except for property of autonomous institutions, as well as property of state and municipal unitary enterprises, including state-owned;
- income from the sale of property (other than shares and other forms of equity participation, state reserves of precious metals and precious stones) owned by the state or municipal authorities, after payment of taxes and fees provided for by the legislation on taxes and fees, except for property of autonomous institutions, as well as property of state and municipal unitary enterprises, including state-owned ones;
- from paid services provided by budgetary institutions after payment of taxes and fees stipulated by the legislation on taxes and fees;
- funds received as a result of the application of measures of civil, administrative and criminal liability, including fines, confiscations, and compensations, as well as funds received in compensation for damage caused to the Russian Federation, subjects of the Russian Federation, municipalities, and other amounts of compulsory withdrawal; means of self-taxation of citizens;

- other non-tax income.

According to Article 42 of The Budget Code of the Russian Federation (*The Budget Code...*, 1998), the following funds received from the use of state or municipal property are taken into account in revenue budgets

- funds received in the form of rent or other payments for the transfer of state or municipal property for paid use;
- funds received in the form of interest on budget balances in accounts with the Central Bank of the Russian Federation and credit institutions;
- payment for the use of budget loans;
- funds received from the transfer of property in state or municipal ownership as collateral in trust management;
- income in the form of profits attributable to shares in the established (pooled) capitals of business partnerships and companies or dividends on shares owned by the Russian Federation, subjects of the Russian Federation or municipalities;
- a portion of the profits of state or municipal unitary enterprises remaining after taxes and other mandatory payments;
- other income provided by the legislation of the Russian Federation is from the use of state or municipal property, except for property of autonomous institutions, as well as property of state and municipal unitary enterprises, including state-owned ones.

The Budget Code of the Russian Federation establishes the concept of “own budget revenues,” previously known as budget legislation. Based on Article 47 of the Budget Code of the Russian Federation, the budget’s revenues include

- tax revenues credited to budgets according to the budget legislation of the Russian Federation and legislation on taxes and fees;
- non-tax revenues credited to budgets according to the legislation of the Russian Federation, the laws of the subjects of the Russian Federation and municipal legal acts of representative bodies of municipalities;
- revenue received by budgets in the form of gratuitous receipts, except for subventions.

The Budget Code of the Russian Federation establishes general provisions for forming budget revenues, regardless of their level in the budget system. It also regulates in detail the tax and non-tax revenues of certain types of budgets:

- The Federal Budget (Art. 50, 51);
- budgets of the subjects of the Russian Federation (Art. 56, 57);
- local budgets (Art. 61, 62).

According to Article 53 of the Budget Code of the Russian Federation, the powers of the Russian Federation to generate budget revenues include the establishment of new types of taxes and their abolition or amendment, which is possible only according to the legislation of the Russian Federation on taxes and fees (*Gracheva & Sokolova, 2023*).

Formation of Budget Expenditures

The definition of an “expenditure obligation” is contained in Article 6 of The Budget Code of the Russian Federation (*The Budget Code ... , 1998*), according to which it is the obligation of a public legal entity (subject of the Russian Federation, municipal entity) or a state-owned institution acting on its behalf to provide an individual or legal entity with to a person, another public legal entity, or a subject of international law, funds from the relevant budget.

Budget expenditures are the funds the government or other governing bodies spend on implementing their programmes and projects in various fields.

They consist of two parts: mandatory expenses and discretionary expenses. The government is obliged to pay mandatory expenses according to the law, such as pensions or unemployment benefits. Discretionary expenses are expenses that the government can freely allocate to various programmes and projects.

Budget expenditure items are separate categories that help classify expenditures provided for in the state budget. Each expenditure item reflects a specific purpose for spending money from the budget and is determined based on the functions that it must perform.

The amount and structure of budget expenditures depend on many factors.

With a high level of economic growth, budget expenditures may increase as demand for public services such as healthcare, education, and transport increases. The population’s social needs affect healthcare costs, social security, education and other social programs. The geopolitical situation and the level of military threat dictate defence spending, while political instability and crises require high costs for law enforcement and law enforcement agencies.

Budget expenditure levels are

- (1) federal: expenses incurred at the expense of the government;
- (2) regional: at the regional and state level;
- (3) municipal: at the municipal level, such as cities and rural areas;
- (4) international level of expenditure: the cost of financing international organisations and programs in which a country participates.

Expenses can also be divided into groups when entered into the accounting system. These groups usually correspond to different branches of the economy or sectors of public life, such as social policy, healthcare, education, culture, science and technology, and economic policy.

The cost items are described in more detail, and each group’s specific types of expenses are explained. For example, within the “Healthcare” group, expenditures may include “Medical care,” “Disease prevention,” and “Development of medical technologies.”

Budget expenditure structure is

- mandatory expenses: the government must pay based on laws and regulations. Pensions, unemployment benefits, medical insurance and other social benefits usually go here;
- salaries and administration: these are expenses related to the remuneration of civil servants, as well as the maintenance of government institutions and organisations related to the administration of the country;
- capital: investments in economic development, such as the construction and renovation of infrastructure, the development of industry, agriculture and transport;
- social spending: everything related to protection, healthcare, education, culture, sports, and other social needs;

- defence and security expenditures: the defence of the country, the maintenance of the army, armed forces and national security;
- other: expenses that do not fall into the above categories, such as paying interest on government debt or financing programmes and projects.

The process of accounting for budget expenditures is

- (1) planning, that is, determining the volume based on the tasks and priorities defined in the budget for the year;
- (2) implementation, i.e., monitoring the implementation of the plan, monitoring the receipt and use of funds;
- (3) control and analysis, that is, tracking the correctness of cost accounting, as well as analysing the effectiveness of using funds;
- (4) reporting.

There are specific methods and tools for practical cost accounting.

Accounting includes recording financial transactions, preparing accounting reports, and preparing accounting statements according to accepted standards.

Management accounting is used to manage budget resources at the level of individual programs, projects, and activities; it includes planning, budgeting, monitoring, and analysing budget resources.

Computer modeling is used to predict budget expenditures and determine the impact of political and economic environment changes on expenditure structure.

Audit is the process of evaluating the effectiveness of budgetary resource use. It is performed to identify unnecessary expenses and violations in budgetary resource management.

This concept, as applied to the next financial year, during which it is subject to execution, is specified by the concept of “budget obligation” (Art. 6) (*The Budget Code..., 1998*). The budget expenditures of the budgetary system are performed by certain subjects of budgetary law – the principal administrators, administrators, and recipients of budgetary funds.

Budget legislation regulates budget expenditures in detail. The Russian Budget Code establishes general provisions on budget expenditures, regardless of their level in the Russian budget system, and expenditures of some types of budgets: the federal budget, budgets of constituent entities of the Russian Federation, and local budgets.

The main directions of expenditures of the budgets of the budgetary system of the Russian Federation are

- maintenance of public authorities and local self-government bodies;
- ensuring national defence;
- ensuring national security and law enforcement activities;
- maintaining the national economy;
- environmental protection;
- education;
- healthcare, sports;
- socio-cultural sphere;
- inter-budget transfers (*Gracheva & Sokolova, 2023*).

Subventions and subsidies are also forms of budget expenditures provided by the Russian Federation's Budget Code. A subvention is a form of budget expenditures and financial assistance used in the Russian budget system to finance certain targeted expenditures.

One of the most important forms of budget expenditures provided for by the Budget Code of the Russian Federation is the cost of financing investments in state and municipal property.

Analysis of Budget Formation on the Example of St. Petersburg, the Subject of the Russian Federation

General Characteristics

St. Petersburg is a city of federal significance in the Russian Federation, a subject of the Russian Federation, the administrative centre of the North-Western Federal District, and the seat of the highest authorities of the Leningrad Region. It is located in the north-west of the Russian Federation. The city's area is 1,439 sq. km.

According to the Legislation of St. Petersburg No. 411-68 dated July 25, 2005 (*On the Territorial Structure...*, 2005), St. Petersburg is divided into territorial units, which include administrative-territorial units and municipalities. St. Petersburg includes 18 districts, divided into 111 municipalities, including 81 municipal districts.

St. Petersburg is Russia's important economic, scientific and cultural centre and a central transport hub. The city's historical centre and its associated monument complexes are included in the UNESCO World Heritage List; it is one of the most important tourism centres in the country. Among the most significant cultural and tourist sites are the Hermitage, the Kunstkammer, the Mariinsky Theater, the Russian National Library, the Russian Museum, the Peter and Paul Fortress, St. Isaac's Cathedral, and Nevsky Prospekt. Among other things, the program for the preservation and development of the historical centre of St. Petersburg is aimed at preserving cultural heritage sites. The population as of 2023 is 5.6 million people.

St. Petersburg is a constituent entity of the Russian Federation; it is the most important industrial centre and a central transport hub with a developed infrastructure. The city has an international airport, three sea and three river ports, 12 railways, and five main highways approach the city. St. Petersburg's economy is based on mechanical engineering, metalworking, electrical engineering, nuclear energy, chemical, petroleum, pulp and paper, light industry, food and other industries, shipbuilding, and instrument engineering. The production of structures made of metal, reinforced concrete and wood, wagon building, production of agricultural, road and construction machinery, garages, and fire-fighting equipment has been mastered. About 8 thousand economic facilities are operating in St. Petersburg.

In 2023, upon completion of the implementation of the budget law:

- actual revenues amounted to 1,142.72 billion rubles;
- planned revenues amounted to 1,048.55 billion rubles;
- actual expenses amounted to 1,174.06 billion rubles;
- planned expenses amounted to 1,199.28 billion rubles;
- the planned deficit amounted to 150.74 billion rubles;
- the actual surplus amounted to 92.16 billion rubles.

Revenue Generation in St. Petersburg

Budget revenues are funds the budget receives, except for funds that are sources of financing budget deficits according to the Budget Code. Budget revenues include tax, non-tax, and gratuitous receipts to the regional budget.

According to the Law of St. Petersburg No. 666-104 dated November 29, 2022 (*On the Budget of St. Petersburg..., 2022*), the total revenue of St. Petersburg amounted to 1.148 trillion rubles, which is 4.6% more than the annual plan. The budget's revenues amounted to 1.109 trillion rubles.

Almost three-quarters of the revenues (820 billion rubles) were provided by taxes on personal income and corporate profits.

Personal income tax receipts increased (111%, 77 billion rubles), as did revenues from special tax regimes for small businesses (106%, 76 billion rubles) and excise taxes (105%, 37.4 billion rubles).

Non-tax revenues amounted to 96 billion rubles, which is 26% more than the results 2022 and 2.3 times higher than the results 2021. The city earned 34 billion rubles on managing temporarily free budget funds, 24 billion on the lease and sale of city property, 11.5 billion on paid parking and traffic violations fines, and 10 billion on passenger travel and baggage transportation:

- net interest income amounted to 50.7 billion rubles (+27.3% when compared with the results of 2022);
- net fee and commission income amounted to 12.7 billion rubles (–11.1% compared to 2022);
- net income from operations in financial markets amounted to 13.2 billion rubles (down 67% from 2022).

Formation of Expenses in St. Petersburg

Budget expenditures are funds paid from the budget, except for funds that are sources of financing budget deficits according to the Budget Code. Budget expenditures are formed from expenditures according to three types of classification: by sections and subsections of the classification of expenditures, by state programs and non-program areas, and by departments.

According to the Law of St. Petersburg No. 666-104 dated November 29, 2022 (*On the Budget of St. Petersburg..., 2022*), the total expenditure of St. Petersburg amounted to 1.195 trillion rubles.

Budget expenditures reached 1.174 trillion rubles, which is higher than the previous year's results in absolute (131 billion) and relative terms (98% vs. 97.7) (*St. Petersburg's budget..., 2024*).

Operating expenses amounted to 22.5 billion rubles (–2.9 compared to 2022). The cost-to-income ratio was 29.7 billion rubles (24.5 billion rubles by the end of 2022).

The key areas where the funds will be distributed are 18 government programmes. Most of the funds will be allocated to the transport system (about 23% of all expenses), education (about 20%), healthcare (about 13%) and social support for the population (10%). It plans to invest in housing construction for citizens and improve the housing and communal services system. In general, the budget of St. Petersburg in 2023 is planned to focus more on economic and social development than consumption.

The transport system cost 270 billion rubles in 2023. The subway was enriched with 10 eight-car trains; ground transport increased by 87 trolleybuses (2.7 billion rubles), 163 trams (15.9 billion rubles), and 25 buses (815 million rubles). The authorities believe the city's development cost in 2023-2024 should be increased to 26% of the budget.

Also, a significant part of the expenses were tuition fees. 240.1 billion rubles were reserved, spent on all levels of education, from schools to universities. The grant support to the scientific and production associations cost 2 billion rubles, and 1.1 billion rubles were planned to re-equip and repair vocational schools.

Education almost always makes up a significant part of municipal and regional budgets. All the money is spent on the salaries of employees of such institutions, which is why it is impossible to "optimise" these items.

160.1 billion rubles were allocated for developing healthcare and sports. Polyclinics, hospitals and other facilities of a similar type, were reconstructed and built. However, it is sad to consider that the main healthcare costs are based on the compulsory medical insurance system, and the city helps maintain the medical institutions themselves as their balance sheet holder.

A billion rubles were spent on equipping and repairing 123 school stadiums.

The cost of social support for St. Petersburg residents has reached 120 billion rubles. 10,535 billion rubles were spent on monthly child allowances; one and a half billion rubles were spent on monthly payments for the birth of a third child and subsequent children. Also, more funds are allocated for pensions: 3.65 billion rubles for regional social surcharges and 5,136 billion rubles for veterans of labour and equivalents.

Social facilities were repaired for 20.9 billion rubles and equipped for 18.5 billion rubles. Almost half a billion rubles were allocated to renovate the House of Nationalities in the Northern capital.

Conclusion

Based on the research conducted, it can be concluded that the implementation of 2023 St. Petersburg's budget is characterised by independence, sustainability, and social orientation.

Net profit amounted to 48.7 billion rubles (+2.2% compared to 2022), corresponding to a return on equity of 30.8% (38.9% by the end of 2022).

By the end of 2023, the bank's assets exceeded 1 trillion rubles for the first time and amounted to 1,056.6 billion rubles (+26.3% compared to January 1, 2023).

As of January 1, 2024, loans and advances to customers before deduction of reserves amounted to 677.1 billion rubles (+22.7 billion compared to January 1, 2023). The corporate credit profile has grown by 26.7% since the beginning of the year, amounting to 519.3 billion rubles. The retail loan portfolio has grown by 11.1% since the beginning of the year and amounted to 157.8 billion rubles.

The budget shows the size of the financial resources needed by the state and the actual reserves available. When fixing specific spending directions, the percentage of expenditures by industry and territory expresses the state's economic policy.

In summarising this work, it is worth noting that the budget combines the main financial categories (taxes, government revenues, and expenditures).

It is also worth noting that St. Petersburg is a developed region with a rapid pace of development, a reasonably large budget, and large expenditures, fully covered by at least significant revenues, resulting in a budget surplus. St. Petersburg has excellent potential for cultural and industrial development and strengthening economic ties with other regions of the Russian Federation.

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