

ABSTRACT

This study aims to provide an overview of the financial performance of district and city governments in Central Java to determine the effect of local revenue and capital expenditure on local government financial performance. The research method used is descriptive and verification method. The sample used is 35 Regencies and Cities in the Central Java Province Region for the 2020-2021 Fiscal Year. The statistical analysis used in this study is multiple linear regression analysis.

Based on the results of the research conducted, it can be seen that partially original regional income has a positive effect on local government financial performance where the magnitude of the influence of regional original income is 4.60%. Meanwhile, capital expenditure has a positive effect on local government financial performance where the magnitude of the influence of capital expenditure is 0.32%.

keywords: regional genuine income, capital expenditures, local government financial performance.