

ABSTRACT

Local government's financial performance is an overview of the level of achievement of local governments in conducting financial management. The measurement of local government's financial performance is crucial to compare the suitability between objectives and the success implementation of government programs. Government financial performance can be measured using effectiveness ratios, efficiency ratios and regional financial independence ratios.

This study aims to analyze the effect of Regional Original Revenues and Balancing Funds simultaneously and partially on the Financial Performance of District and City Governments in West Java Province in 2015-2018. The data used in this study were obtained from the APBD visualization on the Ministry of Finance website.

This study used purposive sampling and obtained 52 research samples. Analysis of the data used in this study is panel data regression analysis and using the Eviews 10 application.

Based on the results of the study, the variable Local Revenue and Balancing Fund simultaneously affect the Government's Financial Performance. Partially, the variable Local Revenue has a positive effect on Government Financial Performance. The Balancing Fund has a negative effect on the Government's Financial Performance.

For further research, it is expected to add other variables that have not been used in this study. It is expected that the Regency and City Governments in West Java Province can maximize Regional Original Revenue and evaluate the determination of the Regional Original Revenue Budget to better suit the region's ability to realize Regional Original Revenues.

Keywords: *Local revenue, Balance fund, Effectiveness Ratio, Efficiency Ratio, Financial Independence Ratio, Regional Government Financial Performance.*