

## **ABSTRACT**

*The financial performance of local governments is an achievement or can be called a measure of the success of local governments in managing their regional financial resources. So that with good management it is hoped that it can provide good services so that the goals of the autonomous region can be achieved.*

*This study aims to determine the effect of capital expenditure, local revenue (PAD), and audit opinion on the financial performance of district / municipal governments in the province of D.I Yogyakarta in the 2013-2018 period, either simultaneously or partially.*

*The phenomena in this study were explored using the case study method. The data collection technique is to use secondary data in the form of a time series for six years from 2013-2018. The population in this study were all districts / cities in the province of D.I Yogyakarta. The financial performance of local governments in this study uses the effectiveness ratio. The analysis used in this study is multiple linear regression using Spss 24 Software.*

*The results of this study are Capital Expenditures, Local Government Revenue (PAD), and Audit Opinion simultaneously have a significant effect on the financial performance of districts / cities in the Province of D.I Yogyakarta in 2013-2018. Capital expenditures have a significant effect on the financial performance of the government in districts / cities in DI Yogyakarta Province in 2013-2018, the local revenue (PAD) variable has no significant effect on the financial performance of local governments in districts / cities in D.I Yogyakarta Province in 2013-2018 and the variables Audit opinion does not have a significant effect on the financial performance of local governments in districts / cities in Yogyakarta Province in 2013-2018.*

*The results of this study are expected to be used as an evaluation in improving regional financial performance, and are expected to provide an overview and motivation for the community to contribute directly to improving regional financial performance that is better in each of its performance and the achievement of welfare and progress for the region.*

**Key word :** *Capital Expenditure, Local Government Revenue, Audit Opinion, Financial Performance*