

ABSTRACT

This research aims to determine the influence of regional revenue, general allocation fund, and special allocation fund in one year on the financial performance districts and cities in the region of Central Java in next year. The study use financial independence ratio as financial performance measure/

The study is explanatory study with quantitative approach. The study population includes all districts and cities in the Region of Central Java 2010-2014. This samples in this study were determined through sensus sampling method, as all 35 districts and cities in Central Java. The data utilizes is secondary data consists Consolidated Actual Revenues and Expenditures Budget (APBD) 2010-2014 obtained from the Direcorate General of Fiscal Balance (DJPK). The study tested the hypothesis collected by using multiple linear regression.

The results of this study showed that the regional income effect has positive effect on financial performance, while general allocation fund and special allocation fund has negative effect on financial performance

Keywords: Regional Revenue, General Allocation Fund, Special Allocation Fund, and Financial Performance