

## **ABSTRACT**

*The purpose of this study was to determine the regional financial performance and the level of district/city independence in North Sumatra in the 2011-2016 budget year. The analytical tool used to measure regional financial performance is independence ratio, effectiveness ratio, efficiency ratio, decentralization ratio, harmony ratio, regional financial dependency ratio, income growth ratio.*

*The results of regional financial performance analysis in North Sumatra indicate that the independence ratio in Medan City has a high level of independence. The effectiveness ratio in North Sumatra shows that Tebing Tinggi City has very effective effectiveness. The efficiency ratio in North Sumatra shows all districts/cities have very efficient efficiency. The degree of decentralization of districts/cities in North Sumatra shows that the city of Medan has a decentralized level. The Regency/City harmony ratio in North Sumatra shows that the District / City of Serdang Bedagai and North Nias. The dependency ratio of regency / city regions in North Sumatra shows a dependency tendency in the central government. The ratio of income growth in regencies/cities in North Sumatra is a positive trend.*

*Keywords : APBD, Regional Financial Performance, locally generated revenue.*