

ABSTRACT

This study aims to examine and analyze the effect of fund balance, revenue (PAD), the size of the legislature, and size terhadap financial performance of local government districts / cities in Indonesia in 2012. The research method using multiple regression analysis. This study has escaped the classical assumption that has stage normality test, multikolonieritas, autocorrelation, and heteroscedasticity test.

The population in this study is the Local Government districts / cities in Indonesia in 2012 is the total population of 491 districts / cities below 33 provinces (id.wikipedia.org), sampling with purposive sampling technique with the criteria of the District / City that publishes data on the number members legislative and district / city with the Local Government Finance Report (LKPD) which has been audited by the Supreme Audit Agency (BPK) the opinion of a qualified or unqualified. Generate a sample Of 191 districts / cities.

The results of this study indicate that the fund balance, revenue (PAD), the size of the legislature, and the size either simultaneously or partially affect the financial performance of local government districts / cities in Indonesia.

Keywords: Fund Balance, Revenue (PAD), Legislative Size, Size, Performance of Local Government Finance.