FINANCIAL RATIO ANALYSIS TO ASSESS PERFORMANCE FINANCIAL PERFORMANCE OF local GOVERNMENT
(Case Study on Surakarta City Government for the 2020-2022 Period)

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Abstract: The purpose of this study is it find out and analyze the regional financial Performance of the Surakarta city government in 2020-2022 in terms of the PAD independence ratio, to find out and analyze the regional financial performance of the Surakarta city government in 2020-2022 in terms of the effectiveness ratio, to find out and analyze financial performance. Surakarta city government area in 2020-2022 in terms of efficiency ratios, to find out and analyze the regional financial performance of the Surakarta city government in 2020-2022 in terms of growth ratios. Research is descriptive Research the sample in this in study is the Surakarta city APBD 3 years, namely the period 2020-2022. The data collection method with documentation. Data analysis techniques with PAD independence ratio, effectiveness ratio, efficiency ratio and growth ratio. The result of the study shows that the independence ratio of PAD in Surakarta city 2020-2022 shows a consultative relationship pattern, namely that the level of regional dependence on assistance from the central government is close to being able to carry out autonomous affairs. The effectiveness ratio of Surakarta city's PAD in 2020-2022 has been effective, namely average of 120% and it is already above 100%, the regional financial efficiency ratio of Surakarta city in 2020-2022 has been efficient, namely an average of 95% or below 100% and the growth ratio Surakarta city in 2020-2022 has a positive value because it tends to increase, this occurs due to the maximum amount of revenue received by the Surakarta city government.

Keywords: *Effectiveness ratio, efficiensy ratio and growth ratio, PAD independence ratio, and regional financial perfomance.*

1. Introduction

Regional funding is one of the key factors in measuring the level of ability to implement regional autonomy. The condition of local finances determines the form and variety of activities carried out by local governments. The more money available, the more activities or work that might be carried out. Likewise, the better the management of regional finances, the more efficient the use of that money (Kaho, 2015). Regional financial management not only requires reliable human resources but also needs support from adequate financial capacity. The ability of local governments to explore regional financial capacity can be seen through regional financial performance.

Measuring regional financial performance can be an evaluation and restore local government performance by comparing plans and implementation. Local finance is an important factor in measuring the region's ability to exercise its autonomy. Local finance, or local budget, is the regional government's financial plan expressed in the form of currency (Indonesian Rupiah) over a specific period. The management of local finance encompasses the entirety of activities involving planning, implementation, accounting, reporting, accountability, and supervision of local finance.

The local government, as the responsible entity's for governance, development, and public services, is obligated to report financial accountability for the resources gathered from the community as a basic for assessing its financial performance. Performance can be depicted as activities or programs aimed at achieving the objectives, missions, and visions of an organization as formulated in the strategic scheme of an organization (Bastian, 2010). Meanwhile, performance assessment is the process of recording and measuring the achievement of activity implementation towards mission accomplishment through presented results in the form of products, services, or processes (Larry D. Stout in Bastian, 2010). This means that every organizational activity is a process recorded within the mission and aligned with the organization's goals, where the activity is deemed successful when its results can be enjoyed by the wider community. Performance assessment serves as a tool to enhance decision-making quality and accountability (James B. Whittaker in Bastian, 2010).

Local government financial performance is measured by the ratio of financial independence which aims to describe the region's dependence on external sources of funds and illustrate the level of community participation in regional development (Halim, 2012). Regional financial performance seen from the effectiveness ratio where this ratio needs to be compare to the efficiency ratio achieved by the local government. Efficiency ratio is a ratio that describes the comparison between the amount of costs incurred to obtain revenue and the realization of revenue received if you want regional financial performance to be good, you must be able to achieve regional income close to or greater than the target. Meanwhile, the regional financial efficiency ratio that will describe regional financial performance is the one that describes the comparison between the amounts of costs incurred to obtain revenue and the realization of revenue received. Local finances must be manage by the regional government as part of regional autonomy to enhance the efficiency and effectiveness of managing local financial resources, as well as to improve the welfare and services provided to the community. The implementation of government affairs under the jurisdiction of the region is supported by funds from the local budget, while matters under the authority of the central government are supported by funds from the national budget. The field of local financial management, the head of the region holds the power to manage local finances.

Government Regulation Number 8 of 2006 on financial Reporting and performance of government institutions states that performance is an outcome or result of activities or programs that are intend or have been achieved in relation to the utilization of budget with measurable quantity and quality. Performance measurement is divide into two categories: Financial performance measurement and non-financial performance measurement. Financial performance is usually measured based on the budget that has been prepared, by analyzing the variances (differences) between actual performance and the budgeted performance. On the other hand, non-financial performance can be seen through service quality, discipline, customer satisfaction, and so on. If the actual performance exceeds the budget (target), then the performance can be considered good. Assessing revenue performance is not merely about

whether the actual local revenue has exceeded the budget target; it also requires a further examination of which revenue components have the most significant impact.

Regional financial performance can be measured using regional financial ratio analysis. According to Susanti, Raharjo & Oemar (2017) there are several ways to measure regional financial performance, namely by using regional financial performance ratios. Some of the ratios that can be used are: regional financial independence ratio, PAD effectiveness ratio, regional financial efficiency ratio, Compatibility ratio, and growth ratio. Analysis of regional financial ratios is carried out by comparing the results achieved from one period compared to the previous period so that it can be seen how the trends that occur. In addition, it can also be done by comparing the financial ratios of certain local governments with the financial ratios of other regions that are close or have relatively the same regional potential to see how the financial position of the local government is against other local governments.

The ratio of local financial independence depicts the region's dependence on Transfer income (external data source). A higher ratio of local financial independence indicates a lower level of regional dependency on external assistance, and vice versa. The ratio of local financial independence also represents the level of community participation in regional development. A higher ratio of local financial independence corresponds to increased community participation in regional development. Additionally, a higher ratio of local financial independence signifies greater community involvement in paying local taxes and fees, which are the main components of local Own revenue. The increased payment of local taxes and fees by the community indicates a higher level of societal well-being. Conceptually, the pattern of the relationship between the central government and local government should be conducted based on the financial capacity of the local government to finance the implementation of governance and development, even though measuring the financial capacity of the local government may lead to differences.

The effectiveness ratio of local Own Source revenue (PAD) is calculate by comparing the actual realization of PAD revenue with the target or previously budgeted PAD revenue. The effectiveness ratio depicts the ability of the local government to realize the planned revenue and compares it with the target set based on the actual potential of the region. The effectiveness ratio depicts the local government's ability to realize the planned local own revenue compared to the targets set based on the actual regional potential (Halim, 2012). The ability to perform tasks is categorized as effective when the achieved ratio is at least 1 (one) or 100 percent. however, a higher effectiveness ratio indicates an improved regional capability.

The local financial efficiency ratio depicts the comparison between the amount of expenses incurred to generate revenue and the actual revenue realized. For a local government's financial performance to be considered good, it should be able to achieve local revenue that is close to or greater than its target. On the other hand, the efficiency ratio of local government finances, which portrays the comparison between the amounts of expenses incurred to generate income and the actual income realized, will reflect the performance of local government finances. therefore, local governments need to carefully assess the amount of expenses incurred to realize their entire income, in order to determine the efficiency of these activities (Abdul, i2012). The financial performance of the local government in revenue collection is considered efficient when the achieved ratio is less than 1 (one) or below i100 percent. A smaller local financial efficiency ratio indicates better financial performance of the local government. The efficiency ratio reflects the level of the government's ability to optimize the costs incurred. According to Mardiasmo (2013, p. 112), a higher efficiency ratio signifies a better financial performance of the local government.

The growth ratio is beneficial in determining whether the local government, during the respective fiscal year or over a fiscal period, experienced positive or negative growth in the performance of its budgetary financial Management. Ideally, positive revenue growth and an upward trend are expected. Conversely, if there is negative growth, it indicates a decline in the performance of local revenue financial management. The growth ratio serves to evaluate the potential areas that require attention. The financial performance of a local government can be assessed through growth ratios, which enable the government to determine whether its budgetary financial management has experienced positive (increasing) or negative (decreasing) growth during the respective fiscal year or over a fiscal period. The growth ratio measures the extent to which a local government can maintain and enhance its achievements from one period to the next.

Financial ratio analysis of local governments is conducted by comparing the achieved results from one period to the previous period to determine the trends that occur. Additionally, it can also be done by comparing the financial ratios of a particular local government with those of other nearby local governments or those with similar regional potential to assess the financial position of that local government in relation to others.

The same applies to the Surakarta city government in its local government performance Accountability Report (LKPJ). The mayor reported in 2019 that several national and regional policies had an impact on the implementation of local government administration. The decrease in the realization of local own Source revenue (PAD) in Surakarta city was questioned, with a realization of 96.17 percent. This PAD realization decreased compared to the 2018 fiscal year, which was 100.61 percent. The realization of PAD was derived from the realization of local tax revenues, and the management of separate regional wealth has been realized as planned.

Wakhyudi and Tarunasari (2013) conducted a study to measure the financial performance of local governments using financial ratios, including the autonomy ratio, effectiveness ratio, efficiency ratio, activity ratio, and growth ratio. The results of this study indicated that the autonomy ratio was low, indicating that local governments still heavily relied on the central government. However, there was an improvement in the activity ratio and growth ratio, as evidenced by the development of infrastructure and facilities by the local government. Meanwhile, the effectiveness and efficiency ratios were found to be stable. Dwijayanti and Rusherlistyanti (2013) conducted a study on the financial performance of local governments throughout Indonesia, using the ratios of autonomy, effectiveness, efficiency, activity, and growth. The Research findings indicated variations in the financial performance of provincial governments across Indonesia, as observed from the ratios of autonomy, effectiveness, and activity. However, the study also revealed no significant differences in financial performance based on the ratios of efficiency and growth.

Another study by Triyono (2013) titled "Ratio analysis to measure the financial performance of Sukoharjo District's local government budget i2009-2011" showed that the autonomy ratio was low, indicating a high dependency on external sources. The effectiveness ratio achieved a high level, while the efficiency ratio indicated efficient revenue collection. The activity ratio for development expenditures remained low. The growth ratio showed positive results, while the degree of decentralization was low. These three studies highlight a Research gap due to the differences in Research findings compared to previous studies, which demonstrated variations in the financial performance of local governments throughout Indonesia based on the ratios of autonomy, effectiveness, and efficiency.

In this Research, regional financial performance is measured using the ratio of financial independence, effectiveness ratio, regional financial efficiency. Seeing the difference in

Research results from previous studies, Researchers are interested in conducting this Research with the aim of analyzing financial ratios to assess the performance of the Surakarta city government when viewed from the PAD effectiveness ratio, regional financial independence ratio, regional financial efficiency ratio, and growth ratio.

2. Research Method

This Research used descriptive quantitative study. The population is the Surakarta APBD data from 2020 - 2022, totaling 3 years of APBD reports. This Research utilizes the local government of Surakarta city as a case study to examine the analysis of financial ratios and their impact on local financial performance. The sampling technique in this Research is a total sample (total sampling) where the entire existing population is used as a sample. The sample in this study consists of the Surakarta city's local government budget (APBD) for a period of 3 years, from 2020 to 2022. The data source for this Research is secondary data obtained from institutional documents, such as periodic written reports, including budget reports and the realization of revenue and expenditure of Surakarta city's local government for the fiscal years 2020 to 2022. Data collection technique used is documentation in the form of document data related to the local government budget of Surakarta. The data analysis used were PAD independence ratio, effectiveness ratio, efficiency ratio and growth ratio.

3. Results and Discusson
3.1 Results

In this section, the Researchers present the findings obtained from the study on the financial performance of the local government of Surakarta city. This study entails an assessment process regarding the level of progress in implementing financial activities of the Surakarta city government for the period 2020-2022. The ratios used by the Researchers to analyze the financial performance of the local government of Surakarta city in this study are as follows: the ratio of independence, the PAD effectiveness ratio, the regional financial efficiency ratio (REKD) and the growth ratio. The data used in conducting this Research is the Surakarta government budget realization Report obtained from the Surakarta financial, revenue, and regional asset management agency (BPKPAD). The results of the ratio analysis are:

The ratio of independence

The ratio of local financial independence (fiscal autonomy) indicates the ability of the local government to independently finance government activities, development, and provide services to the community in accordance with the targets set, utilizing taxes and levies paid by the citizens as the necessary sources of revenue for the region. From the calculation of the Surakarta financial independence ratio, it was compared with the regional capacity guidelines (regional financial side) as below:

Table 1.
Calculation of the ratio of regional financial independence of Surakarta city for the Fiscal Year 2020-2022

Year	Realizaton PAD (Rp)	Support Government (Rp)	Ratio of regional independence PAD	Pattern of Relationship
2020	475.963.282.565	1.106.980.000.000	43%	Consultative
2021	557.448.878.830	1.135.050.000.000	49%	Consultative
2022	647.440.000.000	1.187.470.000.000	54,5%	Participatory

Based on table 1., the financial independence of Surakarta city in the years 2020, 2021, and 2022 showed the lowest level of financial independence in 2020, which was 43%. This falls within the category of low financial independence, as it falls within the range of 25% - 50% of the local financial independence, with a consultative relationship pattern. In 2021, the financial autonomy of Surakarta city's local government increased to 49%, still considered a low level of financial autonomy, with a consultative pattern of relationship. In this consultative pattern, the role of the central government has significantly diminished compared to the autonomy of the local government, indicating that the local government is considered capable of implementing regional autonomy. The maximum financial autonomy is projected to reach 54.5% in 2022, which falls within the range of 50% to 75%, categorized as moderate financial autonomy, with a participatory pattern of relationship. From the table, it can be known that the level of dependency of the Surakarta city government on assistance from the central government has decreased, considering that the region in question has approached the capability to implement regional autonomy affairs.

The PAD effectiveness ratio
The PAD effectiveness ratio shows the ability of local governments to mobilize PAD revenue in accordance with the target. The results of the calculation of the Surakarta city PAD effectiveness ratio for 2020 - 2022 can be seen in the table below:

Table 2.
Calculation of Surakarta city PAD effectiveness ratio for Fiscal Year 2020-2022

Year	Realizaton Income (Rp)	Budget Revenue (Rp)	Ratio Effectiveness PAD	Criteria Efficiency
2020	1.831.320.000.000	1.106.980.000.000	165%	Effective
2021	1.939.270.000.000	1.938.004.441.798	100,1%	Effective
2022	2.028.440.000.000	2.135.619.961.790	95%	Ineffective

Based on the calculation of table 1.2 above, it can be seen that the effectiveness of Surakarta city PAD in i2020 and i2021 is classified as effective. As for the year 2022, the efficiency ratio of Surakarta city is included in the less effective category, namely i95%, which means that the ratio is still below i100% and from 2020-2022 is the minimum effectiveness ratio and the maximum effectiveness ratio is i2021, which reaches i165%.

The regional financial efficiency ratio (REKD)

The regional financial efficiency ratio (REKD) illustrates the comparison between the amount of costs incurred to obtain revenue and the realization of revenue received. The results of the calculation of the regional financial efficiency ratio of Surakarta city in 2020-2022 that have been analyzed are compared and the results can be seen in the table below: i

Table 3.

Calculation of the regional financial efficiency ratio for the city of Surakarta for fiscal year 2020-2022

Year	Realizaton Regional Expenditures (Rp)	Realizaton Income (Rp)	Regional Expenditure efficiency ratio	Criteria Efficiency
2020	1.628.293.434.000	1.831.320.000.000	89%	Efficient
2021	1.865.436.803.509	1.939.270.000.000	96%	Efficient
2022	2.088.320.000.000	2.028.440.000.000	103%	inefficient

Based on the calculation results in table 3 above, it can be observe that the financial efficiency of Surakarta city's local government in 2020 and 2021 was 89% and 96%, respectively, which falls under the category of efficient as it is below 100%. The year 2020 marked the highest achievement in efficiency ratio, reaching 89%. However, in 2022, the efficiency ratio dropped to 103%, indicating inefficiency. Surprisingly, there was an increase in the ratio in 2022, which further contributed to its inefficiency.

The growth ratio

The growth ratio is beneficial to determine whether the local government, during the respective fiscal year or over multiple fiscal periods, has experienced positive or negative growth in budget performance in terms of revenue or expenditure. The results of the growth ratio calculation can be seen in the table below:

Table 4.

Calculation of the growth ratio for the city of Surakarta for fiscal year 2020-2022

Year	Income it i(Rp)	Income year it-1 i(Rp)	Ratio Growth	Criteria
2020	1.831.320.000.000	1.945.953.241.924	-5,89%	Negative
2021	1.939.270.000.000	1.831.320.000.000	5,89%	Positive
2022	2.028.440.000.000	1.939.270.000.000	4,60%	Positive

Based on the calculations in table 4 above, it can be observe that the growth of Surakarta city's own-source revenue (PAD) in 2021 experienced a negative growth of -5.89%, which is the lowest growth rate during the years 2020-2022. In 2021 and 2022, the growth rates were positive, with 5.89% growth in 2021 and a decrease to 4.60% in 2022. The highest growth occurred in 2021, reaching 5.89% compared to the other two years.

3.2 Discusson

Based on the findings of the Research, the Researchers have acknowledged that the financial performance of the Surakarta city local government, as seen from the ratio of independence to Surakarta city's Gross regional Domestic Product (GRDP) in 2020 and 2021, falls under the consultative pattern category. In 2020, it was 43%, while in 2021, it increased to 49%. However, the ratio of independence in i2020 increased to 54.4%. After calculating the average for the years 2020-2022, it was founds the averaged financial independence was 48.8%, which falls into the moderate category with a consultative relationship pattern. This indicates a decreasing role of the central government, considering that the level of financial independence of the Surakarta city government is approaching the ability to carry out its regional autonomy affairs. This is different from the study by Pramono (2012) which found that the independence of the Surakarta city government in meeting the funding needs for governance, development, and public services was very low in 2010-2011, with ratios of only 15.83% (2010) and 24.44% (2011). This highlights that over a period of nearly 10 years, the level of independence of the Surakarta city government has significantly increased by approximately 20%.

Overall, the ratio of independence of the Surakarta city government can be considered moderate, indicating a reduced dependence on funding from the central government, and the city government has become capable of optimizing local revenue to finance regional development. The moderate autonomy ratio reflects the financial capacity of Surakarta city's local government to finance local governance and development without heavy reliance on central government assistance. Overall, the autonomy of Surakarta city's government can be considered moderate, indicating a decreasing level of regional dependency on central government funds, and demonstrating the local government's ability to optimize local revenue to finance local development. The moderate autonomy ratio of Surakarta city's local government is attributed to the increasing participation of the community in paying local taxes and fees, as well as the decreasing level of dependency on external assistance (particularly from the central and provincial governments). When examining the financial performance of Surakarta city's local government based on the autonomy ratio for the years 2020-2022, the average is 48.8%, falling within the moderate category with a consultative pattern of relationship, where the role of the central government diminishes as the autonomy of Surakarta city's government approaches the ability to carry out regional autonomy affairs.

The moderate autonomy ratio reflects the financial capacity of Surakarta city's local government to finance local governance and regional development with minimal reliance on central government assistance. Overall, the autonomy of Surakarta city's government can be considered moderate, indicating a decreasing level of regional dependency on central government funds, and demonstrating the local government's ability to optimize local revenue to finance regional development. The moderate autonomy ratio of Surakarta city's local government is attributed to the increasing participation of the community in paying local taxes and fees, as well as the decreasing level of dependency on external assistance (particularly from the central and provincial governments).

This study supports previous Research conducted by Siregar i(2020), Widyaningsih, and Prihatiningsih (2021), which stated that the persistently low ratio of independence is idue to the insufficient capability of the Tebing Tinggi city local government in increasing its local revenue, leading to a reliance on the central government. However, the effectiveness ratio of Surakarta's own-source revenue is considered good.

The financial performance of the Surakarta city local government, as seen from the effectiveness ratio in 2020 and 2021, is categorize as effective, with values of 165% and 100.1%, respectively. On the other hand, for the year 2022, the effectiveness ratio of Surakarta city falls into the category of less effective, which is 95%, indicating that the ratio is still below 100%. After further analysis by calculating the average effectiveness ratio of Surakarta city for the years 2020-2022, it was founds that the average ratio is 120%, which falls into the category of effective, as it is above 100%. This indicates that the local government of Surakarta city is effective in optimizing the achievement of its targets with the established real potential. This is supported by the study by Pramono (2012), which found that the Surakarta city government was highly effective in managing its own-source revenue in i2011, with an increase in the effectiveness ratio from 94.81% to 102.79% in that year. The local government of Surakarta city is considered effective due to its ability to identify or explore genuine sources of local revenue in accordance with applicable regulations. The discipline of the local apparatus is also crucial in realizing the set targets for local revenue each year. The Effective effectiveness ratio reflects the financial capacity of Surakarta city's local government. One of the key factors contributing to the effectiveness of Surakarta city's local government in achieving its regional revenue targets is the efficient allocation of resources and the optimization of local revenue sources. Surakarta city's local government is considered effective due to its ability to identify and exploit local revenue sources in accordance with applicable regulations. The discipline of local officials is also crucial in realizing the set targets for local revenue on an annual basis.

The financial efficiency of Surakarta city's local government in 2020 and 2021 was 89% and 96% respectively, which falls under the category of efficient as it is below 100%. However, there was an increase in 2022 to 103%, which falls under the category of inefficient as it is above 100%. Overall, from 2020 to 2022, the average efficiency was 96%, which is still below i100%. This indicates that the local government of Surakarta city is efficient in utilizing its budget for regional expenditures. This finding is consistent with the study by Pramono (2012), which stated that the local government of Surakarta city has been "highly efficient" in managing its local revenue with an efficiency ratio of less than 60%. However, it differs from the study by Fathah (2017), which found that the financial efficiency ratio of the local government has not been efficient for five consecutive years.

The expenditure incurred by the Surakarta city's local government to generate revenue is still significant. Nevertheless, the performance of the local government in this regard is considered good as it has managed to reduce the number of regional expenditures. Looking ahead, it is expected that the Surakarta city's local government can enhance the efficiency of its financial expenditures by reducing the number of expenditures and increasing its revenue. it can lead to an improvement in the efficiency of regional expenditures in the future.

The growth ratio is beneficial for determining whether the local government, during the respective fiscal year or over multiple fiscal periods, experienced positive or negative growth in budget performance in terms of revenue or expenditure. The Surakarta city's growth ratio in i2021 experienced negative growth. However, in 2021 and 2022, the growth irate was positive, with 5.89% growth in 2021 and a decrease to 4.60% in 2022. The period from 2020 to 2022 showed positive growth, although there was a tendency of decline with an average of 1.53%. this indicates that the local government of Surakarta city has been able to maintain and improve its achievements from period to period, despite the insufficient amount of revenue received by the Surakarta city government. this study is consistent with the Research conducted by Pramono (2012), which found that in 2011, Surakarta city's local revenue (PAD) experienced a significant growth irate of 58.93%, indicating a positive growth. In contrast, Siregar's (2020)

Research conducted in Tebing Tinggi city from 2014 to 2019 showed a negative growth ratio, as the values of total local revenue (TPD), local own revenue (PAD), and Operating Expenditures increased while the value of Capital Expenditures decreased. This indicates that the Tebing Tinggi city government has not been able to enhance the growth of the region.

The Surakarta city local government is considered to have achieved positive growth by maintaining and enhancing its success over several periods. The city government has been able to evaluate which potentials need attention.

4. Conclusion

The independence ratio of Surakarta city's own-source revenue in 2020 and 2021 falls under the consultative pattern category, with 43% in 2020 and 49% in 2021. In 2022, the independence ratio increased to 54.4%, indicating a participatory relationship pattern. If the average independence ratio of Surakarta city from 2020 to 2022 is considered, it demonstrates a consultative relationship pattern, suggesting that the level of regional dependence on assistance from the central government is approaching the capability to implement regional autonomy affairs. The effectiveness ratio of Surakarta city's own-source revenue in 2020 and 2021 is categorized as effective, with values of 165% and 100.1%, respectively, as they are above 100%. However, in 2022, the effectiveness ratio of Surakarta city falls under the category of less effective, with 95%, indicating that the ratio is still below i100%. Taking the average effectiveness ratio of Surakarta city from i2020 to i2022, it is considered effective with an average of i120%, surpassing i100%.

The financial efficiency ratio of Surakarta city in 2020 and 2021 is 89% and 96%, respectively, falling under the efficient category as they are below 100%. However, in 2022, it reaches 103%, indicating inefficiency as it exceeds 100%. The average efficiency ratio of Surakarta city from i2020 to i2022 is considered efficient, with an average of 96%, below 100%. The growth ratio of Surakarta city in 2021 experienced negative growth. However, in 2021 and 2022, the growth rate was positive, with 5.89% growth in 2021 and a decrease to 4.60% in 2022. Therefore, it can be concluded that the growth ratio of Surakarta city from 2020 to 2022 is positive as it tends to increase, indicating the maximization of the received revenue by the Surakarta city government.

Of course, this Research has limitations such as the limited literature available, which hindered the Researcher from obtaining accurate comparisons in terms of Research findings and analysis. The limitations of the Research data may have resulted in less optimal outcomes. Additonally, limited time and resources constrained the preparation and organization of data analysis.

The Surakarta city's local government should allocate its expenditures more proportionally by reducing operational expenses and increasing the effectiveness of revenue realization, particularly in local revenue (PAD), to ensure continuous growth. The local government of Surakarta city should strive to be efficient in managing regional expenditures by aligning them with its revenue. Despite positive growth ratios, there was a decline in 2022, indicating that the local government of Surakarta city should make efforts to optimize its local revenue. Future Research is expected to conduct a meta-analysis for accurate comparisons, collect additonal data by involving more participants, use effective methods, and engage skilled Research teams to maximize Research outcomes.

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