FINANCIAL RATIO ANALYSIS OF YOGYAKARTA PROVINCE GOVERNMENT

by Lestari Sukarniati

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Lestari Sukarniati[1]✉, Nurul Azizah Az Zakiyyah[2]

[1,2]Universitas Ahmad Dahlan, Indonesia

✉ lestarisukarniati@gmail.com

Abstract

Region financial independence indicates the ability of a government to finance its activities, the cost of development, and services to people concerning decentralization purposes. The objective of the research is to identify the level of financial independence of each regency and city in DIY Province, in which each promotes different potency. The quantitative method is employed in this research by using secondary data. Furthermore, the data are analyzed using the Panel Data method. The result demonstrates that in general the financial management in DIY Province is considered fair and resulted in the quite high financial condition index value.

Keywords: Regional Autonomy, Decentralization, Financial Independence

INTRODUCTION

Each region was established with different potency. Some are superior in terms of natural resources, others with human resources. The superiority could be utilized to enhance the revenue as the region's fulfillment expenses for development.

The era of regional autonomy in Indonesia was initiated by the enactment of law No. 32 of 2004 as the replacement of previous centralistic development system that considered inappropriate with the condition of Indonesia, in the future. This era gives a broader opportunity to each region to develop the area, to provide an opportunity for the region to carefully manage its resources and finances (Rudibdo & Sasana, 2017). By referring to the Keynes theory, the government plays an important factor in creating income (Mankiw, 2010).

It is expected that with the existence of regional autonomy, all regions in Indonesia can run their development and administration by using the Regional Original Revenues (PAD). Halim (2011) explained the main character of a region that could properly run the autonomy is the existence of authority to explore the financial source by utilizing the PAD as the financial main source, as well as to exploit it to finance the government activities, and minimizing the fund dependency from central government.

According to Law No. 32 of 2004, regional financial independence is defined as the ability of the government to finance the government activities, development, and services to people, for decentralization purposes.

The Financial Dependency Ratio is calculated by comparing the total of transferred revenue accepted by the regions with the total of regional's income. The higher ratio score showcases the bigger dependency of regions towards central government or provincial government. The measurement of financial independence is essential to be conducted as a reflection of the region's ability to promote the people's welfare, based on the potency and management capacity.

The regencies and the city in the Daerah Istimewa Yogyakarta (DIY) province have different conditions of nature, hence they also share different potencies. The overall economic growth level in DIY could be described as follows:

Table 1. The Growth and ICOR Special Region of Yogyakarta in 2013 – 2019

Year	Economic Growth (%)	ICOR
2013	5,47	5,36
2014	5,17	5,70
2015	4,95	5,91
2016	5,05	5,86
2017	5,26	5,60
2018	6,20	4,96
2019	6,60	4,80

Source: Statistics Indonesia (BPS), 2020

ICOR reveals many new investments to upgrade one unit of output in an area's economy. The score of ICOR also reflects the capital productivity that eventually impacts economic growth. In the period 2013-2017, the level of ICOR, which hits a value above 5, indicates that the investment in DIY is still insignificant to push the economic growth. The better condition is recorded in 2018 and 2019 with a score of 4 (four).

The economic growth rate for the DIY province in 2018-2019 was recorded as significant, above 6% (y-o-y). The economy in DIY experiences a significant increase, due to the investment acceleration performance with the infrastructure development acceleration (Bank of Indonesia, 2018). The sectoral ICOR of DIY from 2016-2020 is illustrated by the following table:

Table 2. The Value of Sectoral ICOR in 2016- 2020

GDP Sector and Subsector	2016	2017	2018	2019	2020
Agriculture, Livestock, Forestry, Fishery	2,71	2,83	2,84	3,56	1,07
Mining and Quarrying	3,33	3,2	2,73	2,73	-1.53
Manufacturing Industry	5,24	5,02	4,05	4,25	-7.33
Electricity, Gas & Water Supply	15,82	14,98	12,78	12,71	-50.41
Waste Management and Recycling	5,98	5,75	4,89	4,90	89.83
Construction	4,88	4,69	3,99	4,00	-3.57
Wholesales, Retail, Car and Motor Repair	4,58	4,38	3,73	3,74	-4.14
Transportation and Warehousing	13,76	14,53	16,69	22,1	-4.4
Accommodation and Food and Beverage	6,38	5,93	4,94	4,78	-2.59
Information and Communication	6,05	5,82	4,95	4,96	2,06
Financial Services and Insurance	6,05	5,82	4,95	4,96	-37.24
Real Estate	4,84	4,65	3,96	3,97	17.71
Company Services	5,6	5,39	4,59	4,59	-1.78
Mandatory Government Administration, Defense, and Compulsory Social Security	7,05	6,78	5,77	5,78	-7.35
Educational Services	5,20	5,00	4,25	4,26	5,62
Health Services and Social Activities	5,59	5,38	4,58	4,58	1,47
Other Services	5,40	5,19	4,42	4,43	-1.52

Source: Bappeda DIY,2021

DIY Province consists of four regencies and one city that share different conditions, in terms of potencies and social-economy conditions. People's social-economy condition is signified by the Human Development Index (HDI) that describes the life expectancy index, education, and incomes), as follows:

Table 3. The Comparison of Human Development Index (HD)of Regencies and City in DIY, 2018

Regencies/City	HDI
Kulon Progo	73,76
Bantul	79,45
Gunung Kidul	69,24
Sleman	82,85
Yogyakarta City	86,11
DIY	79,53

Source: Statistics Indonesia (BPS) DIY

It can be notified that Yogyakarta city came up with the biggest HDI, while Gunung Kidul is recorded as the least. The difference in HDI verifies the difference in the quality of human development, among others, the difference in carrying out the development.

The small value of HDI is not always associated with the lack of potency, but might be caused by the less capability of local government to exploit the existing potencies and to manage the local finances that may lead to the high dependency on central financing. The gap between economic and social conditions interests the researchers to perform the study.

This research aims to identify the financial independence level in the DIY province. The urgency of this research is that the identification of financial independence level can be used as the basis of policymaking to boost up the improvement of development by optimizing the economic potency owned by each regency and city that eventually could enhance the people's welfare. More

independent a region in financial, it is easier to fund its development that will encourage better social-economy condition of the people.

THEORETICAL BACKGROUND

Regional Autonomy

The concept of regional autonomy has been initiated by the central government in early 2011. This era is signified by the implementation of a development paradigm that is oriented to the local government's role in its implementation. The implementation of regional autonomy is carried out by providing a broader role in the form of providing the responsibility to manage own resources to encourage the region's competitiveness that finally could optimize the Regional Original Revenue to enhance people's welfare.

Several aspects should be considered by local government in developing autonomy such as (Halim, 2016). First, the regional financial management should be put in the central position in its effort to develop the capability and effectiveness of regional government. Second, the regional government needs to develop a healthy bureaucracy with entrepreneurial insights and spirit. Third, the principles of propriety in governance are inseparable from ethical, moral, as well as good cultural obligation between the government with people, and institutions/government officials with third parties. Fourth, people's participation in development, hence the

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regional government could identify people's needs and preferences.

Regional Original Revenue (PAD)

Regional Original Revenue is the combination of tax revenue, consisting of regional tax and retribution, non-tax revenue that includes the revenue from regional-owned enterprises, as well as investment revenue, and resources management (Bastian, 2002 in Nasir, 2019). According to Halim (2016), PAD is regional revenue that originated from the available sources that are withdrawn based on the current regional regulation. Law No. 33 of 2004, article 3 paragraph 1 on the financial balance between the central government and regional government, stated that PAD is designated to provide the regional government with authority to finance the regional autonomy implementation that is aligned with its potency as the acknowledgment of decentralization. PAD can be verified as the main source of regional income that is utilized for the development by the regional government, so as the result of development can be evenly distributed to the community.

Regional Financial Independence

According to Law No. 32 of 2004, financial independence is the ability of a region to finance its government activities, development, and services to people who contributes to the development by paying the tax and retribution, as the region's source of revenue. The higher the independency ratio, the more dependent a region to central government support, and the lower towards province government (Ramadhani, 2016), while according to CICA (1997), independency is notified as to the condition in which a region is invulnerable to funding sources that are unable to be controlled or towards their impact, from internally or overseas. The formula is written as follows:

a. Ratio A = Total of Regional Original Revenue /Total Revenue

b. Ratio B = Total of Regional Original Revenue /Total Expenditures

Two factors are revealed that influence the regional financial independence, according to Tangkilisan (2007), which is the economic potency owned by a region. The measurement of economic potency that is often used is Gross Regional Domestic Product (GRDP), the second is the capacity of human resources that are assigned at the Regional Revenue Office. The ability of these human resources determines the institution's performance. The ability will encourage them to perform innovation to enhance the region's revenue.

Analysis of Financial Performance of Regional Government.

Financial analysis according to Halim (201,401) is one of the efforts to identify the financial characteristics by referring to the existing financial report. Referring to the article 44 Government regulation No. 58 of

2005 on the regional financial management, stated that the regional financial must be organized orderly, by following the regulation ruled by the law, efficient, economic, effective, transparent, and responsible by considering the principles of justice, obedience, and benefits to all people. The Interval scale of Regional Financial Independence is categorized, as below:

Table 4. The Interval Scale of Regional Financial Independence

Precentage of The Regional Financial Potency (%)	Regional Financial Potency
0,00-10,00	Poor
10,01-20,00	Less
20,01-30,00	Fair
30,01-40,00	Enough
40,01-50,00	Good
➢ 50,00	Very Good

Source: Research and Development Team, Home Affair Department (Depdagri) Faculty of Social and Political Sciences (Fisipol) UGM

The regional financial independence can be also seen from the dependency ratio that is differentiated into six categories as illustrated in Table 5:

Table 5. Interval Scale of Regional Dependency

Percentage of Regional Financial Potency (%)	Regional Financial Potency
0,00-10,00	Very low
10,01-20,00	Low
20,01-30,00	Fair
30,01-40,00	Enough
40,01-50,00	High
➢ 50,00	Very high

Source: Research and Development Team, Home Affair Department (Depdagri) Faculty of Social and Political Sciences (Fisipol) UGM

RESEARCH METHODOLOGY

The analysis method used in this research is a quantitative method using secondary data that includes the data of total regional original revenue, total asset, total liabilities, long and short-term investment, and total expenses of each regency and city in DIY

Data originated from the report of BPK assessment Yogyakarta Province in 2011-2019. An analysis tool is used to count the financial ratio using excel software.

According to Nollenberger et al. (2003) population density affects the government's financial condition, if a government manages an area with a dense population, the public service cost will be cheaper per person. On the contrary, if the population is dispersed, the cost for service per person will be higher.

Research Type

This research applies the quantitative approach. The secondary data are employed that involves data of total regional original revenue, total asset, total liabilities, long and short-term investment, and total expenses of each regency and city in DIY. The data are derived from the

report of BPK assessment Yogyakarta Province in 2011-2019.

Target/Subject of Research

Same population and research sample are applied for this research, which are four regencies and one city in DIY Province

Data Analysis Technique

The data are analyzed by using the ratios, as follows:

1) Solvency, in short-term, high ratio of regional government indicates the regional government hits the excessive current asset (Nollenberger et al., 2003).

a) Ratio A: (cash and cash equivalent + short-term investment)/current liabilities

b) Ratio B: (cash and cash equivalent + short-term investment + credit)/ current liabilities

c) Ratio C: current asset/current liabilites

2) Long-term Solvency, to measure the regional government to fulfill regional its long-term financial liabilities (Ritonga, 2014).

a) Ratio A: Total asset/long-term liabilities

b) Ratio B: Total asset/Total liabilities

c) Ratio C: Equity of investment fund/total liabilities

3) Budgetary Solvency, to measure the regional government in covering the operational expenses, to earn the revenue to cover up operational expenses in one period of budgeting (Ritonga, 2014).

a) Ratio A = (Total Revenue – The Revenue from specific allocation fund)/ (Total Expenses – Capital Expenses)

b) Ratio B = (Total Revenue – The Revenue of Specific Allocation Fund)/Operational Expenses

c) Ratio C = (Total Revenue – The Revenue of Specific Allocation Fund)/Employee's Expenses

d) Ratio D = Total Revenue/Total Expenses

4) Financial Independence, a condition in which a region is invulnerable to funding sources that are unable to be controlled or their impact, internally or from overseas (CICA, 1997).

a) Ratio A = Total of Regional Original Revenue/Total Revenue

b) Ratio B = Total of Regional Original Revenue /Total Expenses

5) Financial flexibility, to measure the ability of the regional government in anticipating future unexpected occurrences (Ritonga, 2014).

a) Ratio A = (Total Revenue – The Revenue of Specific Allocation Fund – Employee's Expenses)/ (Principal Payment + Interest)

b) Ratio B = (Total Revenue – The Revenue of Specific Allocation Fund – Employee's Expenses)/Total Liabilities

c) Ratio C = (Total Revenue – The Revenue of Specific Allocation Fund – Employee's Expenses)/Long-term liabilities

d) Ratio D = (Total Revenue – The Revenue of Specific Allocation Fund – Employee's Expenses)/Total Liabilities

6) Service Solvency, to measure the ability of the regional government in providing the service with the appropriate quality as preferred by the community (Ritonga, 2014)

a) Ratio A = Total Equity/Population

b) Ratio B = Total Asset/Population

c) Ratio C = Total Fixed Asset/Population

d) Ratio D = Total Expenses/Population

e) Ratio E = Total Public Expenses/Population

f) Ratio F = Total of Capital Expenses/Population

From the formulation, it will be calculated the ratio, ratio index, and its ratio dimension index, which ratio calculated as below:

Ratio A = Total Equity/Total Population

Ratio B = Total Assets/Total Population

Ratio C = Total Expenses/Total Population

•Ratio Index = (Actual Value – The Lowest Value)/ (The Highest Value – The lowest value)

•Dimension Index = (Ratio Index a + Ratio Index b + ... Ratio Index N)/N (total ratio)

## THE RESULTS AND DISCUSSION

Short-Term Solvency

Short-term financial solvency shows the ability of the regional government to fulfill financial liabilities that will meet its due date in 30 to 60 days. Yet, this research employs a duration of less or equal to 12 months. The median value of short-term solvency for regencies and city in DIY is illustrated by the following table:

Table 6. The Median Value of Short-term Solvency Level of Regional Government Regency/City

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	18.48	9.55	16.07	133.14	20.97	5.54	3.18	6.7	4.56
Ratio B	10.57	10.57	18.15	169.02	24.7	8.22	8.12	10.49	8.39
Ratio C	24.7	23.93	26.94	171.72	28.11	13.23	23.42	19.89	14.34

Source: the results of data processing

Figure 1. Short-Term Solvency Regencies and City in DIY
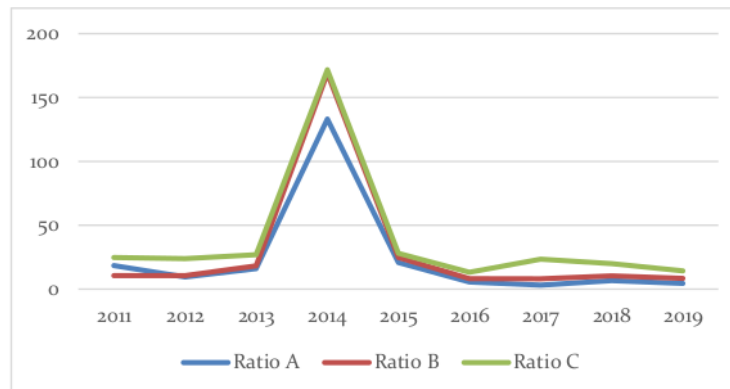
Source: the results of data processing

On the level of regency government or city in DIY Province, the highest median value of short-term solvency for Ratio A was recorded in 2014 with 133,14, while the least median value of short-term solvency for Ratio A was obtained in 2017 with 3,18. High ratio value indicates that asset allocation for people service is less optimal, hence more are becoming idle by the end of the accounting year (Maizunati, 2017).

The highest median value of short-term solvency for Ratio B was recorded in 2014 with 169,02, while the least median value of short-term solvency for Ratio B was obtained in 2017 with 8,12. The biggest median value of short-term solvency for Ratio C was recorded in 2014 with 171,72, while the least median value of short-term solvency for Ratio C was obtained in 2016 with 13,32. It can be revealed the trend of short-term ratio for regencies and

a city in DIY Province for five years from 2015 and 2019 experiences the decreasing trend.

The decreasing of ratio index might be an indication of the improvement of the current asset of regional government. But if it keeps on experiencing the decrease, that even hits under 1, it is ensured that the regional government will struggle to meet its short-term liabilities. Furthermore, if it keeps persisting, it will influence the regional government to run the government administration and to provide the services to the community. In the context of cash management, the decrease of solvency ratio indicates that the regional government has improved its current asset management. Idle current assets have been optimized for their utilization in terms of providing the services to the community and conducting the development (Priyono, 2018). The regional government, which meets the highest short-

term solvency dimension index in 2011-2019 at every level is Gunung Kidul Regency. It indicates that asset allocation for community service in Gunung Kidul is still not optimal.
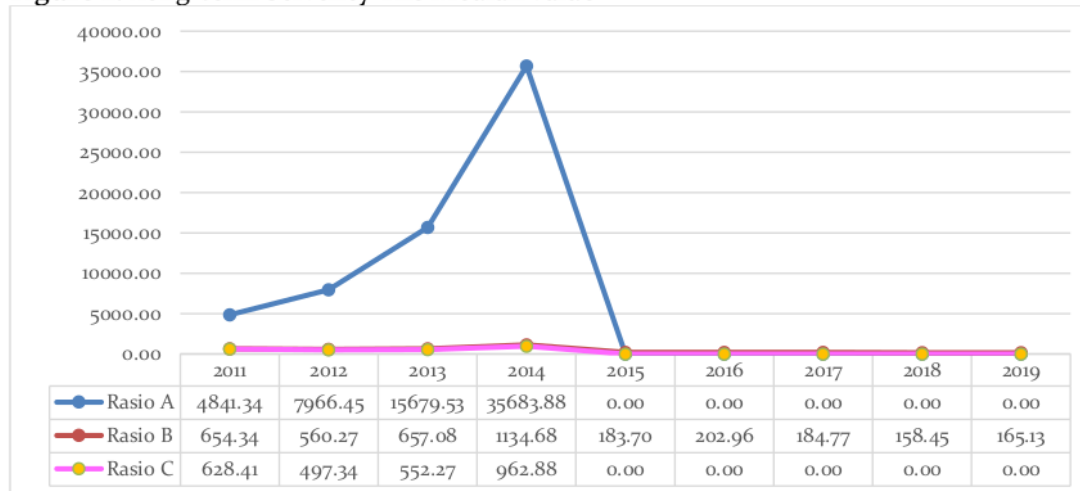
Long-term Solvency of Regencies/City in DIY

The median value of long-term solvency in regencies and a city in DIY is shown by the following Table 7 .

Table 7. Level of regional government Indicator The Median Value of Budget Solvency Regencies/City in DIY

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	1.1	1.17	1.22	1.26	1.28	1.1	1.2	1.25	1.28
Ratio B	1.11	1.17	1.22	1.26	1.28	1.14	1.25	1.26	1.28
Ratio C	1.44	1.43	1.56	1.73	1.85	1.62	2.03	2.05	2.13
Ratio D	8.7	6.55	8.14	7.34	5.59	6.77	6.27	6.07	5.39

Source: the results of data processing

Figure 2. Long-term Solvency The Median value

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Rasio A	4841.34	7966.45	15679.53	35683.88	0.00	0.00	0.00	0.00	0.00
Rasio B	654.34	560.27	657.08	1134.68	183.70	202.96	184.77	158.45	165.13
Rasio C	628.41	497.34	552.27	962.88	0.00	0.00	0.00	0.00	0.00

Source: the results of data processing

The development of median value for Ratio A in 2015 to 2019 is unable to calculate in this research since the regencies or Yogyakarta city have no long-term liabilities during that period. While for ratio C from 2015 to 2019 resulted with 0. It is possible due to the data of investment fund equity in regencies or Yogyakarta city is none or 0. The existence of accounting policy modification in 2015 with the implementation of accrual-based accounting standards, comes with the consequences of the inclusion of 14 asset depreciation in the financial report of the regional government. It leads to the decrease

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in the numbers of assets that causes the ratio from showing the long-term solvency on the corresponding regional government (Primawaty, 2017).

On the level of regency government or city in DIY Province, the highest median value of long-term solvency for Ratio B was recorded in 2014 with 1134,6, it can be notified from data of LHP BPK that total asset and total of long-

term liabilities for ratio B is valued high. Total asset in 2014 is calculated as 4.412.321.054.978 while the total liabilities are recorded as Rp. 2.631.298.255,09.
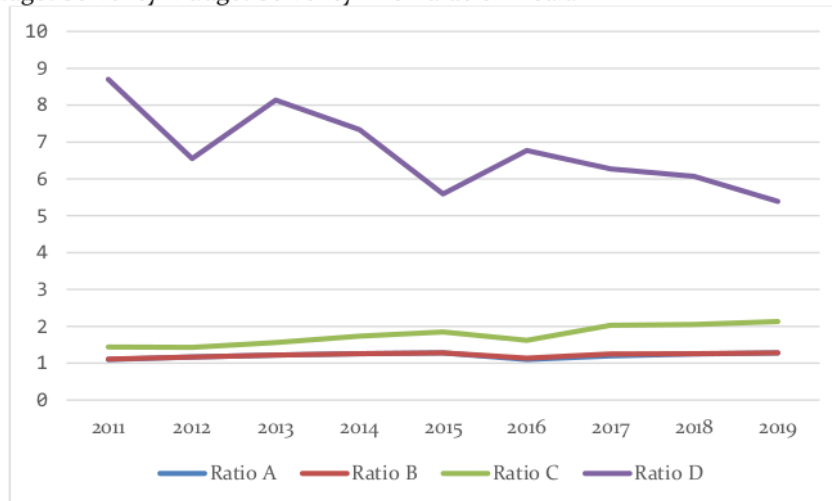
The Solvency of Regencies/City in DIY

The budgeting solvency of regencies and a city in DIY is shown in Table 8:

Table 8. Level of regional government Indicator The Median Value of Budget Solvency Regencies/City in DIY

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	1.1	1.17	1.22	1.26	1.28	1.1	1.2	1.25	1.28
Ratio B	1.11	1.17	1.22	1.26	1.28	1.14	1.25	1.26	1.28
Ratio C	1.44	1.43	1.56	1.73	1.85	1.62	2.03	2.05	2.13
Ratio D	8.7	6.55	8.14	7.34	5.59	6.77	6.27	6.07	5.39

Source: the results of data processing

Figure 3. Budget Solvency Budget Solvency The Value of Median

Source: the results of data processing

The calculation for a median value of each budget solvency for regencies and a city in DIY resulted as positive. For provincial government, the median for ratios A, B, C, and D have a value above 1 for each. For regency and city government, the median value for Ratios A, B, C, and D in 2019 valued 1,28; 1,28; 2,13; and 5,39, consecutively. While the

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solvency ratio for regency and city-level government from 2011-2019 showcases the fluctuating trend and referred to a decrease.

This condition indicates that generally, the local government is still able to fund its operational activities.

The declining condition signifies that the budget solvency in that current year tends to be less healthy. The ratio of the government budget is still able to fund its expenses. Yet this condition must be put into consideration. The

decreasing revenue ability to finance the local government expenses may end up in more serious problems. It is due to the operational deficit that initiates future financial difficulties (Ritonga, 2014).

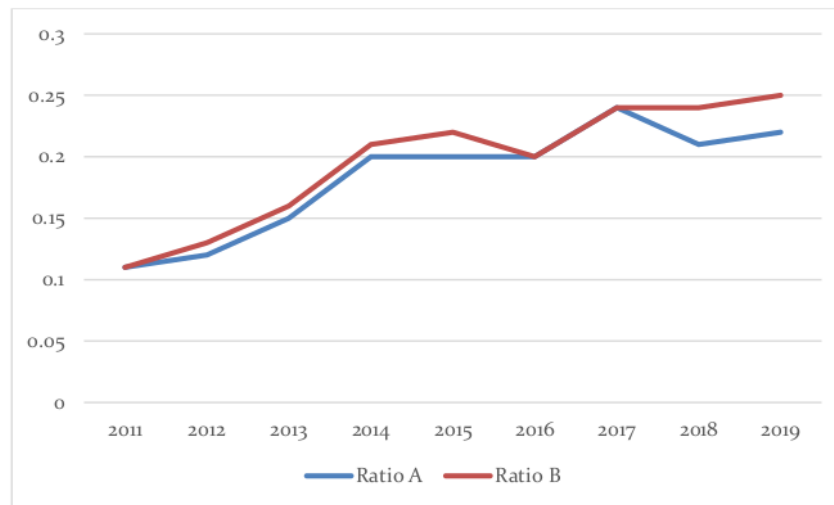**The Value of Median for Financial Independence of Regencies/City in DIY**

Financial independence measures the level of local government dependency on funding sources outside of the area. The value of Regencies and city independence is demonstrated by the following Table 9:

Table 9. Level of Local Regional Govenrment Regencies/City DIY

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	0.11	0.12	0.15	0.2	0.2	0.2	0.24	0.21	0.22
Ratio B	0.11	0.13	0.16	0.21	0.22	0.2	0.24	0.24	0.25

Source: the results of data processing

Figure 4. Financial Independence

Source: the results of data processing

On the level of regency and city government in DIY, financial independence

indicates an increasing trend. Generally. The median value for ratio A and B for regencies

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and city government in 2011-2019 demonstrates the increase of 0,18 for ratio A, and another increase of 0,14 for ratio B, averagely, even though the ratio value is below 1. The tendency of a low ratio index at the level of regencies and city government verifies the high dependency on the funding sourced from the central government. Despite the data that shows the increasing trend yearly, a low independence ratio underlines the high dependency of the transferred fund and too high a balancing fund.

Financial Flexibility of Regencies/City in DIY

Based on the result of the calculation, the median value of financial flexibility on regencies/city DIY is as follows:

Table 10. The Median Value of Financial Flexibility Regencies/City in DIY in Level of regional government

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	1979.79	1839.23	2564.80	5272.88	4126.05	82.16	0.00	146.45	246.00
Ratio B	90.89	107.81	150.58	247.61	61.44	29.55	54.37	38.54	49.78
Ratio C	697.29	1205.57	3495.02	8208.47	0.00	0.00	0.00	0.00	0.00
Ratio D	90.89	107.81	150.58	247.61	61.44	29.55	54.37	38.54	49.78

Source: the results of data processing

Figure 5. Financial Flexibility
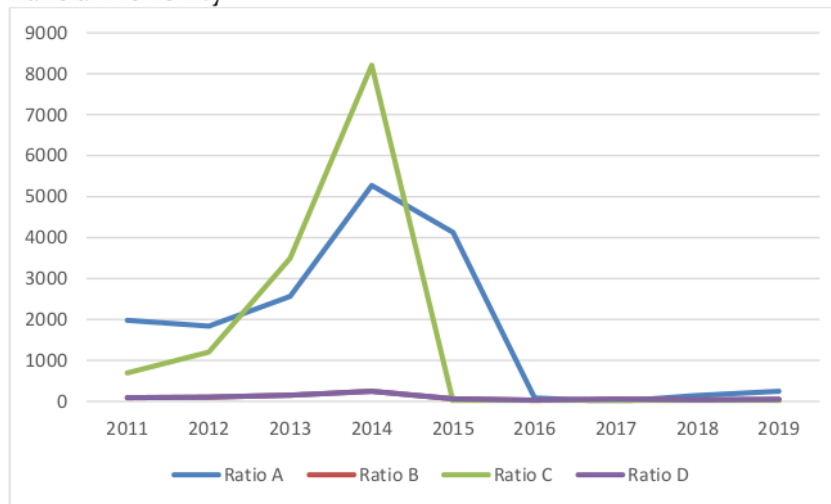
Source: the results of data processing

The value of median for provincial government indicates that the provincial government of DIY shares fluctuating financial flexibility. It is due to the absence of Long-term Liabilities on The Regional Revenue and Expenditure Budget (APBD) of provincial government DIY, therefore the description of

financial flexibility dimension ratio only be based on the calculation of ratios B and D. In general, the financial capacity of Regencies and city government in DIY is considered as good to anticipate the unexpected events, proven by the ratio values that scored way above 1.

The financial flexibility ratio for regencies/a city in DIY Province in 2011-2019 for ratios B and D indicates the decreasing trend. It shows that the regional government's financial flexibility is still low in dealing with future unexpected occurrences. Local government, in this case, regencies, and the city must be cautious since the ratio A in 2018 and 2019 shows a value below 1,000. The result indicates that total revenue after being subtracted with the specific allocation fund (DAK) is apparently insufficient to cover up total liabilities in the addition to employee expenses.

Solvency of Services in Regencies/City in DIY

By employing the above formula, the median value of service solvency in Regencies/a city in DIY is as follows:

Table 11. The Median Value of Service Solvency Regencies/City in DIY

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ratio A	2852502.78	3083406.88	3369373.13	3823010.73	3270267.54	3317260.20	3422168.98	3841813.65	4056527.91
Ratio B	2853043.66	3090278.23	3385172.14	3841257.57	3299159.72	3346791.64	3440790.82	3866214.40	4081243.82
Ratio C	2470280.60	2791745.48	2919605.16	3241901.85	2433830.17	2614595.86	2624813.27	2868730.37	3143071.94
Ratio D	1304917.41	1478588.82	1610916.72	1790164.24	1992566.43	205-418.88	2214090.63	2093688.85	2505633.60
Ratio E	1141684.10	1240985.26	1387587.40	1602070.24	1659410.43	1666878.98	1735892.56	1672947.50	1839331.88
Ratio F	120701.16	222176.12	223329.32	323536.31	365558.69	324840.63	334202.05	414061.09	664823.05

Source: the results of data processing

Figure 6. Service Solvency
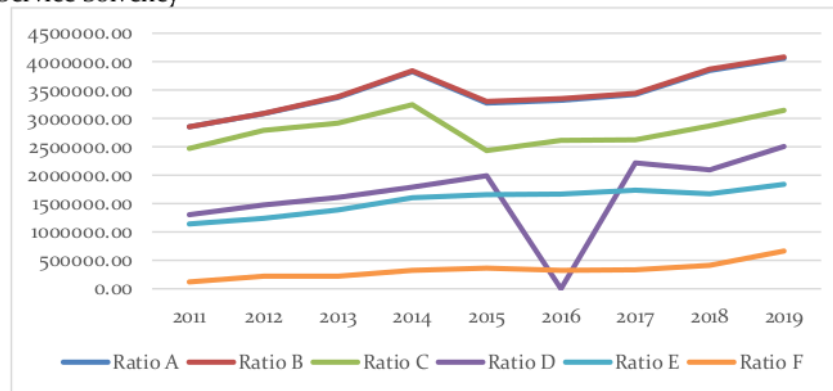
Source: the results of data processing

On the level of regency government, the trend on the entire service solvency ratios tends to be increased for the last nine years. It indicates that the regencies and the city government in DIY commit to serving better services to the people. For example, for ratio A in 2011, the regency government possessed the asset with the value of Rp.11.489.771.404.798,30 dedicated to serving its people. While in 2019, the regency government's assets were increased to Rp.17.985.873.675.031,60 designated for people's service. The efforts from the provincial government to provide better services are reflected in the value enhancement of the service solvency ratio. The service solvency cannot be yet determined for its good or bad, due to the absence of clear limitations about this ratio. Whereas, the higher the value of this service solvency, the better service provided by the regional government to its community (Ritonga, 2014,51)

Financial Dimension Index

Based on the above calculations, it can be resumed in one index table of Financial Dimension, shows in Table 12.

After the calculation of each ratio is obtained, the index of each ratio is later calculated using the following formula **IRXi =** (**X value actualn – The lowest X Value**) (**The highest X Value – The lowest X Value**) X = ratio that forms the dimension. Then, to

calculate the index of each solvency. The calculation of each solvency dimension index is performed in this stage. It turns out to be the arithmetic average of the ratio index.

From the calculation, it can be seen that financial flexibility promotes a lower value if compared to the other indexes, as an indication that the DIY provincial government is considered dissatisfactory in tackling future unexpected events. The regional government should be careful in maintaining the ratio since geographically, the location of DIY is near a disaster-prone area, hence it is suggested to prefer the higher financial flexibility ratio, in terms of anticipating extraordinary events (Ritonga, 2014).

CONCLUSION

Generally, the financial management in the DIY Province is verified as fairly good and establishes the financial condition with a pretty high index value. The short-term solvency has already been included in the good category. The ratio value is considered as high, which indicates many idle current assets that should be optimized for public services purposes. The budget solvency is considered good, even though it should be underlined the growth balance of the specific allocation fund revenue. Long-term solvency, service solvency, financial flexibility. Financial independence is categorized as good, but the role of regional government is still urgently required to

maintain the stability of people's growth rate, the revenue balance of DAK, and operational expenses, as well as to optimize the economic activities to enhance the regional real revenue.

Table 12. Financial Dimension Index

Regency	Year	Short-Term Solvency	Long-Term Solvency	Budget Solvency	Financial Independence	Financial Flexibility	Service Solvency
Yogyakarta City	2011	0.02	0.05	0.14	0.50	0.02	0.57
	2012	0.09	0.09	0.35	0.69	0.05	0.63
	2013	0.14	0.46	0.34	0.66	0.32	0.78
	2014	0.34	0.19	0.41	0.76	0.15	0.83
	2015	0.07	0.02	0.18	0.78	0.03	0.62
	2016	0.01	0.01	0.04	0.75	0.01	0.83
	2017	0.00	0.00	0.42	1.00	0.00	0.77
	2018	0.02	0.01	0.29	0.92	0.01	0.86
	2019	0.03	0.01	0.24	0.92	0.02	0.89
Bantul	2011	0.06	0.45	0.15	0.14	0.22	0.08
	2012	0.01	0.04	0.18	0.19	0.05	0.11
	2013	0.02	0.05	0.33	0.26	0.07	0.14
	2014	0.02	0.02	0.39	0.40	0.09	0.22
	2015	0.03	0.00	0.44	0.41	0.01	0.14
	2016	0.04	0.01	0.27	0.39	0.02	0.17
	2017	0.02	0.01	0.09	0.49	0.02	0.21
	2018	0.01	0.00	0.31	0.45	0.01	0.19
	2019	0.01	0.00	0.50	0.49	0.01	0.21
Kulon Progo	2011	0.02	0.02	0.16	0.03	0.03	0.18
	2012	0.01	0.01	0.22	0.07	0.03	0.24
	2013	0.02	0.02	0.20	0.11	0.05	0.28
	2014	0.05	0.04	0.27	0.24	0.08	0.35
	2015	0.02	0.01	0.42	0.23	0.08	0.34
	2016	0.00	0.00	0.21	0.22	0.15	0.40
	2017	0.00	0.00	0.30	0.35	0.01	0.43
	2018	0.01	0.00	0.50	0.24	0.02	0.50
	2019	0.01	0.00	0.43	0.25	0.01	0.60
Sleman	2011	0.01	0.05	0.14	0.32	0.05	0.04
	2012	0.01	0.04	0.32	0.39	0.07	0.07
	2013	0.02	0.05	0.41	0.52	0.11	0.12
	2014	0.19	0.09	0.44	0.63	0.15	0.17
	2015	0.02	0.00	0.46	0.63	0.06	0.19
	2016	0.00	0.00	0.15	0.70	0.00	0.20
	2017	0.01	0.01	0.40	0.77	0.01	0.20
	2018	0.02	0.01	0.41	0.77	0.02	0.22
	2019	0.03	0.02	0.42	0.85	0.05	0.25
Gunung Kidul	2011	0.16	0.16	0.24	0.00	0.12	0.05
	2012	0.34	0.41	0.25	0.01	0.23	0.08
	2013	0.89	0.67	0.32	0.03	0.56	0.11
	2014	1.00	0.54	0.25	0.17	0.53	0.14
	2015	0.06	0.01	0.41	0.19	0.14	0.16
	2016	0.01	0.01	0.24	0.20	0.12	0.19
	2017	0.02	0.01	0.46	0.27	0.01	0.17
	2018	0.01	0.00	0.38	0.21	0.26	0.26
	2019	0.00	0.00	0.44	0.19	0.12	0.35

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