The Effect of Regional Original Income, Revenue Share Fund, and General Allocation Fund on Capital Expenditure With Special Autonomy Fund As A Moderating Variable of The Districts/Cities in Aceh Province, Indonesia

Abstract: The purpose of this study is to determine the simultaneous and partial effect of region's original revenue, revenue-sharing and allocation funds on capital expenditure with the special autonomy fund as a moderating variable in districts / cities in Aceh Province. Analysis of the data in this study employs multiple linear regression with SPSS program 22 as a software tool. The results of the study show that local own-source revenue, revenue-sharing and allocation funds have simultaneous effect on capital expenditure; regional own-source revenue has a negative effect on capital expenditure; revenue-sharing affects capital expenditure, general allocation fund affects capital expenditure, special autonomy fund has a positive effect on capital expenditure; special autonomy fund moderates the effect of regional original income on capital expenditure; special autonomy fund moderates the effect of profit sharing funds on capital expenditure and finally the special autonomy fund modifies the constellation of effects of general allocation funds on capital expenditure.

Keywords: Regional original funds, revenue share funds, general allocation funds, capital expenditures, special autonomy funds.

INTRODUCTION

The realization of fiscal decentralization in Indonesia is expected to be able to improve government services to the public through independent regional governments. This hope can be realized if the local government tries to provide various supporting facilities. Local Governments allocate resources in the Regional Revenue and Expenditure Budget (APBD) in the form of capital expenditure so that assets continue to grow that can be enjoyed by the public such as roads, bridges, and buildings.

Capital expenditure can be financed with Regional Original Revenue (PAD), General Allocation Funds (DAU), Special Allocation Funds (DAK), and other sources such as Time Over Budget Financing (SiLPA) "(Jikwa, 2017). Specifically for Aceh, Papua and West Papua, a very large source of funding for capital expenditure is the Special Autonomy Fund (Otsus).

The largest average allocation in 2014 was 19.90%. But there was a decrease in 2017 to 16.67%. This is still far from the target of the Regional Autonomy Region of Aceh Province where it is expected that an increase in the proportion of capital expenditure in APBD by 30% in 2019 (Initial Draft of RPJM 2015-2019). Capital expenditures realized in districts / cities in Aceh Province also fluctuated during the 2013-2018 period where the largest average allocation in 2014 was 24.28%. However, there was a decrease in 2017 to 21.46%. This is still far from the target of the Regional Autonomy of the Province of Aceh where it is expected that an increase in the proportion of capital expenditure for districts / cities in the amount of 30% in 2019 (Initial Draft of RPJM 2015-2019).

Capital expenditure is "expenditure carried out by the government to obtain fixed assets with a useful life of more than 1 (one) year" (Abdullah, et al., 2016). Praptoyo and Febriana (2015) examine the "factors that affect capital expenditure". These factors are "Regional Original Revenue (PAD), General Allocation Fund (DAU), Special Allocation Fund (DAK), and Remaining Budget Calculation (SiLPA)".

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According to Abdullah, et al., (2015) "Local Own Revenue (PAD) is regional revenue sourced from the potential of local taxes and regional levies". The level of financial independence of regencies / cities in Aceh Province is classified as very low with a percentage of PAD of 6-9 percent annually or worth 1 to 2.7 trillion per year (Aceh Provincial Government Financial Statistics, 2018).

The next factor is the Revenue Sharing Fund (DBH). DBH is funds sourced from APBN revenues allocated to regions based on percentage figures to fund regional needs in the context of implementing decentralization (Law Number 33 of 2004, Article 1 paragraph 20). The distribution of DBH realization in Aceh Province decreased during the 2013-2017 period where the largest average allocation in 2014 was 8.41%. However, there was a decrease in 2017 to 3.11%. The decrease in the realization of DBH will have an impact on the decline in capital spending (Aceh Provincial Government Financial Statistics, 2018).

The third factor is the General Allocation Fund (GAF). According to Law Number 33 of 2004 concerning Central and Regional Fiscal Balance, it is stated that the General Allocation Fund is a fund sourced from APBN revenues allocated for the purpose of equitable distribution of financial capacity between regions to fund regional needs in the implementation of decentralization.

The realization of the DAU in the Province of Aceh decreased during the 2013-2017 period where the largest average allocation in 2014 was 63.68. However, there was a decrease in 2017 to 41.78%. The decline in the realization of DAU will have an impact on the decline in capital expenditure (Financial Statistics of the Provincial Government of Aceh, 2018).

This study includes the Special Autonomy Fund as a moderator that can affect the relationship of PAD, DBH, and DAU with capital expenditure. The Special Autonomy Fund is a fund that has criteria for its use, primarily to produce fixed assets and have a strategic impact on regional development and the economy. Therefore, Otsus funds received by districts / cities governments can shift the use of other revenues such as PAD, DBH, and DAU to expenditures other than capital expenditure.

The purpose of this study is to determine the region's original revenue, revenue-sharing and allocation funds affect capital expenditure with the opinion of the special autonomy fund as a moderating districts / cities in Aceh. The results showed that regional own-source revenue, revenue-sharing and allocation funds had the same effect on capital expenditure, regional original income had a negative effect on capital expenditure, revenue-sharing had an effect on capital expenditure, general allocation funds affected capital expenditure, special autonomy funds positive effect on capital expenditure, the special autonomy fund moderates the effect of local revenue on capital expenditure, the special autonomy fund moderates the effect of the revenue sharing fund on capital expenditure and finally the special autonomy fund moderates the effect of the general allocation fund on capital expenditure.

**Literature Review**

**Capital Expenditures**

Government Regulation Number 71 of 2010 concerning Government Accounting Standards explains that, "Capital expenditure is a budget expenditure for the acquisition of fixed assets and other assets that provide benefits over one accounting period". According to Halim (2013, p. 107) in his book with the title "Public Sector Accounting: Regional Financial Accounting", "capital expenditure is a budget spent on the acquisition of fixed assets and other assets whose benefits exceed one accounting period".

Abdullah, et al., (2016) capital expenditure is a government expenditure aimed at the procurement of tangible fixed assets that have a useful life of more than one year that can be used to support government operations in the framework of better public services.

Erlina and Rasdianto (2013: 144) mention several factors that influence the amount of LG Capital Expenditure allocation in the APBD, namely: (1) Weaknesses in regional government expenditure planning. The proportion of regional expenditure allocation is still dominated by routine government operational interests such as goods expenditure and employee expenditure compared to the expenditure allocation for activities that directly touch with public needs. (2) Availability of regional expenditure fund sources. Regional Revenues and Financing are sources of regional expenditure funds. If PAD is limited to finance regional expenditures, transfer funds (DAU, DBH, DAK) from the central government are needed to help fund regional spending and use Financing funds (SiLPA, Loans) in the event of a budget deficit. (3) The extent of the area that needs to be developed and built. Areas that are dense in development certainly do not require a large allocation of capital expenditure. The allocation of maintenance funds needs to be increased. But for newly divided regions, of course, it requires a very large allocation of funds in capital expenditure.

**Special Autonomy Fund**

According to LAW No. 11 of 2006 on the Aceh government, the Special Autonomy Fund is “the acceptance of the ACEH Government aimed at financing the development and maintenance of infrastructure, economic empowerment of people,
poverty alleviation, and education, social, and health financing. In LAW No. 23 of 2014 mentioned that "special autonomy funds are allocated to regions with special autonomy in accordance with the provisions of the legislation on special autonomy". Abdullah, et al., (2016) stated that "Special Autonomy Fund is a central government transfer to the Government of Aceh in order to manifest the implementation of special autonomy as well as one of the government's ways to improve service to society in order to realize its welfare".

The enactment of Law No.18 of 2001 concerning the Special Autonomy of Nanggroe Aceh Darussalam which was later changed to Law No.11 of 2006 concerning the Government of Aceh has brought about a change in the fiscal decentralization system in Indonesia. One of the objectives of granting special autonomy funds is to improve the lives of indigenous people through the use and management of natural wealth products with four priority programs namely education, health, empowerment of the people's economy and infrastructure development. Aceh's Special Autonomy Fund as referred to in Article 179 paragraph (2) of Law No.11 of 2006 is intended to finance development, especially development and maintenance of infrastructure, empowering the people's economy, alleviating poverty, as well as funding for education, social and health. Whereas in Law No.18 of 2001, the Special Autonomy Fund which is a form of asymmetric decentralization is aimed at accelerating the improvement of people's welfare and public services, with the breakdown of 30% set for financing education in Aceh and 70% for development programs.

Locally-generated revenue
According to Law Number 33 of 2004 concerning Fiscal Balance between the Central Government and Regional Governments, Regional Original Revenue (PAD) is "the income earned by the Region that is levied based on Regional Regulations in accordance with statutory regulations". According to Badrudin (2012, p. 99), "Regional Original Revenue (PAD) is regional income sourced from the regional tax revenue, the results of regional levies, the results of the management of separated regional assets, and other legitimate regional original income, which aims to provide graduation to the local government in exploring funding in the implementation of regional autonomy as the realization of the principle of decentralization.

Revenue Share Funds
UU No. 33/2004, "Revenue Distribution Fund", is a fund derived from the revenues of the APBN distributed between regions based on percentages to finance the needs of the region in the context of decentralization. In LAW No. 32 year 2004: "The distribution of funds for revenue distribution in the state BUDGET is revenue derived from national resources in the area in the form of taxes and natural resources".

General Allocation Fund
According to LAW No. 33 year 2004 on the financial balance of the central and regional finance mentioned that "The General Allocation Fund is a fund sourced from the revenues of the APBN allocated with the aim of equitable financial capability between regions to fund regional needs in the implementation of decentralization". While Halim (2016:127) said that "The General Allocation Fund is a block grant transfer of funds, so that local governments have a flexibility in the use of DAU according to the needs and aspirations of each region".

The Effect of Regional Revenue, Revenue Sharing Funds and General Allocation Funds on Capital Expenditures
According to Badrudin (2012:99), the regional original revenue is a regional revenue sourced from local tax results, regional retribution results, the results of regional wealth management separated, and other original legitimate income, which aims to provide approval to dam in digging funding in the implementation of regional autonomy as a centralised principle embodiment. Revenue Share Fund is the funds sourced from the income of the BUDGET allocated to the area based on the percentage number to fund the needs of the region in the framework of the implementation of decentralization (LAW No. 33 year 2004, article 1 paragraph 20).

According to Abdullah, et al. (2013) DAU is a fund sourced from APBN revenue allocated with the aim of equitable distribution of financial capacity between regions to fund regional needs in the context of implementing decentralization. While capital expenditure is an investment in the form of procurement / purchase of assets that are useful for more than 12 (twelve) months and these assets are used in government activities that are economically, socially beneficial and other benefits so as to increase the government's ability to serve the community (Badrudin, 2012: 61-62).

Based on the previous understanding, the amount of capital expenditure will very much depend on the region's original revenue, revenue sharing funds, and general allocation funds. Regional original income, revenue sharing, and relatively large general allocation funds, will further increase regional government capital expenditure, and vice versa local original revenue, revenue sharing, and low general allocation funds will reduce regional government capital expenditure. The first hypothesis is:

H1: Local Own Revenue, Revenue Sharing Funds, and General Allocation Funds simultaneously affect Capital Expenditures on District / City Governments in Aceh.
The Effect of Regional Revenue on Capital Expenditures

Capital expenditure is "expenditure carried out by the government aimed at the procurement of fixed assets with benefits of more than 1 (one) year and can be used to support the smooth running of the government in the context of improving public services". There are several studies on the effect of regional own-source revenue on capital expenditure conducted by Setyo (2018) and Bagus (2017) where the research results in PAD having a positive effect on capital expenditure.

The amount of capital expenditure will depend very much on regional own-source revenue, which is sourced from local taxes and levies. With a large local revenue, the government will get a large capital expenditure, and vice versa a low local revenue will reduce the regional government capital expenditure. Decentralization has resulted in regional governments obliged to collect as much income as possible to meet their spending. Regional expenditure is "an estimate of the regional expenditure burden that is allocated fairly and equally so that it can be enjoyed by all groups of society without discrimination, especially in the provision of public services (Kawedar et al., 2010)".

But in reality local governments tend to use it for operational / routine expenditure rather than capital expenditure. There are no standard rules governing the percentage of capital expenditure to PAD. But for the total expenditure, so that capital expenditure budgeting can be budgeted as much as 30 percent. But the fact is that there is still a lot of capital expenditure which is planned to be fewer than 30 percent. Therefore, the second hypothesis is:

**H2**: Local Revenue has an effect on Capital Expenditure in Districts/ Cities Governments in Aceh.

The Effect of Revenue Share Funds on Capital Expenditures

According to Abdullah, et al., (2015) "Revenue Sharing Funds (DBH) represent regional revenues sourced from transfer funds received annually from the central government". While capital expenditure is "investment in the form of procurement / purchase of assets that are beneficial so that it can improve the ability of the government to serve the community" (Badrudin, 2012: 61-62). Research on the effect of profit sharing funds on capital expenditure was conducted by Setyo (2018) and Bagus (2017) where the results showed that revenue sharing funds had a positive and significant effect on capital expenditure.

The amount of capital expenditure depends on the transfer of funds from the government in the form of profit sharing funds. With large revenue-sharing funds, the government will obtain large capital expenditure, and vice versa low revenue-sharing funds will reduce local government capital expenditure. The relationship between DBH and capital expenditure is the DBH obtained by local governments used for capital expenditure. The revenue sharing fund itself consists of tax revenue sharing and resource revenue sharing. The third hypothesis can be stated as follows:

**H3**: Revenue Sharing has an effect on Capital Expenditures for Districts / Cities Governments in Aceh.

The Effect of General Allocation Funds on Capital Expenditures

One source of regional capital expenditure is the General Allocation Fund (DAU). The DAU is intended for personnel expenditure, and direct expenditure that is routine. If possible, a new DAU will be budgeted for capital expenditure. General allocation funds are funds sourced from APBN revenues that are allocated with the aim of equitable distribution of financial capacity between regions.

Local governments can use transfer funds in the form of DAU assistance to be used to provide the best facilities and services through capital expenditure. The greater the DAU received from the center, the greater the provision and procurement of the best public services and facilities through regional capital expenditure. DAU is fully managed by the regional government in its use in accordance with the needs and requirements of an area. The fourth hypothesis can be stated as follows:

**H4**: The General Allocation Fund has an effect on the Capital Expenditure in the Districts / Cities Government in Aceh.

The Effect of Special Autonomy Funds on Capital Expenditures

The special autonomy fund is a transfer of the central government to the Government of Aceh in the context of the realization of the implementation of special autonomy and as a way for the government to improve services to the community in order to realize the welfare of the community. The amount of special autonomy funds affects capital expenditures, where the greater the special autonomy funds obtained by local governments will affect the increase in capital expenditure.

Based on the previous understanding, the amount of capital expenditure will highly depend on the special autonomy fund which is the transfer of the central government to the Government of Aceh. With a large special autonomy fund, the government will get a large capital expenditure, and vice versa, a low special autonomy fund will reduce regional government capital expenditure.

Research on the effect of special autonomy funds on capital expenditure was conducted by Nufus (2017) where the results showed that special autonomy funds had a positive and significant effect on capital expenditure.
expenditure. Therefore, the fifth hypothesis in this study is:

**H5:** Special Autonomy Fund partially has an effect on Capital Expenditures for Districts / Cities Governments in Aceh.

**The Effect of Regional Revenue on Capital Expenditures with Special Autonomy Funds as Moderators**

The special autonomy fund is a transfer fund from the central government that is given to the Province of Aceh as a manifestation of Aceh's special autonomy. With the special autonomy fund, the Province of Aceh has additional choices of revenue sources that can be used to meet funding needs.

With the special autonomy fund, the district / city government in Aceh has alternative funding sources that are different from other provinces in Indonesia. With the special autonomy fund, the capital expenditure that was originally funded from the PAD can be replaced by the source of funding to the special autonomy fund. Special autonomy funds can replace PAD as a source of funding for regional government capital expenditure. Therefore, the special autonomy fund moderates the relationship between PAD and capital expenditure. The sixth hypothesis in this study is:

**H6:** Special Autonomy Fund moderates effect of Local Revenue on Capital Expenditures on District / City Governments in Aceh

**The Effect of Profit Sharing Funds on Capital Expenditures with Special Autonomy Funds as Moderators**

The receipt of the Special Autonomy Fund (Otsus) will affect the relationship between the revenue sharing fund and capital expenditure. With the special autonomy fund, the Regency / City Government in Aceh has an alternative source of funding for capital expenditure. Before the special autonomy fund, the regional government allocated revenue-sharing funds for capital expenditure.

After the special autonomy fund is available, the regional government can allocate profit sharing funds for other expenditures besides capital expenditure, such as personnel expenditure and goods and services expenditure for office operations and other expenditures. The seventh hypothesis is:

**H7:** Special Autonomy Fund moderates affect of Revenue Sharing on Capital Expenditures on District / City Governments in Aceh

**The Effect of General Allocation Funds on Capital Expenditures with Special Autonomy Funds as Moderator**

General allocation funds are funds originating from the State Budget with the aim of equitable distribution of regional financial capabilities. General allocation funds are used for personnel expenditure, as well as regional government operational expenditure including capital expenditure.

The existence of special autonomy funds, then capital expenditures that initially used general allocation funds, then the source of funding can be transferred to the special autonomy fund. Special autonomy funds affect local government funding sources in determining the choice of using funding sources for local government spending, including capital expenditure allocations. The last hypothesis in this study is:

**H8:** The Special Autonomy Fund moderates an effect on the General Allocation Fund on Capital Expenditures on District / City Governments in Aceh

**Research Method**

**Research Data**

This study uses secondary data sources, namely district / city government financial reports in Aceh for the 2014-2018 period. Data collection method is done by documentation technique. This research is a census study, the population of this study is all regencies / cities in Aceh in 2014-2018, amounting to 23 local governments consisting of 18 district governments and 5 city governments.

**Operationalization of Variables**

This study uses one dependent variable, namely capital expenditure, three independent variables, namely Regional Original Revenue, Revenue Sharing Fund, and General Allocation Fund, and 1 moderating variable, namely Special Autonomy Fund. The definitions and measurements of these variables are:

- Capital Expenditure (BM), which is defined as local government expenditure that will produce fixed assets. Measurement of this variable uses the number of capital expenditure divided by total expenditure.
- Local Own Revenue (PAD), which is defined Revenue obtained and collected by the Regional Government in accordance with applicable regulations. Measurement of this variable uses the PAD figure divided by total revenue.
- Revenue Sharing Funds (DBH) are local government revenue from the central government as a form of decentralization, which is partly used according to local government needs. Measurement of this variable uses the figure of revenue sharing divided by the total income figure.
- General Allocation Fund (DAU) is a fund originating from the central government that has the objective of equitable distribution of regional financial capacity, the use of which is adjusted to the needs of regional governments. The measurement of this variable uses general...
allocation fund figures divided by total income figures.

- Special Autonomy Funds (Otsus), which are defined as funds received by the regional government in Aceh from the central government because of the special autonomous region status that can be used for expenditures regulated in the Qanun and Pergub Aceh

Analytical Model

This study uses a moderating regression analysis model. This analysis is used to see whether the moderating variable (XM) affects the relationship between the X variable and the Y variable.

Moderating Regression Analysis is expressed in two forms as follows:

Equation (1): \( Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \epsilon_{it} \)

Equation (2): \( Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_6 X_{6it} + \beta_7 X_{7it} + \beta_8 X_{8it} + \epsilon_{it} \)

Information:

- \( i \) = district / city 1, 2, ..., n and \( t = \) time 1, 2, ..., t;
- \( \beta_0 \) = constant;
- \( \beta_1, \beta_2, \beta_3, \beta_4 \) = coefficient;
- \( Y_i, t \) = Capital Expenditures;
- \( X_{1i}, t \) = Regional Original Revenue;
- \( X_{2i}, t \) = Revenue Sharing;
- \( X_{3i}, t \) = General Allocation Fund;
- \( X_{4i}, t \) = Special Autonomy Fund; and
- \( \epsilon \) = Error terms.

FINDINGS AND DISCUSSIONS

Descriptive Analysis

The results of the descriptive analysis can be seen as follows.

Table 1: Descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>115</td>
<td>0.086</td>
<td>0.491</td>
<td>0.2422</td>
<td>0.082248</td>
</tr>
<tr>
<td>Local Own Revenue</td>
<td>115</td>
<td>0.007</td>
<td>0.237</td>
<td>0.09057</td>
<td>0.057448</td>
</tr>
<tr>
<td>Revenue Sharing Funds</td>
<td>115</td>
<td>0.014</td>
<td>0.084</td>
<td>0.03746</td>
<td>0.016180</td>
</tr>
<tr>
<td>General Allocation Fund</td>
<td>115</td>
<td>0.042</td>
<td>0.342</td>
<td>0.14920</td>
<td>0.065382</td>
</tr>
<tr>
<td>Special Autonomy Funds</td>
<td>115</td>
<td>0.019</td>
<td>0.238</td>
<td>0.11688</td>
<td>0.042164</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>115</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Secondary data processed, 2020

Based on Table 1 it can be seen that the minimum, maximum, average, and standard deviation of the variables studied. The capital expenditure variable has a minimum value of 0.086, a maximum value of 0.491, and an average value of 0.242 with a standard deviation of 0.082. The PAD variable has a minimum value of 0.007, a maximum value of 0.237, and an average value of 0.090 with a standard deviation of 0.057. The DBH variable obtained a minimum value of 0.014, a maximum value of 0.084, and an average value of 0.037 with a standard deviation of 0.016. The DAU variable has a minimum value of 0.042, a maximum value of 0.342, and an average value of 0.149 with a standard deviation of 0.065. For the special autonomy fund variable, a minimum value of 0.019 is obtained, a maximum value of 0.238, and an average value of 0.116 with a standard deviation of 0.042.

Hypothesis Testing Results

The outcome of Hypothesis Testing can be observed on the following tables:

Table 2: Test Results of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Si</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.004</td>
<td>0.005</td>
<td></td>
<td></td>
<td>0.7</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Local Own Revenue</td>
<td>-0.039</td>
<td>0.032</td>
<td>-0.028</td>
<td>-0.028</td>
<td>1.234</td>
<td>221</td>
<td>0.0987</td>
</tr>
<tr>
<td>Revenue Sharing Funds</td>
<td>5.298</td>
<td>0.117</td>
<td>0.913</td>
<td>0.913</td>
<td>45</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>General Allocation Fund</td>
<td>0.262</td>
<td>0.035</td>
<td>0.172</td>
<td>0.172</td>
<td>7.5</td>
<td>0</td>
<td>0.977</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>71</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Secondary data processed, 2019

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**DISCUSSIONS**

The Effect of Local Revenue, Revenue Sharing Funds, and General Allocation Funds on capital expenditure

The test results show that the regression coefficient of the original regional income variable (X1) of $\beta_1 = -0.039$, the regression coefficient of the profit sharing variable (X2) of $\beta_2 = 5.298$, and the regression coefficient of the variable regional allocation fund (X3) of $\beta_3 = 0.262$. Hypothesis testing shows that if $\beta_1, \beta_2, \beta_3 \neq 0$, then $H_0$ is accepted, meaning that regional own-source revenue, revenue-sharing, and general allocation funds together have an effect on capital expenditure.

The Effect of Regional Revenue on Capital Expenditures

The test results show that the regression coefficient of the original regional income variable (X1) of $\beta_1 = -0.039$. Hypothesis testing shows that if $\beta_1 \neq 0$, then $H_0$ is accepted, meaning that the original regional income has an effect on capital expenditure. The coefficient value is -0.029, which means that regional original income has a negative effect on capital expenditure. The greater the regional income, the lower the regional government capital expenditure.

The Effect of Profit Sharing Funds on Capital Expenditures

The test results show that the regression coefficient of profit sharing variable (X2) of $\beta_2 = 5.298$. Hypothesis testing shows that if $\beta_2 \neq 0$, then $H_0$ is accepted, meaning that the profit sharing fund has an effect on capital expenditure. The coefficient value is 5.298, which means that revenue sharing has a positive effect on capital expenditure. The greater the revenue sharing funds, it will increase the regional government capital expenditure.

The Effect of General Allocation Funds on Capital Expenditures

The test results show that the regression coefficient value of the variable general allocation fund (X3) of $\beta_3 = 0.262$. Hypothesis testing shows that if $\beta_3 \neq 0$, then $H_0$ is accepted, meaning that general allocation funds affect capital expenditure. The coefficient value is 0.262, meaning that the general allocation fund has a positive effect on capital expenditure. The greater the general allocation fund, the higher the regional government capital expenditure.

The Effect of Special Autonomy Funds on Capital Expenditures

The test results show that the regression coefficient value of the variable special autonomy funds (X4) of $\beta_4 = 0.553$. Hypothesis testing shows that if $\beta_4 \neq 0$, then $H_0$ is accepted, meaning that special autonomy funds affect capital expenditure. The coefficient value is 0.553, meaning that the special autonomy fund has a positive effect on capital expenditure. The greater the special autonomy fund, the higher the regional government capital expenditure.

The Effect of Regional Revenue on Capital Expenditures with Special Autonomy Funds as Moderators

The test results show that the original regional income has an effect on capital expenditure. Furthermore, special autonomy funds affect capital expenditure with a value of 0.553. Then the interaction between the original regional income with the special autonomy fund affects capital expenditure with a value of 1.003. Hypothesis testing shows that the special autonomy fund moderates (quasi moderator) the relationship between regional own-source revenue and capital expenditure, meaning that the special autonomy fund moderates the effect of regional own-source revenue on capital expenditure.
The Effect of Profit Sharing Funds on Capital Expenditures with Special Autonomy Funds as Moderators

The results of regression testing for the seventh hypothesis in this study were conducted to find out whether the special autonomy fund moderates the effect of profit sharing funds on capital expenditure. The test results show the profit sharing funds affect capital expenditure with a coefficient of 3.791. Furthermore, special autonomy funds affect capital expenditure with a coefficient of 0.553. Then the interaction between the profit sharing fund and the special autonomy fund affects the capital expenditure with a coefficient value of 5.443. Hypothesis testing shows that the special autonomy fund moderates the relationship between the profit sharing fund and capital expenditure, meaning that the special autonomy fund moderates the effect of the profit sharing fund on capital expenditure.

The Effect of Profit Sharing Funds on Capital Expenditures with Special Autonomy Funds as Moderators

The results of regression testing for the eighth hypothesis in this study were conducted to find out whether special autonomy funds moderate the effect of general allocation funds on capital expenditure. The test results show that general allocation funds affect capital expenditure with a coefficient of 0.374. Furthermore, special autonomy funds affect capital expenditure with a coefficient of 5.443. Then the interaction between the general allocation fund and the special autonomy fund has an effect on capital expenditure with a value of -2.471. Hypothesis testing shows that the special autonomy fund moderates (quasi moderator) the relationship between general allocation funds and capital expenditure, meaning that special autonomy funds moderate the influence of general allocation funds on capital expenditure.

CONCLUSIONS

1. Regional original revenue, revenue sharing funds, and general allocation funds have a joint effect on capital expenditures on district / city governments in Aceh in 2014-2018.
4. General allocation funds have an effect on capital expenditures on district / city governments in Aceh in 2014-2018.
5. Special autonomy funds affect capital expenditure on district / city governments in Aceh in 2014-2018.
7. The special autonomy fund moderates the effect of revenue sharing funds on capital expenditures on district / city governments in Aceh in 2014-2018.
8. The special autonomy fund moderates the effect of general allocation funds on capital expenditure on district / city governments in Aceh in 2014-2018.

Recommendations

1. For further researchers it is recommended to use other variables such as non-financial variables and other local government policies that can explain well how much the level of procurement of development capital expenditure is balanced with local economic growth in prioritizing the welfare of the community.
2. Suggestions that can be given to local governments to continue to increase their own regional revenues in the form of PAD, as well as other transfer funds followed by good financial management so that regional revenues can be used and are beneficial to the needs of the community as reflected in the allocation of capital expenditure that is right for regional development.

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