ABSTRACT

Each local government (LG) which allocates personnel expense exceeds 51% of the budget, then local governments are prohibited from procuring civil servant concerned because it would burden the state budget. But in fact, in Indonesia at this time almost in half, or more than 50% of local governments to allocate personnel expense exceeds 50% of its own budget. The purpose of this study was to find out how the influence of the original income (PAD) and Fund Balance of the Regional Shopping in 9 cities in West Java Province 2010-2013.

This research method using descriptive and verification methods. In accordance with research title that Influence Local Revenue (PAD) and Fund Balance of the Shopping Area. It is known there are three variables in the title is revenue (PAD) (X1), Fund Balance (X2), and Expenditure (Y). The statistical test used is multiple linear regression analysis, correlation analysis, analysis Partial Coefficient of Determination, and hypothesis testing.

These results indicate that the original income significantly influence regional expenditure, and Fund Balance significant effect on local shopping.

Keywords: *Local Revenue (PAD), the Fund Balance, and Shopping Area*