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## THE INFLUENCE OF LOCAL GOVERNMENT INCOME AND CENTRAL BALANCING FUNDING TO CAPITAL EXPENDITURE WITH NET RESIDE LOCAL BUDGET AS MODERATING ON BUDGET OF LOCAL GOVERNMENT AT CITY AND DISTRICT INNORTH SUMATERA PROVINCE

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### ABSTRACT

This study examines the effect of Original Income and Balancing Fund on Capital Expenditure with Time Over Budget Calculation as a moderating variable. The sample in this research are 33 regencies and cities in North Sumatera Province with year of research 2013-2015. In this research using quantitative research approach, descriptive research type, descriptive explanatory research, secondary data type. This study also uses Moderating Regression Analysis (MRA) to test the moderation variables in this study. Partially Local Revenue has significant effect to Capital Expenditure, Balancing Fund has significant effect to Capital Expenditure. Simultaneously Local Own Revenue and Balancing Fund have significant effect to Capital Expenditure. Simultaneously Local Own Revenue and Balancing Fund have significant effect to Capital Expenditure. The Over Time Budget Calculation (SiLPA) moderates the Regional Original Income and the Balancing Fund by testing the interaction and moderating the absolute difference test against Capital Expenditure at City and Regency Government in North Sumatera Province 2013-2015.

**Keywords:** *Local Original Income, Balancing Fund, Budget Calculation, Capital Expenditure*

