

## ABSTRACT

*This study aims to find empirical evidence about the influence of the original income, General Allocation Fund, Funds, Surplus Budget Financing and Regional Area on Capital Expenditure. The data sample consists of 35 Local Government Financial Statements of the BPK Audit Reports. Partially DBH and SiLPA no effect on capital expenditure while the Original Income, General Allocation Fund, and Area Regional positive effect on capital spending. This indicates that Funds and Surplus Budget Financing which is used as one of the sources to increase the proportion of local capital spending are not routinely used and only in some areas to take an. While the Original Income, General Allocation Fund and Area Regional influence on capital spending, this indicates that the Original Income is an important source to enhance the independence of the region and also an increase in infrastructure development, while General Allocation Fund greatest proportion was a source of revenue that is needed area not only for routine expenses but also for the improvement of infrastructure development, and the area became one of the region contributing factor in increasing capital expenditure relating to the acceptance of transfer of funds from the center to the regions.*

*Keywords : Capital Expenditure, Funds, General Allocation Fund, Original Income, Surplus Budget Financing,.*