



Financial Performance Analysis of the Tomohon City Government

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Abstract

Background: Regional financial performance reflects the ability of local governments to manage revenue and expenditure transparently, effectively, efficiently, and in accordance with development priorities. Financial ratio analysis provides a multidimensional assessment of revenue growth, target achievement, resource utilization, and expenditure allocation.

Objective: This study aims to analyze the financial performance of the Tomohon City Government during 2021–2024 using growth, effectiveness, efficiency, and harmony ratios.

Methods: This study used a quantitative analytical approach based on secondary data from Budget Realization Reports and Regional Original Revenue (PAD) documents. Financial performance was evaluated using growth, effectiveness, efficiency, and harmony ratios.

Results: Revenue growth was -8.55% in 2022, 0.51% in 2023, and 13.77% in 2024, all categorized as unsuccessful. PAD effectiveness was very effective in 2021 (113%) but less effective in 2022–2024, at 87.35%, 75.17%, and 77.24%, respectively. The efficiency ratio was less efficient in 2021 (92.20%) and 2024 (98.71%), and inefficient in 2022 (117.36%) and 2023 (103.65%). Operational expenditure harmony was very harmonious, while capital expenditure harmony was categorized as not harmonious throughout the period.

Conclusion: Tomohon City's financial performance indicates improving revenue growth but persistent weaknesses in PAD effectiveness, expenditure efficiency, and expenditure allocation balance. Strengthening regional revenue capacity, expenditure control, and capital expenditure allocation is therefore necessary to support more sustainable financial management.

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INTRODUCTION

Regional autonomy provides broad authority to regional governments to manage their resources and finances in order to improve the quality of public services and community welfare (Mukhlis et al., 2025; Trisakti & Djajasinga, 2021). This authority is accompanied by demands for transparent, accountable, effective, and efficient regional financial management. In the context of fiscal decentralization, the ability of regional governments to plan, realize, and control the Regional Revenue and Expenditure Budget (APBD) is one of the important indicators of successful regional government administration. Therefore, evaluation of financial performance is needed to determine the ability of regional governments to optimize revenue sources while allocating

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financial resources according to development needs and priorities (Lubis & Ningsi, 2022; Mukhlis et al., 2025; Sessu & Imaduddin, 2022).

Regional government financial performance describes a region's ability to manage its financial resources over a certain period (Putra et al., 2020; Yasin Yasin, 2019). Assessment of financial performance is not only based on the nominal amount of revenue and expenditure but also needs to consider revenue growth over time, the ability to realize Regional Original Revenue (PAD) targets, budget efficiency, and the proportion of regional expenditure allocation. Financial ratio analysis is one approach that can be used to provide a quantitative picture of these conditions. The growth ratio can show the development of financial capacity from year to year, the effectiveness ratio describes the government's ability to achieve PAD targets, the efficiency ratio shows the relationship between revenue and expenditure, while the harmony ratio describes the priority of regional government expenditure allocation.

PAD is one of the strategic components in regional government financial structure because it reflects the region's capacity to explore its own economic potential. The ability to optimally realize PAD can strengthen the region's fiscal capacity in financing public services and development. However, increasing PAD targets is not always followed by increased revenue realization. The discrepancy between targets and realization can indicate the need for evaluation of target setting, exploration of revenue source potential, and the effectiveness of regional revenue policies. On the other hand, the success of financial management is also determined by the government's ability to control expenditure and maintain a balance between operational expenditure and expenditure that provides medium and long-term development benefits.

These issues are relevant to the financial condition of the Tomohon City Government during the 2021-2024 period. Data shows that the PAD target increased from Rp52,863,366,556.00 in 2021 to Rp73,293,688,632.00 in 2024. However, the development of PAD realization shows a different pattern. PAD realization of Rp59,733,273,584.15 in 2021 decreased to Rp49,458,534,505.64 in 2022 and Rp45,621,779,435.93 in 2023, then increased to Rp56,610,368,559.16 in 2024. Although there was a recovery in 2024, realization remains below the established target. This condition indicates a gap between the increasing PAD targets and the regional government's ability to realize planned revenues.

In addition to PAD achievement issues, Tomohon City's regional expenditure structure also shows conditions that are important to evaluate. Regional expenditure realization during the research period fluctuated, while operational expenditure had a relatively dominant proportion compared to capital expenditure. The high proportion of operational expenditure indicates that most regional financial resources are used to finance government administration activities. Although operational expenditure is a necessary component in public service delivery, its balance with capital expenditure needs to be considered because capital expenditure relates to the provision of assets, facilities, infrastructure, and government investments whose benefits can be felt in the longer term. Thus, evaluation of Tomohon City's financial performance needs to be conducted multidimensionally, not only from the aspect of revenue generation capacity but also from the aspects of efficiency and spending priorities.

Studies on regional government financial performance have developed in recent years. Widiyanto (2023) analyzed the financial performance of district and city governments in Central Java Province using independence ratio, fiscal decentralization, PAD effectiveness, efficiency, operational expenditure harmony, and capital expenditure harmony and found performance differences, especially in efficiency and capital expenditure harmony. Dian and Octavianidori (2024) used financial ratio analysis on the West Java Provincial Government and showed the importance of regional capacity in exploring PAD potential and reducing dependence on central government funding sources. Fedwiriansyah et al. (2024) also affirmed the relevance of effectiveness and efficiency ratios as instruments for evaluating regional government financial management performance. Meanwhile, Triyassari and Sambharakreshna (2024) combined the value for money approach and financial ratios and found that performance assessment can produce different conditions when viewed from effectiveness, efficiency, independence, and expenditure harmony. More recent studies also show that PAD effectiveness, financial efficiency, and regional government expenditure structure still show variations across regions, so evaluation needs to consider the fiscal characteristics and period of each regional government.

Although previous research has provided empirical evidence on the use of financial ratios in evaluating regional government performance, there are several research gaps that still need to be examined. First, the results of previous research show considerable variation in the level of financial effectiveness, efficiency, and harmony across regions, so the results of one region cannot be directly generalized to other regions. Differences in PAD capacity, revenue structure, level of dependence on transfers, and spending priorities cause each region to have different fiscal characteristics. Second, some research focuses analysis on effectiveness and efficiency or combines them with fiscal independence, while the dynamics of revenue growth and harmony between operational and capital expenditure are also important to analyze simultaneously. Third, changes in fiscal conditions post-pandemic make evaluation based on the latest data important because the ability to realize revenues and regional government expenditure structures can change from year to year.

In this context, empirical studies on the financial performance of the Tomohon City Government using 2021-2024 data become relevant. This period allows the research to capture regional financial dynamics from the early post-pandemic recovery conditions to more recent fiscal developments. Tomohon City data shows an interesting phenomenon, namely that the continuously increasing PAD target has not been fully followed by realization capability, while the expenditure structure shows operational expenditure dominance and a relatively lower proportion of capital expenditure. This phenomenon requires analysis that does not stop at the nominal description of the APBD but connects revenue development, target achievement capability, expenditure efficiency, and budget allocation structure within a single evaluation framework.

The novelty of this research lies in providing the latest empirical evidence regarding the financial performance of the Tomohon City Government for the 2021-2024 period through an integrated analysis of four performance dimensions, namely revenue growth, PAD effectiveness, financial efficiency, and expenditure harmony. Unlike research that only emphasizes one or several dimensions of financial performance, the use of these four ratios allows the research to simultaneously map revenue capacity development, PAD target achievement capability, the relationship between expenditure realization and revenue, and the orientation of operational and capital expenditure allocation. This research also updates empirical evidence on Tomohon City's financial performance based on the latest fiscal conditions, thus providing a more relevant evaluation basis for regional financial management. This study distinguishes itself from prior research Triyassari and Sambharakreshna (2024) and Widiyanto (2023) by simultaneously analyzing all four performance dimensions for the recent 2021-2024 period, capturing post-pandemic fiscal dynamics. While earlier studies focused on two or three ratios separately, the integrated approach here enables comprehensive identification of interconnected performance issues and their policy implications.

Practically, this analysis is important for the Tomohon City Government in identifying aspects of financial management that still need improvement. Low revenue growth can serve as a basis for evaluating the optimization of regional revenue sources. PAD effectiveness levels can indicate target accuracy as well as the government's ability to realize revenue potential. The efficiency ratio provides information on the balance between resources obtained and realized expenditures, while the harmony ratio can indicate the direction of government spending priorities between operational needs and asset formation through capital expenditure. Evaluation that integrates these four aspects is expected to support the formulation of more measurable and performance-oriented regional fiscal policies. Using four ratios simultaneously provides a more comprehensive evaluation of regional financial performance. The growth ratio reflects the trajectory of revenue-generating capacity over time, while the effectiveness ratio indicates the accuracy of revenue targets and the government's ability to realize planned revenues. The efficiency ratio evaluates the extent to which available resources are utilized optimally, whereas the harmony ratio assesses the balance of budget allocations between short-term operational needs and long-term development investments. Therefore, relying solely on PAD effectiveness would provide only a partial assessment because it may overlook important issues related to resource efficiency and the overall structure of budget allocation.

Based on the empirical phenomena and research gaps, this study aims to analyze the financial performance of the Tomohon City Government during the 2021-2024 period based on growth, effectiveness, efficiency, and harmony ratios. Specifically, the research is directed to identify regional revenue growth development, assess the government's ability to realize PAD targets, evaluate budget utilization efficiency, and analyze the harmony of allocation between operational and capital expenditure. The research results are expected to enrich empirical evidence on regional government financial performance evaluation and serve as consideration for the Tomohon City Government in improving revenue effectiveness, financial resource utilization efficiency, and the quality of regional expenditure allocation. The research framework is presented in figure 1.

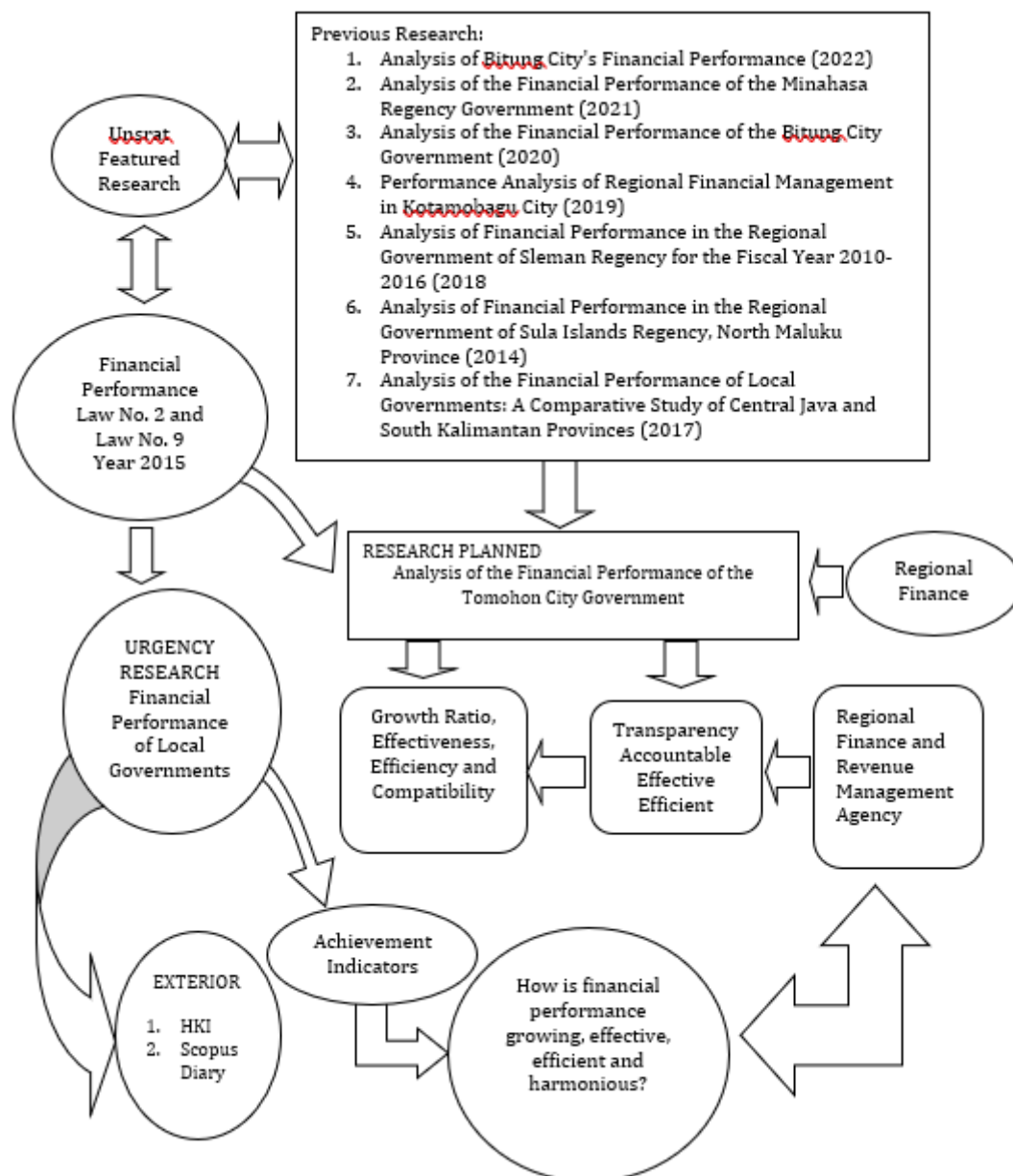


Figure 1. Research Framework
Source: Processed Data, 2025

METHOD

The type of data used in this research is quantitative data in the form of Budget Realization Reports and Regional Original Revenue of the Tomohon City Government. The data source in this research uses secondary data.

Relevant data and information in this research were obtained through literature study, 3089 | INKUBIS: Jurnal Ekonomi dan Bisnis

namely by reading and studying written sources, both books, research reports, scientific papers, journals, and internet data, as well as documents obtained from the Regional Financial and Revenue Management Agency (BPKAD) and BAPELITBANGDA of the Tomohon City Government related to the research topic and object.

The analytical method used to analyze the results of this research is through regional financial ratios of the Tomohon City Government from 2021 to 2024. The calculation formulations used are as follows:

1. Growth Ratio, useful for measuring the extent of the regional government's ability to maintain and improve the success achieved from one period to the next. The growth ratio is said to be good if each year experiences positive growth or an increase.

Growth Ratio Formula:

$$\text{Growth Ratio} = \frac{\text{Revenue Year } t - \text{Revenue Year } (t-1)}{\text{Revenue Year } (t-1)}$$

Table 1

Growth Rate Criteria

Triyassari	Triyassari
85% - 100%	Very Successful
70% - 85%	Successful
55% - 70%	Moderately Successful
30% - 55%	Less Successful
Less than 30%	Unsuccessful

Source: Halim (2012)

2. Effectiveness Ratio

This ratio compares the same budget items between plan and realization, producing data on the achievement of targets for each budget item. Furthermore, this figure never reaches 100 percent if planning is based on the potential possessed. If the figure reaches more than 100 percent, it shows that a budget item is planned inaccurately or underestimated, or far from the target indicating the government overestimates in setting the budget. The effectiveness ratio describes the Regional Government's ability to realize planned PAD compared to the target set based on the region's real potential.

$$\text{Effectiveness} = \frac{\text{Realized PAD}}{\text{Target PAD}} \times 100\%$$

Table 2

Effectiveness Ratio Criteria

Financial Performance Percentage	Criteria
Above 100	Very Effective
100%	Effective
90% - 99%	Moderately Effective
75% - 89%	Less Effective
Less than 75%	Ineffective

Source: Mahmudi (2011)

3. Efficiency Ratio

The results of the analysis conducted on regional financial performance, especially the performance of regional revenue with routine expenditure, use the efficiency level measure, namely the comparison between routine budget expenditure realization and regional revenue/income multiplied by one hundred in percentage form.

$$\text{Efficiency} = \frac{\text{Total Realized Regional Expenditure}}{\text{Total Realized Regional Revenue}} \times 100\%$$

Table 3

Efficiency Ratio Criteria

Financial Performance Percentage	Criteria
100 – and above	Inefficient
90% - 100%	Less Efficient
80% – 90%	Moderately Efficient
60% - 80%	Efficient
Less than 60%	Very Efficient

Source: Halim (2013)

4. Harmony Ratio

The Harmony Ratio describes how the regional government prioritizes the allocation of its funds for Routine Expenditure and Development Expenditure optimally. The higher the percentage of funds allocated for Routine Expenditure means the percentage of investment expenditure (Development Expenditure) used to provide economic infrastructure and facilities for the community tends to be smaller. There are 2 calculations in this Harmony Ratio, namely:

- a) Operational Expenditure Ratio is the comparison between total Operational Expenditure and total Regional Expenditure. This ratio informs the reader of the report about the portion of regional expenditure allocated for Operational Expenditure. Operational Expenditure is expenditure whose benefits are consumed within one fiscal year, so it is short-term in nature and in certain cases is routine or recurring. Generally, the proportion of Operational Expenditure dominates total regional expenditure, ranging from 60-90%. In regional governments with high income levels tend to have a higher proportion of operational expenditure compared to regional governments with low income levels. The operational expenditure ratio is formulated as follows:

$$\text{Operational Expenditure Ratio} = \frac{\text{Total Operational Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

- b) Capital Expenditure Ratio is the comparison between total realized capital expenditure and total regional expenditure. Based on this ratio, readers of the report can determine the portion of regional expenditure allocated for investment in the form of capital expenditure in the relevant fiscal year. Capital expenditure provides medium and long-term benefits and is also routine in nature. Generally the proportion of capital expenditure to regional expenditure is between 5-20%. This capital expenditure ratio is formulated as follows:

$$\text{Capital Expenditure Ratio} = \frac{\text{Total Operational Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

Table 4

Harmony Criteria

Expenditure Harmony Ratio	Autonomous Regional Expenditure Harmony Financial Capability
0 – 20	Not Harmonious
>20 – 40	Less Harmonious
>40 – 60	Moderately Harmonious
>60 – 80	Harmonious

Expenditure Harmony Ratio	Autonomous Regional Expenditure Harmony Financial Capability
>80 – 100	Very Harmonious

Source: Halim (2012)

The analytical techniques used: (1) Obtaining a general overview and existing problems regarding the level of growth, effectiveness, efficiency, and harmony of the financial performance of the Tomohon City Government. (2) Obtaining target and budget realization data of the Tomohon City Government. (3) Calculating the growth rate of the Tomohon City Government's regional financial performance. (4) Calculating the financial effectiveness of the Tomohon City Government. (5) Calculating the financial efficiency of the Tomohon City Government. (6) Calculating the harmony level of the Tomohon City Government's regional financial performance

RESULTS AND DISCUSSION

Results

From the research conducted, the following data were obtained:

Table 5

Tomohon City Revenue 2021-2024

Number	Year	Budget	Realization
1	2021		670,305,077,991.58
2	2022	617,430,351,183.00	612,988,723,398.64
3	2023	632,808,516,000.00	616,085,781,555.93
4	2024	722,903,035,428.00	700,942,050,435.16

Source: BPKPD Tomohon City Government (2025)

Table 5 shows that the budget increased continuously and the revenue realization of the Tomohon City Government from 2021 to 2024 has not reached the budgeted target.

Table 6

Tomohon City PAD 2021-2024

Number	Year	Budget	Realization
1	2021	52,863,366,556.00	59,733,273,584.15
2	2022	56,621,936,630.00	49,458,534,505.64
3	2023	60,692,694,971.00	45,621,779,435.93
4	2024	73,293,688,632.00	56,610,368,559.16

Source: BPKPD Tomohon City Government (2025)

Table 6 shows that the Tomohon City PAD budget increased from 2021 to 2024 and the Tomohon City PAD realization did not reach the budgeted target.

Table 7

Tomohon City Transfer Revenue 2021-2024

Number	Year	Budget	Realization
1	2021	593,465,951,690.00	595,913,729,106.00
2	2022	552,824,318,485.00	555,782,116,304.00
3	2023	562,911,724,029.00	561,266,621,366.00
4	2024	638,546,775,796.00	636,340,326,806.00

Source: BPKPD Tomohon City Government (2025)

Table 7 shows that the budget and realization of transfer revenue of the Tomohon City Government increased continuously from 2021 to 2024.

Table 8

Tomohon City Regional Expenditure 2021-2024

Number	Year	Budget	Realization
1	2021	767,790,119,433.00	617,999,441,837.00
2	2022	774,015,429,473.00	719,395,891,239.18
3	2023	676,237,054,062.00	638,548,358,937.00
4	2024	723,208,152,807.00	691,865,407,875.32

Source: BPKPD Tomohon City Government (2025)

Table 8 shows that the largest budget for Tomohon City regional expenditure was in 2021 amounting to Rp767,790,119,433.00 and the smallest in 2023 amounting to Rp676,237,054,062.00. The largest realization was in 2022 amounting to Rp719,395,891,239.18 and the smallest in 2021 amounting to Rp617,999,441,837.00.

Table 9

Tomohon City Operational Expenditure 2021-2022

Number	Year	Budget	Realization
1	2021	573,314,947,573.00	512,450,218,882.00
2	2022	617,764,107,118.00	576,537,321,401.18
3	2023	607,216,308,991.00	576,792,987,304.00
4	2024	636,379,050,120.80	609,186,960,465.32

Source: BPKPD Tomohon City Government (2025)

Table 9 shows that the largest operational expenditure budget was in 2024 amounting to Rp636,379,050,120.80 and the smallest in 2021 amounting to Rp573,314,947,573.00. The largest expenditure realization was in 2024 amounting to Rp609,186,960,465.32 and the smallest in 2021 amounting to Rp512,450,218,882.00.

Table 10

Tomohon City Capital Expenditure 2021-2024

Number	Year	Budget	Realization
1	2021	207,053,818,474.00	194,716,084,626.00
2	2022	167,566,040,643.00	158,495,221,278.00
3	2023	133,529,065,154.60	105,719,106,168.00
4	2024	203,155,407,699.17	172,759,357,614.00

Source: BPKPD Tomohon City Government (2025)

Table 10 shows that the largest capital expenditure budget of the Tomohon City Government was in 2021 and the smallest in 2023 amounting to Rp133,529,065,154.60. The largest capital expenditure realization was in 2021 amounting to Rp194,716,084,626.00 and the smallest in 2023 amounting to Rp105,719,106,168.00.

Table 11

Central Assistance and Loans Tomohon City 2021-2024

Number	Year	Budget	Realization
1	2021	593,465,951,690.00	595,913,729,106.00
2	2022	552,824,318,485.00	555,782,116,304.00
3	2023	562,911,724,029.00	561,266,621,366.00
4	2024	638,546,775,796.00	636,340,326,806.00

Source: BPKPD Tomohon City Government (2025)

Financial Ratio Analysis Results

Growth Ratio

$$\text{Growth Ratio Formula} = \frac{\text{Revenue Year } t - \text{Revenue Year } (t-1)}{\text{Revenue Year } (t-1)} \times 100\%$$

$$\begin{aligned} 2022 &= \frac{612.305.077.991,58 - 670.305.077.991,58}{670.305.077.991,58} \times 100\% \\ &= -8,55\% \\ 2023 &= \frac{616.085.781.555,93 - 612.305.077.991,58}{612.305.077.991,58} \times 100\% \\ &= 0,51\% \\ 2024 &= \frac{700.085.781.555,93 - 616.085.781.555,93}{616.085.781.555,93} \times 100\% \\ &= 13,77\% \end{aligned}$$

Table 12

Percentage of Tomohon City Government Revenue Growth 2021-2024

Year	Percentage (%)	Criteria
2022	-8.55	Unsuccessful
2023	0.51	Unsuccessful
2024	13.77	Unsuccessful

Source: Processed Data (2025)

Based on Table 12, the revenue growth ratio of the Tomohon City Government was -8.55% in 2022, increasing to 0.51% in 2023, and 13.77% in 2024. All values are still below 30%, so based on the criteria used in this research, they are categorized as unsuccessful. The data shows that after contraction in 2022, revenue returned to positive growth in 2023 and strengthened in 2024, but the growth rate has not reached the less successful category (30%-55%).

Effectiveness Ratio

$$\text{Effectiveness Ratio Formula} = \frac{\text{Realized PAD}}{\text{Target PAD Revenue}} \times 100\%$$

$$\begin{aligned} 2021 &= \frac{59.733.273.584,15}{52.863.366.566,00} \times 100\% \\ &= 113 \% \\ 2022 &= \frac{49.458.534.505,64}{56.621.936.630,00} \times 100\% \\ &= 87,35 \% \end{aligned}$$

$$\begin{aligned}
 2023 &= \frac{45.621.779.435,93}{60.692.694.971,00} \times 100\% \\
 &= 75,17 \% \\
 2024 &= \frac{56.610.368.559,16}{73.293.699.632,00} \times 100\% \\
 &= 77,24 \%
 \end{aligned}$$

Table 13

Percentage of Tomohon City Government Financial Performance Effectiveness 2021-2024

Year	Percentage (%)	Criteria
2021	113%	Very Effective
2022	87.35%	Less Effective
2023	75.17%	Less Effective
2024	77.24%	Less Effective

Source: Processed Data (2025)

Based on Table 13, the PAD effectiveness ratio in 2021 reached 113% and was classified as very effective because PAD realization exceeded the target. In 2022, the ratio fell to 87.35%, then to 75.17% in 2023 and 77.24% in 2024. According to the research criteria, the 2022-2024 achievements are in the less effective category. Thus, only in 2021 did PAD realization exceed the target, while for the following three years there was a gap between the PAD target and realization.

Efficiency Ratio

$$\text{Efficiency Ratio Formula} = \frac{\text{Realized Expenditure}}{\text{Realized Revenue}} \times 100\%$$

$$\begin{aligned}
 2021 &= \frac{617.999.441.837,00}{670.305.077.991,58} \times 100\% \\
 &= 92,20 \% \\
 2022 &= \frac{719.395.891.239,18}{612.988.723.398,64} \times 100\% \\
 &= 117,36 \% \\
 2023 &= \frac{638.548.358.937,00}{616.085.781.555,93} \times 100\% \\
 &= 103,65 \% \\
 2024 &= \frac{691.865.407.875,32}{700.942.050.435,16} \times 100\% \\
 &= 98,71\%
 \end{aligned}$$

Table 14

Percentage of Tomohon City Government Financial Performance Efficiency 2021-2024

Year	Percentage (%)	Criteria
2021	92.20%	Less Efficient
2022	117.36%	Inefficient

Year	Percentage (%)	Criteria
2023	103.65%	Inefficient
2024	98.71%	Less Efficient

Source: Processed Data (2025)

Based on Table 14, the efficiency ratio of the Tomohon City Government was 92.20% in 2021 and 98.71% in 2024, so both are classified as less efficient. In 2022 and 2023, the ratios reached 117.36% and 103.65%, respectively, thus classified as inefficient. Values above 100% in 2022-2023 indicate that regional expenditure realization was greater than regional revenue realization in the same year.

Harmony Ratio

Routine Expenditure Ratio

Routine Expenditure Ratio Formula =		$\frac{\text{Total Operational Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$
2021	$\frac{512.450.218.882,00}{617.999.441.837,00} = 82,92\%$	x 100%
2022	$\frac{576.537.321.401,18}{719.395.891.239,18} = 80,15\%$	x 100%
2023	$\frac{576.792.987.304,00}{638.548.358.937,00} = 90,33\%$	x 100%
2024	$\frac{609.186.960.465,32}{691.865.407.875,32} = 88,05\%$	x 100%

Table 15

Percentage of Tomohon City Government Routine Expenditure Harmony 2021-2024

Year	Percentage (%)	Criteria
2021	82.92%	Very Harmonious
2022	80.14%	Very Harmonious
2023	90.33%	Very Harmonious
2024	88.05%	Very Harmonious

Source: Processed Data (2025)

Based on Table 15, the ratio of operational expenditure to regional expenditure was 82.92% in 2021, 80.14% in 2022, 90.33% in 2023, and 88.05% in 2024. All ratios are above 80%, so based on the research criteria they are classified as very harmonious. The highest proportion occurred in 2023 at 90.33%, while the lowest proportion occurred in 2022 at 80.14%.

Capital Expenditure Ratio

$$\text{Capital Expenditure Ratio Formula} = \frac{\text{Total Capital Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

$$\begin{aligned} 2021 &= \frac{93.750.679.790,00}{617.999.441.837,00} \times 100\% \\ &= 15,17\% \end{aligned}$$

$$\begin{aligned} 2022 &= \frac{137.214.127.534,00}{719.395.891.239,18} \times 100\% \\ &= 19,07\% \end{aligned}$$

$$\begin{aligned} 2023 &= \frac{56.985.496.813,00}{638.548.358.937,00} \times 100\% \\ &= 8,92\% \end{aligned}$$

$$\begin{aligned} 2024 &= \frac{78.188.477.410,00}{691.865.407.875,32} \times 100\% \\ &= 11,30\% \end{aligned}$$

Table 16

Percentage of Tomohon City Government Capital Expenditure Harmony 2021-2024

Year	Percentage (%)	Criteria
2021	15.17%	Not Harmonious
2022	19.07%	Not Harmonious
2023	8.92%	Not Harmonious
2024	11.30%	Not Harmonious

Source: Processed Data (2025)

Based on Table 16, the ratio of capital expenditure to regional expenditure was 15.17% in 2021, 19.07% in 2022, 8.92% in 2023, and 11.30% in 2024. All values are below 20%, so based on the research criteria they are classified as not harmonious. The highest proportion of capital expenditure occurred in 2022 at 19.07%, while the lowest occurred in 2023 at 8.92%. These results show that the proportion of capital expenditure is much smaller than the proportion of operational expenditure during the research period.

Discussion

Growth Ratio

The results show that Tomohon City's revenue growth contracted by -8.55% in 2022, then returned to positive growth of 0.51% in 2023 and increased to 13.77% in 2024. Although the direction of growth improved, all ratios remain below 30%, so according to the research criteria they have not shown successful revenue growth. This pattern indicates that nominal revenue recovery has not automatically produced strong and stable growth rates. These results align with studies by Siswanto and Maylani (2022), and Wulandari et al. (2023) which place regional revenue development as an important part of financial performance evaluation and show that performance changes can differ between periods and regions.

From a fiscal management perspective, low growth needs to be read together with the composition of revenue sources. The research data shows that Tomohon City's transfer revenue remains much larger in value compared to PAD. This condition indicates that room for

strengthening revenue capacity sourced from regional potential remains open. Research by Mulyaningsih and Sunaningsih (2022), Rafael and Istianah (2022), and Rizky et al. (2023) also shows that assessing regional financial performance should not be based solely on one fiscal year, but needs to look at ratio trends and changes in fiscal conditions over time. Therefore, improving Tomohon City's revenue growth needs to be directed at strengthening the PAD base, updating revenue potential, and consistency in revenue realization so that the positive growth in 2023-2024 can be maintained.

Effectiveness Ratio

PAD effectiveness shows quite sharp changes. 2021 was the only period with a very effective category at 113%, while 2022-2024 were in the less effective category with ratios of 87.35%, 75.17%, and 77.24%. This finding means that PAD targets after 2021 have not been optimally realized. The decline in the ratio does not merely show a nominal decrease in revenue, but indicates a widening gap between the target set and the realization achieved. These findings are consistent with Hardinata et al. (2024), Tumija and Sinta (2022), Utari et al. (2022) which use the effectiveness ratio as an indicator of regional government's ability to realize PAD compared to its revenue targets.

Substantively, these results indicate the need for evaluation on two sides simultaneously, namely the accuracy of target setting and PAD collection capability. Increasing targets needs to be supported by realistic tax and retribution potential mapping, up-to-date databases of revenue objects and subjects, and periodic monitoring of realization. Akib et al. (2024) and Triyassari and Sambharakreshna (2024) emphasize the importance of using financial ratios and value for money principles to read the quality of regional financial management more comprehensively. Thus, improving Tomohon City's PAD effectiveness is not enough by simply increasing targets, but must be followed by strategies that can convert revenue potential into realization.

Efficiency Ratio

The efficiency ratio shows that Tomohon City's financial management has not reached the efficient category during the research period. A ratio of 92.20% in 2021 and 98.71% in 2024 is classified as less efficient, while a ratio of 117.36% in 2022 and 103.65% in 2023 is classified as inefficient. The condition that needs the most attention occurred in 2022 and 2023 because expenditure realization exceeded revenue realization. In the perspective of the ratio used in this research, the larger the ratio of expenditure to revenue, the smaller the room for available fiscal efficiency.

These results can be compared with Hardinata et al. (2024) which specifically uses effectiveness and efficiency ratios to measure regional government performance, as well as Widiyanto (2023) which found that efficiency ratio is one of the financial performance components that can change significantly when fiscal conditions change. Santoso and Meidiaswati (2025) also place regional financial ratios as important instruments for evaluating district/city government performance. For Tomohon City, the improvement from 103.65% in 2023 to 98.71% in 2024 shows a better direction, but is not yet sufficient to enter the efficient category. Therefore, expenditure control needs to be accompanied by program priority determination, evaluation of recurring expenditures, and revenue strengthening so that the balance between resources obtained and expenditures made becomes healthier.

Harmony Ratio

Tomohon City's expenditure structure shows operational expenditure dominance. The operational expenditure ratio was 82.92% in 2021, 80.14% in 2022, 90.33% in 2023, and 88.05% in 2024. Conversely, the capital expenditure ratio was only 15.17%, 19.07%, 8.92%, and 11.30%. With the criteria used in this research, operational expenditure is categorized as very harmonious, while capital expenditure is not harmonious. However, substantive interpretation should not stop at labeling criteria. Operational expenditure dominance shows that most realized expenditure is directed toward operational needs, while room for expenditure that generates assets or medium-long term benefits is relatively more limited.

These findings are relevant to research on regional financial performance that includes

capital expenditure as an important element in fiscal management structure and quality. Dewi et al. (2026) shows the usefulness of regional financial ratio approaches for reading performance periodically, while more recent studies Dian Anita and Octavianidori (2024) and Triyassari and Sambharakreshna (2024) affirm that harmony ratios need to be read together with effectiveness and efficiency so as not to produce partial assessments. For Tomohon City, the decline in the capital expenditure ratio to 8.92% in 2023 is the lowest point during the research period and needs attention because in the same year the operational expenditure ratio reached its highest point of 90.33%. This composition shows the need for expenditure priority evaluation so that operational needs remain met without narrowing the capacity for financing programs and assets that support public services and regional development in the longer term.

Overall, the four ratios provide interrelated pictures. Revenue growth began to recover but remains low; PAD effectiveness after 2021 has not reached targets; expenditure efficiency has not entered the efficient category; and the expenditure structure is heavily dominated by operational expenditure. Thus, the main issues of Tomohon City's financial performance during 2021-2024 are not only related to the amount of revenue or expenditure, but also to the ability to optimize PAD, maintain revenue growth, control the relationship between expenditure and revenue, and build a more balanced expenditure composition. The conclusion of this discussion is in line with the trend of recent literature Dewi et al. (2026) and Santoso & Meidiaswati (2025) that regional government financial performance evaluation needs to use several ratios together and be read as an inter-period trend.

CONCLUSION

This study concludes that the financial performance of the Tomohon City Government during the 2021–2024 period shows varying results across the four financial ratios examined. Revenue growth was -8.55% in 2022, 0.51% in 2023, and 13.77% in 2024, which were all categorized as unsuccessful under the criteria used in this study, although the trend improved in 2023 and 2024. PAD effectiveness reached 113% and was categorized as very effective in 2021, but decreased to 87.35% in 2022, 75.17% in 2023, and 77.24% in 2024, all of which were categorized as less effective. Meanwhile, financial efficiency was categorized as less efficient in 2021 and 2024, with ratios of 92.20% and 98.71%, respectively, while the ratios of 117.36% in 2022 and 103.65% in 2023 were categorized as inefficient. These findings indicate that improvements in revenue growth have not yet been accompanied by consistently effective PAD realization and efficient expenditure management.

The harmony ratio further demonstrates that the expenditure structure of the Tomohon City Government remained dominated by operational expenditure. The operational expenditure ratio ranged from 80.14% to 90.33% and was categorized as very harmonious, whereas the capital expenditure ratio ranged from 8.92% to 19.07% and was categorized as not harmonious throughout the research period. Overall, the findings indicate that improving regional financial performance requires not only strengthening PAD realization and maintaining revenue growth but also controlling the relationship between expenditure and revenue and creating a more balanced allocation between operational and capital expenditure. These efforts are important to ensure that short-term government operational needs can be met without limiting fiscal capacity for assets, infrastructure, and development programs that provide medium- and long-term benefits.

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AUTHOR CONTRIBUTION STATEMENT

Hariyanto Sabijono: Conceptualization, research methodology, financial data analysis, and manuscript preparation. Jenny Morasa: Data collection from government agencies, financial ratio calculations, results interpretation, and manuscript revision. Anneke Wangkar: Literature review, theoretical framework development, discussion section writing, and critical review. Syermi Stella Emma Mintalangi: Data validation, quality assurance of calculations, and final manuscript editing. All authors reviewed and approved the final manuscript and agree to be accountable for all aspects of the work.

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