

ABSTRACT

The Effect of Return on Assets, Financial Independence, and Debt Ratio on Financial Sustainability of Regencies and Municipalities in South Sumatra Province During 2020–2024

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This study aims to examine the effect of Return on Assets (ROA), financial independence, and debt ratio on the financial sustainability of regency and municipal governments in South Sumatra Province during the period 2020–2024. This study employed a quantitative research method using secondary data obtained from the Regional Government Financial Statements. The population consisted of 17 regency and municipal governments in South Sumatra Province. A total of 85 observations were selected using a purposive sampling method. Panel data analysis was employed using EViews 13 software. The results indicate that Return on Assets has a significant effect on Financial Sustainability, while financial independence has no significant effect. The debt ratio has a significant effect on Financial Sustainability. Simultaneously, Return on Assets, financial independence, and debt ratio have a effect on Financial Sustainability.

Keywords: Return on Assets, Financial Independence, Debt Ratio, Financial Sustainability.

ABSTRAK

Pengaruh *Return on Assets*, Kemandirian Keuangan, dan Rasio Utang terhadap *Financial Sustainability* pada Kabupaten/kota di Provinsi Sumatera Selatan Tahun 2020-2024

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Penelitian ini bertujuan untuk menguji pengaruh *Return on Assets* (ROA), kemandirian keuangan, dan rasio utang terhadap *financial sustainability* pada pemerintah kabupaten/kota di Provinsi Sumatera Selatan tahun 2020–2024. Penelitian ini menggunakan metode kuantitatif dengan data sekunder berupa Laporan Keuangan Pemerintah Daerah. Populasi penelitian terdiri dari 17 kabupaten/kota. Jumlah sampel pada penelitian ini sebanyak 85 data melalui metode *purposive sampling* dan teknik yang digunakan dalam penelitian ini adalah teknik analisis data panel dengan program *Eviews 13*. Hasil penelitian menunjukkan bahwa *Return on Assets* berpengaruh terhadap *Financial Sustainability*, sedangkan kemandirian keuangan tidak berpengaruh. Rasio utang berpengaruh terhadap *Financial Sustainability*. Secara simultan, *Return on Assets*, kemandirian keuangan, dan rasio utang berpengaruh terhadap *Financial Sustainability*.

Kata Kunci: *Return on Assets*, Kemandirian Keuangan, Rasio Utang, *Financial Sustainability*.