

## Village Government Financial Performance Analysis in Fiscal Year 2022-2024 (Case Study in Independent Village in Muara Bulian District)

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### ABSTRACT

This research aims to evaluate the financial performance of the Independent Village Government in Muara Bulian District for the 2022-2024. The analysis focuses on key aspects of village financial management, such as budget planning, budget execution, and financial accountability. A descriptive quantitative approach is applied in this study. The findings suggest that the Independent Village Government in Muara Bulian District has managed village finances fairly well, despite facing challenges related to efficiency and transparency in budget usage. Several programs funded by the APBDesa have been successfully executed; however, there is still room for improvement in managing village assets and overseeing budget usage. Based on these results, the study recommends enhancing the capacity of village officials in financial management and strengthening the internal monitoring system to ensure more effective and targeted use of the budget.

## **INTRODUCTION**

The implementation of village autonomy opens up space for villages to develop independence in managing their government and society, this means that villages have the right to regulate and implement the Village Revenue and Expenditure Budget (APBDes), Village Original Income (PADes) is the income or income of the village that has an important role in village development and also the implementation of village autonomy. The Village Revenue and Expenditure Budget (APBDes) is an integral part of the Village development and household policy apparatus (Widjaja, 2008).

Financial performance describes the financial condition of an institution or organization, which can be analyzed using financial analysis tools to evaluate the quality of the financial condition (Sari, 2021). The financial performance of the village government is the competence mastered by the village government to seek, organize and utilize the original financial strength of the village to support the process of the government system, community services and village development so that there is no total dependence on the central government and there is complete independence to apply or utilize the budget for the needs of the village community (Lestari et al., 2020).

The financial performance of local governments is not the same as the assessment of the financial performance of companies. Not only based on funds, local governments do not aim to optimize profits. Although between income and expenditure stating a comparison of budget surplus or deficit, it is not the main point in stating the accuracy of local government financial performance. All of this is caused by the government's financial performance can be triggered by several factors, namely Regional Income, Regional Expenditure, Regional funding, Transfer Fees (Village Funds) from the Central and Provincial Governments, Human Resources, and the Economic situation of a region (Sobaruddin, 2019).

Regional financial governance is a part that must be managed carefully and become the main policy tool for local governments. Performance assessment is the main thing especially in implementing regional financial management to measure accountability in government. The current government system, namely the village, has an important function in supporting local governments to carry out stages of government administration, including development.

Regional Government Financial Performance is the competence of the region to find and manage original regional financial sources to meet its needs to support the running of the government system, community services and regional development that does not depend entirely on the central government and has the flexibility to use funds for the needs of local communities within the scope of laws and regulations.

Ratio is a measuring tool used by companies to review financial reports. Financial ratio analysis is an activity to assess various financial report budgets in different groups. The local government, has a role in implementing government events, development, and services to the community, is obliged to provide regional financial accountability reports, to measure the level of financial performance, and through financial ratio analysis (Martiasuti et al., 2021).

Muara Bulian District is often referred to as an area that has abundant natural resource opportunities, and can be utilized to improve the village economy. With the existence of independent villages such as Sungai Buluh Village and Muara Singoan Village, it is hoped that the financial management model implemented can be a reference for other villages in managing village budgets more effectively and efficiently. In addition, the status of an independent village also shows a significant level of community involvement in various types of development, as well as transparent and accountable financial management.

This study focuses on the analysis of the financial performance of the Village Government in Muara Bulian District by comparing three village categories, namely independent villages, developing villages, and underdeveloped villages, based on the calculation of financial ratios. The village financial ratio is used as a measuring tool to assess how far the regulation of village funds can support development and community welfare.

Based on the background that has been discussed, the formulation of the problem of this study is how is the Financial Performance of the Independent Village Government in the 2022-2024 Fiscal Year (Case Study of Independent Villages in Muara Bulian District)?

## **LITERATURE REVIEW**

### ***Village Autonomy***

Law Number 32 of 2004 states that a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected in the Government system of the Unitary State of the Republic of Indonesia. In its position as a legal community unit with an original structure based on special rights, the village has the capacity to carry out actions that have legal consequences, covering the realm of public law and the realm of civil law, has wealth and property, and is also able to file lawsuits and be sued in court (Widjaja, 2008).

### ***Village Government***

According to Law Number 6 of 2014 concerning Villages, it states that a Village is a village and traditional village or what is called by another name, hereinafter referred to as a Village, is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, original rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia (Widjaja, 2008).

### ***Measuring Village Financial Performance***

Performance evaluation is a procedure to evaluate the extent to which work has achieved the targets and recommendations that have been set. Public sector performance measurement is carried out with the aim of 1). Public sector performance analysis aims to improve government performance. The performance measures are intended to help the government focus on the results and targets of the work unit program. Ultimately, this will encourage the

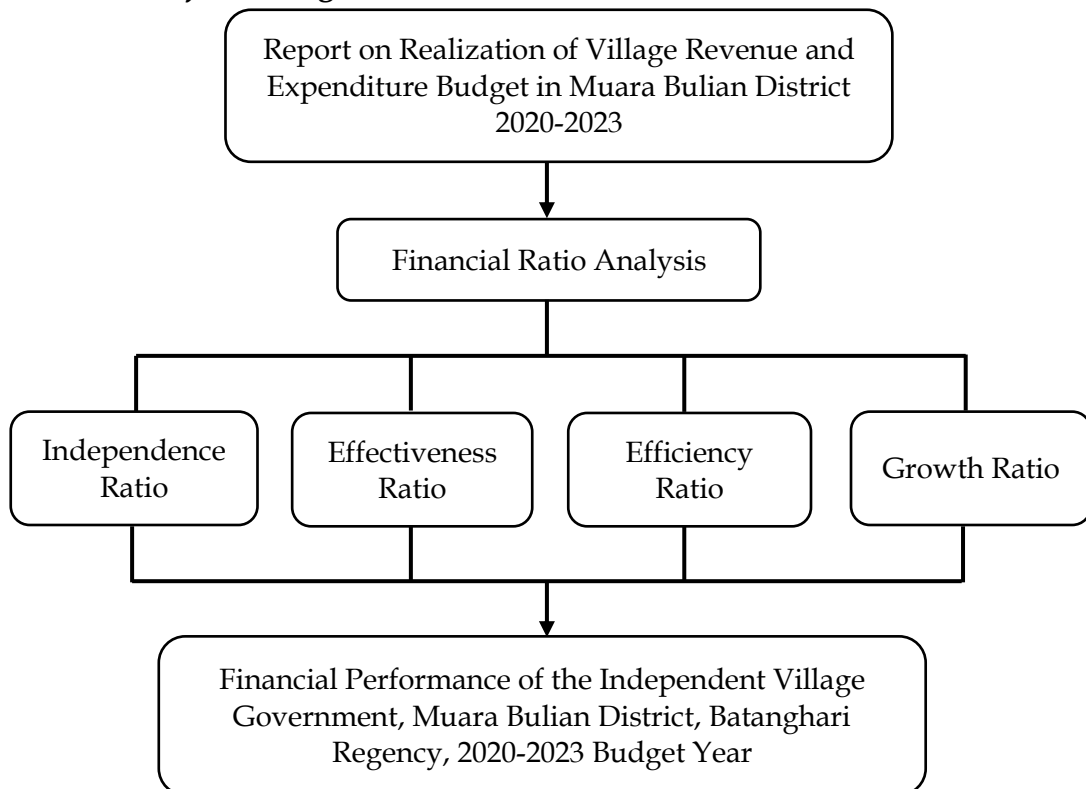
efficiency and effectiveness of public sector organizations in providing services to the public 2). The purpose of public sector performance indicators is to allocate resources efficiently and make strategic decisions. 3). Public sector work indicators are intended to realize public accountability and improve institutional communication (Mardiasmo, 2018).

### *Village Financial Performance Analysis*

Performance is an indicator that shows the level of success of an organization in implementing its strategic plan to achieve the goals and vision that have been set. Regional Government Financial Performance, shows the capability of a region in processing and obtaining regional revenue sources in order to meet the needs that support the sustainability of the government system, community services and regional development that is not fully dependent.

Ratios are a vehicle for companies to conduct evaluations and interpretations in financial reports. Financial ratio analysis is a comparative activity against financial report projections that are grouped based on different classifications. Local governments, as entities responsible for the implementation of government, development, and community services, are required to include regional financial reports so that they can be analyzed through financial ratios as material for evaluating their financial performance (Martiasuti et al., 2021).

### *Framework of Thinking*



**Figure 1. Framework of Thinking**

**METHODOLOGY**

*Types of research*

The research approach is quantitative descriptive, which means that financial data will be analyzed through computation to solve problems relevant to the research objectives. The purpose of this study is to measure and analyze in depth the financial performance of the village by applying the ratio analysis methodology that includes the Independence, Effectiveness, Efficiency, and Growth Ratios (Sobaruddin, 2019).

*Population and Sample*

The population in this study refers to all parties or targets that are the source of data, with characteristics that have been determined by the researcher. In the context of this study, the population consists of all villages in Muara Bulian District, which number 16 villages in Muara Bulian District. In this study, the sampling technique used was purposive sampling, which means that the selection of sample participants was based on certain criteria that had been set. The rules used to select samples in this research were all independent villages in the Muara Bulian District. Where there are 8 villages included in the independent category, namely Aro Village, Bajubang Laut Village, Tenam Village, Muaro Singoan Village, Olak Village, Sungai Buluh Village, Rantau Puri Village and Sungai Baung Village.

*Data Analysis Techniques*

Data analysis is an important stage in research, where the results of data processing are used to provide a strong basis for drawing research conclusions (Sugiyono, 2017). In this study, the data analysis approach applied is quantitative descriptive, which involves mathematical calculations of financial data. The goal is to answer research problems through the application of financial ratio analysis as follows:

1. *Independence Ratio*

The Regional Financial Independence Ratio shows the level of a region's ability to finance its own government activities, development and services to the community who have paid taxes and levies as a source of income needed by the region. The formula used to calculate the Independence Ratio is:

$$\frac{\text{Pendapatan Asli Desa}}{\text{Pendapatan Transfer}} \times 100\%$$

*Source: (Mahmudi, 2010)*

The level of village financial independence can be categorized according to the following relationship pattern criteria:

Table 1. The level of village financial independence

Ability	Independence (%)	Relationship Patterns
Very low	0%-25%	Instruktif
Low	25%-50%	Konsultatif
Currently	50%-75%	Partisipatif
Tall	75%-100%	Delegatif

*Source: (Mahmudi, 2010)*

## 2. Effectiveness Ratio

The effectiveness ratio describes the ability of local governments to realize planned PAD compared to targets set based on the real potential of the region. The higher the effectiveness ratio, the better the performance of the local government. The formula used to calculate the Effectiveness Ratio is:

$$\frac{\text{Realisasi PAD (Desa)}}{\text{Anggaran PAD (Desa)}} \times 100\%$$

Sumber: (Sartika, 2019)

The level of village financial effectiveness can be categorized according to the following criteria:

Table 2. Village financial effectiveness

Category	Percentage
>100%	Very Effective
90%-100%	Effective
80% - 90%	Quite Effective
60% - 80%	Less Effective
<60%	Not Effective

Source: *Kepemendagri No. 690.900.327 Tahun 1996*

## 3. Efficiency Ratio

The efficiency ratio is a ratio that describes the comparison between the amount of costs incurred to obtain income with the realization of income received. The formula used to calculate the efficiency ratio is as follows:

$$\frac{\text{Realisasi Belanja Desa}}{\text{Realisasi Pendapatan Desa}} \times 100\%$$

Source: (Sartika, 2019)

The level of village financial effectiveness can be categorized according to the following criteria:

Table 3. Criteria financial effectiveness

Category	Percentage
>60%	Very Efficient
60% - 80%	Efficient
80% - 90%	Quite Efficient
90% - 100%	Less Efficient
>100%	Inefficient

Source: *Kepemendagri No. 690.900.327 Tahun 1996*

## 4. Growth Ratio

The growth ratio measures how much the region is able to maintain and improve its success that has been achieved from one period to the next. The formula used to calculate the village financial growth ratio is as follows:

$$\text{Pertumbuhan Pendapatan tahun } t = \frac{\text{Pendapatan Th } t - \text{Pendapatan Th } (t-1)}{\text{Pendapatan Th } (t-1)} \times 100\%$$

Source: (Mahmudi, 2010)

## RESEARCH RESULT

### *Independence Ratio*

The Regional Financial Independence Ratio is an indicator used to measure the extent to which a region can spend its own income to finance regional spending needs, without relying on transfers from the central government or other sources. The following are the results of the calculation of the regional financial independence ratio in Aro Village:

Table 4. Results of Calculation of Aro Independence Ratio

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp1,450,000.00	Rp1,817,272,343.00	8%	Instruktif
2023	Rp1,350,000.00	Rp1,762,870,516.00	8%	Instruktif
2024	Rp1,300,000.00	Rp1,548,960,485.00	8%	Instruktif

*Source: Processed Data, 2025*

Based on table 4, it can be seen that Aro Village has PADes in 2022 of IDR1,450,000.00 with transfer income of Rp1,817,272,343.00. In 2023, Aro Village has PADes of IDR1,350,000.00 with transfer income of Rp1,762,870,516.00. In 2024, Aro Village has PADes of Rp1,300,000.00 with transfer income of Rp1,548,960,485.00. The Original Village Income (PADes) of Aro Village is obtained from BUMDes activities, which can be in the form of trading businesses, provision of services, or other activities that generate profits for the village.

Table 5. Results of Calculation of the Independence Ratio of Tenam

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp1,500,000.00	Rp1,771,591,042.00	8%	Instruktif
2023	Rp 0	Rp1,836,446,857.00	0%	Instruktif
2024	Rp 0	Rp1,592,874,877.00	0%	Instruktif

*Source: Processed Data, 2025*

Based on table 5, it can be seen that Tenam Village has PADes in 2022 of IDR1,500,000.00 with transfer income of Rp1,771,591,042.00. In 2023 and 2024 Tenam Village does not have PADes, Tenam Village receives transfer funds from the district government and provincial government to support various development programs and improve community welfare. In 2023 Tenam Village received transfer funds of Rp1,836,446,857.00 and in 2024 it was Rp1,592,874,877.00.

Table 6. Results of Calculation of the Independence Ratio of Bajubang Laut

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp 0	Rp1,610,307,424.00	0%	Instruktif
2023	Rp 0	Rp1,636,905,977.00	0%	Instruktif
2024	Rp 0	Rp1,424,247,806.00	0%	Instruktif

*Source: Processed Data, 2025*

Based on table 6, it can be seen that Bajubang Laut Village does not have Regional Original Income (PADes) from 2022 to 2024. Bajubang Laut Village receives fund transfers from the district government and provincial government to support various development programs and improve community welfare. In 2022, Bajubang Laut Village received a transfer of Rp1,610,307,424.00. In 2023, it received a transfer of Rp1,636,905,977.00 and in 2024 it was Rp1,424,247,806.00.

Table 7. Results of Calculation of the Independence Ratio of Muaro Singoan

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp 0	Rp1,740,321,661.00	0%	Instruktif
2023	Rp 0	Rp1,709,590,762.00	0%	Instruktif
2024	Rp 0	Rp1,391,015,134.00	0%	Instruktif

Source: Processed Data, 2025

Based on table 7 it can be seen that Muaro Singoan Village does not have Regional Original Income (PADes) from 2022 to 2024. Muaro Singoan Village receives an allocation of funds from the district and provincial governments to support various development programs and improve the welfare of its citizens. In 2022, Muaro Singoan Village received a transfer fund of Rp1,740,321,661.00. In 2023, it received a transfer fund of Rp1,709,590,762.00 and in 2024 it received Rp1,391,015,134.00.

Table 8. Results of Calculation of the Independence Ratio of Olak Village

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp 0	Rp1,786,161,544.00	0%	Instruktif
2023	Rp 0	Rp1,629,278,616.00	0%	Instruktif
2024	Rp 0	Rp1,262,899,214.00	0%	Instruktif

Source: Processed Data, 2025

Based on table 8, it can be seen that Olak Village does not have PADes, Tenam Village receives fund transfers from the district and provincial governments to support various development programs and improve community welfare. In 2022, Olak Village received a transfer fund of Rp1,786,161,544.00. In 2023 it was Rp1,629,278,616.00 and in 2024 it was Rp1,262,899,214.00.

Table 9. Results of Calculation of the Independence Ratio of Sungai Buluh

Tahun	PADes	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp 0	Rp1,910,893,933.00	0%	Instruktif
2023	Rp4,286,750.00	Rp1,924,551,335.00	22%	Instruktif
2024	Rp 0	Rp1,771,507,133.00	0%	Instruktif

Source: Processed Data, 2025

Based on table 9, it can be seen that Sungai Buluh Village did not have Local Original Income (PADes) in 2022 and had transfer income of Rp1,910,893,933.00.

In 2023, Sungai Buluh Village had PADEs of Rp4,286,750.00 and transfer funds of Rp1,924,551,335.00. In 2024, Sungai Buluh Village did not have PADEs and received transfer funds of Rp1,771,507,133.00.

Table 10. Results of Calculation of the Independence Ratio of Sungai Baung

Tahun	PADEs	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp 0	Rp2,239,273,528.00	0%	Instruktif
2023	Rp1,134,754.00	Rp1,922,413,473.00	6%	Instruktif
2024	Rp2,023,206.00	Rp1,878,517,940.00	11%	Instruktif

Source: Processed Data, 2025

Based on table 4.7, it can be seen that Sungai Baung Village does not have Local Original Income (PADEs) in 2022 and has transfer income of Rp2,239,273,528.00. In 2023, Sungai Baung Village has PADEs of Rp1,134,754.00 and transfer funds of Rp1,922,413,473.00. In 2024, Sungai Baung Village has PADEs of Rp2,023,206.00 with transfer funds of Rp1,878,517,940.00.

Table 11. Results of Calculation of the Independence Ratio of Rantau Puri

Tahun	PADEs	Pendapatan Transfer	RKKD	Pola Hubungan
2022	Rp2,000,000.00	Rp1,822,562,445.00	11%	Instruktif
2023	Rp 0	Rp1,765,536,489.00	0%	Instruktif
2024	Rp 0	Rp1,399,166,764.69	0%	Instruktif

Source: Processed Data, 2025

Based on table 11, it can be seen that Rantau Puri Village has PADEs in 2022 of Rp2,000,000.00 with transfer income of Rp1,822,562,445.00. In 2023 and 2024, Rantau Puri Village did not have PADEs. In 2023, Tenam Village received transfer funds of Rp1,765,536,489.00 and in the 2024 tax year it received Rp1,399,166,764.69.

### Effectiveness Ratio

The Village Financial Effectiveness Ratio is an indicator used to measure the extent to which the realization of village income is in accordance with the targets set in the Village Revenue and Expenditure Budget (APBDes). This ratio provides an overview of how effective the village is in managing its income compared to previously made plans.

Table 12. Aro Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp1,850,749,091.94	Rp1,819,432,120.66	98%	Efektif
2023	Rp1,880,510,827.33	Rp1,767,275,206.20	94%	Efektif
2024	Rp2,095,927,710.23	Rp1,551,331,301.66	74%	Kurang Efektif

Source: Processed Data, 2025

Based on table 12 above, it can be seen that the effectiveness ratio of Aro Village shows a fluctuating value. In 2022, it was the lowest level of effectiveness

with an effectiveness ratio value of 98%. In 2023, the level of effectiveness with an effectiveness ratio value of 94%. The following year, the financial performance of Malapari Village reached an effectiveness level of 74%.

Table 13. Tenam Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp 1,802,149,606.00	Rp 1,774,894,971.70	98%	Efektif
2023	Rp 1,957,342,701.00	Rp 1,860,389,355.67	95%	Efektif
2024	Rp 2,111,863,085.00	Rp 1,599,063,978.42	76%	Kurang Efektif

*Source: Processed Data, 2025*

Based on table 13 above, it can be seen that the effectiveness ratio of Tenam Village shows a fluctuating value. In 2022, it is the highest level of effectiveness with an effectiveness ratio value of 98%. In 2023, the level of effectiveness with an effectiveness ratio value of 95% and the following year is the lowest level of effectiveness, which is only 74%.

Table 14. Bajubang Laut Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp1,629,126,521.00	Rp1,611,071,522.65	99%	Efektif
2023	Rp1,733,574,099.00	Rp1,638,791,395.12	95%	Efektif
2024	Rp1,929,337,813.00	Rp1,425,722,505.44	74%	Kurang Efektif

*Source: Processed Data, 2025*

Based on table 11 above, it can be seen that the effectiveness ratio of Bajubang Laut Village shows a fluctuating value. In 2022, it was the highest level of effectiveness with an effectiveness ratio value of 99%. In 2023, the level of effectiveness with an effectiveness ratio value of 95% and the following year was the lowest level of effectiveness, which was only 74%.

Table 15. Muaro Singoan Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp1,759,875,279.00	Rp1,740,635,096.72	99%	Efektif
2023	Rp1,816,270,893.00	Rp1,710,020,451.05	94%	Efektif
2024	Rp1,902,100,836.00	Rp1,391,250,955.38	73%	Kurang Efektif

*Source: Processed Data, 2025*

Based on table 15 above, it can be seen that the effectiveness ratio of Muaro Singoan Village shows a fluctuating value. In 2022, it was the highest level of effectiveness with an effectiveness ratio value of 99%. In 2023, the level of effectiveness with an effectiveness ratio value of 94% and the following year was the lowest level of effectiveness, which was only 73%.

Table 16. Olak Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp1,787,131,302.00	Rp1,769,277,962.53	99%	Efektif
2023	Rp1,714,010,930.00	Rp1,629,855,520.77	95%	Efektif
2024	Rp1,718,327,348.00	Rp1,264,270,473.76	74%	Kurang Efektif

Source: Processed Data, 2025

Based on table 16 above, it can be seen that the effectiveness ratio of Olak Village shows a fluctuating value. In 2022, it is the highest level of effectiveness with an effectiveness ratio value of 99%. In 2023, the level of effectiveness with an effectiveness ratio value of 95% and the following year is the lowest level of effectiveness, which is only 74%.

Table 17. Sungai Buluh Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp2,035,226,489.00	Rp1,915,486,980.12	94%	Efektif
2023	Rp2,017,036,092.00	Rp1,931,162,397.62	96%	Efektif
2024	Rp2,371,227,881.00	Rp1,776,468,910.37	75%	Kurang Efektif

Source: Processed Data, 2025

Based on table 17 above, it can be seen that the effectiveness ratio of Sungai Buluh Village shows a fluctuating value. In 2022, the effectiveness level with an effectiveness ratio value of 94%. In 2023, it was the highest level of effectiveness with an effectiveness ratio value of 96% and the following year was the lowest level of effectiveness, which was only 75%.

Table 18. Sungai Baung Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp2,261,422,455.00	Rp2,240,336,651.66	99%	Efektif
2023	Rp2,027,989,071.00	Rp1,924,863,509.51	95%	Efektif
2024	Rp2,472,513,295.00	Rp1,881,365,565.64	76%	Kurang Efektif

Source: Processed Data, 2025

Based on table 18 above, it can be seen that the effectiveness ratio of Sungai Baung Village shows a fluctuating value. In 2022, the effectiveness level with an effectiveness ratio value of 99%. In 2023, the effectiveness level with an effectiveness ratio value of 95% and in 2024 is the lowest effectiveness level, which is only 76%.

Table 19. Rantau Puri Village Effectiveness Ratio

Tahun	Anggaran Pendapatan	Realisasi Pendapatan	Efektivitas	Kategori
2022	Rp1,843,018,316.00	Rp1,825,862,401.35	99%	Efektif
2023	Rp1,869,734,638.00	Rp1,780,363,122.56	95%	Efektif

2024	Rp1,896,868,507.00	Rp1,400,365,030.31	74%	Kurang Efektif
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Source: Processed Data, 2025

Based on table 19 above, it can be seen that the effectiveness ratio of Rantau Puri Village shows a fluctuating value. In 2022, the effectiveness level with an effectiveness ratio value of 99%. In 2023, the effectiveness level with an effectiveness ratio value of 95% and in 2024, the lowest effectiveness level was only 74%.

### Efficiency Ratio

The efficiency ratio in village finance is a measure used to assess how efficiently a village uses its financial resources to achieve development and operational goals. This ratio compares the total operational costs incurred with the total village income, which reflects the village's ability to optimize the budget without waste. The following are the results of the calculation of the efficiency ratio in Aro Village finance:

Table 20. Aro Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,819,432,120.66	Rp1,800,163,870.50	99%	Kurang Efisien
2023	Rp1,767,275,206.20	Rp1,762,620,972.00	100%	Kurang Efisien
2024	Rp1,551,331,301.66	Rp1,639,686,565.00	106%	Tidak Efisien

Source: Processed Data, 2025

Based on table 20 above, it can be seen that the efficiency ratio of Aro Village shows a fluctuating value. In 2022, the efficiency ratio value is 99%. The efficiency ratio value in 2023 is 100% and in 2024 the efficiency ratio is 106%.

Table 21. Tenam Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,774,894,971.70	Rp1,773,216,907.00	100%	Kurang Efisien
2023	Rp1,860,389,355.67	Rp1,685,381,316.00	91%	Kurang Efisien
2024	Rp1,599,063,978.42	Rp1,809,311,847.00	113%	Tidak Efisien

Source: Processed Data, 2025

Based on table 21 above, it can be seen that the efficiency ratio of Tenam Village shows a fluctuating value. In 2022, the efficiency ratio value is 100%. The efficiency ratio value in 2023 is 91% and in 2024 the efficiency ratio is 113%.

Table 22. Bajubang Laut Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,611,071,522.65	Rp1,591,811,472.90	99%	Kurang Efisien
2023	Rp1,638,791,395.12	Rp1,657,323,918.00	101%	Tidak Efisien
2024	Rp1,425,722,505.44	Rp1,611,687,684.76	113%	Tidak Efisien

Source: Processed Data, 2025

Based on table 22 above, it can be seen that the efficiency ratio of Bajubang Laut Village shows a fluctuating value. In 2022, the efficiency ratio value was 99%. The efficiency ratio value in 2023 was 103% and in 2024 the efficiency ratio was 113%.

Table 23. Muaro Singoan Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,740,635,096.72	Rp1,756,068,823.00	101%	Tidak Efisien
2023	Rp1,710,020,451.05	Rp1,788,044,987.00	105%	Tidak Efisien
2024	Rp1,391,250,955.38	Rp1,395,388,131.00	100%	Kurang Efisien

Source: Processed Data, 2025

Based on table 23 above, it can be seen that the efficiency ratio of Muaro Singoan Village shows a fluctuating value. In 2022, the efficiency ratio value was 101%. The efficiency ratio value in 2023 was 105% and in 2024 the efficiency ratio was 100%.

Table 24. Olak Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,769,277,962.53	Rp1,897,289,034.00	107%	Tidak Efisien
2023	Rp1,629,855,520.77	Rp1,496,209,467.00	92%	Kurang Efisien
2024	Rp1,264,270,473.76	Rp1,429,433,523.00	113%	Tidak Efisien

Source: Processed Data, 2025

Based on table 24 above, it can be seen that the efficiency ratio of Olak Village shows a fluctuating value. In 2022, the efficiency ratio value was 107%. The efficiency ratio value in 2023 was 92% and in 2024 the efficiency ratio was 113%.

Table 25. Sungai Buluh Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,915,486,980.12	Rp1,979,577,778.50	103%	Tidak Efisien
2023	Rp1,931,162,397.62	Rp2,025,251,114.00	105%	Tidak Efisien
2024	Rp1,776,468,910.37	Rp1,831,665,086.00	103%	Tidak Efisien

Source: Processed Data, 2025

Based on table 25 above, it can be seen that the efficiency ratio of Sungai Buluh Village shows a fluctuating value. In 2022, the efficiency ratio value was 103%. The efficiency ratio value in 2023 was 105% and in 2024 the efficiency ratio was 103%.

Table 26. Sungai Baung Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp2,240,336,651.66	Rp2,292,641,576.00	102%	Tidak Efisien
2023	Rp1,924,863,509.51	Rp2,072,012,060.00	108%	Tidak Efisien
2024	Rp1,881,365,565.64	Rp1,801,728,754.44	96%	Kurang Efisien

Source: Processed Data, 2025

Based on table 26 above, it can be seen that the efficiency ratio of Sungai Baung Village shows a fluctuating value. In 2022, the efficiency ratio value was 102%. The efficiency ratio value in 2023 was 108% and in 2024 the efficiency ratio was 92%.

Table 27. Rantau Puri Village Efficiency Ratio

Tahun	Realisasi Pendapatan	Realisasi Belanja	Efisiensi	Kategori
2022	Rp1,825,862,401.35	Rp1,718,638,504.69	94%	Kurang Efisien
2023	Rp1,780,363,122.56	Rp2,004,009,656.00	113%	Tidak Efisien
2024	Rp1,400,365,030.31	Rp1,440,907,165.00	103%	Tidak Efisien

Source: Processed Data, 2025

Based on table 27 above, it can be seen that the efficiency ratio of Rantau Puri Village shows a fluctuating value. In 2022, the efficiency ratio value was 94%. The efficiency ratio value in 2023 was 113% and in 2024 the efficiency ratio was 103%.

### Growth Ratio

Village Income Growth Ratio is an indicator used to measure how much village income increases or decreases from year to year. This ratio helps to see the trend of village income, whether it is experiencing positive growth, stagnation, or even a decline. The following are the results of the calculation of the financial growth ratio of Aro Village:

Table 28. Aro Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,819,432,120.66	
2023	Rp1,767,275,206.20	17.67
2024	Rp1,551,331,301.66	-15,51

Source: Processed Data, 2025

Based on table 28 above, it can be seen that the income in Aro Village in 2023 can be said to be positive because there was an increase that resulted in a growth ratio of 17.67%. In 2024, Aro Village's income decreased to -15.51. This is a fairly bad growth ratio because the percentage produced is negative.

Table 29. Tenam Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,774,894,971.70	
2023	Rp1,860,389,355.67	18,60
2024	Rp1,599,063,978.42	-15,99

Source: Processed Data, 2025

Based on table 29 above, it can be seen that the income in Tenam Village in 2023 can be said to be positive because there was an increase that resulted in a growth ratio of 18.60%. In 2024, Tenam Village's income decreased to -15.99%. This is a fairly bad growth ratio because the percentage produced is negative.

Table 30. Bajubang Laut Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,611,071,522.65	
2023	Rp1,638,791,395.12	16,38
2024	Rp1,425,722,505.44	-14,25

Source: Processed Data, 2025

Based on table 30 above, it can be seen that the income in Bajubang Laut Village in 2023 can be said to be positive because there was an increase that resulted in a growth ratio of 16.38%. In 2024, the income of Bajubang Laut Village decreased to -14.25%. This is a fairly bad growth ratio because the percentage produced is negative.

Table 31. Muaro Singoan Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,611,071,522.65	
2023	Rp1,638,791,395.12	16,38
2024	Rp1,425,722,505.44	-14,25

Source: Processed Data, 2025

Based on table 31 above, it can be seen that the income in Muaro Singoan Village in 2023 can be said to be negative because there was a decline that resulted in a growth ratio of -17.10%. In 2024, the income of Muaro Singoan Village decreased to -13.91%. This is a fairly bad growth ratio because the percentage produced is negative.

Table 32. Olak Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,769,277,962.53	
2023	Rp1,629,855,520.77	-16,29
2024	Rp1,264,270,473.76	-12,64

Source: Processed Data, 2025

Based on table 32 above, it can be seen that the income in Olak Village in 2023 can be said to be negative because there was a decline that resulted in a growth ratio of -16.29%. In 2024, it can be seen Olak Village's income decreased again to -12.64%. This is a fairly bad growth ratio because the percentage produced is negative.

Table 33. Sungai Buluh Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,915,486,980.12	
2023	Rp1,931,162,397.62	19,31
2024	Rp1,776,468,910.37	17,76

Source: Processed Data, 2025

Based on table 33 above, it can be seen that the income in Sungai Buluh Village in 2023 can be said to be positive because there was an increase that resulted in a growth ratio of 19.31%. In 2024, the income of Sungai Buluh Village

decreased to -17.76. This is a fairly bad growth ratio because the percentage produced is negative.

Table 34. Sungai Baung Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp2,240,336,651.66	
2023	Rp1,924,863,509.51	-19,24
2024	Rp1,881,365,565.64	-18,81

*Source: Processed Data, 2025*

Based on table 34 above, it can be seen that the income in Sungai Baung Village in 2023 can be said to be negative because there was a decline that resulted in a growth ratio of -19.24%. In 2024, the income of Sungai Baung Village decreased to -18.81%. This is a fairly bad growth ratio because the percentage produced is negative.

Table 35. Rantau Puri Village Growth Ratio

Tahun	Realisasi Pendapatan	%
2022	Rp1,825,862,401.35	
2023	Rp1,780,363,122.56	-17,80
2024	Rp1,400,365,030.31	-14

*Source: Processed Data, 2025*

Based on table 35 above, it can be seen that the income in Rantau Puri Village in 2023 can be said to be negative because there was a decline that resulted in a growth ratio of -17.80%. In 2024, the income of Rantau Puri Village decreased again to -14.00%. This is a fairly bad growth ratio because the percentage produced is negative.

## DISCUSSION

The relationship pattern in the independence ratio in the Village that is the object of this study is instructive. The independence ratio with the instructive pattern is one of the models in the classification of the village government independence ratio which reflects the level of dependence on the central, provincial, or district government. The instructive pattern indicates that the village is still at a low level of independence and needs a lot of direction or guidance from the government above it.

The instructive pattern in managing the Village Budget relates to the extent to which the central or regional government provides instructions, directions, and regulations governing how villages should prepare and implement the village budget. This pattern relates to instructions or policies that are passed down from the top down, with an emphasis on compliance with the rules set by the central or regional government. The central or regional government often determines certain priorities that villages must follow in managing the budget.

Villages with a higher independence ratio tend to be more flexible in managing their budgets and making decisions regarding development priorities that are more in line with local needs. However, the instructive pattern from the central or regional government often limits this flexibility, by setting certain

directions and policies that villages must follow. If village independence is low, the instructive pattern from the government will be more dominant in managing the Village Budget. An instructive pattern that is too dominant can reduce village independence because the village will be more dependent on direction and funds from the central or regional government. On the other hand, if the instructive pattern is accompanied by policies that encourage villages to explore the potential of their internal resources, this can encourage an increase in the village independence ratio (Ilyas et al., 2023).

The fluctuating effectiveness ratio shows that the effectiveness of village budget management is not always fixed or stable, but is influenced by many factors that change every year. This requires more mature planning, consistent supervision, and good managerial skills so that the use of the village budget remains effective despite the challenges and changes that occur. A fluctuating village budget, either due to changes in the allocation of funds from the central or regional government or changes in financing priorities, can cause irregularities in achieving goals. For example, if there is a cut in village funds in a particular year, the village may have to reduce some activities or adjust to the existing budget capacity, which can affect its level of effectiveness. In addition, fluctuations in local economic conditions, such as declining agricultural yields, declining local sector income, or natural disasters that affect the village's natural resources, can affect the village's ability to achieve the targets that have been set. If the village economy is sluggish, tax and levy revenues can decrease, thus impacting the effectiveness of budget use.

The results of the study show that the efficiency ratio in the village that is the object of this study is included in the inefficient category and shows that the implementation of village resource management has not been running efficiently. The financial efficiency ratio of Bajubang Laut Village and Sungai Buluh Village is currently included in the inefficient category, which means that the use of the village budget is not optimal. Although the existing budget has been allocated for various development activities and programs, there are several factors that cause the funds used not to provide maximum results. One indication of this inefficiency can be seen from the waste of resources, both in terms of time, energy, and budget used to achieve certain goals.

The budget that is prepared is not always adjusted to the priorities and real needs in the field. The misalignment between planning and implementation of activities often leads to waste of budget for less effective programs. Budget management that is not transparent and not well controlled can lead to misuse of funds or unclear budget allocation for each activity. This can lead to inefficient use of village funds. Furthermore, without a clear mechanism to monitor and evaluate the use of the budget periodically, it is difficult to know whether the budget that has been issued has had the impact as expected. This causes the budget that has been issued not to provide maximum results, leading to waste.

To overcome the existing efficiency problems, a village needs to take a series of strategic steps that can improve the management of village finances and budgets. Bajubang Laut Village and Sungai Buluh Village need to prepare budgets more carefully and based on real needs priorities in the field. The

planning process must involve active participation from the community through village deliberations so that all urgent and important needs can be accommodated appropriately (Febrianti et al., 2024). With more targeted planning, budget use will be more efficient and focused on programs that have a direct impact on community welfare. One of the keys to overcoming efficiency problems is to increase the capacity of village officials in managing the budget properly and correctly. In addition, periodic training can also be held on financial management, budget planning, and the use of existing village financial applications or systems. With this increased capacity, it is hoped that village officials can make more appropriate decisions in allocating and using the budget.

Bajubang Laut Village needs to implement an effective monitoring and evaluation system to monitor every budget usage. With periodic evaluation, the village can assess whether the budget issued has produced results according to plan (Sunandar & Permana, 2023). If there are any discrepancies or waste, the evaluation can be the basis for future improvements. One step to overcome dependence on limited funds is to explore the potential of the village's original income (PADes). Sungai Buluh Village can develop local economic sectors, such as processing agricultural products or developing tourism, to increase financial resources that can be used more efficiently in village development. By increasing the village's original income, the use of the budget can be more optimal and not only depend on fund transfers from the central or regional government.

The fluctuating growth ratio describes unstable or fluctuating changes in a certain period of time. These fluctuations can be caused by various factors, such as changes in economic conditions, government policies, or shifts in demand and supply in the market. This instability shows that growth does not always occur consistently, but rather experiences sharp increases or decreases in a relatively short period of time. Based on the calculation results, it can be seen that Sungai Buluh Village and Sungai Baung Village experienced the largest negative growth ratio among other villages. This negative growth ratio indicates that the two villages experienced a decline in the measured indicators, such as income, population, or other economic sectors. If the income level of the village community is low or there is no increase in productive sectors such as agriculture, trade, or industry, then the village's economic growth will be hampered. This can be caused by a lack of access to capital, technology, or adequate training to increase the productivity of these main sectors.

To overcome the less-than-optimal growth ratio in the Village Government, several strategic steps need to be taken to identify the root of the problem and create solutions that can accelerate the development of the village's economy, social, and infrastructure. It is necessary to explore local economic potential that has not been utilized optimally. In addition to the agricultural or plantation sector, villages can develop other sectors such as tourism, handicrafts, or natural resource-based businesses. Management of local products that have high selling value can increase the village's original income (PADes).

## CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis of the financial performance of the Village Government for the 2020-2023 Fiscal Year in independent villages in Muara Bulian District, the following conclusions can be drawn:

1. The Independence Ratio shows the level of independence with an instructive pattern. Several villages have succeeded in demonstrating the village's ability to finance most of its development and operational activities from the village's original income (PADes). However, there are also villages that still depend on fund transfers from the central and regional governments to support development activities.
2. The Effectiveness Ratio shows that several villages are able to achieve the targets set in the budget and development program. However, there are several villages that still face challenges in realizing all activity plans according to the budget that has been prepared. This reflects a mismatch between planning and implementation that needs to be fixed.
3. The Efficiency Ratio shows an inefficient level of efficiency in budget and resource management. This means that the costs or resources spent to achieve the desired results are greater than they should be, so that the use of the budget is not optimal. This inefficiency can be caused by various factors, such as inadequate planning, non-transparent management, or lack of supervision in the implementation of programs and activities.
4. The Growth Ratio shows negative growth which means there is a decline in the measured indicators, such as income or village economic development. This decline can be caused by various factors, such as reduced sources of income, economic instability, or lack of investment and support in village development.

## ADVANCED RESEARCH

For further researchers, it is recommended to add other variables that may affect village financial performance, such as the level of community participation, the quality of village officials, or transparency of financial management. These variables can provide a more holistic picture of the factors that contribute to village financial performance.

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