Jurnal Manajemen Keuangan (MANKEU)
Vol. 4, No. 1, Maret 2026, hlm. 43~53
ISSN 2988-246X, DOI: 10.61167/mnk.v4i1.324

ANALYSIS OF THE FINANCIAL PERFORMANCE OF TEKULAI BUGIS VILLAGE USING THE RATIO OF INDEPENDENCE, GROWTH AND EFFECTIVENESS

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Article Info

Article history:

Received 03 07, 2026
Revision 03 16, 2026
Received 03 31, 2026

Keywords:

Financial Performance
Independence Ratio
Effectiveness Ratio
Growth Ratio
PADes
APBDes

Abstract

This study aims to analyze the financial performance of Tekulai Bugis Village, Tanah Merah District, Indragiri Hilir Regency based on the independence ratio, effectiveness ratio, and growth ratio. The research method used is quantitative descriptive with an approach to analyze financial ratios to the realization data of the Village Revenue and Expenditure Budget (APBDes) for 2024–2025. Data was obtained through documentation of village financial statements which were then analyzed using the calculation of the ratio of independence, effectiveness, and growth. The results show that the ratio of village financial independence is in the very low category, which is 0.02% in 2024 and increases to 0.03% in 2025, which indicates the high dependence of villages on transfer funds from the central and regional governments. The effectiveness ratio shows effective performance with an achievement of 100% in 2024 and 2025, which means that the realization of Village Original Income (PADes) has been in accordance with the set target. Meanwhile, the PADes growth ratio shows a positive trend, namely 170.07% in 2024 and 21.62% in 2025, although nominally it is still relatively small. In conclusion, the financial performance of Tekulai Bugis Village shows good effectiveness in achieving revenue targets, but the level of financial independence is still very low so that the village is still dependent on transfer funds. It is necessary to optimize the potential of Village Original Income (PADes) to increase village fiscal independence.

1. INTRODUCTION

Background Problem

Regional financial performance is the focal point in resource management at the local level, especially in the era of regional autonomy which gives villages greater authority in managing budgets and resources. With decentralization, villages are given the opportunity to play an active role in development and decision-making that has a direct impact on the welfare of the community. However, the challenges faced by villages in terms of financial management are often quite complex, so a deep understanding of financial performance is needed to maximize the potential that exists.

On the one hand, villages have diverse resources, ranging from natural potential, labor, to support from the government. However, on the other hand, there are still many villages that face limitations in terms of managerial capacity, understanding of financial management, and access to information and technology. This results in less effective and efficient budget management, as well as an inability to meet the basic needs of the community, such as education, health, and infrastructure. In this context, regional financial performance analysis is important to evaluate how well the village manages the budget and achieves the development goals that have been set.

Performance measurement is a systematic process of evaluating whether a planned plan/activity is in line with the plan, and more importantly, whether it has successfully achieved the targets at the time of planning. Performance measurement begins with the process of determining performance indicators that provide information in such a way that it allows public sector work units to monitor their performance in creating outputs and outcomes for the community. Performance Measurement helps decision-makers monitor and improve performance and focus on the organization's objective requirements to meet public accountability requirements.

Analysis of the financial performance of the village government is a measurement or assessment of the performance of the village government regarding the level of achievement of the implementation of activities in the financial sector within a certain period of time. Financial performance analysis is very important for village governments because with this performance analysis the village government can find out how its government is performing over a certain period of time. By conducting a financial performance analysis, the village government can see how the financial performance targets that have been set are achieved, to evaluate the performance of their government, as well as as a guideline for improving financial performance in the next period [1]. One of the analytical tools to assess the financial performance of the village government is to use regional financial ratios.

The use of regional financial ratios as a financial performance analysis tool is carried out by comparing the results achieved from one period with the previous period so that it can be known how the trend occurs [2]. The ratio of village financial independence is one of the key indicators in assessing financial performance. This ratio reflects the ability of the village to finance development activities and programs using the village's original source of income (PAD). The high independence ratio indicates that villages are able to utilize existing resources independently and reduce dependence on funds from the central or regional government. Conversely, a low self-reliance ratio may indicate the need for additional government intervention or support to help villages develop their financial capacity.

In addition, the effectiveness ratio is also an important element in financial performance analysis. This ratio measures the extent to which budget use can achieve predetermined goals, reflecting the efficiency and effectiveness of each spend. Villages that are able to use their budgets effectively will be able to provide better public services and meet community expectations. Therefore, an in-depth understanding of these ratios is very important for village financial managers to plan and execute the budget optimally. And in practice, the growth ratio is one that can be used to assess regional revenue growth, expenditure growth, and the growth of certain expenditure components such as operating expenditure and capital expenditure. A positive growth ratio indicates an increase in financial performance compared to the previous period, while a negative growth ratio indicates a decrease in performance or problems in regional financial management.

Since the enactment of the Village Fund policy, village governments, including Tekulai Bugis Village, have gained greater authority in managing village finances to support community development and empowerment. However, in practice, village financial management still faces various challenges, especially related to the relatively low level of village fiscal independence. Tekulai Bugis Village still shows a fairly high dependence on fund transfers from the central and regional governments, such as Village Funds and Village Fund Allocation, while the contribution of Village Original Income (PADes) to the total village income is not optimal. This condition reflects the weak ability of villages to explore the potential of the local economy as a source of independent funding.

In addition, the phenomenon of financial growth in Tekulai Bugis Village from year to year tends to fluctuate. Village income and expenditure growth does not always show a stable trend, indicating inconsistencies in village budget planning and implementation. Expenditure growth that is not balanced with income growth has the potential to put pressure on village fiscal sustainability, especially in financing development programs and empowering village communities.

Another phenomenon can be seen in the level of effectiveness of village financial management, especially in the realization of income and the implementation of village work programs. Although the village revenue target has been set in the APBDes, the realization of revenue has not fully reached the planned target, especially from PADes sources. This has an impact on delays or adjustments in the implementation of development activities and community services. This condition shows that the effectiveness of financial management in Tekulai Bugis Village still needs to be improved so that the use of the budget can be more on target and in accordance with the plan that has been set. With this background and phenomenon, it is necessary to comprehensively analyze the financial performance of Tekulai Bugis Village using the independence ratio, growth ratio, and effectiveness ratio.

To strengthen this phenomenon, the following is presented preliminary financial data of Tekulai Bugis Village based on the components used in calculating the independence ratio, effectiveness ratio, and growth ratio.

Table 1 Village Revenue Information Tekulai Bugis Village

No	Components	Year 2024	Year 2025
1	Village Original Income (PADes)	IDR 370,000	IDR450,000
	Transfer Income	IDR 1,494,672,800	IDR 1,337,325,611
2	PADes Budget	IDR 370,000	IDR450,000
	Realization of PADes	IDR 370,000	IDR450,000
3	Previous Year's PADes	IDR 137,000	IDR 370,000
	PADes Current Year	IDR 370,000	IDR450,000

Source: Village Financial Report, 2026

Based on the initial data, it can be seen that the Original Income of Tekulai Bugis Village is still much smaller than the transfer income. This condition shows that the village income structure is still dominated by transfer funds, while the contribution of PADes to village income has not been optimal. Therefore, it is necessary to analyze the financial performance of Tekulai Bugis Village using the independence ratio, effectiveness ratio, and growth ratio. With this background and phenomenon, it is necessary to comprehensively analyze the financial performance of Tekulai Bugis Village using the independence ratio, growth ratio, and effectiveness ratio.

Problem Formulation

Based on the background that has been presented, the formulation of the problem in this study is how is the financial performance of Tekulai Bugis Village if measured using the ratio of independence, growth and effectiveness?

Research Purposes

In accordance with the formulation of the problem that has been described earlier, the purpose of this study is to find out how the financial performance of Tekulai Bugis Village is measured using the ratio of independence, growth and effectiveness.

2. LITERATURE REVIEW

Financial performance

According to [3] Financial performance is an analysis that is carried out to see the extent to which a company has implemented using financial implementation regulations properly and correctly. A company's financial performance is an overview of the company's financial condition and ability to manage its financial resources, which can be assessed through the analysis of financial statements, especially by using financial ratios such as liquidity ratios, solvency, activities, and profitability. Financial ratio analysis is used to assess the level of health, effectiveness, and development of a company's financial performance in a given period [4] [5].

Financial performance shows the effectiveness and efficiency of the organization in achieving goals, especially through the analysis of financial indicators. In the context of local government, financial performance reflects the ability of regions to manage financial resources independently, support government, community services, and development, by minimizing dependence on the central government. These performance measurements are important for improving performance, allocating resources, and ensuring public accountability, as well as for assessing the financial independence, effectiveness, efficiency, and contribution of regional revenue sources over a given period.

The financial performance of local governments is an illustration of the ability of local governments to manage revenue, expenditure, and financing of the APBD effectively, efficiently, accountably, and oriented towards achieving development goals and public services. Regional financial performance assessments are generally carried out through the analysis of financial ratios, such as the ratio of independence, effectiveness, efficiency, spending compatibility, and growth, to see the extent to which the use of the regional budget is able to support the implementation of government and services to the community [6] [7] [8]. according to Ibn Syamsi, (1986: 199) in [9] Regional Government Financial Performance is the ability of a region to explore and manage local financial resources to meet its needs in order to support the running of the government system, services to the community and regional development without being completely dependent on the central government and having flexibility in using funds for the benefit of local communities within the limits determined by laws and regulations.

From some of the above understandings, it can be concluded that Regional Government Financial Performance is the level of achievement of a work in the field of regional finance which includes the budget and budget realization using financial indicators determined through a policy or legislative provision during the budget period. There are several criteria that can be used as a measure to determine the ability of local governments to manage their own households, namely the organizational structural ability, the ability of the Regional Government apparatus, the ability to encourage community participation, and the ability of regional youth [9].

1. Organizational structural capabilities

   The organizational structure of the Regional Government must be able to accommodate all activities and duties that are its burden and responsibility, the number of units and the type sufficiently reflects needs, the division of duties, authorities and responsibilities is quite clear.
2. Ability of Local Government Apparatus

   Regional Government officials must be able to carry out their duties in regulating and managing their regional households. Expertise, morals, discipline and honesty support each other in achieving the goals desired by the region.
3. Ability to encourage community participation

   The Regional Government must be able to encourage the community to participate in development activities.
4. Regional financial capability

   The Regional Government must be able to finance all government, development and community activities as the implementation of its own household arrangements and management. For this reason, regional financial capabilities must be able to support the financing of government, development and community activities.

Analysis of Regional Financial Ratios
Independence Ratio

The Regional Financial Independence Ratio describes the ability of local governments to finance government, development, and public service activities by relying on Regional Original Revenue (PAD), so that the higher the independence ratio, the lower the level of regional dependence on external funding sources, especially transfer revenues from the central government and provincial governments. [10] [11] [12]

Regional financial independence can be measured by comparing Regional Original Revenue (PAD) with regional transfer and loan revenue. This ratio is used to see the extent to which local governments are able to meet the needs of public spending and regional development through their internal revenue sources [11][12].
The formula for the Regional Financial Independence Ratio is as follows:

$$\text{Rasio Kemandirian Keuangan Daerah} = \frac{\text{Pendapatan Asli Daerah (PAD)}}{\text{Pendapatan Transfer + Pinjaman Daerah}} x100\%$$

:

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Based on the formula above, it can be seen that the Regional Financial Independence Ratio describes the extent of regional dependence on external sources of funds. The higher the Self-Reliance Ratio, the lower the level of regional dependence on external assistance (especially the central and provincial governments), and vice versa. The Independence Ratio also describes the level of community participation in developing the region. The higher this ratio means that the higher the participation of the community in paying taxes and regional levies which are components of the PAD will reflect the higher the level of community welfare.

The level of regional financial independence and ability is analyzed through the regional financial independence ratio, which is a ratio that describes the ability of local governments to finance their own government, development, and public service activities through Regional Original Revenue (PAD). The interpretation of the level of independence can be classified into the pattern of instructive, consultative, participatory, and delegative relationships as used in the analysis of local government financial statements by Mahmudi (2019). This analytical framework remains relevant for use in regional financial research because it is in line with the direction of the latest regional financial management regulations, namely Government Regulation No. 12 of 2019, Permendagri No. 77 of 2020, and Law No. 1 of 2022.

Table 2. Relationship Patterns and Regional Financial Independence Levels

Financial Ability	Independence Ratio (%)
Very low	0% – 25%
Low	>25% – 50%
Medium	>50% – 75%
Height	>75% – 100%

Source: Mahmudi (2019)

Effectiveness ratio

The effectiveness ratio describes the ability of the local government to realize the original revenue of the planned area, then compared to the original revenue of the area that has been budgeted [2]. The ratio of the financial effectiveness of autonomous regions (hereinafter referred to as the "EKD Ratio") indicates the ability of local governments to realize the planned regional original revenue (PAD) compared to the targets set based on the real potential of the region (Halim, 2020). The benefits of calculating the Effectiveness Ratio for government are as follows:

1. Performance Evaluation: This ratio assists the government in evaluating the performance of programs and activities, as well as identifying areas for improvement.
2. Decision-making: By knowing the effectiveness of budget use, governments can make better decisions regarding planning and resource allocation.
3. Accountability and Transparency: The effectiveness ratio improves public accountability by providing clear information about the results of the use of public funds.
4. Improvement of Public Services: By analyzing this ratio, the government can identify strengths and weaknesses in the programs implemented, so that it can improve the public services provided to the community.

According to Mahmudi (2019), the effectiveness ratio of Regional Original Revenue (PAD) is used to measure the ability of local governments to realize PAD revenues in accordance with the set targets. The higher the effectiveness ratio obtained, the better the ability of local governments to achieve the PAD revenue target. The formula for the PAD effectiveness ratio is as follows:

$$\text{Rasio Efektivitas PAD} = \frac{\text{Realisasi Penerimaan PAD}}{\text{Target Penerimaan PAD}} \times 100\%$$

To facilitate the interpretation of the results of the calculation of the PAD effectiveness ratio, assessment criteria are needed as a basis for determining the level of success of local governments in realizing the PAD revenue target. These criteria are used to group ratio results into the categories of highly effective, effective, moderately effective, less effective, or ineffective. The PAD effectiveness ratio is used to assess the ability of local governments to achieve the PAD revenue targets that have been set, so that the higher the value of the effectiveness ratio, the better the ability of the regions to realize their regional revenues (Julaeha & Penangsang, 2024; Pardede, 2024; Sigiro, 2024). The classification of the level of effectiveness of PAD is presented in the following table:

Table 3. Regional Financial Effectiveness Assessment Criteria

Percentage Effectiveness Ratio	Criteria
>100%	Highly Effective
100%	Effective
90% – 99%	Quite Effective
75% – 89%	Less Effective
<75%	Ineffective

Source: Mahmudi (2019)

Growth Ratio

According to [13], Growth ratio is a ratio used to measure the development of the village government's financial performance from year to year, both in terms of income and expenditure. This ratio provides an idea of whether in some budget periods the village government is able to increase revenue, especially the village's original income, as well as manage the growth of expenditure proportionally. Thus, the growth ratio can be used to assess the direction of the development of the village government's budget performance in a sustainable manner.

To determine the development of the village government's financial performance from one fiscal year to the next, the growth ratio is used. This ratio can be applied to the revenue and expenditure components, so that it can provide an overview of the increase or decrease in budget realization in several periods. The growth ratio formula is as follows:

$$\text{rasio pertumbuhan} = \frac{\text{Realisasi Tahun Berjalan-Realisasi Tahun Sebelumnya}}{\text{Realisasi Tahun Sebelumnya}} x100\%$$

The growth ratio is used to assess the development of regional financial performance from one period to the next, especially in looking at the increase or decrease in PAD, total regional revenue, operating expenditure, and capital expenditure. Positive growth indicates that the regions are able to maintain and improve their financial performance, while negative growth indicates that the regions are not optimal in developing their financial potential in a sustainable manner [14][15][16].

Hipotesis

1. It is suspected that the financial performance of Tekulai Bugis Village is measured by the ratio of independence to obtain criteria that are not yet independent.
2. It is suspected that the Financial Performance of Tekulai Bugis Village is measured by the Effectiveness Ratio to obtain effective criteria.
3. It is suspected that the Financial Performance of Tekulai Bugis Village is measured by the growth ratio being in a condition that has not grown.

3. RESEARCH METHOD

Research Design

Research Design used in this study is a descriptive analysis method, which is a research method that describes or explains actual data and continues with analysis to find conclusions from the variables being studied.

Research Location and Time

The location of this research is located at the Tekulai Bugis Village Office, Tanah Merah District, Indraigiri Hilir Regency, with the time of the research being carried out from December 2025 until Completion.

Population and Sample

Populasi

The population in this study is all regional financial statements at the Tekulai Bugis Village Office, Tanah Merah District, Indraigiri Hilir Regency in 2024-2025.

Sample

The sample in this study uses all population data used in this study, namely by saturated sampling technique.

Operational Definition and Variable Measurement

Table 4. Variable Operations

Yes	Variabel	Definition	Measurement Scale
1	Financial Performance (Y)	One of the measures that can be used to ensure the ability of the region to implement financial implementation rules properly and correctly to maintain the desired services [17]	Regional Financial Ratios
2	Independence Ratio (X1)	This ratio shows the level of dependence of regions on external funding sources, such as transfers from the central government, provincial governments, and regional loans. The higher the independence ratio, the better the ability of the regions to finance their regional needs independently [18]	Financial Ratios
3	Effectiveness Ratio (X2)	The effectiveness ratio describes the ability of the local/village government to realize the original revenue of the planned region/village, then compared to the original revenue of the region/village that has been budgeted [2].	Financial ratios
4	Growth Ratio (X3)	A ratio that describes a company's ability to maintain its economic position in the midst of economic growth and business sectors	Financial ratios

Source: Research Processed Data

Data Collection

1. Data type

a. Qualitative data

According to [19], qualitative data is data in the form of words, sentences, narratives, images, or other information that is not expressed in the form of numbers. Qualitative data is used to provide an in-depth picture of the object of research, whether in the form of history, general conditions, organizational structure, or other information related to the characteristics of the object being studied. In this study, the qualitative data used includes a brief history of Tekulai Bugis Village, an overview of the village, the organizational structure of the village government, and other supporting information related to village financial management.

b. Quantitative data

According to [19], Quantitative data is data in the form of numbers or qualitative data that is collected, so that it can be processed and analyzed using statistical calculations or certain formulas. Quantitative data is used to explain a phenomenon based on objective numerical measures. In this study, the quantitative data used is the financial statements of Tekulai Bugis Village for the 2024–2025 period, which includes data on income, expenditure, financing, and other financial components needed to analyze the village's financial performance.

2. Data sources

a. Early date

Primary data is data obtained directly from respondents or research objects by researchers through data collection activities in the field. The data collection can be done using questionnaires, interviews, observations, and other research instruments designed according to research needs [20].

b. Data seconds

Secondary data is data obtained by researchers from previously available sources and not collected directly from respondents. The data can be in the form of documents, reports, scientific publications, or statistical data that function to complement and support primary data in research [20].

3. Data Collection Techniques

To obtain the desired data, the researcher seeks information related to the problem, the researcher uses the following techniques:

a. Documentation studies

Documentation techniques are data collection methods that are carried out by studying various documents available to agencies or organizations, such as financial statements, work program reports, activity archives, and other supporting documents related to the research object. Documentation data is used to reinforce and verify data obtained from other sources [20].

b. Literature study

According to [20], Literature study is a data collection technique that is carried out through the study of various written sources, such as books, scientific journals, articles, previous research results, documents, and other literature relevant to the research topic. This technique aims to obtain information, concepts, and theoretical foundations that can support research problem solving.

In this study, the researcher collected data through literature studies by examining various reference books, scientific journals, research articles, and other literature sources related to the research object. The activity was carried out to obtain a theoretical basis, strengthen the framework of thought, and support the analysis of the problems being studied.

Data Analysis

1. Independence Ratio

The Regional Financial Independence Ratio shows the ability of local governments to finance government, development, and community activities sourced from Regional Original Revenue (PAD) without significantly relying on assistance or transfers from the central government or other local governments. The higher the ratio of regional financial independence, the lower the level of regional dependence on external funding sources, thus showing the increasingly independent regional fiscal capacity.

$$\text{Rasio Kemandirian} = \frac{\text{Pendapatan Asli Daerah}}{\text{Transfer Pusat + Provinsi + Pinjaman (Pendapatan Daerah)}}\ x\ 100\%$$

The Regional Financial Independence Ratio is used to assess the ability of a region to meet the financing needs of government administration through Regional Original Revenue (PAD). The results of the ratio calculation are further classified based on the level of financial ability and the pattern of the relationship between the central government and local governments as shown below:

Financial Ability	Independence (%)
Very Low	0% - 25%
Low	25% - 50%
Medium	50% - 75%
Height	75% - 100%

2. Effectiveness ratio

The effectiveness ratio is an indicator used to measure the ability of local governments to realize Regional Original Revenue (PAD) in accordance with the set targets. The higher the level of effectiveness achieved, the better the performance of local governments in optimizing regional sources of income [21].

$$\text{Rasio Efektivitas} = \frac{\text{Realisasi PAD Daerah}}{\text{Anggaran PAD Daerah}}\ \text{x}\ 100\%$$

The criteria for assessing the effectiveness of regional financial performance used in this study refer to the Ministry of Home Affairs Number 690,900,327 of 1996 which is still widely used as a guideline in regional finance research in Indonesia.

Effectiveness Criteria	Effectiveness (%)
Highly Effective	>100%

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ISSN 2988-246X, DOI: 10.61167/mnk.v4i1.324

Effective	90% - 100%
Quite Effective	80% - 90%
Less Effective	60% - 80%
Ineffective	≤ 60%

3. Growth Ratio

The growth ratio is used to measure the ability of local governments to maintain and improve their financial performance from one period to the next through increased revenue and management of regional expenditures [18].

$$\text{Rasio Pertumbuhan} = \frac{\text{Pn} - \text{Po}}{\text{Po}} \times 100\%$$

The criteria for assessing the regional growth rate used in this study refer to the Ministry of Home Affairs Number 690,900,327 of 1996 which is still widely used as a guideline in regional finance research in Indonesia.

Growth Criteria	Growth (%)
Excellent	> 10%
Good	5% – 10%
Enough	0% – <5%
Stagnant	0%
Not Good	< 0%

4. RESEARCH RESULTS AND DISCUSSION

Research result

Based on data on the Realization of the Tekulai Bugis Village Budget for the 2024 Fiscal Year, it is known that the Village Original Revenue (PAD) budgeted at IDR 370,000 has been fully realized at IDR 370,000. Meanwhile, the realization of Transfer Revenue reached IDR 1,494,672,800, so that the total realization of village revenue in 2024 is IDR 1,495,042,800.

1. Independence Ratio 2024

$$\text{Rasio Kemandirian} = \frac{370.000}{1.494.672.800} \times 100\% = 0,02\ \%$$

2. Effectiveness Ratio 2024

$$\text{Rasio Efektivitas} = \frac{370.000}{370.000} \times 100\% = 100\ \%$$

3. Growth Rate 2024

$$\text{Rasio Pertumbuhan} = \frac{370.000 - 137.000}{137.000} \times 100\% = 170,07\%$$

Financial data of Tekulai Bugis Village in 2025:

Village Original Revenue (PAD) 2025

Village Original Revenue (PAD) in 2025 has a budget of IDR 450,000 and is realized of IDR 450,000. Meanwhile, Transfer Revenue in 2025 is realized at IDR 1,337,325,611. Thus, the total realization of Village Revenue in 2025 is IDR 1,337,325,611.

1. Independence Ratio 2025

$$\text{Rasio Kemandirian} = \frac{450.000}{1.337.325.611} \times 100\% = 0,03\ \%$$

2. Effectiveness Ratio 2025

$$\text{Rasio Efektivitas} = \frac{450.000}{450.000} \times 100\% = 100\ \%$$

3. PAD Growth Ratio (2024–2025)

$$\text{Rasio Pertumbuhan} = \frac{450.000 - 370.000}{370.000} \times 100\% = 21{,}62\%$$

Discussion

To facilitate the interpretation of the results of the calculation of the financial ratio of Tekulai Bugis Village in 2024–2025, the following is presented a summary of the results of the independence ratio, effectiveness ratio, and growth ratio along with their criteria/conditions.

5. Table of Financial Performance Ratios of Tekulai Bugis Village in 2024–2025

No	Ratio Type	Results	Criteria
1	Independence Ratio 2024	0,02%	Very low
2	Effectiveness Ratio 2024	100%	Effective
3	PADes Growth Ratio 2023-2024	170,07%	Positive
4	Independence Ratio 2025	0,03%	Very low
5	Effectiveness Ratio 2025	100%	Effective
6	PADes Growth Ratio 2024-2025	21,62%	Positive

Source: Data processed by researchers

Based on the results of the calculations in 2024, the financial independence ratio of Tekulai Bugis Village is 0.02%. This value shows that the level of village financial independence is in the very low category and is included in the pattern of instructive relationships. This means that the village government is still very dependent on transfer funds from the central and regional governments. This condition can be seen from the very large comparison between the Village Original Income (PADes) of IDR 370,000 and transfer income which reached more than IDR 1.4 billion. This indicates that the ability of villages to explore the potential of the local economy as a source of independent income is still very limited, so that village development financing is still dominated by transfer funds.

Furthermore, the effectiveness ratio in 2024 of 100% shows that the realization of PADes has been in accordance with the set target. Thus, the management of PADes in that year can be categorized as effective. However, this effectiveness does not fully reflect the overall financial strength of the village, because the nominal value of PADes is still very small. This means that the achievement of effectiveness shows the success of the village government in realizing the PADes target, but it has not shown the ability of the village to significantly increase the original source of income. Meanwhile, the growth ratio in 2024 shows an increase in PADes compared to the previous year. However, the increase is still not enough to change the village income structure which remains dominated by transfer funds. This condition shows that the growth of PADes has not made a major contribution to village financial independence.

Based on the results of the analysis in 2025, the financial independence ratio of Tekulai Bugis Village is 0.03%. This value is still in the very low category with an instructive relationship pattern. This shows that despite the increase in PADes compared to the previous year, the level of village dependence on transfer funds is still very high. The village's financial structure is still dominated by revenue from the central and regional governments, so the ability of the village to finance government and development activities independently has not undergone significant changes.

The effectiveness ratio in 2025 of 100% indicates that the realization of PADes has fully reached the set target. This indicates that the village government has been able to plan and realize revenue in accordance with the budget. However, as in the previous year, this effectiveness is still administrative because the value of PADes obtained is still relatively small. Thus, even though the realization of PADes has reached the target, its contribution to the total village income is still not large.

Meanwhile, the PADes growth ratio in 2025 of 21.62% shows an increase compared to 2024. This growth indicates the efforts of the village government to increase the Village Original Income, although nominally the increase is still relatively small. This positive growth can be an initial signal for the village government to continue to develop local economic potential, optimize village assets, and increase the role of Village-Owned Enterprises (BUMDes).

Overall, the financial performance of Tekulai Bugis Village in 2024–2025 shows consistency in the effectiveness of the realization of PADes and an increase in the growth aspect of PADes. However, the level of village financial independence is still very low because the income structure is still dominated by transfer funds. Therefore, the village government needs to focus more on strategies to increase PADes, such as developing local economic potential, optimizing village asset management, increasing the community business sector, and strengthening the role of BUMDes so that dependence on transfer funds can be gradually reduced.

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