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Analysis Of Financial Performance In The Village Revenue And Expenditure Budget (Apbdes) In Ponre-Ponre Village, Libureng District, Bone Regency

Afada Afdaliah[1], Hajrah Hamzah[2], Masdar Ryketeng[3]

[1,2,3] Bachelor of Accounting, Faculty of Economics and Business, Makassar State University

Corresponding Email:
aldaafada2004@gmail.com,hajrah.hamzah@unm.ac.id,masdar.ryketeng@unm.ac.id

Abstract

This study aims to determine and analyze the financial performance of the Village Revenue and Expenditure Budget (APBDes) in Ponre-Ponre Village, Libureng District, Bone Regency. This study is motivated by the importance of transparent, accountable, effective, and efficient village financial management in supporting village development. In addition, there are still problems in the management of the APBDes such as the low contribution of Village Original Income (PADes), dependence on government transfer funds, and suboptimal absorption of the village budget. This study uses a quantitative approach with a descriptive method. The data collection technique is carried out through documentation of the Ponre-Ponre Village APBDes report for 2020–2024. Data analysis is carried out using village financial ratio analysis which includes the village financial independence ratio, the effectiveness ratio of Village Original Income (PADes), the village financial efficiency ratio, the activity ratio, and the growth ratio. The results of the study indicate that the financial performance of Ponre-Ponre Village still has a below average level of independence of around 0% - 25% because village income is still dominated by transfer funds from the central and regional governments. The PADes effectiveness ratio indicates the village's ability to effectively achieve revenue targets, reaching 100%. The efficiency ratio indicates that village expenditure management is less efficient, ranging from 90% to 100%. The activity ratio indicates that a greater proportion of village expenditure is allocated to capital expenditures than operational expenditures. Meanwhile, the growth ratio indicates fluctuations in village revenue and expenditures during the study period. Overall, the Village

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Budget (APBDes) management in Ponre-Ponre Village has been running according to regulations. However, improvements in the quality of village financial management, PADes optimization, and human resource capacity are still needed to improve village financial performance and independence.

Keywords: Financial Performance, Village Budget, Financial Ratios.

INTRODUCTION

Villages have a strategic role in governance and development, especially since the enactment of Law Number 6 of 2014 concerning Villages, which grants broader authority to village governments to manage finances independently through the Village Revenue and Expenditure Budget (APBDes). The APBDes is the primary instrument that directs the management of village revenue, expenditure, and financing to support governance, development, community development, and community empowerment. As a financial management instrument, the APBDes is expected to be able to realize transparent, accountable, effective, and efficient financial governance so that the use of public resources can provide optimal benefits for the community (Devi & Purnamawati, 2025)

Ponre-Ponre Village, Libureng District, Bone Regency, is one of the villages that manages the Village Budget (APBDes) as the basis for implementing village development. Based on APBDes data from 2020 to 2024, village revenue realization generally achieved the set targets, while annual expenditure realization fell below the planned budget. This situation demonstrates efficiency in budget use, but at the same time, it also indicates that budget absorption is not fully optimal. Furthermore, the low contribution of Village Original Income (PADes) indicates that the village's ability to independently finance development needs is still limited, resulting in a high dependence on government transfer funds.

This situation indicates that the achievement of revenue targets and spending efficiency do not fully reflect the overall quality of village financial management. Village government financial performance is measured not only by the ability to realize the budget, but also by the ability to manage financial resources effectively, efficiently, transparently, and accountably to support village governance and development (Fadrul et al., 2023)Therefore, an evaluation approach is needed that can provide a more comprehensive picture of the village's financial condition during the APBDes implementation period.

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Financial performance assessment is a crucial tool for evaluating the success of village governments in managing the Village Budget (APBDes). This evaluation is conducted through financial ratio analysis, including ratios of independence, effectiveness, efficiency, activity, and growth, to objectively determine the success rate of village financial management (Anastasya & Hidayati, 2019). Measuring financial performance based on financial reports also provides information on the village government's ability to manage revenue and expenditures as a basis for improving financial management in the following period (W. Sari, 2021). Analysis of these ratios aligns with the concept of the Village Budget (APBDes) as a village financial management instrument that must be managed effectively, efficiently, transparently, and accountably (Bunganingtyas *et al*., 2023).

This problem can also be explained through the perspective of stewardship theory, which positions the village government as a steward responsible for prioritizing community interests in managing the Village Budget (APBDes). Village governments are required to manage finances transparently, accountably, effectively, and efficiently as a form of fulfilling their mandate to the community. The better the APBDes management, the better the financial performance, reflecting the village government's success in carrying out its stewardship function responsibly (Gama et al). Therefore, evaluating financial performance through various financial ratios is crucial to assess the extent to which APBDes management has reflected these principles.

Based on these conditions, this study aims to analyze the financial performance of Ponre-Ponre Village, Libureng District, Bone Regency through the independence ratio, PADes effectiveness ratio, efficiency ratio, activity ratio, and growth ratio. This research is important to conduct as a basis for evaluation in improving the quality of APBDes management so that the implementation of village governance and development can run more effectively, efficiently, transparently, and accountably. The novelty of this study lies in the analysis of the financial performance of Ponre-Ponre Village using five financial ratios based on APBDes data for the 2020 to 2024 period, thus providing a comprehensive picture of the condition of village financial management as a basis for improving financial management in the following period.

METHOD

Data Types and Sources

This study uses a quantitative method with a descriptive approach to describe the financial performance of the Village Revenue and Expenditure Budget (APBDes) of

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Ponre-Ponre Village, Libureng District, Bone Regency. The data used are secondary data in the form of APBDes documents and APBDes realization reports for 2020–2024 obtained through documentation. The unit of analysis is the APBDes financial performance in each fiscal year during the study period. Data were analyzed using financial ratio analysis including the independence ratio, the effectiveness ratio of Village Original Income (PADes), the efficiency ratio, the activity ratio, and the growth ratio to assess the level of independence, effectiveness, efficiency, spending activity, and the development of village financial performance from year to year.

Financial Ratio Measurement

Financial ratio measurements are carried out using financial ratio analysis based on APBDes data to assess the financial performance of village governments through independence ratios, Village Original Income (PADes) effectiveness ratios, efficiency ratios, activity ratios, and growth ratios.

1. **Financial Independence Ratio**

   The Financial Independence Ratio is used to measure the village government's ability to finance government operations through Village Original Income (PADes) compared to transfer income. The higher the independence ratio, the lower the village's dependence on transfer funds and the better its ability to manage its finances. (R. V. Sari et al., 2024). According to Patarai (2018) can be measured using the following formula:

$$RKKD = \frac{\text{PADes (Pendapatan Asli Desa)}}{\text{Pendapatan Transfer}} \times 100\%$$

As for the financial independence ratio criteria

Percentage	Criteria
0%-25%	Below average
25%-50%	Low
50%-75%	Currently
75%-100%	Tall

Source (Pundissing & Pagiu, 2020)

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2. Effectiveness Ratio

The Village Original Income (PADes) effectiveness ratio is used to measure the village government's ability to achieve PADes targets. The higher the effectiveness ratio, especially if it reaches or exceeds 100%, the better the village government's ability to optimize village revenue. (Oktaviani & Marini, 2023). According toPatarai (2018)This ratio can be measured using the following formula:

$$\text{Rasio Efektivitas} = \frac{\text{PADes (Pendapatan Asli Desa)}}{\text{Anggaran PADes}} \text{ x } 100\%$$

The criteria for the financial independence ratio are:

Percentage	Criteria
>100%	Very effective
100%	Effective
90%-99%	Quite effective
75%-89%	Less effective
< 75%	Ineffective

SourcePundissing & Pagiu (2020)

3. Efficiency Ratio

The efficiency ratio is used to measure the level of efficiency of village governments in managing finances by comparing realized expenditures to realized revenues. The lower the efficiency ratio, the better the village government's financial performance in utilizing its budget. (Damayanti et al., 2021). According to Patarai (2018, p. 209)This ratio can be measured using the following formula:

$$\text{Rasio Efisiensi} = \frac{\text{Realisasi Belanja Desa}}{\text{Realisasi Pendapatan Desa}} \text{ x } 100\%$$

Criteria Efficiency Ratio Assessment

Percentage	Criteria
>100%	Not efficient
90%-100%	Less efficient
80%-90%	Quite efficient
60%-80%	Efficient

SourcePundissing & Pagiu (2020)

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4. Activity Ratio

The higher the percentage of funds allocated to operating expenses, the smaller the percentage of capital expenditure used to provide community economic infrastructure. According to Patarai (2018, p. 209), the activity ratio can be formulated as follows:

1. Operating Expenditure Ratio

$$\text{Rasio Belanja Operasi} = \frac{\text{Total Belanja Operasi}}{\text{Total Belanja Desa}} \times 100\%$$

2. Capital Expenditure Ratio

$$\text{Rasio Belanja Modal} = \frac{\text{Total Belanja Modal}}{\text{Total Belanja Desa}} \times 100\%$$

Activity Ratio Assessment Criteria:

Percentage	Criteria
0% - 50%	Not good
50% - 100%	Good

Source(Pundissing & Pagiu, 2020)

5. Growth Ratio

The growth ratio is used to measure the development of village financial performance from one period to the next. This ratio indicates whether village revenue and expenditure have experienced positive or negative growth, thus serving as a basis for evaluating the progress of village financial management (Ravelia et al., 2025).According to Patarai (2018, p. 209) the activity ratio can be formulated as follows:

$$r = \frac{Pn - P0}{P0} \times 100\%$$

Information :
r = Growth Ratio
Pn = Total Village Income calculated in the nth year
P0 = Total Village Income calculated in year 0 (year before n)

Growth Ratio Assessment Criteria:

Percentage	Criteria
0% - 25%	Low
25% - 50%	Currently

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50% - 100%	Tall

SourcePundissing & Pagiu (2020)

RESULTS AND DISCUSSION

Data analysis

a. Analysis of Village Financial Independence Ratio

The analysis shows that the level of financial independence of Ponre-Ponre Village during the 2020–2024 period was below average, with a ratio below 5%. This indicates that the village remains heavily dependent on government transfer funds to finance governance and village development.

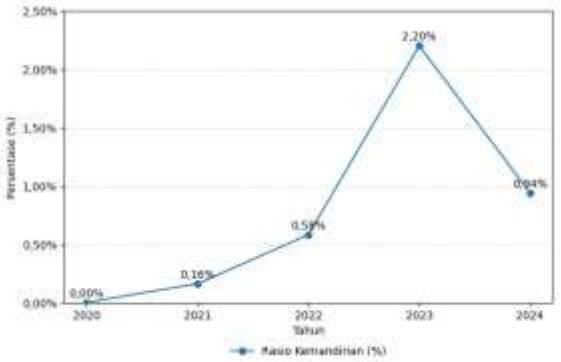


Figure 1. Village Financial Independence Ratio Graph

The increase in the self-sufficiency ratio in 2021–2023 demonstrates the efforts of village governments to increase village-owned enterprise (PADes) revenue (PADes) through the management of village-owned enterprise (BUMDes) and other revenue sources. However, PADes' contribution to total village revenue remains low, leaving villages dependent on government transfers. Therefore, optimizing village economic potential, particularly the development of village-owned enterprise (BUMDes), needs to be continuously enhanced to strengthen village financial independence.

b. Analysis of the Effectiveness Ratio of Village Original Income (PADes)

The PADes effectiveness ratio for 2021–2024 reached 100%. This shows that the village government is able to realize PADes in accordance with the targets set in the APBDes.

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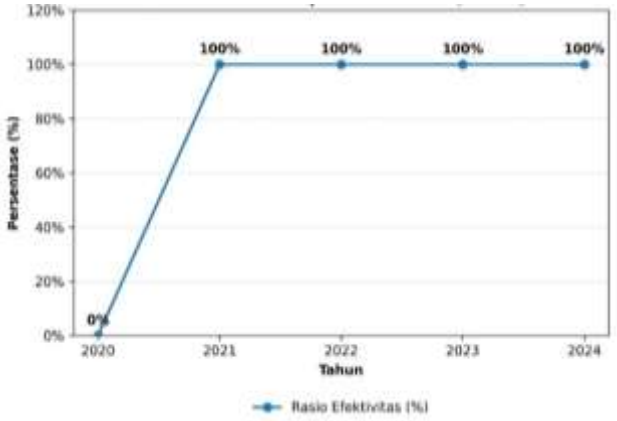
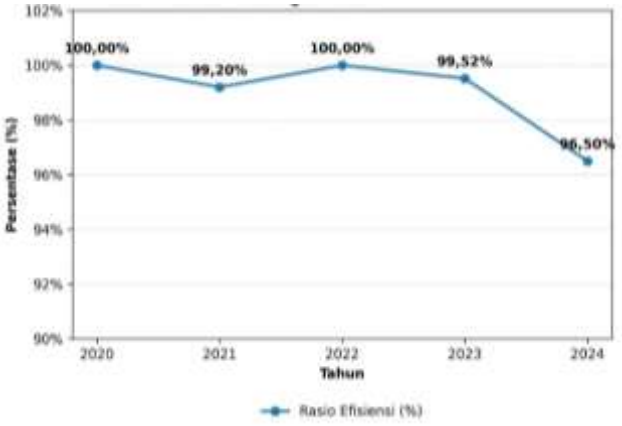


Figure 2. Effectiveness Ratio Graph

The successful achievement of the Village Original Revenue (PADes) target is supported by the development of targets based on the previous year's evaluation through Village Deliberations involving various community elements. Despite the high effectiveness ratio, the contribution of PADes to total village revenue remains below average, requiring village governments to optimize potential PADes sources to increase village fiscal capacity.

c. Village Financial Efficiency Ratio Analysis

Based on the results of the efficiency ratio calculation, village financial management is still in the less efficient category because the efficiency ratio is approaching or even reaching 100%.



Picture 3. Efficiency Ratio Graph

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The financial efficiency ratio of Ponre-Ponre Village is categorized as less efficient, with a value ranging from 90% to 100%, indicating that the majority of village revenue is used to finance expenditures. However, the efficiency ratio volatile growth to 96.50% in 2024, indicating improvements in spending control. Interviews also indicated that budget management adhered to development priorities and transparency principles, although program implementation was not fully in line with planning.

d. Activity Ratio Analysis

1) Operating Expenditure Ratio

The operating expenditure ratio increased from 18.08% in 2020 to 21.69% in 2024.

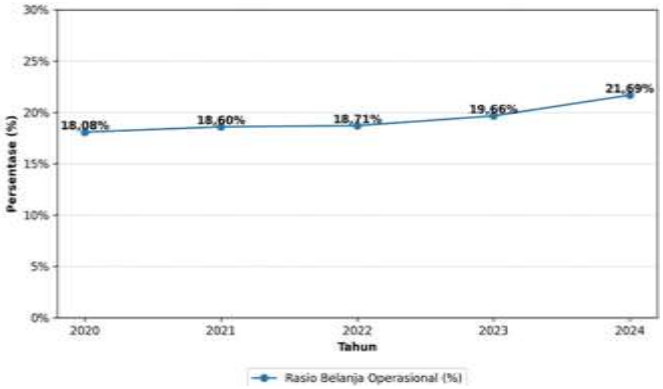


Figure 4.1 Operating Expenditure Ratio Graph

The analysis shows that the proportion of operational spending has increased annually, but remains lower than capital spending. This indicates that village governments continue to prioritize development and infrastructure provision, although increases in operational spending need to be controlled to prevent them from reducing the budget allocation for development and community empowerment.

2) Capital Expenditure Ratio

The capital expenditure ratio for 2020–2024 ranged from 63.02% to 38.89%, although it volatile growth annually. The high capital expenditure ratio indicates that the majority of the village budget is still focused on physical development, procurement of facilities and infrastructure, and other village assets.

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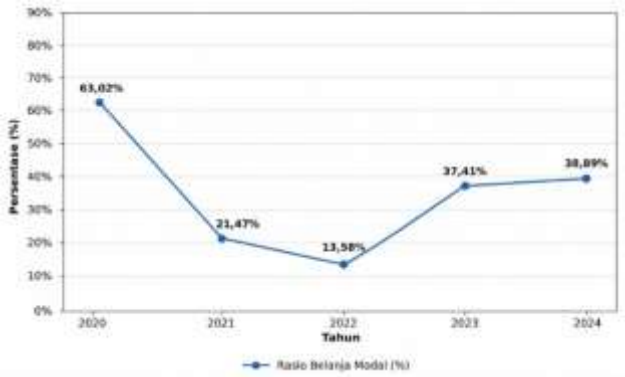


Figure 4.2 Capital Expenditure Ratio Graph

The analysis shows that although the proportion of capital expenditure has volatile growth, its allocation remains greater than that of operational expenditure. This indicates that the village government continues to prioritize village development through participatory budget priority setting through Village Deliberations.

e. Growth Ratio Analysis

The village financial growth ratio showed a downward trend from 2021 to 2024.

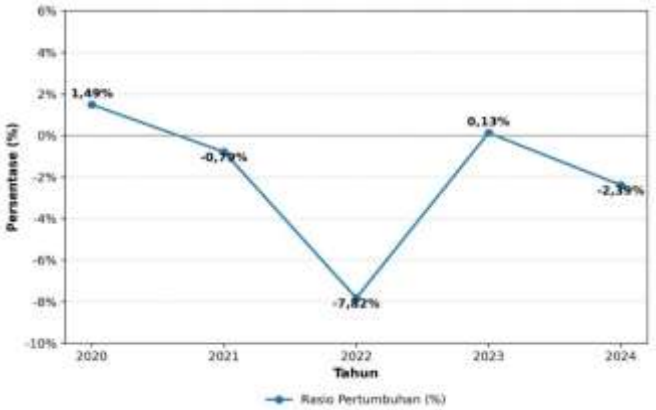


Figure 5. Growth Ratio Graph

The village's financial growth exhibited volatile growth during the study period, with the largest negative growth recorded in 2022 at -7.82%. This condition was mainly driven by reduced government transfer funds, low village financial independence, and limited human resource capacity in financial

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management. Therefore, optimizing Village Original Income (PADes) and strengthening the capacity of village officials are essential to support sustainable financial growth.

DISCUSSION

Results of APBDes Financial Performance Analysis

Ratio	Analysis Results	Information
Independence Ratio	Below Average	Villages still depend on transfer funds
Effectiveness Ratio	Effective	Village revenue target achieved 100%
Efficiency Ratio	Less Efficient	Spending is almost the same as income
Activity Ratio	Capital Expenditure is More Dominant	Focus on village development
Growth Ratio	Volatile Growth	Village income and expenditure volatile growth

Source: Processed data, 2026

1. Analysis of Village Financial Independence Ratio

The results of the study indicate that the financial independence ratio of Ponre-Ponre Village during the 2020–2024 period is in the below average category because the value is in the range of 0%–25%, with all being below 5%. This condition indicates that the village government is still highly dependent on government transfer funds, while the contribution of Village Original Income (PADes) to total revenue is still low. Based on the perspective of stewardship theory, the village government as a steward is expected to be able to optimize the potential of village revenue to reduce dependence on transfer funds. The results of the interviews showed that efforts to increase PADes have been carried out through the management of BUMDes, Pamsimas, revolving funds, and village levies, but the contribution has not been significant. This finding is in line with previous research which stated that low village financial independence is generally caused by the suboptimal utilization of village economic potential, so that it is necessary to strengthen asset management and develop PADes sources sustainably.

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2. **Effectiveness Ratio Analysis**

The research results show that the effectiveness ratio of Ponre-Ponre Village's Original Village Revenue (PADes) for 2021–2024 reached 100%, thus categorizing it as effective. This condition indicates that the village government is able to realize PADes in accordance with the targets set in the Village Budget (APBDes). Based on stewardship theory, this achievement reflects the village government's ability to carry out its mandate to manage resources accountably through sound revenue planning and management. This success is supported by the process of preparing PADes targets through village deliberations and evaluating the previous year's revenue. However, PADes' contribution to total village revenue is still below average, so optimizing the village's economic potential is still necessary to increase village financial independence.

3. **Village Financial Efficiency Ratio Analysis**

The results of the study indicate that the financial efficiency ratio of Ponre-Ponre Village during the 2020–2024 period was in the range of 96%–100%, thus being categorized as less efficient. This condition indicates that the realization of village expenditure is still below average high compared to the realization of revenue, so that the village's fiscal space is still limited. Based on stewardship theory, these results indicate that the village government still needs to improve planning, control, and budget utilization so that APBDes management is more efficient and provides optimal benefits to the community. However, the efficiency ratio in 2024 volatile growth to 96.50%, which indicates an improvement in spending control and budget utilization compared to the previous year.

4. **Activity Ratio Analysis**

The research results show that the activity ratio of Ponre-Ponre Village is dominated by capital expenditures compared to operational expenditures, indicating that the village government prioritizes physical development and the provision of infrastructure. Based on stewardship theory, this budget allocation reflects the village government's efforts in managing the Village Budget (APBDes) to support development and improve community welfare. However, the increase in operational expenditures each year requires attention to prevent reducing the budget allocation for development and community empowerment.

5. **Growth Ratio Analysis**

The research results show that the financial growth ratio of Ponre-Ponre Village exhibited volatile growth during the 2021–2024 period, with the largest

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negative growth recorded in 2022 at -7.82%. This pattern indicates that the village's financial capacity fluctuated from year to year, reflecting instability in revenue and expenditure performance. Based on stewardship theory, these findings suggest that the village government still needs to optimize the management of economic potential and Village Original Income (PADes) to achieve sustainable financial growth. The volatile growth was mainly influenced by reduced government transfer funds and the limited capacity of human resources in village financial management.

CONCLUSION

The results of the study indicate that the financial performance of the Ponre-Ponre Village APBDes for 2020–2024 is not yet fully optimal. The independence ratio is in the below average category, indicating a high dependence on transfer funds, while the PADes effectiveness ratio is classified as effective because revenue realization is able to achieve the target. The efficiency ratio is still in the less efficient category, the activity ratio indicates a greater budget priority on capital expenditures, and the growth ratio tends to be negative during the study period. Overall, the analysis of the independence, effectiveness, efficiency, activity, and growth ratios is able to provide a comprehensive picture of the financial performance of the Ponre-Ponre Village APBDes.

Suggestion

The Ponre-Ponre Village Government needs to optimize Village Original Income (PADes) through developing the village's economic potential and BUMDes, increasing the efficiency of budget use, and strengthening the capacity of village officials in financial management so that village financial performance becomes more effective, efficient, and sustainable.

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