

BUMDes Financial Performance Analysis Before and During the Pandemic

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Abstract

This study aims to investigate financial performance based on Financial Ratios that refer to the Entity Financial Accounting Standards (SAK ETAP) and the Regulation of the Minister of Villages and PDTT No. 4 of 2015, as well as Government Regulation No. 11 of 2021 concerning BUMDes, so that it can be seen the financial performance achievements of BUMDes in Indonesia. Bhakti Negara village. The population used in this study is the financial statements of BUMDes in Bhakti Negara Village in 2019-2020. The data used in this study is secondary data, namely by taking financial data related to research problems in the form of financial reports from BUMDes consisting of income statements and balance sheets for 2019-2020. The data analysis method used is descriptive quantitative, namely in the form of percentage results in accordance with the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No.06/Per/M.KUKM/V.2006. The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period is measured the profitability ratio with the Return On Assets (ROA) formula shows very good results. If it is measured from the liquidity ratio with the Current Ratio formula to obtain results, in 2019 it is not good. However, in 2020 the results were quite good. The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period is measured by the solvency ratio with the Debt To Equity Ratio formula, obtaining very good results. The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period was measured from the activity ratio with the Total Asset Turnover formula, which yielded poor results. However, there was an increase in 2020 which showed that there were changes and performance improvements made by BUMDes. For further research, it is expected to add years of research so that the data obtained is quite large and varied and can use the quick ratio, accounts receivable turnover ratio, debt to asset ratio and net profit margin. The implications of the research can be used on other BUMDes so that the financial performance of BUMDes can be known, especially during this pandemic. BUMDes Bhakti Negara shows the results of Total Asset Turn Over are in poor condition due to a decrease in income due to the level of asset turnover in BUMDes is not very efficient and asset management to increase income is also less efficient. So it is hoped that BUMDes in the Bhakti Negara village can increase the value of asset management. Because the higher the TATO value, the better, so that BUMDes can maximize their assets to generate higher income. In the future, this BUMDes must be able to maximize the use of its assets to generate higher income.

Keywords : BUMDes, Ratio, Performance, Pandemic .

1. Introduction

Procurement of BUMDes for rural communities greatly impacts economic growth and development, and makes a real contribution to economic empowerment for the community.(Falah 2017). The village government is expected to be able to explore and explore and develop local resources in the village community, in order to improve the welfare of the surrounding community through BUMDes business activities.(Ministry of Finance RI 2017). The utilization and financial management of BUMDes is also a major concern. In addition to facilitating information, financial reports will also show the financial performance of BUMDes whether the financial performance of BUMDes has been going well or not.(Prasetyo 2017).

Kerinci Village runs a Pertashop business, which is selling fuel which until now has been reach BEP (Break Even Point)(Compass 2021). However, according to the Executive Director of the Regional

Information and Study Center (PATTIRO) Sad Dian Utomo, the establishment and use of BUMDes still requires strengthening governance rules and regulations, so as not to cause possible conflicts and lawsuits, as well as being able to manage and create the welfare of the villagers.(Kompas.com 2015). This happened during the COVID-19 pandemic that affected the performance and management of BUMDes businesses in many villages, which would likely result in a decrease in village income.

Study (Afrijal 2016) shows that BUMDes Rokan Hulu has a good current ratio, ROA and DAR value, but the Total Assets Turn Over value is not good. This is in line with research(Halimah 2020) which states that the average liquidity ratio in 2014-2018 has relatively increased results and the performance is good, while the solvency ratio in 2014-2018 shows a relatively decreased result and means that the performance is good. The profitability ratios for 2014-2018 showed relatively increased results and good performance. So is research(Dita Suci Romadhoni, Jeni Susyanti 2021) which states that the results of the calculation of the financial performance of BUMDes in Kertoroharjo village from the ratio of liquidity, solvency and profitability are in the good category. As well as research(A.Wati 2016) shows that the results of the analysis of the liquidity ratio at BUMdes Makmur Sejahtera seen from the Current Ratio, Quick Ratio and Cash Ratio values produce good numbers.

The BUMDes business in the Bhakti Negara village that is run is a capital loan for the surrounding community which has been established since 2016 until now it is still running well. Before the COVID-19 pandemic spread throughout Indonesia, this capital loan business was going well, namely there was a 50% increase in capital in 2018. However, since the pandemic entered Indonesia in 2020 and had an impact on the Indonesian economy, people began to find it difficult to repay loan funds as seen from the Inaccurate timing of refunds and even some people who are reluctant or unable to repay the loan to BUMDes management, which results in a decrease in the annual initial capital of BUMDes.

2. Literature review

Village Owned Enterprises (BUMDes)

BUMDes is a form of small and medium business with commercial requirements. According to Law number 6 of 2014 concerning Villages, it is stipulated that BUMDes is a business entity whose entire or most of the capital is owned by the Village through direct participation sourced from Village assets which are separated to manage goods and services. and other activities for the greatest welfare of the village community. Village-Owned Enterprises (BUMDes) are village business entities that are managed by the village government and are legal entities(Trisnawati 2021).

BUMDes Financial Performance

Financial Performance is the process of evaluating accounting performance, which includes viewing financial data, calculating, measuring, explaining and providing solutions to the company's financial problems within a certain period of time.(Herry 2016). Company performance can be measured by analyzing financial statements that show the economic results that can be achieved by the company in a certain period, through the company's activities to generate profits effectively and efficiently. (Kansil 2017). Measurement of financial performance can be done by calculating financial ratios, such as profitability, liquidity, solvency and activity ratios which is based on Government Regulation no. 06/Per/M.KUKM/V/2006 concerning Cooperatives and Small and Medium Enterprises that the achievement of a good BUMDes is seen from the achievement of its financial performance. So, the standard for each BUMDes financial ratio is as follows:

a) Profitability Ratio

according to (Subramanyam 2014), profitability is an evaluation of a company's return on investment that focuses on the source and level of the company's profits and includes identifying

and measuring the impact of a number of profitability drivers. Relevant Research is Research(Maharyani, Marsiwi, and Ardiana 2018)The value of Return On Assets of BUMDes Arum Dalu in 2015-2018 has decreased. This is because the value of assets increases but the resulting net income tends to decrease. To be able to increase the value of Return On Assets, BUMDes Arum Dalu can do this by improving the performance of all current assets to get a large income by reducing the burden of production costs. So that the net profit that can be generated will increase. To find out the standard of profitability ratios can be seen in table 1 as follows:

Table 1. Profitability Ratio Standards According to the Minister of Cooperative-UKM RI 2006

Compensation	Standard	Score	Criteria
<i>Return on Assets (ROA)</i>	10%	100	Very good
	7% to < 10%	75	Well
	3% to < 7%	50	Pretty good
	1% to < 3%	25	Not good
	< 1%	0	Not good

Source: Permenkop-UKM RI 2006

b) Liquidity Ratio

The liquidity ratio is a ratio that describes the company's ability to pay all short-term debt (debt). This means that if the company is billed, the company will be able to pay off its debts, especially those that are past due(Cashmere 2016).(Halimah 2020)The results of his research show that the annual average of the two Berjo Village-Owned Enterprises for the Debt to Equity Ratio or DER in 2014 to 2018 is relatively declining. However, the average liquidity ratio in 2014-2018 as measured using the current ratio got relatively increased results and meant that the performance was good. To determine the standard liquidity ratio can be seen in table 2 as follows:

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Table 2. Standards of Liquidity Ratio in accordance with Permenkop-UKM RI 2006

Compensation	Standard	Score	Criteria
<i>Current Ratio</i>	200% or more	100	Very good
	175% to < 200%	75	Well
	150% to < 175%	50	Pretty good
	125% to < 150%	25	Not good
	< 125%	0	Not good

Source: Permenkop-UKM RI 2006

c) Solvency Ratio

according to (Cashmere 2016)states that high solvency will lead to a greater risk of loss due to the increasing size of assets and capital financed by debt and vice versa. On research(Masdupi et al. 2021)Financial performance analysis of profitability ratios when viewed from DER shows relatively good results. it means that the financial performance of BUMDes Nagari Panampuang Saiyo is going well.To determine the standard solvency ratio can be seen in table 3 as follows:

Table 3. Solvency Ratio Standards According to Permenkop-UKM RI 2006

Compensation	Standard	Score	Criteria
<i>Debt to Equity Ratio (DER)</i>	70%	100	Very good
	70% > up to 100%	75	Well
	100% > up to 150%	50	Pretty good
	150% > up to 200%	25	Not good
	200% >	0	Not good

Source: Permenkop-UKM RI 2006

d) Activity Ratio

This ratio describes what activities are carried out in using company funds. This activity can be seen from the sales activity and operating income of the company. Based on research results (Afrijal 2016) shows that the average current ratio of village-owned enterprises (BUMDes) in Roko Hulu Regency. The average ratio of Total Assets Turn Over is in poor condition due to a decrease in income. To find out the standard activity ratio can be seen in table 4 as follows:

Table 4. Activity Ratio Standards According to the Minister of Cooperative-UKM RI 2006

Compensation	Standard	Score	Criteria
<i>Total Asset Turn Over</i>	3.5 times	100	Very good
	2.5 times to < 3.5 times	75	Well
	1.5 times to < 2.5 times	50	Pretty good
	1 time to < 1.5 times	25	Not good
	< 1 time	0	Not good

Source: Permenkop-UKM RI 2006

3. Research methodology

Population and Sample

The population used in this study is the financial statements of BUMDes in Bhakti Negara Village in 2019-2020. Sampling used in this study was purposive sampling technique, by selecting certain samples that were judged to be in accordance with the research objectives.

Data Retrieval Method

The data used in this study is secondary data, namely by taking financial data related to research problems in the form of financial reports from BUMDes consisting of income statements and balance sheets for 2019-2020.

Data analysis method

The data analysis method used is descriptive quantitative, namely in the form of percentage results in accordance with the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No.06/Per/M.KUKM/V.2006. Several financial ratios used to analyze financial data use the following formula:

1. Profitability Ratios use return on assets with the formula:

$$\text{Return on Asset} = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Aktiva}} \times 100\%$$

2. The liquidity ratio uses the current ratio with the formula:

$$\text{Current Ratio} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}} \times 100\%$$

3. Solvency Ratio using debt to equity ratio with the formula:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Hutang}}{\text{Modal Sendiri}} \times 100\%$$

4. Activity Ratio using total asset turnover with the formula:

$$\text{Total Asset Turnover} = \frac{\text{Pendapatan}}{\text{Total Aktiva}} \times 1 \text{ kali}$$

4. Results and Discussion

After analyzing the financial statements of the BUMDes Desa Bhakti Negara using the calculation of financial ratios, so as to get the results of the ratio level from the calculated ratios, it will then be discussed about the financial performance of the BUMDes Desa Bhakti Negara based on the results of ratio analysis sourced from financial reports for 2019 to 2020. This financial performance assessment is based on the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No.06/Per/M.KUKM/V.2006. These financial ratios are liquidity ratios, solvency ratios, activity ratios and profitability ratios. The following is a table of 5 results of the financial performance of BUMDes Desa Bhakti Negara:

Table 5. Results of calculating Bumdes Financial Performance in 2019 and 2020

No	Indicator	2019		2020	
		Ratio Value	Criteria	Ratio Value	Criteria
1	<i>Return On Assets (ROA)</i>	58.54%	Very good	60.61%	Very good
2	<i>Current Ratio</i>	142.86%	Not good	163.16%	Pretty good
3	<i>Debt To Equity Ratio</i>	51.05%	Very good	39.04%	Very good
4	<i>Total Asset Turnover</i>	1.1 times	Not good	1.27 times	Not good

Source: Data processed 2021

The result of the above calculation show that in general the financial performance of BUMDes Desa Bhakti Negara for 2 years in terms of Return On Assets (ROA) obtained results in 2019 of 58.54% with a net profit of Rp. 10,000,000 and Total Assets of Rp. 20,000. 000 and in 2020 of 60.61% with a net profit of Rp. 12,000,000 and Total Assets of Rp. 19,800,000 showing very good results. Seen an increase in 2020 of 0.26%, this means that the financial management of BUMDes in the Bhakti Negara village is going well. In addition, the higher the percentage generated from the calculation of ROA, the higher the use of assets from the BUMDes. Thus, it is hoped that in the future, in order to maintain or even increase the profitability obtained by BUMDes so that it is always maximized and will affect the level of BUMDes liquidity. The same research was also conducted by (Maharyani, Marsiwi, and Ardiana 2018) which shows the return on assets of BUMDes Arum Dalu in 2015-2018 has decreased. This is because the value of assets increases but the resulting net income tends to decrease. This difference occurs because even during the Pandemic, the financial management of BUMDes in Desa Bhakti Negara continued to run well, resulting in net income which tends to increase even though total assets also increase.

The financial performance of BUMDes Desa Bhakti Negara for 2 years in terms of the Current Ratio obtained results in 2019 of 142.86% with current assets of Rp. 10,000,000 and current debt of Rp. 7,000,000 which means it is not good. As for the results of the calculation in 2020 obtained by 163.16% with current assets of Rp. 15,500,000 and current liabilities of Rp. 9,500,000 which means it is quite good. There is an increase in 2020 by 20.3%, this means that the allocation of current assets is not good so that debt payments are slightly hampered. Then for In the coming year, it is expected to increase current assets and reduce current liabilities in order to have a current ratio that can be categorized as good and able to pay short-term debt or debt that will soon be due. Similar research was also conducted by (Halimah 2020) which shows the average results of the two Berjo Village-Owned Enterprises for the 2014-2018 average liquidity ratio as measured by the current ratio, which results in relatively increased results and

means that the performance is good. The difference in the results of this study occurs due to the ineffective management of current assets in BUMDes Bhakti Negara, causing difficulties in paying current debts even though they have increased. However, this increase has shown an improvement in the performance of a fairly good current asset management in BUMDes Bhakti Negara.

The financial performance of BUMDes Desa Bhakti Negara for 2 years in terms of *Debt To Equity Ratio* obtained results in 2019 of 51.05% with a total debt of Rp. 25,525,000 and total own capital of Rp. 50,000,000 which means very good. For 2020, the result is 39.04% with a total debt of Rp. 20,000,000 and total own capital of Rp. 51,235,000 which means very good. There is a decrease in 2020 by 12.01% which shows that most of the capital used is from BUMDes' own funding and not from debt. So that for the years to come, it is hoped that the management of BUMDes in Bhakti Negara Village will continue to improve its business performance in order to earn profits and be able to reduce the level of current debt. The same research was also conducted by (Masdupi et al. 2021) Financial performance analysis of profitability ratios when viewed from DER shows relatively good results. This means that the financial performance of BUMDes Nagari Panampuang Saiyo is going well. This is in line with research in BUMDes Bhakti Negara which shows good financial performance as seen from the financial ratio of the Debt To Equity Ratio, with an increase in total own capital and a decrease in total current debt.

The financial performance of BUMDes Desa Bhakti Negara for 2 years in terms of Total Asset Turnover obtained results in 2019 of 1.1 times with an income of Rp.22,000,000 and total assets of Rp.20,000,000 which means it is not good. Likewise, in 2020 it was 1.27 times with an income of Rp. 25,000,000 and total assets of Rp. 19,800,000 which means it is not good. although there is an increase of 0.17 times the resulting ratio level is still in a bad position. This means that the asset turnover rate in BUMDes is not very efficient and asset management to increase income is also less efficient. So it is hoped that BUMDes in the Bhakti Negara village can increase the value of asset management. Because the higher the TATO value, the better, because BUMDes can maximize their assets to generate higher income. In the future, this BUMDes must be able to maximize the use of its assets to generate higher income. Similar research was also conducted by (Afrijal 2016) shows that the current ratio of village-owned enterprises (BUMDes) in Roko Hulu Regency The average ratio of Total Assets Turn Over is in an unfavorable condition due to a decrease in income. This is in line with the BUMDes research in the Bhakti Negara village, this occurs due to poor and inefficient asset management so that the income obtained is also not good.

5. Conclusion

The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period measured from the profitability ratio with the Return On Assets (ROA) formula shows results that are not much different. In 2019 or before the pandemic obtained very good results, meaning that financial performance was going well and the management of effective asset use resulted in a fairly high level of profitability indicating that the financial performance of BUMDes in Bhakti Negara was in good condition. For 2020, when the pandemic took place, very good results were also obtained, which means an increase in financial performance so that the level of profitability also increases with financial management and the use of assets that are increasingly being improved by BUMDes Bhakti Negara.

The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period is measured from the liquidity ratio with the formula *Current Ratio* to obtain results, in 2019 it was not good due to inefficient management of current assets and a fairly high level of current debt owned. However, in 2020, even though the pandemic is not over, BUMDes Bhakti Negara was able to improve a little performance in managing current assets and succeeded in reducing the level of current debt and obtaining quite good results.

The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period is measured by the solvency ratio with the Debt To Equity Ratio formula, obtaining very good results. This shows that before and during the pandemic the financial performance of BUMDes Bhakti Negara was seen from the solvency ratio, although there was a decline, it still showed excellent performance results. Thus, it is hoped that the management of BUMDes in Bhakti Negara Village will continue to improve its business performance in order to earn profits and be able to reduce the level of current debt.

The financial performance of BUMDes in Bhakti Negara for the 2019-2020 period is measured from the activity ratio with the formula *Total Asset Turnover* get poor results. Because the asset turnover rate in BUMDes is not very efficient and asset management to increase income is also less efficient. However, there was an increase in 2020 which shows that there are changes and performance improvements made by BUMDes in an effort to obtain the expected income.

6. Limitations and Future Studies

1. For further research, it is expected to add years of research so that the data obtained is quite large and varied.
2. For further research can use the quick ratio, receivables turnover ratio, debt to asset ratio, and net profit margin.
3. The implications of the research can be used on other BUMDes so that the financial performance of BUMDes can be known, especially during this pandemic.
4. BUMDes Bhakti Negara shows the results of Total Asset Turn Over are in poor condition due to a decrease in income due to the level of asset turnover in BUMDes is not very efficient and asset management to increase income is also less efficient. So it is hoped that BUMDes in the Bhakti Negara village can increase the value of asset management. Because the higher the TATO value, the better, so that BUMDes can maximize their assets to generate higher income. In the future, this BUMDes must be able to maximize the use of its assets to generate higher income.

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