JOURNAL OF APPLIED SCIENCES
IN ACCOUNTING, FINANCE, AND TAX
Vol. 5, No. 1, April 2022

Analysis of Financial Performance at the Jimbaraya Multipurpose Cooperative Period 2018-2020

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Abstract: Financial performance is one of the important factors in the company. Good financial performance can be assessed from the results of the analysis that obtain a percentage in accordance with the standards that have been set. the results of the analysis can assist cooperatives in making appropriate plans and policies in achieving the vision and mission of the cooperative. The research aims to analyze the level of financial performance movement and the health of cooperatives based on the liquidity ratio, solvency ratio, activity ratio and profitability ratio with period from 2018-2020 in accordance with the Regulation of the State Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 06/Per/M/KUKM/V/2006. This research uses a qualitative approach. The results showed that the liquidity ratio is measured using the current ratio and the quick ratio obtains a fairly healthy result because the cooperative is able to guarantee the payment of its current debt. The solvability ratio is measured using the total debt to total assets ratio has fluctuated, where the assets are insufficient to guarantee the cooperative's debt, then measured using the total debt to total equity ratio, there is some less owned capital to guarantee the cooperative's debt. The activity ratio based on the total assets turnover ratio obtained unhealthy results because the sales results obtained were very small. The profitability ratio is measured using return on assets and return on equity has decreased because it is caused by a decrease in profits obtained by cooperatives.

Keywords: *likuidity, solvability, aktivity, profitability*

1. Introduction

Cooperatives play a positive role as one of the pillars of the Indonesian economy, either directly or indirectly. In addition, the development of cooperatives is also directed at establishing a positive identity and image as well as strengthening cooperative institutions so that they can act as a medium for community activities [1]. in carrying out its activities, cooperatives always need funds or capital. Owned capital is useful for generating profits that can be operated more effectively. Therefore, cooperatives must be able to see the state of their organization to improve their existence in the midst of their efforts to achieve cooperative goals.

Cooperatives need to analyze financial statements to determine the financial performance of cooperatives so that cooperatives can carry out their duties and obligations properly to achieve cooperative goals [2]. In analyzing financial statements, it is possible to find out the right way to solve problems that arise from the information obtained about which part of the finance there are problems.

One technique that can be used to analyze financial statements is to use financial ratio analysis, namely liquidity ratios, solvency ratios, activity ratios and profitability ratios which are indicators of financial analysis.

This also applies to the Jimbaraya Multipurpose Cooperative, to find out whether its financial performance can be said to be good or bad, it needs to be analyzed using financial ratios. Good financial performance can be assessed from the results of the analysis that obtain a percentage in accordance with the standards that have been set. The results of the analysis can assist cooperatives in making appropriate plans and policies in achieving the cooperative's vision and mission. The research aims to analyze the level of financial performance movement and the health of cooperatives based on the liquidity ratio, solvency ratio, activity ratio and profitability ratio with period from 2018-2020.

2. Literature Review

2.1. Financial Ratio Analysis

Ratio analysis can explain a balance or relationship that occurs between one result and another to determine the overall financial performance from time to time using an analytical tool in the form of a ratio [3]. Financial ratios explain the numbers or amounts obtained from the comparison of financial statement items which include balance sheet and profit and loss statements [4].

2.2. Liquidity Ratio

The liquidity ratio serves to see the company's capacity to pay its current liabilities. That’s mean this ratio is useful so that there are no cases of cooperatives that are unable to pay their current debts that are due [4].

2.3. Solvability Ratio

The solvency ratio can show the capacity of the cooperative in paying all its debts, both in the form of current debt and non-current debt [5]. The results obtained from this ratio will show the amount of the company's debt burden with its assets [6].

2.4. Activity Ratio

The activity ratio can be useful to find out how effective the cooperative is in using its funding sources. If the turnover of these funds is faster, the more effective the cooperative is in utilizing its funds [4].

2.5. Profitability Ratio

Profitability ratios can be useful in measuring how much the company's capacity for profit is. The profits obtained will be used to carry out the company's activities [7]. High profits will make it easier for companies to produce policies that will benefit the company in the future [8].

2.6. Cooperative

Cooperatives are business entities of various people who have common goals or interests. Multi-purpose cooperative is a cooperative with its business activities in various economic aspects such as credit, consumption, service and production which consists of several people or cooperative legal entities whose activities are based on the cooperative principle which is also a people's economic movement based on the principle of familyship [8].

2.7. cooperative financial performance

Financial performance can describe any financial success achieved by a cooperative in a certain period to achieve goals that can be measured its development by analyzing the financial data contained in the report [9].

3. Research Methods

The primary data used in this study is information about the balance sheet and income statement. In this research, secondary data includes the balance sheet and income statement. The data collection procedure in this research was carried out by means of an observation, interview, and documentation. Data collection in the field, assisted by interview guidelines, and documentation tools. In this research, to test the validity of the data used time triangulation and technical triangulation. The guideline used in this research is the Regulation of the State Minister for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, number 06/Per/M.KUKM/V/2006. The analysis technique are as bellows:

3.1. Liquidity Ratio

3.1.1. Current Ratio

It is calculated by dividing current assets by current liabilities.

$$Current\ Ratio = \frac{Current\ assets}{Current\ debt} x\ 100\%$$

3.1.2. Quick Ratio

It is calculated by subtracting inventory from current assets and dividing the remainder by current debt.

$$Quick\ Ratio = \frac{Current\ assets - inventory}{Current\ debt} x\ 100\%$$

3.2. Solvability Ratio

3.2.1. Total Debt To Total Assets Ratio

It is calculated by dividing total debt by total assets.

$$Total\ Debt\ To\ Total\ Assets\ Ratio = \frac{Total\ debt}{Total\ assets} x\ 100\%$$

3.2.2. Total debt to Total Equity Ratio

It is calculated by dividing the total debt by the total equity.

$$Total\ Debt\ To\ Total\ Equity\ Ratio = \frac{Total\ debt}{Total\ equity} x\ 100\%$$

3.3. Activity Ratio

3.3.1. Total Assets Turn Over Ratio

It is calculated by dividing sales by total assets.

$$Total\ Assets\ Turn\ Over\ Ratio = \frac{Sales}{Total\ assets}$$

3.4. Profitability Ratio

3.4.1. Return on Assets Ratio

It is calculated by dividing profit by total assets.

$$Return\ on\ Assets\ Ratio = \frac{Profit}{Total\ assets} x\ 100\%$$

3.4.2. Return on Equity Ratio

It is calculated by dividing profit by total equity.

$$Return\ on\ Equity\ Ratio = \frac{Profit}{Total\ equity} x\ 100\%$$

4. Result and Discussion

4.1 Result

Based on Table 1 below, it can show the condition of financial performance using the financial ratio of the Jimbaraya Multipurpose Cooperative.

Tabel 1. Financial Ratio Analysis Results

Tahun	*CR*	*QR*	*DTAR*	*DTER*	*TATO*	*ROA*	*ROE*
2018	173,85%	173,49%	57,15%	133,38%	0,035	9,76%	22,78%
2019	161,08%	160,88%	61,73%	161,32%	0,018	5,87%	15,36%
2020	161,53%	161,38%	57,69%	136,38%	0,017	4,36%	10,31%

Total assets turn over, return on assets, and return on equity ratio continuously decreasing. While the current ratio, quick ratio, total debt to total assets, total debt to total equity, total assets turn over ratio, return on assets, and return on equity ratio obtaining fluctuating results.

4.2 Discussion

Tabel 2. Criteria for The Results of Financial Ratio Analysis

Tahun	*CR*	*QR*	*DTAR*	*DTER*	*TATO*	*ROA*	*ROE*
2018	Quite Healthy	Quite Healthy	Quite Healthy	Quite Healthy	Not Healthy	Healthy	Very Healthy
2019	Quite Healthy	Quite Healthy	Not Healthy	Not Healthy	Not Healthy	Quite Healthy	Healthy
2020	Quite Healthy	Quite Healthy	Quite Healthy	Quite Healthy	Not Healthy	Quite Healthy	Quite Healthy

The results of research on the financial performance of the Jimbaraya Multipurpose Cooperative (KSU) during the period 2018-2020 in terms of liquidity, namely the current ratio, are between 150%-175%. These results based on the Regulation of the State Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, number 06/Per/M.KUKM/V/2006 included in the fairly healthy criteria, which means that the cooperative has sufficient current assets to guarantee the payment of its current debt. Furthermore, the quick ratio in 2018-2020 is also between 150% - 175%. These results are included in the fairly healthy criteria, which means that the cooperative is able to guarantee all current debts with current assets without taking into account inventory.

Financial performance in terms of solvency, namely the total debt to total assets ratio in 2018 and 2020, is in a fairly healthy criteria, which means that the cooperative is able to pay all short-term debt and long-term debt using all its assets. However, the total debt to total assets ratio in 2019 was in an unhealthy criteria. This is because the value of total debt cannot be properly balanced by total assets. In other words, cooperatives need to increase their total assets and reduce their debts or loans so that cooperatives do not experience losses or go bankrupt. Furthermore, the total debt to total equity ratio in 2018 and 2020 is in a fairly healthy criteria, which means that cooperatives have the ability to cover all debts they have with their own capital. However, the total debt to total equity ratio in 2019 is in the unhealthy criteria due to the lack of capital to guarantee the debt of the cooperative or in other words the capital owned is not sufficient to pay all the debts of the cooperative.

Financial performance in terms of activity, namely the total assets turn over ratio in 2018-2020 is in an unhealthy criterion. This shows that the cooperative is not good enough in carrying out sales and seeking assets productively. This ratio can be useful for measuring the turnover of all assets owned by cooperatives and measuring how much sales are obtained from each rupiah of assets.

Financial performance in terms of profitability, namely return on assets in 2018-2020, although the ratio has decreased, it is still within the healthy and fairly healthy criteria. That is, the cooperative is able to use the total assets well to obtain profits or profits. The profits obtained can be managed by the cooperative so that it can take active actions to enlarge or expand the scope of existing business activities. Furthermore, the return on equity in 2018-2020, although it continues to decline, is still within the criteria of very healthy, healthy and quite healthy. That is, cooperatives are able to manage their own capital to generate profits.

5. Conclusions and Suggestions

Based on the results of research and discussion, it can be concluded that: The liquidity ratio Measured from current ratio in 2018-2020 shows the results that cooperatives are in fairly healthy criteria. Measured from quick ratio in 2018-2020 shows the results that the cooperative is in a fairly healthy criteria. The solvability ratio Measured from total debt to total assets ratio in 2018-2020 shows the results that the cooperative is in fairly healthy criteria. However, in 2019 it showed that cooperatives were in the unhealthy criteria. This is because the total assets owned by the cooperative are not sufficient to guarantee the total existing debt. Measured from total debt to total equity ratio from 2018-2020, the results show that the cooperative is in fairly healthy criteria. However, in 2019 it showed that cooperatives were in the unhealthy criteria. This is due to the lack of capital to guarantee the existing debt, in other words the capital owned is not sufficient to pay all the debts of the cooperative. The activity ratio Measured from total assets turnover ratio in 2018-2020 shows the results that cooperatives are in unhealthy criteria. This proves that cooperatives are not good enough in making sales and maximizing their assets in generating sales. The Profitability ratio Measured from return on assets (ROA) in 2018-2020 shows that the results of the cooperative are within the healthy criteria in 2018 and quite healthy in 2019-2020. Measured from return on equity (ROE) from 2018-2020 the cooperative is in very healthy criteria in 2018, healthy in 2019, and quite healthy in 2020.

The advice can be given based on the results of research that the Jimbaraya multipurpose cooperatives need to increase their assets. Payment by members on loans made is one way that can increase assets. Cooperatives need to use their own capital in carrying out their operational activities and can better manage their own capital. Cooperatives need to increase profits and reduce costs so that they are able to generate larger residual income and can provide guarantees for larger debts. Cooperatives are expected to reduce the amount of debt they have so as not to suffer losses. cooperatives are expected to increase their sales, to increase the ratio of unhealthy activities.

6. Acknowledgment

The writer admits that in this writing of journal the author has learned from various parties. The author realizes that without the guidance and assistance of various parties, it is very difficult for the writer to complete this journal. Therefore, on this occasion the author would like to express the deepest gratitude to all those who have helped and contributed to this writing of journal.

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