

Evaluation of Cooperative Financial Performance: A Case Study of Civil Servant Cooperative

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Abstract. This research to analyze the ratio in the assessment of the Cooperative's financial performance. This type of research is quantitative with a descriptive approach. Ratio analysis is used to measure the financial position of a cooperative business on the basis of liquidity, solvency, activity and profitability calculations. The purpose is to assess the ability, development and financial performance of the Cooperative based on comparisons in 2017 and 2018. Liquidity Ratio in 2018 indicate a good condition. Solvency Ratio in 2018 is good, because of the low ratio in the event of liquidity will not experience difficulties in solvency. Profitability Ratio or Profitability Ratio in 2018 indicate good condition in the context of obtaining profits on savings. The results of the study are the financial performance of Civil Servant Cooperative "Melati" Bangkalan is quite good although in terms of the ability to repay debts it needs to be done effectively but the administration is expected to be on time so that it can be easily monitored.

Keywords: Cooperative, Quantitative, Liquidity Ratio, Profitability Ratio, Quatitative and Solvency Ratio

1. Introduction

Government has made various efforts aimed at improving the low standard of living of the people, because the main problem of developing countries is poverty, unemployment, and so on. The main means of government are economic, political and security development. The linkage of the development process to law 33 of the 1945, Constitution must be maintained so that economic development can improve the welfare of the people and at the same time realize social justice for all levels of society.

Understanding Cooperatives in Law number 17 of 2012 concerning Cooperatives is a legal entity established by individuals or cooperative legal entities with the separation of the members' wealth as capital to run a business, which fulfills aspirations that the shared needs in the economic, social and cultural fields are in accordance with their values and Cooperative principle. Cooperatives have a significant role in developing joint ventures and people who have limited economic capacity. This effort aims to meet the needs that are felt together which ultimately elevates, defends and frees itself from difficulties.

The persistence of the founders and the participation of members with the determination and hard work of the team as well as integrated coordination so that business activities progress rapidly, so that the community is increasingly felt the benefits. To maintain the good financial performance of the Civil Servant Cooperative "Melati" Bangkalan, information or openness of the Cooperative is needed in terms

of its financial statements to the public. This can help the Cooperative in monitoring its financial activities so as to prevent possible frauds in the organization.

From the data obtained by the author of the Civil Servant Cooperative is running its business always gets increased profits. The profits are obtained from the business activities carried out by Civil Servant Cooperative "Melati" Bangkalan. The largest business activity generates profit from savings and loans, with an interest / service rate applied at 1% per month. Other businesses that are run are: Shopping Business Units, Savings and Loans Business Units, Photocopy Business Units, Other Business Units (Electricity Payment Services, PDAMs, etc.) and Micro Business Development Units run by the Civil Servant Cooperative "Melati" Bangkalan Districts. Cooperative that has developed and has many businesses, every year always get increased profits so that the capital is always increasing or increasing. But the increase in capital cannot yet be seen.

The analysis used is ratio analysis which is a technique to analyze the financial statements of a Cooperative or other business entity using a certain size or ratio, which aims to determine the level of Liquidity, Solvency, and Profitability of Civil Servant Cooperative "Melati". Liquidity problems are related to the problem of a Cooperative's ability to be able to meet its financial policies which must be met immediately. A Cooperative that is able to fulfill its obligations when billed is called a Cooperative whose financial performance is good while a Cooperative that is unable to carry out its obligations when billed is called a Cooperative whose financial performance is poor. If the cooperative is in a liquid condition, it means that the cooperative has a means of payment or current assets greater than its current debt. Conversely, an illicit cooperative means that the Cooperative's current assets are greater than its current debt. Liquidity can be said as a comparison between current assets and current debt on a balance sheet.

The ratio of financial activity is the ability of funds in the overall assets to spin for the production process of a certain period. The activities describe what the Cooperative does, how time is used, process and output. The financial activity ratio measures how effectively the Cooperative manages its assets. If the cooperative has too many assets, the capital costs will be too high and the profit will decrease. On the other hand if an asset is too low then a profitable sale will be lost. Activity ratio contains the ratio between the level of sales and investment in various assets. The solvency ratio is the ability of a cooperative to pay off all its debts. A solvable cooperative means that the cooperative has sufficient assets or assets to repay all of its debts but does not automatically mean the cooperative is liquid. Conversely, an insolvable cooperative does not automatically mean that the cooperative is also liquid. The Cooperative responsibility report covers the following fields: Organization and Management, Capital and Business, Finance, and Members Welfare. The researcher only analyzes the Cooperative financial statements because the researcher wants to know the assessment of the Cooperative's financial performance so that the supervision process can be carried out appropriately so that it attracts interest to take the title of the research is Ratio Analysis in Cooperative Financial Performance Assessment (Case Study of Civil Servant Cooperative Bangkalan Districts).

A. *Financial Statements*

Financial statements are the final product of an accounting process. These financial statements are used as information material for the users as one of the materials in the decision making process. Aside from being information, financial statements act as accountability, financial statements can also describe indicators of a company's success in achieving its goals [1]According to the [2], the Cooperative financial statements are financial statements prepared to be able to describe the financial position, results of operations and overall cash flow of the company as the management's responsibility for the Cooperative's financial management primarily addressed to members of the Cooperative. Components of financial statements include: Balance Sheet, Cash Flow Statement, Profit and Loss Statement, Owner's Equity Statement, and Notes to Financial Statements.

B. *Financial Ratios*

Ratio analysis is a method to determine the relationship of certain items in the balance sheet or profit and loss individually or a combination of the two reports[3]. Ratio describes a relationship or symbol of a certain amount with another amount, and uses analysis tools in the form of ratios that will explain or

illustrate to the analyst good or bad state of a company's financial position. According to [3], basically the ratio numbers are complex and varied because the ratios are made according to the needs of the analyzer. However, the ratio numbers basically can be classified into two, are: the source of financial data and based on the purpose of the analyzer. While this study analyzes in terms of financial data, including:

a. Liquidity Ratio

Liquidity is the ability of a company or business entity to fulfill its financial obligations which must be fulfilled immediately [4]. According to [5], Liquidity is the company's ability to fulfill all obligations that must be paid immediately. So liquidity is the ability of cooperatives to pay off short-term debt at maturity. A cooperative is said to be liquid if the position of available current funds is sufficient to meet short-term obligations (current liabilities) otherwise it is declared liquid if the position of available current funds is not sufficient to meet short-term obligations.

b. Solvency Ratio

Solvency is a ratio that measures the level of ability of a cooperative at one time to fulfill all its obligations and debts, both short and long term.

2. Methods

This type of research used in research is quantitative research with a descriptive approach. According to [6], quantitative data is data in the form of numbers, or quantitative data that is framed (scoring). The method used in the research is the Case Study of Civil Servant Cooperative "Melati" in Bangkalan Districts.

A. Data Collection Techniques

In accordance with the data collected in this study, the data collection techniques in this study include: (1). The survey was conducted by a research colleague while the researcher was in the field. The survey process was carried out during the study from beginning to end. In observations carried out several things including observing all activities conducted by researchers of respondents in the field; (2). Interview is a form of question directly asked by respondents; and (3). The documents used in this study are secondary data, that is, the source of data on cooperative financial activities from 2017 to 2018 which is included in the annual financial statement book so that it becomes a Cooperative document.

B. Data Processing Techniques

The data that has been collected is processed manually and the results are presented in tabular form. Furthermore, ratio analysis is used to measure the financial position of a cooperative business on the basis of liquidity, solvency, activity and profitability calculations. The purpose is to assess the ability, development and financial performance of the Cooperative based on comparisons in 2017 and 2018.

C. Data Analysis Techniques

a. Ratio Liquidity Assessment. To measure the ability to pay off short-term financial and liability with the ratio calculation as follows:

a) Current Ratio (CR). $CR = (\text{Current Assets} \div \text{Current Debt}) \times 100\%$.

b) Quick Ratio (QR). $QR = [(\text{Current Assets} - \text{Inventory}) \div \text{Current Debt}] \times 100\%$.

c) Cash Ratio (CaR). $CaR = [(\text{Cash} + \text{Bank}) \div \text{Current Debt}] \times 100\%$.

b. Assessment of Solvency Ratio or Leverage Ratio. To measure the ability to pay debts if one day the liquidity by the creditor, and the ability to repay all of its debts both short-term and long-term, with the ratio calculation as follows:

a) Total Debt To Equity Ratio (TDER). $TDER = (\text{Amount of Debt} \div \text{Own capital}) \times 100\%$.

b) Long Turn Debt to Equity Ratio (LDER). $LDER = (\text{Long-term Debt} \div \text{Own capital}) \times 100\%$.

c) Total Debt Total Asset Ratio (TDTAR). $TDTAR = [(\text{Long-term Debt} + \text{Short-term Debt}) \div \text{Amount of Assets}] \times 100\%$.

c. Assessment of Profitability Ratio or Profitability Ratio. To measure the ability to generate profits or also called profit and loss analysis with the ratio system as follows:

a) Profit Margin (PM). $PM = (\text{Income} \div \text{Circulation}) \times 100\%$.

b) Operating Ratio (OR). $OR = (\text{Expense ed Mediation}) \times 100\%$.

c) Rate of Return On Net Worth (R). $R = [(\text{Income} - \text{Tax}) \div \text{Own Capital}] \times 100\%$.

3. Result

The annual financial report is the responsibility report of the Civil Servant Cooperative management of "Melati" Bangkalan Districts for the 2018 fiscal year. Law RI No. 17 of 2012 concerning Cooperatives; (b). Civil Servant Cooperative Articles of Association "Melati" Bangkalan Districts; (c). The Civil Servant Cooperative "Melati" Household Budget Bangkalan Districts; (d). Work Plan and Budget Plan for the Civil Servant Cooperative "Melati" Districts of Bangkalan in 2018.

The management accountability report was prepared with the aim of being a form of accountability of the Civil Servant Cooperative "Melati" Bangkalan administration, which contained all activities that had been carried out and the policies taken in implementing the Work Plan and Budget Plan for the Civil Servant Cooperative "Melati" Bangkalan Districts 2018.

Table 1. Comparative Balance Sheet and Table.2 Calculation of Operating Results as of December 31, 2018.

Table I. Balance Sheets Per 31 December 2017 Dan 31 December 2018

Account	2017	2018
	Calculate	Calculate
1. Current Asset	34.022.897	94.399.061
1.1 Cash		
1.2 Consumer goods receivables	9.347.500	11.710.000
1.3 Receivables (USP & Good Credit)	320.369.100	320.369.100
1.4 Special Receivables	1.200.000	6.800.000
1.5 Consumer Goods Inventory	12.218.581	12.245.781
1.6 Micro Accounts Receivable	43.750.000	51.300.000
1.7 Bank	0	0
1.8 Inventory deposits	173.519	388.637
Calculate Current Assets	421.081.597	499.662.679
2. Investment/Inclusion		
2.1 Basic Savings in PKP-RI	100.000	100.000
2.2 Mandatory Deposits in PKP-RI	14.259.711	15.550.911
2.3 Manasuka Deposits PKP-RI	890.601	890.601
2.4 Special Deposits PKP-RI		
2.5 Special Deposits BKE	12.625.000	13.741.000
2.6 Basic Savings AKRI	680.000	680.000
2.7 Bank Saving	0	0
Calculate Long term investment	32.675.312	30.962.512
3. Fix Asset		
3.1 Laptop Inventory	2.000.000	2.000.000
3.2 Accum. Depre. Laptop	0	(400.000)
3.3 Fotocopy Equipment	56.812.000	56.812.000
3.4 Accum. Depre. Fotocopy Equipment	(28.242.640)	(37.392.640)
3.5 Store Inventory	4.210.000	4.210.000
3.6 Accum. Depre. Store Inventory	(3.210.000)	(4.210.000)
3.7 Bad Receivables	-	-
Calculate Fix Asset	31.569.360	21.019.360
Calculate Asset	485.326.269	551.644.551

Account	2017	2018
	Calculate	Calculate
4. Current Liability		
4.1 Employee Funds	0	0
4.2 Education Funds	8.505.308	8.115.308
4.3 Social Funds	7.360.309	7.385.309
4.4 Member Welfare Funds	0	
4.5 Holidays Savings	88.220.000	115.750.000
4.6 Deposits are not members	0	0
4.7 Debts to Third Parties	19.166.650	0
4.8 Risk Funds	0	0
Calculate Current Liability	123.252.267	136.160.617
5. Non-Current Liabilities		
5.1 PKPRI Payable	9.166.500	17.498.500
Calculate Non-Current Liability	9.166.500	17.498.500
6. Equity		
6.1 Principal Deposits Member	780.000	790.000
6.2 Mandatory Deposits of Members	254.070.000	289.923.500
6.3 Donations	1.847.000	1.847.000
6.4 Reserve Funds	81.806.090	84.394.041
6.5 Reserve Risk	5.834.461	5.834.461
6.6 Remaining Operating Results	8.569.951	15.196.432
Calculate Equity	352.907.502	397.985.434
Calculate Liability and Equity	485.326.269	551.644.551

Table 2. Calculation Of Business Results Perhitungan Hasil Usaha Per 31 December 2017 Dan Per 31 Desember 2018

Account	2017	2018
	Calculate	Calculate
1. Revenue:		
A. Profit of goods		
a. Sale of goods	153.647.500	217.025.500
b. Cost of goods sold	142.126.844	195.412.017
Gross profit	79.498.461	87.418.878
B. USP Service Revenues	50.312.000	48.732.500
C. Token Services Revenue	0	0
D. Fotocopy Revenue	10.600.000	9.150.000
E. Account Service Revenue	1.777.405	704.225
F. BUM Service Revenue	5.240.000	6.495.000
G. Other Income	48.400	723.670
Calculate Revenue	221.625.305	282.830.895
2. Operating Expenses		
A. Direct Expenses	20.006.010	13.207.346
B. Operating Expenses	33.615.000	31.965.000
C. Management Expenses	17.307.500	27.050.000
Calculate Expenses	70.928.510	72.222.446

Account	2017	2018
	Calculate	Calculate
3. Remaining Operating Results for the Current Year		
Corporate Income Tax	8.569.951	15.196.432
Remaining Operating Results After Tax	385.648	683.839
	8.148.303	14.512.593
Calculate Remaining Operating Results for the current year	17.103.902	30.392.864

Analysis Ratio Financial Statement

1. Liquidity Ratio to measure the ability to pay off short-term financial obligations, with the ratio calculation as follows:
 - 1.1 Current Ratio (CR) is the level of security against debt. The results of the calculation of Current Ratio in 2018 are 3.6% while the Current Ratio in 2019 is 3.4%. So, the results of the analysis of cooperative financial ratios show the level of security against debt in 2018 has increased by 0.2% so that it means a good guarantee because it is above the normal standard of 2.5%.
 - 1.2 Quick Ratio (QR) is a guarantee of payment of debt when due. The calculation result of the Quick Ratio in 2018 is 3.5% while the Current Ratio in 2017 is 3.3%. So, the results of the analysis of cooperative financial ratios show that debt repayment guarantees due for 2018 have increased by 0.2% so that this means a good guarantee because it is still above the normal standard of 1.
 - 1.3 Cash Ratio (CaR) is the ability to pay off debt when due. The calculation result of Cash Ratio in 2018 is 69% while Cash Ratio in 2017 is 27.6%. So, the results of the analysis of the cooperative's financial ratios show that the ability to pay off debt for 2018 is not good because the amount of cash ratio is only 69% which is below the normal standard of 75%.
2. Solvency Ratio (SR) is to measure the ability to pay debts if one day it is liquidated by the creditor, and the ability to repay all of its debts both short-term and long-term, with the following ratio calculation:
 - 2.1. Total Debit To Equity Ratio (TDER) is the ability to pay debts when liquidated. The results of the calculation of Total Debit To Equity Ratio in 2018 was 38.6% while the Total Debit To Equity Ratio in 2017 was 38.4%. So, the results of the analysis of the Cooperative financial ratios show the ability to pay off debt in 2018 is very good because it is still below the normal standard of 100%.
 - 2.2. Long Turn Debt To Equity Ratio (LDER) is the ability to pay long-term debt. The calculation result of Long Turn Debt To Equity Ratio in 2018 is 4.3% while the Total Long Turn Debt To Equity Ratio in 2017 is 2.5%. So, the results of the Cooperative financial ratio analysis show that the ability to pay off debt for 2018 is very good because it is still below the normal standard of 100%.
 - 2.3. Total Debt Total Asset Ratio (TDTAR) is the ability to pay short-term debt and long-term debt. The results of the calculation of Total Debt Total Asset Ratio in 2018 are the same as the calculation of Total Debt Total Asset Ratio in 2017 of 27%. So, the level of solvency of Civil Servant Cooperative "Melati" Bangkalan is very good because with a low ratio in the event of liquidation, there will be no difficulty in solvency.
3. Profitability Ratio (PR) is to measure the ability to generate profits or also called Profit-Loss analysis.
 - 3.1 Profit Margin (PM) is the ability to generate profits or profits. The results of the calculation of profit margins in 2018 are the same as the calculation of profit margins in 2017 of 8%.
 - 3.2 Operating Ratio (OR) is the ratio of expenditure to money circulation. The results of the Operating Ratio calculation in 2018 remain the same from the previous year which is 7% under conditions under normal standards means that savings are needed and the use of funds in circulation needs to be increased again to be effective and efficient.

3.3 Rate of Return On Net Worth (R) is the ratio of financial gain to own capital. The calculation of the Rate of Return on Net Worth in 2018 was 22% while the Rate of Return on Net Worth in 2017 was 21.7%. So, the results of the analysis of the Cooperative financial ratios show that the Rate of Return On Net Worth (R) has increased by 2018 by 0.3%, due to an increase in income. The Rentability Ratio level in 2018 can be said to be good in terms of profitability and there needs to be an increase in other businesses.

4. Conclusion

Liquidity Ratio in 2018 is good condition. Solvency Ratio in 2018 is very good, because of the low ratio in the event of liquidity will not experience difficulties in solvency. Profitability Ratio or Profitability Ratio in 2018 shows good condition in the context of obtaining profits on savings. So, the general conclusions regarding the financial performance of KPRI "Melati" are quite good although in terms of the ability to repay debts it needs to be done effectively but the administration is expected to be on time so that it can be easily monitored.

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