Analysis of Proportion of Cash Availability and Proportion of Profitability on Financial Performance in Saving and Loan Cooperatives in West Sulawesi Province

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Abstract

The study addressed the following issues: "How to Analyze Financial Performance in Saving and Loan Cooperatives in West Sulawesi using Cash Availability Proportion and Profitability Proportion.

The focus of this research is the financial reporting of the Savings and Loan Cooperative in West Sulawesi Province for the last 5 years (2019-2023). Reporting the Statement of Financial Position and Profit and Loss of the Savings and Loan Cooperative in West Sulawesi for 2019-2023 is the sample of this research. This research also uses quantitative data analysis methods. The quantitative descriptive method uses numerical calculations of research results because it explains or analyzes data problems. It uses Cooperative financial reporting data with financial Proportion analysis. Descriptive data management is used because it conducts this research.

Furthermore, the analysis of the Proportion of Cash Availability with Quick Ratio produces results that explain that the Cooperative is able to pay off its short-term debt with its liquid assets. On the other hand, the value of the Proportion of cash in the criteria is considered healthy because the value produced with the results of the standard value. Therefore, the Cooperative's financial performance measured using the Proportion of money in financial reporting explains that the Cooperative is able to pay its short-term debt. Because it meets the average industry standard, the profitability proportion of Savings and Loan Cooperatives in West Sulawesi in the years 2019-2023 ROA is considered healthy.

Keywords: Proportion of Cash Availability and Proportion of Profitability,

1 Intoduction

The state and nation perspectives, both based on the same public development and governance goals, are used because they assess the breadth of national development. The goal is to realize a prosperous, just, prosperous, and well-being society in various aspects. This includes creating jobs, increasing equity in people's perceptions, accelerating economic progress, and achieving national stability. A cooperative is a legal entity created by individuals or cooperative legal entities, according to Law Number 17 of 2012 respecting Cooperatives,

The financial services industry includes savings and lending cooperatives as one of its cooperative types. In running their business, they collect funds in the form of savings and deposits and then provide their funds through easy and fast procedures. Savings and loan cooperatives play an important role as an alternative financial institution capable of helping small, medium, and micro businesses.

Table 1. Number of Active Cooperatives in West Sulawesi Province

Source: BPS West Sulawesi

	Jumlah Koperasi Aktif				
Provinsi	2019	2020	2021	2022	2023
West Sulawesi Province	819	822	837	909	862

The number of active cooperatives in West Sulawesi reached 862 units, according to the Central Statistics Agency (BPS). This is an increase of 8 percent, or 909 units, from the previous

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year of 837 units, and the trend explains the increase from 2019 to 2023, with an increase to only 862 units in 2023. This condition arose after the Ministry of Cooperatives and SMEs dissolved cooperatives. This is part of the effort because it changes the perspective on cooperative empowerment from quantity to quality. In essence, cooperative principles are a collection of abstract ideas that serve as guidelines for building a successful cooperative and a good cooperative management and management system is needed, such as looking at the cooperative's financial reporting to determine whether the cooperative's financial performance can be healthy.

Financial proportion is the percentage that each account or section of the financial reporting accounts for. Financial proportion is used because it assesses the Cooperative's performance; it can be used because it compares the Cooperative's performance with other Cooperatives and because it compares the Cooperative's performance over time. It is important because it performs a cooperative health assessment analysis. This is done because it knows the financial and management condition of the cooperative. Research conducted because analyzing financial performance is able to help cooperatives know how they are developing, and proportion analysis is able to be used because it knows the success rate of the financial performance of savings and loan cooperatives in West Sulawesi in a period of 5 years. The results of the health assessment will explain the predicate of the cooperative: healthy, moderately healthy, healthy, healthy, or very healthy. This research aims because analyzing financial performance is able to help cooperatives understand how they are developing. In addition, the proportion analysis is able to be used because it knows how successful the savings and loan cooperatives in West Sulawesi are in a period of 5 years.

2 Literature Review

2.1 Financial Reporting

According to Financial Accounting Standards, financial reporting is a methodical representation of an organization's financial status and performance (Indonesian Institute of Accountants, 2015: 13). As stated by Irham Fahmi (2019: 22), financial reporting is crucial since it evaluates the cooperative's progress and contains information about its performance and state. Since financial reporting evaluates the Cooperative's past, present, and future accomplishments, it can be employed (Maith, 2013).

2.2 Financial Performance

As explained by Irham Fahmi (2019: 2), financial performance is an analysis carried out because it evaluates how well a Cooperative has implemented financial implementation rules correctly. Financial performance, according to Rudianto (2013: 189), is the achievement or results that have been achieved by the Cooperative's management in carrying out its function of effectively managing the Cooperative's assets within a certain period of time. Financial performance is very important for businesses because it knows and evaluates financial management.

Based on Isna and Ayu (2015: 78), one of the important things that public sector organizations, including government, must learn is financial performance. Since performance-based budgeting is implemented, every government is required because it is able to produce government financial performance effectively and efficiently so that it can pay attention to economy, effectiveness, and efficiency.

2.3 Analysis Proportion Performance

These financial proportions are very important. The Cooperative's short-term financial condition and ability to pay dividends are most important to short- and medium-term investors. Calculating the desired financial proportions is a simpler way of providing this information.

The analysis of financial proportions begins with basic financial reporting, including the Statement of Financial Position, profit and loss calculation, and cash flow reporting. It will be easier to understand the financial proportions calculation if it is connected with the cooperative's historical pattern, which is regarded as an annual calculation that assesses whether the cooperative has expanded or contracted or how it compares to other cooperatives.

2.4 Proportion of Cash Availability

One of the factors that determine the success or failure of a Cooperative is the availability of cash. gives the Cooperative money for meeting short-term obligations, which determines how much it is at risk. In other words, the ability of an organization because it obtains cash or the ability because it converts non-cash assets into cash. Based on Kasmir (2018: 130), the proportion of cash availability, also known as the proportion of working capital, is a measure used because it determines how liquid a business is. The method is to compare all current assets and current liabilities (short-term debt) in the Statement of Financial Position. The assessment can be done repeatedly because it looks at how the Cooperative's Cash Availability develops over time.

2.5 Profitability Proportion

Based on Kasmir (2018: 196), the proportion of profitability is the proportion used because it measures the Cooperative's ability to generate profits from ordinary business activities (Hery, 2018: 192). In addition, this proportion offers a way because it measures how effective the Cooperative's management is. Sales and investment returns explain this. In essence, this ratio explains the efficiency of the business. Profitability ratios are ratios that explain how the availability of cash, management assets, and debt impact operating results. In addition, the ability of the Cooperative as it generates profits is scrutinized through this proportion. Net Profit Margin, Return On Investment, Return On Assets, and Return On Equity are some of the commonly used profitability ratios (Eugine, F., Brigham, and Houston, J. F. 2014: 108).

3 Research Methods

3.1 Data Type and Source

Data that is immediately measurable or calculable as a number or number variable is known as quantitative data. Variables are qualities, traits, or measurements that characterize the situation or research object in statistics. Qualitative data, on the other hand, is quantifiable or can be directly expressed as a number or number variable. Qualitative data in research is a description of the study's subject.

3.2 Population and Sample

According to Sugiyono (2016: 80), a population is a category for generalization that comprises individuals or items with specific attributes and features that have been identified by researchers as a result of their study and subsequent conclusions. The financial reporting of West Sulawesi Savings and Loan Cooperatives throughout the previous five years (2019–2023) is the main subject of this study. Sugiyono (2016: 81) asserts that because the sample is representative of the entire population, researchers can use samples drawn from sizable populations to examine every facet of the community. Therefore, this research is population research. Reporting the Financial Position and Profit and Loss Statements of Savings and Loan Cooperatives in West Sulawesi for the 2019-2023 period is the sample of this study.

3.3 Data Analysis Technique

This research analyzes quantitative data. Quantitative descriptive methods use numerical calculations because they explain or analyze data problems. In this case, financial proportion analysis is used because it analyzes the Cooperative's financial reporting data. Descriptive data management is used because it conducts this research.

a. Descriptive Statistical Analysis

Descriptive statistical analysis was used because it describes the variables in this study and looks at the distribution of data. The descriptive effect is also intended because it supports the results of quantitative effects related to factors related to the problem. However, the general purpose of this analysis is due to the calculation of the percentage value of the Proportion of Cash Availability and Proportion.

b. Proportion of Cash Availability

1. Current Proportion (Current Ratio)

Hery (2018: 152) says that the current proportion is the proportion used because it measures the ability of a Cooperative to meet its short-term obligations that are due immediately. This proportion is calculated using the total current assets available to the Cooperative. This current proportion explains the availability of the Cooperative's current assets when compared to its total current liabilities. Practically speaking, the industry standard for a good current proportion is double or more than two hundred percent. However, this is not acceptable because it needs to consider various variables (Kasmir, 2018: 143). The calculation of current proportion refers to the comparison of total current debt and current assets.

2. Quick Proportion (Quick Ratio)

One way to measure the ability of a Cooperative to pay short-term debt is by using a quick proportion (Kasmir, 2018: 143). This proportion is calculated as a result of the difference between current liabilities and very current assets, which are referred to as very current assets because inventory is considered to require less time because it is available.

3. Cash Proportion (Cash Ratio)

Cash proportion is a measure of the amount of cash or cash equivalents available for paying short-term debt. Cash itself includes cash in the bank (cash in bank) and cash available at the Cooperative (cash in hand), although some Cooperatives prefer to use the term “cash and cash equivalents”. Short-term investments capable of immediate disbursement, such as checks, certificates of deposit issued by banks, and cash equivalents themselves are short-term investments due to the calculation of the cash proportion.

4. Return On Assets (ROA)

The ability of a Cooperative as it generates profits from all the assets it owns is known as return on assets. This proportion is calculated by dividing net income by total assets. (Eugine, F., Brigham, and Houston, J. F. 2014: 110). A higher proportion of asset ownership (ROA) explains that the net profit generated from the contribution of these assets is higher. A higher proportion of ROA also explains that the level of profit achieved by the Cooperative is higher.

5. *Return On Equity (ROE)*

Own capital profitability, also known as return on equity, is the proportion of net profit after tax to own capital. Based on Cashmere (2018: 204), this proportion explains the efficiency of own capital. The higher this proportion, the higher the quality. That is, the stronger the position of the business owner, and vice versa. Based on Hanafi and Halim (2012: 84), the net profit generated by equity contribution is positively correlated with the proportion of ROE.

4 Descriptive Statistical Analysis Results

4.1 Proportional Analysis of Cash Availability

Based on Hanafi (2016:37), the Proportion of Cash Availability measures the short-term ability of a Cooperative for paying all short-term financial obligations when they are due using current assets that are still available. In other words, the province of cash availability describes the ability of a Cooperative as it meets short-term obligations and debts.

a. Current Proportion (Current Ratio)

Current proportion is used because it measures the ability of an organization because it pays short-term obligations or debts that are due immediately when the bill as a whole. The methods for finding the current proportion are:

Table 2. Analysis of Current Ratio in Savings and Loan Cooperatives in West Sulawesi for the Years 2019-2023

The Year	Current Assets (in million rupiah)	Current Debt (in million rupiah)	*CR (%)*	Criteria
2019	3.955.391.243	3.151.451.024	125,510	Healty
2020	3.746.991.724	3.050.659.577	122,826	Healty
2021	4.417.428.222	3.574.917.266	123,567	Healty
2022	4.612.768.416	3.738.285.355	123,393	Healty
2023	4.900.313.466	4.011.264.915	122,164	Healty

Source: *Data processed 2024*

The table above explains that the current ratio of Savings and Loan Cooperatives in West Sulawesi from 2019 to 2023 is fluctuating. This is due to the increase in current debt every year.

b. Quick Proportion *(Quick Ratio)*

This proportion, also known as the quick proportion, describes the Cooperative's ability as it pays current debts or short-term debts with current assets without considering the value of inventory.

Table 3. Analysis of Quick Ratio in Saving and Loan Cooperatives in West Sulawesi for the Years 2019-2023

The Year	Current Assets (in million rupiah)	Inventory (in million rupiah)	Current Debt (in million rupiah)	*QR (%)*	Criteria
2019	3.955.391.243	184.026.518	3.151.451.024	119,671	Healty
2020	3.746.991.724	174.008.744	3.050.659.577	117,122	Healty
2021	4.417.428.222	187.722.300	3.574.917.266	118,316	Healty
2022	4.612.768.416	204.736.351	3.738.285.355	117,916	Healty
2023	4.900.313.466	221.812.869	4.011.264.915	116,634	Healty

Source: *Data processed 2024*

The table above explains that the current proportion of Savings and Loan Cooperatives in West Sulawesi changes. If the Quick Ratio in The Year 2019 amounted to 119.671%, it experienced an increase in The Year 2020, which only reached 117.122%. However, in The Year 2019, it rose again to 118.316%, but then experienced an increase in the following The Year.

c. Cash Proportion (Cash Ratio)

One way of knowing how much money is available for paying debts is by using the cash proportion.

Table 4. Cash Ratio Analysis in Savings and Loan Cooperatives in West Sulawesi The Year 2019-2023

The Year	Cash/Cash Equivalents (in million rupiah)	Current Debt (in million rupiah)	*CR (%)*	Criteria
2019	3.218.576.818,0	3.151.451.024,0	102,13	Healty
2020	3.124.424.820,0	3.050.659.577,0	102,42	Healty
2021	3.196.879.843,0	3.574.917.266,0	89,43	Healty
2022	3.128.635.715,0	3.738.285.355,0	83,69	Healty
2023	4.180.643.651,0	4.011.264.915,0	104,22	Healty

Source: *Data processed 2024*

Based on the table above, it can be seen that the Cash Ratio of Savings and Loan Cooperatives in West Sulawesi from The Year 2019 to 2023 operates fluctuatively. In The Year 2019, 2020, and 2023, the Cash Ratio increased by 102,13% and 104,22% because the amount of cash/cash equivalents increased.

4.2 Profitability Proportion Analysis

Profitability proportion is a metric used because it measures the profitability of a Cooperative. It is a metric that assesses the ability of a Cooperative because it generates the most profit and is able to provide a measure of the level of management effectiveness.

a. Return On Assets

ROA means Return On Assets, which means the way or rate of return on assets. Mardiyanto, an expert, said that ROA is the proportion used for measuring the ability of a business as it generates profit because the proportion represents the entire activity of the Cooperative. The formula for calculating ROA is:

Table 5. Analysis of Return On Assets in Saving and Loan Cooperatives in West Sulawesi The Year 2019-2023

The Year	Net Profit after Tax (in million rupiah)	Total Assets (in million rupiah)	*ROA (%)*	Criteria
2019	3.119.392.229,00	3.955.391.243,00	78,86	Healty
2020	3.111.574.157,00	3.746.991.724,00	83,04	Healty
2021	4.113.475.966,00	4.417.428.222,00	93,12	Healty
2022	4.880.103.082,00	4.612.768.416,00	105,80	Healty
2023	4.994.578.551,00	4.700.313.466,00	106,26	Healty

Source: *Data processed 2024*

The table above explains that the Return On Assets of Savings and Loan Cooperatives in West Sulawesi from The Year 2019 to 2023 experienced an average increase every The Year.

b. Return On Equity

Proportion due to the calculation of net profit after tax with own capital, namely ROE. Based on Cashmere (2018: 205). The formula for the calculation is:

Table 6. Analysis of Return On Equity in Savings and Loan Cooperatives in West Sulawesi The Year 2019-2023

The Year	Net Profit after Tax (in million rupiah)	Total Ekuitas (in million rupiah)	*ROE (%)*	Criteria
2019	3.119.392.229,00	3.584.547.190,00	87,02	Healty
2020	3.111.574.157,00	3.544.757.290.00	87,78	Healty
2021	4.113.475.966,00	4.622.034.110.00	89.00	Healty
2022	4.880.103.082,00	4.984.379.150.00	97,90	Healty
2023	4.554.578.551,00	4.590.447.000.00	99,21	Healty

Source: *Data processed 2024*

Based on the table above, it can be seen that the ROE value of Savings and Loan Cooperatives in West Sulawesi from The Year 2019 to 2023 operates fluctuatively. The ROE value of 87,02% in The Year 2019 dropped to 87,78% in The Year 2020, but rose again to 89,00% in The Year 2021, and rose again in the following The Year.

4.3. Recapitulation of the Proportion Cash Availability and Profitability

Table 7. Recapitulation of Proportion Cash Availability and Proportion of Profitability in Saving and Loan Cooperatives in West Sulawesi The Year 2019-2023

No.	The Year	Proportion Cash Availability		Proportion Profitability		
		CR	QR	CR	ROA	ROE
1	2019	125,510	119,671	102,13	78,86	87,02
2	2020	122,826	117,122	102,42	83,04	87,78
3	2021	123,567	118,316	89,43	93,12	89,00
4	2022	123,393	117,916	83,69	105,80	97,90
5	122,164	116,634	104,22	106,26	106,26	
2023						
Average	123,492	117,932	398,514	93,416	93,529	

Source: *Data processed 2024*

Based on the table above, the Cash Availability Proportion in The Year 2019-2023 on average has a Current Ratio of 123.492%, a Quick Ratio of 117.932%, and a Cash Ratio of 398,514%. In addition, the Profitability Proportion has an average Return on Asset (ROA) of 93,416% and ROE of 93,529%. with a value in a healthy condition in managing the cooperative's finances because it is close to 100 percent.

5 Conclusions and Suggestions

5.1 Conclusion

Analysis of the financial reporting of Savings and Loan Cooperatives in West Sulawesi The Year 2019-2023, which includes the Statement of Financial Position and profit and loss, resulted in conclusions including:

1. Proportion of Cash Availability in this Criteria is healthy because the value generated with the results of the value is considered healthy, this explains that the cooperative is able to pay off its short-term debt with assets using the results of the Proportion of Cash Availability analysis.

2. Proportion Profitability of Savings and Loan Cooperatives in West Sulawesi in The Year 2019-2023 ROA is considered healthy because it reaches the average industry standard. Therefore, the analysis of the financial performance of the Savings and Loan Cooperative using the results of the Proportion Profitability analysis, with the results of the value is considered healthy.

5.2 Suggestions

Taking into account the above findings, there are several suggestions that can be proposed, among others:

1. For Savings and Loan Cooperatives in West Sulawesi, West Sulawesi is projected to be able to pay attention to Proportion Lukidity by reducing the amount of debt paid based on maturity and can be projected to be able to increase Proportion Profitability because it achieves the highest level of profit in its operational activities.
2. For further researchers, it is projected to be able to conduct similar research by adding research variables so that the references are even wider.

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