



ANALYSIS OF FINANCIAL REPORTS TO MEASURE FINANCIAL PERFORMANCE IN THE BINA MANDIRI COOPERATION

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Abstract

Analysis of cooperative financial performance aims to see the overall financial position of cooperatives, and compare financial performance in individual periods from year to year. This is important because it can provide an overview of the financial health of the cooperative and can also be used as a basis for making decisions in the future. This research is a qualitative descriptive research. This method is used to describe or explain phenomena in detail, especially from the point of view of the object under study. In this study, researchers describe how financial reports are used to assess employee performance at the Bina Mandiri Cooperative.

Based on the results of the research that has been presented, it can be said that the cooperative's financial performance reports related to staffing for the 2020-2022 financial year are considered very good. The system of voluntary lending by members of cooperatives makes cooperative units run well and can have a positive influence on society in general and members in particular.

Keywords: Financial Statements, Performance, Cooperatives

INTRODUCTION

Financial reports are an important tool for assessing and evaluating the performance of a company. Financial reports provide information about a company's financial condition, including revenues, expenses, assets, liabilities and cash flows. In analyzing financial statements, there are several financial ratios that can be used to assist in assessing company performance, such as profitability ratios, liquidity ratios, and solvency ratios. (Paisley, 2019). Users of financial statements are not only limited to owners or investors, but also include other parties such as creditors, governments, customers and employees. Each user of financial statements has different interests and information needs. Therefore, financial reports must be presented clearly, accurately and comprehensively so that users can understand the information provided.

In managing a company, financial reports are very important to assist management in making the right business decisions. Accurate analysis of financial statements can assist management in identifying problems and opportunities, and taking necessary actions to improve company performance. Thus, financial reports are a very important tool in maintaining the survival and growth of the company.

A good financial report must consist of several components, as described in the Statement of Financial Accounting Standards No. 1 (revised 2009). Complete and accurate financial reports will provide useful information for users of financial reports to assess the company's financial condition and performance in a certain period (Samryn, 2014).

In addition, ratio analysis can also be used to evaluate a company's financial performance. Ratio analysis involves calculating ratios based on information from financial reports, such as liquidity ratios, profitability ratios and solvency ratios. Ratio analysis assists users of financial statements in evaluating

the efficient use of assets, a company's ability to meet financial obligations, and the profits generated from business activities.

Financial reports are also an important tool for measuring the financial performance of companies and industries. In addition, financial statement analysis can also assist in evaluating a company's financial health, determining a company's ability to meet financial obligations, evaluating investment risk, and comparing financial performance with competitors and the industry as a whole. Therefore, it is important for decision makers in the company to be able to read and understand financial reports properly in order to make appropriate and sustainable decisions.

Cooperatives are a form of organization established with the aim of advancing the economic life of rural communities, especially in Indonesia. Cooperatives are business entities owned and operated by members who have the same goals and interests in improving the welfare of their members through joint economic ventures based on the principles of kinship and mutual cooperation.(Raharjapura, Hendra Sumantri, 2011). Cooperatives themselves have been legally recognized by the Indonesian state and are regulated in Law no. 25 of 1992 concerning Cooperatives. In cooperatives, members have an active role in making decisions, participating in management, and sharing the results of joint efforts. Cooperatives also strive to create a climate of cooperation and togetherness among members, so as to create a sense of kinship and mutually reinforcing.(Hanafi, & Halim, 2016).

In addition to advancing the economic life of rural communities, cooperatives also have an important role in national development, especially in terms of increasing the welfare of cooperative members and the surrounding community through economic empowerment. Cooperatives can also act as a driving force for the regional and national economies by providing jobs and increasing the income of their members and the surrounding community.

Cooperatives do have a very important role in advancing the economy and welfare of the Indonesian people. In Law Number 17 of 2012 concerning Cooperatives, the main objective of cooperatives is to improve the welfare of members and the community around cooperatives. In addition, cooperatives are also the basic foundation developed by the government in order to improve the Indonesian economy. Therefore, the government formed the Ministry of Cooperatives and SMEs as an institution that specifically handles cooperatives and SMEs in Indonesia. In an effort to achieve Indonesia's target of becoming one of the world's strongest economies in 2045, cooperatives and MSMEs are also the focus of strengthening the national economic sector. With the existence of cooperatives as a forum for MSMEs to take capital and help each other in advancing business, it is hoped that they can make a major contribution to Indonesia's economic growth.

Analysis of financial statements is indeed very important to assess the performance of a cooperative founded by a company. In this analysis, it can be seen how the cooperative's financial performance is and whether the cooperative can fulfill its initial goal of increasing the welfare of its members, including company employees. By analyzing the financial statements, it is also possible to

know the financial condition of the cooperative, such as the level of income, expenses, assets and liabilities. This analysis can be used to evaluate whether cooperatives can provide optimal benefits for company employees or not. Thus, cooperatives established by companies can function effectively and benefit the welfare of employees and encourage a sense of kinship and mutual assistance among them.

Cooperative financial reports that are open and easy to understand are very important to show the performance and financial conditions of cooperatives to stakeholders such as cooperative members, cooperative management, and other related parties. In addition, relevant, material and reliable financial reports also show the continuity of a healthy and sustainable cooperative. Financial reports that are timely and balanced between costs and benefits will also increase the trust and satisfaction of cooperative members and other related parties. Therefore, it is important for every cooperative manager to pay attention to the presentation of good and transparent financial reporting information.

LITERATURE REVIEW

Cooperative Financial Report

Harahap (2011) defines financial reports do provide an overview of the financial condition and performance of a company in a certain period. The financial statements consist of several types, such as a balance sheet that shows the financial position of a company at a certain time, a profit and loss statement that shows the results of a company's performance in a certain period, a cash flow statement that explains the cash inflows and outflows of a company in a certain period. , as well as a report on changes in capital that shows changes in capital from one period to another..

Simple understanding according to Kasmir (2019) of financial reports is a report that describes the financial condition of a company at this time or in a certain period that has been determined. These financial reports usually include a balance sheet, income statement, and cash flow statement. Financial reports also provide information about the company's financial performance and assist stakeholders in making better business decisions.

Agus (2009) stated that financial statements are indeed the end result of the accounting process which includes economic information of an entity in one period. Financial statements consist of three main parts: balance sheet, income statement, and cash flow statement. The aim is to provide accurate and relevant information about the company's financial position and results of activities to stakeholders, including investors, creditors, financial analysts and internal parties of the company. Thus, stakeholders can make better and more effective economic decisions.

Purpose and Use of Financial Statements

Kasmir (2019:10) states that financial reports can be prepared either suddenly or periodically. However, more generally financial reports are prepared periodically and published at the end of each accounting period, such as monthly, quarterly or annually. This is done to provide information relating to the company's financial performance during that period and as a basis for stakeholders in making

decisions related to the company. The regular financial reports include a balance sheet, income statement, cash flow statement, and statement of changes in equity.

Cooperative accountability reports aim to provide transparent and accurate information about the financial condition and operational performance of cooperatives to all interested parties, including cooperative members, prospective cooperative members, management, investors, government, and so on. In the financial statements, information such as a balance sheet, profit and loss statement, cash flow statement, and a report on changes in equity will be included which can be used as a basis for making the right decisions in cooperative management. As the responsibility of the management, financial reports must also be presented in a clear, easy to understand, and accountable manner so as to foster the trust and satisfaction of members and other interested parties.

Understand (2018) states that financial reports are needed to measure the results and development of the activities of a community or company. This serves to find out how well the company has achieved its goals and as an internal evaluation tool for the company. Financial reports that are well prepared can provide a clear picture of the financial position, operational performance, cash flow, and changes in capital of a company in a certain period. This information is very important for the company's internal parties such as management, administrators, and shareholders to make the right decisions in managing the company. Meanwhile, for external parties such as investors, creditors, the government, and the general public, these financial reports are a reference for evaluating the credibility and profit potential of a company before they decide to invest or do business with that company. Therefore, it is important for companies to present accurate, relevant and reliable financial reports in order to increase the trust and image of the company in the eyes of stakeholders.

Financial Ratio Analysis

Financial ratios are used to measure the relationship between two or more items in a company's financial statements. Ratios can provide useful information about a company's financial performance, such as the level of liquidity, profitability, leverage, and so on. Ratios can also be used to compare a company's financial performance with competitors or the industry as a whole (Hery, 2015). Financial ratios are used as an analytical tool to evaluate a company's financial condition and performance. Financial ratios combine two or more financial data from financial reports and provide an overview of the relationships between different financial components within a company. By using financial ratios, analysts can evaluate a company's financial health and make better decisions when it comes to investing, borrowing, or making other decisions.

Income statement

According to Kasmir (2019:49) profit and loss report is a report that provides information about the income generated, costs incurred, as well as profits or losses obtained by a company or organization

during a certain period. By knowing this information, decisions related to the company's business strategy and operations can be made more precisely. In addition, in the form of multiple steps, the income statement also contains additional information such as operating and non-operating income, cost of goods sold, gross profit, operating expenses, operating profit, income and non-operating expenses, profit before tax, and net profit after tax. The multiple step form provides more detailed information and makes it easier for report users to analyze the components of income and costs related to the company's operations and outside the company's operations.

Cooperative

Cooperatives indeed have a meaning as a business entity consisting of a group of people or individuals who carry out activities based on voluntary principles, mutual assistance and mutual cooperation. Cooperatives are also a people's economic movement founded on the principle of family. Mr. Muhammad Hatta is indeed considered the father of cooperatives in Indonesia because of his contribution in fighting for and advancing cooperatives in Indonesia. He also stated that cooperatives are a form of business entity that works together and uses the family principle and the nature of mutual cooperation to achieve common prosperity.

Thus, it can be said that Cooperative is a business activity based on the principles of mutual assistance and mutual cooperation. Cooperatives were established with the aim of improving the welfare of members and the surrounding community through economic and social empowerment. As a democratic business entity, cooperatives provide equal opportunities to all of their members to participate in decision-making and benefit from cooperative business activities. In addition, cooperatives also have a social responsibility in empowering communities and advancing the regional economy.

Cooperative Purpose

Based on regulations implemented by the Indonesian government through Law no. 17 of 2012 concerning Cooperatives, in which cooperatives aim to improve the financial welfare of their members and especially the community around the cooperative. Cooperatives aim to improve the welfare of members and the surrounding community by developing economic businesses based on cooperative principles, such as togetherness, mutual cooperation, justice, democracy and concern for the environment. Cooperatives are also considered as a form of economic enterprise that can support Indonesia's economic development, especially in terms of the development of micro, small and medium enterprises (MSMEs) as an economic sector that has great potential in driving the wheels of the national economy. Therefore, the Indonesian government formed the Ministry of Cooperatives and SMEs to support the development of cooperatives and SMEs in Indonesia..

Cooperative Performance

Cooperatives themselves can be judged for their success based on their performance, cooperative management has full authority over cooperative members and can make every effort to measure the effectiveness of cooperatives when viewed from its financial indicators. in the cooperative. Several predetermined metrics are used in reviewing and measuring the efficiency of the cooperative, such as: Liquidity, and you can also use the solvency ratio and other specified ratios to measure the performance of the cooperative or in this case cooperative management.

Financial ratios are very important to measure the performance of a cooperative. The liquidity ratio can be used to measure a cooperative's ability to pay its debts using its current assets. The solvency ratio is used to measure a cooperative's ability to pay its debts using all of its assets. In addition, there are also other ratios such as the profitability ratio which measures the ability of cooperatives to generate profits from their business activities. All of these ratios can assist in making the right decisions in managing cooperatives and assessing the success of cooperative performance.

Fahmi (2018) states that Financial performance is an evaluation to evaluate the ability of a company or organization to manage its finances properly and correctly. The evaluation is carried out by measuring various financial ratios covering aspects such as liquidity, profitability, efficiency and solvency. By evaluating this financial performance, the company or organization can find out its actual financial position and can formulate strategies to improve financial performance in the future. Drarwanto, (2004) mentioned that Elements related to measuring a company's financial performance can be divided into several categories, one of which is an element directly related to financial statements, such as the income statement. Net income or net income is a performance measure that is often used, which can be calculated by subtracting total revenue from total expenses. By knowing these elements, companies can evaluate their performance in the past, present, and plan strategies for the future.

METHOD

Types of research

The type of research conducted is a descriptive study. Descriptive qualitative method is one of the research methods used to understand phenomena that occur in depth by collecting data through interviews, observation, and documentation. The data obtained is then analyzed descriptively to provide a clear picture of the phenomenon being studied. This method is often used in research where the focus is on understanding a problem or situation, not on measuring or calculating numbers quantitatively (Sugiyono, 2019).

By choosing this method, the researcher can provide ample space for field data or facts which will later be presented as a general form of research and also contain sufficient facts to strengthen the conclusions presented later. The data for this research are the financial statements of the Bina Mandiri Cooperative employees for 2020-2022. Although the data source for this research is the Bina Mandiri

Cooperative.

Population and Sample

Population in the context of research refers to a complete group of individuals, objects, transactions or events that have the same characteristics and are the focus or object of a study. Population can be various things, such as human population, animals, products, business processes, and so on. In research, the population is used to determine the sample to be studied to produce generalizations and conclusions regarding the characteristics of the population more broadly. (Kuncoro, 2009). So the population in this study are the financial statements of the Bina Mandiri Cooperative, while the sample is the financial reports issued for the last two years, namely 2021 and 2022, contained in the 2022 Annual Budget Meeting. By using this sample, it is hoped that a fairly accurate picture of the the financial performance of the Bina Mandiri Cooperative for the last two years.

Research procedure

1. Make comparisons with the previous year's financial reports or financial reports from similar cooperatives as a comparison.
2. Perform analysis of financial ratios related to liquidity, solvency, profitability, and activities to evaluate the financial performance of cooperatives.
3. Explain the factors that affect the financial performance of cooperatives, such as internal factors such as financial management, and external factors such as market conditions or government regulations.
4. Make graphs or tables to visualize the results of financial analysis to make it easier to understand.
5. Compile conclusions from financial analysis and provide recommendations for improvement or development of cooperative finance.
6. Provide explanation and presentation of analysis results to related parties in the cooperative, such as financial management or the supervisory board of the cooperative.

DISCUSSION AND RESULTS

Capital

Authorized capital consists of statutory deposits of Rp. 25,000.00, voluntary contributions of Rp. 225,000.00 per member, all of which will be registered with the Bina Mandiri Cooperative. The amount of principal savings, mandatory savings and voluntary savings for the 2020-2022 period can be seen in the following table:

Table 1 Principal Savings

Capital Type	2020	2021	2022
Owner's equity			
Tree Savings	3.283.147	2.050.000	2.100.000

Compulsory Savings	2.225.000	3.046.000	4.986.000
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Data source: Bina Mandiri Cooperative Financial Report

From the table above it can be seen that capital savings have decreased by IDR from 2020 to 2021. IDR 1,233,147. This is because some cooperative members stop working and move to other work units. Then it experienced an increase of only Rp. 50,000 in 2022. The table above shows that compulsory savings have continued to grow and have not decreased from 2020 to 2022. Similarly, voluntary savings have increased significantly from 2020 to 2022.

Business activities

The main business of the Bina Mandiri Cooperative is Savings and Loans, which includes Savings and Loans, Member Loans, Food Loans and others. Savings and loan business turnover for 2020-2022 is presented as follows:

Table 2 Savings and Loans

Year	2020	2021	2022
Member Loans	17.100.000	11.800.000	30.384.802
Accounts Receivable			
Accounts receivable	2.697.000	30.404.843	12.715.243
Other receivables	1.380.000	1.380.000	0

Data source: Bina Mandiri Cooperative Financial Report

Based on Table 2 above, it can be seen that the Bina Mandiri Cooperative Member Loans have decreased in 2020 by Rp. 5,300,000,-. Cooperative trade receivables have decreased due to some inaccurate analysis so that internal parties cannot predict what will happen within a certain time or period. And Member Loans have increased very significantly in 2022 by Rp. 18,584,802, -. Likewise, Trade Receivables also experienced a very significant increase from 2020 to 2021 of Rp. 27,707,843, - but will experience a decrease in 2022 of Rp. 17,689,600,-. This was caused by a number of things, including the volume of goods sold by the cooperative, as well as the term of payment, granting of deductions and several policies in collecting receivables.

From Table 2 above it can be seen that the loans of members of the Bina Mandiri cooperative have decreased by Rp.5.300.000,- in 2020. occurs within a certain period. And member loans have increased very sharply in 2022 Rp. 18,584,802. Trade receivables experienced a very significant increase from Rp. to Rp. 27,707,843 from 2020 to 2021, but Rp.27.707.843,- will decrease to IDR 17,689,600 in 2022. This is due to many factors, such as the volume of goods sold by the cooperative and the terms of payment, discounts, and some collection policies.

Meanwhile, the total assets, liabilities and equity of the Bina Mandiri Cooperative for the 2020-

2022 period can be seen in the table below:

Table 3 Assets, Liabilities and Equity

Year	2020	2021	2022
Current asset	31.953.147	53.290.173	76.423.886
Fixed assets	0	939.583	664.591
Current Liabilities	0	0	0
Equity	31.953.147	54.229.756	77.088.477

Data source: Bina Mandiri Cooperative Financial Report

From Table 3 above it can be seen that the assets of the Bina Mandiri Cooperative are currently experiencing significant growth from year to year. Fixed Assets, Rp. 0 in 2019 and increased to Rp. 939,583 in 2020, then decreased in 2021. Rp. 274,992. From the table above it can be seen that the Bina Mandiri Cooperative has no current liabilities. As for equity seen growing significantly from year to year.

From the results of this study, it can be concluded that the Bina Mandiri Cooperative has good financial performance during the 2020-2022 period. This can be seen from the increase in total assets, liabilities and equity, as well as an increase in operating profits from year to year. In addition, an increase in the number of members' Voluntary Savings is also a factor that contributes to increasing the amount of Cooperative equity. However, it should be noted that this research was only conducted based on available financial reports. Therefore, further research is still needed by exploring other data that can provide more detailed information regarding the operational and managerial performance of the Bina Mandiri Cooperative. Thus, the advice that can be given is to continue to monitor and evaluate the performance of the Bina Mandiri Cooperative so that it can continue to improve financial performance and strengthen the company's financial position in the future.

CONCLUSION

Based on the research results above it is necessary to have actions that can be taken by the Bina Mandiri Cooperative to maintain its financial performance so that it remains good and develops better in the future. One of the actions that can be taken is to increase the promotion of cooperative business activities so that more and more members are interested in joining and using the products and services offered by cooperatives. In addition, it is also necessary to carry out good financial management by managing finances effectively and efficiently and making good plans for the use of funds in the future. Thus, it is hoped that cooperatives can continue to develop and provide benefits to members and the surrounding community.

The ratification of the Bina Mandiri Cooperative is seen even though there is a negative relationship because the community is involved in a lack of modern jobs or a reduction in moderns, the

2020-2021 period is very different because of. To replace This can occur when an employee's wages are higher than expected. The ratio of the Bina Mandiri Cooperative is considered favorable loan conditions based on the borrower's liquidity, the 2020-2022 period is very unfavorable. The finances of the Bina Mandiri Cooperative are expected to improve from 2020 to 2022 due to the company's future expansion. The current situation of the Bina Mandiri Cooperative is considered unfavorable for the 2020-2022 period because it shows the organization's inability to generate organizational profits and increase the turnover of all the resources needed by the organization.

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