



Financial Statement Analysis to Assess the Financial Performance of Primer Cooperative for the Period 2021–2023

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ABSTRACT

Purpose – This study aims to analyze the financial statements of Primer Koperasi Mitra Maju Jaya in order to evaluate the cooperative's financial performance over the period of 2021 to 2023.

Methodology/approach Employing a descriptive quantitative approach and financial ratio analysis, the research examines key indicators of liquidity, solvency, and profitability. The data were derived from the cooperative's financial reports and analyzed using the Current Ratio, Cash Ratio, Debt to Equity Ratio, Debt to Asset Ratio, Return on Assets (ROA), and Return on Equity (ROE).

Findings – The findings indicate that, based on liquidity ratios, the cooperative's financial condition during the 2021–2023 period was categorized as "highly unhealthy." In contrast, the solvency ratios reflected a "healthy" status, while the profitability ratios suggested a "moderately healthy" condition. Nevertheless, the efficiency of asset utilization remains an area requiring improvement. This study offers strategic recommendations aimed at enhancing the cooperative's financial performance in a sustainable manner

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INTRODUCTION

Cooperatives as people's economic institutions have an important contribution in supporting national development, especially in the micro and medium sectors. The cooperative principles that emphasize member participation, equal distribution of results, and economic democracy make them an important instrument in realizing social welfare. In practice, the success of cooperatives is highly dependent on the managerial skills of the

management and the active participation of its members, especially in accountable and transparent financial management.

The financial performance of cooperatives is the main indicator in assessing the success of business management and the achievement of cooperative goals. Cooperative financial statements are documents that reflect the real financial condition of the cooperative, including information about assets, liabilities, equity, revenue, and operating expenses. This report is an evaluation tool for administrators, members, and external stakeholders, such as the Cooperative Office, in assessing whether cooperatives are managed efficiently and responsibly.

Primer Mitra Maju Jaya Cooperative is a cooperative that stands under the auspices of the Greater Jakarta Metropolitan Regional Police and has active membership of police personnel and civil servants within the Metro Jaya Police. This cooperative has a savings and loan business unit, as well as other services. In the last three years, this cooperative has experienced a significant increase in economic activity, but there has been no systematic study that assesses its financial performance as a whole based on indicators that can be measured quantitatively.

Table 1. Financial statements of the Mitra Maju Jaya Cooperative for the period 2021 to 2023

Year	SHU (Rp)	Receivables (Rp)	Assets (Rp)
2021	4.580.629.568	24.311.028.885	47.516.436.721
2022	4.825.427.999	25.691.440.731	52.890.382.044
2023	3.944.824.133	26.323.419.350	56.733.873.165

Source: Primer Koperasi Mitra Maju Jaya

Based on table 1, it can be seen that assets from 2021 to 2023 continue to increase, while in SHU from 2022 to 2023 it decreased from Rp. 4,825,427,999 to Rp. 3,944,824,133. This decrease in SHU occurred due to the large number of bad loans, large expenses, and large expenses.

Analysis of cooperative financial statements is indispensable to determine the extent to which cooperatives are able to manage member funds, develop businesses, and maintain organizational sustainability. In addition, this analysis is also the basis for consideration in developing a cooperative development strategy in the future. Therefore, this study is focused on evaluating the financial statements of the Mitra Maju Jaya Cooperative Primary through a financial ratio approach.

Based on the description above, the author wants to research further about "Financial Statement Analysis to Assess Financial Performance in the Primary Mitra Maju Jaya Cooperative for the 2021 to 2023 period".

RESEARCH METHODOLOGY

This study employs a quantitative descriptive research method. The research will be conducted at Primer Koperasi Mitra Maju Jaya and is scheduled to take place in March 2025.

The population and sample in this study consist of the financial statements of Primer Koperasi Mitra Maju Jaya from the years 2021 to 2023.

The data used in this research include: Primary data, obtained directly from the object of research in the form of quantitative data (numerical figures) that are measurable and presented in financial statements such as balance sheets and income statements, as well as other supporting information. Secondary data, gathered from external sources, including theoretical references and other literature relevant to the research problem.

The data collection techniques include observation, interviews, and documentation.

The data analysis method used in this study is quantitative descriptive analysis.

RESULTS AND DISCUSSION

Calculation of Current Ratio of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 2. Current Ratio Calculation – Primer Koperasi Mitra Maju Jaya

Year	Current Assets (a) (RP)	Current Liabilities (b) (RP)	Current Ratio (a/b × 100)	Change	Standard	Criteria
2021	38,037,215,356	11,876,416,674	320.27%	–	< 125% to > 250%	Highly Unhealthy
2022	42,656,620,442	13,178,103,150	323.69%	3.42%	< 125% to > 250%	Highly Unhealthy
2023	44,147,569,252	12,246,811,589	360.48%	36.79%	< 125% to > 250%	Highly Unhealthy

Source: Processed Data

Based on the data analysis above, the current ratio of Primer Koperasi Mitra Maju Jaya from 2021 to 2023 indicates that its financial performance falls into the category of highly unhealthy condition. This suggests that the cooperative possesses very high liquidity, meaning it holds a large amount of short-term assets (e.g., cash, receivables, bank savings) relative to its short-term liabilities.

In practical terms, the cooperative is more than capable of meeting its short-term obligations without difficulty. However, this condition is not always favorable, as excessive idle short-term assets may reflect inefficiency. Ideally, the cooperative should consider reallocating some of these unused funds into more productive investments, such as member loans, productive ventures, or enhanced services for members.

Cash Ratio Calculation of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 3. Cash Ratio Calculation – Primer Koperasi Mitra Maju Jaya

Year	Cash (a) (RP)	Current Liabilities (b) (RP)	Cash Ratio (a/b × 100)	Change	Standard	Criteria
2021	9,480,835,025	11,876,416,674	79.83%	–	< 125% to > 250%	Highly Unhealthy
2022	12,106,711,224	13,178,103,150	91.87%	12.04%	< 125% to > 250%	Highly Unhealthy
2023	12,666,650,161	12,246,811,589	103.43%	11.56%	< 125% to > 250%	Highly Unhealthy

Source: Processed Data

The analysis results above show that the cash ratio of Primer Koperasi Mitra Maju Jaya from 2021 to 2023 indicates that the cooperative's financial performance falls under the "highly

unhealthy" category. A cash ratio below 125% means that the cooperative does not have sufficient cash and cash equivalents to immediately cover all of its short-term liabilities without relying on other current assets such as receivables or inventories.

In particular, the cash ratio in 2021 and 2022 was below 100%, which implies that the cooperative would likely struggle to settle its short-term obligations using only its available cash, exposing it to a higher liquidity risk. Although the cash ratio increased to 103.43% in 2023, this figure still falls below the minimum healthy standard, and thus the cooperative's liquidity position remains critically weak.

Calculation of Debt to Equity Ratio of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 4. Debt to Equity Ratio Calculation – Primer Koperasi Mitra Maju Jaya

Year	Total Liabilities (a) (RP)	Equity (b) (RP)	Debt to Equity Ratio (a/b × 100)	Change	Standard	Criteria
2021	11,876,416,674	42,961,253,730	27.64%	–	≤ 70%	Healthy
2022	13,178,103,150	48,089,473,187	27.40%	-0.24%	≤ 70%	Healthy
2023	12,246,811,589	52,914,901,186	23.14%	-4.26%	≤ 70%	Healthy

Source: Processed Data

Based on the data analysis, the Debt to Equity Ratio (DER) of Primer Koperasi Mitra Maju Jaya from 2021 to 2023 indicates that the cooperative's financial condition is in a healthy state. In 2021 and 2022, the DER values were 27.64% and 27.40%, respectively, while in 2023 it decreased to 23.14%. This means that for every Rp 1 of equity owned by the cooperative, there is only Rp 0.23 of debt.

This ratio reflects a conservative capital structure, with most of the funding coming from equity rather than debt. A low DER is often considered an indicator of low financial risk, suggesting that the cooperative does not rely heavily on debt to finance its operations or expansion.

Calculation of Debt to Assets Ratio of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 5. Debt to Assets Ratio Calculation – Primer Koperasi Mitra Maju Jaya

Year	Total Liabilities (a) (RP)	Total Assets (b) (RP)	Debt to Assets Ratio (a/b × 100)	Change	Standard	Criteria
2021	11,876,416,674	47,516,436,721	24.99%	–	≤ 40%	Healthy
2022	13,178,103,150	52,890,382,044	24.92%	-0.08%	≤ 40%	Healthy
2023	12,246,811,589	56,733,873,165	21.59%	-3.33%	≤ 40%	Healthy

Source: Processed Data

The analysis of the Debt to Assets Ratio (DAR) from 2021 to 2023 also shows that the cooperative's financial condition is healthy. In 2021 and 2022, the DAR values were 24.99% and 24.92%, respectively, and further decreased to 21.59% in 2023.

This indicates that the cooperative has a relatively low level of debt compared to its total assets. For every Rp 1,000,000 of assets, only around Rp 210,000 is financed through debt. A low debt-to-assets ratio signifies that the cooperative relies more on internal financing (equity) rather than external debt to fund its operations and business activities.

Calculation of Economic Profitability (ROA) of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 6. Economic Profitability Calculation – Primer Koperasi Mitra Maju Jaya

Year	Net Income (SHU) (a) (RP)	Total Assets (b) (RP)	ROA (a/b × 100)	Change	Standard	Criteria
2021	4,580,629,568	47,516,436,721	9.64%	–	7% to < 10%	Fairly Healthy
2022	4,825,427,999	52,890,382,044	9.12%	-0.52%	7% to < 10%	Fairly Healthy
2023	3,944,824,132	56,733,873,165	6.95%	-2.17%	3% to < 7%	Less Healthy

Source: Processed Data

Based on the data, the Return on Assets (ROA) of Primer Koperasi Mitra Maju Jaya in 2021 and 2022 indicates that the cooperative was in a fairly healthy financial condition, while in 2023 the performance declined to a less healthy condition. The ROA in 2021 and 2022 were 9.64% and 9.12%, respectively, suggesting that the cooperative was reasonably efficient in utilizing its assets to generate income.

In 2023, the ROA fell to 6.95%, which means the cooperative generated Rp 6.95 in net profit for every Rp 100 of assets used. This ratio is crucial for measuring how effectively the cooperative uses its assets to produce profit.

Calculation of Return on Equity (ROE) of Primer Koperasi Mitra Maju Jaya for the Period 2021 to 2023

Table 7. Return on Equity Calculation – Primer Koperasi Mitra Maju Jaya

Year	Net Income (SHU) (a) (RP)	Equity (b) (RP)	ROE (a/b × 100)	Change	Standard	Criteria
2021	4,580,629,568	42,961,253,730	10.66%	–	9% to < 15%	Less Healthy
2022	4,825,427,999	48,089,473,187	10.03%	-0.63%	9% to < 15%	Less Healthy
2023	3,944,824,132	52,914,901,186	7.46%	-2.57%	3% to < 9%	Unhealthy

Source: Processed Data

The Return on Equity (ROE) of Primer Koperasi Mitra Maju Jaya for 2021 and 2022 was in a less healthy condition, with values of 10.66% and 10.03%, respectively. These values suggest that the cooperative was generating a moderate return on the members' invested capital.

However, in 2023, the ROE dropped to 7.46%, which places it in the unhealthy category. This means that for every Rp 100 invested in equity, the cooperative generated Rp 7.46 in net profit. The decline in ROE may reflect declining profitability or an increase in retained earnings that did not yield proportional returns.

CONCLUSION

Based on the results of the research and discussion regarding the financial performance of the cooperative in terms of liquidity, solvency, and profitability during the period 2021 to 2023 at Primer Koperasi Mitra Maju Jaya, the researcher draws the following conclusions:

Liquidity Ratios

The calculation of the current ratio shows that the cooperative's financial performance is in a very unhealthy condition from 2021 to 2023. This indicates that the cooperative has excessively high liquidity, meaning it holds a large amount of short-term assets (such as cash, receivables, or bank deposits) compared to its short-term liabilities. Although the cooperative is clearly capable of meeting its short-term obligations, such excessive liquidity is not always positive. The cooperative is advised to consider reallocating idle funds into more productive investments, such as lending, productive assets, or improved member services.

The cash ratio also reflects a very unhealthy condition during 2021 to 2023. A cash ratio below 125% means that the cooperative lacks sufficient cash and cash equivalents to immediately cover its short-term liabilities without relying on other current assets such as receivables or inventories. In 2021 and 2022, the ratio was below 100%, indicating potential liquidity risk. Although the 2023 cash ratio improved to 103.43%, it is still categorized as very unhealthy.

Solvency Ratios

The Debt to Equity Ratio (DER) of Primer Koperasi Mitra Maju Jaya from 2021 to 2023 indicates a healthy financial condition. In 2021 and 2022, DER was 27.64% and 27.40%, respectively, and further declined to 23.14% in 2023. This means that for every Rp 1 in equity, the cooperative has only Rp 0.23 in debt. This ratio indicates a conservative capital structure, where most financing comes from internal sources (equity) rather than external debt, suggesting low financial risk.

The Debt to Assets Ratio (DAR) also shows a healthy condition during the same period. In 2021 and 2022, the ratios were 24.99% and 24.92%, respectively, and dropped to 21.59% in 2023. This reflects that the cooperative carries a relatively low level of debt compared to its total assets. For every Rp 1,000,000 in assets, only around Rp 210,000 is financed by debt, which signifies reliance on internal funding rather than external borrowings.

Profitability Ratios

The Return on Assets (ROA) indicates a fairly healthy condition in 2021 and 2022, with values of 9.64% and 9.12%, respectively, showing effective asset utilization in generating profit. However, in 2023, the ROA dropped to 6.95%, placing it in the less healthy category. This indicates the cooperative earned Rp 6.95 of net profit for every Rp 100 of assets used—a critical metric in evaluating operational efficiency.

The Return on Equity (ROE) in 2021 and 2022 reflects a less healthy condition, with values of 10.66% and 10.03%. These values suggest moderate profitability for the capital invested by members. However, in 2023, the ROE declined to 7.46%, indicating an unhealthy condition where the cooperative generated only Rp 7.46 for every Rp 100 of equity invested.

Based on the research conducted at Primer Koperasi Mitra Maju Jaya for the period 2021 to 2023, the following suggestions are proposed:

For the Cooperative:

Primer Koperasi Mitra Maju Jaya is advised to conduct regular financial report analyses to evaluate the factors contributing to declining financial performance and to optimize its overall efficiency.

In terms of liquidity, the cooperative should consider reallocating idle funds into productive investments or services and work to increase cash levels to ensure short-term obligations can be met during unexpected events.

Regarding solvency, the cooperative has demonstrated strong financial health and is encouraged to maintain this stability in the coming years.

Concerning profitability, the cooperative should focus on improving asset turnover, especially accounts receivable, to increase annual net income. Additionally, it should enhance capital by motivating members to repay loans on time.

Future studies are encouraged to expand the scope by analyzing several institutions and conducting deeper investigations into the causes of poor financial performance. Researchers may also consider using alternative methods or models for evaluating financial performance to obtain broader insights.

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