

COOPERATIVE PERFORMANCE MEASUREMENT AS AN EFFORTS IN SUPPORTING MICROFINANCE INSTITUTIONS BUSINESS DEVELOPMENT (VIEWED FROM THE PERSPECTIVE OF LAW NO. 1 YEAR 2013)

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ABSTRACT

According to Law No. 1 In 2013 declare that Microfinance Institutions is a financial institution that is specifically set up to provide business development services and community empowerment, either through loans or financing in micro enterprises to members and the public, management of deposits, as well as the provision of business development consulting services are not primarily eye for profit. MFI is essentially formed by the spirit contained in Article 27 paragraph (2) and Article 33 paragraph (1) and paragraph (4) of the 1945 Constitution To achieve this goal requires a cooperative tool that can provide information for those interested in assessing business performance in the form of financial statements. This study aims to measure the performance of the cooperative as a business development efforts in supporting microfinance institutions in Buleleng (viewed from the perspective of Law No. 1 of 2013). The data used in this study is the quantitative data in the form of financial statements that include a balance sheet, statement of SHU and other additional information required. Technical analysis of the data used is descriptive quantitative. Analysis tools using financial ratios such Net Profit Margin and Profitability Equity. The results showed that: (1) during the year 2013 to 2014 the percentage of Cooperative Equity Profitability is in Buleleng in 2013 is 3.33% and 5% in 2014 the percentage is still far from ideal standards set by Regulation of the Minister of Cooperatives and Small and Medium Enterprises Republic of Indonesia No. 06 / Per / M.KUKM / V / 2006; (2) the value of the Net Profit Margin owned by the Cooperative in Buleleng is still below the ideal standard which has been established that NPM in 2013 by 3.06% and NPM in 2014 amounted to 4.24%. This shows a decrease in the financial performance of cooperatives in generating net profit margin. For further advice cooperatives can improve financial ratios, productivity, balance of the learned, and able to reduce the operational costs. It is important to do in order to the implementation of the Law No. 1 Year 2013 on Microfinance Institutions.

Keywords: Performance of Cooperatives, Microfinance Institutions

1. Introduction

The rapid development in the field of economics today, is the impact of globalization, namely the liberalization of trade and investment free market economy. This resulted in competition between the various parties involved in it. So that the parties have a strong capital with high purchasing power will put pressure on the weak with low purchasing power. For the Indonesian government continues to boost economic growth in Indonesia in various fields for the sake of the public welfare. One of the efforts made by the government, namely in the fields of employment expansion.

Indonesia has grown in many non-bank financial institutions that conduct business activities in the financial sector to help the community. These institutions need to be developed mainly by institutional and legality because it has a lot of help to improve the economy of the community, especially the poor and / or low income. Developments in today's society, financial institutions that provide funds or capital for micro enterprises and small-scale enterprises is important and urgent. These micro-scale financial institutions is only focused on businesses which are micro-communities. These micro financial institution known as Micro Finance Institutions (MFIs). MFI is essentially formed by the spirit contained in Article 27 (2) and Article 33 paragraph (1) and paragraph (4) 1945. The existence of MFIs in principle as a financial institution that provides services Financing Deposits with micro scale, to the community, expand employment, and can act as an instrument of equalization and improvement of people's income, and improve the welfare of the poor and / or low income (www.hukumonline.com).

Based on Law No. 1 of 2013 on Micro Finance Institutions (MFIs), which was ratified on January 8, 2013 and which will take effect from January 8, 2015, then in accordance with that delivered by the Chief Executive Supervisory Financial Industry nonbank Financial Services Authority (FSA), namely: FSA together with the Ministry of Cooperatives and SMEs and the Ministry of the Interior will conduct an inventory of MFIs that have not been incorporated, so that it covers more than 5000 MFIs with assets reaching trillion rupiah. The scope of the MFI's business services include business development and empowerment of communities, either through a loan / financing for micro enterprises, the management of deposits, as well as the provision of consulting services and business development. Legal form MFI can be either cooperative or Limited Liability

Company (PT). if later Liability Company, then at least 60 percent of its shares must be owned by the local government district / city or owned villages / wards. But if the business activities of more than one district / city, then the MFI should be transformed into a bank (Bali Post, 2013). Through legislation is expected later MFI can continue to support the national economy, especially in the district as well as reach out to the countryside. So that future actors can help SMEs in identifying banking services.

Constitution of the Republic of Indonesia Year 1945 (UUD 1945) of Article 33 paragraph (1) confirms that the economy is structured as a joint venture based on family principles. Furthermore, Article 33 paragraph (4) of the 1945 Constitution states that the national economy shall be organized based on economic democracy with the principles of togetherness, efficiency with justice, sustainability, environmental friendliness, independence, and balancing economic progress and national unity. So accordance listed in Article 33 UUD 1945 that economic democracy, production is done by all and for all under the leadership or ownership of members of the community, then that becomes the receptacle of all that is cooperative. Cooperative is a container for joining and strive together so that shortcomings occurred in economic activity can be overcome, but it is also a tool for the cooperatives economically weak groups to be able to help themselves so that they can meet the needs and improve or increase their standard of living. Until now, cooperatives occupy an important place in the economic system, because it proved to have brought a change in the economic structure (Anonymous, 2012).

Cooperative is one of the main actors being the power of the economic system in Indonesia, other than the state (government) and private companies. Cooperative is a pioneer enterprises that participate and help the government in the welfare of the community in the field of employment. The existence of cooperatives is also widespread throughout Indonesia, not only in big cities but also in rural areas. So it can be said the cooperative has a national goal is to realize a just and prosperous society. The existence of a cooperative must be maintained within the community. So that cooperatives are expected to develop as a business entity that is healthy and strong to increase the role of cooperatives in the economy.

The existence of a current phenomenon where the cooperative is still far behind compared to the State Owned Enterprises (SOEs) and the Private Owned Enterprises (BUMS) that it is due to factors that cause why until now have not been able to make himself the cooperative functioning as it should. In addition, people assume the cooperative sector is still too weak or lacking in trust.

Central Statistics Agency data shows that the number of poor people up to March 2013 reached 28.07 million, 8.60% of which (10.51 million people) live in urban areas and 14.70% (18.09 million people) live in rural.

Table 1.
Number of Poor People, Percentage of Poor People and Poverty Line

| Year | Number of Poor People (Million People) | | | Percentage Of Poor People | | | Poverty Line (Rp/Capita/Month) | |
|--------|--|---------|---------------|---------------------------|---------|---------------|--------------------------------|------------|
| | Town | Village | Town+ Village | Town | Village | Town+ Village | Town | Village |
| 2005 | 12,40 | 22,70 | 35,10 | 11,68 | 19,98 | 15,97 | 165 565,00 | 117 365,00 |
| 2006 | 14,49 | 24,81 | 39,30 | 13,47 | 21,81 | 17,75 | 174 290,00 | 130 584,00 |
| 2007 | 13,56 | 23,61 | 37,17 | 12,52 | 20,37 | 16,58 | 187 942,00 | 146 837,00 |
| 2008 | 12,77 | 22,19 | 34,96 | 11,65 | 18,93 | 15,42 | 204 895,99 | 161 830,79 |
| 2009 | 11,91 | 20,62 | 32,53 | 10,72 | 17,35 | 14,15 | 222 123,10 | 179 834,57 |
| 2010 | 11,10 | 19,93 | 31,02 | 9,87 | 16,56 | 13,33 | 232 989,00 | 192 353,83 |
| 40603 | 11,05 | 18,97 | 30,02 | 9,23 | 15,72 | 12,49 | 253 015,51 | 213 394,51 |
| 40787 | 10,95 | 18,94 | 29,89 | 9,09 | 15,59 | 12,36 | 263 593,84 | 223 180,69 |
| 40969 | 10,65 | 18,49 | 29,13 | 8,78 | 15,12 | 11,96 | 267 407,53 | 229 225,78 |
| Sep-12 | 10,51 | 18,09 | 28,59 | 8,60 | 14,70 | 11,66 | 277 381,99 | 240 441,35 |
| Mar-13 | 10,33 | 17,74 | 28,07 | 8,39 | 14,32 | 11,37 | 289 041,91 | 253 273,31 |

Source: Badan Pusat Statistik, 2014.

On the other hand the rate of unemployment is still high, reaching 9.26 million as of February 2009. These data show that all sectors of economic strength including cooperatives do not yet play exercise its function and its role in improving the well-being, enhance the quality of life, and strengthening the economy of the people together through cooperative container (Ardiana and Sari, 2010).

Buleleng Regency is the largest district in the province of Bali with a broad area of 1365.88 km² or 24.25% of the area of Bali Province (www.bulelengkab.go.id). Apart from being the largest area of Buleleng Regency also have a lot of population, namely 575 038 people (BPS Bali 2010 in Ardiana and Sari, 2010). The number of cooperatives in Buleleng many as 364 cooperatives spread over 9 districts, among which: Gerokgak: 32 cooperatives, District Seririt: 22 cooperatives, District Busungbiu: 13 cooperatives, District Banjar: 21 cooperatives, District Sukasada: 31 cooperatives, District Buleleng: 188 cooperatives, District of Sawan: 28 cooperatives, District Kubutambahan: 11 cooperatives, and the District of Tejakula: 18 cooperatives. Buleleng sub-district is a district that the number of cooperatives at most that, as much as 188 cooperative consisting of: Single Cooperative Enterprises and Cooperative Multi Enterprises. However, the cooperative of 188 157 cooperatives are active cooperatives and 31 cooperatives in the frozen category (inactive). While the 364 cooperatives in Buleleng 43 of whom are in the frozen category (Diskopinda, 2012).

Guidance department of cooperatives has been done to improve the empowerment of cooperatives in Buleleng. A large number of existing cooperatives showed interest in becoming members of the cooperative society is quite large. However, management of cooperatives in terms of management, finance, management, marketing, and capitalization is still having problems. One reason is the management of cooperatives has not been done in a professional manner as a private company. The management of the cooperative have a trust-based cooperative members of the board were elected, and many cooperative management does not have knowledge of proper business management because they have no background in economics. When this was exposed to real business, what to do to manage the cooperative to be not optimal, it affects the ability of cooperatives to survive in the business environment.

In research Ardiana and Sari (2010) obtained seven cooperative composed of credit unions and credit cooperatives in the district Buleleng registered in the Department of Cooperatives, Industry, and Trade Buleleng, and active until 2010 and held a RAT (Annual Members Meeting) until March 2010, and published the complete financial reports from 2005 to 2009. While the research Musmini, et al (2011) conducted the analysis of the operating cash flow statement in relation to the financial performance of the credit cooperative Swastiastu. Assessment of financial performance is one way that can be done by the management in order to meet its obligations towards the shareholders and also to achieve the goals set by the company. How that can be used to determine a company's financial performance is by way menganalisis relationship of the various posts that exist in the financial statements. Financial performance analysis tools used in the company is the liquidity ratio, solvency, profitability ratios, activity ratio and the ratio of the market. In general, the cooperative's financial statements often show good financial performance, but if the note further, sometimes operations performed by the cooperatives were mostly funded by loans obtained from parent cooperative.

As with other business entities, cooperatives need a tool that can provide information to the parties interested in the development of the cooperative business purposes, and determine whether there is progress and development of cooperatives. Tool is meant here is the financial report. The financial statements were prepared by management, in addition to use as a source of information on business developments can also be used as an ingredient or accountability of management tools (the cooperative board) on work or tasks entrusted from the owner (cooperative members). So that those statements can be used to assess the success of management or financial performance of cooperatives conducted by the management (cooperative management). The financial statements also provide a snapshot of a company's cash flow is reflected in the statement of cash flows (Kashmir, 2002).

These financial statements are the primary tool companies to provide accounting information to parties outside the company (SFAC No. 1 in 1978). The financial statements are presented by the cooperative shall describe a reasonable situation, because the financial statements are important information for members to assess the cooperative and attract new recruits. The financial statements, generally consist of a balance sheet or statement of financial position, reports the calculation of net income (SHU) and reports the calculation of cash flow which is a replacement sources and uses of funds in accordance with the purposes of financial reporting, as well as reporting the cash inflows and outflows a co-operative during a specific time period. Statement of cash flows classifies cash receipts and cash payments by operating, investing and financing (Kieso et al, 2002).

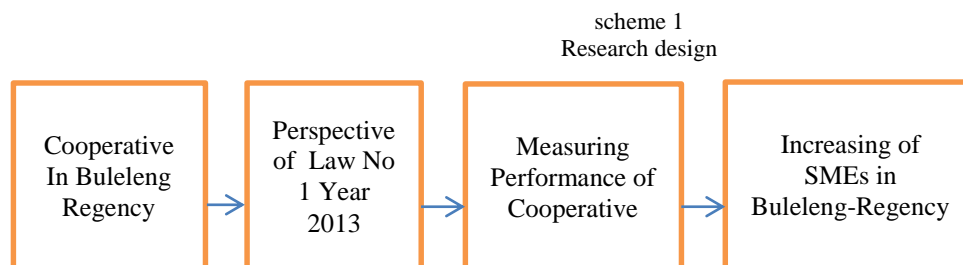
2. Research Methods

In this study, the necessary data is quantitative data which is the main focus of the research objectives. Quantitative data required include the financial statements during the period 2013 - 2014 which includes balance sheet, SHU and other additional information required.

Technical analysis of the data used is quantitative descriptive, namely a data processing method by analyzing using a mathematical calculation based on information obtained about the performance of the Cooperative. In addition to quantitative data, which is the source of this research is secondary data is data obtained from the documents and records related to the

research. Techniques in the collection of data to be used in obtaining these data were interviews and documentation methods. The interview method done if the data obtained are less so require interviews to the board.

Data obtained from the website of the Central Bureau of Statistics of Bali Province, the Central Bureau of Statistics Buleleng, Ministry of Cooperatives and SMEs of the Republic of Indonesia, as well as the Law on Microfinance Institutions. While the method of empirical research is research by looking from the application of regulations that govern it in practice on cooperatives in Buleleng. The design of this study when depicted in schematic form are as follows:



The analytical method used is the horizontal analysis method (dynamic) is a method of analysis that is done by comparing the financial statements for a number of years (period), so that it can be seen developments and trends (Kashmir, 2010). Based on the data obtained and analyzed using financial ratios to assess the performance of cooperatives in Buleleng Regency period 2013 - 2014, then performed the interpretation of the analysis has been done. Financial ratio analysis from the aspects of productivity that has been established in accordance with the criteria according to Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 06 / Per / M.KUKM / V / 2006.

3. Results and Discussion

a. Cooperative Microfinance Institutions As Viewed from the Perspective of Law No. 1 In 2013

According to Untung (2005: 1), a cooperative comes from the word that means the Cooperative Cooperation or collaboration. The purpose of the cooperation here is the participation of several people to work together with a view to achieve the goals difficult to achieve when they work alone. So we can conclude that a cooperative is a group of people working together to achieve the purposes of life with emphasis on common interests.

Cooperative is a business entity consisting of persons or legal entities based on the principle of kinship and economic democracy. The business activities of the cooperative is the elaboration of the 1945 Constitution article 33 paragraph (1) With the explanation of the 1945 Constitution of Article 33 paragraph (1) cooperative serves as the pillar of the national economy and as an integral part in the national economic system. As one economic actor, the cooperative is an economic organization that is trying to mobilize the potential of economic resources to promote the welfare of members. Due to the limited economic resources, and to develop cooperative must put the interests of members, the cooperative must be able to work as efficiently as possible and follow the co-operative principles and rules of economics.

In accordance with Act No. 25 of 1992 Article 12, paragraph 2 Cooperative based activities can be generally grouped into consumer cooperatives, producer cooperatives and credit cooperatives (financial services). Credit unions or savings and credit cooperatives (KSP) is a cooperative undertaking a business collection and distribution of funds from and to its members, prospective members, and other cooperatives. Savings and credit cooperatives established in order to help its members to lend money or credit with mild interest. The money was intended for productive purposes or the welfare of its members. Credit Unions need to be professionally managed according to the principles of prudence and the principle of cooperative health (Kresnayasa and Ariana, 2012: 67).

According to Law No. 1 In 2013 stated that Microfinance Institutions hereinafter called MFI is a financial institution that is specifically established to provide business development services and community empowerment, either through a loan or financing for micro enterprises to members and the public, the management of deposits, as well as the provision of consulting services business development that is not solely for profit. MFI is essentially formed by the spirit contained in Article 27 (2) and Article 33 paragraph (1) and paragraph (4) 1945. The existence of MFIs in principle as a financial institution that provides services Financing Deposits and micro scale, to the community, expand employment, and can act as an instrument of equalization and improvement of people's income, and improve the welfare of the poor and / or low income. Based on that, to meet the needs of financial services to the poor and / or low income, necessary to formulate a law on microfinance institutions to provide a legal basis and legal certainty to the activities of microfinance institutions. Preparation of this Act aims to: (1) facilitate the access of the poor and / or low income to obtain loans / Microfinance; (2) economic empowerment and productivity of the poor and / or low incomes; and (3) increase the income and welfare of the poor and / or low income (www.hukumonline.com).

This law contains the main substance of the provisions of the scope of the MFI, the concept of Savings and Loans / Financing in the MFI definition, principles and objectives. This Law also regulates the institutions, whether on the establishment, legal forms, financing, or ownership. MFI's legal form according to this Act is the Cooperative and Company Limited. MFI legal entity limited liability companies, shareholding majority owned by the Government of the Regency / City or owned villages / wards. In addition, the Act regulates also the MFI's business activities include business development services and community empowerment, either through loans or financing micro scale to members and the public, the management of Deposits, as well as the provision of consulting services business development, as well as coverage of the business of an MFI who are in a rural area / village, district, or county / city in accordance with the licensing (multi-ticensing). To give confidence to the depositary, the deposit insurance agency could be established MFIs established by the Government of the Regency / City and / or MFI. If necessary, the Government may Pula took up a deposit insurance agency joint MFI and MFI Local Government. This Act also governs the provisions concerning the exchange of information between MFIs. This Act also regulates the incorporation, amalgamation, and dissolution. In the Act, the protection to service users MFI, guidance and supervision of MFIs, submitted to the Financial Services Authority, the Government delegated to the District / Municipal or other parties appointed by the Financial Services Authority. In order for the implementation of this law can be implemented properly, the Financial Services Authority, the Ministry of the Interior, including local government, the ministry in charge of the affairs of the cooperative, and the ministry in charge of tax, need to work together to disseminate this Act (www.hukumonline.com).

b. Cooperative Financial Performance Analysis

According to Hery (2012: 3), the financial statements is basically the result of the accounting process that can be used as a tool to communicate a company's financial data or activity to the parties concerned.

Juminang (2008: 2) states, the financial statements is basically the result of the accounting process that can be used as a tool to communicate with the parties *berkempentingan* financial condition and results of operations. Party - the party that *berkempentingan* including management, owners, creditors, investors, distributors, employees, government agencies, and the general public.

According Jusup (2005: 11) states, financial statements are the result of the accounting process. The specific objective is to present the financial statements fairly and in accordance with generally accepted accounting principles regarding financial position, results of operations and other changes in financial position. Meanwhile, the Financial Accounting Standards (SAK 2004: 25) states, financial reporting purposes for the general purpose is to provide information about the financial position, performance and cash flows of companies that benefit the majority of the users of financial statements in order to make economic decisions and demonstrate accountability (*stewardship*) management on the use of the resources entrusted to them " .

The development of cooperative efforts so should be supported by the ability of the manager of the cooperative, including marketing, management, finance and capital. One of the issues there is the problem of preparing financial statements that must be done by the manager of the cooperative as a liability to the members of the cooperative. The financial statements to be made by the cooperative one of which is the cash flow statement, in accordance with GAAP ETAP 2009. Cooperation in the district Buleleng are still many who have not been able to make sufficient financial reports including cash flow statements. In research Ardiana and Sari (2010) obtained seven cooperative composed of credit unions and credit cooperatives in the district Buleleng registered in the Department of Cooperatives, Industry, and Trade Buleleng, and active until 2010 and held a RAT (Annual Members Meeting) until March 2010, and published the complete financial reports from 2005 to 2009. While the research Musmini, et al (2011) conducted the analysis of the operating cash flow statement in relation to the financial performance of the credit cooperative Swastiastu. The results obtained that the net cash flow from operating activities Swastiastu Credit Union from 2004 to 2008 always shows a negative value. This indicates that the cooperative does not have the cash to fund operations of the cooperative. In general, the cooperative's financial statements often show good financial performance, but if the note further, sometimes operations performed by the cooperatives were mostly funded by loans obtained from parent cooperative.

Research Kurniawan and Lestari (2012) regarding Financial Ratios As Basis Rate Financial Performance At KPN "Dharma Wiguna" Denpasar shows that based on the analysis of financial ratios are based on Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 06 / Per / M.KUKM / V / 2006, the financial performance of Civil Servants Cooperative (KPN) Dharma Wiguna government of Denpasar years 2007-2011 seen from relatively good liquidity, solvency relatively less, relatively good profitability, the efficiency of which was classified as less. Results of the analysis showed the index tends to increase liquidity, solvency tends to decrease, profitability is likely to increase, the efficiency tends to decrease.

Research Sari et al (2013) on Financial Ratio Analysis To Assess Performance Cooperative Aspects Of Productivity Based on Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number: 06 / Per / M.KUKM / V / 2006 (A Case Study KUD "Stone" Malang Period 2008-2012) shows that this cooperative has a rank less. This is because the results of the financial assessment of the average is still far from the standards set by the Minister of State KUKM Decree No. 06 / Per / M.KUKM / V / 2006.

Research Yahya et al (2013) regarding the analysis of Total Quality Management and Performance Dairy Cooperative (Case Study in the Village Unit Cooperatives Satya Dharma Malang) results showed that cooperatives demonstrate good financial performance based on profit and financial ratios. OPM rose to 3.33%. Profit ratio (Rp. 29,239,853 and Rp 56,448,367), NPM (1.89% - 2.79%), ROI (5.40% - 10.76%) and ROE (6.19% -13 , 23%). In 2011 the growth rate increased by 8.85 in profit, ROI and ROE 0.18 at 1.84, but declined OPM 10.48 and 10.39 of the NPM.

In the cooperative does not recognize the existence of the income statement, but statements of Business. From the aspect of legalistic, understanding SHU according to article 45 of Law No. 25, 1992 are as follows:

- a) SHU cooperative is cooperative income earned in the fiscal year concerned.
- b) SHU net of reserve funds, distributed to members of comparable services of the work done by each member of the cooperative, and is used for educational purposes cooperatives and cooperative purposes, in accordance with the decision of the meeting of members.
- c) The amount of capital accumulation reserve funds are set at a meeting of members.

Please note that the SHU, the amount of the distribution to the members and the type and amount for other purposes, set by the Member Meeting in accordance with the Statutes / Bylaws of the Cooperative. In this case, the business services include business transactions and capital participation. With reference to the above understanding, the magnitude SHU received by each member will be different, depending on the amount of participation capital and revenue transactions to the formation of the cooperative members. In this sense, it is also clear that there is a linear relationship between the members and the cooperative business transactions in the acquisition of SHU.

Table 2
Performance Data of Cooperatives in Buleleng (1)

| Year | Cooperatives (Unit) | | | Member (person) | | | RA T (Unit) | Manager (Person) | | |
|-------|---------------------|--------|-----------|-----------------|---------|--------|-------------------|------------------|-----|-----|
| | Total | Active | Un-Active | Total | M | F | | Total | M | F |
| | (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) |
| 2013 | 340 | 297 | 43 | 77,055 | 56,302 | 20,753 | 150 | 66 | 62 | 4 |
| 2014 | 342 | 299 | 43 | 68,508 | 48,961 | 19,547 | 154 | 68 | 57 | 11 |
| Total | 682 | 596 | 86 | 145,563 | 105,263 | 40,300 | 304 | 134 | 119 | 15 |

Source: Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, 2014

Table 3
Data Performance of Cooperatives in Buleleng (2)

| Year | Employee (Person) | | | Equity (Rp. Million) | Foreign Capital (Rp. Million) | Business Volume (Rp. Million) | SHU (Rp. Million) |
|------|-------------------|-------|------|----------------------|-------------------------------|-------------------------------|-------------------|
| | Total | M | F | | | | |
| | (11) | (12) | (13) | | | | |
| 2013 | 862 | 607 | 255 | 162,584.27 | 161,292.23 | 177,293.47 | 5,426.69 |
| 2014 | 986 | 525 | 461 | 170,957.44 | 174,250.40 | 201,433.94 | 8,541.95 |
| Tot | 1,848 | 1,132 | 716 | 333,541.71 | 335,542.63 | 378,727.41 | 13,968.64 |

Source: Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, 2014

Cooperative financial ratio analysis of aspects of productivity based on the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number: 06 / Per / M.KUKM / V / 2006, namely:

- 1) Return on Equity
 $\text{Profitability Equity (RMS)} = (\text{SHU} : \text{Equity}) \times 100\%$
 $\text{RMS 2013} = (\text{Rp } 5,426.69 : \text{USD } 162,584.27) \times 100\% = 3.33\%$
 $\text{RMS 2014} = (\text{Rp } 8,541.95 : \text{USD } 170,957.44) \times 100\% = 5\%$

Profitability Equity is the ratio between Time Results of Operations (SHU) obtained cooperative with Equity (Sari et al, 2013: 5). Ideal standard based on the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia is equal to or above 21%. Based on the above data it can be seen that during 2013 to 2014 cooperatives in Buleleng has not been able to exceed the value of the profitability of its own capital in accordance ideal standard that has been set which is equal to or above 21%.

- 2) Ability to Generate Profit (Net Profit Margin)
 $\text{Net Profit Margin (NPM)} = (\text{SHU} : \text{Revenue}) \times 100\%$

$$\begin{aligned} \text{NPM in 2013} &= (\text{Rp } 5,426.69 : \text{USD } 177,293.47) \times 100\% = 3.06\% \\ \text{NPM 2014} &= (\text{Rp } 8,541.95 : \text{USD } 201,433.94) \times 100\% = 4.24\% \end{aligned}$$

Net Profit Margin, which is the ratio between Time Results of Operations (SHU) obtained by the cooperative gross income per year (Sari et al, 2013: 6). Ideal standard set by the Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia is equal to or above 15%. The amount of the Net Profit Margin owned by the Cooperative in Buleleng is still below ideal standards that have been set. This shows a decline in the financial performance of cooperatives in generating net profit margins.

Conclusions

Based on the above results it can be concluded as follows:

- a. During the years 2013 to 2014 cooperatives in Buleleng has not been able to exceed the value of the profitability of its own capital in accordance ideal standard that has been set which is equal to or above 21%. Where the percentage of Profitability Equity Cooperative in Buleleng regency in 2013 is 3.33% and 5% in 2014. The percentage is still far from ideal standards set by the Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number:06 per/M.KUKM/V/2006.
- b. The amount of the Net Profit Margin owned by the Cooperative in Buleleng is still below ideal standards which have been established which NPM in 2013 amounted to 3.06% and NPM in 2014 amounted to 4.24%. This shows a decline in the financial performance of cooperatives in generating net profit margins.

Suggestions

Although when viewed from the aspect of productivity of cooperatives in Buleleng regency still far from criteria established by the Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number: 06 / Per / M.KUKM / V / 2006, but it is expected koperasi- the cooperative to the next can increase their productivity, improve the balance of the acquired businesses, improve financial ratios and cooperatives should be able to reduce costs of operations. It is extremely important for the implementation of Law No. 1 Year 2013 on Micro Finance Institutions on January 2015 so in accordance with the objectives set, namely: (1) facilitate the access of the poor and / or low income to obtain loans / Financing micro; (2) economic empowerment and productivity of the poor and / or low incomes; and (3) increase the income and welfare of the poor and / or low income.

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