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Financial Statements and Financial Performances

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Abstract

Social Security Organizing Office (BPJS) Employment could be a government- possessed undertaking that serves to organize a labor guarantee program. To be able to compete within the trade world, to outlive and create can be decided through the capacity of a company by looking at the conditions and monetary execution. This ponder points to decide the budgetary execution seen from the investigation of budgetary explanations based on liquidity proportions, dissolvability proportions and profitability proportions. The sort of information utilized is auxiliary information with information collection strategies within the frame of reports and writing consider. The information examination procedure utilized is graphic. Based on the comes about of the think about can be concluded that the budgetary execution (BPJS) Work in 2014-2016 is likely to vary but considered very great and require an increment.

Keywords: Liquidity Ratio, Solvency, Profitability Ratio, Financial Performance

INTRODUCTION

In the current globalization, Indonesia is faced by various competitions mainly in the economic field. To maintain the development and survival of a business, there needs to be efforts that must be made by interested parties. One of them is the management of the company that must be able to draw up a plan for the company to be better than previous periods by improving the supervision system and determining the right policies and must be able to measure the company's capabilities with improve financial conditions in terms of effectiveness and efficiency.

One way to find out the condition of a company can be seen through its financial statements. Financial statements are an important tool for obtaining information in connection with financial conditions because they can provide information about the financial position of a company so that it is used as a medium to measure financial performance and provide financial information to interested parties as a financial statement. balance in the making of economic decisions.

Financial ratios are one type of measuring tool that companies use to analyze financial statements. By using financial ratios can analyze the good or bad state of the financial position of a company from one period to the next. The ratios used are liquidity ratio, solvency ratio and profitability ratio.

In the opening of the Indonesian State Constitution Ublik 1945 mandated that the purpose of the state is for social justice and improving the welfare of the Indonesian nation. In the fourth amendment to the Constitution of the Republic of Indonesia in 1945, the goal was further strengthened by developing a social security system for the welfare of all Indonesian people.

Mandated in Law No.40 of 2004 on the National Social Security System which was then followed up with the issuance of Law No. 24 of 2011 concerning social security organizing bodies, the government requires that all companies or employers to be able to include workers aknow their workers as participants of the Social Security Organizing Agency (BPJS).

The Social Security Organizing Agency (BPJS) Employment is a government program that since the period of January 1, 2014 was established as a replacement for PT Jamsostek (persero). With the same goal of providing protection for the workforce to overcome certain socioeconomic risks and its implementation using mechanisms to improve social welfare.

Performance assessment has an important role in providing information about the circumstances that are being experienced by a company. Moreover, to realize the vision and mission that has been set. In BPJS Employment, which is a government program, you should continue to make improvements to the development of the guarantee program and as much as possible for the benefit of its participants.

In fact, social security programs that require all companies or employers to register workers. However, not all companies or employers implement these rules. The reason is that the company is a business entity that wants to spend the smallest costs and get the maximum profit. By looking for other alternatives to social security registration for workers who are relatively lower than the dues rates found in BPJS Employment. So that employers choose to register some of their workers in the social security program required by the government.

Against this background, this study has a formulation of the problem of how the results of financial statement analysis based on liquidity ratio, solvency, and profitability to financial performance at the Social Security Organizing Agency (BPJS) Employment? The purpose of this study is to find out financial performance judging from the results of financial statement analysis based on liquidity ratio, Solvency, and profitability at the Employment Social Security Organizing Agency.

THEORETICAL FOUNDATION

Analysis of Financial Statements

Kuangan report analysis is an analysis that is done by comparing certain elements contained in financial statements to find out developments about the condition and performance of a company.

According to Dermawan and Djahotman (2013: 1) defining that the financial statement analysis is an application of analyzing tools & techniques for general & general-purpose of financial statements of data related to generate the useful estimates & conclusions in business analysis.

According to Hanafi and Halim (2016:20) it would be that financial analysis basically wants to look at the company's prospects and risks. The outlook can be seen from the level of profitability (profitability) and risk can be seen from the possibility of the company experiencing financial difficulties or experiencing a revival.

Financial Ratio

Fahmi (2013:108) recommended that the financial ratios are an anal kind of instrument of corporate achievement that generally describes various different financial relationships & also indicators, to show the changes in financial conditions or past operated achievements & help to describe the general trend of such pattern of changes, to then show the risks & opportunities inherent in the company in question.

Types of Liquidity Ratio Financial Ratios

According to Fred Weston in Cashmere (2017: 129) mentioned that the liquidity ratio *(liquidity ratio)* is a ratio that describes the company's ability to meet short-term obligations (debt).

a. Current *ratio*

Ratio fluent or (*current ratio*) be Ratio that Used to measure a company's ability to meet long-term obligations Nutshell Especially obligations. that soon Due.

$$\textit{Current Ratio} = \frac{\textit{Current Assets}}{\text{Current } \textit{Liabilities}}$$

b. Quick Ratio (Quick *Ratio)*

Ratio Fast (*Quick Ratio*) or Ratio very fluent arau *Acid Test ratio* be Ratio that show ability company deep meeting or paying current liabilities or debts (short-term debt) with Assets smooth without Account inventory value (*Inventory*).

$$\textit{Quick Ratio} = \frac{\text{Cash + Bank + Securities + Receivables}}{\text{Current } \textit{Liabilities}}$$

c. Cash Ratio (Cash *Ratio)*

Cash Ratio (*Cash Ratio*) is a tool Used to measure how Big money cash that Available to pay debts.

Solvency Ratio

Solvency ratio or *leverage* ratio according to Fahmi (2014: 62), is a measure of how much a company is financed with debt. According to Cashmere (2017:156) companies can use the following ratios:

$$\textit{Cash Ratio} = \frac{\text{Cash + Bank}}{\text{Current } \textit{Liabilities}}$$

a. ***Debt to Asset Ratio (Debt Ratio)***

Debt ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, to measure how much the company's assets are financed by debt or how much debt the company influences asset management.

$$\textit{Debt to asset ratio} = \frac{\text{Total } \textit{Debt}}{\text{Total } \textit{Assets}}$$

b. ***Debt to Equity Ratio***

Debt to equity ratio It is the ratio used to assess debt. with Equity so that get know sum Funds that Provided Borrowers (creditors) with the owner of the company.

$$\textit{Debt to equity ratio} = \frac{\text{Total } \textit{Debt}}{\text{Equity } \textit{(Equity)}}$$

Profitability Ratio

According to Cashmere (2017: 196), measuring the profitability ratio of companies according to Cashmere (2017: 201) can use the following ratios:

a. **Return *on Investment* (ROI)**

Return on investment *Return on Investment* (ROI) or *return On Total assets* . It shows the results (*return*) on the amount of assets which is used in the company. ROI is also called a measure of Effectiveness Management in Investment.

$$\textit{Return on Investment}\ (\text{ROI}) = \frac{\textit{Earning After Interest and Tax}}{\text{Total } \textit{assets}}$$

b. **Return *on Equity* (ROE)**

The return *on* equity or capital rentability is a ratio to measure net income after tax with its own capital. This ratio indicates the efficiency of its own use of capital.

$$\textit{Return on Equity (ROE)} = \frac{\textit{Earning After Interest and Tax}}{\text{Total } \textit{Equity}}$$

Financial Performance

According to Rudianto (2013: 189), suggested that to carry out its proper functioning to manage the assets of company effectively during a specific period. According to Sutrisno (2009: 53), work finance is a desired achievement secured by the company during a certain period that normally reflects the different level of company's health. Based on few of the above-described understandings it can be summarized that the financial performance is an analysis which is used to see the output of achievements that has been achieved by the management people in managing a company.

RESEARCH METHODS

Dependent Variables

The research approach carried out in this research is a qualitative approach and uses descriptive methods, which is one of the type of research & it's purpose is to present a complete framework of social settings or to be intended for exploration & explanation of a phenomenal or social reality through describing many variables relating to the concerned problem & the units which has been studied between the phenomena which is being tested.

The data source used by researchers is a secondary data source, namely researchers obtained through the official website of the Social Security Organizing Agency (BPJS) Employment in the form of financial statements from 2014 to 2016 and descriptions related to research objects and collection techniques. The data used by researchers is documents and literature studies n.

RESULTS AND DISCUSSIONS

Current *Ratio* Liquidity Ratio **Analysis**

$$2014 = \frac{8.277.738.484.037}{1.056.851.073.548} \quad 783.25\%$$

$$2015 = \frac{7.310.709.056.605}{913.705.890.139} \quad 800.12\%$$

$$2016 = \frac{7.198.324.828.197}{1.301.501.324.593} \quad 553.08\%$$

Based on the results of calculations can be analyzed that the current ratio of the Employment Social Security Organizing Agency tends to increase and decrease over the last three years proven in 2015 to increase by 16.87% from 2014 which is 783.25% to 800.12% in 2015. But in 2016 it decreased by 247.04% from 2015 800.12% to 553.08%. Although the results of current ratio measurements obtained during 2014 to 2016 fluctuated, the condition of the company was considered quite good because the results obtained exceeded the specified standard of 200% (Cashmere, 2017: 135) and the greater the comparison results, the better the company in fulfilling their short-term obligations.

Quick Ratio **(Quick *Ratio)***

Based on the results of calculations can be analyzed that the rapid ratio of the Employment Social Security Organizing Agency tends to decrease.

Over the past three years it was proven in 2014 to 2016 at 526.93%, 467.94% and down again to 354.50%. This shows that the company's ability to meet or pay its short-term debt for three years began to apply BPJS Employment also decreased. But by looking at the results obtained by BPJS Employment is quite good in processing its liquidity level because the fast ratio achieved has exceeded the predetermined standard of 100% (Fahmi, 2014: 62).

$$2014 = \frac{1{,}444{,}063{,}104{,}182 + 3{,}027{,}512{,}354{,}352 + 1{,}097{,}259{,}456{,}075}{1.056.851.073.548} \quad 526.93\%$$

$$2015 = \frac{1{,}244{,}955{,}540{,}872 + 2{,}139{,}789{,}479{,}872 + 890{,}809{,}066{,}806}{913.705.890.139} \quad 467.94\%$$

$$2016 = \frac{1{,}540{,}586{,}319{,}642 + 2{,}213{,}660{,}839{,}975 + 859{,}604{,}452{,}135}{1.301.501.324.593} \quad 354.50\%$$

Cash Ratio **(Cash *Ratio*)**

Based on the results of calculations can be analyzed that the cash ratio of the Employment Social Security Organizing Agency from 2014 to 2016 decreased continuously. In 2015 there was a decrease of 0.39% from 2014, at 136.64% to 136.25%. And in 2016 there wasa decrease back by 17.88% from 2015 by 136.25% to 118.37%. This shows that the Employment Guarantee Organizing Agency (BPJS) in meeting its short-term debt with cash is considered declining but still in aman condition and the decline that occurred is not so significant.

Analysis of Solvency Ratio of Debt to Asset Ratio

Based on the results of calculations can be analyzed that the ratio of debt to assets of the Social Security Employment Organizing Agency from 2014 to 2016 decreased and increased. In 2015, it decreased by 0.4% in 2014 by 19.96% to 19.56%. In 2016 there was an increase of 0.19% from 2015, which was 19.56% to 19.75%. These increases and decreases are considered to be relatively stable insignificant. This shows bahwa

$$2014 = \frac{1.444.063.104.182}{1.056.851.073.548} = 136{,}64\%$$

$$2015 = \frac{1.244.955.540.872}{913.705.890.139} = 136{,}25\%$$

$$2016 = \frac{1.540.586.319.642}{1.301.501.324.593} = 118{,}37\%$$

The Social Security Organizing Agency (BPJS) Employment in the management of total assets and total debt is quite good and in maintaining for three years the enactment is relatively stable so that it is considered able to cover debt with assets owned.

$$2014 = \frac{2.311.006.830.828}{11.581.019.857.220} = 19{,}96\%$$

$$2015 = \frac{2.167.696.548.140}{11.080.636.007.966} = 19{,}56\%$$

$$2016 = \frac{2.641.272.741.627}{13.371.558.956.031} = 19.75\%$$

Debt-to-Equity Ratio

Based on the results of calculations can be analyzed that the ratio of debt to equity of the Social Security Employment Organizing Agency from 2014 to 2016 experienced a decrease and increase. In 2015 there was a decrease of 0.61% from 2014, which was 24.93% to 24.32%. In 2016 there was an increase of 0.3% from 2015 by 24.32% to 24.62%. These increases and decreases are relatively stable insignificant. This shows that the Social Security Organizing Agency (BPJS) Employment in the management of total equity and total debt is quite good and in maintaining for three years the enactment is relatively stable so that it is considered able to cover debt using its own capital.

$$2014 = \frac{2.311.006.830.828}{9.270.013.026.392} = 24{,}93\%$$

$$2015 = \frac{2.167.696.548.140}{8.912.939.459.826} = 24{,}32\%$$

$$2016 = \frac{2.641.272.741.627}{10.730.286.214.405} = 24{,}62\%$$

Profitability Ratio Analysis

Return *on* Investment

Based on the results of calculations can be analyzed that the ratio of return on investment (Return *on Investment)* of the Social Security Employment Organizing Agency from 2014 to 2016 decreased and increased. In 2015, it decreased by 0.52% from 2014 by 6.16% to 5.64%. And in 2016

Increased by 3.81% from 2015, which was 5.64 to 9.45%. This indicates that the pr level of evitability tends to fluctuate and rated still quite low. But basically the Employment Social Security Organizing Agency is a non-profit legal entity that is the result of the management of social security funds entirely for the development of the program and the maximum interests of participants.

$$2014 = \frac{712.931.449.004}{11.581.019.857.220} = 6{,}16\%$$

$$2015 = \frac{624.615.414.495}{11.080.636.007.966} = 5{,}64\%$$

$$2016 = \frac{1.263.186.304.437}{13.371.558.956.031} = 9{,}45\%$$

Return *on* Equity

Based on the results of calculations can be analyzed that the ratio of Return on Equity (Return *On Equity)* of the Social Security Employment Organizing Agency from 2014 to 2016 decreased and the increase in 2015 decreased by 0.68%. from 2014, it was 7.69% to 7.01%. And in 2016 there was an increase of 4.76% from 2015 by 7.01% to 11.77%. This shows that the level of profitability owned by the Social Security Organizing Agency (BPJS) Employment tends to fluctuate and the results of this ratio calculation see that the company in achieving a return on equity is getting better.

$$2014 = \frac{712.931.449.004}{9.270.013.026.392} = 7{,}69\%$$

$$2015 = \frac{624.615.414.495}{8.912.939.459.826} = 7{,}01\%$$

$$2016 = \frac{1.263.186.304.437}{10.730.286.214.405} = 11{,}77\%$$

CONCLUSION

The results of the calculation of financial statements based on the liquidity ratio of the Social Security Employment Organizing Agency in 2014 to 2016 fluctuated due to the increase and decrease in the amount of current debt and current assets. This can be seen from the calculation of current *ratios* that experience increases and decreases. While in the calculation of quick ratio (quick *ratio)* there is a continuous decrease. Similarly, the calculation of cash ratio (ca*sh ratio)* which occurs a continuous decrease although not significant. But overall the ratio.

Liquidity tends to improve because the results obtained have exceeded established standards. The results of the calculation of financial statements based on the solvency ratio of financial performance of the Social Security Employment Organizing Agency in 2014 to 2016 fluctuated but tended to be stable due to the increase and decrease in total debt, total assets, and total equity. Based on the calculation of the *debt* to *asset ratio* shows that the Employment Social Security Organizing Agency can meet its short- and long-term debt and is able to show assets held beyond its debt. Similarly, the *debt to equity ratio* shows that the Social Security Employment Organizing Agency has a safe portion in meeting debt to its own capital. The results of the calculation of financial statements based on the profitability ratio of the Financial Performance of the Social Employment Assurance Agency in 2014 to 2016 experienced fluctuations caused by the increase and decrease in after-tax income, total assets and total equity. This can be seen from the calculation of return on investment (return *on investment)* and return on equity results*(return on equity)*which shows that the results obtained are relatively low so that it can be said The Social Security Employment Organizing Agency in seeking benefits is so little that it proves the Employment Social Security Organizing Agency is a regulatory compliant body that does not increase the profits owned because it includes business entities that are for-profit and prioritize for the benefit of the participants.

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