# FINANCIAL PERFORMANCE TRENDS COOPERATIVES: OPERATING CASH FLOW PERSPECTIVE (A case study of credit cooperatives at the Cooperative Swadaya Utama Maumere)

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**Abstract**: The purpose of this study was to evaluate the trend of financial performance of credit cooperatives using cash flow analysis. the research design used is descriptive quantitative research method, by describing the results of the analysis of five aspects of the cash flow ratio, namely the Operating Cash Flow Ratio, Cash Flow Ratio to Interest, Capital Expenditure Ratio, Total Debt Ratio and Cash Flow Ratio to Net Profit. The data analysis used is cash flow analysis: Operating Cash Flow Ratio, Cash Flow Ratio to Interest, Capital Expenditure Ratio, Total Debt Ratio, Cash Flow Ratio to Net Profit and Trend Analysis using the least squares method. The results showed that the financial performance of cooperatives with a cash flow perspective in 2016 - 2018 it is in bad criteria and tends to have a negative trend, but in 2019 - 2020 it is in good criteria and shows a positive trend.

**Keywords**: Financial Performance, Cash Flow, Trend

## 1. Introduction

Cooperatives are institutions that carry out business activities and services to the community with the main objective of cooperatives being to improve the welfare of members in particular and the community in general and to participate in building the national economic order in order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution.

To achieve this goal, cooperatives really need information on financial statements, including information about cash flows because the main activities of savings and loan cooperatives are saving funds and distributing funds to members in the form of member loans. Therefore, cash flow management is the first and foremost concern for cooperatives. In addition, financial statement information also aims to enable cooperatives to make estimates of work programs in the coming period and assist in planning and taking appropriate policy steps.

The fact is that at this time there are many new cooperatives in Sikka Regency, so there is competition in order to develop their business. To survive and compete in carrying out its business activities, cooperatives must have a good cooperative processing and management system, so as to optimize the use of resources effectively and efficiently. In carrying out its activities, cooperatives require a certain amount of funds to finance and or cover their expenses. In other words, cooperatives must manage their cash resources as well as possible in continuing cooperative activities in achieving their vision and mission.

Given the importance of cooperatives for the Indonesian economy, the development of cooperatives needs to get very serious attention. It is intended that the government can help the growth rate for unhealthy cooperatives. For this reason, an analysis is needed that can be used as a reference in determining the condition of a cooperative. The analysis can be done using the Cash Flow Statement Analysis.

According to Financial Accounting Standards for Entities without Public Accountability (2009), cash flow statement is a report that presents relevant information about cash receipts and disbursements of an economic entity during a period from operating, investing and financing activities. Savings and loan cooperatives are cooperatives that carry out fund storage activities and distribution of funds to members, therefore they must have sufficient cash to be able to serve the needs of members and at all times fulfill their obligations. Cooperatives also need funds to finance and cover all expenses in carrying out their activities. Therefore, cooperatives must be able to manage their cash to facilitate operating, investment and funding activities.

In its operational activities, cooperatives can determine their ability to generate cash through cash flow reports which are expected to predict the progress of cooperatives in each current year so that cooperatives do not experience losses, go bankrupt and are able to survive in the economic crisis.

A cash flow statement is a report that contains the effect of cash from operating activities, financing/funding transaction activities and the net increase or decrease in a company's cash for a period (Toto Prihadi, 2012). Cash flows that are not managed properly will result in an imbalance or imbalance between cash inflows and cash outflows. This will have an impact on the cooperative's cash flow, where if the cooperative's cash is too small, it will result in a lack of funds which can disrupt the cooperative's operational activities or unavailability of unexpected costs. However, if the cash in the cooperative is too large, it will cause waste so that it can harm the cooperative because it is unable to provide added value for the cooperative.

So that cooperative activities are not disrupted, the largest Savings and Loans Cooperatives are registered at the Credit Cooperative Center Swadaya Utama Maumere, that are: Pintu Air, Obor Mas, Tuke Jung, Sube Huter and Mitan Gita, which is also the cooperative with the most active members of the 35 cooperatives registered at the Credit Cooperative Center Swadaya Utama Maumere and have complete financial reports every year and generally already have branches in various regions within Sikka district and outside Sikka district, it is necessary to have good cash flow.

The purpose of this study was to evaluate the trend of financial performance of credit cooperatives using cash flow analysis. To simplify and clarify the object under study, this research is limited to: 1) The cooperative's financial performance assessment uses cash flow analysis (Operational Cash Flow Ratio, Cash Flow Ratio to Interest, Capital Expenditure Ratio, Total Debt Ratio, Cash Flow Ratio to Net Profit and then looks at the trend of its financial performance. 2)The research was conducted using the cooperative cash flow report at the Credit Cooperative Center Swadaya Utama Maumere period 2016 to 2020.

## 2. Literature Review

### Definition of cash flow

The concept of cash flow has been developed by economists such as Brigham (2009), Van Horne (2008), Brealey and Myers (2008). Cash flow is actually net cash that comes into the company (or is spent) during a certain period. (Brigham, 2009). Blank (2013) argues that "cash flow is the main indicator that describes the effect of investment in the form of funds returned to investors. Cash flow on investment is based on net income and the amount of depreciation of tangible and intangible assets, While Bocharov (2009) argues that "cash flow is "while Bocharov (2009) argues that "cash flow is" the amount of cash received or paid during the reporting or planned period". According to Rudianto (2010:11) defines a cash flow statement as "The cash flow report is a report on cash outflows and cash inflows during a certain period, which includes the beginning balance of cash, sources of cash receipts, sources of cash disbursements, and the ending balance of cash in a company period". Rudianto (2012: 194) defines cash flow as follows: "a report on the company's cash receipts and disbursements activities during a certain period, along with an explanation of the sources of cash receipts and disbursements".

From some of these opinions it is said that cash inflows are associated with income received by the company for goods sold, services provided, work performed, or income from equity participation in other companies. Net income is the funds available to the company which is the difference between income and expenses including tax payments, while cash inflows are funds that come in from various sources. However, it must be distinguished between cash inflows and net income received by the company (Soboleva et al, 2018). Despite the fact that views on cash flow differ, all researchers consider cash flows from perspective of the company's financial and economic activities.

**Purpose of cash flow statement**

Ward (1994), explains that the use of cash flow ratios to predict a company's financial distress. The purpose of presenting a cash flow statement according to Sofyan (2011:259) is to provide relevant information about the receipts and disbursements of cash or cash equivalents from a company in a certain period. This report will help investors, creditors and other users to: assess the company's ability to enter cash in the future, assess the company's ability to meet its obligations pay dividends and the need for funds for external activities, assess the reasons for the difference between net income and associated cash receipts and disbursements and assessing the effect of both cash and non-cash investments and other financial transactions on the company's financial position during a certain period.

From the objectives expressed by the experts above, it can be it can be concluded that the purpose of the cash flow statement is to provide relevant information about the company's cash receipts and disbursements during a certain period.

**Cash flow analysis**

Darsono (2015), explains that in assessing the financial performance of the cash flow statement, it can be calculated using the cash flow ratio as follows: 1) Operating Cash Flow Ratio. Operating Cash Flow Ratio is a ratio to measure the ability of operating cash flows to pay current liabilities. This ratio is obtained by dividing operating cash flow by current liabilities. 2) Operating Cash Flow to Interest Ratio. Operating Cash Flow Ratio to Interest is a ratio to measure the company's ability to pay the company's interest. This ratio is calculated as the quotient between operating cash flows plus cash paid for interest and taxes with cash paid for interest. 3) Capital Expenditure Ratio. Capital Expenditure Ratio is a ratio to measure operating cash flow available for investment expenditure. This ratio is calculated as the quotient between operating cash flows and cash paid for capital expenditures, such as purchases of fixed assets, business acquisitions and other investments. 4) Total Debt Ratio. Total Debt Ratio is a ratio to measure the company's operating cash flow ability to pay off all of its obligations, both current liabilities and long-term liabilities. This ratio is calculated as the quotient between operating cash flows and total debt. 5) Cash Flow to Net Profit Ratio. The ratio of cash flow to net income is a ratio to measure how far the accrual accounting adjustments and assumptions affect the calculation of net income. This ratio is calculated as the quotient between operating cash flow and net income

**Trend analysis.**

Trend analysis is an approach by using items in the company's financial statements from year to year to see how far the company's financial performance is improving or declining. If the trend improves, it can be concluded that the company's financial performance is relatively good, and vice versa. Maryati (2010; 129) states that a trend is a movement (tendency) up or down in the long term, which is obtained from the average change over time. The trend or tendency of the company's financial position and progress expressed in percentages (trend percentage analysis), is a method or analytical technique to determine the tendency of the financial situation, whether it shows a fixed, up or even down tendency (Munawir, 2014).
The least squares method is the method used to determine the trend equation of the data because this method produces data mathematically. In this case, it will be more devoted to discussing the analysis of the least square method which is divided into two cases, namely the case of even data and odd data.

## 3. Method

Judging from the purpose of this study, the research design used is descriptive quantitative research method, by describing the results of the analysis of five aspects of the cash flow ratio, namely the Operating Cash Flow Ratio, Cash Flow Ratio to Interest, Capital Expenditure Ratio, Total Debt Ratio and Cash Flow Ratio to Net Profit from 2016 – 2020. This research is reinforced by the following sources of financial statement data:

1) Balance sheet for the period 2016 – 2020
2) Cash Flow Statement for 2016 – 2020
3) Report of Remaining Operating Results for the period 2016 – 2020.

The data analysis used is:

1) Cash flow analysis (Herry, 2017) : Operating Cash Flow Ratio, Cash Flow Ratio to Interest, Capital Expenditure Ratio, Total Debt Ratio, Cash Flow Ratio to Net Profit.
2) Trend Analysis. The straight-line trend analysis used is the least square method.

## 4. Result and Discussion

**Cash flow analysis:**

a. Operating Cash Flow Ratio

**Table 1. Results of Calculation of Operating Cash Flow Ratio**

| Cooperative | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| Obor Mas | 1,18 | 0,97 | 0,81 | 0,91 | 0,93 | 0,96 |
| Pintu Air | 1,07 | 0,88 | 0,65 | 0,76 | 0,82 | 0,84 |
| Tuke Jung | 0,53 | 0,49 | 0,52 | 0,53 | 0,54 | 0,52 |
| Sube Huter | 0,47 | 0,49 | 0,45 | 0,47 | 0,46 | 0,46 |
| Mitan Gita | 4,30 | 1,85 | 0,73 | 1,14 | 1,10 | 1,82 |
| Rata-Rata | **1,51** | **0,936** | **0,632** | **0,762** | **0,770** | **0,92** |

*Source:* Processed by the Author

Table 1 shows the average operating cash flow ratio to debt of 0.92, meaning below 1. This condition shows that the performance of cooperatives is not good, meaning that the cooperatives have not been able to pay off their current debts only by using operating cash flow for 5 years, thus showing the low ability of operating cash flows to cover their current debts.

b. Cash Flow Ratio to Interest

**Table 2 Calculation of the Cash Flow Ratio to Interest Ratio**

| Cooperative | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| Obor Mas | 9,23 | 7,46 | 7,39 | 8,41 | 8,38 | 8,17 |
| Pintu Air | 11,7 | 4,78 | 4,56 | 5,11 | 5,09 | 6,25 |
| Tuke Jung | 7,22 | 6,06 | 6,91 | 7,72 | 7,63 | 7,10 |
| Sube Huter | 7,78 | 7,03 | 6,39 | 6,43 | 6,38 | 6,80 |
| Mitan Gita | 22,6 | 10,58 | 8,81 | 6,66 | 6,57 | 11,04 |
| Rata-Rata | **11,706** | **7,182** | **6,812** | **6,866** | **7,78** | **7,87** |

*Source:* Processed by the Author

Table 2 shows the average operating cash flow ratio to average interest of 7.87 which has a ratio greater than 1. This condition means that the average financial performance of these cooperatives is in the Good criteria. This shows that the company's operating cash flow has a good ability to cover interest costs, so the possibility of cooperatives not being able to pay interest is very small. The number of ratios resulting from this calculation reveals how much of the periodic cash flow generated by the cooperative can be used to pay both the interest on the debt and the taxes that are the obligation of the cooperative.

c. Capital Expenditure Ratio

**Table 3 Calculation of Capital Expenditure Ratio**

| Cooperative | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| Obor Mas | 16,2 | 13,8 | 13,5 | 14,6 | 14,2 | 14,46 |
| Pintu Air | 10,5 | 6,48 | 3,35 | 4,63 | 4,55 | 5,90 |
| Tuke Jung | 20,5 | 17,5 | 18,5 | 19,6 | 19,2 | 19,06 |
| Sube Huter | 8,51 | 9,10 | 8,29 | 8,23 | 8,15 | 8,45 |
| Mitan Gita | 7,03 | 11,2 | 7,84 | 4,79 | 4,65 | 7,10 |
| Rata-Rata | **11,348** | **11,616** | **10,296** | **10,37** | **10,15** | **10,99** |

Source: Processed by the Author

Table 3 shows the average ratio of operating cash flows to capital expenditures on average of 10.99 which has a ratio greater than 1. This condition means that the average financial performance of these cooperatives is in the Good criteria and shows that the cooperative is able to finance the cooperative's capital expenditure.

d. Total Debt Ratio

**Table 4 Calculation Results of Total Debt Ratio**

| Cooperative | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| Obor Mas | 0,66 | 0,59 | 0,52 | 0,60 | 0,51 | 0,57 |
| Pintu Air | 0,48 | 0,42 | 0,33 | 0,72 | 0,68 | 0,52 |
| Tuke Jung | 0,39 | 0,36 | 0,38 | 0,39 | 0,35 | 0,37 |
| Sube Huter | 0,43 | 0,44 | 0,40 | 0,43 | 0,42 | 0,42 |
| Mitan Gita | 1,65 | 1,01 | 0,52 | 0,64 | 0,60 | 0,88 |
| Rata-Rata | **0,722** | **0,564** | **0,43** | **0,556** | **0,51** | **0,55** |

*Source:* Processed by the Author

Table 4 shows the average operating cash flow ratio to total debt on average 0.55 which has a ratio smaller than 1. This condition means that the average financial performance of these cooperatives is in the bad criteria. This condition shows that these cooperatives are unable to pay all their obligations using cash flows that come from the normal activities of cooperative operations. The ratio of operating cash flow to total debt shows the ability of the cooperative's operating cash flow to pay off all of its obligations, both current and long-term liabilities. A low ratio indicates that cooperatives have a poor ability to pay all their obligations using cash flows that come from the normal operating activities of cooperatives.

e. Cash Flow Ratio to Net Profit.

**Table 5 Calculation of the Cash Flow Ratio to Net Profit**

| Cooperative | 2016 | 2017 | 2018 | 2019 | 2020 | Average |
|---|---|---|---|---|---|---|
| Obor Mas | 32,2 | 73,1 | 69,4 | 76,1 | 75,8 | 65,3 |
| Pintu Air | 137,2 | 233,6 | 164,3 | 193,3 | 191,5 | 183,9 |
| Tuke Jung | 26,04 | 42,2 | 50,2 | 32,2 | 32.1 | 36,5 |
| Sube Huter | 31,4 | 35,4 | 77,1 | 90,3 | 89,6 | 64,7 |
| Mitan Gita | 363,7 | 293,9 | 214,1 | 94,2 | 93,9 | 211,9 |
| Rata-Rata | **118,10** | **135,64** | **115,02** | **97,22** | **96,6** | **112,5** |

*Source:* Processed by the Author

Table 5 shows the average operating cash flow ratio to net income on average 112.5 which has a ratio smaller than 1. This condition means that the average financial performance of these cooperatives is in the Good criteria. This condition shows that these cooperatives have a good net profit. The higher this ratio indicates that the cooperative's financial performance is getting better, although with a small net profit as a result of the large non-cash expenses. This ratio describes the average cash from operating activities of the total net profit generated by the cooperative.

**Trend Analysis : Least Square Method.**

a. Trend of Operating Cash Flow Ratio

**Table 6 Calculation of Trend of Operating Cash Flow Ratio**

| Year | AKO (Y) | X | XY | $X^2$ | bX | Yt |
|---|---|---|---|---|---|---|
| 2016 | 1,510 | -2 | -3,02 | 4 | 0,338 | 1,26 |
| 2017 | 0,936 | -1 | -0,936 | 1 | 0,169 | 1,09 |
| 2018 | 0,632 | 0 | 0 | 0 | 0 | 0,92 |
| 2019 | 0,762 | 1 | 0,762 | 1 | -0,169 | 0,75 |
| 2020 | 0,770 | 2 | 1,54 | 4 | 0,338 | 1,26 |
| Jumlah | **4,610** | | **-1,694** | **10** | | **5,22** |

*Source:* Processed by the Author

The equation to find out the trend of the operating cash flow ratio is Y = a + bX, the results of the above calculations show the trend graph of the operating cash flow ratio as follows:

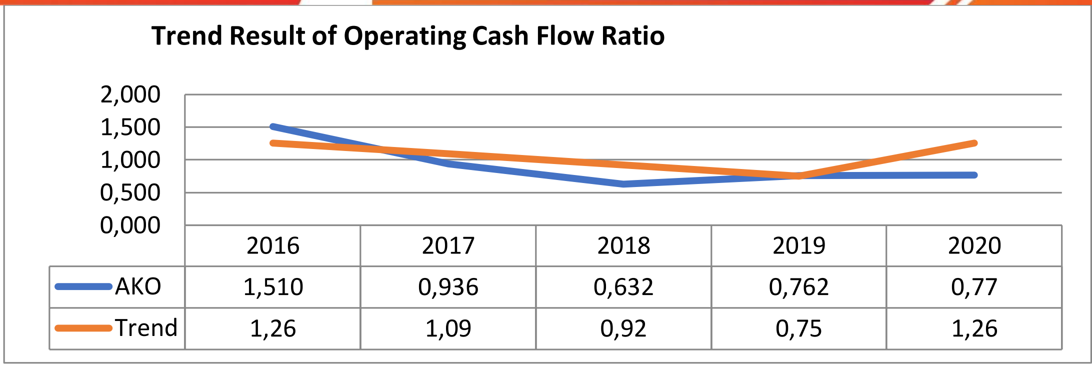



**Figure 1. Trend Result of Operating Cash Flow Ratio**

From Figure 1 it can be seen that the trend of cooperative financial performance in 2016-2020 assessed from the operating cash flow ratio tends to decrease or experience a negative trend, with a value in 2016 of 1.26, in 2017 it decreased to 1.09, in 2018 it decreased again to 0.92, in 2019 it decreased again to 0.75, but in 2020 there was a tendency to increase or a positive trend to 1.26.

b. Trend of Cash Flow Ratio to Interest

**Table 7 Trend of Cash Flow Ratio to Interest**

| Year | CKB (Y) | X | XY | $X^2$ | bX | Yt |
|---|---|---|---|---|---|---|
| 2016 | 11,70 | -2 | -23,40 | 4 | 1,63 | 9,7 |
| 2017 | 7,18 | -1 | -7,18 | 1 | 0,82 | 8,89 |
| 2018 | 6,81 | 0 | 0 | 0 | 0 | 8,07 |
| 2019 | 6,86 | 1 | 6,86 | 1 | 0,82 | 8,89 |
| 2020 | 7,78 | 2 | 15,56 | 4 | 1,63 | 9,7 |
| | **40,33** | | **-8,16** | **10** | | **45,25** |

*Source:* Processed by the Author

The equation to find out the trend of the operating cash flow ratio is Y = a + bX, the results of the above calculations, the graph of the trend of the cash flow ratio to interest is as follows:

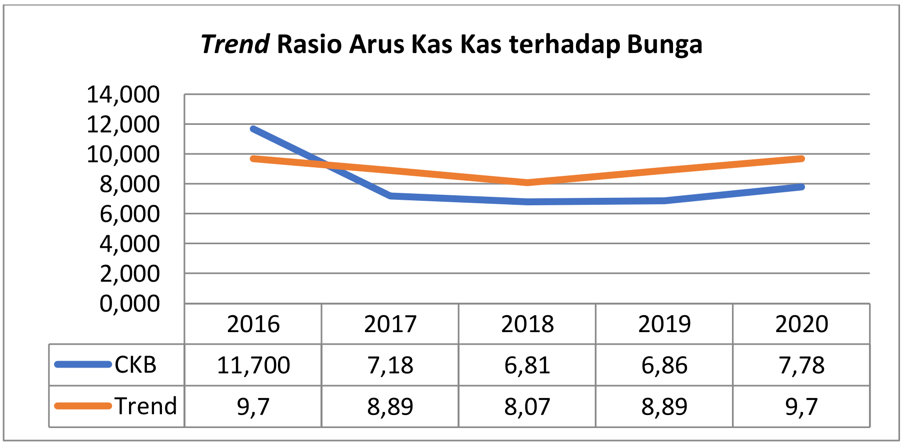



**Figure 2 Trend Result of Cash Flow Ratio to Interest**

Figure 2 shows that the trend of cooperative financial performance in 2016-2020 assessed from the ratio of cash flow to interest tends to decrease or experience a negative trend, with a value in 2016 of 9.7, in 2017 it decreased to 8.89, in 2018 it decreased again to 8 .07, but since 2019 there has been a tendency to increase or a positive trend to 8.89 and in 2020 to 9.7.

c. Trend of Capital Expenditure Ratio

**Table 8 Calculation of Trend of Capital Expenditure Ratio**

| Year | PM (Y) | X | XY | $X^2$ | bX | Yt |
|---|---|---|---|---|---|---|
| 2016 | 11,35 | -2 | -22,7 | 4 | 0,72 | 11,48 |
| 2017 | 11,62 | -1 | -11,62 | 1 | 0,36 | 11,12 |
| 2018 | 10,29 | 0 | 0 | 0 | 0 | 10,76 |
| 2019 | 10,37 | 1 | 10,37 | 1 | 0,36 | 11,12 |
| 2020 | 10,15 | 2 | 20,3 | 4 | 0,72 | 11,48 |
| | **53,78** | | **-3,65** | **10** | | **55,96** |

*Source:* Processed by the Author

The equation to find out the trend of the operating cash flow ratio is Y = a + bX, the results of the above calculation, the graph of the trend of the capital expenditure ratio is as follows:

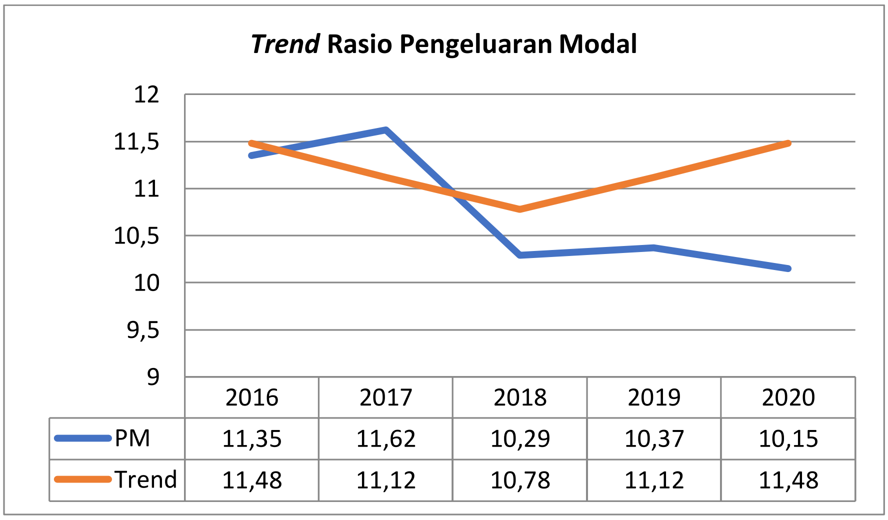



Figure 3 Trend Result of Capital Expenditure Ratio

From Figure 3 it can be seen that the trend of cooperative financial performance in 2016-2020 is assessed from the cash flow ratio of capital expenditures experiencing a declining trend or a negative trend, with a value in 2016 of 11.48, in 2017 it decreased to 11.12, in 2018 it decreased again to 10.76, but in 2019 there was an increasing trend or a positive trend, by 11.12 and in 2020 by 11.48.

d. Trend of Total Debt Ratio

**Table 9 Calculation of Trend Ratio of Total Debt**

| Year | TH (Y) | X | XY | $X^2$ | bX | Yt |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| 2016 | 0.72 | -2 | -1,44 | 4 | 0,08 | 0,63 |
| 2017 | 0,56 | -1 | -0,56 | 1 | 0,04 | 0,59 |
| 2018 | 0,43 | 0 | 0 | 0 | 0 | 0,55 |
| 2019 | 0,55 | 1 | 0,55 | 1 | 0,04 | 0,59 |
| 2020 | 0,51 | 2 | 1,02 | 4 | 0,08 | 0,63 |
| | **2,77** | | **-0,43** | **10** | | **2,96** |

*Source:* Processed by the Author

The equation to determine the trend of the operating cash flow ratio is Y = a + bX, the results of the above calculation, the graph of the trend of the total debt ratio is as follows:

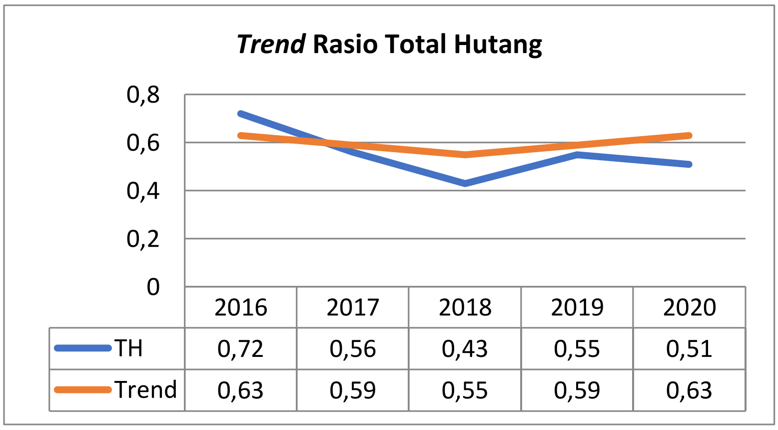



**Figure 4 Trend Result of Total Debt Ratio**

From Figure 4, it can be seen that the trend of cooperative financial performance in 2016-2020 assessed from the ratio of total debt has a declining trend or a negative trend, with a value in 2016 of 0.63, in 2017 it decreased to 0.59, in 2018 it decreased again to 0. .55, but in 2019 there was an increasing trend or a positive trend of 0.59 and in 2020 it increased to 0.63

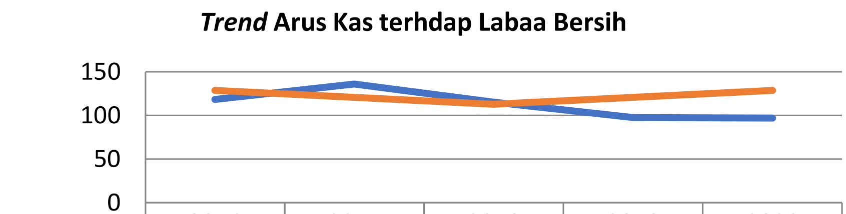
e. Trend of Cash Flow Ratio to Net Profit.

**Table 10 Calculation of Trend of Cash Flow Ratio to Net Profit**

| Year | AKOLB (Y) | X | XY | $X^2$ | bX | Yt |
|---|---|---|---|---|---|---|
| 2016 | 118,10 | -2 | -236,2 | 4 | 16,28 | 128,8 |
| 2017 | 135,64 | -1 | -135,64 | 1 | 8,14 | 120,66 |
| 2018 | 115,02 | 0 | 0 | 0 | 0 | 112,52 |
| 2019 | 97,22 | 1 | 97,22 | 1 | 8,14 | 120,66 |
| 2020 | 96,60 | 2 | 193,2 | 4 | 16,28 | 128,8 |
| | **562,58** | | **-81,42** | **10** | | **611,44** |

*Source:* Processed by the Author

The equation to determine the trend of the operating cash flow ratio is Y = a + bX, the results of the above calculation, the graph of the trend of the cash flow ratio to net income is as follows:




| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| AKOLB | 118,1 | 135,64 | 115,02 | 97,22 | 96,6 |
| Trend | 128,8 | 120,66 | 112,52 | 120,66 | 128,8 |

Figure 5. Trend Result of Cash Flow Ratio to Net Profit

From the graph 5 shows that the trend of cooperative financial performance in 2016-2020 is assessed from the ratio of cash flow to net income, there is a downward trend or negative trend, with a value in 2016 of 128.8, in 2017 it decreased to 120.66, in 2018 it decreased again to 112.52, but in 2019 there was an increasing trend or a positive trend of 120.66 and in 2020 it increased to 128.8.

## 5. Conclusion

The financial performance of five credit cooperatives under the auspices of the Main Self-help Credit Cooperative Center assessed from the Cash Flow Statement is stated to be poor because the calculation of these five ratios states that:

1. The average operating cash flow ratio to debt is 0.92, meaning below 1. This condition shows that the performance of cooperatives is in poor criteria and since 2016 - 2019 there is a downward trend or a negative trend, but in 2020 there is an increasing trend or a positive trend.
2. The average operating cash flow to interest ratio is 7.87 which has a ratio greater than 1. This condition means that the average financial performance of these cooperatives is in good criteria and since 2016 - 2018 there is a downward trend or a negative trend, but in 2019 - 2020 there is an increasing trend or a positive trend.
3. The average ratio of operating cash flows to capital expenditures is 10.99 which has a ratio greater than 1. This condition means that the average financial performance of these cooperatives is in good criteria and since 2016 - 2018 there is a downward trend or a negative trend, but in 2019 - 2020 there is an increasing trend or a positive trend.
4. The average operating cash flow ratio to total debt is 0.55 which has a ratio smaller than 1. This condition means that the average financial performance of these cooperatives is not good and since 2016 - 2018 there is a downward trend or a negative trend, but in 2019 - 2020 there is an increasing trend or a positive trend.
5. The average ratio of operating cash flow to net income is 112.5 which has a ratio smaller than 1. This condition means that the average financial performance of these cooperatives is in good criteria and since 2016 - 2018 there is a downward trend or a negative trend, but in 2019 - 2020 there is an increasing trend or a positive trend.

## Recommendation

1. To overcome the low operating cash flow ratio, cooperatives can do several alternatives to increase their operating cash flow ratio, one of which is by accelerating the collection period of accounts receivable and accelerating the rotation of credit distribution.
2. The cooperative has a good operating cash flow to interest ratio. This condition shows that the cooperative has the ability to cover the cooperative's interest costs. However, the step that needs to be improved by the Cooperative is optimizing operating cash flow.

3. Cooperatives have a good capital expenditure ratio, this condition indicates that cooperatives have a good ability to finance capital expenditures. Cooperatives need to optimize their capital expenditures for investment and financing so that they can generate larger operating cash flows.
4. From the calculation above, it can be seen that if the cooperative has a low total debt ratio, with this, the cooperative should reduce the amount of debt because the cooperative has a poor ability to pay all its debts from cash flows originating from normal operating activities. Insufficient to generate cash flow from the main activity in paying its debts can result in bankruptcy, therefore cooperatives need to increase operating cash flow.
5. he cooperative has a good operating cash flow to net profit ratio. This condition shows that cooperatives have a good ability to generate profits by optimizing the provision of receivables to cooperative members and advancing the maturity of payment of their receivables so that they can obtain more optimal profits.

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