



Liquidity, Solvability And Analysis Profitability In Financial Performance Assessment (Case Study at the Singhanakhon Wittayanusorn School in Thailand

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Abstract. The research results show that the influence of Liquidity, Solvency and Profitability in School Financial Performance Assessment. This type of research is Quantitative data type. Sample selection in this research was by collection school Annual Financial Report data. Population of Singhanakhon subsector Wittayanusorn School Thailand. The ratio used by liquidity researchers (Current Ratio, Quick Ratio), Solvency (Debt To Asset Ratio, Debt To Equity Ratio), Profitability (Return On Assets, Return On Equity). Data collection technique archival documents of annual school financial reports and direct interviews. The results of this research are very good liquidity with quite large current assets to cover short-term liabilities, liquidity remains good even if it exists decrease, indicating the ability to cover short-term liabilities without considering inventory. Low financial risk with minimal dependence on debt, there is a significant reduction in use of debt in 2022, indicating strengthening capital structure. The efficiency of asset use will increase significantly in 2022, efficiency The use of capital to generate profits has increased significantly over the years 2022.

Keywords: liquidity, solvency and profitability in financial performance assessment.

1 Introduction

Songkhla has a historical heritage of Malay-Islamic civilization is a relic of the Singgora Sultanate in the 17th AD around the Khao Daeng (Red Hill) hill area now part of the Singhanakhon colony in the Songkhla region, Southern Thailand. Songkhla is one of the largest provinces in Thailand South, where this region has a Buddhist community and Muslim. In this provincial city, many ethnic Buddhist communities live Thailand, and even though they are a minority of middle and economic groups have a profession as a government employee or entrepreneur. Songkhla has a region, namely Singhanakhon, Singhanakhon is a region the border between Songkhla old town and Songkhla new town, Singhanakhon the Sathing Mo section has only 15,361 inhabitants. Language used in each region is different, the Singhanakhon part uses Bahasa Thailand

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and its people lack Malay and English. (Welani & (Corresponding Author), 2023). The current state of Thailand is based on Educational reform in Thailand. Significant changes, flexibility of implementation of these policies, decentralization, quality assurance, training improving the quality of teachers at all levels and mobilizing resources. These important changes include: (Yunardi, 2014).:

- a) Expansion of compulsory education to junior secondary education and free education up to high school level.
- b) Establishment of the Office of International Educational Standards and Assessment Quality (Office for National Education Standards and quality assessment, ONESQA), which is responsible for control external quality.
- c) Reform the curriculum for basic education, vocational education and higher education, which is based on the community curriculum.

Implementation of funding, financing of all elementary schools and schools state secondary education is fully funded by the Government. Education system Thailand implements 9 years of compulsory education, with 12 years of free education until completing high school education. Educational structure in Thailand which generally consists of 3 years of kindergarten (Anuban), 6 years of primary school (Pratthom), 3 years of secondary school primary and final secondary school (Mattayom), vocational education and higher education. Compulsory education in Thailand requires children to start school at elementary school (Pratthom) 1 or grade 1, school basic starting from the age of 6 years. With this free tuition, students get various additional facilities from the government, namely students get free milk and free lunch, besides students too get help with school uniforms, study books, notebooks and tools writing distributed by the school to students. The government finances operational and procurement and maintenance costs schools cover the need for Office Stationery (ATK), library books, improvement of infrastructure, procurement of office and laboratory equipment. By Voluntarily some schools ask for contributions and cooperation from parents for extra-curricular activities, and provision of teaching with foreign teachers, but it's not coercive in nature. Regarding private school funding, In Thailand there are 3 types of private schools, as explained as follows:

- a) Private schools that receive 70 percent subsidies from the government, where The school sets the highest tuition fees as regulated by the government.
- b) Private schools that do not receive any subsidies from the government at all, where the school determines the amount of tuition fees collected from students and is clear much higher than other schools.
- c) private schools that get 100 percent subsidy from the government, namely schools founded by the organization religious or school for underprivileged and underprivileged children physically lucky.

From the financing that has been described, Thailand too Carrying out financial performance assessments is one of the important factors in managing school finances to determine the quality of performance school finances. Financial performance assessment that includes calculations which uses liquidity, solvency and profitability analysis on schools located in Thailand.

2 Methods

The ratio analysis used is the liquidity ratio including: (Current Ratio and Quick Ratio), solvency includes: (Debt to Equity Ratio) and profitability includes: (Return On Assets).

3 Result & Discussion

The following is the calculation of the Singhanakhon Wittayanusorn School analysis Thailand:

3.1 Current Ratio (Rasio Lancar)

Comparison of current assets and current liabilities. This ratio aims to measure the ability of current assets to fulfill requirements current liabilities. The following is the calculation of the Current Ratio in the Report School Finance:

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
1	2	3	4 =
			$2/3 \times 100\%$
2020	Rp. 4.046.600.000	Rp. 285.760.000	1416%
2021	Rp. 4.864.143.000	Rp. 51.200.000	9500%
2022	Rp. 1.900.800.000	Rp. 97.974.400	1940%

$$\text{Current Ratio} = \text{aktiva lancar} / \text{Kewajiban Lancar} \times 100 \%$$

Fig. 1. Formula according to (Adytia & Nursito, 2021)

The resulting ratio is 1416%, meaning the company has significantly more current assets compared to its short-term liabilities. This indicates a good level of liquidity and a strong ability to cover short-term obligations. In 2021, current assets increased to Rp. 4,864,143,000, while current liabilities drastically decreased to Rp. 51,200,000. The resulting ratio is 9500%, and this very high ratio indicates that the company has a significantly large amount of current assets compared to its short-term obligations. This demonstrates a very strong ability to manage short-term liabilities with the available assets. Then in 2022, current assets decreased drastically to Rp. 1,900,800,000, while current liabilities increased to Rp. 97,974,400, resulting in a ratio of 1940%

3.2 Quick Ratio (Rasio Cepat)

YEAR	CURRENT ASSETS	INVENTORY	CURRENT LIABILITIES	RATIO
1	2	3	4	5 = (2-3)/4*100%
2020	Rp. 3.582.600.000	Rp. 464.000.000	Rp.285.760.000	1091%
2021	Rp. 4.651.135.000	Rp. 213.008.000	Rp.51.200.000	8668%
2022	Rp. 1.900.800.000	Rp. 68.139.400	Rp.97.974.400	1871%

This ratio indicates that the company has very good liquidity. A large inventory compared to current liabilities indicates that the school can easily meet its short-term obligations. Then in 2021, the ratio drastically increased to 8668%, which means the value of inventory after deducting inventory is 86.68 times that of current liabilities. This indicates a significant increase in liquidity. The large inventory compared to current liabilities indicates that the school does not have issues in meeting its short-term obligations. The increase in this ratio may be due to a significant rise in inventory or a decrease in current liabilities. Then in 2022, the ratio dropped to 1871%, which means the value of inventory after deducting inventory is 18.71 times that of current liabilities.

3.3 Debt to Asset Ratio

YEAR	TOTAL DEBT	TOTAL ASSET	DEBT TO ASSET RATIO
1	2	3	4 = 2/3*100%
2020	Rp. 285.760.000	Rp. 5.726.447.200	5%
2021	Rp. 51.200.000	Rp. 5.872.607.800	1%
2022	Rp. 97.974.400	Rp. 9.484.994.600	1%

In 2020, the debt-to-asset ratio was 5%, indicating that only 5% of the total assets owned by the school were financed by debt. This signifies that the company has very low leverage (use of debt), meaning the financial risk of the school is relatively small. Then in 2021, the debt-to-asset ratio decreased to 1%, now indicating that the company is using less debt to finance its assets. This is a sign that the school has a very strong financial position and a conservative approach to debt usage. Furthermore, in 2022, the debt-to-asset ratio remained at 1%, demonstrating consistency in its very low debt usage. This reinforces the indication that the company continues to maintain a conservative financial strategy and low risk. Currently, the highest ratio was in 2020 at 5%, while the ratios for 2021 and 2022 both stood at 1%.

3.4 Debt to equity Ratio

YEAR	TOTAL ASSETS	TOTAL MODAL	DEBT TO EQUITY RATIO
1	2	3	4 = 2/3*100%
2020	Rp. 4.046.600.000	Rp. 5.440.687.200	74%
2021	Rp. 4.864.143.000	Rp. 5.821.407.800	84%
2022	Rp. 1.900.800.000	Rp. 9.387.020.200	20%

In 2020, the debt-to-equity ratio was 74%, indicating that 74% of the company's equity was financed by debt. This indicates that the leverage level is quite high, which could increase the financial risk for the school if conditions worsen. Then in 2021, the debt-to-equity ratio increased to 84%, which means there was an increase in the use of debt to finance equity. Although this may indicate the school's ability to take advantage of external financing opportunities, a high level of leverage also adds financial risk. Continuing into 2022, the capital experienced a drastic decline to 20%, indicating a significant reduction in the use of debt to finance capital. This decline may indicate the school's efforts to reduce financial risk and strengthen its capital structure. The highest ratio is found in 2021 with a value of 84%, while the lowest ratio is in 2020 with a value of 20%.

3.5 Return On Asset

YEAR	NET PROFIT	TOTAL ASSETS	RATIO
1	2	3	4 = 2/3*100%
2020	Rp. 213.008.000	Rp. 5.726.447.200	4%
2021	Rp. 54.511.520	Rp. 5.872.607.800	1%
2022	Rp. 1.229.496.000	Rp. 9.484.994.600	13%

In 2020, a ratio of 4% indicates that the school generates an activity balance of 4% of its total assets. This shows a fairly good level of efficiency in the use of assets to generate activity balances. Then in 2021 it decreased to 1%, which shows a decrease in efficiency in using assets to generate balances. This decline occurred due to various factors such as decreasing income, increasing costs, or unfavorable market conditions. Continuing in 2022 the ratio will experience a significant increase to 13% now indicating a substantial increase in the efficiency of asset use. This increase reflects significantly better performance in generating additional balances from total assets held, perhaps due to increased income or more effective asset management. Now the highest ratio will be in 2022 with a value of 13% and the lowest ratio will be in 2021 with a value of 1%.

3.6 Return on Equity

YEAR	NET PROFIT	TOTAL CAPITAL	RATIO
1	2	3	4 = 2/3*100%
2020	Rp. 213.008.000	Rp. 5.440.687.200	4%
2021	Rp. 54.511.520	Rp. 5.821.407.800	1%
2022	Rp. 1.229.496.000	Rp. 9.387.020.200	13%

In 2020, a ratio of 4% indicates that the school generates an activity balance of 4% of the total capital provided by donors. This shows that the rate of return is relatively fair. In 2021, the ratio has decreased to 1%, now indicating a significant decrease in the efficiency of using capital to generate activity balances. This decrease may occur due to various factors such as decreasing income, increasing costs, or less stable financial conditions. Then in 2022 the ratio will increase again to 13%, now showing substantial efficiency in capital use. This increase reflects much better performance in generating profits from total capital provided, perhaps due to increased income or effective capital management. Now the highest ratio will be in 2022 with a value of 13% and the lowest ratio will be in 2021 with a value of 1%.

4 Conclusion

This research aims to analyze liquidity, solvency and profitability in assessing the financial performance of sub-sector schools Singhanakhon Wittayanusorn Thailand 2020-2022 with Engineering data collection. Based on the results of statistical testing, it is possible the following conclusions are drawn:

- In general, Thailand's Singhanakhon Wittayanusorn shows very good level of liquidity during the 2020-2022 period, with current ratio and quick ratio are far above standard
- There was a significant increase in the debt to assets ratio and drastic reduction in debt to capital ratio from 2020 to 2022, indicating improvements in the company's capital structure which relies more on equity than debt.
- Despite fluctuations, the ratio of net return on assets and net profit on capital shows a significant increase in 2022, shows increased efficiency in the use of assets and capital to generate profits.

Based on the conclusions above, several suggestions can be given for Singhanakhon Wittayanusorn Thailand are It is hoped that Singhanakhon Wittayanusorn Thailand can improve and maintain better financial performance in future, ensuring operational stability and continuity schools, so that schools have financial reports according to standards applicable accounting. Future researchers can consider: add more complete and detailed financial report data others from the school concerned. It is hoped that this research will serve more as a purpose references for future research, as well as to expand This research knowledge extends to other sectors. Expected that future researchers can use ratio indicators more complete finances, and be careful in making decisions number of samples and year of observation that will be used for diving study. This will allow researchers to identify clearer problems and strengthen future research done next

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