

Financial Performance Analysis of Universitas Siliwangi Using Ratio and Trend Evaluation for Fiscal Years 2023–2024

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Abstract

This study aims to analyze the financial performance of Universitas Siliwangi, a public university operating under the Public Service Agency (BLU) framework, by employing financial ratio analysis and trend evaluation for the fiscal years 2023–2024. The analysis is based on the university's statement of financial position, statement of activities, and cash flow statement to assess liquidity, operational efficiency, funding structure, and overall financial sustainability. The findings indicate that Universitas Siliwangi demonstrates a strong liquidity position, reflected in a substantial increase in current assets and liquidity ratios throughout 2024. Operational efficiency also improved as evidenced by reduced total expenses and a higher allocation of funds toward core educational service programs. Despite decreases in revenue and operational surplus due to shifts in funding dynamics, the university remains in a financially healthy condition. These results suggest that the financial management of Universitas Siliwangi has been effective; however, further optimization through diversified revenue streams and strategic long-term investment is essential to strengthen future financial sustainability.

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1. INTRODUCTION

Evaluating financial statements is essential for understanding an organization's financial performance, whether in commercial or nonprofit settings. Such evaluation provides a clear picture of financial health and operational effectiveness, helping organizations identify weaknesses, improve efficiency, and explore opportunities for better resource management (Chabotar, 1989).

Universitas Siliwangi (UNSIL) is a public university that contributes significantly to higher education development in Tasikmalaya, West Java. UNSIL (2014) officially became a state university through *Presidential Regulation No. 24 of 2014*. As a higher-education institution operating under the *Public Service Agency (BLU)* scheme, UNSIL is required not only to provide educational services but also to ensure effective and transparent financial management. This mandate follows the BLU financial management framework outlined in *PMK 129/PMK.05/2020*, which emphasizes financial flexibility, accountability, and long-term sustainability for public organizations (Menteri Keuangan, 2020). Commonly used ratio categories include liquidity, solvency, efficiency, and activity ratios. These ratios measure an organization's ability to meet short-term obligations, manage debt, use assets effectively, and maintain healthy operational costs. Nonprofit financial

guides stress that ratio analysis should be applied consistently, compared across periods, and interpreted in relation to the organization's internal and external conditions.

A widely referenced framework for nonprofit financial evaluation is Chabotar's model, which includes investment performance, liquidity (current, quick, available funds), liability structure, fund sources and uses, and operational efficiency. This framework encourages longitudinal analysis and comparison with similar institutions to support sound managerial decisions (1989).

Vertical and horizontal analyses also play important roles in understanding financial statements. Maguire (2016) notes that these techniques reveal proportional changes and trends within financial reports, helping identify shifts in spending priorities and funding dependencies over time. These methods are increasingly important for universities facing rising costs, efficiency pressures, and stronger expectations for transparency and good governance. KPMG (2023) also emphasizes these challenges in assessing financial sustainability in higher-education institutions.

Research further shows that public universities in Southeast Asia commonly experience revenue volatility and high dependency on government funding. Said et al. (2023) report that several institutions face ongoing deficits due to limited income diversification. These findings underline the need for comprehensive financial evaluation, especially for institutions like UNSIL.

Therefore, analyzing UNSIL's financial statements for the 2023–2024 period is important to provide an objective and comprehensive picture of the university's financial condition. This analysis will not only highlight the efficiency and effectiveness of resource use but also support financial strategy development, investment planning, and strategic decision-making for future institutional growth.

2. METHOD

This study employs a descriptive quantitative approach using financial statement analysis to evaluate the financial condition of Universitas Siliwangi for the fiscal years ending 31 December 2023 and 2024. The data used in this research consist of secondary data, including the Statement of Financial Position, Statement of Activities, and Statement of Cash Flows, which were obtained from the officially published financial reports of Universitas Siliwangi (Maguire, 2016).

The analysis follows the nonprofit financial evaluation framework developed by Chabotar (1989) and applies a set of financial ratios commonly used in nonprofit and public higher-education institutions. These ratios include: (1) Investment Performance Ratio, (2) Liquidity Ratios (Current Ratio, Quick Ratio, Available Funds Ratio), (3) Liability Structure Ratio (Debt-Equity Ratio), (4) Sources of Funds Ratio (Public Support Ratio), (5) Use of Funds Ratios (Operational Efficiency, Net Operating Results, Simplified Net Operating Results), and (6) Efficiency Ratio for non-program activities. These ratios are widely used in nonprofit and higher-education research to assess financial stability, spending patterns, and long-term sustainability (Ritchie & Kolodinsky, 2003).

Vertical and horizontal analyses are also applied to examine proportional relationships within financial statements and to identify year-to-year trends. These analytical techniques provide a clearer picture of spending allocation and changes in financial structure over time, which are essential for nonprofit institutions (Maguire, 2016). The methodological approach aligns with financial management principles required for BLU institutions under PMK 129/PMK.05/2020, which emphasize accountability, transparency, and sustainability in public-sector financial management (Menteri Keuangan, 2020).

3. RESULTS AND DISCUSSION

The following sections present the results of analysis based on the financial ratio framework and discussion for each ratio category.

1. Investment Performance (Expense Ratio)

The first analysis in this report is investment performance. This analysis is carried out to evaluate the amount of organizational expenditure compared to its income. The results of the expense ratio calculation show a decrease in margin in 2024 compared to 2023 as shown in Table 1.

Table 1. Investment Performance

Ratio	Formula	2024	2023	Change
<i>Expense Ratio</i>	Total Beban / Total Pendapatan	0,777	0,746	-0,031

Based on the data in the table, the value of the Expense Ratio has increased from 0.746 in 2023 to 0.777 in 2024, with a change of 0.031. This increase in ratio shows that operating expenses absorb more revenue in 2024 than in 2023. In 2023, the university will spend IDR 0.746 as operational costs to obtain an income of IDR 1, while in 2024 the income for every IDR 1 will require a cost of IDR 0.777. This also shows that UNSIL has experienced a decrease in margin, which means that it still needs attention so that financial efficiency can be maintained.

However, the result of a ratio below 1 shows that the total revenue received in 2024 and 2023 is still greater than the total expenses incurred. Based on the activity report of Siliwangi University as of December 31, 2024, employee expenses and goods and services are the two components that absorb the most revenue. This shows that most of the university's operational funds are used to support academic activities, services and workforce welfare, which is a form of investment in human resources and quality of educational services.

Overall, Siliwangi University's investment performance in 2024 still shows positive results (LO surplus of IDR 62.78 billion). However, this still needs to be observed in the future because the trend of increasing ratios shows that the effectiveness and efficiency of investment have not been maximized to maintain the stability of UNSIL's financial performance.

2. Liquidity (Liquidity Ratios)

The second analysis in this report is liquidity. This analysis was conducted to measure UNSIL's ability to meet its operational needs and financial responsibilities without having to sell fixed assets or seek funds outside the organization. The results of the calculation of the current ratio, quick ratio, and available funds ratio show that UNSIL has a very healthy financial condition and a very strong ability to meet its operational needs in 2024 – compared to 2023 as shown in Table 2.

Table 2. Liquidity

Ratio	Formula	2024	2023	Change
<i>Current Ratio</i>	Total Non-Tangible Current Assets / Total Short-Term Liabilities	9,256	0,455	+8,801
<i>Quick Ratio</i>	Total Non-Binding Current Assets–Inventory/ Total Short-Term Liabilities	9,092	0,151	+8,941
<i>Available Funds Ratio</i>	Cash and cash equivalents+Short-Term Investments/ Total Short-Term Liabilities	4,155	0,000	+4,155

Based on the data in the table, the current ratio value of 9.256 in 2024 shows that UNSIL has IDR 9,256 for every IDR 1 of its short-term liabilities. Meanwhile, a quick ratio of 9.092 in 2024 shows that UNSIL has a very strong current asset position even though inventories are not taken into account. This figure reflects that most of UNSIL's current assets are in the form of cash or cash equivalents that are very easy to disburse. This indicates that UNSIL's cash management is very conservative and careful in maintaining the availability of short-term funds. Furthermore, the available funds ratio of 4.155 also shows a very significant increase compared to 2023 which has a ratio of 0.00. This shows that UNSIL is now in a much safer financial position and is even ready to face financial uncertainty.

Overall, UNSIL's liquidity ratio in 2024 shows very healthy financial conditions compared to 2023. This indicates that UNSIL has current assets that are large enough to meet all operational needs with almost non-existent default risks. This situation is very inversely proportional to UNSIL's financial condition in 2023 which does not have enough cash or short-term investment to cover its obligations. So, it can be concluded that UNSIL will be able to manage current assets and cash much better in 2024. This not only shows that UNSIL has succeeded in achieving a safe and stable financial position, but there is also an increase in efficiency and short-term financial health. This condition shows that there is a positive signal for the sustainability of university operations.

3. Liability Structure (Debt Structure)

The third analysis in this report is the liability structure. This analysis is carried out to see the organization's funding structure. The results of the debt-equity ratio calculation show that the stability of UNSIL's financial structure was maintained for two years as shown in Table 3.

Table 3. Liability Structure

Ratio	Formula	2024	2023	Change
<i>Debt-equity Ratio</i>	Total Liabilities/Total Equity	0,003	0,003	0

Based on the data in the table, there will be no increase or decrease in the value of the debt-equity ratio in 2024. This means that there is a consistency of financial policy that makes UNSIL's financial structure stable for two years. If you pay attention, UNSIL's debt-equity ratio is at a very low level, which is 0.003. This shows that every IDR 1 of equity is only supported by IDR 0.003 liabilities. UNSIL has managed to fund every existing activity and program with very minimal debt assistance because the university prefers to use education funds, grants, and the rest of the proceeds of the activities to finance its operations and development. This condition shows UNSIL's position as an organization with a very high level of financial independence with very low financial risks.

4. Use of Funds (Efficiency and Operational Performance)

The fourth analysis is that this ratio is the source of funds. This analysis was conducted to measure the degree of dependence of organizations on grants, public donations, and government subsidies as a source of financing for their operational activities. The results of the calculation of the public support ratio show that the largest source of funding for Siliwangi University is grants and donations as shown in Table 4.

Table 4. Sources of Funds

Ratio	Formula	2024	2023	Change
<i>Public Support</i>	Total Grants and Donations / Total Load	1,14	0,96	+0,18
	Total Grants and Donations / Total Revenue	0,904	0,742	+0,162

Based on the data in the table, the increase in the ratio of 0.168 from 2023 to 2024 shows that the grants and donations received by UNSIL are more than enough to cover the burden. In 2023, operating expenses will be supported almost entirely by grants and donations with differences that still need to be covered from other funding sources. However, in 2024 (ratio of 1.163), grants and donations will not only cover all operational expenses, but also provide a surplus. This ratio shows that UNSIL's largest source of funding is grants and donations. The increase in the ratio of 0.162 in 2024 shows that dependence on aid funds is increasingly dominant compared to 2023. This is positive because it strengthens the source of funds, but it also poses a risk if the dependence on the funder is too great. This condition indicates that UNSIL has succeeded in strengthening its funding base through increased research grant receipts, government assistance, and external cooperation.

This increase also shows a high level of trust from the public and government in university governance, as well as efficiency in the use of grant funds for educational, research, and community service activities. In the context of educational non-profit organizations, a ratio above 1 reflects good financial sustainability, as the institution does not rely solely on debt or internal funds to cover operations.

5. Use of Funds (Efficiency and Operational Performance)

The fifth analysis in this report is the use of funds. This analysis was carried out to assess the effectiveness of the use of funds in supporting operational activities. The results of the calculation of performance efficiency ratio, net operating results, and simplified net operating results show that UNSIL has a sustainable financial structure and is still able to generate an operational surplus to support its long-term activities as shown in Table 5.

Table 5 Use of Funds

Ratio	Formula	2024	2023	Change
<i>Performance Efficiency</i>	Service Program / Total Load	0,874	0,653	+0,221
<i>Net Operating Results</i>	(Total Revenue - Total Expenses) / Total Revenue	0,223	0,254	-0,031
<i>Simplified Net Operating Results</i>	Total Revenue / Total Expenses	1,288	1,341	-0,053

Based on the data in the table, the performance efficiency ratio in 2023 will reach 0.653. This shows that for every Rp1 total load, Rp 0.653 is allocated to service program. In 2024, this ratio will increase to 0.874. This shows that the portion of the load for the service program is increasing.

The results of the calculation of UNSIL's Net Operating Result (NOR) in 2023 were recorded at 0.254, while in 2024 it decreased slightly to 0.223. This means that in 2024 the university will still record a surplus of 22.3% of its total revenue, although there is a small decrease compared to the previous year. The decline does not mean that

performance is declining, but it can be interpreted as an increase in operational investment in academic activities, infrastructure development, and an improvement in the welfare of educators. This is also reflected in the Simplified Net Operating Result ratio which is still above 1 (1.288 in 2024), indicating that the university's revenue remains greater than its total burden. This condition adds to the belief that UNSIL has a sustainable financial structure and is still able to generate an operational surplus to support its long-term activities. This surplus is also important to ensure the university's ability to reinvest in research activities, curriculum development, and learning facilities, so that it is in line with the principles of non-profit organizations that emphasize the reinvestment of surplus for mission advancement.

6. Efficiency (Non-Program Activities)

The sixth analysis in this report is efficiency. This analysis aims to measure how effectively an organization uses its resources to generate revenue and execute key program activities. The results of the measurement of the efficiency ratio of non-program activities show that UNSIL has used the revenue efficiently for substantial activities as shown in Table 6.

Table 6. Efficiency

Ratio	Formula	2024	2023	Change
<i>Non-program Activity Efficiency</i>	Total Non-program Revenue/Expenses	10,224	3,869	6,355

In 2024, the efficiency ratio increased significantly to 10.224 from the previous year 2023 of 3.869. This means that in 2024, every IDR 10.22 of income will only be used to cover IDR 1 for non-program activities (for example, administration, general operations, and supporting activities). This nearly three-fold increase signifies a substantial increase in organizational efficiency, with universities increasingly focusing on using funds for core activities such as education, research, and community service. This increase in efficiency also demonstrates management's success in reducing non-essential burdens, such as the cost of official travel, administrative equipment, or ceremonial activities, as well as shifting the focus of spending to productive academic activities. Thus, the efficiency of Siliwangi University in 2024 reflects a strategic shift towards more economical, effective, and results-oriented governance. This increase is a positive indication of the quality of the university's financial management, as well as supporting the principles of transparency and accountability expected from the BLU institution.

Additional analysis was carried out using vertical analysis methods and horizontal analysis to obtain more comprehensive information about UNSIL's 2024 financial performance. Here are the results of the analysis:

1. Vertical Analysis

Vertical analysis is carried out to evaluate the efficient allocation of funding sources. The results of this analysis can show the amount of funds used for each program and activity in supporting UNSIL's operational activities. As a basis for comparison, the total load is used so that the proportion of funds used for both the main program (yellow cells) and non-programs (green cells) is seen in effectiveness and efficiency. The components analyzed are service programs and non-service programs. The results of the analysis are shown in Table 7.

Table 7. Vertical Analysis of Fund Source Allocation

Components	2024 (Rp in Billions)	%	2023 (Rp in Billions)	%
Personnel Expenses	72,146	33,04	64,437	25,51
Inventory Expenses	4,547	2,08	1,998	0,79
Goods and Services Expenses	66,846	30,61	59,874	23,71
Maintenance Expenses	9,789	4,48	8,428	3,34
Travel Expenses	8,866	4,06	9,803	3,90
Depreciation and Amortization Expenses	28,665	13,123	20,482	8,10
Loss on Disposal of Non-current Assets	2,135	0,97	110,690	0,04
Non-operating Expenses	25,363	11,61	87,430	34,62
Total Expenses	218,361	100	252,566	100

The results of the vertical analysis show that in 2024 Siliwangi University has succeeded in shifting the proportion of the burden significantly towards the activities of the main service program, especially the burden of employees and the burden of goods and services. The portion of program expenses increased from 65.34% to 87.42%, while non-program expenses decreased sharply from 34.66% to 12.58%. This signifies that the majority of operational funds in 2024 will be used to support the university's core activities, reflecting increased efficiency and a focus on more targeted use of the budget.

2. Horizontal Analysis

Horizontal analysis was carried out to assess changes in the financial performance of Siliwangi University from 2023 to 2024. This analysis focuses on revenue, expenses, current assets (including cash), and operating results (surplus/deficit) as these four components represent the main dimensions of UNSIL's financial health. The results of the analysis are shown in Table 8.

Table 8. Horizontal Analysis of Financial Performance

Components	2024 (Rp in Billions)	2023 (Rp in Billions)	Change	%
Income	281,145	338,684	-57,538	-16,99%
Total Expenses	218,361	252,566	-34,205	-13,54%
Current Assets	24,737	0,974	23,762	+2.437,64%
Operating Surplus/Deficit	64,919	86,307	-21,387	-24,78%

The results of the horizontal analysis show that the financial performance of Siliwangi University shows interesting dynamics between 2023 and 2024. In terms of revenue, there was a decrease of IDR 57.54 billion or 16.99%, which indicates that there are challenges in maintaining the university's acceptance rate. This decline is caused by external factors such as changes in funding policies, fluctuations in the

number of students, or reduced sources of non-academic income. On the other hand, total expenses also decreased by IDR 34.21 billion or 13.54%, which shows efficiency measures in managing operational costs. However, the decline in revenue was greater than the decrease in expenses, causing the operating surplus to decrease by 24.78%, from IDR 86.31 billion in 2023 to IDR 64.92 billion in 2024.

In terms of liquidity, current assets increased significantly by 2,437.64%, from IDR 974.76 million to IDR 24.74 billion. This increase shows an improvement in the university's ability to meet short-term obligations as well as a strengthening of cash reserves. Despite improved liquidity conditions, the trend of declining revenues and surpluses suggests that UNSIL needs to strengthen its revenue increase strategy and expand alternative sources of funds. Optimizing service programs, resource use efficiency, and increasing external collaboration with government and industry partners are strategic steps that can be taken to maintain financial stability and ensure the sustainability of university operations in the future.

4. CONCLUSION

Based on the results of the financial analysis of Siliwangi University from 2023 to 2024, it can be concluded that UNSIL's financial condition is categorized as healthy. Although, the operational surplus decreased by 24.78% in 2024, the use of funds showed effectiveness because it managed to reduce 13.54% of the total expenses to focus on the main program. The liquidity ratio was at a very healthy level with a very significant increase of 2,437.64%, from IDR 974.76 million to IDR 24.74 billion. This reflects the university's ability to meet short-term obligations. Meanwhile, the efficiency of fund management can be seen from the increase in the ratio of program efficiency and greater public support for operational financing. Siliwangi University also showed an improvement in net operating results, signaling a more professional and sustainable management direction. However, it is necessary to be aware that excess liquidity that is too high can have an impact on a lack of investment in long-term strategic development.

Strategic recommendations for Siliwangi University in the future include (1) utilizing some of current assets to develop academic facilities, infrastructure, and research innovations in the medium and long term. This will reduce the risk of asset stagnation; (2) diversifying revenue by developing business units, expanding national and international partnerships, and encouraging funding sources from the public and private sectors. This will strengthen financial independence; (3) Providing research and publication support as well as competency training for lecturers as an investment in the excellence of academic programs. This will increase UNSIL's competitiveness in the future

The implications of this study show that strengthening the managerial capacity and financial governance of BLU in universities is very important. In addition, monitoring the efficiency of the use of funds and diversifying revenue sources are key so that universities can continue to improve the quality of educational services while maintaining their financial sustainability.

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