EFFECTS OF CASH, ACCOUNTS RECEIVABLE AND CORPORATE PAYMENTS ON PROFITABILITY OF DRINKING WATER SUPPLIES

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Abstract

This study aims to find out how cash turnover, receivables, and furniture affect the profitability of the Gapura Tirta Rahayu Purwakarta Regional Public Company for Drinking Water from 2016 to 2021. The profitability reflected in ROA is one of the independent variables in this study, and the dependent variables are cash turnover, billing, and inventory. The causal associative method is used in this quantitative research. This study uses purposive sampling and secondary data. Meanwhile, the data was analyzed using SPPS Version 26, descriptive statistics, multiple linear regression, t-test, f-test, and determination coefficient analysis. The results showed that only one component affected profitability inventory turnover. Profitability is partly influenced by cash and debit turnover. The results of the f test showed that the significance value was 0.035, which was below 0.05, and the f value of 27.883 was below the table f 9.28. As a result, the calculation results showed that Ha was accepted. This shows that the turnover of goods, credit and cash affects profitability simultaneously.

Keywords: Cash Flow, Accounts Receivable, Stock Flow And Profitability

1. Introduction

One of the most important things for living things is water. In addition, water as one of the resources that concerns the lives of many people must be managed properly and wisely by parties who have special expertise in handling it. The Regional Public Company for Drinking Water (PERUMDA) Gapura Tirta Rahayu, Purwakarta Regency is the new name of the previous Regional Public Company for Drinking Water (PDAM). The amendment is based on the Regional Regulation (PERDA) of Purwakarta Regency No. 3 of 2020 dated July 14, 2020 concerning the "Regional Public Company of Tirta Rahayu Drinking Water". PERUMDA Drinking Water Gapura Tirta Rahayu is engaged in the distribution of clean water whose activities are producing drinking water, distributing drinking water to customers, establishing, building and/or managing drinking water installations as well as forming and building business units. The purpose of the establishment of PERUMDA Tirta Rahayu Drinking Water Gate is to provide services to, encourage regional economic growth and obtain profits or profits as a source of local original income.

Along with the rapid growth of society, the need for clean water continues to increase. This will encourage people who do not have a clean water source to contact the Regional Drinking Water Company. Judging from the many potentials that can be developed so that it becomes an additional regional income if the water resources can be managed properly by the Regional Government, in this case PDAM.

It was recorded that the number of customers of PERUMDA Tirta Rahayu Drinking Water Gate Purwakarta Regency as of Dec 31, 2020 was 29.141 and as of Dec 31, 2021 it decreased by 844 SL to 28.297 SL. Due to low customer compliance in paying their receivables on time, the cash of PERUMDA Gapura Tirta Rahayu Drinking Water from 2016 – 2021 has fluctuated and the balance of receivables has increased, as well as inventory sales that continue to fluctuate, causing the resulting profitability to also fluctuate. The reason why customers do not want to pay their receivables bills is the instability of the water flow but the bills continue to run where between the amount of bills and the

amount of water used there is a fairly significant difference. In addition, the water provided to customers often smells or is dirty, which will certainly have a negative impact on the company's operations.

The amount of cash must be regulated as best as possible according to the needs of the company (Amelia et al., 2023). There are two cash flows: inflow and outflow. They are involved in the company's operations. Cash inflows are a sum of money received by the company due to the acquisition of revenue from sales or the company's profit (Aliffia & Mulyani, 2023). Meanwhile, cash outflow is a sum of money spent to finance every operational activity of the company. Cash turnover is explained by a comparison of the average amount of cash and net sales. (Giacesita et al., 2021). Management in a company can find out the extent to which cash funds can generate revenue or sales by looking at this cash turnover ratio. The money turnover rate is proportional to the efficiency of using money, and if the money turnover rate is lower, the same is true. Businesses manage money poorly, resulting in more money being wasted or not being used.

Receivables are a bill made by the company to other parties with a maximum period of one year. Billing occurs when consumers buy goods or services in installments (Eryatna et al., 2021). In contrast, a ratio known as receivables turnover is a way to calculate how long invested funds or debits will rotate over a given period of time (Binsaddig et al., 2023).

If the turnover of receivables is high, the funds invested are low and of course this makes the company in good condition. On the other hand, if this ratio is getting tighter, it illustrates the existence of excessive investment in receivables. This ratio also shows the quality of the company's debt and the company's ability to pay all of those debts (Hariri et al., 2023). So, this ratio gives an idea of how quickly the receivables turn into cash. The amount of credit sales divided by the average bill is the receivables turnover ratio.

The ratio used to calculate the amount of reserve funds that rotate over time until it can finally be sold in the form of goods is the definition of inventory turnover (Fajar Ilmiyono, 2023). This ratio shows the ability of the company's management to sell and maintain the quality of its merchandise stock (Oktavia & Suparno, 2020). So that it can give an idea of how quickly the reserve of goods is successfully sold to consumers. As a source of information that will be used as the basis for analysis in this study, data on cash turnover, receipts, and supplies from the Gapura Regional Drinking Water Company of Rahayu Purwakarta Regency from 2016-2021 are presented below :

Table 1
Cash, Receivables and Inventory Turnover at Regional Drinking Water Company Gapura Tirta Rahayu Regency Purwakarta in 2016-2021

Year	Cash Turnover (X)	Account Receivable Turnover (X)	Inventory Turnover (X)
2016	20,33	2,56	8,07
2017	15,98	2,19	6,99
2018	9,26	2,88	6,99
2019	10,67	3,89	5,76
2020	37,79	3,47	4,94
2021	50,61	2,85	4,93
Average	24,10	2,97	6,28

Source: Financial statements data processed

Cash turnover, billing, and inventory from 2016 to 2021 fluctuated or were unstable, as shown by the table and graph above. The highest cash turnover rate in 2021 was 50.61 times. The highest cash turnover rate in 2019 was 3.89 times. This shows that the level of use increases along with the level of cash turnover and vice versa.

Source: Data processed

Graph 1
Graph of Increase and Decrease in Cash, Receivables and Inventory Turnover

If the higher the level of receivables turnover, the company is said to be good. Meanwhile, the highest inventory turnover rate was in 2016 with a turnover of 8.07. If the higher the turnover level, the company is categorized as good. In other words, merchandise inventory can be sold in a relatively short time. So that the profits generated by PERUMDA are large. Therefore, the profits generated will have an impact on the company's profitability.

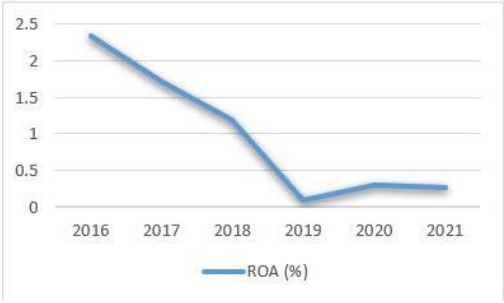
Profitability can be defined as a ratio of comparisons that indicate the extent to which an organization is able to generate profits from revenues related to assets, equity and sales based on specific measurements. One of the financial ratios used to determine how well a company's financial performance in managing capital so that it can make a profit is the profitability ratio (Irsan & Rambe, 2021). The profitability ratio can predict the company's future profits. Companies that have a higher profitability ratio will be more efficient in using their facilities (Putri et al., 2024). The following metrics are used to determine profitability levels: Return on Assets (ROA), Profit Margin on Sales, Return on Equity (ROE) and Earning per Share of Common Stock. The study uses Return On Assets (ROA) as a ratio to measure profitability. The reason is that Return On Asset (ROA) does not only focus on the profits achieved, but also on the investments used to generate profits in managing the assets it owns in generating profits. The following is the Return On Asset (ROA) data of the Gapura Tirta Rahayu Drinking Water Regional Company in 2016-2021:

Table 2
Return On Asset Of Gapura Tirta Rahayu Regional Drinking Water Company
Year 2016-2021

Year	Net Profit After Tax	Total Assets	ROA (%)
2016	1.292.819	55.387	2,33
2017	942.363	54.948	1,71
2018	648.286	54.731	1,18
2019	52.275	53.558	0,10
2020	172.134	55.128.	0,31
2021	173.342	55.128	0,27
Average			**0,99**

Source: Financial statements data processed

It is shown from the table and graph above that the average ROA of the Gapura Tirta Rahayu Regional Drinking Water Company from 2016 to 2021 is 0.99%.



Source: Data processed PERUMDA Gapura Tirta Rahayu

Graph 2
ROA Growth Chart (%)

Kasmir in (Suparti & Rajagukguk, 2024) If the industry average for return on assets is 30%, then the ROA of the Gapura Tirta Rahayu Regional Public Company is said to be less good because it is below 30%. Meanwhile, Bank Indonesia Regulation No. 13/1/PB/2011, the best standard of Return On Asset (ROA) is more than 1.5%, while the highest ROA figure in 2016 is 2,33% and it is still less than 1,5%. When the company's asset value (ROA) increases, the company is better able to utilize assets to generate profits.

According to the explanation above, the formulation of the problem is obtained Does cash turnover affect profitability? Does receivables turnover affect profitability? Does inventory turnover affect profitability? The profitability of the Gapura Tirta Rahayu Regional Public Company of Drinking Water in Purwakarta Regency in 2016-2021 is influenced by cash turnover, revenue, and inventory?. The purpose of this study is to identify the effect of cash turnover on profitability, revenue turnover on profitability, inventory turnover on profitability, and the simultaneous effect of cash turnover, billing, and inventory on profitability in the Gapura Tirta Rahayu Regional Public Company for Drinking Water Purwakarta Regency during the period 2016-2021.

2. Method

According to Kasmir in (Agusentoso et al., 2023a) Financial statements are reports that describe a company's financial state and its business results over a period of time. So that in practice this financial report is not made arbitrarily, but the flow and structure are regulated according to applicable standards. This needs to be done so that this financial reporting can be easily read and understood.

Financial ratio analysis assesses the financial condition and performance of the company through financial statements. In general, at least five types of financial ratios are commonly used to assess a business's performance and financial condition. The five ratios are Liquidity Ratio, Solvency, Activity, Profitability and Valuation Ratio or Market Size Ratio. However, in this study the profitability ratio used ROA (Nidiana & Zaki, 2023).

There is a ratio called Return on Asset (ROA), which shows how much an asset contributes to net profit creation. So it can be concluded that this ratio is used to determine how much net profit will be generated from each rupiah of funds from all assets. (Ashri & Fathihani, 2023). When this ratio is higher, the company gets better and vice versa. According to Kasmir in (Oktarina et al., 2024). The standard or criteria used if the ROA value is above 30% is said to be good. Meanwhile, if the ROA value is below 30%, it is categorized as not good. The following is formula to used calculate ROA:

$$\text{ROA} = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$$

According to (Umrah et al., 2022) The number of times funds rotate in a given time indicates the ability to make money. Positive efficiency level with turnaround speed. This illustrates that the cash funds used can finance operational activities for the next work. Conversely, lower turnover rates actually increase inefficiencies because they generate more unproductive money. Therefore, it can be

concluded that "cash turnover" is the amount of money that flows through goods or services over a certain period of time. The formula to calculate it is as follows:

$$\text{Cash Turnover} = \frac{Net\ sales}{Average\ Cash}$$

Receivables turnover shows how well a company's reserve funds are managed and how quickly the company manages short-term debt (Oktarina et al., 2024). Furthermore, according to Kasmir in (Harun et al., 2023) This ratio is used to determine how long it will take to collect bills or how many times these invested funds rotate in a given period of time. The higher this ratio, the less working capital is put into the debit which benefits the company. However, the company will suffer losses if this ratio is low. To calculate the receivables calculation turnover ratio, the following formula is used:

$$\text{Receivables Turnover} = \frac{Credit\ Sales}{Average\ receivables}$$

In trading companies, the inventory is called the inventory of merchandise (there is only one classification). Meanwhile, the company's inventory manufacturing is classified into three raw materials, goods in process and finished goods (Vista et al., 2023). So that the company will first assemble raw materials into finished goods output (finised good), then sell them to customers. This inventory is presented in a balance equal to the acquisition price (FIFO method or average cost method) or the lowest price between the acquisition price and the market price (Rajagukguk & Siagian, 2021).

According to (Prasena, 2022) A ratio that shows how quickly the reserve fund rotates in a normal production cycle and measures the existence of goods sold and produced during the sales period is called inventory turnover. A higher ratio is categorized as good because each sale is considered to be going fast and indicates that the working capital embedded in the inventory of smaller goods then increases for the company (Wulandari & Lubis, 2022). On the other hand, if this ratio is lower it means that a lot of merchandise inventory is piling up in the warehouse due to slow sales so this will result in a low return on investment. To calculate inventory turnover, the following formula is used:

$$\text{Inventory Turnover} = \frac{Net\ Sales}{Average\ Inventory}$$

This research is quantitative and uses a causal associative approach. According to Sugiono in (Waruwu, 2023), causal associative is research that explains or analyzes causal relationships between two or more variables. This study looks at how cash turnover, bills, and supplies affect the profitability of the Gapura Tirta Rahayu Regional Public Company for Drinking Water in Purwakarta Regency. This study analyzes the Financial Statements of Public Companies in the Gapura Tirta Rahayu Area, Purwakarta Regency for the period 2016-2021 which includes balance sheets, income statements, capital change statements, and debt securities as the population. In this study, the sampling technique was used purposively. This technique establishes a sample taking into account certain standards (Waruwu, 2023). The financial position or balance sheet report and the profit and loss statement of the Gapura Tirta Rahayu Regional Public Company for the period 2016-2021 were used as research samples. For this data analysis, SPPS Version 26 was used. Descriptive statistics, multiple linear regression, classical assumption test, t-test, f-test, and deterministic analysis coefficients used.

3. Result and Discussion

In this case, secondary data was used obtained from the financial statements of PERUMDA Tirta Rahayu Drinking Water Purwakarta Regency. In this investigation, there are three independent variables: cash, receivables, and inventory turnover. Return On Asset is a variable that is tied to the 2016–2021 research period. The following table displays the research data :

Table 3
Research Data

Year	Cash Turnover (X)	Accounts Receivable Turnover (X)	Inventory Turnover (X)	ROA (%)
2016	20,33	2,56	8,07	2,33
2017	15,98	2,19	6,99	1,71
2018	9,26	2,88	6,99	1,18
2019	10,67	3,89	5,76	0,10
2020	37,79	3,47	4,94	0,31
2021	50,61	2,85	4,93	0,27

Source: Financial Statements Data processed

Table 4 of descriptive statistics presents the above data and showing the minimum, maximum, average and standard deviation values of each of the research variables. Below are the results of statistical tests :

Table 4 of descriptive statistics

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Cash Turnover	6	9,26	50,61	24,1067	16,55859
Accounts Receivable Turnover	6	2,31	4,30	3,2267	,69379
Inventory Turnover	6	4,93	8,07	6,2800	1,27286
ROA	6	,10	2,33	,9833	,90805
Valid N (Listwise)					

Source: Output SPSS V.26

Table 4 above shows the results of data processing, which shows that the data of this study consists of six financial statements, including balance sheet and profit and loss. The results of the analysis are processed below.:

1) Cash turnover (X1), The cash turnover variable consisting of 6 samples has a standard deviation of 16.55859%, a minimum of 9.26%, a maximum of 50.61% and an average value of 24.1067%.
2) Receivables turnover (X2), The receivables turnover variable consisting of 6 samples has a standard deviation of 0.69379 percent, a minimum of 2.31 percent, a maximum of 4.30 percent, and an average value of 3.267 percent.
3) Inventory Turnover (X3), The inventory turnover variable consisting of 6 samples had the standard deviation was 1.27286%, the minimum value was 4.93%, the maximum value was 8.07% and the average value was 6.2800%.
4) Proitability (Y), The profitability variable measured using ROA consisting of 6 samples has a standard deviation of 0.90805%, a minimum of 0.10%, and a maximum of 2.33%.

Table 5 Normality Test
One-Sample Kolmogorov - Smirnov Test

		Unstandardized Residual
N		6
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.13875907
Most Extreme Differences	Absolute	.152
	Positive	.152
	Negative	-.116
Test Statistic		.152
Asymp. Sig.(2-tailed)		.200[c,d]

a. Test distribution is Normal
b. Calculated from data
c. Lilliefors Significance Correction
d. This is a lower bound of the true significance

Source : Data processed by the author (2023)

The above results show that the significance value (Asympt. Sig) 0.200 is greater than 0.05. Therefore, if there is a significance value of more than 0.05 then the value of the study is distributed normally. Data normality is a basic requirement that must be met in parametric analysis. The fact that the data is distributed normally and is considered representative of the population makes the normality of the data important.

Table 6
Heteroscedasticity Test with Glejser Test

Coefficients[a]

Type		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	,505	,541		,933	,449
	Cash Turnover	,001	,003	,155	,215	,850
	Accounts Receivable Turnover	-,041	,065	-,405	-,622	,598
	Inventory Turnover	-,045	,048	-,813	-,931	,450

a. Dependent Variable: Abs_Res

Source : Data processed by the author (2023)

There are no heteroscedasticity issues in this regression model, as shown by the results of previous SPSS calculations. Each variable has a significance value greater than 0.05.

Tabel 7
Multicollinearity Test

Coefficients[a]

Type		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-2,806	1,809			
	Cash Turnover	,014	,010	,247	,340	2,938
	Accounts Receivable Turnover	-,282	,219	-,215	,417	2,395
	Inventory Turnover	,696	,160	,976	,232	4,306

a. Dependent Variable: ROA

Source : Data processed by the author (2023)

The evidence from the results of the multicollinearity test above which shows that the tolerance value for each independent variable is greater than 0.1 and the VIF value is less than 10. Therefore, the above regression model does not show multicollinearity.

Table 8
Durbin-Wattson Test

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	,988a	,977	,942	,21940	2,633

a. Predictors : (Constant), Inventory Turnover, Accounts Receivable Turnover, Cash Turnover

b. Dependent Variable: ROA

Source : Data processed by the author (2023)

The table above shows that the DW values are 2,633. Because the Durbin-Wattson value is located between 4-DU = 1.7134 and 4-DL = 3.6326. So that the DW value is 2,633 are in the range of 4-DU < DW < 4-DL or 1.7134 < 2.633 < 3.6326 then the results show that the autocorrelation using Durbin-Wattson is not convincing. Because of these results, data processing is continued with the Runs Test test.

Table 9
Auto Correlation

	Unstandardized Residual
Test Value[a]	.01677
Cases < Test Value	3
Cases >= Test Value	4
Total Cases	7
Number of Runs	4
Z	.000
Asymp. Sig. (2-tailed)	1.000

a. Median

Source : Data processed by the author (2023)

The Runs Test is part of the nonparametric test, which is used to test whether there is a correlation between the residuals or not. The results of the SPSS calculation show the Asim value. Sig. (2-high) is greater than 0.05. So it can be concluded that the research conducted did not find any autocorrelation symptoms.

Table 10
Multiple Linear Regression Test

Coefficients[a]

Type		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-2,806	1,809			
	Cash Turnover	,014	,010	,247	,340	2,938
	Accounts Receivable Turnover	-,282	,219	-,215	,417	2,395
	Inventory Turnover	,696	,160	,976	,232	4,306

a. Dependent Variable: ROA

Source : Data processed by the author (2023)

Based on the results of the spss above, the regression equation using a non-standard constant has a value of -2.806 for the cash turnover variable and a coefficient of 0.014. For the variable of inventory turnover, the coefficient is -0.282 and for the variable of inventory turnover, the coefficient is 0.696. So, the regression model created is as follows:

Y = a + b1X1 + b2X2 + b3X3 + e
Y = (-2,806) + (0,014) + (-0,282) + (0,696) + e

The description of the multiple linear regression equations mentioned earlier can be found here:

1) The value of the constant indicates that if all independent variables have a niai 0 or fixed, so the value of the bound variable in this case profitability is -2.806.
2) The cash turnover variable (X1) shows that every increase (X1) assuming that other variables that are not studied remain then the level of profitability will increase by the value of the coefficient which is 0.014.
3) The variable of receivables turnover has a negative coefficient value and shows that each increase (X2) assuming that other variables that are not studied remain the profitability level will decrease by (-) 0.282.
4) The inventory turnover variable (X3) has a coefficient value that indicates that each increase (X3) assuming that other variables that are not studied are fixed then the profitability rate will increase by 0.696.

Table 11
Correlation Coefficien

Correlations

		Cash Turnover	Accounts Receivable Turnover	Inventory Turnover	ROA
Cash Turnover	Pearson Correlation	1	-,008	-,666	-,401
	Sig. (2-tailed)		,988	,149	,431
	N	6	6	6	6
Account Receivable Turnover	Pearson Correlation	-,008	1	-,564	-,768
	Sig. (2-tailed)	,988		,244	,075
	N	6	6	6	6
Inventory Turnover	Pearson Correlation	-,666	-,564	1	,933**
	Sig. (2-tailed)	,149	,244		,007
	N	6	6	6	6
ROA	Pearson Correlation	-,401	-,768	,933**	1
	Sig. (2-tailed)	,431	,075	,007	
	N	6	6	6	6

** Correlation is Significant at the 0.01 level (2-tailed)

Source : Data processed by the author (2023)

The following are the correlation outputs from table 11:

1) The significance value of the relationship between cash turnover (X1) and ROA (Y) is 0.431, because the value of the sig is > 0.05, it can be said that there is no relationship between cash turnover and ROA with the degree of relationship, namely medium correlation and negative form of relationship. This means that profitability (ROA) will decrease or even tend to be low if the cash turnover variable is higher, and vice versa.
2) Because the sig value is more than 0.05, the relationship between return on assets (X2) and return on assets (Y) has a significance value of 0.075 it can be said that there is no relationship between receivables turnover and ROA with the degree of relationship, namely a strong correlation and the form of the relationship is negative. This means that the profitability variable (ROA) has a negative impact on the billing turnover variable and vice versa.
3) Since the sig value < 0.05, it can be concluded that there is a perfect correlation with the form of a positive relationship between inventory turnover (X3) and ROA (Y) with a relationship significance value of 0.007. This means that if the inventory turnover variable is higher, profitability (ROA) will tend to increase and vice versa.

Table 12
T Test

Coefficients[a]

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2,806	1,809		-1,551	,261
	Cash Turnover	,014	,010	,247	1,335	,314
	Accounts Receivable Turnover	-,282	,219	-,215	-1,288	,327
	Inventory Turnover	,696	,160	,976	4,353	,049

a. Dependent Variable: ROA

Source : Data processed by the author (2023)

a. Variable X1 (Cash Turnover)
The cash turnover variable has a significance value of 0.314 which is greater than 0.05 according to table 12 of the SPSS results. The results of the partial test showed that the calculated t-value was 1.335, which is less than the t-value of the table 4.303. As a result, it can be concluded that H0 is accepted, which means that the cash turnover variable does not affect profitability (ROA) partially.

b. Variable X2 (Receivable Turnover)
Furthermore, the variable of receivables turnover showed a significance of 0.327 which was greater than 0.05. The value of the t-calculation is -1.288 which is lower than the t-table of -4.303. As a result H0 was accepted, which indicates that the credit turnover variable does not affect profitability (ROA) partially.

c. Variable X3 (Inventory Turnover)
As indicated by the last variable, The results of the partial test show that the t-value of the table 4.353 is greater than the calculated, because the significance of inventory turnover is 0.049 which is equal to 0.05. Therefore Ha1 is accepted, which indicates a small impact between the revenue turnover variable and profitability (ROA).

Table 13
F Test

ANNOVA[a]

Type		Sum of Square	df	Mean Square	F	Sig.
1	Regression	4,026	3	1,342	27,883	,035[b]
	Residual	,096	2	,048		
	Total	4,123	5			

a. Dependent Variable: ROA

b. Predictors : (Constant), Inventory Turnover, Accounts Receivable Turnover, Cash Turnover

Source : Data processed by the author (2023)

The significance value of table 13 is 0.035 below 0.05, and the F value is 27.883 above table F 9.28. Therefore, the results show that Ha is acceptable. So that the result is cash, loading, and inventory turnover affecting profitability.

Table 14
Coefficient of Determination

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,988a	,977	,942	,21940
a.	Predictors : (Constant), Inventory, Accounts Receivable, Cash Turnover			
b.	Dependent Variable: ROA			

Source : Data processed by the author (2023)

Table 14 above shows that the determination coefficient or Adjusted R Square (R2) is 0.942, which is equal to 94.2%, which shows that cash, billing, and inventory turnover of 94.2% can explain profitability (Return On Assets). Other factors that were not studied provided the remaining 5.8 percent.

Discussion

Cash turnover does not affect the profitability of PERUMDA Tirta Rahayu (X1) Drinking Water, based on the data and calculations above. The t-test results in the table show that H0 is accepted and Ha1 is rejected; A t-value of 1.335 is equal to a t-value of 4.303, and a significance level of 0.314 is greater than 0.05. As a result, profitability as measured by return on assets (ROA) is not affected by cash flow. The results of the analysis show that the management of the PERUMDA Tirta Rahayu Drinking Water Gate in Purwakarta Regency is less efficient in cash management. Because theoretically, if cash management is effective, it will have an impact on sales activities and profitability will increase and the company's financial condition will not be disturbed. This is due to the development of the cash of PERUMDA Tirta Rayu Drinking Water Gate of Purwakarta Regency which tends to fluctuate every year. Cash turnover that is too high causes overinvestment in the cash. In addition, it can also be caused by the existence of uncollectible receivables that will make the company have to bear losses for this. When the cost of goods sold, operating costs and taxes increase, the company is used to cover these costs. This is contrary to the existing theory that cash flow affects a company's profitability. However, this study is directly proportional to the previous research conducted by (Surya & Wardayani, 2021) by saying that some cash turnover factors do not affect profitability significantly. The findings of this study, however are also not in line with the research conducted by (Prasena, 2022) which states that profitability is affected largely by cash flow.

According to the results of the study, the turnover is not affected by the profitability of PERUMDA Tirta Rahayu Air Minum (X2). As evidence of H0 acceptance and Ha2 rejection, the partial test results in the table show that the t-1.288 value is equal to table 4.303 and the significance level of 0.327 is greater than 0.05. The researcher found that profitability as measured by net asset value (ROA) is not affected by receivables turnover. According to the results of the study, the PERUMDA Tirta Rahayu Drinking Water Gate in Purwakarta Regency manages utilities less efficiently. Because if the management of receivables is effective, it will result in a higher turnover of receivables so that it is better for the company because the number of receivables that cannot be collected is getting smaller. Thus, the incoming money can be reused more quickly for operations which will increase sales and profitability. Meanwhile, the turnover of the PERUMDA Tirta Rahayu Drinking Water Gate in Purwakarta Regency is not smooth. The results of the calculation of the ever-changing receivables turnover ratio can show this. And that means receivables take a long time to collect in the form of cash or cash. Credit sales carried out by the company are also small, causing its profitability to also decrease. The provision for payment of receivables is also one of the factors that results in the amount of receivables getting larger, because if the payment is soft the amount of receivables will be larger and the turnover of receivables will actually be lower. And if the payment terms are strict, it will result in a lower amount of receivables and a higher turnover. Therefore, the revenue turnover does not have an impact on the profitability of PERUMDA Tirta Rahayu Drinking Water. The turnover of receivables has no effect can be shown by several companies that have experienced an increase in the turnover of receivables but their profitability has decreased. Likewise, the decline in receivables has decreased but its profitability has increased. In addition, it is possible that other variables besides debt turnover can also affect the profitability of the company. The results of the model at a glance show this, with an

Adjusted R Square value of 0.942, or 94.2%, it is possible that other variables affect profitability by 5.8%. The results of this study are in line with the findings made by (Agusentoso et al., 2023a) (Agusentoso et al., 2023b) They argue that turnover factors play a small role in influencing profitability. The findings of this study, however are inconsistent with research conducted by (Napitupulu et al., 2020) which claims that profitability is enhanced by debt turnover.

From the data and calculations above, it can be concluded that inventory turnover (X3) greatly affects the profitability of PERUMDA Tirta Rahayu. The table has a value of 4.353, and the partial test value of t is 4.353. With a significance level of 0.049 less than 0.05, H0 is not accepted and Ha3 is accepted. As a result, it was decided that profitability is affected by turnover, which can be measured by ROA. Since the company's inventory can be sold in a shorter time, the company's inventory turnover is higher to increase business profits. Inventory management must be done properly, where errors in determining inventory levels can result in other asset components becoming suboptimal, and can even cause losses. The results of this study are consistent with the research conducted by (Ashri & Fathihani, 2023) and (Prasena, 2022) which states that inventory turnover has a major impact on profitability. The findings of this study, however are also not in line with the research conducted by (Damayanti et al., 2022) which states that profitability is partly unaffected by inventory turnover.

The results of the f test show that profitability is simultaneously affected by cash turnover, billing, and inventory. The results of the simultaneous test in the table show that the F value of 27.883 is greater than 9.28, with a significance level of 0.035 < 0.05. This means that if cash, receivables and inventory turnover increase. then the company's profitability level will increase. Because receivables and inventories of merchandise can turn into cash in a relatively short time. This influence shows that the company must have a high level of working capital adequacy to pay bills and sales finance and a high inventory turnover rate can reduce the costs or risks incurred to generate high sales volumes. In addition, a high receivables rating indicates that companies that manage debt better will have a greater ability to generate profits. If the management of cash, receivables and inventory turnover can be carried out more effectively by the company's management, profits will continue to increase from year to year. This research is directly proportional to the research that has been carried out by (Oktarina et al., 2024), (Ashri & Fathihani, 2023), (Nidiana & Zaki, 2023) and (Prasena, 2022) His research shows that cash, receivables and inventory turnover affect profitability simultaneously. However, this research contradicts that conducted by (Hasanudin et al., 2022) The results show that there is no impact on profitability when cash, debt and inventory move simultaneously.

4. Conclusion

1. Partially cash turnover (X1) does not have an impact on profitability in Public Company of Gapura Tirta Rahayu Drinking Water Regency.
2. Variable receivables turnover (X2) partially has no effect on the profitability of Regional Public Company for Tirta Rahayu Gate Drinking Water in Purwakarta Regency.
3. The variable of supply turnover (X3) greatly affects the profitability of the Gapura Tirta Rahayu Regional Public Company for Drinking Water in Purwakarta Regency.
4. Cash turnover, collection, and equity affect the profitability of the Gapura Tirta Rahayu Regional Public Company for Drinking Water, Purwakarta Regency.

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