Financial Performance Analysis of Regional Companies
(Case Study on Regional Company "Rengganis" Probolinggo Regency, East Java 2018-2020)

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A B S T R A C T

The Rengganis Regional Company of Probolinggo Regency is a company engaged in services that manages (Sports Building) Sasana Krida Gymnasium & Tennis Court, Jabung Tirta Swimming Pool and Bremi Pesanggrahan. To determine the success of the company's ability to develop its business, we can assess the company's performance through financial reports. The purpose of this study was to determine the financial performance of the Rengganis Regional Company, Probolinggo Regency, East Java in 2018 - 2020 and to describe the financial soundness of the Rengganis Regional Company of Probolinggo Regency from 2018 to 2020 based on the Decree of the Minister of SK Menteri BUMN Nomor : KEP-100/ MBU/ 2002. The research approach that the author uses is a descriptive qualitative approach, which is directed at how the financial performance and Soundess level of the Regional Company Rengganis Kab. Probolinggo. Data obtained from financial reports sourced from the Regional Company Rengganis Kab. Probolinggo in 2018, 2019 and 2020. The results show that the financial soundness of the Rengganis Regional Company during the three accounting periods, 2018, 2019 and 2020 according to the Decree of the Minister of SK Menteri BUMN Nomor : KEP-100/ MBU/ 2002 through 8 ratio indicators is not good. This is due to the less than optimal management of the financial performance of the Rengganis regional company.

A B S T R A K

Perusahaan Daerah Rengganis Kabupaten Probolinggo merupakan perusahaan yang bergerak dibidang jasa yang mengelola (Gedung Olahraga) Gedung Olahraga Sasana Krida Gymnasium & Lapangan Tenis, Kolam Renang Jabung Tirta dan Bremi Pesanggrahan. Untuk mengetahui keberhasilan kemampuan perusahaan dalam mengembangkan usahanya, kita dapat menilai kinerja perusahaan melalui laporan keuangan. Tujuan dari penelitian ini adalah untuk mengetahui kinerja keuangan Perusahaan Daerah Air Minum Rengganis Kabupaten Probolinggo, Jawa Timur pada tahun 2018-2020 dan untuk mendeskripsikan tingkat kesehatan keuangan Perusahaan Daerah Air Minum Rengganis Kabupaten Probolinggo dari tahun 2018 - 2020 berdasarkan Keputusan Menteri SK Menteri BUMN Nomor : KEP-100/M-MBU/2002. Pendekatan penelitian yang penulis gunakan adalah

pendekatan kualitatif deskriptif, yang diarahkan pada bagaimana kinerja keuangan dan tingkat kesehatan Perusahaan Daerah Rengganis Kab. Probolinggo. Data yang diperoleh dari laporan keuangan yang bersumber dari Perusahaan Daerah Air Minum Rengganis Kab. Probolinggo pada tahun 2018, 2019 dan 2020. Hasil penelitian menunjukkan bahwa kesehatan keuangan Perusahaan Daerah Rengganis selama tiga periode akuntansi yaitu tahun 2018, 2019 dan 2020 menurut Keputusan Menteri SK Menteri BUMN Nomor : KEP-100/MBU/2002 melalui 8 indikator rasio kurang baik. Hal ini disebabkan oleh kurang optimalnya pengelolaan kinerja keuangan Perusahaan Daerah Rengganis.

INTRODUCTION

All production and service companies generally aim to achieve maximum profit. With the rapid advancement of time and technology, companies are required to work harder to develop creative innovations that attract consumers. As a result, companies must enhance their competencies to remain competitive and sustain growth. The success of a company's ability to grow its business can be evaluated through its performance, as reflected in its financial statements. This includes assessing the company's capital structure, obligations, effectiveness in utilizing assets, and achievement of business outcomes. Financial statements play a crucial role in providing an overview of the business's efforts to develop its assets and ensure sustainable growth (Hastiwi et al., 2022).

Financial management in accordance with Islamic law must be free from fraudulent practices such as usury (riba), uncertainty (gharar), speculation (maysir), and other prohibited elements. The principles of Sharia are outlined in several chapters and verses of the Qur'an, one of which is Surah An-Nisa (4), verse 29, which states as follows:

يَٰٓأَيُّهَا الَّذِينَ اٰمَنُوْا لَا تَأْكُلُوْٓا اَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ اِلَّآ اَنْ تَكُوْنَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوْٓا اَنْفُسَكُمْ اِنَّ اللهَ كَانَ بِكُمْ رَحِيْمًا

"O you who believe! Do not eat from one another's wealth by false means, except in a trade that is mutually agreed upon between you. And do not kill yourselves. Indeed, Allah is most merciful to you" (Qur'an Surah An-Nisa' Verse 29).

This verse Allah revealed so that mankind makes transactions correctly and honestly without committing fraud in any form. The management of financial reports must be conducted effectively and efficiently, as proper report management is key to achieving optimal company performance. The types of reports in question include balance sheets, income statements, statements of changes in financial position, and statements of changes in equity. These reports serve to monitor the financial condition and development of a company over each reporting period (Kasmir, 2021).

Rengganis Regional Company of Probolinggo Regency serves as an example. This company was established by the Probolinggo Regency Regional Government under Regional Regulation Number 11 of 1986, titled "Regarding the Rengganis Regional Company." The regulation was officially published in the Probolinggo Regency Regional Gazette on October 9, 1986.

This company is engaged in services that manage the Sasana Krida Sports Hall (GOR) & Tennis Courts, Jabung Tirta Swimming Pool and Bremi Reservoir. According to Probolinggo Regency Regional Regulation Number: 12 of 2013 that the function of the Rengganis Regional Government is to increase regional economic growth and equitable development. In addition, the Rengganis Regional Company also functions to optimally increase the ability of local revenue (PAD) to the Regional Government of Probolinggo Regency in accordance with the sound of one of its main missions.

The performance of the Rengganis Regional Company is evaluated using regional company guidelines, which encompass three main aspects, including the financial aspect. This aspect consists of ten financial ratios: profit to productive assets ratio, profit to building rent ratio, current assets to current debt ratio, long-term debt to equity ratio, total assets to debt ratio, operating costs to operating income ratio, operating profit before depreciation to principal and interest installments due, and accounts receivable turnover ratio (Nugraha et al., 2023). The company's growth can be assessed from the results of these analyses. Furthermore, performance evaluation provides insights into the company's Soundess over time, serving as a reference for improving weak financial ratios and enhancing future performance (Adawiyah, 2019). This study aims to analyze the financial performance and determine the financial Soundess level of the Rengganis Regional Company of Probolinggo Regency, East Java, for the 2018–2020 period. Consequently, the research question posed is: What are the financial performance and financial Soundess levels of the Rengganis Regional Company of Probolinggo Regency from 2018 to 2020?

LITERATURE REVIEW

Regional Company

A company is an economic activity carried out by one or a group of people in the form of a formal institutional container in a certain place, which is organized and run regularly and continuously to make, provide or distribute goods or services for the people who sell or buy them (JASRIANTO et al., 2022). Meanwhile, a regional company is a company established based on regional regulations, whose assets are wholly or partly owned by the region.

Based on the provisions in Article 2 of Law Number 5 of 1962, it can also be interpreted that a Regional Company is a company whose capital is wholly or partly a separated regional property and a Regional Company is also a Regional-Owned Enterprise (BUMD) whose capital is wholly or partly a separated regional property, unless otherwise determined by or based on law (BPK, 2014).

Regional companies have a role in realizing regional prosperity by contributing to Regional Original Revenue (PAD) either in the form of dividends or taxes. One of the challenges in increasing PAD is by increasing the contribution of regional companies. The role of regional companies in the regional economy can be measured through their added value contribution to Gross Regional Domestic Revenue (GRDP) and their ability to absorb labor (Indah Tri Handayani, 2021).

Based on the Regional Regulation of Probolinggo Level II Number: 11 of 1986 in CHAPTER III Place of Residence, Purpose and Business Field, Purpose and Business Field, Article 5 (1) and (2) and Article 6 that the purpose and objective is as an effort to increase PAD sources. In addition, the objectives of the Rengganis Regional Company are:
   a. Advancing the Regional Economy
   b. Expanding the Region and Business, Article 5 (1)

Financial Statements

Financial statements are the result of an accounting process from a series of recording and summarizing business transaction data that is used as an information tool to communicate financial data or company activities to interested parties, which shows the Soundess condition and performance of the company (Sari & Lestari, 2020). Through a series of processes of recording, measuring, and summarizing business transaction data, financial reports present a comprehensive picture of the company's financial condition and operational performance in a certain period. The information contained in financial statements, such as balance sheets, income statements, and cash flow statements,

provides important insights for stakeholders to evaluate company performance, make investment decisions, and analyze potential risks and opportunities faced by the company. Thus, financial reports are not only a vital communication tool in the business world, but also play an important role in maintaining company transparency and accountability to the public (Lionardi & Suhartono, 2022).

The following are four types of financial statements based on the presentation process (Denofriza, 2023):

a. Income Statement

Income statement is a systematic report on the company's income and expenses for a certain period of time. This report ultimately contains information about the results of management performance or the results of the company's operational activities, which is net profit or loss as a result of revenue minus expenses and losses.

b. Statement of Owner's Equity

The statement of owner's equity or commonly called the statement of changes in capital is a report that presents an overview of changes in the owner's equity of a company for a certain period of time.

c. Statement of Financial Position

The balance sheet is a systematic report to describe the company's financial position such as the position of the company's assets, liabilities and equity at a certain date.

d. Statement of Cash Flows

The cash flow statement is a report that shows cash inflows and outflows in detail in each activity, starting from operating activities, investing activities, to financing / financing activities for a certain period. This report shows the amount of net increase or decrease in cash from all activities during the current period as well as the company's cash balance until the end of the period.

In general, financial statements aim to provide information about the company's assets, liabilities and capital to help investors and creditors and other parties who are useful in evaluating the company's financial strengths and weaknesses as well as the company's level of liquidity and solvency. In addition, financial statements also aim to provide a clear picture of the financial performance of a company in a certain period of time, as well as present information that is relevant to management for strategic decision making. By providing data on cash flow, profit and loss, and financial position, financial statements help stakeholders to understand how the company manages its financial resources, estimate growth potential, and identify potential risks. Thus, financial statements are an important tool for external and internal parties in understanding the company's financial condition and measuring performance and potential investments that may exist.

Financial Performance of Regional Companies

Performance is a general term used for part or all of the actions or activities of an organization in a period with reference to a standard amount such as past or projected costs, with efficiency, aspects of responsibility or management accountability and the like (Komarlina & Jumri, 2020).

Financial performance is an analysis conducted by the company to see the extent of the company's operations by using the rules of financial implementation rules properly and correctly. Meanwhile, the company's financial performance is a description or financial condition of a company analyzed by financial analysis tools. So that information can be obtained about whether the company's financial condition is Soundessy or not and work performance in a certain period (Nugraha et al., 2023).

In analyzing the performance of financial statements, many considerations must be considered because this is directly related to the financial position and operational results of the company each

year. This analysis requires not only an in-depth understanding of the recorded financial data, but also takes into account external and internal factors that can affect the company's performance. By considering all these variables, the analysis can provide more accurate estimates and more precise predictions regarding the company's future performance. This allows management to make more informed and strategic decisions to steer the company towards long-term growth and sustainability.

To improve the services of Regional Companies to the community, especially visitors, both in quantity and quality, Regional Companies must be managed professionally by the Director with the help of their employees. This success can be known through monitoring and assessing the company's performance at the end of each year of closing the book, namely on the financial statements and management of regional companies (Iqbal Apryadi Wahyudin, 2019).

Assessing the effectiveness of decisions that have been taken by the company in order to carry out its business activities, we can use ratio analysis which is divided into 3 types, namely liquidity ratio analysis, solvency ratio analysis and profitability ratio analysis (Lithfiyah et al., 2019). And in this analysis, the author will use a rentability ratio analysis to determine the company's ability to use its assets productively by comparing the profit earned in a period with the total assets or capital of the company.

Company Soundess Level

Assessment of the company's Soundess level is very necessary for making important decisions in the future. The company's financial Soundess level is seen from its financial statements. Because the financial statements are the result of the accounting process which contains financial information.

According to the Decree of the Minister of SOEs of the Republic of Indonesia in 2002, there are three aspects used to assess the Soundess level of state companies, namely financial aspects, operational aspects and administrative aspects. Research that only focuses on financial aspects in assessing the Soundess level of state companies can be caused by several reasons. First, financial aspects provide a mediumly comprehensive picture of the company's financial performance and stability, which is a key indicator in assessing its operational sustainability. Second, financial ratios provide measurable information and can be compared directly with industry standards or similar companies, making it easier to evaluate relative performance. Lastly, limited time, resources and research focus may limit investigating operational and administrative aspects in detail, so the research is more focused on financial aspects, which are considered a strong benchmark in assessing company Soundess. By focusing on the financial aspects, this study may provide valuable insights into the financial condition of the country's companies.

Financial ratios are a way to calculate a company's financial information used for comparison purposes. Ratios can be used to eliminate size problems as they are effectively divided. Then later it will be in the form of percentages, multiples, or time periods (Anggraeni, 2021). Ratios also serve to assess the strengths and weaknesses of the company.

There are four financial ratios, namely the liquidity ratio (Current ratio, Cash Ratio, Acid Test Ratio, Working capital to total asset ratio), activity ratio (accounts receivable collection period, accounts receivable turnover, inventory turnover, average holding inventory, total asset turnover), financial leverage ratio (debt ratio, debt to equity ratio, time interest earned ratio) and profitability ratio (gross profit margin, net profit margin, operating ratio, return on investment / ROI, return on equity / ROE). By understanding and interpreting these ratios, stakeholders can gain greater insight into the company's operational efficiency, repayment capability, capital structure and profitability levels. Therefore, regular

monitoring and evaluation of financial ratios is key in making the right decisions in managing the business.

Assessment of the company's financial performance can be done by calculating the value of the company's Soundess level according to the Decree of the Minister of BUMN Number: KEP-100 / MBU / 2002. In this decree there are eight ratio indicators, namely:

1. Return on Equity (ROE)

$$ROE = \frac{Net\ Profit}{Total\ Equity} \times 100\%$$

2. Current Ratio (ROA)

$$ROA = \frac{Net\ Profit}{Total\ Asset} \times 100\%$$

3. Cash Ratio

$$Cash\ Ratio = \frac{Cash\ and\ Cash\ Equivalent}{Current\ Liabilities} \times 100\%$$

4. Current Ratio

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities} \times 100\%$$

5. Collection Periods (CP)

$$CP = \frac{Receivables}{Current\ Liabilities} \times 365$$

6. Inventory Turnover (PP)

$$PP = \frac{Sales}{Average\ Inventory} \times 365$$

7. Total Asset Turn Over (TATO)

$$TATO = \frac{Sales}{Raaverage\ current\ assets} \times 100\%$$

8. Ratio of Own Capital to Total Asset $= \frac{Equity}{Total\ Assets} \times 100\%$

The implementation of the inspection technique to determine the level of Soundess of the company's performance is done by adding up all the sums of the three indicators, so that the total score is 100. But in this study the total score only amounted to 70, because in this study the problem limit is only up to the financial aspect.

Table 1: List of Indicators and Weighting of Financial Aspects

Indicator	Weight Non-Infrastructure
1. Return to Shareholders (ROE)	20
2. Return on Investmen (ROI)	15
3. Cash Ratio	5
4. Current Ratio	5
5. Collection Periods	5
6. Inventory Turnover	5
7. Total Asset Turnover	5
8. Own Capital to Total Assets Ratio	10
Total Weight	**70**

Source: Decree of the Minister of SOEs Number: KEP-100/MBU/2002

The total results of the sum of the values of each indicator above will later be used to calculate the value of the financial performance level of regional companies using the following formula:

Performance Value $= \frac{Number\ of\ Points\ Earned}{Maximum\ Score}$ x Weight

Description:

-Sum obtained from 8 indicators

- Weighted score for financial aspect = 45

- Maximum value for financial aspects = 70

So that the maximum performance value for the financial aspect is :

Performance Score $= \frac{Number\ of\ Points\ Earned}{70}$ x 45

The following benchmarks are used as a reference in assessing the Soundess level of regional companies:

Table 2: List of work values and Financial performance

Performance Value	Performance
> 75	Excellent
> 60 – 75	Good
> 45 – 60	Medium
> 30 – 45	Less
> = 30	Not Good

Source: Decree of the Minister of SOEs Number: KEP-100/MBU/2002

Previous Research

Literature review is a previous study that contains the results of research that is relevant, similar or related to the content of the discussion in this study which aims to serve as a basic reference and comparison of results. The results of previous research referred to by researchers, namely:

Komarlina & Jumri (2020) with the title Analysis of Financial Performance and Soundess of Regional Company Pasar Resik Tasikmalaya City. The results showed that the company's financial management capabilities were weak so that the company had a high risk of bankruptcy. The contribution to the development of science from the results of this study is that by managing financial management through indicators of liquidity, solvency and profitability the company can be used as an initial control to avoid the company's financial weaknesses to maintain the company's financial performance to remain Soundessy.

Husna et al. (2020) with the title Financial Performance Analysis at the PDAM office in North Kolaka Regency. The results of this study indicate that the company's financial performance is still not optimal because in the last four years from 2014 to 2017 it has not had a satisfactory performance value. The similarity with the research conducted by the author is that both examine the company's financial performance. While the difference is that the research examines the PDAM office in North Kolaka Regency.

RESEARCH METHODOLOGY

Data analysis is an activity to organize, sort, classify, code or mark, and group them so that findings are obtained based on the focus or problem to be answered.

In this study, researchers used the Miles and Huberman (1992) data analysis model. Researchers analyzed data during data collection and after completion of data collection within a certain period. Researchers analyzed data interactively and ongoing, continuously and until completion.

There are 3 kinds of data analysis activities according to Miles and Huberman, namely data reduction, data display and conclusion drawing / verification (Sugiyono, 2017).

a. Data Reduction

The amount of data obtained is quite a lot so researchers must record it in detail and thoroughly. Reducing the data in question is summarizing, choosing the main things, focusing on important data, looking for themes and patterns. So that the data that the researcher has reduced provides a clearer picture and facilitates further data collection.

Researchers have summarized all the data submitted by related parties. The following information is needed by researchers in this study, namely, whether the financial performance of the rengganis regional company in 2018 - 2020 has been categorized at a Soundessy level, how to find out the financial performance of the rengganis regional company and how the Soundess level of the rengganis regional company in Probolinggo district 2018 - 2020.

b. Data Display (Presentation of Data)

In this study, data presentation was carried out in the form of brief descriptions, charts, graphs and matrices. So that it makes it easier for researchers to see patterns of relationship between one data and other data, where the data is closely related to the title of this research, namely the company's financial performance and the level of Soundess in the regional company rengganis kab. Probolinggo in 2018 - 2020.

c. Conclution Drawing (Conclusion Drawing)

Conclusions in this study are only temporary and in the future will change if not accompanied by valid evidence. Conversely, it will return to the field if the researcher's initial conclusion is complemented by strong evidence or also known as a credible conclusion.

RESULTS AND DISCUSSION

Financial Performance of Rengganis Regional Company, Probolinggo Regency, East Java 2018 - 2020

In analyzing the performance of financial statements we must have many considerations because this relates to the financial position and operational results of the company each year to determine estimates and predictions of the company's performance in the future.

To improve the services of the Rengganis Regional Company to the community, especially visitors, both in quality and quantity, the Regional Company must be managed professionally by the Director with the help of its employees. This success can be known through monitoring and assessing the company's performance at the end of each year of closing the book, namely on the financial statements and management of regional companies (Komarlina & Jumri, 2020).

Assessing the effectiveness of decisions that have been taken by the company in order to carry out its business activities, we can use ratio analysis which is divided into 3 types, namely liquidity ratio analysis, solvency ratio analysis and profitability ratio analysis (Kasmir, 2021). In this analysis, the author will present financial data obtained from the company's financial statements for the last three years, namely 2018, 2019 and 2020. We have grouped the financial data according to the needs of the financial performance analysis process to facilitate the analysis process. So that the following supporting data is produced:

Table 3: Recapitulation of Regional Company Financial data to calculate profitability in 2018-2020

Description	Year		
	2018 (Rp)	**2019 (Rp)**	**2020 (Rp)**
Total Assets	3.237.869.805	5.358.165.458	5.350.257.615
Net Income (After Tax)	16.731.515	2.488.257	2.846.557
Total Capital	3.232.813.429	5.353.104.172	5.350.257.615
Cash and Cash Equivalents	640.371.501	637.461.046	642.633.653
Current Liabilities	5.056.377	5.061.287	5.072.377
Receivables	18.792	152.566	346.041
Current Assets	646.390.293	637.461.046	642.633.653
Sales	140.850.000	180.531.000	178.618.000
Inventory	2.559.206.587	4.701.315.687	4.701.315.687
Fixed Assets	3.237.869.805	5.358.165.458	5.358.165.458

Source: Regional Company Financial Statements

a. Return On Equity (ROE)

Measures the return on investment to common shareholders.

$$ROE = \frac{Net\ Profit}{Total\ Equityy}\ x\ 100\%$$

Table 4: ROE Calculation Result

Year		
2018	2019	2020
0,0052%	0,0005%	0,0005%

From the data above it can be stated that in 2018 *Return On Equity* of 0.0052% means that every Rp 1.00 of equity will generate Rp 0.000052 net profit after tax. In 2019 the *Current Ratio of* 0.0005% means that every Rp 1.00 equity will generate Rp 0.000005 net profit after tax. In 2020 *Return On Equity* is the same as in 2019, which is 0.0005%, meaning that every Rp 1.00 of equity will generate Rp 0.000005 net profit after tax.
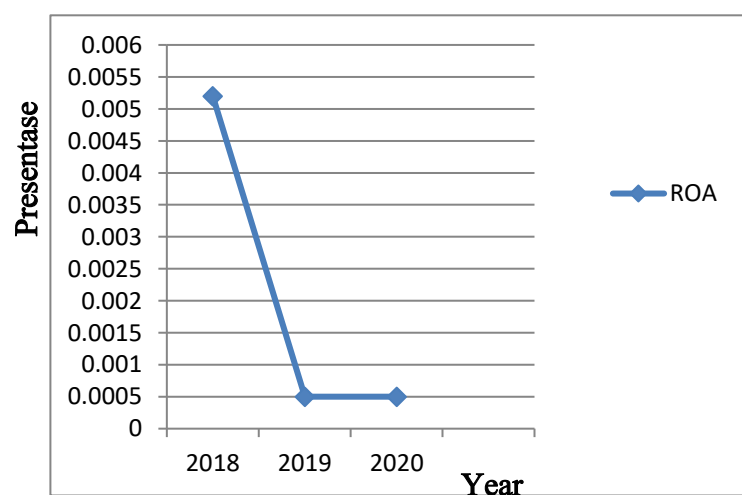
Figure1: ROE Calculation Chart

The Return On Equity graph above shows a decrease in net profit after tax in 2019 which is accompanied by an increase in equity, indicating that regional companies cannot utilize their equity optimally in that year. ROE which remained in 2020 with an increase in net profit after tax accompanied by a decrease in capital was able to maintain its equity even though it was still not optimal in its management.

Meanwhile, the results of the ROE calculation above if converted in the form of a non-infrastructure assessment score based on the Minister's Decree have the same score in 2018, 2019, and also in 2020, which is at a score of 2. The maximum score according to the Minister's Decree is 20. So that ROE in 2018, 2019 and 2020 can be said to be far from the maximum score limit. The following is the ROE score that the author has presented in tabular form.

Table 5: ROE Assesment Score

Year		
2018	2019	2020
2	2	2

b. Return On Assets (ROA)

This ratio measures the company's ability to utilize its assets to generate profits.

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \text{ x } 100\%$$

Table 6: ROA Calculation Result

Year		
2018	2019	2020
0,0052%	0,0005%	0,0005%

From the data above, it can be stated that in 2018 *Return On Assets of* 0.0052% means that every Rp 1.00 of total assets will generate Rp 0.000052 net profit after tax. In 2019 *Return On Assets of* 0.0005% means that every Rp 1.00 total assets will generate Rp 0.000005 net profit after tax. In 2020 *Return On Assets* is the same as in 2019, which is 0.0005%, meaning that every Rp 1.00 of total assets will generate Rp 0.000005 of net profit after tax.
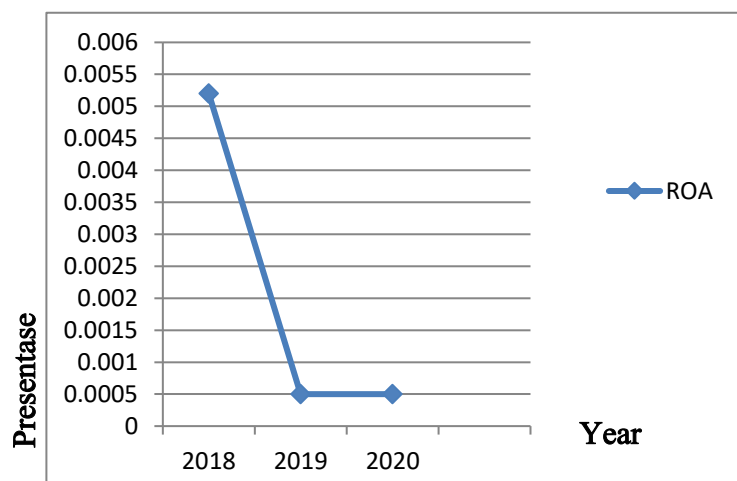
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Figure 2: ROA Calculation Chart

The Return On Assets graph above shows a decrease in net profit after tax in 2019 which is accompanied by an increase in total assets, indicating that regional companies cannot utilize their assets optimally in that year. ROA which remained in 2020 with an increase in net profit after tax accompanied by a decrease in assets was able to maintain its assets even though it was still not optimal.

The results of the ROA calculation above if converted in the form of a non-infrastructure assessment score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 2. While ROA in 2018, 2019 and 2020 is said to be far from the maximum score limit. The following is the ROA score that the author has presented in table form.

Table 7: ROA Assessment Score

Year		
2018	2019	2020
2	2	2

c. Cash Ratio

$$Cash\ Ratio = \frac{cash\ and\ cash\ equivalents}{Current\ Liabilities} \text{ x } 100\%$$

Table 8: Cash Ratio Calculation Result

Year		
2018	2019	2020
127,6 %	125,9 %	142,7 %

From the data above, it can be stated that in 2018 the Cash Ratio of 127.6% means that every Rp 1.00 cash and cash equivalents will generate Rp 1.276 current liabilities. In 2019 the Cash Ratio of 125.9% means that every Rp 1.00 cash and cash equivalents will result in Rp 1.259 current liabilities. In 2020 the Cash Ratio of 142.7% means that every Rp 1.00 of cash and cash equivalents will result in Rp 1.427 current liabilities.
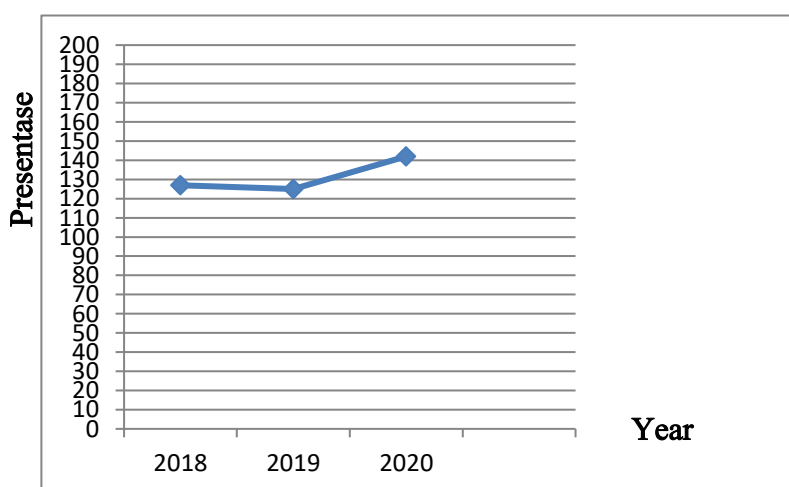
Figure 3: Cash Ratio Calculation Chart

The Cash Ratio graph above shows a decrease in 2019 which is accompanied by an increase in current liabilities which shows that the company is not maximized in these current liabilities. shows an increase in cash ratio in 2020 even though it has a small difference, but this indicates that the company has been able to improve the performance of current liabilities in the company compared to the previous year.

The results of the Cash Ratio calculation above if converted in the form of a non-infrastructure assessment score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 5. While the Cash Ratio in 2018, 2019 and 2020 is said to be far from the maximum score limit. The following is the Cash Ratio score that the author has presented in tabular form.

Table 9: Cash Ratio Assessment Score

Year		
2018	2019	2020
5	5	5

d. Current Ratio

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities} \times 100\%$$

Table 10: Current Ratio Calculation Result

Year		
2018	2019	2020
127,8 %	125,9 %	126,7 %

From the data above, it can be stated that in 2018 the current ratio of 127.8% means that every Rp 1.00 of current liabilities will generate Rp 1.278 current assets. In 2019 the current ratio of 125.9% means that every Rp 1.00 of current liabilities will generate Rp 1.259 current assets. In 2020, the current ratio of 126.7% means that every Rp 1.00 of current liabilities will generate Rp 1.267 current assets.
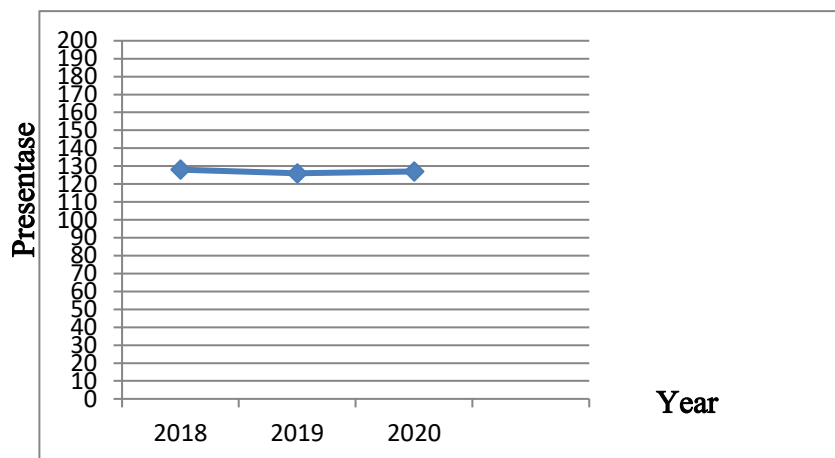

Figure 4: Current Ratio Calculation Chart

The graphical image of the current ratio above shows a decrease in 2019 which is accompanied by an increase in current liabilities which shows that the company is not maximized in these current liabilities. shows an increase in current ratio in 2020 even though it has a small difference, but this indicates that the company has been able to improve the performance of current liabilities in the company compared to the previous year.

The result of the calculation of the Current Ratio above if it is converted in the form of a non-infrastructure assessment score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 5. So that the Current Ratio in 2018, 2019 and 2020 is said to be very maximum. The following is the Current Ratio score that the author has presented in tabular form.

Table 11: Current Ratio Assessment Score

Year		
2018	2019	2020
5	5	5

e. Collection Periods

$$CP = \frac{Receivables}{Current\ Liabilities} \times 365$$

Table 12: Collection Periods Calculation Results

Year		
2018	2019	2020
2 days	11 days	25 days

From the data above it can be concluded that in 2018 Collection Periods were 2 days. In 2019 Collection Periods were more, which amounted to 11 days. While Collection Periods increased further in 2020, which amounted to 25 days. The results of the Collection Periods calculation above if converted in the form of a non-infrastructure assessment score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 5. So that Collection Periods in 2018, 2019 and 2020 are said to have been maximized. The following is the Collection Periods score that the author has presented in tabular form.

Table 13: Collection Periods Assessment Score

Year		
2018	2019	2020
5	5	5

f. Inventory Turnover

$$PP = \frac{Sales}{Average\ Supply} \times 365$$

Table 14: Calculation result of Inventory turnover

Year		
2018	2019	2020
21 days	14 days	14 days

Based on the data above, it can be concluded that in 2018, the Inventory Turnover was 21 days. In 2019, the Inventory Turnover decreased to 14 days. Meanwhile, in 2020, the Inventory Turnover was similar to the previous year, at 25 days.

According to the Ministerial Decree, the maximum score is 5. When the Inventory Turnover calculations are converted into non-infra assessment scores based on the Ministerial Decree, the scores for 2018, 2019, and 2020 are all the same, with a score of 5. Therefore, the Inventory Turnover for 2018, 2019, and 2020 can be considered very optimal. The following is a table presenting the Inventory Turnover scores as provided by the author.

Table 15: The Score of Inventory Turn over

Year		
2018	2019	2020
5	5	5

g. Aset Turnover

$$\text{TATO} = \frac{Sales}{Average\ of\ Total\ Aset} \times 100\%$$

Table 16: Inventory Turnover Calculation Results

Year		
2018	2019	2020
0,043 %	0,037 %	0,033 %

From the data above, it can be stated that in 2018 the turnover of total assets is 0.043%, meaning that every Rp 1.00 of average total assets will generate Rp 0.00043 of sales. In 2019 Total asset turnover of 0.037% means that every Rp 1.00 average total assets will generate Rp 0.0037 sales. In 2020, the turnover of total assets is 0.033%, which means that every Rp 1.00 of average total assets will generate Rp 0.00033 of sales.
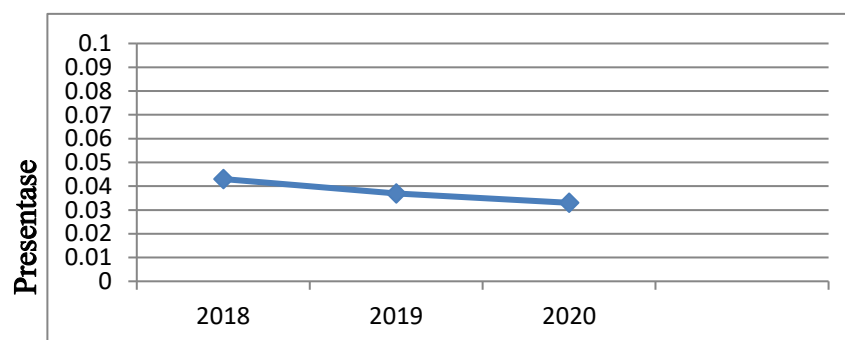

Figure 5: Total Asset Turnover Calculation Chart

The total asset turnover graph above shows a decrease in 2019 accompanied by an increase in sales which shows that the company is not maximizing in managing these total assets. Likewise, the turnover of total assets in 2020 continues to decline even though it has a difference that is not too much. Not only the total asset turnover decreased, but sales this year also decreased. The results of the calculation of total asset turnover above if converted in the form of a non-infrastructure assessment

score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 1.5. So that the turnover of total assets in 2018, 2019 and 2020 is said to be less than optimal. The following is the total asset turnover score that the author has presented in the form of a table.

Table 17: Total Asset Turnover Assessment Score

Year		
2018	2019	2020
1,5	1,5	1,5

h. Ratio of Own Capital to Total Asset

$$\text{TMS against TA} = \frac{Sales}{Average\ Current\ Assets} \text{ x } 100\%$$

Table 18: Results of Own Capital Ratio Calculation

Year		
2018	2019	2020
0.22 %	0,28 %	0,27 %

From the data above it can be stated that in 2018 the ratio of own capital to total assets of 0.22% means that every Rp 1.00 of average current assets will generate Rp 0.0022 of sales. In 2019 the ratio of own capital to total assets of 0.28% means that every Rp 1.00 of average current assets will generate Rp 0.0028 of sales. In 2020, the ratio of own capital to total assets is 0.27%, which means that every Rp 1.00 of average current assets will generate Rp 0.027 of sales.

The results of the calculation of the ratio of own capital to total assets above if converted in the form of a non-infrastructure assessment score based on the Ministerial Decree, which has the same score in 2018, 2019, and also in 2020, which has a score of 7.25. So that the turnover of total assets in 2018, 2019 and 2020 is said to be less than optimal. The following is the total asset turnover score that the author has presented in table form.

Table 19: Own Capital Ratio Assessment Score

Year		
2018	2019	2020
7,25	7,25	7,25

Financial Soundess Level of the Rengganis Regional Company of Probolinggo Regency from 2018 to 2020

Analysis of the calculation of the 8 indicators that the researchers have described above, obtained the results of a score of 8 indicators, the number of which will later be used as a reference to assess the financial Soundess level of the Rengganis Regional Company. Each score of 8 indicators has the same number of scores in 2018, 2019 and also in 2020. The following is a list of score values that can be presented in the table as follows.

Table 20: List of Financial Aspect Assessments in 2018, 2019, and 2020

Indicator	Weight Non Infra	Score		
		2018	2019	2020
ROE	20	2	2	2
ROA	15	2	2	2
Cash Ratio	5	5	5	5
Current Ratio	5	5	5	5
Collection Periods	5	5	5	5
Inventory Turnover	5	5	5	5
Total Asset Turnover	5	1,5	1,5	1,5
RMS to TA	10	7,25	7,25	7,25
Total Weight	**70**	**32,75**	**32,75**	**32,75**

The calculation of the score value above has been adjusted to the Minister of BUMN Decree Number: KEP-100 / MBU / 2002 which researchers calculate in detail and carefully to match the existing report data. The following is the formula for calculating the financial performance of regional companies which aims to to determine the level of Soundess of the Regional Company Rengganis Kab. Probolinggo.

$$\text{Performance Score} = \frac{Number\ of\ Points\ Earned}{Maximum\ Scorei} \text{ x Weight}$$

So that the performance value for the financial aspect is :

$$\text{Performance Score} = \frac{32,75}{70} \text{ x } 45 = 21,05$$

So, the result of the work value is 21.05, which means that the condition of the Rengganis Regional Company in 2018, 2019 and 2020 according to the Ministerial Decree benchmark is in a bad condition, because the performance value does not reach the number 30 which is the provision or reference for assessing the level of Regional Companies.

The level of financial Soundess of a regional company that is not good indicates less than optimal management of the company's performance. So that there needs to be improvement in the future. This is comparable to the explanation of several interviewees who have said that the performance of the Rengganis Regional Company is still not optimal because there are several obstacles, one of which is the existence of *Social Distancing* during the Covid-19 Pandemic which caused the business unit under PD Rengganis to be temporarily closed. So that the income from the business field is stuck and greatly affects the company's financial performance. This is one of the reasons PD Rengganis is still not maximized to play a role as a source of PAD (Regional Original Income) for Probolinggo Regency.

However, PD Rengganis created the latest innovation to make a fresh source of company income, namely by planting 1000 Cavendish banana trees on the vacant land of Pesanggrahan Bremi, which is one of PD Rengganis' business units in the form of Lodging. This idea is highly expected to rise from the company's financial Soundess level which is not good to be very good. Of course, this

effort must be accompanied by the cohesiveness and loyalty of the Director and its members in order to get maximum results.

CONCLUSION

Assessment of the financial performance of the Rengganis Regional Company during the three accounting periods, namely 2018, 2019 and 2020 according to the Decree of the Minister of BUMN Number: KEP-100 / MBU / 2002 through 8 ratio indicators, namely, ROE, in 2019 decreased and stagnated in 2020. While the ROE assessment score in 2018, 2019, 2020 is the same, namely at number 2. ROA, in 2019 and 2020 experienced stagnation. while the ROA assessment score in 2018, 2019, 2020 is the same, namely at number 2. Cash Ratio, in 2019 decreased and increased in 2020. While the Cash Ratio assessment score in 2018, 2019, 2020 is the same, namely at number 5. Current Ratio, decreased and increased in 2020. While the Current Ratio assessment score in 2018, 2019, 2020 is the same, namely at number 5.

Furthermore, Collection Periods, in 2019 experienced an increase and experienced an increase in 2020. While the Collection Periods assessment score in 2018, 2019, 2020 is the same, namely at number 5. Inventory Turnover, decreased in 2019 and 2020. While the Inventory Turnover assessment score in 2018, 2019, 2020 is the same, namely at number 5. Total Asset Turnover, decreased in 2019 and 2020. While the Total Asset assessment score in 2018, 2019, 2020 is the same, namely at 1.5. RMS to TA, in 2019 increased and decreased in 2020. While the Cash Ratio assessment score in 2018, 2019, 2020 is the same, namely at 7.25.

Furthermore, the level of financial Soundess of the Rengganis Regional Company according to the calculation of 8 ratio indicators over a period of 3 years, namely 2018, 2019 and 2020 shows that the Rengganis Regional Company is in a bad condition, this is due to the less than optimal management of the company's performance. That is, the result of the work value is the same as 21.05 which shows that the performance value does not reach the number 30 which is the provision or reference for assessing the level of Regional Companies according to the Ministerial Decree benchmark. However, PD Rengganis created the latest innovation to make the company's source of income by planting 1000 Cavendish banana trees on the vacant land of Pesanggrahan Bremi. This idea is expected to rise from the company's financial Soundess level which is not good to very good.

The limitations of this study only rely on financial reports available from the Rengganis Regional Company of Probolinggo Regency. Additional information such as operational reports, management policies, and market conditions may also be relevant to get a more comprehensive picture of the company's performance for future research. For the Rengganis Regional Company of Probolinggo Regency, the service at the regional company is good, the solidarity between employees is very good but it is hoped that it can pay attention to time discipline, because employee discipline is one of the most important efforts to build a company that is increasingly trusted by the community and continues to grow.

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