

INTERIOR ENVIRONMENT, FINANCIAL ANALYSIS IN DETERMINING THE LOCAL PUBLIC ENTERPRISE "AMBIENTI" JSC PEJA

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Abstract

The practice of business activities and managerial decision making as any place in the world also in the Kosovo is under constant pressure of external and internal factors.

Related to this concern, my thesis is focused on the subject of public NPL "Ambienti" in Peja, who serves as the template for analyzing the impact of domestic factors in public sector businesses in the service delivery.

The economic aspect will be linked to the analysis of the practice, and will be supported financially to the financial statements, billing, collection, liquidity and financing.

Keywords: Environment, Analysis, Financial, Billing, Collection, Costs

Introduction

In this paper we intend to analyze the impact of environmental factors on the business activities of domestic businesses in Kosovo, namely the Local Public Enterprise NPL JSC or "Ambienti" in Peja.

The exercise of business activities and managerial decision making, as anywhere in the world as well as in Kosovo is under constant pressure of external factors and internal, which have a relatively large impact on the survival and development of their perspective. Business uncertainty faced by private sector businesses as well as the public sector. In this regard my thesis is focused on the subject of public NPL, JSC "Ambienti" in Peja, which would serve as a template for analyzing the impact of domestic factors in public sector businesses in the service delivery.

➤ Institutions; 170.

1. Interior environment of financial analysis in determining the local public enterprise "Ambienti" JSC Peja

In internal analysis of local public enterprise "Ambienti" Peja is done the financial analysis research¹

1.1. Analysis of finance

Analysis of financing local public enterprise "Ambienti" Peja is a major increase from year to year and it's good to see the analysis of billing and collection, where we distinguish the analysis of billing and collections for the years 2010 and 2011, and analysis of expenditures for the years 2008, 2009, 2010, 2011 and finally, presenting safety of financing cash flow (cash flow) for 2011.²

1.1.1. Bill Analysis

NPL "Ambienti" in 2010 is planned to reach 100% of billing where service is performed and 70% collection rate to 70% in households and businesses and 85% in institutions. Based on the decisions of Municipal, Waste Legislation, which clearly defines the roles and responsibilities of Municipalities, ZRRUM, and MAPH in the litter sector ;

In 2011, plans to increase the number of customers billed:

- Households; 12,350.
- Businesses; 3000.

¹ Analysis of internal environment in local public undertaking such NPL "Ambienti" JSC Peja

² Analysis of Local Public Enterprise funding NPL "Ambienti" JSC Peja

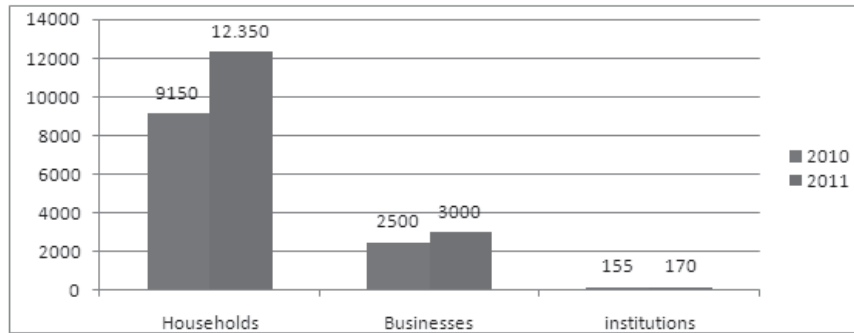


Fig. 1.2.1. The number of customers by category for 2010-2011

The total number of customers will increase from 11 805 in 2010 to 15 520 in 2011

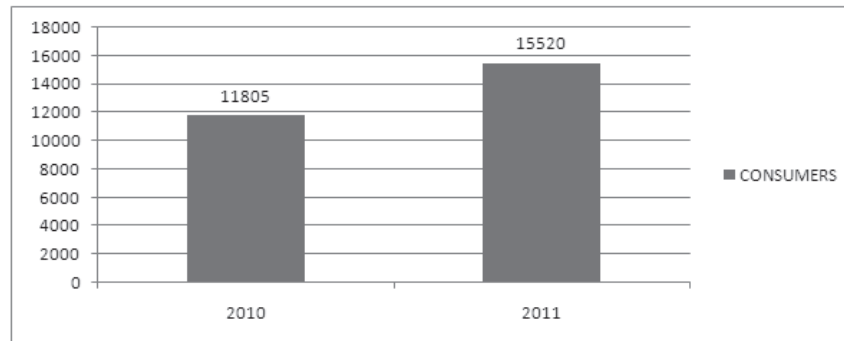


Fig. 1.2.2. The number of customers in households for 2010-2011

Number of **households** billed customers increased by 35% (2010 = 9150) in 2011 to 12,350 (out of 18,500) in 2010 were billed a total of 49%, while in 2011 it will be 67% of billed families.

The number of customers billing **business** will increase to 500 (from 2,500 to 3,000), while the number of **institutions**, the bill will rise to 15 (from 155 to 170).

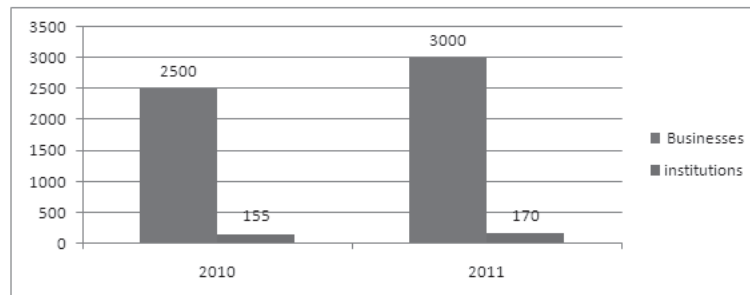


Fig. 1.2.3. The number of customers in businesses and institutions for 2010-2011.

Fees for household should be the same as in 2010, and we think they should not change in 2011, as well as for businesses and institutions. (may be an increase for households only if customers will be supplied with special bags for garbage).

Table. 1. NPL monthly fees "Ambienti" JSC Peja (without VAT)

Approved tariffs for 2011 (€ / month)	
Households	3.448
Businesses	Kat. I: 5,00
	Kat. II: 8,62
	Kat. III: 15,52
	11,21/1.1 m ³ , dhe 35.00/7 m ³ container
Kat. II: 8,62	Kat. I: 5,00
	Kat. II: 8,62
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	11,21/1.1 m ³ , dhe 35.00/7 m ³ container

Source: Monthly Fees NPL "Ambienti" JSC Peja (without VAT).¹

1.1.2. Analysis of Income

¹ Analysis of Local Public Enterprise billing NPL "Ambienti" JSC Peja.

The collection rate for households has increased from 55% in 2010 to 70% in 2011.

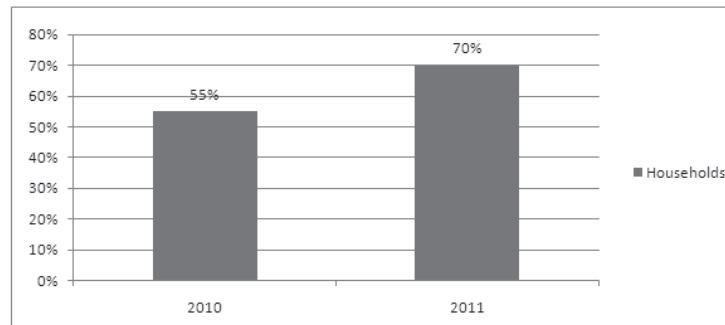


Fig. 1.2.2. Household collection rate for 2010-2011

Collection Rate businesses increased by 60% in 2010 to 70% in 2011.

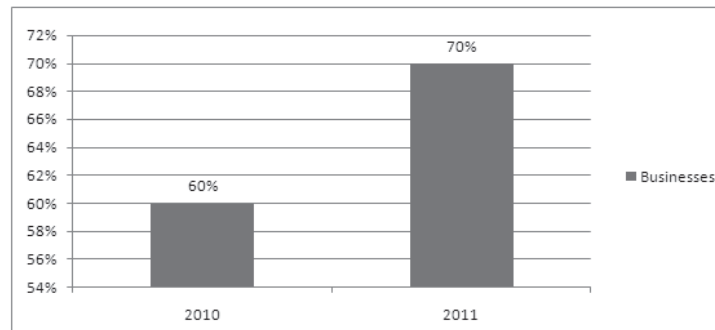


Fig. 1.2.3. Businesses collection rate for 2010-2011

Collection rate in institutions has increased from 80% in 2010 to 85% in 2011.

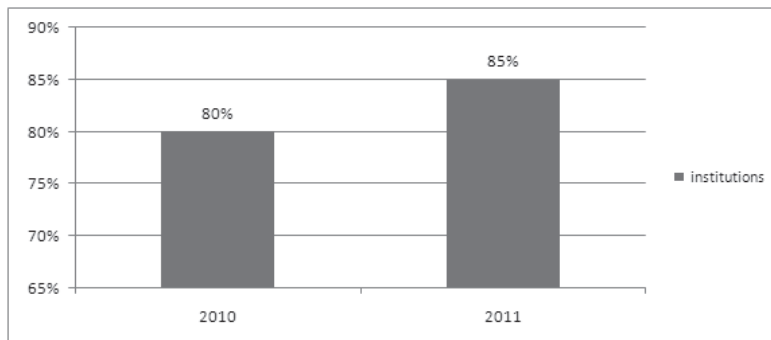


Fig. 1.2.4. Collection rate in institutions²

1.1.3. Analysis of costs

Summary of expenditures for 2008, 2009, 2010, 2011 local public enterprise "Ambienti" Peja.

Table 2. Represents the total cost by category of expenditure for 2011 (excluding depreciation expense and no bad debts).

Primary + secondary activity	2008	2009	2010	2011
Workforce	323.349	315.226	382.676	440.077
Fuel	65.414	72.414	92.441	106.307
Repair / maintenance	25.166	25.040	31.778	36.545
KEK, PTK, water, gas	3.571	4.574	8.381	9.638
Materials / supplies	6.127	6.097	7.865	9.045
Other O & M	14.038	12.123	29.507	33.933
Total investment costs	-	-	10.000	35.000
Debts to TAK	-	-	45.000	120.000
Total expenses for the year [€ / year]	437.665	435.474	607.648	790.545

Source: The total operating cost for the year 2008-2009-2010-2011 NPL "Ambienti" JSC Peja.³

² Analysis of income NPL Local Public Enterprise "Ambienti" JSC Peja

1.1.4. Payment of Expenses

Payment of expenses for 2008, 2009, 2010, 2011, local public enterprise "Ambienti" Peja

Table. 3. Coverage of financial flows, covering the costs of collection.

Years	2008	2009	2010	2011
Billing				
Households	336 624	337 194	342 493	511 290
Business	216 787	231 684	260 151	274 320
Institutions	103 417	107 198	106 237	145 443
Other	88 432	74 416	181 989	202 680
Total billings	745.260	750.492	890.870	1.133.733
Collection				
Households	142 551	147 218	221 854	357 903
Business	92 121	108 538	142 898	192 024
Institutions	86 857	87 865	79 201	123 627
Other	79 285	66 627	181 903	202 680
Total collection	400.814	410.248	648.478	876.234

Source: Review of financial flows, covering the costs of collection.

From what we have planned in terms of billing and collection and recovery of total expenditures from general revenues, resulting NPL "Ambienti" that will operate with a positive result for 2011.⁴

1.1.5. Security Financing

The environment is intended that all short term obligations and bad debts to write to the permitted legal term, and therefore needs a financial security which can only provide with the plan of collection.

CONSOLIDATED CASH FLOW FOR THE
YEAR 2011
(CASH FLOW)

	Janua ry I	Febru ary II	Mar ch III	April IV	May V	June VI	July VII	Augus t VIII	Septem ber IX	Octo ber X	Novem ber XI	Decem ber XII
Initial balance												
Money in the bank	60.15 0	51.51 9	44.5 19	40.33 9	55.94 9	36.884	51.22 9	66.53 5	83.865	96.46 0	110.48 5	127.15 5
Revenues:												
Households	28.23 4	28.62 0	29.1 50	29.45 0	29.10 0	30.670	31.14 1	31.12 0	28.130	29.62 0	30.670	31.998 03
Business	15.89 5	16.02 0	16.0 00	15.98 0	16.10 0	17.010	17.21 0	17.92 0	15.025	5	15.450	14.289 24
Institutions	9.120	9.250	9.81 0	11.03 0	10.92 0	10.200	10.34 0	10.59 0	10.110	0	10.990	11.037 27
Other	1.020	1.560	2.84 0	21.92 0	21.91 5	21.915	21.91 5	22.80 0	21.210	0	21.220	23.265 80
Total :	54.26 9	55.45 0	57.8 00	78.38 0	78.03 5	79.795	80.60 6	82.43 0	74.475	5	78.330	80.589 34
Expenses	62.90 0	62.45 0	61.9 80	62.77 0	97.10 0	65.450	65.30 0	65.10 0	61.880	62.05 0	61.660	61.905 45
Closing balance												
i Cash-it	51.51 9	44.51 9	40.3 39	55.94 9	36.88 4	51.229	66.53 5	83.86 5	96.460	85	110.4 85	127.15 5

Table. 4. Consolidated cash flows for 2011⁵

³ Analysis of Local Public Enterprise spending NPL "Ambienti" JSC Peja

⁴ Payment of expenses NPL Local Public Enterprise "Ambienti" JSC Peja.

⁵ Payment of expenses NPL Local Public Enterprise "Ambienti" JSC Peja

Conclusion

The impact of environmental factors on the degree of success of business organizations will support the three theoretical viewpoints:

1. Determining the role of the environment,
 2. Determining the role of the organization and
 3. The role of environment and organization determining
- Environmental factors act in combination between them, so my research will mainly rely on internal environment. The purpose of this paper is the recognition and presentation of the role and function of the internal environment in public enterprise initiatives. Identify internal environmental factors in public enterprises, as well as their impact on the achievement of financial analysis. Recognize the level of internal factors impacting relying on public company experience NPL "Ambienti" JSC Peja.

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Recommendations

According to the gained data that was discussed above, about local public enterprise "Ambienti" JSC Peja showed that there is a need to increase its revenues by covering these expensive entries because they are insufficient considering that the needs and costs are very high, for all the problems that face this enterprise. I recommend some changes as below:

1. Increased collection in local public enterprise "Ambienti" JSC Peja, should make a decision by the Municipality of Peja, to make Peja citizens to pay their debts.
2. It is necessary to make the selection of litters which should be separated in soft, glass, iron, plastics, paper, etc.

