

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: July 18, 2019

Item description/summary:

Uncollectible Utility Accounts. Per General Accepted Accounting Principles (GAAP) outstanding utility accounts that are probably not collectible need to be disclosed or written off. The District's Allowance Method for Doubtful Accounts reduces annual revenues by an estimated uncollectible amount, but leaves the original customer account balances on the books with an allowance amount to disclose the uncollectible estimate. The District deems accounts as completely uncollectible when older than 4 years. Annually approximately 9% of accounts between 90 days and 4 years old are considered uncollectible. As of June 30, 2018 accounts older than 4 years were \$54,953 for Water and \$36,635 for Waste Water. Staff requests authorization to close these accounts and remove from books.

Fiscal Analysis:

The estimated loss of uncollectible accounts is booked each year. There is no financial impact to close these accounts.

Employee Feedback

Sample Motion:

Authorize closing of accounts older than 4 years as of 6/30/2018

	<u>Water</u>	<u>WasteWater</u>
More than 4 years old (uncollectable):	\$54,953.65	\$36,635.76

Prepared by:

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