

Features of the calculation of service prime costs for water supply and water disposal at public utilities

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The calculation of service prime costs is a process that provides not only the future financial solvency of a company but also forms consumers' trust to the service provider. Understanding the specific costs and the structure of water supply will provide an opportunity to plan costs and therefore to generate the adequate rate.

The inconsistency or absence of the unified regulatory support leads to questions concerning methods of the calculation and the structure of expenses in the service prime costs for centralized water supply and disposal.

Every company determines the rules and procedures for the calculation of production costs in accordance with the Accounting Standards of expenses and methodical guidelines and displays them in its accounting policy taking into account its goals and strategies.

The methods used for the purpose of the calculation of service prime costs for water supply and disposal are defined. They include such methods as the total prime costs planning method, the method of calculating according to average indica-

tors and the standard method based on the government and industry regulations. It is established that the above mentioned methods are used in various regions of Ukraine in different ways.

The structure of administrative expenses, sales costs and other operating expenses, financial expenses in the cost structure of water supply and disposal is investigated. It is noted that the investigated expenses are shared between the activities in proportion to the production cost services from centralized cold water supply and disposal.

It is determined that no costs in tariff or service prime costs of a producer are provided for restoring water supply and disposal systems, constructing new water treatment facilities and upgrading old ones, as well as no measures are taken to improve the water quality.

The settlement of the regulatory support methodology of the accounting process of forming the prime costs for the centralized water supply and disposal will lead to the coordination of tariffs and it will become an information base for making effective management decisions.