

VANGUARD ELECTRIC COMMISSION AGENDA
BLACK EARTH • MAZOMANIE
714 Blue Mounds Street | Black Earth, WI 53515
6:30 PM • Tuesday • 5/18/2021

- 1) Call to order
- 2) Introduction of new member(s)
- 3) Roll call
 - a. Mitch Hodson—Black Earth
 - b. Rod Howard—Black Earth
 - c. *New Member—Black Earth*
 - d. Kyle Kepler—Mazomanie
 - e. Peter Huebner—Mazomanie
 - f. Gary Harrop—Mazomanie
 - g. Mike Krawczyk—Citizen at Large
- 4) Proof of posting (Village of Black Earth, Village of Mazomanie, Star News)
- 5) Approval of minutes
- 6) Election of officers
- 7) Public comment (3 minutes per person)
- 8) Financial Report
- 9) Discussion/Action—Results of 2020 review of books
- 10) Discussion/Action—Superintendent’s Report
- 11) Discussion/Action—Staffing
- 12) Discussion/Action—Superintendent’s annual review
- 13) Items for discussion at next meeting
- 14) Set date of next meeting
- 15) Adjourn

PLEASE NOTE: If you need assistance to attend this meeting, please call 608-767-2561 to allow accommodations to be made.

Vanguard Electric Commission
Peter Huebner, President

Dated: 5/14/21

MINUTES



May 18, 2021 | 6:30 PM

Vanguard Shop – 714 Blue Mounds St, Black Earth, WI 53515

1. **Call to order** Vanguard Electric Commission president Peter Huebner called the meeting to order at 6:30 PM.
2. **Introduction of new member(s)** Scott Patchin is the new member for Black Earth.
3. **Roll call** Those in attendance upon roll call were Scott Patchin, Kyle Kepler, Peter Huebner, Gary Harrop, and Mike Krawczyk. Rod Howard arrived shortly after. There was a quorum.
4. **Proof of posting** A copy of the notice was posted May 14, 2021 to the Village of Mazomanie and the Village of Black Earth. It was also transmitted to Star News.
5. **Approval of minutes** *Motion by Harrop/Krawczyk to approve March 16 and March 30, 2021 minutes. Motion passed.*
6. **Election of officers** *Motion by Harrop/Krawczyk to nominate Peter Huebner as President. Motion passed. Motion by Patchin/Huebner to nominate Mitch Hodson as Vice President. Motion passed.*
7. **Public Comment (3 minutes per person)** None
8. **Financial report** Lydia gave a more detailed financial report due to the introduction of a new member, including explanation of vehicle account, Resco stock/credits, flood account, and how expenses are charged to villages.
9. **Discussion/Action—Results of 2020 review of books** Zak Bloom reviewed the books and provided a written report. Everything seemed to be in line. He commented on the lack of wage memo for 2020. Somehow the sheet was misplaced, but all other years are on record. Will continue using in the future.
10. **Discussion/Action—Superintendent's report**
Working with Hwy 14 contractor on needed adjustments. Hwy Y project complete. J&R to start work on two alleys (east of Crocker, and behind Mobil). Many new services and extensions in Black Earth. 3-phase meter testing done. Ripp Farm meter found miswired since 2010; not caught by meter test company in years past. Has been corrected and Vanguard working with village to correct billing. Question about who is responsible for continuing costs on Hwy 14. Mazo is, but original project was under budget and bond funds were reserved in case of this situation.
11. **Discussion/Action—Staffing** John retired May 7. Taylor doing very well. Wade (journeyman) took a new Meter Tech job. For his replacement, legally can go back to candidate pool from last posting. Start interviews this week, likely hire an apprentice. Everyone will rotate carrying on-call phone, but as journeymen, Kurt or Shawn will have to come in for all calls. Question on having John help in emergency. Per state regulations, he has to wait 75 days. Question if having two apprentices is ok. Yes, we meet state requirement of 1:1 ratio of apprentice to journeyman.
12. **Discussion/Action—Superintendent's annual review** *Motion by Krawczyk/Kepler to have chair and vice chair conduct superintendent's review and bring recommendations to board. Going forward, superintendent's wage will be reviewed at the same time as the other employees so that it is reflected in the budget. Motion passed.*

If commission members have comments for Shawn's review, let Peter or Mitch know.

13. Items for discussion at next meeting None

14. Set date of next Vanguard Electric Commission meeting July 20 at 6:30 PM

15. Adjourn *Motion by Kepler/Krawczyk to adjourn. Motion passed.*

VANGUARD ELECTRIC COMMISSION
BALANCE SHEET
APRIL 30, 2021

ASSETS

CURRENT ASSETS

1-11131-1001	PCB - CHECKING		449,663.97
1-11131-1002	VEHICLE CHECKING		444,634.09
1-11143-1000	ACCOUNTS RECEIVABLE		152,893.60
1-11143-1001	UNAPPLIED ACCOUNTS RECEIVABLE		410.00
1-11154-1000	INVENTORY		158,311.47
1-11154-1001	MINOR MATERIALS		8,504.29
1-11165-1000	PREPAID EXPENSES		9,643.96
1-11165-1001	PREPAID HEALTH INSURANCE		7,061.46
1-11165-1004	PREPAID VISION INS		17.14

Vehicle hours are charged in conjunction w/ timesheets. This way, the villages don't have to come up w/ a large amount of money for vehicle purchases/replacements

Each month, net profit from vehicle account statement is transferred to vehicle account.

TOTAL CURRENT ASSETS

1,231,139.98

UTILITY PLANT

1-11111-1000	ACCUMULATED DEPRECIATION	(	462,216.15)
1-11392-1000	VEHICLES		464,159.59
1-11394-1000	TOOLS, SHOP AND GARAGE EQUIPME		124,618.39

TOTAL UTILITY PLANT

126,561.83

OTHER PROPERTY AND INVESTMENTS

1-11124-1000	RESCO STOCK		500.00
1-11124-1001	RESCO CAPITAL CREDITS		44,131.00

Each year, excess margins are paid out to members 20% cash, 80% capital credits

April 2021 - received \$2370 credits paid out from 2011-2013.

TOTAL OTHER PROPERTY AND INVESTMENTS

44,631.00

TOTAL ASSETS

1,402,332.81

LIABILITIES AND EQUITY

CURRENT LIABILITIES

1-21232-1000	ACCOUNTS PAYABLE	(	50.16)
1-21234-1000	DEFERRED REVENUE - FLOOD		26,714.67
1-21242-1004	HEALTH INSURANCE PAYABLE	(	.20)
1-21242-1005	LIFE INSURANCE PAYABLE	(	.04)
1-21242-1006	LONG DISABILITY PAYABLE		.03
1-21253-1000	CUST ADVANCES FOR CONSTRUCTION		35,000.00

Flood insurance \$ not used yet

customer contributions for svc. are put to CHC revenue acc. (see inc. stmt.), but since expenses were accrued over a period of many months, Cardinal's down profit put to this account and reclassified to revenue account as expenses are incurred.

TOTAL CURRENT LIABILITIES

61,664.30

EQUITY

1-31216-1000	UNRESTRICTED NET ASSETS		1,313,634.97
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EQUITY

REVENUE OVER EXPENDITURES - YTD

27,033.54

BALANCE - CURRENT DATE

27,033.54

TOTAL FUND EQUITY

1,340,668.51

TOTAL LIABILITIES AND EQUITY

1,402,332.81

VANGUARD ELECTRIC COMMISSION
 INCOME STATEMENT
 FOR THE 4 MONTHS ENDING APRIL 30, 2021

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
OPERATING REVENUES					
1-41400-1000 INCOME - BLACK EARTH	38,121.37	162,954.36	.00	(162,954.36)	.0
1-41400-1001 INCOME - MAZOMANIE	45,792.55	144,813.66	.00	(144,813.66)	.0
1-41410-1000 CIAC- BLACK EARTH	8,067.90	8,794.30	.00	(8,794.30)	.0
1-41456-1000 OTHER ELECTRIC REVENUES - BE	.00	600.00	.00	(600.00)	.0
TOTAL OPERATING REVENUES	91,981.82	317,162.32	.00	(317,162.32)	.0

OPERATING EXPENSES

BLACK EARTH

1-52107-1000 CONSTRUCTION WK IN PROGRESS-B	19,760.32	53,114.35	.00	(53,114.35)	.0
1-52560-1000 OPERATION SUPERVISION-B	5,000.80	21,713.60	.00	(21,713.60)	.0
1-52572-1000 MAINTENANCE OF LINES-B	3,224.96	15,811.84	.00	(15,811.84)	.0
1-52574-1000 MAINT OF STREET LIGHTING-B	282.83	4,758.47	.00	(4,758.47)	.0
1-52575-1000 MAINTENANCE OF METERS-B	2,705.07	15,508.58	.00	(15,508.58)	.0
1-52576-1000 VILLAGE MAINTENANCE-B	970.04	4,331.11	.00	(4,331.11)	.0
1-52921-1000 ADMIN SALARIES-B	1,237.46	7,535.09	.00	(7,535.09)	.0
1-52923-1001 ACCOUNTING FEES-B	237.00	948.00	.00	(948.00)	.0
1-52923-1003 OFFICE EXPENSES-B	27.36	271.92	.00	(271.92)	.0
1-52923-1004 COMPUTER EXPENSES-B	14.53	58.12	.00	(58.12)	.0
1-52923-1005 POSTAGE-B	.00	5.45	.00	(5.45)	.0
1-52923-1006 MEALS-B	25.00	30.00	.00	(30.00)	.0
1-52923-1007 TRAINING-B	777.00	3,633.74	.00	(3,633.74)	.0
1-52923-1008 TRAVEL REIMBURSEMENTS-B	398.30	398.30	.00	(398.30)	.0
1-52923-1009 TELEPHONE-B	94.15	330.10	.00	(330.10)	.0
1-52923-1011 DRUG PROGRAM-B	101.50	268.50	.00	(268.50)	.0
1-52923-1012 HEARING TEST-B	.00	96.00	.00	(96.00)	.0
1-52923-1013 OFFICE EQUIPMENT RENTAL-B	55.83	244.19	.00	(244.19)	.0
1-52923-1014 UNIFORMS-B	162.44	1,201.83	.00	(1,201.83)	.0
1-52923-1015 BUSINESS INSURANCE-B	287.63	1,174.56	.00	(1,174.56)	.0
1-52923-1016 RENT-B	3,409.03	3,409.03	.00	(3,409.03)	.0
1-52923-1017 WORKER'S COMP INSURANCE-B	264.50	1,152.35	.00	(1,152.35)	.0
1-52923-1018 SMALL TOOLS & EQUIPMENT-B	43.52	549.12	.00	(549.12)	.0
1-52923-1019 OTHER MATERIALS-B	14.14	14.14	.00	(14.14)	.0
1-52923-1020 LINEMAN SUPPLIES-B	.00	150.92	.00	(150.92)	.0
1-52923-1021 REPAIRS & MAINTENANCE-B	54.97	219.45	.00	(219.45)	.0
1-52923-1022 OTHER EXPENSES-B	.00	125.78	.00	(125.78)	.0
1-52923-1023 FICA-B	983.28	5,338.12	.00	(5,338.12)	.0
1-52923-1024 HEALTH INSURANCE-B	1,980.87	10,167.92	.00	(10,167.92)	.0
1-52923-1025 RETIREMENT-B	854.75	4,793.30	.00	(4,793.30)	.0
1-52923-1026 COMMISSION EXPENSES-B	262.50	350.00	.00	(350.00)	.0
1-52923-1027 PAGER PAY-B	650.02	2,925.09	.00	(2,925.09)	.0
1-52923-1028 MINOR MATERIALS-B	1,466.09	2,987.92	.00	(2,987.92)	.0
1-52923-1029 LIFE INSURANCE-B	67.20	268.80	.00	(268.80)	.0
1-52923-1030 LONG TERM DISABILITY-B	30.03	115.95	.00	(115.95)	.0
1-52935-1000 MAINTENANCE OF GENERAL PLANT-	746.15	8,347.02	.00	(8,347.02)	.0
TOTAL BLACK EARTH	46,189.27	172,348.66	.00	(172,348.66)	.0

MAZOMANIE

1-53107-1000 CONSTRUCTION WK IN PROGRESS-M	23,778.32	50,591.79	.00	(50,591.79)	.0
1-53560-1000 OPERATION SUPERVISION-M	5,000.80	21,673.60	.00	(21,673.60)	.0
1-53572-1000 MAINTENANCE OF LINES-M	1,544.67	10,868.59	.00	(10,868.59)	.0

VANGUARD ELECTRIC COMMISSION
INCOME STATEMENT
FOR THE 4 MONTHS ENDING APRIL 30, 2021

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
1-53574-1000 MAINT OF STREET LIGHTING-M	617.74	1,448.66	.00 (	1,448.66)	.0
1-53575-1000 MAINTENANCE OF METERS-M	442.28	2,231.68	.00 (	2,231.68)	.0
1-53576-1000 VILLAGE MAINTENANCE-M	588.64	3,632.26	.00 (	3,632.26)	.0
1-53921-1000 ADMIN SALARIES-M	1,237.46	7,476.87	.00 (	7,476.87)	.0
1-53923-1001 ACCOUNTING FEES-M	237.00	948.00	.00 (	948.00)	.0
1-53923-1003 OFFICE EXPENSES-M	27.37	271.94	.00 (	271.94)	.0
1-53923-1004 COMPUTER EXPENSES-M	14.53	58.12	.00 (	58.12)	.0
1-53923-1005 POSTAGE-M	.00	5.45	.00 (	5.45)	.0
1-53923-1006 MEALS-M	25.00	30.00	.00 (	30.00)	.0
1-53923-1007 TRAINING-M	777.00	3,634.74	.00 (	3,634.74)	.0
1-53923-1008 TRAVEL EXPENSES-M	398.31	398.31	.00 (	398.31)	.0
1-53923-1009 TELEPHONE-M	94.15	330.10	.00 (	330.10)	.0
1-53923-1011 DRUG PROGRAM-M	101.50	268.50	.00 (	268.50)	.0
1-53923-1012 HEARING TEST-M	.00	96.00	.00 (	96.00)	.0
1-53923-1013 OFFICE EQUIPMENT RENTAL-M	55.83	244.18	.00 (	244.18)	.0
1-53923-1014 UNIFORMS-M	162.44	1,201.85	.00 (	1,201.85)	.0
1-53923-1015 BUSINESS INSURANCE-M	287.63	1,174.56	.00 (	1,174.56)	.0
1-53923-1016 RENT-M	3,409.03	3,409.03	.00 (	3,409.03)	.0
1-53923-1017 WORKER'S COMP INSURANCE-M	264.50	1,152.33	.00 (	1,152.33)	.0
1-53923-1018 SMALL TOOLS & EQUIPMENT-M	43.52	549.13	.00 (	549.13)	.0
1-53923-1019 OTHER MATERIALS-M	14.14	14.14	.00 (	14.14)	.0
1-53923-1020 LINEMAN SUPPLIES-M	.00	150.88	.00 (	150.88)	.0
1-53923-1021 REPAIRS & MAINTENANCE-M	54.97	219.45	.00 (	219.45)	.0
1-53923-1022 OTHER EXPENSES-M	.00	125.78	.00 (	125.78)	.0
1-53923-1023 FICA-M	948.65	4,040.58	.00 (	4,040.58)	.0
1-53923-1024 HEALTH INSURANCE-M	1,622.86	8,791.66	.00 (	8,791.66)	.0
1-53923-1025 RETIREMENT-M	822.20	3,695.32	.00 (	3,695.32)	.0
1-53923-1026 COMMISSION EXPENSES-M	262.50	350.00	.00 (	350.00)	.0
1-53923-1027 PAGER PAY-M	650.02	2,925.09	.00 (	2,925.09)	.0
1-53923-1028 MINOR MATERIALS-M	1,466.11	2,987.96	.00 (	2,987.96)	.0
1-53923-1029 LIFE INSURANCE-M	67.20	268.80	.00 (	268.80)	.0
1-53923-1030 LONG TERM DISABILITY-M	30.03	115.96	.00 (	115.96)	.0
1-53935-1000 MAINTENANCE OF GENERAL PLANT-	746.15	8,347.01	.00 (	8,347.01)	.0
TOTAL MAZOMANIE	45,792.55	143,728.32	.00 (	143,728.32)	.0
OTHER OPERATING					
1-41419-1001 INTEREST INCOME - VEHICLES	(26.63)	(57.82)	.00	57.82	.0
1-51933-1000 EQUIPMENT CHARGES	(16,372.00)	(41,428.00)	.00	41,428.00	.0
1-51933-1001 VEHICLE/EQUIP MAIN LABOR	.00	515.67	.00 (	515.67)	.0
1-51933-2001 FUEL	800.29	2,796.14	.00 (	2,796.14)	.0
1-51933-2002 VEHICLE SUPPLIES	.00	452.50	.00 (	452.50)	.0
1-51933-2004 VEHICLE REPAIRS & MAINT	596.10	1,048.82	.00 (	1,048.82)	.0
1-51933-2005 FICA	.00	39.45	.00 (	39.45)	.0
1-51933-2006 HEALTH INSURANCE	.00	64.25	.00 (	64.25)	.0
1-51933-2007 RETIREMENT	.00	34.81	.00 (	34.81)	.0
1-51933-2008 VEHICLE INSURANCE	410.83	1,515.83	.00 (	1,515.83)	.0
1-51933-2009 DEPRECIATION	2,816.00	11,264.00	.00 (	11,264.00)	.0
TOTAL OTHER OPERATING	(11,775.41)	(23,754.35)	.00	23,754.35	.0
TOTAL OPERATING EXPENSES	80,206.41	292,322.63	.00 (	292,322.63)	.0

VANGUARD ELECTRIC COMMISSION
 INCOME STATEMENT
 FOR THE 4 MONTHS ENDING APRIL 30, 2021

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>NONOPERATING REV/(EXP)</u>					
1-41419-1000 INTEREST INCOME	28.98	208.48	.00	(208.48)	.0
1-41420-1001 EQUIPMENT RENTAL INCOME	1,040.00	1,680.00	.00	(1,680.00)	.0
1-41421-1001 MISCELLANEOUS INCOME	.00	305.37	.00	(305.37)	.0
TOTAL NONOPERATING REVS/(EXP)	1,068.98	2,193.85	.00	(2,193.85)	.0
NET INCOME/(LOSS)	12,844.39	27,033.54	.00	(27,033.54)	.0

✓
 vehicle revenue +
 interest in regular vintg

Zachary T Bloom, CPA

Waunakee, WI 53597

(608) 516-3552

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May 12, 2021

Shawn Dilley, Superintendent
Vanguard Electric Commission
714 Blue Mound St
Black Earth, WI 53515

RE: Fiscal Year 2020 Financial Statement and Accounting Analysis

Dear Shawn:

I have completed my analysis of the Vanguard Electric Commission (VEC) accounting records and financial statements for fiscal year 2020. This report provides detailed information regarding my analysis and follow-up recommendations.

CASH ACCOUNT RECONCILIATIONS

The following procedures were performed for the accounts at The Peoples Community Bank for January, April, August, and December:

1. I noted the account reconciliations were completed in a timely manner.
2. I traced the bank statement balance listed on the reconciliation to the physical bank statement and traced the ending book balance to the general ledger without exception.
3. I noted no outstanding deposits or unusual book adjustments.
4. I noted no checks with a significant dollar amount that are outstanding for more than one month. Most checks clear in the subsequent month.

I noted CD 7055520 was redeemed in March 2020 and VEC opted to use Sweep accounts. The procedures and results above apply to all Checking and Sweep accounts.

PAYROLL

The following procedures were performed for the payroll analysis:

1. Selected hours worked from work orders B20011-1, T20001-1, T20008-1, M20005-1, M20014-1, and M20016-1.
2. Obtained timecards for Bentley (9/25 and 12/4), Carlson (12/4), Dilley (8/14), Henthorne (3/13), and Meier (5/1).
3. Obtained payroll registers for each payroll.
4. Traced the hours and time code for each employee from the timecard to the work order and to the payroll register, to verify hours worked were properly entered into the payroll system. I found no exceptions.
5. Recalculated gross wages reported in the payroll register based on hours from the timesheets. I found no exceptions.
6. Traced each payroll into the general ledger using the general ledger account summary contained in the payroll register report, without exception.

Zachary T Bloom, CPA

Waunakee, WI 53597

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WORK ORDER ACTIVITY

I reviewed the 2020 job summary reports for Black Earth and Mazomanie and compared the total activity to the Construction Work in Progress (CWIP) accounts for each utility on the VEC Income Statement. There were immaterial differences between the job summary report and the CWIP balances due to timing differences.

I reviewed work orders B20011-1, T20001-1, T20008-1, M20005-1, M20014-1, and M20016-1 and performed the following procedures:

1. Obtained job cost reports for each work order.
2. Tested timecards per the payroll section.
3. Haphazardly selected inventory charges to work orders and traced back to the Inventory account in the general ledger to verify the activity. No exceptions noted.

Work order activity appears reasonable based on the procedures performed above and assistance provided to Lydia during the 2020 work order close process.

INVENTORY ACTIVITY

In addition to testing inventory charged to work orders, I reviewed the general ledger activity for the inventory account and noted routine transactions from recognizable vendors, routine inventory charge-outs, and no unusual or non-routine adjustments.

BALANCE SHEET

I reviewed the December 31, 2020 Balance Sheet and noted it was in balance, appeared reasonable, and there was no unusual activity.

During the 2019 review, I noted balances in payroll-related liabilities that should have cleared to \$0.00 at year end. Also, there was no activity in the Prepaid Health Insurance Expense account. Lydia and I discussed those accounts and she put procedures in place to review these accounts on a regular basis. I am happy to report these items were cleared up in 2020. There were no balances in payroll-related liabilities and the prepaid insurance accounts appear to be updated.

INCOME STATEMENT

I reviewed the Income Statement as of December 31, 2020 and noted healthy net income of \$77,334. There were credit balances for the Maintenance of Line Transformers expense accounts for Black Earth and Mazomanie. This was due to salvage value for retired transformers. There were no other unusual account balances.

GENERAL LEDGER

Per a review of the general ledger, I noted:

1. The general ledger was in balance at December 31, 2020.
2. No unusual activity.
3. No non-routine adjustments.

Zachary T Bloom, CPA

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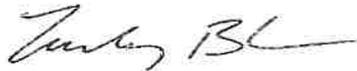
FOLLOW-UP RECOMMENDATION

The payroll portion of my proposal for this service included a work step to trace hourly wage rates in applicable payroll journals to the authorized wage rates. You may recall that VEC implemented one of my recommendations in 2019 to prepare an authorized wage rate listing that is signed by the VEC President and the VEC Superintendent.

I was not able to trace hourly wage rates for all employee to the authorized wage rate listing because the lone employee identified on the 2020 listing was Shawn Dilley. I continue to recommend creation of an authorized wage rate listing that includes all employees. This is a sound internal control procedure.

I appreciate the opportunity to continue my working relationship with VEC and would be happy to answer any questions you may have regarding my report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Zachary T Bloom".

Zachary T Bloom, CPA