ANNUAL REPORT OF THE ACCOUNTING DEPARTMENT

In 1937, the Accounting Department has grown to a staff of seven employees and has become a department in the STATEWIDE. The work consists of three distinct divisions. Accounting, Requisitions and Final Inventory.

PERSONNEL

A. J. Green is Chief Accountant and Kent Wooldridge is in charge of Final Inventory. Mr. Wooldridge was formerly in charge of the No. 29A Clark project, but due to the pressing need of forwarding final inventories to REA on completed projects, Mr. Wooldridge was chosen to head this part of the work. Mr. Edmund Huebing resigned at the end of August, and his place was taken by Mr. Edwin Slightam, who is in charge of requisitioning funds from REA.

The present department personnel is composed of A. J. Green, Kent Wooldridge, Howard Gearhart, Edwin Slightam, D. Duncan Ballantine, Howard LaCourt, Claire Motelet and Louise Evans.

ACCOUNTING

January 31, 1937, the annual audit was made for the year 1936; the annual audit made for the year 1937, is inserted at the close of this report.

REQUISITIONS

(Vouchers for Payment)

During the year 1937, we have requisitioned REA for approximately $3,500,000.00 for construction purposes for our member cooperatives. The largest check that we have received from REA was in the amount of $221,962.15 which we remitted May 28 to W. J. Florin, Treasurer of the ROCK COUNTY ELECTRIC COOPERATIVE ASSOCIATION.

We have had the cooperation and the liberal assistance of the REA in this work and especially do we wish to express our appreciation to Mr. F. Allen Vardy, Chief of the Finance Division of REA, for the splendid cooperation he has shown us.

Final Inventory

We have completed final inventory on ten projects which are listed, together with the contractor's construction costs.

Project	*Approx. Miles*	*Final Costs for Contractor*
Richland Co-op. Electric Ass'n	267.0	$246,901.07
Head of the Lakes Co-op. Electric Ass'n	115.05	102,115.32
Columbus Rural Electric Co-op.	251.0	225,267.40*
Oakdale Co-op. Electric Ass'n.	85.5	80.799.18*
Rock County Electric Co-op. Ass'n.	402.5	358.550.98*
Buffalo Electric Co-op.	270.54	223,262.88
Trempealeau Electric Co-op.	424.55	383,406.04
Clark Electric Co-op.	702.0	550,314.95
Barron County Electric Co-op.	174.84	161,901.21
Columbus Rural Electric Co-op. *(Extension)*	69.48	59,133.87*

(*Change orders outstanding)

IN CONCLUSION

We may state, generally, that during 1937 the Accounting Department performed many extra services of which only the following will be mentioned here; preparing and retailing to member cooperatives bookkeeping forms and assisting in exempting member cooperatives from Capital Stock Tax and Corporation Income Taxes.

February 7, 1938

Mr. H. O. Melby, President
Wisconsin Rural Electric Co-op. Ass'n.
Madison, Wisconsin

In accordance with the request of Mr. J. M. Wilson, general manager, staff accountants of the Public Service Commission have examined the accounts of the Wisconsin Rural Electric Cooperative Association for the period from January 31, 1937, to December 31, 1937.

The examination comprised the verification of recorded cash receipts and disbursements and a general survey, without detailed verification of other accounts. Some limited tests were made of vouchers in support of cash disbursements but because of the detail involved and incomplete records no attempt was made to verify the propriety of pay rolls and traveling expenses, which comprise approximately 90 percent of the Association's total expenditures.

Although construction work on several projects was substantially complete as of December 31, 1937, percentages of payments due contractors and the Association's fees based thereon were being withheld pending final inventories and adjustments. Accordingly, some further income and expenses are to be expected on all such contracts. This makes it impossible to determine exactly or estimate with reasonable accuracy the amount of gain or loss realized to date. For this reason costs of service and income collected on all projects (other than preliminary costs on two projects taken over by others) are shown as suspense items on the balance sheet as of December 31, 1937. Details of fees and costs of service under contracts and other items comprising the balance sheet, together with explanatory comments, are set forth in the schedules and text of this report.

Yours very truly,

PUBLIC SERVICE COMMISSION OF WISCONSIN,

A. R. COLBERT, Director

Department of Accounts and Finance.