

**Minutes of the  
East Wisconsin Counties Railroad Consortium  
Meeting of November 9, 2022**

**East Wisconsin Counties Railroad Consortium Meeting** was called to order by Chairman Thomas Winker on November 9, 2022, at approximately 10:00 a.m., at the Dodge County Administration Building Auditorium, 127 E. Oak Street, Juneau, Wisconsin.

**Certification of Public Notice:** Kimberly A. Nass certified that the notice of this meeting complies with all applicable requirements of Wisconsin's Open Meetings Law.

**Present:** Char Holtan, Columbia County; Dave Frohling and Jeffrey Caine, Dodge County; John Zorn and Karen Madigan, Fond du Lac County; Dennis Mulder and Charlie Wielgosh, Green Lake County; Thomas E. Winker, Ozaukee County; Jeff Schleif and Robert Hartwig, Washington County; and, Donald Nussbaum and Howard Miller, Winnebago County.

**Excused:** Adam Hahn, Columbia County; Milwaukee County; Marty Wolf, Ozaukee County; and, Roger TeStroete and Al Bosman, Sheboygan County.

**Others Present:** Matt Belling, Didion, Inc.; Ken Lucht, WSOR, Leann Schultz, Kimberly A. Nass, Dodge County Corporation Counsel; and Kelly Lepple, Dodge County Corporation Counsel Office.

Chairman Winker asked that the Pledge of Allegiance be added to all future agendas of the EWCRC and asked that all members rise and recite the Pledge of Allegiance.

**Public Comment:** Matt Belling from Didion, Inc., expressed his concerns about the impending rail strike as Class 1 rail workers express concern over their existing labor contracts.

Dennis Mulder stated that Gelhar Trucking Company in Markesan is having issues with the pick up and delivery of its cars. Ken Lucht stated that WSOR is about 20 people down in terms of labor and that presents issues for its customer service for moving trains, picking up cars, and delivering cars. Ken Lucht further stated that some of the cars need repairs and there is a 4-5 day lag period before the car gets delivered to a customer. Ken Lucht stated that he will follow up with WSOR's operations team as well as the commercial team, and will get back to Dennis Mulder regarding this matter.

**Approval of Draft Minutes of September 14, 2022:** Motion by Miller/Mulder to approve the draft minutes of September 14, 2022. Motion carried by unanimous vote.

**Financial Report:** Jeff Caine reported for the period ending October 31, 2022. The balance in the checkbook as of August 31, 2022, was \$1,000.04. Deposits – None. Expenditures – None. Transfers – None. Total EWCRC money on deposit in the Local Government Investment Pool as of October 31, 2022, is \$740,551.35. Motion by Schleif/Frohling to approve the Financial Report. Motion carried by unanimous vote.

**Consider, discuss and take action on Glendale Yard – Beeline scale, fence and right-of-way:** Ken Lucht reported the following:

WSOR is requesting from WisDOT the use of a portion of railroad right-of-way that is currently being leased to Beeline Properties, LLC, in Milwaukee, Wisconsin. Beeline Properties is using railroad right-of-way as a non-railroad user for a driveway, fencing, loading area and parking that adjoins WSOR's North Milwaukee railroad yard. WSOR would like to use the scale that is located on the right-of-way and the driveway approaches leading up to the scale for railroad purposes.

On November 4, 2022, he attended a meeting on site with Mike Lindholm, the owner of Beeline, and Mr. Lindholm's attorney, Christopher Schmidt. Ken Lucht stated that he painted some lines on the pavement showing them where the fence needs to be relocated. Mike Lindholm and his attorney stated that because winter is coming, they would not be able to relocate the fence until spring.

Ken Lucht requests that the Consortium write a letter to Beeline, including WisDOT, giving them 30 days to relocate the fence or ask for a definitive plan with timeframes and performance measures. It is costing WSOR money and business not having access to the scale.

Kim Nass stated that the EWCRC should send another letter to Beeline stating they have 30 days to relocate the fence and if they do not comply, the EWCRC will take whatever legal recourse it has in terms of deeming the fence abandoned and remove the fence. Kim further stated that there is going to be a cost to do that and that the EWCRC should have another meeting with WisDOT regarding this matter.

A Motion was made by Nussbaum/Caine to authorize Kim Nass and the Chairman of the EWCRC to draft and send a letter to Beeline, and send a copy of the letter to WisDOT, indicating that if the fence is not relocated or removed within 30 days of the date of the letter, the EWCRC will consider it abandoned and will contract for its removal as an exercise of the EWCRC maintenance responsibilities under the Land Use Agreement and to return the leased land to productive railroad use. Motion carried by unanimous vote.

**Consider, discuss and take action on Leann Schultz acquiring adjacent corridor lands at 126 Wisconsin Street, Beaver Dam, Wisconsin: Consider, discuss and take action on Leann Schultz acquiring adjacent corridor lands at 126 Wisconsin Street, Beaver Dam, Wisconsin:** Leann Schultz is requesting to purchase surplus land from WisDOT. Ken Lucht stated that he would like to review the diagram depicting the land Ms. Schultz would like to purchase to make sure that the area subject to the sale is not within 50 feet of the centerline of the track and make sure that the rail line is abandoned.

Kim stated that she received an email from Lisa Stern on September 14, 2022, answering Ken Lucht's question as to whether or not the previous line that goes to the south, which would have run through Ms. Schultz's backyard, could be reestablished or if it has been abandoned. Lisa stated that that portion of railroad corridor has been disconnected from the national network due to previous property sales to adjacent landowners, and the old rail line that curves to the south is considered abandoned.

A motion by Mulder/Caine to approve the release of the right-of-way to the Schultz Property contingent on the written approval of WisDOT and WSOR. Motion carried by unanimous vote.

Ken Lucht stated that he will drive by the property after the meeting to inspect it and will provide feedback

of his findings by the end of the week. Leann Schultz will need to contact WisDOT to establish a sale price and coordinate surveying that portion of the right-of-way to ensure that the appropriate portion of the right-of-way is sectioned off to complete the transaction.

**Consider, discuss and take action on potential closure of Sunny Knoll Road rail grade crossing located in the Town of Metomen, Fond du Lac, County, Wisconsin:** Ken Lucht stated that he received an email from the Town of Metomen stating that they would propose the following changes to the railroad crossing to improve safety to allow Sunny Knoll Road crossing to remain open: The Town will repaint all pavement markings at the crossing, lower the speed limit to 45 MPH, update all signage, have the clearing site distance excavated on the southwest and on the southeast quadrants, and have the northwest quadrant corner site distance cleared of brush and trees. The Town understands that the clearing of the corner site distance on the northeast quadrant is acceptable but if it is not, they will clear that as well. The township does not have the funding to correct the corner site distances from the Southwest quadrant and the Southeast quadrant, which would require removal of approximately 16,000 yards or more of dirt plus purchase of land from adjoining landowners to the railroad tracks. The Office of Commissioner of Railroads stated that they will table this matter until the work has been completed.

**Report of WisDOT Railroads and Harbors:** No Report.

**Reminder of the 23<sup>rd</sup> Annual Freight Railroad Conference scheduled for November 15, 2022:** Tom Winker stated that the 23<sup>rd</sup> Annual Freight Railroad Conference will be held on November 15, 2022, at the Madison Marriott West Conference Center, located in Middleton, Wisconsin.

**Report of WSOR:** Ken Lucht reported the following: WSOR is currently testing all of its continuous welded rail and jointed rail on its entire network for defects. WSOR will have the results back in the next couple of months. WSOR is getting ready for winter making sure there are no tripping hazards in its yards as well as on the main lines. WSOR will start maintenance work on its maintenance of way machines this winter.

WSOR is not working on any capital projects at this time. WSOR is working on its maintenance plan for next year, which will require more public at grade crossing upgrades.

Ken Lucht handed out an updated map of the WSOR System. The West Bend Subdivision, between Germantown and West Bend, and the Saukville Subdivision, between North Milwaukee and Saukville, are the newest additions to the WSOR system. WSOR is getting to know its customer base in these areas. The track conditions are considered class one, which is the lowest level condition of track. WSOR will have to put some investment into these Subdivisions in the next 5 to 10 years.

WSOR received a \$6.7 million federal grant for the Janesville bridge project. The bridges have been derated to 263,000 pounds, which means customers have to light load its cars. WSOR is working with the Union Pacific Railroad to figure out a plan to either have the State own these bridges, or the Commission or WSOR lease these bridges, so WSOR can accept the federal grant and upgrade all five bridges to 286,000 pounds. There is a timeframe established by the FRA that says that the bridges must be completed by 2026. Negotiations with the Union Pacific Railroad are still ongoing.

The Merrimac Bridge, located in Merrimac Wisconsin, is owned by the Wisconsin River Rail Transit Commission. WSOR operates on that bridge. WSOR was given a federal grant in 2020 to upgrade the bridge. It has taken two years to get a grant agreement with the FRA, and in that two years, inflation has happened. There is a supply chain issue and prices have greatly increased. When WSOR bid this bridge out, the lowest bidder was \$8 million above its budget. WSOR has 60 days to reject or accept the bid. WSOR is working on a public/private partnership with the State, a number of counties and the rail transit commission who have some money to cover the \$8 million gap. If the bridge does not get upgraded, it will be taken out of service and will effect approximately 13 businesses.

The 2023 calendars will be ready in December of 2022, and will have them for the January 2023 meeting.

On October 6, 2022, Ken Lucht and Tom Winker attended the Wisconsin Railroad Association Freight Rail Day, which was held in Superior, Wisconsin. This event is presented by BNSF Railway, CN, WSOR, and CP.

**Date, time, and place of next meeting (January 11, 2023):** The next regular EWCRC meeting will be held on January 11, 2023, at 10:00 a.m. Dodge County will host the meeting, to be held at the Dodge County Administration Building, located in Juneau, Wisconsin.

Motion by Mulder/Madigan to adjourn. Motion carried by unanimous vote. Meeting adjourned at 11:13 a.m.

Respectfully submitted,

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John Zorn, Secretary

**Disclaimer: These are draft minutes. These draft minutes may be approved, amended, or corrected at the next meeting of the East Wisconsin Counties Railroad Consortium.**

**EAST WISCONSIN COUNTIES RAILROAD CONSORTIUM  
FUNDS ON DEPOSIT AS OF JANUARY 31, 2023**

**PREPARED FOR THE MARCH 8, 2023 EWCRRC MEETING  
US BANK**

**CHECKING ACCOUNT**

Date/Activity	Total Amount Of Income/ Expenditures/ Transfers	Balance
Balance as of October 31, 2022.....	.....	\$ 1,000.04

**DEPOSITS:**

January 18, 2023 – WSOR 2023 1 <sup>st</sup> Quarter Rent	\$5,201.21	
**Interest accrued for November (\$0.00), December (\$0.08), 2022, and January 2023 (\$0.08)	\$ 0.16 (Interest)	
<b>TOTAL DEPOSITS.....</b>	.....	<b>\$ 6,201.41</b>

**EXPENDITURES:**

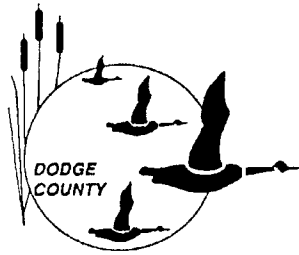
None.	\$0.00	
<b>TOTAL EXPENDITURES .....</b>	.....	<b>\$ 0.00</b>

**TRANSFERS TO LOCAL GOVERNMENT  
INVESTMENT POOL:**

January 18, 2023 – WSOR 2023 1 <sup>st</sup> Quarter Rent	\$5,201.21	
<b>TOTAL TRANSFERS.....</b>	.....	<b>\$ 5,201.21</b>

February 28, 2023 – BALANCE IN CHECKBOOK -----	.....	\$ 1,000.20
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<b>TOTAL EWCRRC MONEY ON DEPOSIT IN LOCAL GOVERNMENT INVESTMENT POOL (as of January 31, 2023)</b>	<b>\$760,377.74</b>
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## DODGE COUNTY FINANCE DEPARTMENT

127 E Oak Street, 4<sup>th</sup> floor, Juneau WI 53039-1309  
(920) 386-3520 (phone) (920) 386-4088 (fax)

### FINANCE DIRECTOR

#### DODGE COUNTY FINANCE COMMITTEE

David Frohling, Chair  
district23@co.dodge.wi.us  
Nancy Kavazanjian  
District5@co.dodge.wi.us  
Ed Benter  
district1@co.dodge.wi.us  
Jeffrey Caine  
district118@co.dodge.wi.us  
Kira Sheahan-Malloy  
District27@co.dodge.wi.us

#### INTERIM/ASSISTANT FINANCE DIRECTOR

Eileen Lifke  
elifke@co.dodge.wi.us

#### SENIOR ACCOUNTANT

Makenzie Drays  
mdrays@co.dodge.wi.us  
Jennifer Krakow  
jkrakow@co.dodge.wi.us

#### PURCHASING AGENT

Stephanie Justmann  
sjustmann@co.dodge.wi.us

#### ADMINISTRATIVE ASSISTANTS

Carrie Lagerman  
carrie.lagerman@co.dodge.wi.us  
Deb Weber  
dweber@co.dodge.wi.us

01/27/2023

To: Corporation Counsel

From: Makenzie A. Drays  
Senior Accountant

Subject: EWCRC 2022 Financial Recordkeeping

For services related to East WI Railroad Consortium recordkeeping, accounting assistance.  
Charges are \$850.00.

After approval of this claim, please submit a check to the Dodge County Finance Department.

Please feel free to contact me with any questions.

Please note: Each year the billing will be increasing by \$50.00 based on increased wages for Dodge County staff.

Thank you,

Makenzie A. Drays  
Senior Accountant  
Dodge County, WI  
920-386-3524  
[mdrays@co.dodge.wi.us](mailto:mdrays@co.dodge.wi.us)

# INVOICE

DODGE COUNTY, WISCONSIN  
OFFICE OF CORPORATION COUNSEL  
ADMINISTRATION BUILDING  
FOURTH FLOOR, 127 E. OAK STREET  
JUNEAU, WISCONSIN 53039-1329

TO: East Wisconsin Counties Railroad Consortium

DATE: January 1, 2022 through December 31, 2022

DESCRIPTION	AMOUNT
Legal, Administration and Attorney Fees 34.00 hours at \$79.75 per hour (Kim)	\$2,711.50
Office and Secretarial Services 58.25 hours at \$48.57 per hour (Kelly)	\$2,829.20
Photocopies – 37 at \$0.05 per copy	\$0.65
Faxing	\$0.00
Postage	\$6.05
Meals	\$0.00
Mileage	\$0.00
<b>TOTAL:</b>	<b>\$5,547.40</b>
Please make check payable to Dodge County And transmit it to:  Dodge County Corporation Counsel Office Administration Building, Fourth Floor 127 E. Oak Street Juneau, Wisconsin 53039-1329	Past Years Invoice Amounts: 2015: \$ 3,212.66 2016: \$ 3,219.81 2017: \$ 3,137.96 2018: \$ 3,565.79 2019: \$ 3,835.36 2020: \$ 3,015.82 2021: \$ 4,272.54

**EAST WISCONSIN COUNTIES  
RAILROAD CONSORTIUM**

**FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2022**



**East Wisconsin County Railroad Consortium  
Comparative Statement of Net Position  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 753,445	\$ 501,042
Due from Local Government	-	-
Total Current Assets	753,445	501,042
<b>Capital Assets</b>		
Railroad Infrastructure	3,705,503	3,705,503
Less Accumulated Depreciation	(1,244,291)	(1,120,730)
Capital Asset, net of depreciation	2,461,213	2,584,774
<b>Total Assets</b>	\$ 3,214,657	\$ 3,085,816
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	\$ 6,397	\$ 5,073
Total Current Liabilities	6,397	5,073
<b>Net Position</b>		
Net Investment in Capital Assets	2,461,213	2,584,774
Unrestricted Net Position	747,047	495,970
Total Net Position	3,208,260	3,080,743
<b>Total Liabilities and Net Position</b>	\$ 3,214,657	\$ 3,085,816

**East Wisconsin County Railroad Consortium  
Comparative Statement of Activities  
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Expenses</b>		
Depreciation	\$ 123,561	\$ 123,562
Legal Services	5,547	4,273
Financial Services	850	800
Total expenses	129,958	128,635
<b>Revenues</b>		
Charges to Local Governments	225,000	225,000
Corridor Rental Fees	20,805	20,805
Interest Income	11,670	222
Total Revenues	257,475	246,027
<b>Net Increase (Decrease) in Net Position</b>	127,517	117,392
<b>Net Position, Beginning of Year</b>	3,080,744	2,963,352
<b>Net Position, End of Year</b>	\$ 3,208,260	\$ 3,080,744

*The accompanying notes to the financial statements are an integral part of these statements.*

**East Wisconsin County Railroad Consortium  
Comparative Balance Sheet - Governmental Funds  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 753,445	\$ 501,042
Due from Local Government	-	-
<b>Total Current Assets</b>	<u>\$ 753,445</u>	<u>\$ 501,042</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 6,397	\$ 5,073
<b>Total Current Liabilities</b>	<u>6,397</u>	<u>5,073</u>
<b>Fund Balance</b>		
Unassigned Fund Balance	747,047	495,970
<b>Total Fund Balance</b>	<u>747,047</u>	<u>495,970</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 753,445</u>	<u>\$ 501,042</u>

**East Wisconsin County Railroad Consortium  
Comparative Reconciliation of Fund Balance on the Balance Sheet for Governmental Funds to the Net Position on  
the Statement of Net Position  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Fund Balances</b>	\$ 747,047	\$ 495,970
Amounts reported on the Statement of Net Position are different because		
Capital assets used in governmental activities are not available to liquidate current financial resources and therefore are not reported in the fund.	2,461,213	2,584,774
<b>Net Position</b>	<u>\$ 3,208,260</u>	<u>\$ 3,080,743</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**East Wisconsin County Railroad Consortium**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Charges to Local Governments	\$ 225,000	\$ 225,000
Corridor Rental Fees	20,805	20,805
Interest Income	11,670	222
Total Revenues	257,475	246,027
<b>Expenditures</b>		
Capital Outlay	-	-
Legal Services	5,547	4,273
Financial Services	850	800
Total Expenditures	6,397	5,073
<b>Revenues Over (Under) Expenditures</b>	251,078	240,954
<b>Fund Balances, Beginning of Year</b>	495,969	255,015
<b>Fund Balances, End of Year</b>	\$ 747,047	\$ 495,969

**East Wisconsin County Railroad Consortium**  
**Comparative Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of**  
**Governmental Funds to the Statement of Activities**  
**For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Net Changes in Fund Balance - Governmental Funds	\$ 251,078	\$ 240,954
Amounts reports for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense		
Capital assets purchased or received	-	-
Depreciation expense	(123,561)	(123,562)
Disposal of capital assets	-	-
Change in Net Position of Governmental Activities	\$ 127,517	\$ 117,392

*The accompanying notes to the financial statements are an integral part of these statements.*

**East Wisconsin County Railroad Consortium**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**

**2022**

**Cash Flows From Operating Activities**

Receipts from other governments	\$ 225,000
Rental revenues	20,805
Payments to other governments	(6,397)
Payments to other suppliers	1,325
Net cash provided (used) by operating activities	<u>240,732</u>

**Cash Flows From Capital and Related Financing Activities**

Acquisition and construction of capital assets	-
Sale of capital assets	-
Net cash provided (used) for capital and related financing activities	<u>-</u>

**Cash Flows from Investing Activities**

Interest Income	<u>11,670</u>
Net cash provided (used) by investing activities	<u>11,670</u>

Net Increase (Decrease) in Cash and Cash Equivalents 252,403

Cash and Cash Equivalents, Beginning of Year 501,042

**Cash and Cash Equivalents, End of Year** \$ 753,445

**Reconciliation to Statement of Net Position**

Cash and Cash Equivalents	<u>\$ 753,445</u>
Total	<u><u>\$ 753,445</u></u>

**Reconciliation of revenues over (under) expenditures to net cash provided used by operating and investing activities**

Net Increase (Decrease) in Net Position	\$ 127,517
Interest income	(11,670)
Depreciation	123,561
Changes in Assets and Liabilities	
Due from Local Governments	-
Accounts Payable	1,325
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 240,732</u></u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**EWCRC**  
**12/31/2022**

**Capital Assets**

Description	Miles	Year	Life	Rail Cost	A/D 12/31/21	2022 depr	Net Fixed Assets	
							2022 depr	Assets
Waupun	5.6	1998	30	111,687	87,588	3,730	3,730	20,369
Ripon & Brandon to Fairwater		1999	30	111,687	83,865	3,730	3,730	24,092
Beaver Dam to Cambria	12.0	2000	30	111,687	80,142	3,730	3,730	27,815
Beaver Dam to Cambria	10.3	2001	30	109,945	75,216	3,671	3,671	31,058
Milton Junction-Janesville		2004	30	-	0	-	-	-
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N Milwaukee-Goodland rd		2005	30	275,498	151,729	9,198	9,198	114,571
Janesville-Walworth		2006	30	-	0	-	-	-
Horicon-Hartford		2007	30	46,344	22,430	1,547	1,547	22,367
Horicon-Hartford		2008	30	83,656	36,605	2,789	2,789	44,262
		2008	30	180,000	79,250	6,000	6,000	94,750
Milwaukee-Slinger		2011	30	251,653	88,075	8,388	8,388	155,190
<hr/>								
Milwaukee-Slinger		2012	30	398,346	126,141	13,278	13,278	258,926
Saukville-Elkhart Lake	AA-1	2013	30	225,000	63,750	7,500	7,500	153,750
Fairwater-Markesan		2015	30	225,000	46,875	7,500	7,500	170,625
Fairwater-Markesan		2016	30	225,000	43,125	7,500	7,500	174,375
Oshkosh Bridges		2016	30	112,500	22,500	3,750	3,750	86,250
Oshkosh Bridges		2017	30	112,500	17,813	3,750	3,750	90,937
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Brandon to Ripon Rail		2018	30	450,000	48,750	15,000	15,000	386,250
Brandon to Ripon Rail		2019	30	225,000	19,375	7,500	7,500	198,125
Ripon to Fisk Rail		2019	30	225,000	19,375	7,500	7,500	198,125
Fisk to Oshkosh Rail		2020	30	225,000	8,125	7,500	7,500	209,375
<b>Balance at 12/31/22</b>				<b>3,705,503</b>	<b>1,120,729</b>	<b>123,561</b>	<b>123,561</b>	<b>2,461,213</b>

A/D Balance at 12/31/22 1,244,291

Current additions	
prior year WIP	-
current expenditures	-
accrued expenditures	-
<b>Total</b>	<b>-</b>

(1) These were joint projects with WWRTC. Costs were shared. Line belongs to WWRTC so costs were expensed by EWCR.

(2) Also joint with WWRTC. This line is owned by EWCR. Costs were capitalized. WWRTC share was also capitalized with a contribution recorded.

**A. Governmental Accounting Standards**

The East Wisconsin Counties Railroad Consortium (EWCRC) prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

The EWCRC was organized in 1980 to acquire and rehabilitate rail lines. It was organized by six counties under State Statute 66.30 and now includes nine counties. The member counties are: Columbia, Dodge, Fond du Lac, Green Lake, Milwaukee, Ozaukee, Sheboygan, Washington, and Winnebago. The EWCRC is governed by two representatives from each member county. It is a joint venture of the member counties and is not a component unit of any county.

Because the investments of the EWCRC are co-mingled with the investments of the County of Dodge in the Local Government Investment Pool (LGIP), the EWCRC is reported as a custodial fund in the County of Dodge's Annual Comprehensive Financial Report (ACFR) as per GASB Statement No. 84 – *Fiduciary Activities*.

The EWCRC is considered to be a “stand-alone government” as defined by GASB. The financial reporting entity of the EWCRC is defined by GASB to consist of (a) the stand-alone government, (b) organizations for which the stand-alone government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the stand-alone government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The basic financial statements of the EWCRC consist solely of the stand-alone government. No other organizations were identified for inclusion in the financial reporting entity of the EWCRC.

**C. Government-wide and Fund Financial Statements**

**Government-Wide Financial Statements**

The *Statement of Net Position* and *Statement of Activities* display information about the reporting government as a whole. They include all activities of the reporting entity.

The *Statement of Cash Flows* began in calendar year 2021 to be included with the above financial statements.

**Fund Financial Statements**

The *Balance Sheet* and *Statement of Revenues, Expenditures and Changes in Fund Balance* are provided to mirror the statements provided in the County of Dodge's ACFR. A reconciliation between these statements and the government-wide statements is also included. The EWCRC reports only the General Fund, which is used to account for all financial resources.

**D. Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements** -- The government-wide *Statement of Net Position* and *Statement of Activities* are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

East Wisconsin County Railroad Consortium  
Notes to Financial Statements  
December 31, 2022

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**Fund Financial Statements** -- Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

**E. Budgetary Accounting**

The EWCRC does not prepare an annual operating budget. The EWCRC controls expenditures through project budgets which do not coincide with its fiscal year.

**F. Cash and Investments**

The EWCRC is required to invest its funds in accordance with Section 66.04(2) of the Wisconsin Statutes. Cash is on deposit at a local bank. Investments are held in the custody of the Dodge County and are stated at fair market value. The year end balances are below:

	<u>2022</u>	<u>2021</u>
Checking	\$ 1,000	\$ 1,001
Local Government Investment Pool	\$752,445	\$ 500,042
Total cash and cash equivalents	<u>\$753,445</u>	<u>\$ 501,043</u>

The EWCRC deposits excess funds with the Dodge County Treasurer, who further deposits them in an interest bearing account with Local Government Investment Pool. The account is completely liquid with the ability to withdraw funds upon request. Earned interest is reinvested and held for EWCRC purposes, along with the principal. Designation of earned interest revenues is not established by the EWCRC.

The EWCRC does not have formal policies regarding custodial credit risk, credit risk or interest rate risk.

**G. Accounts Receivable**

Accounts receivable are recorded at the gross amount. No loss for uncollectible accounts is expected. There were no accounts receivable at the end of 2022.

The operating agreement between the EWCRC and the railroad operator provides for the payment of rent for the use of the land corridor and rail facilities. The annual rental rate is \$100 per mile of track operated. Rental income in 2022 was \$20,805. Rent is to be paid to the EWCRC quarterly.

**H. Capital Assets**

**Government-wide Statements**

Capital assets, which consist of rail improvements, are reported in the government-wide financial statements. Capital assets are recorded at cost. Only the EWCRC's share of rail rehabilitation costs are reported in the financial statements. Equity in the improvements is shared among the EWCRC, the state and the railroad company in proportion to each entity's contribution to the costs. Depreciation of the rail improvements is being recorded over estimated service lives of 30 years using the straight-line method.

**Fund Financial Statements**

In the fund financial statements, capital assets are reported as expenditures of the governmental fund upon acquisition.

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A summary of the capital asset activity for current and prior year on the *Statement of Net Position* are below:

	Calendar Year 2021			
	Beginning Balance	Additions	Retirements	Ending Balance
Railroad improvements	\$ 3,705,503	\$ -	\$ -	\$ 3,705,503
Accumulated depreciation	\$ 997,168	\$ 123,562		\$ 1,120,730
Net capital assets	\$ 2,708,335	\$ (123,562)	\$ -	\$ 2,584,774

	Calendar Year 2022			
	Beginning Balance	Additions	Retirements	Ending Balance
Railroad improvements	\$ 3,705,503	\$ -	\$ -	\$ 3,705,503
Accumulated depreciation	\$ 1,120,730	\$ 123,561		\$ 1,244,291
Net capital assets	\$ 2,584,774	\$ (123,561)	\$ -	\$ 2,461,213

**I. Net Position and Fund Balances**

**Government-Wide Statements** – Net Position is displayed in three components:

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted Net Position – Restricted by outside parties or enabling legislation
- c. Unrestricted Net Position – All other net position

**Fund Statements** – Fund Balances are displayed in five components:

- a. Non-spendable – Amounts that are not in a spendable form or are required to be maintained intact.
- b. Restricted – Amounts constrained to specific purposes by their providers
- c. Committed – Amounts constrained by EWCRC’s highest level of decision-making authority
- d. Assigned – Amounts that are intended to use for a specific purpose
- e. Unassigned – Amounts available for any purpose

**J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**K. Risk Management**

The EWCRC is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and error and omissions. Risks are covered through the operating agreement with the railroad operating company. The operating company has purchased commercial insurance to indemnify the EWCRC. Management believes such coverage is sufficient to preclude any significant uninsured losses to the



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EWCRC.

**L. Commitments**

The EWCRC has agreed to match 10% of approved rehabilitation project costs.

**M. Requests for Information**

This financial report is designed to provide a general overview of the EWCRC's finances and to demonstrate the Consortium's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director  
County of Dodge  
127 E. Oak Street  
Juneau, WI 53039  
Email:  
Desk: (920) 386-3287

