



OHIO AUDITOR OF STATE  
**KEITH FABER**





LAKETRAN  
LAKE COUNTY

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**LAKETRAN  
LAKE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grantor Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Direct Program</i>			
<u>Federal Transit Cluster:</u>			
Federal Transit Formula Grant	20.507	OH-90-0083	\$ 153,795
Federal Transit Formula Grant		OH-95-0020	1,224,128
Federal Transit Formula Grant		OH-90-0086	1,373,185
Federal Transit Formula Grant		OH-95-0024	333,915
Federal Transit Formula Grant		OH-90-0099	1,204,704
COVID-19 Federal Transit Formula Grant		OH-90-0093	6,294,415
Total - Federal Transit Formula Grant			<u>10,584,142</u>
Bus and Bus Facilities Formula Program	20.526	OH-34-0052	5,033
Bus and Bus Facilities Formula Program		OH-34-0060	307,595
Bus and Bus Facilities Formula Program		OH-34-0070	161,588
Bus and Bus Facilities Formula Program		OH-34-0084	1,672,389
Total - Bus and Bus Facilities Formula Program			<u>2,146,605</u>
Total Federal Transit Cluster:			<u>12,730,747</u>
<u>Transit Services Programs Cluster:</u>			
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	OH-16-0041	356,949
Enhanced Mobility for Seniors and Individuals with Disabilities		OH-16-0043	258,298
Enhanced Mobility for Seniors and Individuals with Disabilities		OH-16-0048	283,253
Total - Enhanced Mobility For Seniors and Individual with Disabilities/Transit Service Program Cluster			<u>898,500</u>
Total U.S. Department of Transportation			<u>13,629,247</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$13,629,247</b></u>

*The accompanying notes are an integral part of this schedule.*

**LAKETRAN  
LAKE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Laketrans (the Authority's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Laketran  
Lake County  
P.O. Box 158  
Grand River, Ohio 44045

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Laketran, Lake County, Ohio (the Authority) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 28, 2021, wherein we noted other auditors audited the basic financial statements of the Authority as of and for the year ended December 31, 2019. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 28, 2021



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Laketran  
Lake County  
P.O. Box 158  
Grand River, Ohio 44045

To the Board of Trustees:

### ***Report on Compliance for the Major Federal Program***

We have audited Laketrans (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Laketrans major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

### ***Management's Responsibility***

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on the Major Federal Program***

In our opinion, Laketrans complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

***Report on Internal Control Over Compliance***

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have also audited the financial statements of Laketrans, Lake County, Ohio (the Authority) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our unmodified report thereon dated May 28, 2021, wherein we noted other auditors audited the basic financial statements of the Authority as of and for the year ended December 31, 2019. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority. We conducted our audit to opine on the Authority's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 28, 2021

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**LAKETRAN  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF AUDITOR'S RESULTS  
DECEMBER 31, 2020**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	➤ Federal Transit Cluster, CFDA #20.507 and 20.526
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS  
DECEMBER 31, 2020 AND 2019**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS  
DECEMBER 31, 2020**

None.



**Comprehensive  
Annual Financial Report  
For the Years Ended December 31, 2020 and 2019**

**LAKETRAN**

**LAKE COUNTY, OHIO**

*Brian Falkowski  
President  
Board of Trustees*

*Benjamin Capelle  
CEO  
Secretary-Treasurer*







Comprehensive  
Annual Financial Report  
For the Years Ended December 31, 2020 and 2019

**LAKE COUNTY, OHIO**

**LAKETRAN**



Brian Falkowski  
President  
Board of Trustees

Benjamin Capelle  
CEO  
Secretary-Treasurer



**Introductory  
Section  
2020**



**LAKETRAN  
LAKE COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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Government Finance Officers Association

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For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

*The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Laketran, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.*

*A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.*





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555 Lakeshore Blvd. Painesville Twp., OH 44077

May 28, 2021

Mr. Brian Falkowski, President  
Members, Board of Trustees of Laketrans  
and Residents of Lake County

We are pleased to submit to you the Comprehensive Annual Financial Report of Laketrans for the year ended December 31, 2020. This is the twentieth such report issued by Laketrans. It has become the standard format used in presenting the results of Laketrans's operations, financial position, cash flows, and related statistical information.

Laketrans takes great pride in the fact that its nineteen previous Comprehensive Annual Financial Reports earned the recognition of the Government Finance Officers' Association of the United States and Canada (GFOA) in the form of its Certificate of Achievement for Excellence in Financial Reporting.

Laketrans also submits its annual operating and capital budget to the GFOA and has been doing so since 1998. All of these budget documents have won the Distinguished Budget Presentation Award, having satisfied the most stringent program criteria and proven its value as 1) a policy document, 2) an operations guide, 3) a financial plan and, 4) a communication device.

This report contains the basic financial statements, management's discussion and analysis (MD&A), and statistical data that provides full disclosure of all the material financial operations of Laketrans. The basic financial statements, MD&A, and statistical information are the representation of Laketrans's management which bears the responsibility for their accuracy, completeness, and fairness. In conformance with generally accepted accounting principles, this report was developed on the accrual basis of accounting, treating Laketrans as a single enterprise fund. The Comprehensive Annual Financial Report is indicative of Laketrans's commitment to provide accurate, concise, and high-quality financial information to the residents of Lake County and other interested parties.

The MD&A immediately follows the independent accountant's report and provides a narrative summarizing and analyzing the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **REPORTING ENTITY**

Laketran is an independent political subdivision of the State of Ohio. It was created on December 23, 1974 by resolution of the Board of County Commissioners of Lake County, Ohio. Contract operations at Laketran began in 1977 using vehicles owned by STS (Special Transportation Services). On July 1, 1985, Laketran began direct operations when it placed its first two buses into service on Route 1. Either directly or through contracts with local service providers, Laketran provides virtually all public transportation services within Lake County. Laketran is a multimodal system, delivering paratransit and motor bus services.

A nine-member Board of Trustees (Board) establishes policy and sets direction for the management of Laketran. All Board members are appointed by the County Commissioners and serve overlapping three-year terms. Under the provisions of GASB Statement No. 14, (as amended by GASB Statement No. 61) Laketran is considered to be a jointly governed organization.

Responsibility for the line administration rests with the CEO/Secretary-Treasurer. He supervises ten managers assigned to three departments as follows:

Administration:

- Director of Finance
- Director of Human Resources
- Director of Communications
- Director of Information Technology
- Director of Compliance & Development

Maintenance:

- Director of Maintenance
- Asst. Director of Vehicle Maintenance
- Asst. Director of Facility Maintenance

Operations:

- Director of Operations
- Asst. Director of Operations

An organization chart, which depicts these relationships, follows later in this introductory section.

In 2020, Laketran had 275 active employees (174 full-time and 101 part-time). The system delivered 959,924 revenue miles of motor bus service and 1,656,405 revenue miles of directly operated paratransit service. The service fleet was composed of 40 motor bus coaches and 105 paratransit buses.

## **CURRENT YEAR REVIEW**

During the year, Laketran received the following national awards for financial reporting:

- The Distinguished Budget Presentation Award for the 2020 operating and capital budget from the GFOA.
- Certificate of Achievement for Excellence in Financial Reporting for the 2019 Comprehensive Annual Financial Report from the GFOA.

Ridership from 2019 to 2020 for all modes of services were down 40.6 percent overall. Dial-a-Ride ridership decreased 41.7 percent and Motor Bus ridership decreased 38.8 percent, netting an overall decrease in ridership of 40.6 percent for 2020 vs 2019 for all modes of service. Ridership decreases are due to the COVID-19 pandemic. On March 15, 2020, the Ohio Governor shut most things down to help decrease the spread of COVID-19 and encouraged remote meetings and working from home if possible.

## **MISSION STATEMENT**

Laketran is committed to providing quality public transportation to all Lake County residents with special emphasis on meeting the transportation needs of senior citizens and people with disabilities. We will accomplish this by:

Providing efficient, affordable, reliable, safe and clean service  
Employing caring, committed, capable and courteous service providers  
Emphasizing individual accountability  
Promoting teamwork  
Maintaining fiscal responsibility

## **FUTURE PLANS**

Laketran currently has a capital improvement plan in place through the year 2025. This plan was developed to provide for the future transportation needs of all Lake County residents and includes:

- **Fleet Improvement:** Laketran has a regular vehicle replacement program for Dial-a-Ride buses. These are very high mileage vehicles that need to be replaced regularly.

Bus purchases planned to be ordered in 2021 are: Sixteen Dial-a-Ride buses \$2,720,000 and funded with 36.0% (\$967,546) federal and 64.0% (\$1,752,454) local.

Bus purchases planned to be ordered in 2022 are: Sixteen Dial-a-Ride buses \$2,880,000 and funded with 55.0% (\$1,580,000) federal and 45.0% (\$1,300,000) local.

Bus purchases planned to be ordered in 2023 are: Sixteen Dial-a-Ride buses \$2,880,000 and funded with 55.0% (\$1,580,000) federal and 45.0% (\$1,300,000) local.

Bus purchases planned to be ordered in 2024 are: Sixteen Dial-a-Ride buses \$3,120,000 and funded with 70.0% (\$2,194,000) federal and 30.0% (\$926,000) local. Two Dial-a-Ride Vans \$160,000 and funded with 80.0% (\$128,000) federal and 20.0% (\$32,000) local.

Bus purchases planned to be ordered in 2025 are: Sixteen Dial-a-Ride buses \$3,120,000 funded with 70.0% (\$2,194,000) federal and 30.0% (\$926,000) local.

- **Construction Projects:**

Laketran Headquarters renovations are projected to begin in 2021 and take approximately one and a half to two years to complete. The estimated cost for construction is \$12 million. Funding for 2021 is anticipated to be 25.0% (\$1,250,000) federal and 75.0% (\$3,750,000) local. Part Room Modernization Project is anticipated to be \$100,000 and funded 100.0% with local funds.

Replacement projects to be completed in 2022: Headquarters renovations funding for 2022 is anticipated to be \$5,000,000 and funded with 7.0% (\$350,000) state and 93.0% (\$4,650,000) local. Rooftop HVAC funding is anticipated to be \$40,000 and funded with 100.0% (\$40,000) local. Ventilation Exhaust Fan Replacement for an approximate cost of \$24,000 and funded with 100.0% (\$24,000) local.

Replacement projects to be completed in 2023: Rooftop HVAC for an approximate cost of \$40,000 and funded with 100.0% (\$40,000) local. Ventilation Exhaust Fan Replacement for an approximate cost of \$24,000 and funded with 100.0% (\$24,000) local. Boiler Replacement for an approximate cost of \$50,000 and funded with 80.0% (\$40,000) federal and 20.0% (\$10,000) local. Mentor Park-n-Ride concrete repairs for an approximate cost of \$150,000 and funded with 80.0% (\$120,000) federal and 20.0% (\$30,000) local.

Replacement projects to be completed in 2024: Rooftop HVAC for an approximate cost of \$40,000 and funded with 100.0% (\$40,000) local. Ventilation Exhaust Fan Replacement for an approximate cost of \$24,000 and funded with 100.0% (\$24,000) local. Building Repairs for an approximate cost of \$50,000 and funded with 80.0% (\$40,000) federal and 20.0% (\$10,000) local.

Replacement projects to be completed in 2025: Rooftop HVAC for an approximate cost of \$40,000 and funded with 100.0% (\$40,000) local. Building Repairs for an approximate cost of \$50,000 and funded with 80.0% (\$40,000) federal and 20.0% (\$10,000) local.

- **Professional Services:**

Architect/Engineering for the headquarters expansion is planned to take place in 2020 and is estimated to cost \$800,000. Funding is anticipated to be paid with 100.0% (\$800,000) local.

Projects to be completed in 2021: Shoregate planning study is estimated to cost \$50,000 and funded with 80.0% (\$40,000) federal, 10.0% (\$5,000) state and 10.0% (\$5,000) local.

- **Transit Enhancements:**

Transit enhancements include things such as: shelters, benches and passenger information. Shelters, benches and/or passenger information located on each shelter is updated annually as needed. Also included in passenger information are such things as: Laketrans APP, Real-Time Bus & Stop Locator, Trip Planner, Click to call, get a text, rider alerts, bus buzz, Laketrans phone number & web-site.

Projects to be completed in 2022: Shelters \$25,000 and Signage \$50,000 and funded with 80.0% (\$60,000) federal and 20.0% (\$15,000) local.

Projects to be completed in 2023: Shelters \$25,000 and Signage \$50,000 and funded with 80.0% (\$60,000) federal and 20.0% (\$15,000) local.

Projects to be completed in 2024: Shelters \$25,000 and Signage \$50,000 and funded with 80.0% (\$60,000) federal and 20.0% (\$15,000) local.

Projects to be completed in 2025: Shelters \$25,000 and Signage \$50,000 and funded with 80.0% (\$60,000) federal and 20.0% (\$15,000) local.

- **Equipment:**

Projects to be completed in 2021 are: Purchase of three ticket vending machines for \$585,109 and funded with 100.0% (\$585,109) federal. Facilities laborer equipment \$15,000 with 80.0% (\$12,000) federal and 20.0% (\$3,000) local. Lubrication equipment and storage \$50,000 with 100.0% (\$50,000) local. Partial networking upgrade for \$30,000 with 100.0% (\$30,000) local. Phone system switch upgrade \$25,000 with 100.0% (\$25,000) local.

Projects to be completed in 2022: Purchase of copier and hardware replacement for \$40,000 and funded with 80.0% (\$32,000) federal and 20.0% (\$8,000) local. Extending Wi-Fi in Bus Garage \$45,000 with 100.0% (\$45,000) local. Miscellaneous equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local. Routine PC equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local.

Projects to be completed in 2023: Purchase of copier and hardware replacement for \$40,000 and funded with 80.0% (\$32,000) federal and 20.0% (\$8,000) local. Extending Wi-Fi in Bus Garage \$45,000 with 100.0% (\$45,000) local. Miscellaneous equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local. Routine PC equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local.

Projects to be completed in 2024: Miscellaneous equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local. Routine PC equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local.

Projects to be completed in 2025: Miscellaneous equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local. Routine PC equipment \$25,000 with 80.0% (\$20,000) federal and (\$5,000) local.

- **Non-Revenue Vehicles:**

Vehicles planned for 2021: Three support vehicles \$75,000 with 100.0% (\$75,000) local. Level 2 electric vehicle chargers \$66,453 with 90.0% (\$59,808) state and 10.0% (\$6,645) local.

Vehicles planned for 2022: Three support vehicles \$100,000 with 100.0% (\$100,000) local.

Vehicles planned for 2023: Three support vehicles \$100,000 with 100.0% (\$100,000) local.

Vehicles planned for 2024: Two support vehicles \$75,000 with 100.0% (\$75,000) local. Replace two street sweepers \$130,000 with 80.0% (\$104,000) federal and 20.0% (\$26,000) local.

Vehicles planned for 2025: Two support vehicles \$75,000 with 100.0% (\$75,000) local.

### **INTERNAL CONTROL**

Laketrans internal controls are reviewed annually as a part of the independent audit. In developing and revising Laketrans accounting and reporting control system, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

- Safeguarding assets against loss from unauthorized use or disposition, and
- Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of control should not exceed the benefits likely to be derived, and
- The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. Laketrans internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **BASIS OF ACCOUNTING**

Laketrans accounting records are maintained on the accrual basis. The activities are reported through the use of a single enterprise fund.

### **BUDGETARY CONTROL**

Responsibility for budgetary control rests with individual departments. Each department receives a report of their expenses vs. budget each month. The accounting department exercises budgetary control over administrative costs such as hospitalization and property and casualty coverage. All bank accounts are reconciled monthly.

## **OTHER INFORMATION**

The Laketran independent audit was conducted by the Ohio Auditor of State's Office, who has issued an unmodified opinion on the financial statements.

Laketran also participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by Laketran. As a requirement for continued funding eligibility, participation in the single audit program is mandatory for most local governments, including Laketran.

## **ACKNOWLEDGMENT**

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this Comprehensive Annual Financial Report is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling the Comprehensive Annual Financial Report. In addition, we would like to thank the Board of Trustees for their support in striving for excellence in financial reporting and disclosure.



**Benjamin Capelle**  
CEO/Secretary-Treasurer



**Lisa Colling**  
Director of Finance

**LAKETRAN  
LAKE COUNTY, OHIO  
BOARD OF TRUSTEES AND MANAGEMENT  
AS OF DECEMBER 31, 2020**

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Chairman	Brian J. Falkowski
Vice-Chairman	Chuck J. Zibbel
Trustees	Jon P. Martin Donna P. McNamee Dennis Montrella Dale Schiavoni Lane H. Sheets Sara Spence Gary L. Swanson

**Management**

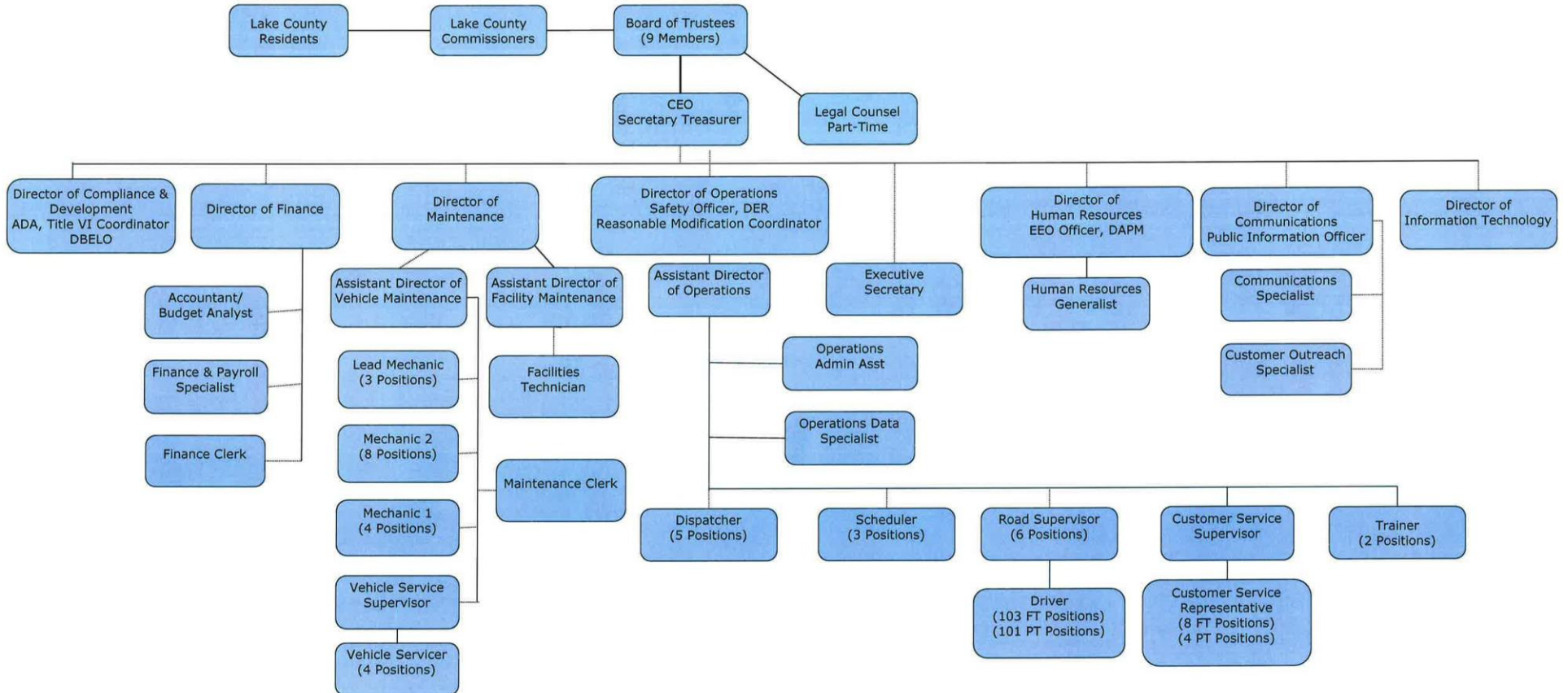
CEO/Secretary-Treasurer	Benjamin Capelle
Director of Finance	Lisa Colling
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Director of Communications	Julia Schick
Director of Operations	Matthew Maier
Director of Maintenance	Keith Bare







**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**ORGANIZATION CHART AS OF NOVEMBER 23, 2020**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**





# **Financial Section**

**2020**



# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Laketran  
Lake County  
P.O. Box 158  
Grand River, Ohio 44045

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Laketran, Lake County, Ohio (the Authority), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laketrans, Lake County, Ohio, as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Prior Period Financial Statements Audited by a Predecessor Auditor*

The financial statements of the Authority as of and for the year ended December 31, 2019 were audited by other auditors, whose report dated April 17, 2020, expressed an unmodified opinion on those statements and included an emphasis of matter paragraph that described the financial implications of the ongoing pandemic.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole. The introductory section and the statistical section information present additional analysis and are not a required part of the basic financial statements.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will also issue our report dated May 28, 2021, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 28, 2021

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**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(UNAUDITED)**

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As management of Laketran, we offer readers of Laketran's financial statements this narrative overview and analysis of the financial activities of Laketran for the fiscal years ended December 31, 2020, 2019, and 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **FINANCIAL HIGHLIGHTS**

- Laketran's 2020 net position increased as a result of current year operations by \$12,029,772 or 42.0 percent over 2019. Net position for 2019 decreased by \$6,077,312 or 17.5 percent from 2018.
- Operating expenses, exclusive of depreciation, were \$19,169,793 at December 31, 2020, \$20,417,877 at December 31, 2019, and \$16,374,437 at December 31, 2018. This represents a decrease of 6.1 percent and an increase of 24.7 percent, respectively.
- Net capital assets were \$29,267,346 at December 31, 2020, \$26,106,586 at December 31, 2019, and \$27,147,851 at December 31, 2018. This represents an increase of 12.1 percent and a decrease of 3.8 percent, respectively.
- Cash and cash equivalents were \$15,682,924 at December 31, 2020, \$5,526,893 at December 31, 2019, and \$6,304,223 at December 31, 2018. This represents an increase of 183.8 percent and a decrease of 12.3 percent, respectively.
- Investments at fair value, other than those included in cash and cash equivalents, were \$9,954,503 at December 31, 2020, \$9,780,590 at December 31, 2019, and \$10,482,762 at December 31, 2018. This represents an increase of 1.8 percent and a decrease of 6.7 percent, respectively.
- Cash and cash equivalents, and investments at fair value combined were \$25,637,427 at December 31, 2020, \$15,307,483 at December 31, 2019, and \$16,786,985 at December 31, 2018. This represents an increase of 67.5 percent and a decrease of 8.8 percent, respectively. These cash reserves are used to pay Laketran's share of capital improvements and operating expenses as necessary.
- Laketran had current grants receivable of \$1,240,328 at December 31, 2020, \$50,217 at December 31, 2019 and \$3,795,655 at December 31, 2018. This represents an increase of 2,369.9 percent and a decrease of 98.7 percent, respectively.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Laketran's basic financial statements. Laketran's basic financial statements are comprised of four components: **1)** Statement of Net Position, **2)** Statement of Revenues, Expenses, and Changes in Net Position, **3)** Statement of Cash Flows, and **4)** Notes to the Basic Financial Statements. The Statements of Net Position and Statements of Revenue, Expenses, and Changes in Net Position provide information about the activities of Laketran and present a longer-term view of its finances.

One of the most important questions asked about Laketran's finances is, "Is Laketran better off or worse off as a result of the year's activities?" The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows report information about Laketran and its activities in a way that helps answer this question. These statements are prepared on the accrual basis of accounting. Revenues are recorded when earned as opposed to received and expenses are recorded when incurred as opposed to paid.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(UNAUDITED)**

The basic financial statements report Laketran's net position and changes in them. Laketran's net position is the difference between assets and deferred outflows of resources (what the citizens own) and liabilities and deferred inflows of resources (what the citizens owe) as one way to measure Laketran's financial health or financial position. Over time, increases or decreases in Laketran's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors need to be considered such as the condition of Laketran's capital assets (property, equipment, vehicles, etc.).

Laketran only engages in business type activities. The sole purpose of Laketran is to provide public transportation services to the citizens of Lake County. A bus fare is charged to each rider to help cover a portion of expenses.

**Table 1 - Net Position**

	2020	2019	2018
<b><u>Assets</u></b>			
Current Assets	\$ 31,683,403	\$ 18,552,328	\$ 23,523,006
Grants Receivable	11,012,998	5,661,738	3,517,145
Net Pension Asset	215,101	132,303	143,125
Capital Assets, Net	29,267,346	26,106,586	27,147,851
Fair Value of Derivative Instruments	0	5,943	0
<b>Total Assets</b>	<b>72,178,848</b>	<b>50,458,898</b>	<b>54,331,127</b>
<b><u>Deferred Outflows of Resources</u></b>			
Pensions	1,964,846	4,787,410	2,013,078
OPEB	1,353,812	936,911	427,714
Fair Value of Derivative Instruments	38,879	0	10,324
<b>Total Deferred Outflows of Resources</b>	<b>3,357,537</b>	<b>5,724,321</b>	<b>2,451,116</b>
<b><u>Liabilities</u></b>			
Current Liabilities	2,125,269	1,564,019	3,004,239
Non-Current Liabilities	584,335	336,817	327,012
Net Pension Liability	10,140,386	14,153,830	7,431,435
Net OPEB Liability	7,298,853	7,027,418	5,319,953
Fair Value of Derivative Instruments	38,879	0	10,324
<b>Total Liabilities</b>	<b>20,187,722</b>	<b>23,082,084</b>	<b>16,092,963</b>
<b><u>Deferred Inflows of Resources</u></b>			
Grants	11,262,998	4,178,154	3,760,350
Pension	2,294,419	256,204	1,813,550
OPEB	1,119,707	19,067	396,301
Fair Value of Derivative Instruments	0	5,943	0
<b>Total Deferred Inflows of Resources</b>	<b>14,677,124</b>	<b>4,459,368</b>	<b>5,970,201</b>
<b><u>Net Position</u></b>			
Investment in Capital Assets	29,267,346	26,106,586	27,147,851
Restricted for Insurance Claims	533,717	418,042	227,977
Unrestricted	10,870,476	2,117,139	7,343,251
<b>Total Net Position</b>	<b>\$ 40,671,539</b>	<b>\$ 28,641,767</b>	<b>\$ 34,719,079</b>

**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(UNAUDITED)**

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The net pension liability (NPL) and the net OPEB liability (NOL) are the largest liabilities reported by Laketrans at December 31, 2020 and are reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of Laketrans's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*. GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal Laketrans's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, Laketrans is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(UNAUDITED)**

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, Laketrans' statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability not accounted for as deferred inflows/outflows.

Laketrans' net position was \$40,671,539 at December 31, 2020, \$28,641,767 at December 31, 2019, and \$34,719,079 at December 31, 2018. These represent an increase of 42.0 and a decrease of 17.5 percent, respectively. Unrestricted net position was \$10,870,476 at December 31, 2020, \$2,117,139 at December 31, 2019, and \$7,343,251 at December 31, 2018. This represents an increase of 413.5 percent and a decrease of 71.2 percent, respectively.

The following financial ratios should be used to assess the financial stability of Laketrans over a period of five years. The ratios of working capital and days cash and investments in reserve demonstrate the ability to finance operations with cash.

**FINANCIAL RATIOS**

Working capital is the amount by which current assets exceed current liabilities.

2020	2019	2018	2017	2016
\$ 29,558,134	\$ 16,988,309	\$ 20,518,767	\$ 20,453,914	\$ 19,556,942

The current ratio, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations:

2020	2019	2018	2017	2016
14.9	11.9	7.8	13.4	6.5

Days cash and investments in reserve represents the number of days normal operations could continue with no revenue collection.

2020	2019	2018	2017	2016
477	282	369	375	383

Liabilities and deferred inflows of resources to net position indicates the extent of borrowing.

2020	2019	2018	2017	2016
85.7%	96.2%	63.5%	58.0%	33.2%

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
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In addition, Laketrans has never incurred debt by borrowing (issuing bonds, obtaining a bank loan, etc.). The "borrowing" in the ratio above is solely a result of unpaid liabilities at year end. These consist of 1) payments due to vendors, 2) accrued payroll liabilities, and 3) deferred inflows of resources. Deferred inflows of resources primarily consist of amounts related to pension and OPEB and of capital grant funding received before time requirements are met.

**Table 2 - Changes in Net Position**

	2020	2019	2018
<b>Revenues</b>			
<b>Operating Revenues</b>			
Passenger Fares	\$ 1,084,931	\$ 2,787,979	\$ 2,711,452
Auxiliary Transportation Revenue	81,448	84,703	86,863
<b>Total Operating Revenue</b>	<b>1,166,379</b>	<b>2,872,682</b>	<b>2,798,315</b>
<b>Non-Operating Revenues</b>			
Sales Tax Revenue	16,784,614	9,615,330	9,504,880
Federal Grants and Reimbursements	8,341,956	1,672,789	2,329,763
State Grants, Reimbursements, and Special Fare Assistance	2,620,144	1,919,074	757,975
Other Grants	25,000	0	0
Gain on Disposal of Assets	0	0	162,032
Interest Income	228,256	335,408	220,271
Other	1,128,275	185,204	162,607
<b>Total Non-Operating Revenue</b>	<b>29,128,245</b>	<b>13,727,805</b>	<b>13,137,528</b>
<b>Capital Funding</b>			
Federal Grants and Reimbursements	5,287,291	2,242,787	4,400,331
Capital contribution	0	0	98,000
<b>Total Capital Funding</b>	<b>5,287,291</b>	<b>2,242,787</b>	<b>4,498,331</b>
<b>Total Revenues</b>	<b>35,581,915</b>	<b>18,843,274</b>	<b>20,434,174</b>
<b>Expenses</b>			
<b>Operating Expenses Other Than Depreciation</b>			
Labor	7,239,978	7,063,745	6,811,645
Fringe Benefits	7,464,518	8,351,435	5,246,450
Services	1,567,051	1,353,478	1,209,679
Fuel and Lubricants	952,491	939,024	1,087,095
Materials and Supplies	1,062,405	675,948	724,789
Utilities	138,319	235,528	198,613
Claims and Insurance	297,960	1,185,297	464,329
Purchased Transportation	168,270	285,402	275,562
Miscellaneous	278,801	328,020	356,275
<b>Total Operating Expenses Other Than Depreciation</b>	<b>19,169,793</b>	<b>20,417,877</b>	<b>16,374,437</b>
Depreciation	4,325,471	4,349,343	4,260,971
<b>Total Operating Expenses</b>	<b>23,495,264</b>	<b>24,767,220</b>	<b>20,635,408</b>
<b>Non-Operating Expenses</b>			
Loss on Disposal of Assets	56,879	153,366	0
<b>Total Non-Operating Expenses</b>	<b>56,879</b>	<b>153,366</b>	<b>0</b>
<b>Total Expenses</b>	<b>23,552,143</b>	<b>24,920,586</b>	<b>20,635,408</b>
Increase (Decrease) in Net Position	12,029,772	(6,077,312)	(201,234)
Total Net Position Beginning of Year	28,641,767	34,719,079	34,920,313
<b>Total Net Position End of Year</b>	<b>\$ 40,671,539</b>	<b>\$ 28,641,767</b>	<b>\$ 34,719,079</b>

**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
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**Significant items contributing to the change in net position are as follows:**

- Federal and capital grants and reimbursements increased from 2019 to 2020 by 248.1 percent and decreased from 2018 to 2019 by 41.8 percent. The increase in 2020 was from CARES Act funding due to the COVID-19 pandemic, used to support operating costs. Deferred inflows of resources (formerly deferred revenues) fluctuate greatly from year to year. This primarily represents grant funds approved but did not meet time requirements, which increased from 2019 to 2020 by 229.1 percent and decreased from 2018 to 2019 by 25.3 percent.
- State grants, reimbursements, and special fare assistance increased from 2019 to 2020 by 36.5 percent and increased from 2018 to 2019 by 53.2 percent. These increases were due to additional grants for the Lakeland and Wickliffe PNR project. Both projects should be completed in 2021.
- Sales tax revenues, Laketran's largest source of revenue, increased from 2019 to 2020 by 74.6 percent and increased from 2018 to 2019 by 1.2 percent. The increase in revenue during 2020 was due to a new tax levy which took effect April 1, 2020, increasing Laketran's sales tax from 1/4 percent to 1/2 percent.
- Investment income decreased 31.9 percent from 2019 to 2020 and increased 52.3 percent from 2018 to 2019 due to changes in interest rates.
- Operating revenue from passenger fares decreased 61.1 percent from 2019 to 2020 and increased 2.8 percent from 2018 to 2019. The decrease in 2020 was due to a decrease in ridership because of the COVID-19 pandemic.
- Operating expenses, excluding depreciation, decreased 6.1 percent from 2019 to 2020 and increased 24.7 percent from 2018 to 2019, respectively.
- Significant changes in operating expenses are:

Fuel and oil costs increased 1.4 percent from 2019 to 2020 and decreased 13.6 percent from 2018 to 2019. Laketran hedged its fuel costs for 2018, 2019 and 2020. By hedging this cost Laketran was able to lock into a fixed fuel rate so it could put back Saturday Service for DAR and Fixed Route Bus Service.

Labor costs increased 2.5 percent from 2019 to 2020 and increased 3.7 percent from 2018 to 2019. The increase in labor costs is attributed to wage increases for employees in 2020 and 2019.

Fringe benefits decreased 10.6 percent from 2019 to 2020 and increased 59.2 percent from 2018 to 2019, due primarily to changes in pension and OPEB expenses per GASB 68 and GASB 75.

**Table 3 - Changes in Cash Flows**

	2020	2019	2018
Net Cash Used for Operating Activities	\$ (14,226,226)	\$ (15,694,666)	\$ (10,675,312)
Net Cash Provided by Noncapital Financing Activities	27,299,495	13,038,570	11,967,177
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,023,685)	860,832	(690,056)
Net Cash Provided (Used) by Investment Activities	(9,228)	827,869	40,791
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 10,040,356</b>	<b>\$ (967,395)</b>	<b>\$ 642,600</b>

**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
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Net cash used for operating activities decreased 9.4 percent from 2019 to 2020 and increased 47 percent from 2018 to 2019 due to fluctuations in operating costs.

Net cash provided by noncapital financing activities increased 109.4 percent from 2019 to 2020 and increased 9.0 percent from 2018 to 2019 due to fluctuations in sales tax and grant revenue.

Net cash provided/(used) by capital and related financing activities changed by -451.3 percent from 2019 to 2020 and changed by -224.7 percent from 2018 to 2019 due to capital asset acquisitions in 2018 and 2020 exceeding those in 2019.

Net cash provided/(used) by investment activities changed by -101.1 percent from 2019 to 2020 and increased 1929.5 percent from 2018 to 2019 mostly due to changes in investment security purchases and investment proceeds.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

For years ended December 31, 2020, 2019 and 2018, Laketran had invested in a broad range of capital assets, including land, buildings and improvements, equipment, office furniture/fixtures/equipment, parking lots, communication equipment, and vehicles for \$29,267,346, \$26,106,586 and \$27,147,851, (net), respectively. This represents a net increase of \$3,160,760, or 12.1 percent from 2019 to 2020 which is attributable to the purchase of additional transportation vehicles and equipment and construction in progress. A net decrease of \$1,041,265 or 3.8 percent from 2018 to 2019 which is attributable to the disposition of assets.

**Table 4 - Capital Assets at Year End**

	2020	2019	2018
Land	\$ 1,898,151	\$ 1,898,151	\$ 1,898,151
Buildings and Improvements	15,570,099	15,570,099	15,534,098
Transportation Vehicles and Equipment	47,032,901	45,898,568	43,370,385
Furniture and Equipment	391,170	587,123	583,507
Construction in Progress	4,823,894	290,804	1,399,618
	69,716,215	64,244,745	62,785,759
Less Accumulated Depreciation	40,448,869	38,138,159	35,637,908
<b>Total Capital Assets, Net</b>	<b>\$ 29,267,346</b>	<b>\$ 26,106,586</b>	<b>\$ 27,147,851</b>

For more detailed information on capital asset activity, see Note 11 of the financial statements.

All capital assets are depreciated using the straight-line method of depreciation. Vehicles useful lives are either four, seven, or twelve years as specified in Federal Transit Administration regulations. All other useful lives range from five to thirty years, depending on the nature of the asset. Laketran owns one building which is being depreciated over a period of forty-five years.

**LONG TERM OBLIGATIONS**

Laketran has long-term obligations consisting of net pension liability, net OPEB liability and compensated absences. See Notes 6, 7, and 8 of the financial statements for additional detail.



**LAKETRAN  
LAKE COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(UNAUDITED)**

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**DISCUSSION OF CURRENTLY KNOWN FACTS**

During 2020, operating and non-operating revenues increased 82.5 percent while operating expenses (other than depreciation) decreased 6.1 percent. Wages and benefits are 76.7 percent of operating expenses other than depreciation, and these decreased 4.6 percent. Employees pay 10 or 15 percent of their health insurance costs.

Capital grant reimbursements can be very volatile from one year to the next because they are based upon the availability of governmental funds for capital purchases rather than bus operations and any special types of projects going on in any given year.

Fuel and oil, which comprises 5.0 percent of the operating expenses, was consistent between 2020 and 2019, with a change of 1.4 percent.

During November 2019, Lake County voters overwhelmingly voted for an additional ¼ percent sales tax making Laketrans total sales to ½ of one percent. The new levy took effect April 1, 2020.

Due to the COVID-19 pandemic, Laketrans has pledged to statewide and national initiatives taking on additional precautions to ensure the health and safety of both our riders and employees. During 2020, Laketrans made continual modifications to its services and procedures to follow new safety protocols, TSA requirements, and CDC recommendations. In 2021, Laketrans will continue to follow public health guidelines from official sources. Ridership from 2019 to 2020 for all modes of services were down 40.6 percent overall as a result of the pandemic.

**Requests for Information**

This financial report is designed to provide a general overview of Laketrans for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Lisa Colling, CFO, Laketrans, P.O. Box 158, Grand River, Ohio 44045.



**LAKETRAN  
LAKE COUNTY, OHIO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 15,149,207	\$ 5,108,851
Cash and Cash Equivalents Held with Other Governments	533,717	418,042
Investments in Segregated Accounts	453,969	498,995
Investments	9,954,503	9,780,590
Receivables:		
Federal Grants	439,560	17,315
Capital Grants	800,768	32,902
Trade	210,576	372,407
Sales Tax	3,438,633	1,655,075
Accrued Interest	26,120	33,198
Materials and Supplies	676,350	634,953
<b>Total Current Assets</b>	<b>31,683,403</b>	<b>18,552,328</b>
<b><u>Non-Current Assets</u></b>		
Federal Grants Receivable	112,012	1,213,262
Capital Grants Receivable	10,900,986	2,964,892
State Grants Receivable	0	1,483,584
Non-Depreciable Capital Assets	6,722,045	2,188,955
Depreciable Capital Assets, Net	22,545,301	23,917,631
Fair Value of Derivative Instruments	0	5,943
Net Pension Asset	215,101	132,303
<b>Total Non-Current Assets</b>	<b>40,495,445</b>	<b>31,906,570</b>
<b>TOTAL ASSETS</b>	<b>72,178,848</b>	<b>50,458,898</b>
<b><u>Deferred Outflows of Resources</u></b>		
Pension	1,964,846	4,787,410
OPEB	1,353,812	936,911
Fair Value of Derivative Instruments	38,879	0
<b>Total Deferred Outflows of Resources</b>	<b>3,357,537</b>	<b>5,724,321</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 75,536,385</b>	<b>\$ 56,183,219</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 560,056	\$ 308,614
Accrued Payroll and Benefits	814,648	788,247
Compensated Absences	750,565	467,158
<b>Total Current Liabilities</b>	<b>2,125,269</b>	<b>1,564,019</b>
<b><u>Non-Current Liabilities</u></b>		
Compensated Absences	584,335	336,817
Net Pension Liability	10,140,386	14,153,830
Net OPEB Liability	7,298,853	7,027,418
Fair Value of Derivative Instruments	38,879	0
<b>Total Non-Current Liabilities</b>	<b>18,062,453</b>	<b>21,518,065</b>
<b>TOTAL LIABILITIES</b>	<b>20,187,722</b>	<b>23,082,084</b>
<b><u>Deferred Inflows of Resources</u></b>		
Pension	2,294,419	256,204
OPEB	1,119,707	19,067
Federal Grants	112,012	1,213,262
Capital Grants	10,900,986	2,964,892
State Grants	250,000	0
Fair Value of Derivative Instruments	0	5,943
<b>Total Deferred Inflows of Resources</b>	<b>14,677,124</b>	<b>4,459,368</b>
<b><u>Net Position</u></b>		
Investment in Capital Assets	29,267,346	26,106,586
Restricted for Insurance Claims	533,717	418,042
Unrestricted	10,870,476	2,117,139
<b>Total Net Position</b>	<b>40,671,539</b>	<b>28,641,767</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 75,536,385</b>	<b>\$ 56,183,219</b>

See accompanying notes to the basic financial statements.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b><u>Operating Revenues</u></b>		
Passenger Fares for Transit Service	\$ 585,413	\$ 1,425,562
Special Transit Fares	499,518	1,362,417
Auxiliary Transportation Revenue	81,448	84,703
<b>Total Operating Revenues</b>	<b>1,166,379</b>	<b>2,872,682</b>
<b><u>Operating Expenses Other Than Depreciation</u></b>		
Labor	7,239,978	7,063,745
Fringe Benefits	7,464,518	8,351,435
Services	1,567,051	1,353,478
Fuel and Lubricants	952,491	939,024
Materials and Supplies	1,062,405	675,948
Utilities	138,319	235,528
Claims and Insurance	297,960	1,185,297
Purchased Transportation	168,270	285,402
Miscellaneous	278,801	328,020
<b>Total Operating Expenses Other Than Depreciation</b>	<b>19,169,793</b>	<b>20,417,877</b>
Depreciation	4,325,471	4,349,343
<b>Total Operating Expenses</b>	<b>23,495,264</b>	<b>24,767,220</b>
Operating Loss	(22,328,885)	(21,894,538)
<b><u>Non-Operating Revenues (Expenses)</u></b>		
Sales Tax Revenue	16,784,614	9,615,330
Federal Grants and Reimbursements	8,341,956	1,672,789
State Grants, Reimbursements, and Special Fare Assistance	2,620,144	1,919,074
Other Grants	25,000	0
Interest Income	228,256	335,408
Gain (Loss) on Disposal of Capital Assets	(56,879)	(153,366)
Non-Transportation Revenues	1,128,275	185,204
<b>Total Non-Operating Revenues (Expenses)</b>	<b>29,071,366</b>	<b>13,574,439</b>
Income (Loss) before Capital Contributions	6,742,481	(8,320,099)
<b><u>Capital Funding</u></b>		
Capital Grants and Reimbursements	5,287,291	2,242,787
<b>Total Capital Funding</b>	<b>5,287,291</b>	<b>2,242,787</b>
Increase (Decrease) in Net Position	12,029,772	(6,077,312)
Total Net Position, Beginning of Year	28,641,767	34,719,079
<b>Total Net Position, End of Year</b>	<b>\$ 40,671,539</b>	<b>\$ 28,641,767</b>

See accompanying notes to the basic financial statements.

**LAKETRAN  
LAKE COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b><u>Cash Flows from Operating Activities</u></b>		
Cash Received from Customers	\$ 1,328,210	\$ 2,772,826
Cash Payments for Goods and Services	(4,255,252)	(6,666,991)
Cash Payments for Employees' Services	(12,427,459)	(11,985,705)
Non-Transportation Revenue	1,128,275	185,204
<b>Net Cash Used for Operating Activities</b>	<b>(14,226,226)</b>	<b>(15,694,666)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Sales Tax Received	15,001,056	9,507,547
Federal Grants and Reimbursements	7,919,711	3,338,738
State Grants and Reimbursements	4,353,728	192,285
Other Grants	25,000	0
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>27,299,495</b>	<b>13,038,570</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Capital Grants and Reimbursements	4,519,425	4,322,276
Acquisition and Construction of Capital Assets	(7,637,252)	(3,703,298)
Net Proceeds from Sale of Assets	94,142	241,854
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,023,685)</b>	<b>860,832</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Interest Received	235,334	338,041
Purchase of Investment Securities	(16,350,217)	(15,206,174)
Proceeds from Maturities of Investments	16,221,330	15,886,067
Insurance Reserves	(115,675)	(190,065)
<b>Net Cash Provided (Used) by Investment Activities</b>	<b>(9,228)</b>	<b>827,869</b>
Net Increase (Decrease) in Cash and Cash Equivalents	10,040,356	(967,395)
Cash and Cash Equivalents at Beginning of Year	5,108,851	6,076,246
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 15,149,207</b>	<b>\$ 5,108,851</b>
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u></b>		
Operating Loss	\$ (22,328,885)	\$ (21,894,538)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation	4,325,471	4,349,343
Non-Transportation Revenue	1,128,275	185,204
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Trade Accounts Receivable	161,831	(99,856)
Materials and Supplies	(41,397)	(26,977)
Net Pension Asset	(82,798)	10,822
(Increase) Decrease in Deferred Outflows of Resources:		
Deferred Outflows - Pension	2,822,564	(2,774,332)
Deferred Outflows - OPEB	(416,901)	(509,197)
Increase (Decrease) in:		
Accounts Payable	251,442	(237,699)
Contracts Payable	0	(1,399,618)
Accrued Payroll and Benefits	557,326	206,902
Net Pension Liability	(4,013,444)	6,722,395
Net OPEB Liability	271,435	1,707,465
Increase (Decrease) in Deferred Inflows of Resources:		
Deferred Inflows - Pension	2,038,215	(1,557,346)
Deferred Inflows - OPEB	1,100,640	(377,234)
Total Adjustments	8,102,659	6,199,872
<b>Net Cash Used for Operating Activities</b>	<b>\$ (14,226,226)</b>	<b>\$ (15,694,666)</b>

See accompanying notes to the basic financial statements.

**Schedule of Noncash Investing Capital and Financing Activities**

The net change in the fair value of investments was \$25,816 and \$100,039 as of December 31, 2020 and 2019, respectively.

*Notes to the Basic Financial Statements*

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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NOTE 1: **ORGANIZATION**

Laketrans was formed as the public agency responsible for public transportation in Lake County. Laketrans is a political subdivision of the State of Ohio and was organized as a regional transit authority in accordance with the provisions of the Ohio Revised Code Sections 306.30 through 306.71, inclusive. Therefore, Laketrans is not subject to federal, state, or local income taxes.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

The financial statements of Laketrans have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of Laketrans's accounting policies are described below.

**Financial Reporting Entity**

For financial reporting purposes, all departments and operations for which Laketrans is financially accountable are included in the reporting entity. Financial accountability was evaluated based on consideration of financial interdependency, appointment of voting majority, and imposition of will. No governmental units other than Laketrans itself are included in the reporting entity. There are no component units based on the consideration above.

Under the current GASB guidelines, Laketrans is a jointly governed organization. All nine members of its Board are appointed by the Lake County Board of Commissioners. The Lake County Board of Commissioners did not provide any support or have any significant financial transactions with Laketrans during 2020 or 2019.

**Basis of Presentation**

Laketrans's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Laketrans uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus and Basis of Accounting**

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of Laketrans are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how Laketrans finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Laketrans's enterprise fund are charges to customers for passenger fare for transit services. Operating expenses for enterprise funds include the cost of transit services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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.

**Cash, Cash Equivalents, and Investments**

For the purposes of the statement of cash flows, Laketrans considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents. The carrying amount of cash equivalents and investments is fair value. The net change in fair value of investments is recorded on the Statement of Revenues, Expenses, and Changes in Net Position and includes the unrealized and realized gains and losses on investments.

During 2019 and 2020, Laketrans invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 *Certain External Investment Pools and Pool Participants*. Laketrans measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transactions to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Cash, Cash Equivalents, and Investments** (Continued)

At December 31, 2020 and 2019, Laketrans had \$533,717 and \$418,042, respectively, of cash and cash equivalents held with the Ohio Transit Risk Pool. These funds will be used to insure future claims. For additional information, see Note 9 of the basic financial statements.

Laketrans had investments in segregated accounts at December 31, 2020 and 2019, of \$453,969 and \$498,995, respectively. These funds are used for fuel hedging.

**Derivative and Hedging Activities**

Laketrans's derivative instruments are accounted for in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Under GASB 53, derivatives are either categorized as hedging derivative instruments or investment derivatives. Hedging derivative instruments are associated with specific hedging transactions wherein the intent is to significantly reduce risks. Changes in fair value of hedges are reported as either deferred inflows of resources or deferred outflows of resources in the statement of net position. For accounting purposes, in order to qualify as a hedge, the relationship between the derivative and the underlying item must result in a hedge that is "effective" in mitigating risk. If the hedge transaction is considered "ineffective" the valuation of the instrument is considered investment income or loss in the flows of resources statements.

Laketrans has adopted GASB 53 to account for future contracts to hedge variability in future cash flows resulting from volatility in diesel fuel prices. Fair value is determined based on quoted prices in active markets for the derivative instrument. Because the fuel hedge is an effective hedge as defined by GASB 53, the unrealized gain (loss) on the fuel hedge is reported as deferred inflow/outflow of resources in the statement of net position.

**Inventory**

Inventory is stated at cost.

**Capital Assets and Depreciation**

Property, facilities, and equipment are stated at cost. Donated property is capitalized at acquisition value at the date donated. Laketrans's capitalization threshold is \$1,500.

Depreciation on all assets is computed on the straight-line method based on the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings and Improvements	5 - 45
Equipment	5 - 10
Furniture and Office Equipment	5 - 10
Parking Lots and Bus Shelters	10
Communication System	15
Vehicles	4 - 12

Cost of property retired and the related depreciation are removed from the asset account and accumulated depreciation account, respectively.

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation time is accrued as a liability when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered compensation that will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date.

**Pension**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**Net Position**

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The restricted component of net position at December 31, 2020 and 2019 was \$533,717 and \$418,042, respectively.

**Recognition of Revenue and Receivables**

Passenger fares are recorded as revenue at the time services are performed.

The Federal Transit Administration (FTA) and the Ohio Department of Transportation (ODOT) provide financial assistance and make grants directly to Laketrans for acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenues over the entitlement period. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as grant receivables and credited to revenue when the related qualified expenditures are incurred. Capital grants received in advance of project costs being incurred are deferred inflows of resources. Subsidies from various local governments/agencies are recognized when received.



**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditures) until then. For Laketran, deferred outflows of resources include pension and OPEB (Notes 6 and 7) for 2020 and 2019, and fair value of derivative instruments for 2020.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For Laketran, deferred inflows of resources include pension and OPEB (See Notes 6 and 7) for 2020 and 2019; grants that have not met time requirements for 2020 and 2019; and fair value of derivative instruments (Note 10) for 2019.

**Investment Policy**

State statutes and Board resolutions authorize Laketran's investments. Laketran is authorized to invest in U.S. Treasury securities and obligations of federal government agencies or instrumentalities, collateralized repurchase agreements, certificates of deposit, bankers' acceptances, commercial paper, savings accounts, the State Treasurer's Asset Reserve (STAR Ohio) investment pool and investment derivative instruments.

NOTE 3: **DEPOSITS AND INVESTMENTS**

**Cash on Hand**

At December 31, 2020 and 2019, Laketran had undeposited cash on hand, including petty cash, of \$500.

**Deposits**

At December 31, 2020, \$529,193 of Laketran's bank balance of \$13,697,664 was covered by Federal Depository Insurance, \$8,987,221 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in Laketran's name, and \$4,181,250 was uninsured and uncollateralized. At December 31, 2019, \$563,298 of Laketran's bank balance of \$3,579,622 was covered by Federal Depository Insurance, \$2,350,998 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in Laketran's name, and \$665,326 was uninsured and uncollateralized. One of Laketran's financial institutions was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

***Custodial Credit Risk*** - Custodial credit risk for deposits is the risk that, in the event of a bank failure, Laketran will not be able to recover deposits or collateral securities that are in the possession of an outside party. Laketran has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

**Deposits** (Continued)

1. Eligible securities pledged to Laketran and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Laketran's financial institutions had enrolled in OPCS as of December 31, 2020.

**Cash Held with Other Governments**

At December 31, 2020 and 2019, Laketran has cash held with other governments of \$533,717 and \$418,042, respectively.

**Investments**

Laketran has a formal investment policy. Laketran follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2020, fair value was \$25,816 above Laketran's net cost for investments, and at December 31, 2019 fair value was \$100,039 above Laketran's net cost for investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

**Interest Rate Risk**

As a means of limiting its exposure to fair value of losses caused by rising interest rates, Laketran's investment policy requires that operating funds be invested primarily in short-term investments maturing within 5 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk**

The credit risk of Laketran's investments are in the table below. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Laketran has no investment policy that would further limit its investment choices.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Laketran will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Laketran has no investment policy dealing with investment custodial risk beyond the requirements in State statute that prohibits payment for investments prior to delivery of the securities representing such balances to the controller or qualified trustee. Laketran's investments in negotiable certificates of deposit at December 31, 2020, and December 31, 2019, were fully insured by Federal Depository Insurance.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

Laketran places no limit on the amount it may invest in any one issuer. At December 31, 2020, Laketran's investment in Star Ohio, money market mutual fund, negotiable certificates of deposit, municipal bonds, and U.S. Government and agency securities represent 13.73, 25.28, 27.38, 24.96, and 8.65 percent, respectively, of Laketran's total investments. At December 31, 2019, Laketran's investment in Star Ohio, money market mutual fund, negotiable certificates of deposit, and U.S. Government and agency securities represent 13.86, 2.43, 36.71, and 47.0 percent, respectively, of Laketran's total investments.

Cash and investments at 2020 year-end were as follows:

Measurement/Investment	Balance Sheet	GASB 3 Reclass	Measurement Amount	Credit Rating		Level Input	Investment Maturities (in Years)		
				Standard & Poor's	Moody's		<1	1-2	>2-5
NAV Share:									
STAR Ohio	\$ 0	\$ 1,584,653	\$ 1,584,653	AAAm	N/A	N/A	\$ 1,584,653	\$ 0	\$ 0
Fair Value:									
Money Market Mutual Fund	2,917,153	0	2,917,153	N/A	N/A	1	2,917,153	0	0
Certificates of Deposit	3,158,985	0	3,158,985	N/A	N/A	2	1,389,962	512,447	1,256,576
Municipal Bonds:									
City of Uhrichsville, Ohio	1,463,424	0	1,463,424	SP-1+	N/A	2	1,463,424	0	0
City of Springboro, Ohio	155,668	0	155,668	N/A	Aa1	2	155,668	0	0
Ohio St Spl Oblig Taxable Cap Facs	1,009,750	0	1,009,750	AA	Aa2	2	1,009,750	0	0
Little Miami Ohio Local School District	251,623	0	251,623	N/A	Aa3	2	251,623	0	0
U.S. Government and Agency Securities	997,900	0	997,900	AA+	Aaa	2	0	0	997,900
<b>Total Investments</b>	<b>9,954,503</b>	<b>1,584,653</b>	<b>11,539,156</b>				<b>\$ 8,772,233</b>	<b>\$ 512,447</b>	<b>\$ 2,254,476</b>
Carrying Amount of Deposits	15,148,707	(1,584,653)	13,564,054						
Cash Held with Other Governments	533,717	0	533,717						
Investments in Segregated Accounts	453,969	0	453,969						
Petty Cash	500	0	500						
<b>Totals</b>	<b>\$ 26,091,396</b>	<b>\$ 0</b>	<b>\$ 26,091,396</b>						

N/A- Not Available/Rated

Cash and investments at 2019 year-end were as follows:

Measurement/Investment	Balance Sheet	GASB 3 Reclass	Measurement Amount	Credit Rating *	Level Input	Investment Maturities (in Years)		
						<1	1-2	>2-5
NAV Share:								
STAR Ohio	\$ 0	\$ 1,573,466	\$ 1,573,466	AAAm	N/A	\$ 1,573,466	\$ 0	\$ 0
Fair Value:								
Money Market Mutual Fund	275,467	0	275,467	N/A	1	275,467	0	0
Certificates of Deposit	4,167,693	0	4,167,693	N/A	2	2,150,052	407,412	1,610,229
U.S. Government and Agency Securities	5,337,430	0	5,337,430	AA+	2	0	0	5,337,430
<b>Total Investments</b>	<b>9,780,590</b>	<b>1,573,466</b>	<b>11,354,056</b>			<b>\$ 3,998,985</b>	<b>\$ 407,412</b>	<b>\$ 6,947,659</b>
Carrying Amount of Deposits	5,108,351	(1,573,466)	3,534,885					
Cash Held with Other Governments	418,042	0	418,042					
Investments in Segregated Accounts	498,995	0	498,995					
Petty Cash	500	0	500					
<b>Totals</b>	<b>\$ 15,806,478</b>	<b>\$ 0</b>	<b>\$ 15,806,478</b>					

\* Standard & Poor's rating.

N/A- Not Available/Rated

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. Laketrans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). Laketrans remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

NOTE 4: **GRANT ASSISTANCE**

**Federal and Capital Grants**

Preventive maintenance operating expenses became eligible for federal capital assistance under the Department of Transportation's 1998 Appropriations Act. Revenues are recognized in the year earned, which is the year in which eligible expenses are incurred. For the years ended December 31, 2020 and 2019, Laketrans recognized \$2,047,541 and \$1,672,789, respectively. In addition, Laketrans recognized capital grants reimbursements as revenue in 2020 and 2019 of \$5,287,291 and \$2,242,787, respectively.

In 2020, Laketrans additionally received \$6,294,415 in operating assistance under the CARES Act in response to the COVID-19 pandemic.

**State Grants**

The Ohio Department of Transportation typically enacts very similar regulations to those of the U.S. Department of Transportation. Preventive maintenance operating expenses are eligible for state capital assistance with certain restrictions which depend upon availability of federal funds. For the years ended December 31, 2020 and 2019, Laketrans recognized revenue of \$405,946 and \$192,284, respectively.

In 2020, Laketrans additionally received \$32,316 for COVID-19 revenue assistance.

**State of Ohio Elderly and Disabled Transit Fare Assistance**

The State of Ohio provides a grant each year to help defray the high costs of transporting Lake County residents who are elderly or have disabilities. For the years ended December 31, 2020 and 2019 Laketrans received \$500,000 and \$493,206, respectively.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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NOTE 4: **GRANT ASSISTANCE** (Continued)

**Ohio Transit Partnership Program**

Laketran was awarded grant funding through the Ohio Transit Partnership Program (OTP2). The goals of OPT2 are to modernize and adapt service to increase transit competitiveness, expand service availability and improve service quality, increase ridership, address local needs, and develop integrated regional transit networks. Laketran's use of funds include capitalized maintenance, renovations at Lakeland Community College for a new transit center, and computer upgrades. For the years ended December 31, 2020 and 2019, Laketran recognized revenue of \$1,652,495 and \$1,233,584, respectively.

**Transportation for Livable Communities Initiative Program**

Laketran was awarded grant funding through the Northeast Ohio Areawide Coordinating Agency's Transportation for Livable Communities Initiative (TLCI) Program. The purpose of the TLCI Program is to improve livability in Northeast Ohio's communities through transportation. Laketran will be using the funds in planning of the Vine Street Corridor, which runs from Erie Street in Downtown Willoughby to Lakeshore Boulevard in Willowick. The plan will include bringing new streetscape, lighting and transportation down the entire corridor. For the year ended December 31, 2020, Laketran recognized revenue of \$29,387.

**Paradox Prize**

The Fund for Our Economic Future has provided funding to Laketran through the Paradox Prize project. The goal of the Paradox Prize is to increase transportation options for low-income residents in Northeast Ohio, in a way that increases access to jobs, ultimately promoting social welfare and combatting community deterioration. Laketran is using the funding for Transit GO, a new employee benefit program for Lake County employers to offer employees free transportation to work. For the year ended December 31, 2020, Laketran recognized revenue of \$25,000.

NOTE 5: **OTHER REVENUE**

**Sales Tax**

In November 2013, Lake County electorate voted to renew a levy of 1/4 percent sales tax, and make it continuing beginning August 1, 2014, to provide local funding for all transit purposes. In November 2019, Lake County voters overwhelmingly voted for an additional 1/4 percent sales tax making Laketran's total sales to 1/2 of one percent. The new levy took effect April 1, 2020. For the years ended December 31, 2020 and 2019, sales tax revenues totaled \$16,784,614 and \$9,615,330, respectively. Laketran records sales tax revenues and receivables as the sales taxes are earned, which is the year in which the related exchange transaction is incurred.

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN**

**Net Pension Liability**

The net pension liability/(asset) reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents Laketrans' proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits Laketrans' obligation for this liability to annually required payments. Laketrans cannot control benefit terms or the manner in which pensions are financed; however, Laketrans does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature.

Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included *in accrued payroll and benefits* on the accrual basis of accounting.

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - Laketrans employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Laketrans employees) may elect the member-directed plan and the combined plan, substantially all employee members are in the OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' Comprehensive Annual Financial Report referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 62 with 60 months of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.



**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Plan Description - Ohio Public Employees Retirement System (OPERS)** (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost of living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year.



**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Plan Description - Ohio Public Employees Retirement System (OPERS)** (Continued)

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits**	0.0
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

\*\* The pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2020 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2020. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Laketrans contractually required contribution was \$1,153,004 for 2020 and \$1,074,8563 for 2019. Of these amounts, \$94,810 and \$128,616, for 2020 and 2019 respectively, is reported as accrued payroll and benefits.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities/Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for OPERS was measured as of December 31, 2019 and 2018, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of those date. Laketrans proportion of the net pension liability/asset was based on Laketrans share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	2020		2019	
	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OPERS Traditional Pension Plan	OPERS Combined Pension Plan
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.051679%	0.118315%	0.047370%	0.105137%
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.051303%	0.103154%	0.051679%	0.118315%
Change in Proportionate Share	<u>-0.000376%</u>	<u>-0.015161%</u>	<u>0.004309%</u>	<u>0.013178%</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,140,386	\$ (215,101)	\$ 14,153,830	\$ (132,303)
Pension Expense	\$ 1,893,007	\$ 24,534	\$ 3,441,728	\$ 34,664

At December 31, 2020 and 2019, Laketrans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020			2019		
	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
<b>Deferred Outflows of Resources</b>						
Net difference between projected and actual earnings on pension plan investments	\$ 0	\$ 0	\$ 0	\$ 1,921,070	\$ 28,501	\$ 1,949,571
Differences between expected and actual experience	0	0	0	652	0	652
Changes of assumptions	541,616	22,180	563,796	1,232,120	29,549	1,261,669
Changes in proportion and differences between Laketrans contributions and proportionate share of contributions	232,137	15,909	248,046	499,743	922	500,665
Laketrans contributions subsequent to the measurement date	<u>1,092,838</u>	<u>60,166</u>	<u>1,153,004</u>	<u>1,010,566</u>	<u>64,287</u>	<u>1,074,853</u>
Total Deferred Outflows of Resources	<u>\$ 1,866,591</u>	<u>\$ 98,255</u>	<u>\$ 1,964,846</u>	<u>\$ 4,664,151</u>	<u>\$ 123,259</u>	<u>\$ 4,787,410</u>
<b>Deferred Inflows of Resources</b>						
Net difference between projected and actual earnings on pension plan investments	\$ 2,022,780	\$ 27,901	\$ 2,050,681	\$ 185,847	\$ 54,038	\$ 239,885
Differences between expected and actual experience	128,211	50,505	178,716	0	0	0
Changes in proportion and differences between Laketrans contributions and proportionate share of contributions	<u>50,903</u>	<u>14,119</u>	<u>65,022</u>	<u>0</u>	<u>16,319</u>	<u>16,319</u>
Total Deferred Inflows of Resources	<u>\$ 2,201,894</u>	<u>\$ 92,525</u>	<u>\$ 2,294,419</u>	<u>\$ 185,847</u>	<u>\$ 70,357</u>	<u>\$ 256,204</u>

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities/Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

At of December 31, 2020, \$1,153,004 is reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
2021	\$ (37,268)	\$ (13,816)	\$ (51,084)
2022	(671,459)	(13,294)	(684,753)
2023	83,764	(5,515)	78,249
2024	(803,178)	(15,731)	(818,909)
2025	0	(2,749)	(2,749)
Thereafter	0	(3,331)	(3,331)
Total	\$ (1,428,141)	\$ (54,436)	\$ (1,482,577)

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are present below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

The total pension asset in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performances, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a gain of 17.2 percent for 2019.

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**LAKE COUNTY, OHIO**  
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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
<b>Total</b>	<b>100.00 %</b>	<b>5.61 %</b>

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of Laketran’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents Laketran’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what Laketran’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	<u>2020</u>			<u>2019</u>		
	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Laketran's proportionate share of the net pension liability/(asset)						
Traditional Pension Plan	\$ 16,724,778	\$ 10,140,386	\$ 4,221,211	\$ 20,909,323	\$ 14,153,830	\$ 8,539,955
Combined Plan	\$ (129,974)	\$ (215,101)	\$ (276,453)	\$ (43,777)	\$ (132,303)	\$ 196,403

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN**

**Net OPEB Liability**

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents Laketrans' proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits Laketrans' obligation for this liability to annually required payments. Laketrans cannot control benefit terms or the manner in which OPEB are financed; however, Laketrans does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *accrued payroll payable* on the accrual basis of accounting.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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LAKE COUNTY, OHIO  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.



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LAKE COUNTY, OHIO  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Laketrans' contractually required contribution was \$13,792 for 2020 and \$12,229 for 2019.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and total OPEB liability for OPERS were determined by actuarial valuations as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, and as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. Laketrans' proportion of the net OPEB liability was based on Laketrans' share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	2020 OPERS	2019 OPERS
	<u>                    </u>	<u>                    </u>
Proportion of the Net OPEB Liability		
Prior Measurement Date	0.053901%	0.048990%
Proportion of the Net OPEB Liability		
Current Measurement Date	<u>0.052842%</u>	<u>0.053901%</u>
Change in Proportionate Share	<u><u>-0.001059%</u></u>	<u><u>0.004911%</u></u>
Proportionate Share of the Net OPEB Liability	\$ 7,298,853	\$ 7,027,418
OPEB Expense	\$ 968,966	\$ 833,263



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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

At December 31, 2020 and 2019, Laketran reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020	2019
	<u>OPERS</u>	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>		
Net difference between projected and actual earnings on OPEB plan investments	\$ 0	\$ 322,165
Differences between expected and actual experience	196	2,380
Changes of assumptions	1,155,331	226,573
Changes in proportion and differences between Laketran contributions and proportionate share of contributions	184,493	373,564
Laketran contributions subsequent to the measurement date	<u>13,792</u>	<u>12,229</u>
Total Deferred Outflows of Resources	<u>\$ 1,353,812</u>	<u>\$ 936,911</u>
<b>Deferred Inflows of Resources</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 371,657	\$ 0
Differences between expected and actual experience	667,514	19,067
Changes in proportion and differences between Laketran contributions and proportionate share of contributions	<u>80,536</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>\$ 1,119,707</u>	<u>\$ 19,067</u>

At December 31, 2020, \$13,792 is reported as deferred outflows of resources related to OPEB resulting from Laketran contributions subsequent to the measurement date, and will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>
2021	\$ 318,565
2022	60,265
2023	296
2024	<u>(158,813)</u>
Total	<u>\$ 220,313</u>

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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LAKE COUNTY, OHIO  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 19.70 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

**LAKETRAN**  
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NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

**Discount Rate** A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of Laketrans’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents Laketrans’s proportionate share of the net OPEB liability calculated using the single discount rate as of December 31, 2020 and 2019, as well as what Laketrans’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	2020			2019		
	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Laketrans's proportionate share of the net OPEB liability	\$ 9,551,720	\$ 7,298,853	\$ 5,495,040	\$ 8,990,687	\$ 7,027,418	\$ 5,466,100

**Sensitivity of Laketrans’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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**NOTE 7: DEFINED BENEFIT OPEB PLAN** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	2020			2019		
	Current Health Care Cost Trend Rate			Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase	1% Decrease	Assumption	1% Increase
Laketran's proportionate share of the net OPEB liability	\$ 7,083,470	\$ 7,298,853	\$ 7,511,490	\$ 6,754,873	\$ 7,027,418	\$ 7,341,316

**NOTE 8: COMPENSATED ABSENCES**

Employees of Laketran earn vacation and sick leave at various rates under Laketran policy. In case of death, termination, or retirement, an employee or their estate is paid for portions of these benefits. Laketran records a liability for vacation, holiday, and sick hours earned but not used at year-end at the employees' current wage rate. Laketran's obligations for these amounts at December 31, 2020 and 2019 amounted to approximately \$1,334,900 and \$803,975, respectively.

Changes in compensated absences liabilities are as follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year	Due Within One Year
2020	\$ 803,975	\$ 998,083	\$ 467,158	\$ 1,334,900	\$ 750,565
2019	\$ 779,558	\$ 476,963	\$ 452,546	\$ 803,975	\$ 467,158

**NOTE 9: RISK MANAGEMENT**

Since 1996, Laketran has been a member of the Ohio Transit Risk Pool (OTRP), a joint self-insurance pool, created pursuant to Section 2744.081 of the Ohio Revised Code. OTRP has been in existence since 1994 and operates pursuant to by-laws and a Board of Trustees to provide self-insurance through risk retention and to purchase property and liability coverage from A rated, or greater, commercial carriers.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
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NOTE 9: **RISK MANAGEMENT** (Continued)

During the loss year of December 1, 2019 - November 30, 2020, OTRP provided to Laketran commercial property coverage with limits of \$250,000,000. The pool retained the first \$100,000 of these losses. For auto-physical damage, the pool provided \$100,000,000 in coverage and retained \$250,000. Crime coverage limits are \$4,000,000. The following coverages were also provided: auto/transit liability, general liability, E&O, and EBL \$10,000,000. These limits are per occurrence no aggregate limits apply. For each of these lines the pool retained \$2,000,000.

Laketran's deductible for all claims was \$1,000 except for auto physical damage which was \$25,000.

OTRP provides the Treasurer of Laketran a Bond as required by Ohio law.

As of December 31, 2020, Laketran has met all obligations to OTRP. There are no special assessments being billed at this time and there are no known loss developments which would lead to an unfunded special assessment.

Laketran pays OTRP through an initial contribution for reinsurance and/or excess insurance and quarterly payments for their loss and administrative fee. Laketran's contribution percentage for 2019 and 2020 was 110.429 percent. In 2020, Laketran made a one-time payment of \$850,000 to OTRP.

Laketran participates in the State of Ohio Workers' Compensation plan, paying premiums directly to the State.

Laketran provides medical and life insurance to its employees by participating in the self-insured pooled network offered by the Health Transit Pool of Ohio.

Laketran is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from the previously noted risks have not exceeded commercial insurance coverage in the past three fiscal years.

NOTE 10: **DERIVATIVE INSTRUMENTS**

Pursuant to Ohio Revised Code Sections 9.835 (A), (B), and (C) and Section 135.14, Laketran utilizes futures contracts to manage the volatility of fuel costs. These techniques are traditionally used to limit exposure to price fluctuations. Management recognized that fluctuations in fuel prices could have a negative impact on Laketran's financial affairs. Accordingly, Laketran has utilized futures contracts and firm-fixed price contracts to offset the price volatility of diesel fuel in accordance with the Energy Price Risk Management Policy established by the Board of Trustees. The futures contracts are in the form of derivative investments.

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
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**NOTE 10: DERIVATIVE INSTRUMENTS**

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2020 and 2019, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statement are as follows:

	<b>Changes in Fair Value</b>		<b>Fair Value at 12/31/2020</b>		Notional
	Classification	Amount	Classification	Amount	
<b><u>Cash Flow Hedges:</u></b>					
Futures contracts	Deferred outflow/ inflow of resources	\$ (44,822)	Derivative Instruments	\$ (38,879)	294,000 Gallons
	<b>Changes in Fair Value</b>		<b>Fair Value at 12/31/2019</b>		Notional
	Classification	Amount	Classification	Amount	
<b><u>Cash Flow Hedges:</u></b>					
Futures contracts	Deferred outflow/ inflow of resources	\$ 16,267	Derivative Instruments	\$ 5,943	336,000 Gallons

The hedging instruments are New York Harbor Ultra Low Sulfur Diesel (NYHRBRULSD) futures contracts with a notional amount of 42,000 gallons each as listed on the NYMEX. As of December 31, 2020, and December 31, 2019, Laketran had seven and eight futures contracts, respectively. The aggregate fuel hedge contracts cover a 3-year period.

*Basis Risk* – Laketran is exposed to basis risk on its expected fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle (New York Harbor Ultra Low Sulfur Diesel).

**NOTE 11: CAPITAL ASSETS**

Capital assets consist of the following at December 31, 2020 and 2019:

<b>2020</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,898,151	\$ 0	\$ 0	\$ 1,898,151
Construction in Progress	290,804	4,533,090	0	4,823,894
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,188,955</b>	<b>4,533,090</b>	<b>0</b>	<b>6,722,045</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	15,570,099	0	0	15,570,099
Transportation Vehicles and Equipment	45,898,568	3,088,087	(1,953,754)	47,032,901
Furniture and Office Equipment	587,123	16,075	(212,028)	391,170
<b>Total Capital Assets Being Depreciated</b>	<b>62,055,790</b>	<b>3,104,162</b>	<b>(2,165,782)</b>	<b>62,994,170</b>
Less: Accumulated Depreciation				
Buildings	(10,541,897)	(478,702)	0	(11,020,599)
Transportation Vehicles and Equipment	(27,026,523)	(3,817,294)	1,805,044	(29,038,773)
Furniture and Office Equipment	(569,739)	(29,475)	209,717	(389,497)
Total Accumulated Depreciation	<b>(38,138,159)</b>	<b>(4,325,471)</b>	<b>2,014,761</b>	<b>(40,448,869)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>23,917,631</b>	<b>(1,221,309)</b>	<b>(151,021)</b>	<b>22,545,301</b>
<b>Total Capital Assets, Net</b>	<b>\$ 26,106,586</b>	<b>\$ 3,311,781</b>	<b>\$ (151,021)</b>	<b>\$ 29,267,346</b>

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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NOTE 11: **CAPITAL ASSETS** (Continued)

2019	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,898,151	\$ 0	\$ 0	\$ 1,898,151
Construction in Progress	1,399,618	290,804	(1,399,618)	290,804
<b>Total Capital Assets Not Being Depreciated</b>	<u>3,297,769</u>	<u>290,804</u>	<u>(1,399,618)</u>	<u>2,188,955</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	15,534,098	36,001	0	15,570,099
Transportation Vehicles and Equipment	43,370,385	4,772,495	(2,244,312)	45,898,568
Furniture and Office Equipment	583,507	3,616	0	587,123
<b>Total Capital Assets Being Depreciated</b>	<u>59,487,990</u>	<u>4,812,112</u>	<u>(2,244,312)</u>	<u>62,055,790</u>
Less: Accumulated Depreciation				
Buildings	(10,063,195)	(478,702)	0	(10,541,897)
Transportation Vehicles and Equipment	(25,055,556)	(3,820,057)	1,849,090	(27,026,523)
Furniture and Office Equipment	(519,157)	(50,582)	0	(569,739)
<b>Total Accumulated Depreciation</b>	<u>(35,637,908)</u>	<u>(4,349,341)</u>	<u>1,849,090</u>	<u>(38,138,159)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>23,850,082</u>	<u>462,771</u>	<u>(395,222)</u>	<u>23,917,631</u>
<b>Total Capital Assets, Net</b>	<u>\$ 27,147,851</u>	<u>\$ 753,575</u>	<u>\$ (1,794,840)</u>	<u>\$ 26,106,586</u>

NOTE 12: **CONTINGENCIES**

**Litigation**

In the normal course of operations, Laketran may be subject to litigations and claims. It is the opinion of Laketran's management that any judgment against Laketran would not have a material adverse effect, if any, on Laketran's financial position.

**Grants**

Laketran received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of Laketran at December 31, 2020 or 2019.

NOTE 13: **COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of Laketran. The investments of the pension and other employee benefit plan in which Laketran participates fluctuate with market conditions, and due to market volatility, the amounts of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on Laketran's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



**LAKETRAN  
LAKE COUNTY, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF LAKETRAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN YEARS (1)**

<b>Traditional Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Laketran's Proportion of the Net Pension Liability	0.051303%	0.051679%	0.047370%	0.047245%	0.046532%	0.044494%	0.044494%
Laketran's Proportionate Share of the Net Pension Liability	\$ 10,140,386	\$ 14,153,830	\$ 7,431,435	\$ 10,728,536	\$ 8,059,929	\$ 5,366,474	\$ 5,245,263
Laketran's Covered Payroll	\$ 7,218,329	\$ 6,985,207	\$ 6,256,969	\$ 6,108,075	\$ 5,799,475	\$ 5,473,033	\$ 5,220,008
Laketran's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.48%	202.63%	118.77%	175.65%	138.98%	98.05%	100.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Laketran's Proportion of the Net Pension (Asset)	0.103154%	0.118315%	0.105137%	0.098810%	0.101700%	0.086530%	0.086537%
Laketran's Proportionate Share of the Net Pension (Asset)	\$ (215,101)	\$ (132,303)	\$ (143,125)	\$ (54,995)	\$ (49,491)	\$ (33,320)	\$ (9,080)
Laketran's Covered Payroll	\$ 459,193	\$ 503,886	\$ 430,585	\$ 384,617	\$ 365,267	\$ 318,717	\$ 299,615
Laketran's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	46.84%	26.26%	33.24%	14.30%	13.55%	10.45%	3.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of Laketran's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

**LAKETRAN**  
**LAKE COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LAKETRAN'S CONTRIBUTION - PENSION**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST EIGHT YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>								
Traditional Plan	\$ 1,092,838	\$ 1,010,566	\$ 977,929	\$ 813,406	\$ 732,969	\$ 695,937	\$ 656,764	\$ 678,601
Combined Plan	60,166	64,287	70,544	55,976	46,154	43,832	38,246	38,950
Total Required Contributions	\$ 1,153,004	\$ 1,074,853	\$ 1,048,473	\$ 869,382	\$ 779,123	\$ 739,769	\$ 695,010	\$ 717,551
Contributions in Relation to the Contractually Required Contribution	\$ (1,153,004)	\$ (1,074,853)	\$ (1,048,473)	\$ (869,382)	\$ (779,123)	\$ (739,769)	\$ (695,010)	\$ (717,551)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Laketran's Covered Payroll								
Traditional Plan	\$ 7,805,986	\$ 7,218,329	\$ 6,985,207	\$ 6,256,969	\$ 6,108,075	\$ 5,799,475	\$ 5,473,033	\$ 5,220,008
Combined Plan	\$ 429,757	\$ 459,193	\$ 503,886	\$ 430,585	\$ 384,617	\$ 365,267	\$ 318,717	\$ 299,615
<u>Pension Contributions as a Percentage of Covered Payroll</u>								
Traditional Plan	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**LAKETRAN  
LAKE COUNTY, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF LAKETRAN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FOUR YEARS (1)**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Laketran's Proportion of the Net OPEB Liability	0.052842%	0.053901%	0.048990%	0.048650%
Laketran's Proportionate Share of the Net OPEB Liability	\$ 7,298,853	\$ 7,027,418	\$ 5,319,953	\$ 4,913,815
Laketran's Covered Payroll	\$ 7,895,904	\$ 7,818,416	\$ 6,939,037	\$ 6,723,447
Laketran's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	92.44%	89.88%	76.67%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the Laketran's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

**LAKETRAN  
LAKE COUNTY, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF LAKETRAN'S CONTRIBUTIONS – OPEB  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 13,792	\$ 12,229	\$ 13,173	\$ 76,844	\$ 139,099	\$ 123,229
Contributions in Relation to the Contractually Required Contribution	<u>(13,792)</u>	<u>(12,229)</u>	<u>(13,173)</u>	<u>(76,844)</u>	<u>(139,099)</u>	<u>(123,229)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Laketrans Covered Payroll	\$ 8,580,549	\$ 7,895,904	\$ 7,818,416	\$ 6,939,037	\$ 6,723,447	\$ 6,313,569
Contributions as a Percentage of Covered Payroll	0.16%	0.15%	0.17%	1.11%	2.07%	1.95%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**LAKETRAN  
LAKE COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**Net Pension Liability**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2020.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple.

**Net OPEB Liability**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2020.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%.



**Statistical  
Section  
2020**





## STATISTICAL SECTION

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This part of Laketran's Comprehensive Annual Financial Report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about Laketran's overall financial health.

### **Contents**

### **Page**

#### ***Financial Trends***

These schedules contain trend information to help the reader understand how Laketran's financial performance and well being have changed over time.

S2-S3

#### ***Revenue Capacity***

These schedules contain information to help the reader assess Laketran's operating revenues and comparisons to the transportation industry.

S4-S7

#### ***Operating Information***

These schedules contain service data to help the reader understand how the information in Laketran's financial report relates to the services Laketran provides and the activities it performs.

S8-S10

#### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which Laketran's financial activities take place.

S11-S14

**LAKETRAN  
LAKE COUNTY, OHIO  
NET POSITION BY COMPONENT  
LAST TEN YEARS**

	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020
Net Investment in Capital Assets	\$ 25,694,276	\$ 23,154,984	\$ 22,732,058	\$ 23,007,176	\$ 22,392,621	\$ 28,533,635	\$ 26,324,591	\$ 27,147,851	\$ 26,106,586	\$ 29,267,346
Unrestricted	13,857,445	15,226,561	16,878,213	13,464,453	14,927,462	13,977,753	8,367,749	7,343,251	2,117,139	10,870,476
Restricted for Insurance Claims	0	0	0	0	0	0	227,973	227,977	418,042	533,717
<b>Total Net Position</b>	<b>\$ 39,551,721</b>	<b>\$ 38,381,545</b>	<b>\$ 39,610,271</b>	<b>\$ 36,471,629</b>	<b>\$ 37,320,083</b>	<b>\$ 42,511,388</b>	<b>\$ 34,920,313</b>	<b>\$ 34,719,079</b>	<b>\$ 28,641,767</b>	<b>\$ 40,671,539</b>

(1) Restated for GASB Statement No. 68 Implementation.

(2) Restated for GASB Statement No. 75 Implementation.

**LAKETRAN  
LAKE COUNTY, OHIO  
REVENUE AND EXPENSES BY TYPE AND CHANGES IN NET POSITION  
LAST TEN YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>Operating Revenues</u></b>										
Fares	\$ 2,122,234	\$ 1,997,777	\$ 2,063,623	\$ 2,169,712	\$ 2,266,754	\$ 2,578,993	\$ 2,519,175	\$ 2,711,452	\$ 2,787,979	\$ 1,084,931
Auxiliary Transportation Revenue	74,311	67,911	89,234	118,933	100,954	81,683	80,584	86,863	84,703	81,448
<b>Total Operating Revenues</b>	<b>2,196,545</b>	<b>2,065,688</b>	<b>2,152,857</b>	<b>2,288,645</b>	<b>2,367,708</b>	<b>2,660,676</b>	<b>2,599,759</b>	<b>2,798,315</b>	<b>2,872,682</b>	<b>1,166,379</b>
<b><u>Non Operating Revenues</u></b>										
Sales Tax	7,759,654	7,869,357	8,152,976	8,592,079	8,890,398	9,291,442	9,281,207	9,504,880	9,615,330	16,784,614
Federal Grants and Reimbursements	1,862,159	1,715,565	2,222,531	2,032,462	2,583,970	2,312,824	2,406,505	2,329,763	1,672,789	8,341,956
State Grants, Reimbursements, and Special Fare Assistance	1,072,110	1,030,575	998,468	1,025,496	1,015,728	1,001,943	867,502	757,975	1,919,074	2,620,144
Other Grants	0	0	0	0	0	0	0	0	0	25,000
Interest Income	125,753	87,610	(20,666)	129,858	87,693	77,309	88,428	220,271	335,408	228,256
Gain on Disposal of Capital Assets	0	23,887	0	25,771	4,174	0	0	162,032	0	0
Non-Transportation Revenue	29,219	9,876	2,302	41,699	16,266	9,573	128,786	162,607	185,204	1,128,275
<b>Total Non-Operating Revenues</b>	<b>10,848,895</b>	<b>10,736,870</b>	<b>11,355,611</b>	<b>11,847,365</b>	<b>12,598,229</b>	<b>12,693,091</b>	<b>12,772,428</b>	<b>13,137,528</b>	<b>13,727,805</b>	<b>29,128,245</b>
<b><u>Capital Funding</u></b>										
Capital Grants and Reimbursements	832,135	1,337,655	2,589,114	2,104,454	1,892,460	7,543,724	1,460,535	4,498,331	2,242,787	5,287,291
<b>Total Capital Funding</b>	<b>832,135</b>	<b>1,337,655</b>	<b>2,589,114</b>	<b>2,104,454</b>	<b>1,892,460</b>	<b>7,543,724</b>	<b>1,460,535</b>	<b>4,498,331</b>	<b>2,242,787</b>	<b>5,287,291</b>
<b>Total Revenues</b>	<b>13,877,575</b>	<b>14,140,213</b>	<b>16,097,582</b>	<b>16,240,464</b>	<b>16,858,397</b>	<b>22,897,491</b>	<b>16,832,722</b>	<b>20,434,174</b>	<b>18,843,274</b>	<b>35,581,915</b>
<b><u>Operating Expenses</u></b>										
Labor	4,620,888	4,682,349	4,881,371	5,165,363	5,588,600	6,047,861	6,185,758	6,811,645	7,063,745	7,239,978
Fringe Benefits	3,108,797	3,277,370	3,107,366	3,207,603	3,151,044	3,744,019	5,287,015	5,246,450	8,351,435	7,464,518
Services	561,160	705,399	722,139	741,945	1,062,125	1,069,254	1,137,955	1,209,679	1,353,478	1,567,051
Fuel and Lubricants	952,784	958,003	1,207,040	1,277,228	1,458,161	617,090	768,323	1,087,095	939,024	952,491
Materials and Supplies	332,494	432,403	511,588	568,017	655,246	675,621	809,242	724,789	675,948	1,062,405
Utilities	149,479	133,408	165,311	195,902	200,415	205,210	238,139	198,613	235,528	138,319
Claims and Insurance	492,649	467,232	473,198	466,908	489,963	415,128	374,728	464,329	1,185,297	297,960
Purchased Transportation	658,741	703,294	733,470	255,594	262,528	263,897	264,456	275,562	285,402	168,270
Miscellaneous	129,698	186,735	348,459	320,883	334,109	349,378	365,761	356,275	328,020	278,801
Total Operating Expense	11,006,690	11,546,193	12,149,942	12,199,443	13,202,191	13,387,458	15,431,377	16,374,437	20,417,877	19,169,793
Excluding Depreciation										
Depreciation	3,350,100	3,764,197	2,711,924	2,638,490	2,807,752	3,611,857	4,009,596	4,260,971	4,349,343	4,325,471
<b>Total Operating Expenses</b>	<b>14,356,790</b>	<b>15,310,390</b>	<b>14,861,866</b>	<b>14,837,933</b>	<b>16,009,943</b>	<b>16,999,315</b>	<b>19,440,973</b>	<b>20,635,408</b>	<b>24,767,220</b>	<b>23,495,264</b>
<b><u>Non-Operating Expenses</u></b>										
Loss on Disposal of Capital Assets	419,368	0	6,990	0	0	706,871	145,853	0	153,366	56,879
<b>Total Expenses</b>	<b>14,776,158</b>	<b>15,310,390</b>	<b>14,868,856</b>	<b>14,837,933</b>	<b>16,009,943</b>	<b>17,706,186</b>	<b>19,586,826</b>	<b>20,635,408</b>	<b>24,920,586</b>	<b>23,552,143</b>
<b>Change in Net Position</b>	<b>\$ (898,583)</b>	<b>\$ (1,170,177)</b>	<b>\$ 1,228,726</b>	<b>\$ 1,402,531</b>	<b>\$ 848,454</b>	<b>\$ 5,191,305</b>	<b>\$ (2,754,104)</b>	<b>\$ (201,234)</b>	<b>\$ (6,077,312)</b>	<b>\$ 12,029,772</b>

**LAKETRAN  
LAKE COUNTY, OHIO  
FAREBOX RECOVERY AND PERCENTAGE  
LAST TEN YEARS**

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	<u>Percentage</u>
2011	13.2
2012	13.05
2013	13.89
2014	14.62
2015	11.6
2016	11.3
2017	10.47
2018	9.2
2019	8.63
2020	0.03

Note: Fare box recovery is calculated by dividing fare box revenues into direct operating expenses.

**Fare Structure - December 31, 2020**

	Dial-A-Ride	Fixed Route	Local Commuter Express
Regular Adult Fare	\$ 10.00	\$ 1.75	\$ 3.75
Citizens with Buckeye or Medicare Cards (Senior citizens and those with disabilities)	2.50	0.75	N/A
Children ages 2-12	2.50	0.75	N/A
Children under 2	FREE	FREE	N/A
Monthly Pass	N/A	N/A	135.00
All Day Pass - Fixed Route			
Seniors and Disabled	N/A	2.00	N/A
Regular Fare	N/A	\$ 4.00	N/A
Electronic Fare Boxes accept cash/fare media - will return value card if excess cash is deposited			
Transfers	N/A	FREE	FREE

**LAKETRAN  
LAKE COUNTY, OHIO  
REVENUES AND OPERATING ASSISTANCE  
COMPARISON TO INDUSTRY TREND DATA – LAST TEN YEARS  
(expressed in percent)**

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Transportation Industry (1)

Year	Operating and Other Miscellaneous Revenue			Operating Assistance			Total Revenues
	Fares	Other	Total	Federal	State & Local	Total	
2009	31.5	12.4	43.9	8.2	47.9	56.1	100.0
2010	32.1	11.9	44.0	9.4	46.6	56.0	100.0

Laketran:

Year	Operating and Other Miscellaneous Revenue			Operating Assistance			Total Revenues
	Fares	Other (2)	Total	Federal	State & Local (3)	Total	
2011	11.5	(1.5)	10.0	20.0	70.0	90.0	100.0
2012	14.6	0.9	15.5	21.6	62.9	84.5	100.0
2013	13.4	(0.1)	13.3	29.9	56.8	86.7	100.0
2014	14.1	1.2	15.3	25.5	59.2	84.7	100.0
2015	14.0	0.6	14.6	26.6	58.8	85.4	100.0
2016	11.6	0.4	12.0	43.0	45.0	88.0	100.0
2017	15.6	0.4	16.0	23.2	60.8	84.0	100.0
2018	13.3	3.1	16.4	33.4	50.2	83.6	100.0
2019	14.8	3.2	18.0	20.8	61.2	82.0	100.0
2020	4.8	9.6	14.4	29.0	62.3	91.3	100.0

- (1) Source: **2012 Public Transportation Fact Book**, table 63. This book contains data through 2010 which is the latest available.
- (2) Other miscellaneous revenue includes advertising, interest income and other non-operating income.
- (3) State and local operating assistance includes sales tax, operating grants, and special fare assistance.

**LAKETRAN  
LAKE COUNTY, OHIO  
OPERATING EXPENSES  
COMPARISON TO INDUSTRY TREND DATA – LAST TEN YEARS  
(expressed in percent)**

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Transportation Industry (1) (2) (3):

Year	Salaries and Wages	Fringe Benefits	Services	Materials and Supplies	Utilities	Casualty and Liability	Purchased Transportation	Other Expenses	<b>Total Expenses</b>
2009	38.2	26.7	6.6	11.3	3.5	2.3	14.0	(2.6)	100.0
2010	37.8	27.4	6.6	10.7	3.4	2.6	13.8	(2.3)	100.0

Laketrans:

Year	Salaries and Wages	Fringe Benefits	Services	Materials and Supplies	Utilities	Casualty and Liability	Purchased Transportation	Other Expenses	<b>Total Expenses</b>
2011	42.0	28.2	5.0	11.7	1.4	4.5	6.0	1.2	100.0
2012	40.6	28.4	6.1	12.0	1.2	4.0	6.1	1.6	100.0
2013	40.2	25.6	5.9	14.1	1.4	3.9	6.0	2.9	100.0
2014	42.3	26.3	6.1	15.2	1.6	3.8	2.1	2.6	100.0
2015	42.3	23.9	8.1	16.0	1.5	3.7	2.0	2.5	100.0
2016	45.2	28.0	8.0	9.6	1.5	3.1	2.0	2.6	100.0
2017	40.1	34.3	7.4	10.2	1.5	2.4	1.7	2.4	100.0
2018	41.6	32.0	7.4	11.1	1.2	2.8	1.7	2.2	100.0
2019	34.6	40.9	6.6	7.9	1.2	5.8	1.4	1.6	100.0
2020	37.8	38.9	8.2	10.5	0.7	1.6	0.9	1.4	100.0

(1) Source: 2012 Public Transportation Fact Book, table 51. This book contains data through 2010 which is the latest available.

(2) Excludes depreciation expense

(3) No information available after 2010.

**LAKETRAN  
LAKE COUNTY, OHIO  
SALES TAX REVENUE  
LAST TEN YEARS**

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sales Tax Revenue	\$ 7,759,654	\$ 7,869,357	\$ 8,152,976	\$ 8,592,079	\$ 8,890,398	\$ 9,291,442	\$ 9,281,207	\$ 9,504,880	\$ 9,615,330	\$ 16,784,614
Population *	236,775	236,775	230,041	229,857	229,230	229,245	230,041	230,117	230,514	230,041
Sales Tax Per Capita	\$ 32.77	\$ 33.24	\$ 35.44	\$ 37.38	\$ 38.78	\$ 40.53	\$ 40.35	\$ 41.30	\$ 41.71	\$ 72.96

\*Population - suburbanstats.org  
OHIO.gov

**LAKETRAN  
LAKE COUNTY, OHIO  
OPERATING STATISTICS  
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>System Ridership</u></b>										
Motor Bus (directly operated)	491,298	530,252	502,092	496,030	475,320	473,310	463,609	452,456	433,679	265,352
Dial-A-Ride (directly operated)	191,708	189,001	182,824	227,565	243,346	260,500	261,810	268,911	271,877	158,389
Dial-A-Ride (contract service)	59,577	61,339	67,776	31,977	32,444	29,882	29,762	25,711	21,990	8,268
<b><u>Average Dial System Ridership</u></b>										
Motor Bus (directly operated)	2,164	2,093	2,076	1,758	1,835	1,842	1,818	1,523	1,623	972
Dial-A-Ride (directly operated)	738	727	793	837	932	1,010	853	905	1,020	583
Dial-A-Ride (contract service)	237	147	265	124	128	116	116	104	86	32
<b><u>Average Daily Vehicle Miles operated</u></b>										
Motor Bus (directly operated)	4,422	4,066	4,398	4,463	4,465	4,514	4,504	4,380	4,442	4,584
Dial-A-Ride (directly operated)	7,399	7,316	7,381	8,211	9,118	9,915	8,601	10,096	10,181	7,515
Dial-A-Ride (contract service)	1,140	1,068	1,301	269	298	259	252	229	215	119
<b><u>Revenue Miles</u></b>										
Motor Bus (directly operated)	756,988	760,577	778,583	781,349	804,284	856,648	843,652	856,121	886,763	963,061
Dial-A-Ride (directly operated)	1,592,586	1,583,745	1,599,600	1,937,517	2,120,358	2,315,442	2,326,700	2,292,847	2,312,091	1,656,405
Dial-A-Ride (contract service)	232,873	227,344	272,074	62,206	68,773	60,414	57,475	53,424	50,017	25,812

Source: Laketran Section 15 Statistics Report



**LAKETRAN  
LAKE COUNTY, OHIO  
OPERATING STATISTICS  
LAST TEN YEARS  
(CONTINUED)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Passenger Miles</u></b>										
Motor Bus (directly operated)	6,313,599	6,700,162	6,011,047	5,808,334	5,410,394	5,665,800	5,558,646	5,378,412	5,113,915	2,209,999
Dial-A-Ride (directly operated)	2,016,312	1,910,889	2,417,184	2,244,900	2,413,977	2,572,199	2,550,249	2,541,302	2,590,782	1,440,540
Dial-A-Ride (contract service)	451,087	540,101	562,966	175,983	178,442	164,351	163,691	141,410	120,945	45,474

Source: Public Transportation Fact Book

**LAKETRAN  
LAKE COUNTY, OHIO  
OPERATING STATISTICS  
LAST TEN YEARS  
(CONTINUED)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Energy Consumption</u></b>										
Motor Bus										
Gallons of diesel	117,162	183,572	182,348	189,663	195,245	203,505	196,924	199,889	197,396	206,160
Gallons of natural gas	0	0	0	0	0	0	0	0	0	0
Gallons of purinox	0	0	0	0	0	0	0	0	0	0
Gallons of Gas	0	4,593	3,841	3,777	3,764	3,836	5,565	10,612	7,688	2,625
Dial-A-Ride										
Gallons of diesel	176,156	192,770	199,247	195,555	212,282	232,899	228,995	230,025	187,938	86,430
Gallons of purinox	0	0	0	0	0	0	0	0	0	0
Gallons of Gas	0	10	4,870	10,268	6,895	10,157	9,291	14,562	20,915	32,058
Gallons of Propane	0	0	0	0	0	0	876	14,541	91,447	169,099
<b><u>Fleet Requirement</u></b>										
Motor Bus (directly operated)	24	25	25	26	25	25	25	27	27	31
Dial-A-Ride (directly operated)	75	75	53	60	72	73	71	68	67	67
Dial-A-Ride (contract service)	6	6	8	0	0	0	0	0	0	0
<b><u>Total Active Vehicles</u></b>										
Motor Bus (directly operated)	40	38	40	40	40	40	40	38	39	38
Dial-A-Ride (directly operated)	74	79	66	75	75	80	86	88	97	104
Dial-A-Ride (contract service)	11	11	11	0	0	0	0	0	0	0
Van Pool (contract service)	0	0	0	0	0	0	0	0	0	0

\*2010 - stopped CNG early in year (January 2010) - Replaced by New Flyers - Diesel

Source: Financials and Ohio Department of Development

**LAKETRAN  
LAKE COUNTY, OHIO  
FULL-TIME EQUIVALENT EMPLOYEES  
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Administration</u></b>										
Chief Executive Officer	1	1	1	1	1	1	1	1	1	1
Executive Secretary	1	1	1	1	1	1	1	1	1	1
Director of Finance	1	1	1	1	1	1	1	1	1	1
Compliance & Development Director	1	1	1	1	1	1	1	1	1	1
Director of Human Resources	1	1	1	1	1	1	1	1	1	1
Human Resources Generalist	0	0	0	0	1	1	1	1	1	1
Director of Communications	1	1	1	1	1	1	1	1	1	1
Communications Specialist	0	0	0	0	0	1	1	1	1	1
Accountant/Budget Analyst	1	1	1	1	1	1	1	1	1	1
Finance & Payroll Specialist	0	0	0	0	0	0	0	0	0	1
Finance Clerk	1	1	1	1	1	1	1	1	1	1
Customer Outreach Specialist	1	0	1	1	1	1	1	1	1	1
<b>Total Administrative</b>	<u>9</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>

Source: Operations Department stats

**LAKETRAN  
LAKE COUNTY, OHIO  
FULL-TIME EQUIVALENT EMPLOYEES  
LAST TEN YEARS  
(CONTINUED)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Maintenance</u></b>										
Director of Maintenance	1	1	1	1	1	1	1	1	1	1
Assistant Director of Maintenance	1	1	1	1	1	1	1	1	1	2
Facilities Technician	0	0	0	0	0	0	0	0	0	1
Maintenance Clerk	0	1	1	1	1	1	1	1	1	1
Mechanic I	7	6	6	7	7	6	6	3	4	7
Mechanic II	1	1	1	1	1	2	2	7	6	5
Vehicle Servicer Supervisor	0	0	0	0	0	0	0	0	0	1
Vehicle Servicer	4	4	3	3	3	3	3	4	3	3
<b>Total Maintenance</b>	<u>14</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>17</u>	<u>16</u>	<u>21</u>
<b><u>Operations</u></b>										
Director of Operations	1	1	1	1	1	1	1	1	1	1
Assistant Director of operations	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	2	2
Dispatchers/Schedulers	4	5	5	5	5	5	7	7	7	7
Clerk Receptionist	1	1	0	1	1	1	1	1	1	1
Customer Service Supervisor	1	1	1	1	1	1	1	1	1	1
Customer Service Representatives	7	7	7	7	7	7	7	8	8	8
Road Supervisors	3	4	4	4	4	4	4	5	5	5
Trainer	0	0	0	0	1	1	1	1	1	2
Drivers	99	95	133	135	144	139	155	153	136	170
<b>Total Operations</b>	<u>118</u>	<u>115</u>	<u>151</u>	<u>156</u>	<u>165</u>	<u>161</u>	<u>179</u>	<u>179</u>	<u>163</u>	<u>198</u>
<b>Grand Total</b>	<u>141</u>	<u>137</u>	<u>173</u>	<u>179</u>	<u>189</u>	<u>186</u>	<u>204</u>	<u>207</u>	<u>190</u>	<u>231</u>

Source: Operations Department stats

**LAKETRAN  
LAKE COUNTY, OHIO**

**LAKE COUNTY DEMOGRAPHICS (Continued)**

**County Population by Decade and Future Projections**

<u>Decade</u>	<u>Population</u>	<u>Percent of Change</u>
1900	21,680	
1910	22,927	5.75
1920	28,667	25.04
1930	41,674	45.37
1940	50,020	20.03
1950	75,979	51.90
1960	148,700	95.71
1970	197,200	32.62
1980	212,801	7.91
1990	215,499	1.27
2000	227,511	5.57
2010	230,041	1.11
2015	229,602	(0.19)
2020	230,041	0.19
2030 Projection	222,388	(3.33)

Source: Actual figures from Ohio Department of Development  
Projections from Lake County Job and Family Services Profile

**Age and Population Distribution - 2020**

	<u>Age</u>	<u>Percentage</u>
Under 5	13,802	6.0
Under 18	51,299	22.3
18-64	126,983	55.2
65 and Over	37,957	16.5
<b>Total</b>	<b>230,041</b>	<b>100.0</b>

Source: quickfacts.census.gov

**LAKETRAN  
LAKE COUNTY, OHIO**

**LAKE COUNTY DEMOGRAPHICS (Continued)**

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**Population By Race - 2020 Estimate**

<u>Race</u>	<u>Total</u>	<u>Percentage</u>
White	208,500	90.6
African American	7,306	3.2
Two or more races	3,526	1.5
Asian	2,611	1.1
Latino/Other	7,825	3.4
Native American	273	0.1
<b>Total</b>	<b>230,041</b>	<b>100.0</b>

Source: [development.ohio.gov](http://development.ohio.gov)

**Largest Populations in the County**

Mentor	46,901
Willoughby	22,631
Eastlake	18,232
Painesville	19,776
Madison Township	15,599
Concord Township	18,245
Painesville Township	16,900
Willowick	13,957
Wickliffe	12,545
Willoughby Hills	9,382

Source: [quickfacts.census.gov](http://quickfacts.census.gov)



# **LAKETRAN**

**LAKE COUNTY, OHIO**





# OHIO AUDITOR OF STATE KEITH FABER



**LAKETRAN**

**LAKE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 6/29/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)