

LAKETRAN
SINGLE AUDIT REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Trustees
Laketran
PO Box 158
Grand River, OH 44045

We have reviewed the *Independent Auditor's Report* of the Laketran, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Laketran is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 10, 2016

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**LAKETRAN
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Laketrans
Grand River, Ohio

The Honorable David Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laketrans, Lake County, Ohio, (the Transit Authority), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Laketrans, Ohio's basic financial statements and have issued our report thereon dated May 16, 2016, wherein we noted that the Transit Authority adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Laketrans, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Laketrans, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of Laketrans, Ohio's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laketran, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka,
CPA, President
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ou=Accounting,
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Date: 2016.06.15 12:03:19 -04'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

May 16, 2016

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Laketran
Grand River, Ohio

The Honorable David Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited Laketran, Ohio's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Laketran, Ohio's major federal program for the year ended December 31, 2015. Laketran, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Laketran, Ohio's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Laketran, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of Laketran, Ohio's compliance.

Opinion on Major Federal Program

In our opinion, Laketrans, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of Laketrans, Ohio is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Laketrans, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Laketrans, Ohio'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

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

We have audited the financial statements of Laketran, Ohio, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Laketran, Ohio's basic financial statements. We issued our report thereon dated May 16, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information 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, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to described the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**James G.
Zupka, CPA,
President**

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James G. Zupka, CPA, Inc.
Certified Public Accountants

May 16, 2016

LAKETRAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR/ PASS-THROUGH GRANT/ PROGRAM TITLE	Federal CFDA Number	Grant Number	Expenditures
<u>U.S. Department of Transportation</u>			
<i>Direct Awards:</i>			
Federal Transit Cluster:			
Federal Transit Formula Grants	20.507	OH-90-X721	\$ 216,014
		OH-90-X779	584
		OH-90-X806	105,301
		OH-90-X833	1,556,494
		OH-95-X137	524,002
		OH-95-X162	644,566
Bus and Bus Facilities Formula Program	20.526	OH-34-0004	<u>228,551</u>
Total Federal Transit Cluster			<u>3,275,512</u>
New Freedom Program	20.521	OH-57-X008	77,740
		OH-57-X021	<u>69,179</u>
Total New Freedom Program			<u>146,919</u>
Total Direct Awards			<u>3,422,431</u>
Total Federal Expenditures			<u>\$ 3,422,431</u>

See accompanying notes to the Schedule of Expenditures Federal Awards.

LAKETRAN
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented as follows:

- As described in Note 2 of the financial statements, Laketran's accounts are maintained on the full accrual basis of accounting where revenues are recorded as earned and expenses are recognized when they are incurred.

LAKETRAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & §.505
FOR THE YEAR ENDED DECEMBER 31, 2015

1. Summary of Auditor's Results

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2015(v)	Type of Major Program's Compliance Opinion	Unmodified
2015(vi)	Are there any reportable findings under .510(a)?	No
2015(vii)	Major Programs (list): Federal Transit Cluster - CFDA# 20.507 & CFDA #20.526	
2015(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: > All Others
2015 (ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

LAKETRAN
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

The prior audit report, as of December 31, 2014, included no citations, instances of noncompliance, management letter recommendations.

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**Comprehensive
Annual Financial Report
For The Year Ended December 31, 2015**

LAKETRAN

LAKE COUNTY, OHIO

*Brian Falkowski
President
Board of Trustees*

*Raymond Jurkowski
General Manager/
Secretary-Treasurer*



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**Introductory
Section
2015**

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Comprehensive
Annual Financial Report
For The Years Ended December 31, 2015 and 2014
LAKE COUNTY, OHIO

LAKETRAN



Brian Falkowski
President
Board of Trustees

Raymond Jurkowski
General Manager/
Secretary-Treasurer

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LAKETRAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Laketrans
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

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, 2013. 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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June 6, 2016

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 (CAFR) of Laketrans for the year ended December 31, 2015. This is the fifteenth 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 fourteen previous CAFRs earned the recognition of the Government Finance Officer's 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 CAFR 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 General Manager/Secretary-Treasurer. He supervises six managers assigned to three departments as follows:

Administration:

CFO
Human Resources Manager
Public Relations/Marketing Director

Maintenance:

Maintenance Supervisor

Operations:

Deputy General Manager
Operations Manager

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

In 2015, Laketran had 205 employees. The system delivered 804,284 revenue miles of motor bus service and 2,120,358 revenue miles of directly operated paratransit service. The service fleet was composed of 40 motor bus coaches and 75 paratransit buses.

CURRENT YEAR REVIEW

During the year 2015, Laketran received the following national awards for financial reporting:

- The Distinguished Budget Presentation Award for the 2015 operating and capital budget from the GFOA.
- Certificate of Achievement for Excellence in Financial Reporting for the 2014 CAFR from the GFOA.

Ridership changes from 2014 to 2015 for all modes of services were down 1.0 percent. The reason for the increase in slight decrease in ridership is due to less people riding Motor Bus. Dial-a-Ride ridership, however, increased approximately 6 percent for the 2015 year.

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 2019. This plan was developed to provide for the future transportation needs of all Lake County residents and includes:

- **Passenger Shelters and Benches:** The Federal Transit Administration has directed more attention to passenger amenities. As a result, more bus shelters have been constructed and additional benches have been placed at various bus stops throughout the County. This program is done annually.
- **Vehicles:** Laketran has a regular vehicle replacement program for Dial-a-Ride buses. These are very high mileage vehicles that need to be replaced regularly. An approximately equal number of buses are replaced each year in a number sufficient enough to replace all buses every eight years.

Twelve Dial-a-Ride buses were purchased during 2015. All of these buses were used as replacement buses, with the oldest buses being taken out of service. Keeping the fleet current is one of many ways Laketran demonstrates that Dial-a-Ride is a priority.

Motor buses have an approximate 7-14 year service life depending on the vehicle length. A 35-40' bus has a 12-14 year life while a 30' bus has a 7-10 year life. The total Motor bus fleet is approximately 40 buses. Motor bus includes the Commuter Express and Fixed Route buses. Commuter Express travels longer distance and Fixed Route is within the County.

- **Passenger Information Program:** This is a major passenger amenity in the form of a “ride guide” (a four sided sign that will be attached to bus stop signs). Each ride guide will contain a copy of the schedule and a detailed map of the appropriate route. Also included is fare information, bike rack instructions, Laketran phone numbers and web site information. The first ride guide was installed in September 2004 and the project will be ongoing.

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.

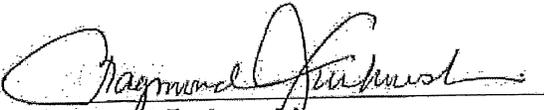
OTHER INFORMATION

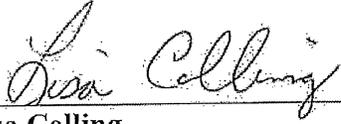
The Laketrans independent audit was conducted by the James G. Zupka, CPA, Inc., who has issued an unmodified opinion on the financial statements.

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

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 CAFR 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.


Raymond Jurkowski
General Manager/Secretary-Treasurer


Lisa Colling
CFO

LAKETRAN
BOARD OF TRUSTEES AND MANAGEMENT
AS OF DECEMBER 31, 2014

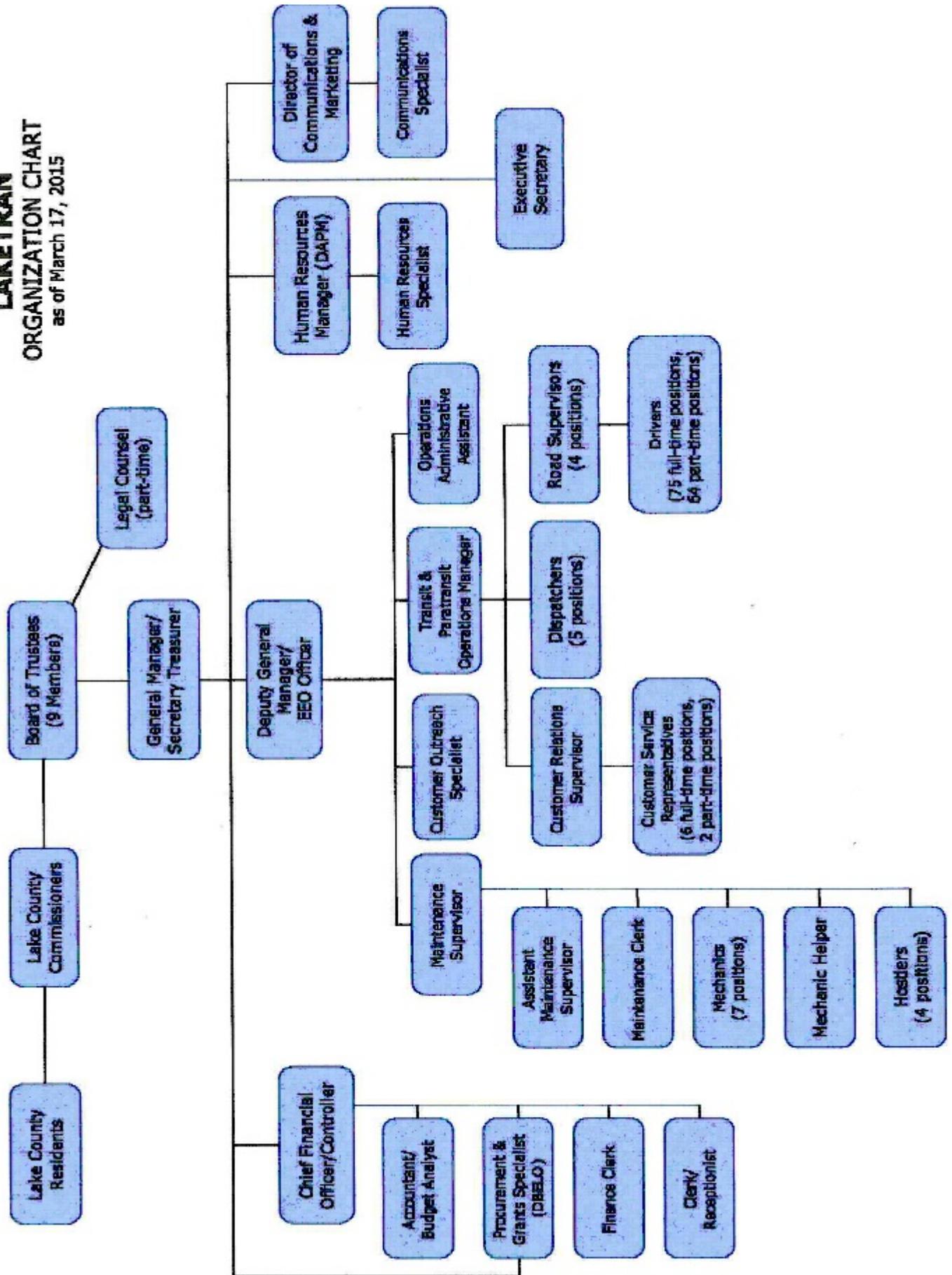
Board of Trustees

Chairman	Brian Falkowski
Vice-Chairman	Matt Armand
Trustees	Jean Argo Mary Bryner Jeanette Crislip Donna P. McNamee Paul Miller Sonja Maier Dale Schiavoni

Management

General Manager and Secretary-Treasurer	Raymond Jurkowski
CFO	Lisa M. Colling
Human Resources Manager	Maureen D. Bierer
P/R and Marketing Director	Julia Schick
Deputy General Manager	Andrew A. Altenweg
Operations Manager	Ben Capelle
Maintenance Supervisor	Keith M. Bare

LAKETRAN ORGANIZATION CHART as of March 17, 2015



Financial Section

2015

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Laketran
Grand River, Ohio

The Honorable David Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Laketrans, Lake County, Ohio (the Transit Authority), as of and for the years ended December 31, 2015 and December 31, 2014, and the related notes to the financial statements, which collectively comprise the Transit Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laketrans, Ohio, as of December 31, 2015 and December 31, 2014, and the respective changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the basic financial statements, Laketran, Ohio, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Transit Authority's Proportionate Share of the Net Pension Liability and the Schedule of the Transit Authority's Contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laketran, Ohio's basic financial statements. The introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2016, on our consideration of Laketran, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Laketran, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, Inc.
Certified Public Accountants

May 16, 2016

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LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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, 2015, 2014, and 2013. 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 2015 net position increased as a result of current year operations by \$848,454 or 2.3 percent over 2014. Net position for 2014 decreased \$3,138,642 or 7.9 percent from 2013. Laketran implemented the new accounting standard called GASB Statement No. 68, resulting in a prior period adjustment of (\$4,541,173) for 2014.
- Operating expenses, exclusive of depreciation, were \$13,202,191 at December 31, 2015, \$12,199,443 at December 31, 2014, and \$12,149,942 at December 31, 2013. This represents an increase of 8.2 percent and an increase of 0.4 percent, respectively.
- Net capital assets were \$22,392,621 at December 31, 2015, \$23,007,176 at December 31, 2014, and \$22,732,058 at December 31, 2013. This represents a decrease of 2.7 percent and an increase of 1.2 percent, respectively.
- Cash and cash equivalents were \$7,442,062 at December 31, 2015, \$5,058,706 at December 31, 2014, and \$7,109,434 at December 31, 2013. This represents an increase of 47.1 percent and a decrease of 28.8 percent, respectively.
- Investments at fair value, other than those included in cash and cash equivalents, were \$10,225,300 at December 31, 2015, \$10,063,997 at December 31, 2014, and \$8,934,924 at December 31, 2013. This represents an increase of 1.6 percent and an increase of 12.6 percent, respectively.

NOTE: Cash and cash equivalents, and investments at fair value combined were \$17,667,362 at December 31, 2015, \$15,122,703 at December 31, 2014, and \$16,044,358 at December 31, 2013. This represents an increase of 16.8 percent and a decrease of 5.7 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 \$927,272 at December 31, 2015, \$2,370,331 at December 31, 2014, and \$1,036,496 at December 31, 2013. This represents a decrease of 60.9 percent and an increase of 128.7 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.

LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

One of the most important questions asked about Laketrans finances is, "Is Laketrans 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 Laketrans 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.

The basic financial statements report Laketrans net position and changes in them. Laketrans net position is the difference between assets deferred outflows of resources (what the citizens own) and liabilities and deferred inflows of resources (what the citizens owe) as one way to measure Laketrans financial health or financial position. Over time, increases or decreases in Laketrans 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 Laketrans capital assets (property, equipment, vehicles, etc.).

Laketrans only engages in business type activities. The sole purpose of Laketrans 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

	2015	2014*	2013
<u>Assets</u>			
Current Assets	\$ 21,140,651	\$ 19,835,733	\$ 19,265,214
Grants Receivable	7,274,104	5,349,596	7,363,525
Net Pension Asset	33,320	9,080	0
Capital Assets, net	<u>22,392,621</u>	<u>23,007,176</u>	<u>22,732,058</u>
Total Assets	<u>50,840,696</u>	<u>48,201,585</u>	<u>49,360,797</u>
<u>Deferred Outflows of Resources</u>			
Pension	<u>1,028,142</u>	<u>695,010</u>	<u>0</u>
<u>Liabilities</u>			
Current Liabilities	1,008,440	1,430,016	1,643,175
Non-current Liabilities	367,519	400,091	342,231
Net Pension Liability	<u>5,366,474</u>	<u>5,245,263</u>	<u>0</u>
Total Liabilities	<u>6,742,433</u>	<u>7,075,370</u>	<u>1,985,406</u>
<u>Deferred Inflows of Resources</u>			
Grants	7,701,877	5,349,596	7,765,120
Pension	<u>104,445</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>7,806,322</u>	<u>5,349,596</u>	<u>7,765,120</u>
<u>Net Position</u>			
Investment in Capital Assets	22,392,621	23,007,176	22,732,058
Unrestricted	<u>14,927,462</u>	<u>13,464,453</u>	<u>16,878,213</u>
Total Net Position	<u>\$ 37,320,083</u>	<u>\$ 36,471,629</u>	<u>\$ 39,610,271</u>

* Restated

LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

During 2015, Laketrans adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals Laketrans's proportionate share of the plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 pension system is responsible for the administration of the plan.

LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 68, Laketran is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$41,012,802 to \$36,471,629.

Laketran's net position was \$37,320,083 at December 31, 2015, \$36,471,629 at December 31, 2014, and \$39,610,271 at December 31, 2013. These represent an increase of 2.3 percent and a decrease of 7.9 percent, respectively. Unrestricted net position was \$14,927,462 at December 31, 2015, \$13,464,453 at December 31, 2014, and \$16,878,213 at December 31, 2013. This represents an increase of 10.9 percent and a decrease of 20.2 percent, respectively.

The following financial ratios should be used to assess the financial stability of Laketran 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.

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LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

FINANCIAL RATIOS

Working capital is the amount by which current assets exceeds current liabilities:

2015	2014	2013	2012	2011
\$20,132,211	\$18,405,717	\$17,622,039	\$15,924,269	\$14,186,279

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

2015	2014	2013	2012	2011
21.0	13.9	11.7	13.7	11.0

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

2015	2014	2013	2012	2011
412	368	378	385	351

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

2015	2014	2013	2012	2011
39.0%	34.1%	24.6%	18.8%	17.3%

In addition, Laketran 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 vendors, 2) accrued payroll liabilities, and 3) deferred inflows of resources. Deferred inflows of resources consist of amounts related to pension and of capital grant funding received before time requirements are met.

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LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

Table 2 - Changes in Net Position

	2015	2014	2013
REVENUES			
Operating Revenues			
Passenger Fares	\$ 2,266,754	\$ 2,169,712	\$ 2,063,623
Auxiliary Transportation Revenue	100,954	118,933	89,234
Total Operating Revenue	<u>2,367,708</u>	<u>2,288,645</u>	<u>2,152,857</u>
Non-Operating Revenues			
Sales Tax Revenue	8,890,398	8,592,079	8,152,976
Federal Grants and Reimbursements	2,583,970	2,032,462	2,222,531
State Grants, Reimbursements, and Special Fare Assistance	1,015,728	1,025,496	998,468
Gain on Disposal of Assets	4,174	25,771	0
Interest Income	87,693	129,858	(20,666)
Other	16,266	41,699	2,302
Total Non-Operating Revenues	<u>12,598,229</u>	<u>11,847,365</u>	<u>11,355,611</u>
Capital Funding			
Federal Grants and Reimbursements	1,892,460	2,104,454	2,589,114
Total Capital Funding	<u>1,892,460</u>	<u>2,104,454</u>	<u>2,589,114</u>
TOTAL REVENUES	<u>16,858,397</u>	<u>16,240,464</u>	<u>16,097,582</u>
Operating Expenses Other Than Depreciation			
Labor	5,588,600	5,165,363	4,881,371
Fringe Benefits	3,151,044	3,207,603	3,107,366
Services	1,062,125	741,945	722,139
Fuel and Lubricants	1,458,161	1,277,228	1,207,040
Materials and Supplies	655,246	568,017	511,588
Utilities	200,415	195,902	165,311
Claims and Insurance	489,963	466,908	473,198
Purchased Transportation	262,528	255,594	733,470
Miscellaneous	334,109	320,883	348,459
Total Operating Expenses Other Than Depreciation	<u>13,202,191</u>	<u>12,199,443</u>	<u>12,149,942</u>
Depreciation	2,807,752	2,638,490	2,711,924
Total Operating Expenses	<u>16,009,943</u>	<u>14,837,933</u>	<u>14,861,866</u>
Non-Operating Expenses			
Loss on Disposal of Assets	0	0	6,990
Total Non-Operating Expenses	<u>0</u>	<u>0</u>	<u>6,990</u>
Total Expenses	<u>16,009,943</u>	<u>14,837,933</u>	<u>14,868,856</u>
Increase (Decrease) in Net Position	848,454	1,402,531	1,228,726
Total Net Position Beginning of Year	36,471,629	39,610,271	38,381,545
Prior Period Adjustment	0	(4,541,173)	0
Total Net Position End of Year	<u>\$ 37,320,083</u>	<u>\$ 36,471,629</u>	<u>\$ 39,610,271</u>

**LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense of \$695,010 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$608,054. Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$ 16,009,943
Pension expense under GASB 68	(608,054)
2015 contractually required contribution	<u>739,769</u>
Adjusted 2015 program expenses	16,141,658
Total 2014 program expenses under GASB 27	<u>14,837,933</u>
Increase in program expenses not related to pension	<u>\$ 1,303,725</u>

Significant items contributing to the change in net position are as follows:

- Federal and capital grants and reimbursements increased from 2014 to 2015 by 8.2 percent and decreased from 2013 to 2014 by 14.0 percent. 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 2014 to 2015 by 45.9 percent and decreased from 2013 to 2014 by 31.1 percent.
- Sales tax revenues, Laketran's largest source of revenue, increased from 2014 to 2015 by 3.5 percent and increased from 2013 to 2014 by 5.4 percent. Laketran receives a 1/4 percent sales tax.
- Investment income decreased 32.5 percent from 2014 to 2015 and increased 728.4 percent from 2013 to 2014 due to changes in interest rates.
- Operating expenses, excluding depreciation, increased 8.2 percent from 2014 to 2015 and increased 0.4 percent from 2013 to 2014, respectively.
- Significant changes in operating expenses are:

Fuel and oil costs increased 14.2 percent from 2014 to 2015 and increased 5.8 percent from 2013 to 2014. Laketran hedged its fuel costs for 2015, 2016 and 2017. 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 8.2 percent from 2014 to 2015 and increased 5.8 percent from 2013 to 2014. The increase in labor costs is attributed to a 2 percent increase for employees in 2015 and the cost to put Saturday service in place for Fixed Route and DAR for 2015.

LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

Table 3 - Changes in Cash Flows

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Cash Used for Operating Activities	\$(11,550,468)	\$(10,091,124)	\$ (9,523,221)
Net Cash Provided by Noncapital Financing Activities	14,039,751	9,827,027	11,027,139
Net Cash Provided (Used) by Capital and Related Financing Activities	(33,615)	(787,402)	255,511
Net Cash Provided (Used) by Investment Activities	<u>(72,312)</u>	<u>(999,229)</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 2,383,356</u>	<u>\$ (2,050,728)</u>	<u>\$ 1,759,429</u>

Net cash used for operating activities increased 14.5 percent from 2014 to 2015 and increased 6.0 percent from 2013 to 2014. Increase from 2014 to 2015 is due to a full year of DAR Saturday Service and a partial year of Fixed Route Bus Service for 2015. Increase from 2013 to 2014 is due to putting back a partial year of DAR Saturday Service.

Net cash provided by noncapital financing activities increased 42.9 percent from 2014 to 2015 and decreased 10.9 percent from 2013 to 2014 due to fluctuations in sales tax and grant revenue.

Net cash provided/(used) by capital and related financing activities decreased 95.7 percent from 2014 to 2015 and decreased 408.2 percent from 2013 to 2014 due to less capital asset additions in 2015.

Net cash provided/(used) by investment activities changed significantly from 2014 to 2015 and from 2013 to 2014 due to spending less and saving to be able to purchase some larger capital purchases in the future, as capital is not spent evenly from year to year.

**LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

For years ended December 31, 2015, 2014 and 2013, Laketrans 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 \$22,392,621, \$23,007,176, and \$22,732,058, (net), respectively. This represents a net decrease of \$614,555, or 2.7 percent from 2014 to 2015 which is attributable to less construction in progress and additional depreciation, and a net increase of \$275,118 or 1.2 percent from 2013 to 2014 which is attributable to the purchase of additional buses.

Table 4 - Capital Assets at Year End

	2015	2014	2013
Land	\$ 2,442,643	\$ 2,442,643	\$ 2,442,643
Buildings and Improvements	15,546,195	15,546,195	15,199,027
Transportation Vehicles and Equipment	35,832,411	34,237,130	33,059,346
Furniture and Equipment	626,235	594,107	405,721
Construction in Progress	1,175,513	1,443,828	1,072,341
	<u>55,622,997</u>	<u>54,263,903</u>	<u>52,179,078</u>
Less: Accumulated Depreciation	<u>33,230,376</u>	<u>31,256,727</u>	<u>29,447,020</u>
Total Capital Assets, Net	<u>\$ 22,392,621</u>	<u>\$ 23,007,176</u>	<u>\$ 22,732,058</u>

For more detailed information on capital asset activity, see Note 12 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. Laketrans owns one building which is being depreciated over a period of forty-five years.

LONG TERM OBLIGATIONS

Laketrans has long-term obligations consisting of net pension liability and compensated absences. See Notes 7 and 9 of the financial statements for additional detail.

DISCUSSION OF CURRENTLY KNOWN FACTS

During 2015, operating and non-operating revenues increased 5.9 percent while operating expenses (other than depreciation) increased 8.2 percent. Wages and benefits are 66.2 percent of operating expenses but these only increased 4.4 percent. Employees pay 10 or 15 percent of their health insurance costs.

Exclusive of capital grant reimbursements, Laketrans has experienced moderate sales tax revenue increases the last couple of years. 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.

LAKETRAN
MANAGEMENT'S DISCUSSION & ANALYSIS (unaudited)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

Fuel and oil which comprises 11.0 percent of the operating expenses increased 14.2 percent. This increase is due to fuel prices being higher in 2015 than in 2014.

During November, 2013, Lake County voters overwhelmingly renewed the 1/4 percent sales tax plus made it continuing, which provides Laketrans with a majority of its funding. This levy was approved by a margin of 66 percent for and 34 percent against. The new levy took effect on August 1, 2014.

During 2015, sales tax revenue increased 3.5 percent over 2014. Sales tax provided Laketrans with 67.3 percent of its operating costs in 2015.

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, 555 Lakeshore Boulevard, P.O. Box 158, Grand River, Ohio 44045.

LAKETRAN
STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014 *
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Cash Equivalents	\$ 7,442,062	\$ 5,058,706
Investments	10,225,300	10,063,997
Receivables:		
Federal Grants	840,971	1,632,743
Capital Grants	86,301	349,249
State Grants	0	388,339
Trade	373,894	213,834
Sales Tax	1,472,103	1,413,874
Accrued Interest	19,372	20,670
Materials and Supplies	680,648	694,321
Total Current Assets	21,140,651	19,835,733
Non-Current Assets:		
Federal Grants Receivable	555,076	1,063,996
Capital Grants Receivable	6,719,028	4,285,600
Non-Depreciable Capital Assets	3,618,156	3,886,471
Depreciable Capital Assets, net	18,774,465	19,120,705
Net Pension Asset	33,320	9,080
Total Non-Current Assets	29,700,045	28,365,852
TOTAL ASSETS	50,840,696	48,201,585
Deferred Outflows of Resources		
Pension	1,028,142	695,010
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 51,868,838	\$ 48,896,595
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities:		
Accounts Payable	\$ 209,147	\$ 396,755
Accrued Payroll and Benefits	438,015	669,803
Compensated Absences	361,278	363,458
Total Current Liabilities	1,008,440	1,430,016
Non-current Liabilities:		
Compensated Absences	367,519	400,091
Net Pension Liability	5,366,474	5,245,263
Total Other Liabilities	5,733,993	5,645,354
Total Liabilities	6,742,433	7,075,370
Deferred Inflows of Resources		
Pension	104,445	0
Federal Grants	555,076	1,063,996
State Grants	427,773	0
Capital Grants	6,719,028	4,285,600
Total Deferred Inflows of Resources	7,806,322	5,349,596
Net Position		
Investment in Capital Assets	22,392,621	23,007,176
Unrestricted	14,927,462	13,464,453
Total Net Position	37,320,083	36,471,629
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 51,868,838	\$ 48,896,595

* Restated

See accompanying notes and accountant's compilation report.

LAKETRAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Passenger Fares for Transit Service	\$ 1,344,295	\$ 1,374,301
Special Transit Fares	922,459	795,411
Auxiliary Transportation Revenue	100,954	118,933
Total Operating Revenues	<u>2,367,708</u>	<u>2,288,645</u>
Operating Expenses Other Than Depreciation		
Labor	5,588,600	5,165,363
Fringe Benefits	3,151,044	3,207,603
Services	1,062,125	741,945
Fuel and Lubricants	1,458,161	1,277,228
Materials and Supplies	655,246	568,017
Utilities	200,415	195,902
Claims and Insurance	489,963	466,908
Purchased Transportation	262,528	255,594
Miscellaneous	334,109	320,883
Total Operating Expenses Other Than Depreciation	<u>13,202,191</u>	<u>12,199,443</u>
Depreciation	<u>2,807,752</u>	<u>2,638,490</u>
Total Operating Expenses	<u>16,009,943</u>	<u>14,837,933</u>
Operating Loss	<u>(13,642,235)</u>	<u>(12,549,288)</u>
Non-Operating Revenues		
Sales Tax Revenue	8,890,398	8,592,079
Federal Grants and Reimbursements	2,583,970	2,032,462
State Grants, Reimbursements, and Special Fare Assistance	1,015,728	1,025,496
Interest Income	87,693	129,858
Gain on Disposal of Capital Assets	4,174	25,771
Non-Transportation Revenues	16,266	41,699
Total Non-Operating Revenues	<u>12,598,229</u>	<u>11,847,365</u>
Loss before Capital Contributions	<u>(1,044,006)</u>	<u>(701,923)</u>
Capital Funding		
Capital Grants and Reimbursements	<u>1,892,460</u>	<u>2,104,454</u>
Total Capital Funding	<u>1,892,460</u>	<u>2,104,454</u>
Increase in Net Position	848,454	1,402,531
Total Net Position, Beginning of Year	<u>36,471,629</u>	<u>39,610,271</u>
Prior Period Adjustment	<u>0</u>	<u>(4,541,173)</u>
Total Net Position, End of Year	<u>\$ 37,320,083</u>	<u>\$ 36,471,629</u>

See accompanying notes and accountant's compilation report.

LAKETRAN
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Cash Flows from Operating Activities</u>		
Cash Received from Customers	\$ 2,207,648	\$ 2,271,975
Cash Payments for Goods and Services	(4,636,482)	(4,163,934)
Cash Payments for Employees' Services	(9,137,900)	(8,240,864)
Non-Transportation Revenue	16,266	41,699
Net Cash Used for Operating Activities	<u>(11,550,468)</u>	<u>(10,091,124)</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Sales Tax Received	8,832,169	8,500,480
Federal Grants and Reimbursements	3,375,742	1,090,985
State Grants and Reimbursements	1,831,840	235,562
Net Cash Provided by Noncapital Financing Activities	<u>14,039,751</u>	<u>9,827,027</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Capital Grants Received	2,155,408	2,100,435
Acquisition and Construction of Capital Assets	(2,244,459)	(2,919,851)
Net Proceeds from Sale of Assets	55,436	32,014
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(33,615)</u>	<u>(787,402)</u>
<u>Cash Flows from Investing Activities</u>		
Interest Received	88,991	129,844
Purchase of Investment Securities	(9,706,313)	(5,850,040)
Proceeds from Maturities of Investments	9,545,010	4,720,967
Net Cash Provided (Used) by Investment Activities	<u>(72,312)</u>	<u>(999,229)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,383,356	(2,050,728)
Cash and Cash Equivalents at Beginning of Year	5,058,706	7,109,434
Cash and Cash Equivalents at End of Year	<u>\$ 7,442,062</u>	<u>\$ 5,058,706</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>		
Operating Loss	\$(13,642,235)	\$(12,549,288)
Prior Period Adjustment	0	(4,541,173)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation	2,807,752	2,638,490
Non-Transportation Revenue	16,266	41,699
Change in Assets and Liabilities:		
(Increase) Decrease in:		
Trade Accounts Receivable	(160,060)	(16,670)
Materials and Supplies	13,673	(50,056)
Net Pension Asset	(24,240)	(9,080)
(Increase) in Deferred Outflows of Resources - Pension	(333,132)	(695,010)
Increase (Decrease) in:		
Accounts Payable	(187,608)	(287,401)
Accrued Payroll and Benefits	(266,540)	132,102
Net Pension Liability	121,211	5,245,263
Increase in Deferred Inflows of Resources - Pension	104,445	0
Total Adjustments	<u>2,091,767</u>	<u>6,999,337</u>
Net Cash Used for Operating Activities	<u>\$(11,550,468)</u>	<u>\$(10,091,124)</u>

See accompanying notes and accountant's compilation report

Schedule of Noncash Investing Capital and Financing Activities - The net change in the fair value of investments was \$(10,558) and \$29,669 as of December 31, 2015 and 2014, respectively.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

NOTE 1: ORGANIZATION

Laketran was formed as the public agency responsible for public transportation in Lake County. Laketran 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, Laketran 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 Laketran 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 Laketran's accounting policies are described below.

Financial Reporting Entity

For financial reporting purposes, all departments and operations for which Laketran 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 Laketran itself are included in the reporting entity. There are no component units based on the consideration above.

Under the current GASB guidelines, Laketran 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 Laketran during 2015 or 2014.

Basis of Presentation

Laketran'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.

Laketran 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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 Laketran 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 Laketran 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 Laketran'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, Laketran 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.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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

Inventory

Inventory of replacement vehicle parts are stated at the lower of cost or market using the average cost method.

Capital Assets and Depreciation

Property, facilities, and equipment are stated at cost. Donated property is capitalized at estimated fair value at the date donated. Laketrans maintains a capitalization threshold of \$300.

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.

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.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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

Pension

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports 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. At December 31, 2015 and 2014, there was no restricted component of net position.

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 Laketran 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.

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 relate to pension for 2015 (See Note 7).

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position 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 (See Note 7) and grants for 2015 and 2014 that have not met time requirements.

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: CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For year 2015, Laketran implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

Net position December 31, 2014	\$41,012,802
Adjustments:	
Net Pension Liability	(5,245,263)
Net Pension Asset	9,080
Deferred Outflow - Payments Subsequent to Measurement Date	<u>695,010</u>
Restated Net Position December 31, 2014	<u>\$36,471,629</u>

Other than employer contributions subsequent to the measurement date, Laketran made no restatement for deferred inflows/outflows of resources as the information needed to generate these statements was not available.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 4: **DEPOSITS AND INVESTMENTS**

Cash On Hand

At December 31, 2015 and 2014, Laketrans had undeposited cash on hand, including petty cash, of \$500 and \$500, respectively.

At December 31, 2015 and 2014, the carrying value amount of Laketrans cash deposits were \$7,440,479 and \$5,057,124, respectively. Based on criteria described in GASB Statement No.40, *Deposits and Investment Risk Disclosures*, as of December 31, 2015 and 2014, deposits totaling \$250,000 and \$250,000, respectively, were covered by Federal Depository Insurance and deposits totaling \$7,442,548 and \$5,181,292, respectively, were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in Laketrans name.

Custodial credit is the risk, that in the event of a bank failure, Laketrans deposits may not be returned. Laketrans policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, or specific collateral held at a Federal Reserve bank in the name of Laketrans.

Investments

Laketrans has a formal investment policy. Laketrans 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, 2015 and 2014, fair value was \$10,558 below Laketrans net cost for investments and \$29,669 above Laketrans net cost for investments, respectively. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share price, which is the price the investment could be sold for on December 31, 2015.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 4: **DEPOSITS AND INVESTMENTS** (Continued)

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. 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 investment in negotiable certificates of deposit were insured by Federal Depository Insurance in the amount of \$2,441,552.

Concentration of Credit Risk

Laketran places no limit on the amount it may invest in any one issuer. Laketran's investment in Star Ohio, money market mutual fund, negotiable certificates of deposit, U. S. Government and agency securities and investment derivative instrument, represent .01, 1.33, 23.90, 74.06, and .70 percent, respectively, of Laketran's total investments.

Cash and investments at 2015 year-end were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (*)</u>	<u>Investment Maturities (in Years)</u>		
			<u>< 1</u>	<u>1-2</u>	<u>> 2-5</u>
STAR Ohio	\$ 1,083	AAAm	\$ 1,083	\$ 0	\$ 0
Money Market Mutual Fund	135,516	N/A	135,516	0	0
Negotiable Certificates of Deposit	2,444,170	N/A	501,175	700,455	1,242,540
U.S. Government and Agency Securities	7,573,301	AA+	0	994,140	6,579,161
Investment derivative instrument	72,313	N/A	72,313	0	0
Total Investments	10,226,383		710,087	1,694,595	7,821,701
Carrying Amount of Deposits	7,440,479		7,440,479	0	0
Petty Cash	500		500	0	0
Totals	<u>\$17,667,362</u>		<u>\$ 8,151,066</u>	<u>\$ 1,694,595</u>	<u>\$ 7,821,701</u>

* Standard & Poor's rating.
N/A - Not Available/Rated

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 5: **GRANT ASSISTANCE**

Federal and Capital Grant

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, 2015 and 2014, Laketrans recognized \$2,583,970 and \$2,032,462, respectively. In addition, Laketrans recognized capital grants reimbursements as revenue in 2015 and 2014 of \$1,892,460 and \$2,104,454, respectively.

State Grant

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, 2015 and 2014, Laketrans recognized revenue of \$199,616 and \$235,562, respectively.

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, 2015 and 2014, Laketrans received \$816,112 and \$789,934, respectively.

NOTE 6: **OTHER REVENUE**

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.

For the years ended December 31, 2015 and 2014, sales tax revenues totaled \$8,890,398 and \$8,592,079, respectively. Laketrans 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 7: **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 represents the Laketran’s 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 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 Laketran’s obligation for this liability to annually required payments. Laketran cannot control benefit terms or the manner in which pensions are financed; however, Laketran 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 7: 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.

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' CAFR referenced above for additional information):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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

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

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.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a 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.

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

2015 Statutory Maximum Contribution Rates:	<u>State and Local</u>
Employer	14.0%
Employee	10.0%
2015 Actual Contribution Rates:	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	<u>2.0%</u>
Total Employer	<u><u>14.0%</u></u>
Employee	<u><u>10.0%</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Laketrans' contractually required contribution was \$757,540 for 2015. Of this amount, \$62,091 is reported as accrued payroll and benefits.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 7: **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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Laketrans' proportion of the net pension liability 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:

	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>
Proportionate Share of the Net Pension Liability(Asset)	\$ 5,366,474	\$ (33,320)
Proportion of the Net Pension Liability(Asset)	0.044494%	0.086537%
Pension Expense	\$ 585,914	\$ 22,140

At December 31, 2015, Laketrans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Differences between expected and actual experience	\$ 288,373
Laketrans contributions subsequent to the measurement date	<u>739,769</u>

Total Deferred Outflows of Resources	<u>\$ 1,028,142</u>
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Deferred Inflows of Resources

Net difference between projected and actual earnings on pension plan investments	<u>\$ 104,445</u>
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\$739,769 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. 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:	
2016	\$ 27,384
2017	27,384
2018	63,606
2019	70,884
2020	(1,209)
Thereafter	<u>(4,121)</u>
Total	<u>\$ 183,928</u>

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION 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 (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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3 .75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	In individual Entry Age

The total pension asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3 .75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 8.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	In individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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

Actuarial Assumptions - OPERS

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 four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust 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 and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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 2014 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	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.28%

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

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

Actuarial Assumptions - OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 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 Laketrans Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents Laketrans proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what Laketrans proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

<u>Laketrans proportionate share of the net pension liability(asset)</u>	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Traditional Pension Plan	\$ 9,872,774	\$ 5,366,474	\$ 1,571,083
Combined Plan	\$ 4,327	\$ (33,320)	\$ (63,172)

NOTE 8: **POST-EMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (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 that has elements of both a defined benefit and a defined contribution plan.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

Ohio Public Employees Retirement System (Continued)

OPERS maintains two cost-sharing, multiple-employer defined benefit post-employment healthcare trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have ten 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 No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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 in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting www.opers.org/investments/cafr.shtml, or by writing to OPERS, 277 E. 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 post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. The 2015 local government employer contribution rate was 14.00 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of earnable salary for local government employers. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined Plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 8: POST-EMPLOYMENT BENEFITS (Continued)

Ohio Public Employees Retirement System (Continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2015. As recommended by the OPERS' actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits 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 to the VEBA participants in the Member-Directed Plan for 2015 was 4.50 percent. Laketrans actual employer contributions for December 31, 2015, 2014 and 2013 which were used to fund post-employment benefits were \$126,257, \$116,801, and \$55,406, respectively. 91.8 percent has been contributed for 2015 with the balance being reported as accrued payroll and benefits. The full amount has been contributed for 2014 and 2013.

NOTE 9: COMPENSATED ABSENCES

Employees of Laketrans earn vacation and sick leave at various rates under Laketrans policy. In case of death, termination, or retirement, an employee or their estate is paid for portions of these benefits. Laketrans records a liability for vacation, holiday, and sick hours earned but not used at year-end at the employees' current wage rate. Laketrans obligations for these amounts at December 31, 2015 and 2014 amounted to approximately \$728,797, and \$763,549, 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
2015	\$ 763,549	\$ 328,706	\$ 363,458	\$ 728,797	\$ 361,278
2014	\$ 658,142	\$ 421,318	\$ 315,911	\$ 763,549	\$ 363,458

NOTE 10: RISK MANAGEMENT

Since 1996 Laketrans 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 10: RISK MANAGEMENT (Continued)

During the loss year of December 1, 2011 - November 30, 2012, OTRP provided to Laketran, commercial property coverage with limits of \$200,000,000. The pool retained the first \$100,000 of these losses. For auto-physical damage, the pool provided \$50,000,000 in coverage and retained \$250,000. The following coverages were also provided: auto/transit liability, general liability, E&O, and EBL \$20,000,000. Crime coverage limits are \$4,000,000. All limits are per occurrence no aggregate limits apply. For each of these lines the pool retained \$1,000,000.

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, 2014, 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 a 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 2015 was 11.888 percent.

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 group plan offered by the Lake County Commissioners to all County employees.

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 11: FUEL PRICING MANAGEMENT PROGRAM

Pursuant to Ohio Revised Code sections 9.835 (A), (B), and (C) and Section 135.14, Laketran utilizes futures contracts and commodity swaps to manage the volatility of fuel costs beginning in 2015. 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 against price volatility of diesel fuel in accordance with Laketran's Energy Price Risk Management Policy established by the Board of Trustees. These transactions are completely separate from the physical fuel purchase transactions. For the year ended December 31, 2015, a loss of \$235,061 was recognized against the diesel fuel expense. On December 31, 2015, the open contract for 2015 had \$255,646 of unrealized loss. The gain or loss amount realized will change based on the market price at the time of contract settlement. There is no debt associated with these contracts. There are no open contracts beyond 2015. No debt is associated with the cost of these contracts. The gain or loss during the year is offset with the fuel expense for the same year.

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 12: CAPITAL ASSETS

Capital assets consist of the following at December 31, 2015 and 2014:

2015	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,442,643	\$ 0	\$ 0	\$ 2,442,643
Construction in Progress	1,443,828	270,036	(538,351)	1,175,513
Total Capital Assets Not Being Depreciated	<u>3,886,471</u>	<u>270,036</u>	<u>(538,351)</u>	<u>3,618,156</u>
Capital Assets Being Depreciated				
Buildings and Improvements	15,546,195	0	0	15,546,195
Transportation Vehicles and Equipment	34,237,130	2,473,153	(877,872)	35,832,411
Furniture and Office Equipment	594,107	39,621	(7,493)	626,235
Total Capital Assets Being Depreciated	<u>50,377,432</u>	<u>2,512,774</u>	<u>(885,365)</u>	<u>52,004,841</u>
Less: Accumulated Depreciation				
Buildings and Improvements	(8,098,225)	(505,915)	0	(8,604,140)
Transportation Vehicles and Equipment	(22,782,120)	(2,234,849)	826,808	(24,190,161)
Furniture and Office Equipment	(376,382)	(66,988)	7,295	(436,075)
Total Accumulated Depreciation	<u>(31,256,727)</u>	<u>(2,807,752)</u>	<u>834,103</u>	<u>(33,230,376)</u>
Total Capital Assets Being Depreciated, Net	<u>19,120,705</u>	<u>(294,978)</u>	<u>(51,262)</u>	<u>18,744,465</u>
Total Capital Assets, Net	<u>\$ 23,007,176</u>	<u>\$ (24,942)</u>	<u>\$ (589,613)</u>	<u>\$ 22,392,621</u>
2014				
Capital Assets Not Being Depreciated				
Land	\$ 2,442,643	\$ 0	\$ 0	\$ 2,442,643
Construction in Progress	1,072,341	1,400,569	(1,029,082)	1,443,828
Total Capital Assets Not Being Depreciated	<u>3,514,984</u>	<u>1,400,569</u>	<u>(1,029,082)</u>	<u>3,886,471</u>
Capital Assets Being Depreciated				
Buildings and Improvements	15,199,027	347,168	0	15,546,195
Transportation Vehicles and Equipment	33,059,346	2,007,033	(829,249)	34,237,130
Furniture and Office Equipment	405,721	194,163	(5,777)	594,107
Total Capital Assets Being Depreciated	<u>48,664,094</u>	<u>2,548,364</u>	<u>(835,026)</u>	<u>50,377,432</u>
Less: Accumulated Depreciation				
Buildings and Improvement	(7,613,185)	(485,040)	0	(8,098,225)
Transportation Vehicles and Equipment	(21,498,674)	(2,106,615)	823,169	(22,782,120)
Furniture and Office Equipment	(335,161)	(46,835)	5,614	(376,382)
Total Accumulated Depreciation	<u>(29,447,020)</u>	<u>(2,638,490)</u>	<u>828,783</u>	<u>(31,256,727)</u>
Total Capital Assets Being Depreciated, Net	<u>19,217,074</u>	<u>(90,126)</u>	<u>(6,243)</u>	<u>19,120,705</u>
Total Capital Assets, Net	<u>\$ 22,732,058</u>	<u>\$ 1,310,443</u>	<u>\$ (1,035,325)</u>	<u>\$ 23,007,176</u>

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(CONTINUED)

NOTE 13: **CONTINGENCIES**

A. **Litigation**

Laketran is party to legal proceedings. Laketran is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of Laketran.

B. **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, 2015 or 2014.

LAKETRAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF LAKETRAN'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS (1)

<u>Tradition Plan</u>	<u>2014</u>	<u>2013</u>
Laketrans Proportion of the Net Pension Liability	0.044494%	0.044494%
Laketrans Proportionate Share of the Net Pension Liability	\$ 5,366,474	\$ 5,245,263
Laketrans Covered-Employee Payroll	\$ 5,473,033	\$ 5,220,008
Laketrans Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.05%	100.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
<u>Combined Plan</u>	<u>2014</u>	<u>2013</u>
Laketrans Proportion of the Net Pension Liability (Asset)	0.086537%	0.086537%
Laketrans Proportionate Share of the Net Pension Liability (Asset)	\$ (33,320)	\$ (9,080)
Laketrans Covered-Employee Payroll	\$ 318,717	\$ 299,615
Laketrans Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	10.45%	3.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

Amounts presented as of Laketrans measurement date which is the prior year end.

LAKETRAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF LAKETRAN'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions			
Traditional Plan	\$ 695,937	\$ 656,764	\$ 678,601
Combined Plan	<u>43,832</u>	<u>38,246</u>	<u>38,950</u>
Total Required Contributions	739,769	695,010	717,551
Contributions in Relation to the			
Contractually Required Contribution	<u>(739,769)</u>	<u>(695,010)</u>	<u>(717,551)</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Laketrans Covered-Employee Payroll			
Traditional Plan	\$ 5,799,475	\$ 5,473,033	\$ 5,220,008
Combined Plan	\$ 365,267	\$ 318,717	\$ 299,615
Pension Contributions as a Percentage of Covered-			
Employee Payroll			
Traditional Plan	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

Statistical Section

2015

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STATISTICAL SECTION

This part of Laketrans 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 Laketrans overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how Laketrans financial performance and well being have changed over time. 52-54

Revenue Capacity

These schedules contain information to help the reader assess Laketrans operating revenues and comparisons to the transportation industry. 55-56

Operating Information

These schedules contain service data to help the reader understand how the information in Laketrans financial report relates to the services Laketrans provides and the activities it performs. 57-61

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which Laketrans financial activities take place. 62-65

LAKETRAN
NET POSITION BY COMPONENT
LAST TEN YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net Investment in Capital										
Assets	\$28,515,959	\$27,741,282	\$25,336,813	\$26,595,830	\$28,484,693	\$25,694,276	\$23,154,984	\$22,732,058	\$23,007,176	\$22,392,621
Unrestricted	<u>12,381,785</u>	<u>11,218,227</u>	<u>10,253,373</u>	<u>10,263,030</u>	<u>11,965,611</u>	<u>13,857,445</u>	<u>15,226,561</u>	<u>16,878,213</u>	<u>18,005,626</u>	<u>14,927,462</u>
Total Net Position	<u>\$ 40,897,744</u>	<u>\$ 38,959,509</u>	<u>\$ 35,590,186</u>	<u>\$ 36,858,860</u>	<u>\$ 40,450,304</u>	<u>\$ 39,551,721</u>	<u>\$38,381,545</u>	<u>\$39,610,271</u>	<u>\$41,012,802</u>	<u>\$37,320,083</u>

LAKETRAN
REVENUES AND EXPENSES BY TYPE AND CHANGES IN NET POSITION
LAST TEN YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Operating Revenue</u>										
Fares	\$ 1,079,002	\$ 1,190,339	\$ 1,575,204	\$ 1,911,353	\$ 2,041,948	\$ 2,122,234	\$ 1,997,777	\$ 2,063,623	\$ 2,169,712	\$ 2,266,754
Auxiliary Transportation Revenue	<u>76,270</u>	<u>82,411</u>	<u>82,224</u>	<u>78,851</u>	<u>71,970</u>	<u>74,311</u>	<u>67,911</u>	<u>89,234</u>	<u>118,933</u>	<u>100,954</u>
Total Operating Revenues	<u>1,155,272</u>	<u>1,272,750</u>	<u>1,657,428</u>	<u>1,990,204</u>	<u>2,113,918</u>	<u>2,196,545</u>	<u>2,065,688</u>	<u>2,152,857</u>	<u>2,288,645</u>	<u>2,367,708</u>
<u>Non Operating Revenues</u>										
Sales Tax	7,728,332	7,913,161	7,744,815	7,157,307	7,294,636	7,759,654	7,869,357	8,152,976	8,592,079	8,890,398
Federal Grants and Reimbursements	1,171,239	1,438,721	1,560,826	4,827,052	2,716,460	1,862,159	1,715,565	2,222,531	2,032,462	2,583,970
State Grants, Reimbursements, and Special Fare Assistance	785,133	698,419	664,448	1,117,214	960,893	1,072,110	1,030,575	998,468	1,025,496	1,015,728
Interest Income	518,798	503,792	252,887	144,507	126,201	125,753	87,610	(20,666)	129,858	87,693
Gain on Disposal of Capital Assets	3,000	75,339	239,327	0	0	0	23,887	0	25,771	4,174
Non-Transportation Revenue	<u>38,768</u>	<u>149,763</u>	<u>292,352</u>	<u>29,523</u>	<u>44,057</u>	<u>29,219</u>	<u>9,876</u>	<u>2,302</u>	<u>41,699</u>	<u>16,266</u>
Total Non-Operating Revenues	<u>10,245,270</u>	<u>10,779,195</u>	<u>10,754,655</u>	<u>13,275,603</u>	<u>11,142,247</u>	<u>10,848,895</u>	<u>10,736,870</u>	<u>11,355,611</u>	<u>11,847,365</u>	<u>12,598,229</u>
<u>Capital Funding</u>										
Capital Grants and Reimbursements	<u>4,184,355</u>	<u>2,678,525</u>	<u>1,724,523</u>	<u>1,444,750</u>	<u>5,290,845</u>	<u>832,135</u>	<u>1,337,655</u>	<u>2,589,114</u>	<u>2,104,454</u>	<u>1,892,460</u>
Total Capital Funding	<u>4,184,355</u>	<u>2,678,525</u>	<u>1,724,523</u>	<u>1,444,750</u>	<u>5,290,845</u>	<u>832,135</u>	<u>1,337,655</u>	<u>2,589,114</u>	<u>2,104,454</u>	<u>1,892,460</u>
Total Revenues	<u>15,584,897</u>	<u>14,730,470</u>	<u>14,136,606</u>	<u>16,710,557</u>	<u>18,547,010</u>	<u>13,877,575</u>	<u>14,140,213</u>	<u>16,097,582</u>	<u>16,240,464</u>	<u>16,858,397</u>

(Continued)

LAKETRAN
REVENUES AND EXPENSES BY TYPE AND CHANGES IN NET POSITION
LAST TEN YEARS
(CONTINUED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Operating Expenses</u>										
Labor	\$ 5,311,698	\$ 5,384,569	\$ 5,490,577	\$ 5,018,385	\$ 4,531,669	\$ 4,620,888	\$ 4,682,349	\$ 4,881,371	\$ 5,165,363	\$ 5,588,600
Fringe Benefits	2,826,144	3,022,379	3,191,539	3,264,433	2,952,196	3,108,797	3,277,370	3,107,366	3,207,603	3,151,044
Services	511,675	572,486	670,322	614,061	684,110	561,160	705,399	722,139	741,945	1,062,125
Fuel and Lubricants	1,002,631	1,089,416	1,418,915	1,164,945	908,789	952,784	958,003	1,207,040	1,277,228	1,458,161
Materials and Supplies	445,966	547,379	525,052	585,388	224,232	332,494	432,403	511,588	568,017	655,246
Utilities	205,505	213,375	202,286	181,737	126,948	149,479	133,408	165,311	195,902	200,415
Claims and Insurance	551,421	579,289	584,193	570,354	520,668	492,649	467,232	473,198	466,908	489,963
Purchased Transportation	236,015	573,128	639,050	499,705	549,875	658,741	703,294	733,470	255,594	262,528
Miscellaneous	<u>336,890</u>	<u>289,267</u>	<u>215,130</u>	<u>143,562</u>	<u>131,062</u>	<u>129,698</u>	<u>186,734</u>	<u>348,459</u>	<u>320,883</u>	<u>334,109</u>
Total Operating Expenses Excluding Depreciation	11,427,945	12,271,288	12,937,064	12,042,570	10,629,549	11,006,690	11,546,192	12,149,942	12,199,443	13,202,191
Depreciation	<u>3,669,160</u>	<u>4,397,417</u>	<u>4,568,865</u>	<u>3,399,313</u>	<u>3,703,483</u>	<u>3,350,100</u>	<u>3,764,197</u>	<u>2,711,924</u>	<u>2,638,490</u>	<u>2,807,752</u>
Total Operating Expenses	<u>15,097,105</u>	<u>16,668,705</u>	<u>17,505,929</u>	<u>15,441,883</u>	<u>14,333,032</u>	<u>14,356,790</u>	<u>15,310,389</u>	<u>14,861,866</u>	<u>14,837,933</u>	<u>16,009,943</u>
<u>Non-Operating Expenses</u>										
Loss on Disposal of Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>622,534</u>	<u>419,368</u>	<u>0</u>	<u>6,990</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>15,097,105</u>	<u>16,668,705</u>	<u>17,505,929</u>	<u>15,441,883</u>	<u>14,955,566</u>	<u>14,776,158</u>	<u>15,310,389</u>	<u>14,868,856</u>	<u>14,837,933</u>	<u>16,009,943</u>
Change in Net Assets	<u>\$ 487,792</u>	<u>\$ (1,938,235)</u>	<u>\$ (3,369,323)</u>	<u>\$ 1,268,674</u>	<u>\$ 3,591,444</u>	<u>\$ (898,583)</u>	<u>\$ (1,170,176)</u>	<u>\$ 1,228,726</u>	<u>\$ 1,402,531</u>	<u>\$ 848,454</u>

**LAKETRAN
FARE BOX RECOVERY PERCENTAGE
LAST TEN YEARS**

	<u>Percentage</u>
2006	16.50
2007	17.85
2008.....	12.20
2009.....	6.38
2010.....	13.50
2011.....	13.20
2012.....	13.05
2013.....	13.89
2014.....	14.62
2015.....	11.60

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

Fare Structure - December 31, 2015

	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
Electronic Fare Boxes accept cash/fare media - will return value card if excess cash is deposited			
Tokens - Children ages 2-12	N/A	0.75	N/A
Transfers	N/A	FREE	FREE

LAKETRAN
REVENUES AND OPERATING ASSISTANCE
COMPARISON TO INDUSTRY TREND DATA - LAST TEN YEARS
(expressed in percent)

Transportation Industry (1):

<u>Year</u>	<u>Operating and Other Miscellaneous Revenue</u>			<u>Operating Assistance</u>			<u>Total Revenues</u>
	<u>Fares</u>	<u>Other</u>	<u>Total</u>	<u>Federal</u>	<u>State & Local</u>	<u>Total</u>	
2006	33.2	15.3	48.5	7.7	43.8	51.5	100.0
2007	31.4	14.1	45.5	7.5	47.0	54.5	100.0
2008	31.2	12.9	44.1	7.0	48.9	55.9	100.0
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
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Laketran:

<u>Year</u>	<u>Operating and Other Miscellaneous Revenue</u>			<u>Operating Assistance</u>			<u>Total Revenues</u>
	<u>Fares</u>	<u>Other(2)</u>	<u>Total</u>	<u>Federal</u>	<u>State & Local(3)</u>	<u>Total</u>	
2006	8.6	4.0	12.6	12.7	74.7	87.4	100.0
2007	9.9	6.7	16.6	11.9	71.5	83.4	100.0
2008	12.7	6.9	19.6	12.6	67.8	80.4	100.0
2009	12.5	1.7	14.2	31.6	54.2	85.8	100.0
2010	11.4	(2.1)	9.3	44.7	46.0	90.7	100.0
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	.6	14.6	26.6	58.8	85.4	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
OPERATING EXPENSES
COMPARISON TO INDUSTRY TREND DATA - LAST TEN YEARS
(expressed in percent)**

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

<u>Year</u>	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Services</u>	<u>Materials and Supplies</u>	<u>Utilities</u>	<u>Casualty and Liability</u>	<u>Purchased Transportation</u>	<u>Other</u>	<u>Expenses</u>
2006	39.8	26.3	5.9	11.3	3.2	2.4	13.4	(2.3)	100.0
2007	39.0	26.8	6.1	11.6	3.4	2.4	13.0	(2.3)	100.0
2008	38.2	25.7	6.3	12.8	3.4	2.2	13.7	(2.3)	100.0
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

Laketran:

<u>Year</u>	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Services</u>	<u>Materials and Supplies</u>	<u>Utilities</u>	<u>Casualty and Liability</u>	<u>Purchased Transportation</u>	<u>Other</u>	<u>Total Operating Expenses</u>
2006	46.5	24.7	4.5	12.7	1.8	4.8	2.1	2.9	100.0
2007	43.9	24.6	4.7	13.3	1.7	4.7	4.7	2.4	100.0
2008	42.4	24.7	5.2	15.0	1.6	4.5	4.9	1.7	100.0
2009	41.7	27.1	5.1	14.5	1.5	4.7	4.2	1.0	100.0
2010	42.6	27.8	6.4	10.7	1.2	4.9	5.2	1.2	100.0
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

(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
SALES TAX REVENUE
LAST TEN YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sales Tax Revenue	\$7,728,332	\$7,913,161	\$7,744,815	\$7,157,307	\$7,294,636	\$7,759,654	\$7,869,357	\$8,152,976	\$8,592,079	\$8,890,398
Population*	230,510	230,510	230,510	230,510	236,775	236,775	236,775	230,041	229,857	229,230
Sales Tax Per Capita	\$ 33.53	\$ 34.33	\$ 33.60	\$ 31.05	\$ 30.81	\$ 32.77	\$ 33.24	\$ 35.44	\$ 37.38	\$ 38.78

*Population - Ohio Department of Development

**LAKETRAN
OPERATING STATISTICS
LAST TEN YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>System Ridership</u>										
Motor Bus (directly operated)	634,184	615,656	648,035	533,433	459,318	491,298	530,252	502,092	496,030	475,320
Dial-A-Ride (directly operated)	337,226	312,831	305,806	254,378	202,650	191,708	189,001	182,824	227,565	243,346
Dial-A-Ride (contract service)	39,040	62,623	63,358	55,928	49,639	59,577	61,399	67,776	31,977	32,444
Jitney (contract service)	48,476	26,101	0	0	0	0	0	0	0	0
<u>Average Daily System Ridership</u>										
Motor Bus (directly operated)	2,066	2,005	2,122	2,108	1,837	2,164	2,093	2,076	1,758	1,835
Dial-A-Ride (directly operated)	1,098	1,019	1,002	1,005	826	738	727	793	837	932
Dial-A-Ride (contract service)	153	246	208	221	90	237	147	265	124	128
Jitney (contract service)	242	290	0	0	0	0	0	0	0	0
<u>Average Daily Vehicle Miles Operated</u>										
Motor Bus (directly operated)	4,090	4,018	4,059	4,584	7,649	4,422	4,066	4,398	4,463	4,465
Dial-A-Ride (directly operated)	8,685	8,650	8,614	8,860	4,255	7,399	7,316	7,381	8,211	9,118
Dial-A-Ride (contract service)	440	1,171	934	1,020	645	1,140	1,068	1,301	269	298
Jitney (contract service)	45	38	0	0	0	0	0	0	0	0
<u>Revenue Miles</u>										
Motor Bus (directly operated)	829,455	829,584	841,444	766,833	717,503	756,988	760,577	778,583	781,349	804,284
Dial-A-Ride (directly operated)	2,298,482	2,360,718	2,324,174	1,901,429	1,613,980	1,592,586	1,583,745	1,599,600	1,973,517	2,120,358
Dial-A-Ride (contract service)	98,568	252,936	248,738	223,690	188,623	232,873	227,344	272,074	62,206	68,773
Jitney (contract service)	8,980	5,018	0	0	0	0	0	0	0	0

Source: Public Transportation Fact Book

**LAKETRAN
OPERATING STATISTICS
LAST TEN YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Passenger Miles</u>										
Motor Bus (directly operated)	7,708,043	7,553,957	8,456,215	6,897,727	6,008,030	6,313,599	6,700,162	6,011,047	5,808,334	5,410,394
Dial-A-Ride (directly operated)	3,482,573	3,179,646	3,345,473	2,718,112	2,198,455	2,016,312	1,910,889	2,417,184	2,244,900	2,413,977
Dial-A-Ride (contract service)	240,604	590,722	457,483	374,929	340,665	451,087	540,101	562,966	175,983	178,442
Jitney (contract service)	16,159	8,700	0	0	0	0	0	0	0	0

Source: Public Transportation Fact Book

**LAKETRAN
OPERATING STATISTICS
LAST TEN YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Energy Consumption</u>										
Motor Bus										
Gallons of diesel	123,576	123,533	117,116	98,159	97,880	171,162	183,572	182,348	189,663	195,245
Gallons of natural gas	130,387	136,452	105,828	100,733	1,561	0	0	0	0	0
Gallons of purinox	0	0	0	0	0	0	0	0	0	0
Gallons of Gas	0	0	0	0	0	0	4,593	3,841	3,777	3,764
Dial-A-Ride										
Gallons of diesel	274,827	272,198	291,533	226,277	189,984	176,156	192,770	199,247	195,555	212,282
Gallons of purinox	0	0	0	0	0	0	0	0	0	0
Gallons of Gas	0	0	0	0	0	0	10.2	4,870	10,268	6,895
<u>Fleet Requirement</u>										
Motor Bus (directly operated)	38	24	24	24	24	24	25	25	26	25
Dial-A-Ride (directly operated)	76	76	75	75	75	75	75	53	60	72
Dial-A-Ride (contract service)	9	12	12	6	6	6	6	8	0	0
<u>Total Active Vehicles</u>										
Motor Bus (directly operated)	46	38	39	38	38	40	38	40	40	40
Dial-A-Ride (directly operated)	77	76	75	76	76	74	79	66	75	75
Dial-A-Ride (contract service)	18	18	20	9	9	11	11	11	0	0
Van Pool (contract service)	0	0	0	0	0	0	0	0	0	0

* 2010 - Stopped CNG early in year (January 15) - Replaced by New Flyers - Diesel

Source: Financials and Ohio Department of Development

**LAKERAN
FULL TIME EQUIVALENT EMPLOYEES
LAST TEN YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Administration</u>										
General Manager	1	1	1	1	1	1	1	1	1	1
Executive Secretary	1	1	1	1	1	1	1	1	1	1
Controller	1	1	1	1	1	1	1	1	1	1
Director of Development	1	1	1	0	0	0	0	0	0	0
Procurement and Grant Specialist	0	0	0	1	1	1	1	1	1	1
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Human Resources Specialist										1
Public Relations/Marketing Director	1	1	1	1	1	1	1	1	1	1
Accountant/Budget Analyst	0	0	1	1	0	1	1	1	1	1
Administrative Secretary	1	1	1	0	1	0	0	0	0	0
Finance Clerk	1	1	1	1	1	1	1	1	1	1
Information Specialist	1	1	1	1	0	0	0	0	0	0
Customer Outreach Specialist	0	1	1	1	1	1	0	1	1	1
Clerk/Receptionist	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>						
Total Administrative	<u>10</u>	<u>12</u>	<u>12</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>11</u>

Source: Operations Department stats

LAKERAN
FULL TIME EQUIVALENT EMPLOYEES
LAST TEN YEARS
(CONTINUED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Maintenance</u>										
Maintenance Supervisor	1	1	1	1	1	1	1	1	1	1
Assistant Maintenance Supervisor	0	1	1	1	1	1	1	1	1	1
Maintenance Clerk	1	1	1	1	0	0	1	1	1	1
Mechanics	5	6	6	6	6	7	6	6	7	7
Mechanics Helper	1	1	1	1	1	1	1	1	1	1
Hostler	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Maintenance	<u>13</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>14</u>
<u>Operations</u>										
Deputy GM	0	0	0	1	1	1	1	1	1	1
Operations Manager	1	1	1	0	0	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Dispatchers/Schedulers	5	5	6	5	5	4	4.5	4.5	5	5
Customer Service Supervisor	1	1	1	1	1	1	1	1	1	1
Customer Service Representatives	6	6	6	6	5	7	6.5	6.5	7	7
Road Supervisors	4	4	4	3	3	3	3.5	3.5	4	4
Trainer	1	1	1	0	0	0	0	0	0	.5
Drivers	<u>124</u>	<u>126</u>	<u>125</u>	<u>126</u>	<u>128</u>	<u>99</u>	<u>95</u>	<u>132.5</u>	<u>135</u>	<u>143.5</u>
Total Operations	<u>143</u>	<u>145</u>	<u>145</u>	<u>144</u>	<u>144</u>	<u>117</u>	<u>113.5</u>	<u>151.0</u>	<u>155</u>	<u>164</u>
Grand Total	<u>166</u>	<u>172</u>	<u>172</u>	<u>170</u>	<u>168</u>	<u>141</u>	<u>136.5</u>	<u>173.0</u>	<u>179</u>	<u>178</u>

LAKETRAN

LAKE COUNTY DEMOGRAPHICS

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
2005	230,510	1.32
2010	236,775	1.47
2015 Projection	233,760	(0.06)
2020 Projection	234,520	(0.10)
2025 Projection	233,290	(0.10)
2030 Projection	232,350	(0.40)

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

Age and Population Distribution - 2014 Census

	<u>Age</u>	<u>Percentage</u>
Under 5	12,608	5.5
Under 18	47,932	20.9
18-64	131,784	57.5
65 and Over	36,906	16.1
2014	229,230	100.0

LAKETRAN

LAKE COUNTY DEMOGRAPHICS

Population By Race - 2014 Census

<u>Race</u>	<u>Total</u>	<u>Percentage</u>
White	208,599	91.0
African-American	4,585	2.0
Two or more races	3,438	1.5
Asian	2,980	1.3
Latino/Other	9,169	4.0
Native American	<u>459</u>	<u>0.2</u>
	<u>229,230</u>	<u>100.00</u>

Ohio Department of Development

Largest Populations in the County

Mentor	46,870
Willoughby	22,453
Eastlake	18,321
Painesville	19,840
Madison Township	15,699
Concord Township	18,201
Painesville Township	16,891
Willowick	14,009
Wickliffe	12,584
Willoughby Hills	9,405

Ohio Department of Development

Quickfacts.census.gov

LAKE METRAN

LAKE COUNTY, OHIO





Dave Yost • Auditor of State

LAKETRAN

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 23, 2016**