

LAKETRAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016
(CONTINUED)

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

Cash and investments at 2017 year-end were as follows:

Measurement/Investment	Balance Sheet	GASB 3 Reclass	Measurement Amount	Credit Rating (*)	Investment Maturities (in Years)		
					< 1	1-2	> 2-5
NAV Share:							
STAR Ohio	\$ 0	\$ 1,507,753	\$ 1,507,753	AAAm	\$ 1,507,753	\$ 0	\$ 0
Fair Value:							
Money Market Mutual Fund	1,020,965	0	1,020,965	N/A	1,020,965	0	0
Certificates of Deposit	3,298,626	0	3,298,626	N/A	874,885	2,423,741	0
U.S. Government and Agency Securities	6,023,843	0	6,023,843	AA+	0	986,790	5,037,053
Investment derivative instrument	484,408	0	484,408	N/A	484,408	0	0
Total Investments	10,827,842	1,507,753	12,335,595		\$ 3,888,011	\$ 3,410,531	\$ 5,037,053
Carrying Amount of Deposits	5,433,146	(1,507,753)	3,925,393				
Cash Held with Other Governments	227,973	0	227,973				
Petty Cash	500	0	500				
Totals	\$ 16,489,461	\$ 0	\$ 16,489,461				

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

Laketrans has categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies Laketrans's recurring fair value measurements as of December 31, 2017. As previously discussed, STAR Ohio is reported at its net asset value. All other investments measured at fair value are valued using quoted market prices (Level 1 inputs).

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, 2017 and 2016, Laketrans recognized \$2,406,505 and \$2,312,824, respectively. In addition, Laketrans recognized capital grants reimbursements as revenue in 2017 and 2016 of \$1,460,535 and \$7,543,724, 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, 2017 and 2016, Laketrans recognized revenue of \$629,494 and \$222,062, respectively.