

LAKE COUNTY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2016 Unaudited

The discussion and analysis of Lake County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, net position increased \$29,407,015. Net position of governmental activities increased \$6,898,583, which represents a 3 percent increase from 2015. Net position of business-type activities increased \$22,508,432 or 10 percent from 2015.

General revenues accounted for \$120,933,116 in revenue or 53 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$105,949,834 or 47 percent of total revenues of \$226,882,950.

Total assets of governmental activities increased by \$12,243,254, and total assets of business-type activities increased by \$5,858,929.

The County had \$174,363,897 in expenses related to governmental activities; only \$60,501,672 of these expenses were offset by program specific charges for services, grants or contributions. Additional general revenues of \$120,625,808 were sufficient to offset the remainder of the total expenses, thus resulting in the net position increase disclosed above.

The County's net pension liability implemented under GASB 68 increased to \$106,151,474 from \$74,172,952. For more information on this liability see Note J to the basic financial statements.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lake County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.