*This should be printed on the County’s letterhead or otherwise clearly noted that it is the County’s document. The County’s MD&A must comply with the provisions of GASB Statement 34 but cannot go beyond those provisions. Refer to GASB Statement 34, paragraphs 8-11 and GASB Statement 37, paragraph 4.*

Our discussion and analysis of the County’s financial performance provides an overview of the County’s financial activities for the year ended June 30, 2024. Please read it in conjunction with the transmittal letter on page \_\_\_ and the County’s basic financial statements, which begin on page \_\_\_. *Modify as needed.*

## \_\_\_\_\_\_\_\_\_\_\_County in 2024

## Using this annual report—

*Explain the reporting model—including how the statements relate to one another and the significant differences between them. Describe how the information in the fund financial statements reinforces the information in the government-wide statements, or at least provides additional information.*

## Overall analysis—

*Discuss the County’s current-year results in comparison with the prior year, emphasizing the current year. Explain the County’s overall financial position from the statement of net position and results of operations from the statement of activities in a way that helps users assess whether conditions are better or worse than the previous year and why. The focus of the analysis should be on the primary government, addressing both governmental and business-type activities, as applicable. If component units must be discussed, be sure readers know that the discussion’s focus has shifted. Also, when appropriate, the County’s MD&A should refer readers to the component units’ separately issued financial statements.*

*The analysis must provide the reasons for significant changes rather than simply the amounts or percentages of change. The analysis should also take into account any important economic factors that significantly affected the County’s operating results during the year. Use graphics where appropriate. Also, where appropriate, incorporate the required elements listed in the next section. Further, explain any restrictions, commitments, or other limitations that significantly affect the future use of resources.*

## Required elements—

*The County should present the information needed to support the preceding analysis. Accordingly, MD&A must include condensed financial information derived from the government-wide financial statements comparing the current year to the prior year and must include the following elements:*

* *Total assets, distinguishing between capital and other assets*
* *Total deferred outflows of resources*
* *Total liabilities, distinguishing between long-term liabilities and other liabilities*
* *Total deferred inflows of resources*
* *Total net position, distinguishing among net investment in capital assets, restricted amounts, and unrestricted amounts*
* *Program revenues, by major source*
* *General revenues, by major source*
* *Total revenues*
* *Program expenses, at a minimum by function*
* *Total expenses*
* *Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers*
* *Contributions*
* *Special and extraordinary items*
* *Transfers*
* *Change in net position*
* *Ending net position*

## Fund analysis—

*Discuss individual funds’ balances and transactions. Explain the reasons for any significant changes in fund balances or fund net position. Also, explain any restrictions, commitments, or other limitations that significantly affect the future use of fund resources.*

## Budget variations analysis—

*If appropriate and for the General Fund only, discuss significant variations between the original and final budget, and between the final budget and the actual amounts. Make a particular point of addressing any variations that could have a significant effect on future services or liquidity.*

## Capital asset and debt administration—

*Describe significant capital asset and long-term debt activity, including commitments for capital expenditures. Also, discuss any changes in the County’s credit ratings and debt limitations that may affect its ability to finance its plans.*

## Infrastructure modified approach—

*If the County is using the modified approach for reporting infrastructure, it must also discuss the following:*

* *Significant changes in the assessed condition of eligible infrastructure assets from previous condition assessments.*
* *How the current assessed condition compares with the condition level the government has established.*
* *Any significant differences from the estimated annual amount to maintain/preserve eligible infrastructure assets compared with the actual amounts spent during the current period.*

## Other significant matters—

*Comment on any facts, decisions, or conditions known as of the auditors’ report date that could significantly impact the County’s financial position or results of operations. Examples of these types of situations include the acceptance or termination of major grant awards, claims adjudicated, natural disasters, pandemics, significant changes in tax rates, pollution remediation obligations, etc. These matters should include situations that occurred during the year and up through the auditors’ report date and include only known facts, decisions, and conditions.*

### General guidance (GASB No. 100, paragraphs 35 through 39)—

*Change in accounting principle and change to or within the financial reporting entity*

* *For reporting periods that are presented in the basic financial statements, information for those periods that is presented in required supplementary information (RSI) (including management’s discussion and analysis [MD&A]) or supplementary information (SI) should be consistent with the manner in which the information for those periods is presented in the basic financial statements. (That is, the reporting periods should be adjusted or restated in the same manner as the basic financial statements.)*
* *For prior reporting periods that are*earlier*than those presented in the basic financial statements, information for those prior periods that is presented in RSI (including MD&A) or SI should not be restated for a change in accounting principles or a change to or within the financial reporting entity.*
* *If prior-period information presented in RSI (including MD&A) or SI is not consistent with current-period information as a result of a change in accounting principle or a change to or within the financial reporting entity, an explanation of why the information is not consistent should be provided in RSI (including MD&A) or SI, as applicable. In MD&A, that explanation should include a reference to the related note disclosure in the basic financial statements.*

*Error correction*

## *Error correction*

* *For reporting periods that are presented in the basic financial statements, information for those periods that is presented in RSI (including MD&A) or SI should be restated. If the error affects periods earlier than those presented in the basic financial statements, all affected information should be corrected by restating the information for those prior periods in RSI (including MD&A) or SI, if practicable.*
* *Information presented in RSI (including MD&A) or SI that is affected by an error should be identified as restated or not restated, as appropriate, and an explanation about the nature of the error should be provided in RSI (including MD&A) or SI, as applicable. In addition, if it is not practicable to restate information in RSI or SI, an explanation of why it is not practicable to restate should be provided in RSI (including MD&A) or SI, as applicable.*