



County Technical Assistance Service

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Management Discussion and Analysis

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Management Discussion and Analysis

Reference Number: CTAS-1993

The Management Discussion and Analysis (MD&A) is a narrative that provides a brief, objective, and easily readable analysis of the government's financial activities based upon currently known facts, decisions, or conditions. Further, it provides the management of a county government with the opportunity to present both a short-term and a long-term analysis of activities. MD&A is not a required part of the basic financial statements, but is supplementary information required by the GASB.

Currently, the omission of the MD&A will not adversely affect the audit opinion of a Tennessee county's financial statements. Any county that decides to include a MD&A should reference the latest edition of Governmental Accounting, Auditing and Financial Reporting (i.e. the Blue Book) and the [Government Finance Officers Association Web site](#) for the most up-to-date reporting requirements. Management also should communicate with their external auditor about the desire to prepare an MD&A in order to determine when the narrative must be completed for inclusion into the audit report.

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