*This should be printed on the District’s letterhead or otherwise clearly noted that it is the District’s document. The District’s MD&A must comply with the provisions of GASB Statement No. 34 but cannot go beyond those provisions. Refer to GASB Statement No. 34, paragraphs 8-11 and GASB Statement No. 37, paragraph 4.*

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

## \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_County Community College District in 2024

## Using this annual report

*Explain the reporting model—give a brief description of each financial statement, including how the statements relate to one another.*

## Analysis—

*Discuss the District’s current-year results in comparison with the prior year, emphasizing the current year. Explain the District’s overall financial position from the statement of net position and results of operations from the statement of revenues, expenses, and changes in net position in a way that helps users assess whether conditions are better or worse than the previous year and why. MD&A should focus on the District. Determining whether to discuss matters related to a component unit is a matter of professional judgment and should be based on the component unit’s significance and relationship with the District. If a component unit must be discussed, be sure the readers know that the discussion’s focus has shifted. When appropriate, the District’s MD&A should refer readers to the component unit’s separately issued financial statements.*

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

## Required elements—

## *The District should present the information needed to support the preceding analysis. Accordingly, MD&A must include comparative financial data derived from the 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.*
* *Operating revenues, by major source.*
* *Total revenues.*
* *Operating expenses, by function.*
* *Total expenses.*
* *Income before contributions to term and permanent endowments or permanent fund principal and special and extraordinary items.*
* *Contributions.*
* *Special and extraordinary items.*
* *Change in net position.*
* *Ending net position.*

## 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 District’s credit ratings and debt limitations that may affect its ability to finance its plans.*

## Other significant matters—

*Comment on any facts, decisions, or conditions known as of the auditors’ report date that could significantly impact the District’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 increases in tuition rates, pollution remediation obligations, etc. These matters should include situations that occurred during the year and up through the auditors’ report date.*

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

### General guidance (GASB Statement 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.*