*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 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 District’s financial performance provides an overview of the District’s financial activities for the year ended June 30, 2023. 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 2023

## 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 should focus on 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 continued COVID-19 pandemic, acceptance or termination of major grant awards, claims adjudicated, natural disasters, 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.*