



WELD COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2010

High Plains Library District

2650 W. 29th Street
Greeley, Colorado 80631

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2010

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Janine Reid

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Prepared by:
Andrew Romero, CGFM
Finance Director

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June 1, 2011

To the Members of the Board of Trustees and Patrons of the High Plains Library District:

State Law requires that the High Plains Library District (HPLD) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the HPLD for the fiscal year ended December 31, 2010.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the HPLD has established a system of internal controls that are designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Anderson & Whitney, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The High Plains Library District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District is considered to be a "Library District" established through Colorado State Statute (C.R.S. 24-90-110) and governed by the Colorado Library Law, Article 90 of Title 24, Colorado Revised Statutes, as amended (the "Act"). The District was established on September 11, 1985 by the Weld County Board of County Commissioners, the city councils of Evans, Fort Lupton, Greeley, the town boards of Ault, Eaton, Hudson and the Governing Board of Fort Lupton School District No. RE-8. The District is fiscally, managerially and operationally an independent political subdivision of the State of Colorado.

There are five branch libraries and two outreach vehicles that provide services to patrons throughout the High Plains Library District. Three branches are located in the City of Greeley, one in Erie, and one in Firestone. The towns of Ault, Eaton, Hudson, Johnstown, Platteville, and the city and school district of Fort Lupton, which are located within the District's boundaries, own and operate their own library facilities. The District provides centralized support services to these locations. The citizens of these municipalities pay ad valorem property taxes to the District as District residents. Two-thirds of those ad valorem property taxes are then given to these towns for library operations and capital expenditures. The District retains one-third for providing centralized support services. The District operates two public computer centers at the Evans Community Complex and at the Dominic Apartments in east Greeley. Wellspring Library located within North Colorado Medical Center in Greeley is an affiliated Library.

The Weld Library Finance Corporation (WLFC) was formed in 2001 for the purpose of purchasing, leasing or otherwise acquiring certain real property and to construct or install certain improvements in the service area of the District. The WLFC is included as a blended component unit within the financial statements of the District.

Administrative and support departments includes the Executive Director, Human Resources, Public Information, Finance, Facilities Services, Information Technology, Collection Resources, and Outreach all located at the District's Administration and Support Services building.

Management and control of the District is vested in a board of trustees consisting of seven members, all of whom are appointed by a committee representing the original towns that established the District. Trustees serve staggered five-year terms. The trustees hold regular monthly meetings and special meetings when necessary. Board members are prohibited by law from receiving compensation for their services; however, they may be reimbursed for necessary travel, training or miscellaneous expenses.

The annual budget serves as the foundation for the High Plains Library District's (HPLD) financial planning and control. HPLD is required to submit a request for appropriation to the State of Colorado no later than January 31 of each year. The HPLD begins the budgeting process in July each year and develops a proposed budget. The Executive Director presents this proposed budget to the Board of Trustees for review prior to October 15. The Board of Trustees is required to hold public hearings on the proposed budget and to adopt a final budget on or before December 31, the close of the District's fiscal year. The appropriated budget is prepared by fund, account, location, and department. Budget-to-actual comparisons are provided in this report for the general fund, debt service fund, and capital projects fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the High Plains Library District operates.

Local economy: The national, state, and local economies are slowly starting to show improving economic conditions. Colorado continues to fare better relative to the rest of the country, but is still not without its own unique challenges. Even though the state is seeing improving conditions in personal income, employment growth remains weak. The recession was late to hit Colorado and it is yet to be determined whether the State will lead or lag the national recovery.

The employment situation at both the national and State levels continue to be the largest economic concern as the nation begins its slow recovery out of the recession. The unemployment rate in Colorado has averaged 7.9 percent during 2010, which is close to two percent below the national rate. Slowly improving labor market conditions will keep the forecasted Colorado unemployment rate above six percent through 2013. Weld County's unemployment rate has been running about two percentage points higher than the Colorado state average, which is closer to the national average

The effects of the recession have had a negative effect on retail trade in Colorado. Weak labor market conditions, reduction in personal income, and overall decrease in consumer confidence played a large part in the precipitous drop. The forecast for 2010 was retail trade recovery at a slow pace of 3.6 percent. The modest increase is in large part due to the slow recovery in employment. The forecast for this year has retail trade increasing five percent and seven percent in 2012.

Construction in Colorado, including Weld County, has been hit hard by the recession. Nonresidential construction has experienced back-to-back contractions of 12.5 percent and 22.4 percent during 2008 and 2009. Conditions are mixed for Colorado moving forward. Historically low interest rates bode well for new capital construction, but the difficulty in obtaining financing will continue to be an overarching constraint in 2011. Residential housing permits in Colorado ended down 50.5 percent in 2009. There is projected to be slight increases to the lower 2009 base in 2010 and 2011; however, the permit levels prior to the recession are not projected to return for three to five years.

Home prices have declined in Colorado and in Weld County in the last three years. Month-to-month changes still show declining prices, albeit at a decreasing rate. Many economists fear that the housing slump is not over and predict a real possibility of some more price decline. They note that the end of the federal tax credit, weak job growth, tighter credit and millions more foreclosures ahead will weigh on the home market and housing values.

Improvement in the current economic condition is expected to occur gradually as the labor market recovers and consumer spending continues to improve. However, uncertainty continues to characterize the national economy, which grapples with exceptional unemployment rates. Economic indicators consistently present varied indications of where the economy is headed in 2011 and beyond. Changes in central bank policies, the global debt crisis, fiscal policies, and banking sector difficulties could significantly affect economic forecast expectation either positively or negatively, which in turn will affect economic expectations for the Colorado economy and Weld County's local economy. One thing most economists agree upon is that the recovery from the recent recession is going to be at a much slower rate than historical recoveries, and the full recovery could take up to five years.

Although the financial health of the HPLD is currently excellent, it is important to look to the future issues, possible problems and alternative solutions to these problems. Besides the traditional role of budgeting to responsibly manage available current year funding there must be a continued emphasis of long-term planning, recognition of the cumulative effect of individual decisions, an awareness of changing realities, flexibility, patron input in setting priorities, and a focus of goals and objectives consistent with the core philosophy and mission statement.

Challenging fiscal times test the strength of an organization's backbone, but they also provide an opportunity to review and strengthen policies, enhance the analytical knowledge of the organization, and inspire perspectives. It is an opportunity for departmental-level reviews and analysis. It is a time to align strategies and programs to maximize the positive impacts on services to District's patrons and find innovative ways to reduce costs and leverage resources. A major challenge or crisis can provide impetus to innovate and make changes that would nearly be impossible in better times.

Prioritizing services is essential in addressing the budgetary challenge. Services cannot be provided as they always have been. More than likely the HPLD will have to do more with less, do less of, or simply stop providing some services to concentrate on a more limited number of high priority programs.

Long-term financial planning: The District's bi-annual budget process includes the preparation of a five year capital improvement plan (CIP) and a ten year forecast of revenues and expenditures. The CIP identifies major construction and equipment needs that are on the horizon, as well as projections of those revenues dedicated for capital purchases. Also of keen interest is the continued view beyond five years as to how operational expenditures will be met by the known revenue sources.

A key component of the CIP is the District's commitment to maintaining its current infrastructure. Buildings and parking lots are evaluated annually, with resources dedicated to keeping infrastructure at acceptable quality levels and avoiding more costly major repairs and reconstruction. While the five year CIP is a planning tool that is subject to change, it allows the District to prepare for major capital needs and match those needs with the appropriate projected revenue sources. This process also helps the District plan for potential debt issuances to finance needed projects.

Relevant financial policies: The Colorado Constitutional Amendment passed in November 1992, commonly known as the Taxpayer Bill of Rights (TABOR), restricts growth in governmental spending and revenues, with those amounts adjusted annually for inflation and a local growth factor. In November 1999, Weld County voters approved a referendum that allowed the HPLD to retain revenues that might otherwise have been refundable to citizens under the TABOR limits. As a result, the HPLD is able to retain any "excess" revenues and spend them for capital improvements, district operations and services, and other patron purposes. The District continues to be subject to other provisions of TABOR, including maintaining an emergency reserve equal to 3% of annual spending and the requirement for elections to approve any tax increase.

Major initiatives: Of the District's total budgeted operating expenditures the 2011 year will see a decline to 12 percent dedicated to library materials compared to the norm of 15 percent, mainly due to the reduction of property tax revenue. Library materials include books, periodicals, compact discs, cassettes, videos, electronic resources and DVD's. Trying to maintain this level of spending insures that the inventory is kept fresh and up to date.

The District reduced its workforce by 10FTE's during 2010, through attrition. Reorganized work and introducing new automation have helped to compensate for less employees.

On August 31, 2010 the HPLD issued the Certificates of Participation Notes, Series (COPS) 2010, to finance the advance refunding of the District's outstanding COPS Series 2001 Certificates as well as provide new cash for the renovation and improvement of the Centennial Park Library.

Looking ahead: During the second quarter of 2011 the District will be implementing eight (8) Public Computer Centers throughout Weld County. The majority of funding for these computer centers is being sponsored by a grant from the Department of Commerce's National Telecommunications Information Administration Broadband Technology Opportunities Program, administered through the Colorado Department of Education. One full time and two part time employees will be hired to oversee these centers. Also during the second quarter of 2011, the District will be receiving a report from Godfrey's and Associates, Inc. on a needs assessment and master service plan study which will assist the District in planning its future programs, capital plans and projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the High Plains Library District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the eighth consecutive year that the High Plains Library District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all members of the District who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the High Plains Library District's finances. We would also like to express our appreciation to the audit firm of Anderson & Whitney, P.C. who provided guidance in preparing the annual report.

Respectfully submitted,



Janine Reid
Executive Director

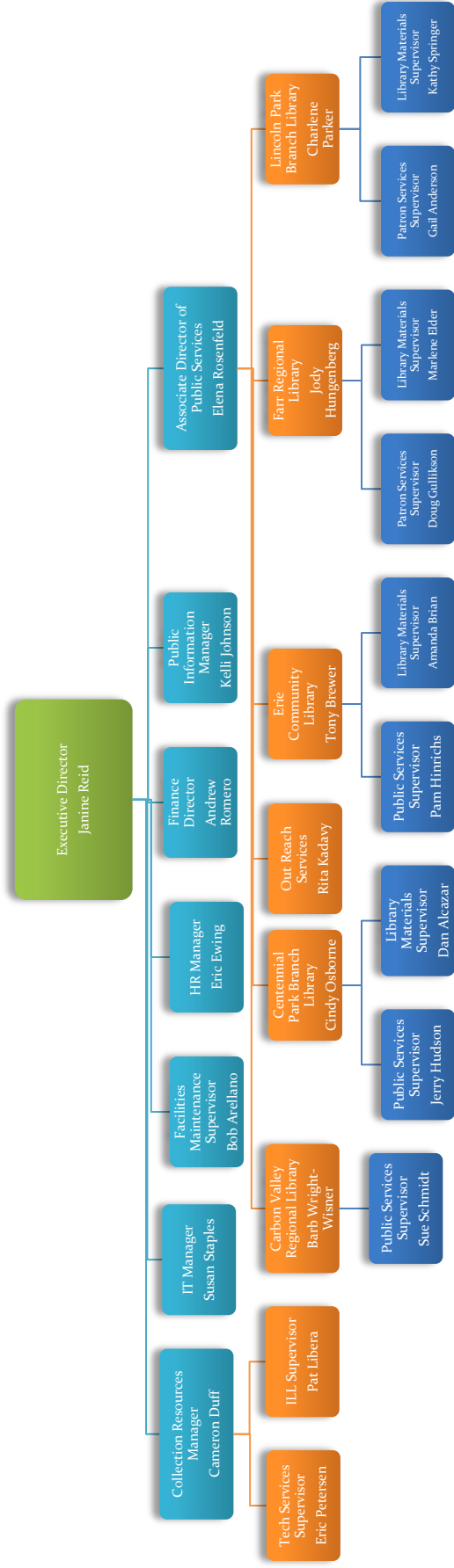


Andrew Romero, CGFM
Finance Director

HIGH PLAINS LIBRARY DISTRICT
PRINCIPAL DISTRICT OFFICIALS

Janine ReidExecutive Director
Elena RosenfeldAssociate Director for Public Services
Bob ArellanoFacilities Supervisor
Eric EwingHuman Resources Manager
Melissa Jensen Foundation Director
Kelli Johnson Public Information Coordinator
Andrew RomeroFinance Director
Susan Staples Information Technology Manager
VacantCollection Resources Manager

High Plains Library District - 2010



Certificate of Achievement for Excellence in Financial Reporting

Presented to

High Plains Library District
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



Independent Auditors' Report

Board of Directors
High Plains Library District
Greeley, Colorado

We have audited the accompanying financial statements of the governmental activities and the major funds of the High Plains Library District as of December 31, 2010, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the High Plains Library District as of December 31, 2010, and the changes in its financial position and the General Fund budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States.

Management Discussion and Analysis is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the High Plains Library District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Anderson & Whitney, P.C.

June 1, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the High Plains Library District for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- High Plains Library District's assets exceeded liabilities by \$26.1 million at the end of 2010. Of this amount, \$12.7 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$13.4 million are capital assets or are restricted by law.
- The District's General Fund balance was \$13.4 million as of December 31, 2010. Of this amount, \$555,749 is reserved for emergencies.
- The 2010 General Fund balance is \$2.6 million higher than the previous year. The total fund balance is 83% of 2010 General Fund operating expenditures and transfers out.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including budgeting comparison statements for certain funds, and a statistical section.

Government-wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements can be found on pages 16-21 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. High Plains Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the High Plains Library District can be categorized as governmental funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

High Plains Library District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund. Individual fund data for the Debt Service Fund and Capital Projects Fund is provided in the form of a budget comparison schedule on pages 34-35 of this report.

The basic governmental fund financial statements can be found on pages 16 through 21 of this report.

Budgetary comparisons: High Plains Library District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the General Fund on pages 22 to 23 of this report. Budget to actual comparison for the Debt Service and Capital Projects funds is provided on pages 34 and 35.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets: As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2010, assets exceeded liabilities by \$26.1 million.

The following table provides a summary of the District's net assets at December 31:

Table 1 - Net Assets (in Millions)		
	2010	2009
Assets		
Current and other assets	\$ 29.1	\$29.6
Capital assets	30.9	30.8
Total assets	60.0	60.4
Liabilities		
Current and other liabilities	15.6	17.9
Long-term liabilities	18.3	19.6
Total liabilities	33.9	37.5
Net Assets		
Invested in capital assets, net of related debt	12.0	11.4
Restricted	1.4	1.4
Unrestricted	12.7	10.1
Total net assets	\$ 26.1	\$22.9

A significant portion of High Plains Library District's net assets (49%) represents unrestricted net assets of \$12.7 million, which may be used to meet the Library District's ongoing obligations to citizens and creditors.

Another significant portion of the Library District's net assets (46%) reflects its investment in capital assets. These assets include land, buildings, furniture, and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The District's outstanding debt consists of the certificates of participation for the construction of the Farr Regional Library, the Carbon Valley Regional Library, the Erie Community Library, and remodel of other facilities. High Plains Library District has no other debt.

An additional \$1.5 million of the District's net assets (5%) represents resources that are subject to external restrictions on how they may be used. Included in this category are the reserves for TABOR emergency and debt service requirements.

The following table indicates the changes in net assets:

Governmental Activities	2010	2009
Revenues:		
General revenues:		
Property and specific ownership taxes	\$17,951,004	\$14,327,106
Investment earnings	238,444	420,081
Program revenues:		
Charges for services	194,511	193,076
Operating grants and contributions	117,225	116,061
Capital grants and contributions	25,000	-
Total revenues	18,526,184	15,056,324
Expenses:		
Library services	11,486,546	10,881,437
Operations and maintenance	2,153,718	1,741,636
Depreciation	904,340	856,328
Interest on long-term debt	772,337	927,203
Total expenses	\$15,316,941	14,406,604
Increase in net assets	\$ 3,209,243	\$649,720

Governmental activities

Governmental activities increased High Plains Library District's net assets by \$3,209,243 in 2010. The key element to this increase was the increased property taxes from increases in assessed property valuations for the 2010 collection year.

Expenses totaled a 6.3% increase over the previous year. Increases occurred in most categories due to the costs of providing services to a growing patron population. Distributions to member libraries also increased as they are related to increased property taxes.

FINANCIAL ANALYSIS OF THE LIBRARY DISTRICT'S FUNDS

As noted earlier, High Plains Library District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview: The focus of Library District governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of 2010, the combined ending fund balance of High Plains Library District governmental funds was \$14.8 million. Approximately 86% of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: 1) state-constitution mandated emergency reserve of \$555,749, 2) a debt service reserve of \$916,009, and 3) a capital projects reserve of \$519,060.

The District has three major governmental funds:

1. **General Fund.** This is the primary operating fund of the High Plains Library District. It accounts for all of the District's library services. The general fund balance was \$13.4 million as of December 31, 2010. The 2010 fund balance is \$2.6 million more than the previous year. As a measure of the General Funds liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 80% of total 2010 expenditures and transfers out, while total fund balance is 83% of the same amount.
2. **Debt Service Fund.** The debt service fund has a fund balance of \$916,009 all of which is reserved for the payment of debt. This balance decreased during the year due to the lower reserve requirements in the 2010 refunding certificates of participation.
3. **Capital Projects Fund.** The capital projects fund has a fund balance of \$519,060 for the remodeling of the Centennial Park Library. This balance is part of the proceeds of the 2010 certificates of participation.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

In December of 2009, the Board of Trustees appropriated \$17.3 million for general fund expenditures and other financing uses, anticipating an increase in the fund balance by \$1.9 million. The actual increase was \$2.6 million due to the fact that property tax revenues increased by 22% compared to last year and expenditures were held well under budget. The budget was not amended during the year.

Table		
2010 General Fund Budget		
(in Millions)		
	Budget	Actual
Beginning Fund Balance	\$ 10.8	\$10.8
Revenue	19.2	18.5
Expenditures and other financing uses	(17.3)	(15.9)
Ending Fund Balance	\$ 12.7	\$ 13.4

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: High Plains Library District's investment in capital assets for its governmental activities as of December 31, 2010 totals \$30.9 million (net of accumulated depreciation). This investment includes all land, buildings, opening day collections, furniture, and equipment.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-term debt: At December 31, 2010, High Plains Library District had outstanding long-term debt (principal amount) of \$20 million in Certificates of Participation (COP's), funded by lease payments for building the Farr Regional Library, the Carbon Valley Regional Library, the Erie Community Library, and remodeling the other facilities. During 2010, the 2001 COP's were refunded to gain lower interest rates and to provide \$1.2 million for the remodeling of the Centennial Park Library.

Additional information on High Plains Library District's debt can be found in Note 5.

OTHER MATTERS

The following factors are expected to have a significant effect on the High Plains Library District's financial position or results of operations and were taken into account in developing the 2011 budget:

- Continued modest growth in Weld County causes increased demands in all service areas of the library system.
- Oil and gas property tax revenues continue to be high but volatile. Property tax revenue is expected to be 20% lower in 2011 than 2010; expenditures for 2011 will be monitored closely.
- Lower interest rates may continue to result in less investment income.
- Continued economic crisis will take its toll on the State of Colorado and Weld County.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of High Plains Library District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Finance Director, 2650 West 29th Street Greeley, CO 80631.

HIGH PLAINS LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET/ STATEMENT OF NET ASSETS

December 31, 2010	General Fund	Debt Service Fund	Capital Projects Fund	Total
<u>ASSETS</u>				
Cash and Investments	\$13,869,190	\$ 967,534	\$ 519,060	\$15,355,784
Receivables:				
Property taxes	13,608,864	-	-	13,608,864
Other libraries	13,680	-	-	13,680
Debt issuance costs	-	-	-	-
Capital Assets:				
Depreciable	-	-	-	-
Nondepreciable	-	-	-	-
Total Assets	\$27,491,734	\$ 967,534	\$ 519,060	\$28,978,328
<u>LIABILITIES</u>				
Accounts Payable	\$ 305,828	\$ -	\$ -	\$ 305,828
Accrued Expenses	220,773	51,525	-	272,298
Unearned Revenue	13,608,864	-	-	13,608,864
Long-Term Liabilities:				
Due within one year	-	-	-	-
Due after one year	-	-	-	-
Total Liabilities	14,135,465	51,525	-	14,186,990
<u>FUND BALANCES/NET ASSETS</u>				
Fund Balances:				
Reserved for:				
Emergencies	555,749	-	-	555,749
Debt service	-	916,009	-	916,009
Capital projects	-	-	519,060	519,060
Unreserved	12,800,520	-	-	12,800,520
Total Fund Balances	13,356,269	916,009	519,060	14,791,338
Total Liabilities and Fund Balances	\$27,491,734	\$ 967,534	\$ 519,060	\$28,978,328
Net Assets:				
Invested in capital assets, net of debt				
Restricted for debt service and emergencies				
Unrestricted				
Total Net Assets				

See Accompanying Notes to Financial Statements.

Adjustments (Note 10)	Statement of Net Assets
\$ -	\$15,355,784
-	13,608,864
-	13,680
129,523	129,523
27,747,090	27,747,090
3,211,822	3,211,822
<u>\$31,088,435</u>	<u>\$60,066,763</u>
\$ -	\$ 305,828
-	272,298
-	13,608,864
1,425,000	1,425,000
18,312,877	18,312,877
<u>19,737,877</u>	<u>33,924,867</u>
(555,749)	-
(916,009)	-
(519,060)	-
(12,800,520)	-
<u>(14,791,338)</u>	-
12,011,872	12,011,872
1,471,758	1,471,758
12,658,266	12,658,266
<u>\$26,141,896</u>	<u>\$26,141,896</u>

HIGH PLAINS LIBRARY DISTRICT

STATEMENT OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCES/ STATEMENT OF ACTIVITIES

Year Ended December 31, 2010	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenue:				
General property taxes	\$ 16,874,455	\$ -	\$ -	\$ 16,874,455
Specific ownership taxes	1,044,416	-	-	1,044,416
Penalties and interest on delinquent taxes	32,133	-	-	32,133
Charges for services	23,787	-	-	23,787
Library fines	170,724	-	-	170,724
Earnings on investments	237,220	716	508	238,444
Contributions in kind - rent	113,750	-	-	113,750
Donations	4,690	-	-	4,690
Grant	25,000	-	-	25,000
Miscellaneous	(1,215)	-	-	(1,215)
Total Revenue	18,524,960	716	508	18,526,184
Expenditures/Expenses:				
Current:				
Salaries, wages, and benefits	6,249,559	-	-	6,249,559
Supplies	274,181	-	-	274,181
Small equipment	9,686	-	-	9,686
Software	119,076	-	-	119,076
Postage	23,989	-	-	23,989
Printing	11,547	-	-	11,547
Book collections	654,338	-	-	654,338
Periodicals	46,591	-	-	46,591
Public relations	75,333	-	-	75,333
Audio visual	327,802	-	-	327,802
CD and online databases	225,107	-	-	225,107
Telephone	147,462	-	-	147,462
Contract services	422,866	-	-	422,866
Buildings and grounds	140,732	-	-	140,732
Travel and meetings	120,715	-	-	120,715
County Treasurer's fees	253,787	-	-	253,787
Maintenance of equipment	534,602	-	-	534,602
Memberships	14,018	-	-	14,018
Miscellaneous	25,835	-	90	25,925
Insurance	46,303	-	-	46,303
Rent	113,750	-	-	113,750
Utilities	333,558	-	-	333,558
Grants-in-aid	3,431,457	-	-	3,431,457
Depreciation	-	-	-	-
Total Current	13,602,294	-	90	13,602,384

Continued on next page.

Adjustments (Note 11)	Statement of Activities
\$ -	\$ 16,874,455
-	1,044,416
-	32,133
-	23,787
-	170,724
-	238,444
-	113,750
-	4,690
-	25,000
-	(1,215)
-	18,526,184
37,880	6,287,439
-	274,181
-	9,686
-	119,076
-	23,989
-	11,547
-	654,338
-	46,591
-	75,333
-	327,802
-	225,107
-	147,462
-	422,866
-	140,732
-	120,715
-	253,787
-	534,602
-	14,018
-	25,925
-	46,303
-	113,750
-	333,558
-	3,431,457
904,340	904,340
942,220	14,544,604

HIGH PLAINS LIBRARY DISTRICT

STATEMENT OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES - Continued

Year Ended December 31, 2010	General Fund	Debt Service Fund	Capital Projects Fund	Total
Expenditures/Expenses - Continued:				
Capital Outlay	\$ 364,059	\$ -	\$ 685,131	\$ 1,049,190
Debt Service:				
Principal	-	1,235,000	-	1,235,000
Interest	-	772,337	-	772,337
Debt issue costs	-	129,523	-	129,523
Total Expenditures/Expenses	13,966,353	2,136,860	685,221	16,788,434
Revenue Over (Under) Expenditures	4,558,607	(2,136,144)	(684,713)	1,737,750
Other Financing Sources (Uses):				
Transfers - internal activities	(1,993,701)	1,993,701	-	-
Proceeds from Refunding Debt	-	8,380,000	1,200,000	9,580,000
Payment to Refunded Debt Escrow Agent	-	(8,293,903)	-	(8,293,903)
Net Change in Fund Balances/Net Assets	2,564,906	(56,346)	515,287	3,023,847
Fund Balances/Net Assets, Beginning of Year	10,791,363	972,355	3,773	11,767,491
Fund Balances/Net Assets, End of Year	\$13,356,269	\$ 916,009	\$ 519,060	\$14,791,338

See Accompanying Notes to Financial Statements.

Adjustments (Note 11)	Statement of Activities
\$ (1,049,190)	\$ -
(1,235,000)	-
-	772,337
(129,523)	-
(1,471,493)	15,316,941
1,471,493	3,209,243
-	-
(9,580,000)	-
8,293,903	-
185,396	3,209,243
11,165,162	22,932,653
\$ 11,350,558	\$26,141,896

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON STATEMENT - GENERAL FUND

Year Ended December 31, 2010	Actual	Original and Final Budget	Variance
Revenue:			
General property taxes	\$ 16,874,455	\$ 16,902,443	\$ (27,988)
Specific ownership taxes	1,044,416	1,236,000	(191,584)
Penalties and interest on delinquent taxes	32,133	31,214	919
Grants	25,000	200,000	(175,000)
Charges for services	23,787	24,720	(933)
Library fines	170,724	149,350	21,374
Earnings on investments	237,220	515,000	(277,780)
Contributions - in kind	113,750	113,750	-
Donations	4,690	-	4,690
Miscellaneous	(1,215)	11,330	(12,545)
Total Revenue	18,524,960	19,183,807	(658,847)
Expenditures:			
Current:			
Salaries, wages, and benefits	6,249,559	6,615,663	366,104
Supplies	274,181	387,521	113,340
Small equipment	9,686	44,400	34,714
Software	119,076	124,227	5,151
Postage	23,989	46,000	22,011
Printing	11,547	26,450	14,903
Book collection	654,338	744,700	90,362
Periodicals	46,591	60,000	13,409
Public relations	75,333	82,097	6,764
Audio visual	327,802	368,000	40,198
CD and Online databases	225,107	190,500	(34,607)
Telephone	147,462	126,974	(20,488)
Contract services	422,866	582,486	159,620
Buildings and grounds	140,732	93,217	(47,515)
Travel, training, and meetings	120,715	118,019	(2,696)
County Treasurer's fees	253,787	253,538	(249)
Maintenance of equipment	534,602	422,425	(112,177)
Memberships	14,018	15,170	1,152
Miscellaneous	25,835	10,176	(15,659)
Insurance	46,303	88,313	42,010
Rent	113,750	113,750	-
Utilities	333,558	343,643	10,085
Grants-in-aid	3,431,457	3,431,457	-
Total Current	13,602,294	14,288,726	686,432
Capital Outlay	364,059	1,002,295	638,236
Total Expenditures	13,966,353	15,291,021	1,324,668

Continued on next page.

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON STATEMENT - GENERAL FUND - Continued

Year Ended December 31, 2010	Actual	Original and Final Budget	Variance
Revenue Over Expenditures	\$ 4,558,607	\$ 3,892,786	\$ 665,821
Other Financing Sources (Uses):			
Transfer to Debt Service Fund	(1,993,701)	(1,996,628)	2,927
Excess of Revenue Over Expenditures and Other Financing Sources (Uses)	2,564,906	1,896,158	668,748
Fund Balances - Beginning	10,791,363	10,791,363	-
Fund Balances - Ending	\$13,356,269	\$12,687,521	\$ 668,748

See Accompanying Notes to Financial Statements.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the High Plains Library District (the District) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

The Weld Library District was established on September 11, 1985, under the provisions of Article 90 of Title 24 of the Colorado Revised Statutes. The Weld County Commissioners together with the city councils of Evans, Fort Lupton, and Greeley, and the town boards of Ault, Eaton, and Hudson, Colorado, and the governing board of Weld School District RE-8 acted to establish the Weld Library District. On April 21, 2008, the District's Board of Trustees approved a name change to the High Plains Library District. The Library District Board was originally appointed by the Weld County Commissioners with concurrence of the city councils and has total autonomy under the State Library Act to incur debt, establish budgets, and levy property taxes to support the District's library system.

In addition, the Weld Library Finance Corporation was formed in 2001 for the purpose of purchasing, leasing, or otherwise acquiring certain real property and to construct or install certain improvements in the service area of the District. The Weld Library Finance Corporation is blended with the financial statements of the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental entities. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Government-wide and Fund Financial Statements:

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Government activities are supported by taxes and intergovernmental revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of the District.

The *capital projects fund* accounts for the acquisition and construction of major capital facilities.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition and construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Budget:

An annual budget and appropriation ordinance is adopted by the Board in accordance with the Colorado State Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all governmental funds. The accounting system is employed as a budgetary management control device during the year to monitor the individual expenditures. The legal level of control is at the fund level. All annual appropriations lapse at year end. No budget amendments were necessary.

The District may be in violation of the Colorado Revised Statutes due to the over-expenditure of budget appropriations in the Debt Service Fund and Capital Projects Fund due to the debt refunding not being anticipated in the budget.

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds. The District's capitalization level is \$5,000.

Capital assets are depreciated as appropriate for the government-wide statement of activities. Depreciation is provided on the straight-line basis over useful lives ranging from three years for computer equipment to fifty years for buildings.

The library's "opening day" collection of books and other materials is capitalized at estimated historical cost. As individual items are replaced or updated as necessary, the collection is considered inexhaustible and is not depreciated. Subsequent purchases of materials are not capitalized unless they significantly expand the opening day collection.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied no later than December 15 and are payable in two installments on February 28 and June 15 or in full on April 30. The District records delinquent tax payments in the year received, as delinquent taxes are believed to be uncollectible. The Weld County Treasurer and the Boulder County Treasurer bill and collect the property taxes for the District.

The original January 1, 2010, levies for the general fund of the District are as follows:

	Mill Levy	Amount
General Fund	3.249	\$16,902,443

Vacation and Sick Leave:

Accrued sick leave for the District is accounted for in the government-wide statement of net assets. Sick leave is earned when vested and recorded as an expenditure in the governmental funds when paid. In the event of retirement or termination, an employee whose date of hire is prior to January 1, 1985, is paid for 50% of accumulated sick-leave hours up to the equivalent of one month.

Accrued vacation for the District is accounted for in the government-wide statement of net assets. The maximum accumulation is two times the annual accrual. Upon termination or retirement, employees are paid for their accrued vacation. Accrued vacation is recorded as an expenditure in the governmental funds when paid.

Investments:

Short-term investments are reported at cost, which approximates fair value.

NOTE 2 - Cash and Investments:

The District's bank accounts at year end were entirely covered by federal depository insurance or by collateral held by the District's custodial bank under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments - Continued:

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the state of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in money market funds and local government investment pools (12%), U.S. treasury bonds (16%), and U.S. sponsored agency bonds (72%).

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

At December 31, 2010, the Library District held Debt Service Fund investments of \$967,534 and Capital Projects Fund Investments of \$519,060 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), which is a 2a7-like investment pool. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at amortized cost with each share valued at \$1.00. COLOTRUST is rated AAAM by Standard & Poor's.

Investments held as of December 31, 2010 are as follows:

	Cost	Fair Value
U.S. Government Treasury and Sponsored Agency Bonds, primarily FHLB, FNMA, FFCB, and FHLMC, maturing in 2011 through 2015, rated AAA by Standard & Poor's	\$ 13,752,443	\$ 13,752,443

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Grants-In-Aid:

Cash grants-in-aid sent to member libraries to help support their facilities are listed below:

Year Ended December 31, 2010	Amount
Town of:	
Ault	\$ 324,770
Eaton	575,321
Fort Lupton	798,324
Hudson	619,171
Johnstown	395,117
Platteville	718,754
	<u>\$ 3,431,457</u>

Grants-in-aid are determined by the amount of property tax collected from incorporated areas. Additional grants-in-aid in the form of equipment donations are also occasionally made.

NOTE 4 – Capital Assets:

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance, 01/01/10	Additions	Deletions	Balance, 12/31/10
Not Depreciated:				
Land	\$ 716,670	\$ --	\$ --	\$ 716,670
Opening day book collection	2,495,152	--	--	2,495,152
Construction in process	--	513,355	--	513,355
Depreciated:				
Buildings	26,026,759	--	--	26,026,759
Building improvements	2,793,384	7,860	--	2,801,244
Equipment and furniture	2,826,796	527,975	120,001	3,234,770
Total Cost	<u>34,858,761</u>	<u>1,049,190</u>	<u>120,001</u>	<u>35,787,950</u>
Less Accumulated Depreciation:				
Buildings	1,899,898	565,548	--	2,465,446
Building improvements	703,845	120,679	--	824,524
Equipment and furniture	1,440,956	218,113	120,001	1,539,068
Total Accumulated Depreciation	<u>4,044,699</u>	<u>904,340</u>	<u>120,001</u>	<u>4,829,038</u>
Capital Assets, net	<u>\$ 30,814,062</u>	<u>\$ 144,850</u>	<u>\$ --</u>	<u>\$ 30,958,912</u>

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Long-Term Liabilities:

December 31	2010
\$9,580,000 Refunding Certificates of Participation (2010) due in varying installments through December 15, 2019, interest at 2.00 – 3.00%	\$ 8,830,000
Less Deferred Amounts	(518,900)
\$12,110,000 Certificates of Participation (2006) due in varying installments through December 15, 2026, interest at 4.0 – 5.1%	11,155,000
	<u>\$ 19,466,100</u>

The annual requirements to repay these certificates as of December 31, 2010, are as follows:

Years Ending December 31	Principal	Interest	Total
2011	\$1,405,000	\$685,806	\$2,090,806
2012	1,450,000	642,556	2,092,556
2013	1,495,000	602,956	2,097,956
2014	1,530,000	561,956	2,091,956
2015-2019	8,345,000	2,117,488	10,462,488
2020-2024	3,935,000	978,926	4,913,926
2025-2026	1,825,000	138,000	1,963,000
	<u>\$ 19,985,000</u>	<u>\$ 5,727,688</u>	<u>\$ 25,712,688</u>

Underlying the Certificates is an annually renewable lease entered into between the District and the Weld Library Finance Corporation, a Colorado nonprofit corporation created to facilitate District financings for library buildings in Weld County. The Certificates are payable solely from the rentals paid by the District, proceeds of certain insurance policies and proceeds of foreclosure on and sale of the property, if necessary. Neither the certificates nor the lease gives rise to a general obligation of the District. As the chance of the lease not being renewed is remote, the Certificates are recorded as a long-term liability.

During 2010, the District advance refunded the 2001 Certificates of Participation (COP). The District issued \$9,580,000 of refunding COP's at 2 - 3% interest to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt and to provide \$1,200,000 for other capital projects. As a result, the refunded COP's are considered to be defeased and the liability has been removed from long-term debt. The reacquisition price exceeded the net carrying amount of the old debt by \$518,900. This amount is being netted against the new debt and amortized over the life of the refunding debt, which is the same as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$437,586 and provided an economic gain of \$347,172.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Long-Term Liabilities – Continued:

A reserve fund of \$967,534 is required by the 2010 Certificates and is included in investments in the financial statements.

Transfers from the General Fund to the Debt Service Fund are made to fund these payments.

Changes in long-term liabilities during the year were as follows:

	Balance 01/01/10	Additions	Deletions	Balance 12/31/10	Due Within One Year
Certificates of Participation – 2001	\$7,775,000	\$ --	\$7,775,000	\$ --	\$ --
Certificates of Participation – 2006	11,640,000	--	485,000	11,155,000	505,000
Refunding Certificates of Participation - 2010	--	9,580,000	750,000	8,830,000	900,000
Less: Deferred Amounts	--	(518,900)	--	(518,900)	--
Compensated Absences	233,897	46,299	8,419	271,777	20,000
	<u>\$19,648,897</u>	<u>\$ 9,107,399</u>	<u>\$9,018,419</u>	<u>\$ 19,737,877</u>	<u>\$ 1,425,000</u>

NOTE 6 - Consolidation Agreement with City of Greeley:

On December 28, 1990, the District entered into an intergovernmental agreement with the City of Greeley to consolidate their operations. The agreement provides for the transfer of the ownership and control of all of the Greeley Public Library to the District exclusive of the building previously housing the Greeley Public Library along with all associated appurtenances and fixtures. During 2003, the District renewed the agreement with the City of Greeley for ten years.

The District rents a library building from the City of Greeley for \$10 per year. These yearly rents have been adjusted in the financial statements to recognize the fair market value of these facilities. Rents equal to the approximate fair market value has been recorded as contributed revenue and like amounts have been recorded as offsetting in-kind expenditures in the amount of \$113,750.

NOTE 7 - Risk Management:

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees and natural disasters.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - Risk Management - Continued

The District purchases commercial insurance for risks of loss in excess of deductible amounts. Insurance coverage has not been significantly reduced from prior years and settlements have not exceeded insurance coverage in the past three years.

NOTE 8 - Taxpayer's Bill of Rights:

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

TABOR generally requires voter approval for any new tax, tax rate increase, mill levy increase, or issuance of new debt. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards or property sales.

Included in the accompanying financial statements in the General Fund is an emergency reserve of \$555,749 as required by TABOR. In November 1999, voters approved a District mill levy increase of 1.8 mills and a resolution to exempt the increase from TABOR. The mill levy shall be reduced by \$1 million annually beginning in the collection year of 2020.

TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

NOTE 9 – Retirement Plan:

The High Plains Library District pension plan is a single-employer, defined contribution retirement plan. The plan provides retirement and death benefits to plan members and beneficiaries. The Board of Trustees maintains the authority to establish and amend provisions of the plan. Employees of the High Plains Library District who are hired to work at least 30 hours per week and are at least 18 years of age are eligible to participate in the plan. Participants are always 100% vested in their participant contributions and become fully vested in the employer contributions after 5 years of service. The plan is administered by John Hancock.

The contribution requirements of plan members and the District are established and maintained by the Board of Trustees. Plan members are required to contribute 6% of their annual covered payroll. The District is required to contribute 6% of annual covered payroll. During 2010, employees contributed \$236,807 and the District contributed \$236,807 to the plan.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – Explanation of Adjustments Between Governmental Funds Balance Sheet and the Statement of Net Assets:

Amounts reported in the statement of net assets are different because (see Note 11 also):

December 31	2010
Total fund balances of governmental funds	\$ 14,791,338
Capital assets and debt issuance costs used in governmental activities are not financial resources and therefore are not reported in the funds	31,088,435
Long-term liabilities, including C.O.P.'s payable, are not due and payable in the current period and therefore are not reported in the funds	(19,737,877)
Total Net Assets	\$ 26,141,896

NOTE 11 - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities are different because (see Note 10 also):

Year Ended December 31	2010
Net change in fund balances – total governmental funds	\$3,023,847
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.	144,850
The issuance of long term debt (e.g., COP's) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	78,426
Compensated absence expense reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in governmental funds	(37,880)
Change in Net Assets of Governmental Activities	\$3,209,243

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

Year Ended December 31, 2010	Actual	Original and Final Budget	Variance
Revenue:			
Earnings on investments	\$ 716	\$ 12,250	\$ (11,534)
Total Revenue	716	12,250	(11,534)
Expenditures:			
Debt service	2,007,337	1,998,628	(8,709)
Debt issuance costs	129,523	-	(129,523)
Total Expenditures	2,136,860	1,998,628	(138,232)
Revenue Under Expenditures	(2,136,144)	(1,986,378)	(149,766)
Other Financing Sources (Uses):			
Transfer from General Fund	1,993,701	1,996,628	(2,927)
Proceeds from Refunding Debt	8,380,000	-	8,380,000
Payment to Refunded Debt Escrow Agent	(8,293,903)	-	(8,293,903)
Revenue and Other Financing Sources Over(Under) Expenditures	(56,346)	10,250	(66,596)
Fund Balance - Beginning	972,355	972,355	-
Fund Balance - Ending	\$ 916,009	\$ 982,605	\$ (66,596)

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

Year Ended December 31, 2010	Actual	Original and Final Budget	Variance
Revenue:			
Earnings on investments	\$ 508	\$ -	\$ 508
Total Revenue	508	-	508
Expenditures:			
Trustee management fee	90	-	(90)
Capital outlay	685,131	3,773	(681,358)
Total Expenditures	685,221	3,773	(681,448)
Revenue Under Expenditures	(684,713)	(3,773)	(680,940)
Other Financing Sources:			
Proceeds of refunding bonds	1,200,000	-	(1,200,000)
Fund Balance - Beginning	3,773	3,773	-
Fund Balance - Ending	\$ 519,060	\$ -	\$ 519,060

STATISTICAL SECTION



STATISTICAL SECTION
(unaudited)

This part of the High Plains Library District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

Contents	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.....</i>	<i>38-43</i>
Revenue Capacity	
<i>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.....</i>	<i>44-46</i>
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.....</i>	<i>47-49</i>
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.....</i>	<i>50-51</i>
Operating Information	
<i>These schedules contain service data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.....</i>	<i>52-54</i>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

High Plains Library District
 Net Assets by Component
 Last Eight Years
 (accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 3,928,790	\$ 4,793,638	\$ 4,683,065	\$ 5,083,956	\$ 7,494,429	\$ 9,056,248	\$ 11,402,832	\$ 12,011,872
Restricted for								
Debt service	996,895	990,678	992,448	994,391	982,877	968,184	972,355	916,009
Emergencies	85,000	246,010	246,010	377,228	437,649	464,902	451,652	555,749
Unrestricted	6,877,703	6,270,109	7,605,489	9,889,106	11,300,000	11,793,599	10,105,814	12,658,266
Total governmental activities net assets	\$ 11,888,388	\$ 12,300,435	\$ 13,527,012	\$ 16,344,681	\$ 20,214,955	\$ 22,282,933	\$ 22,932,653	\$ 26,141,896
Primary government								
Invested in capital assets, net of related debt	3,928,790	4,793,638	4,683,065	5,083,956	7,494,429	9,056,248	11,402,832	12,011,872
Restricted	1,081,895	1,236,688	1,238,458	1,371,619	1,420,526	1,433,086	1,424,007	1,471,758
Unrestricted	6,877,703	6,270,109	7,605,489	9,889,106	11,300,000	11,793,599	10,105,814	12,658,266
Total primary government net assets	\$ 11,888,388	\$ 12,300,435	\$ 13,527,012	\$ 16,344,681	\$ 20,214,955	\$ 22,282,933	\$ 22,932,653	\$ 26,141,896

Note: The District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only eight years of Governmental-Wide financial data is presented.

High Plains Library District
Changes in Net Assets
Last Eight Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 6,195,333	\$ 7,383,992	\$ 8,262,595	\$ 9,320,875	\$ 10,292,240	\$ 12,563,649	\$ 13,479,401	\$ 14,544,604
Interest on long term debt	532,488	524,887	500,984	480,715	1,015,541	956,850	927,203	772,337
Total governmental activities expenses	\$ 6,727,821	\$ 7,908,879	\$ 8,763,579	\$ 9,801,590	\$ 11,307,781	\$ 13,520,499	\$ 14,406,604	\$ 15,316,941
Program Revenues								
Governmental activities:								
Charges for services:								
General government	93,336	110,936	132,401	147,131	179,480	167,380	195,387	197,986
Operating grants and contributions	128,460	122,991	113,950	128,750	246,986	553,113	113,750	138,750
Total governmental activities program revenues	\$ 221,796	\$ 233,927	\$ 246,351	\$ 275,881	\$ 426,466	\$ 720,493	\$ 309,137	\$ 336,736
Net (Expenses)/Revenue								
Governmental activities								
Total primary government net	\$ (6,506,025)	\$ (7,674,952)	\$ (8,517,228)	\$ (9,525,709)	\$ (10,881,315)	\$ (12,800,006)	\$ (14,097,467)	\$ (14,980,205)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 7,004,605	\$ 7,089,351	\$ 8,527,897	\$ 10,793,756	\$ 12,409,983	\$ 13,009,141	\$ 13,278,755	\$ 16,906,588
Specific ownership	797,454	906,280	955,943	1,097,230	1,230,703	1,211,207	1,048,351	1,044,416
Unrestricted investment earnings	98,299	91,368	259,965	452,392	1,110,903	647,636	420,081	238,444
Total governmental activities	7,900,358	8,086,999	9,743,805	12,343,378	14,751,589	14,867,984	14,747,187	18,189,448
Total primary government	\$ 7,900,358	\$ 8,086,999	\$ 9,743,805	\$ 12,343,378	\$ 14,751,589	\$ 14,867,984	\$ 14,747,187	\$ 18,189,448
Change in Net Assets								
Governmental activities								
Total primary government	\$ 1,394,333	\$ 412,047	\$ 1,226,577	\$ 2,817,669	\$ 3,870,274	\$ 2,067,978	\$ 649,720	\$ 3,209,243
	\$ 1,394,333	\$ 412,047	\$ 1,226,577	\$ 2,817,669	\$ 3,870,274	\$ 2,067,978	\$ 649,720	\$ 3,209,243

Note: The District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only eight years of Governmental-Wide financial data is presented.

**High Plains Library District
Fund Balances of Governmental Funds
Last Eight Years**

(modified accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 85,000	\$ 246,010	\$ 246,010	\$ 377,228	\$ 437,649	\$ 464,902	\$ 451,652	\$ 555,749
Unreserved	7,033,223	6,415,643	7,770,439	10,069,028	11,504,420	12,021,916	10,339,711	12,800,520
Total general fund	\$7,118,223	\$ 6,661,653	\$ 8,016,449	\$ 10,446,256	\$ 11,942,069	\$ 12,486,818	\$ 10,791,363	\$ 13,356,269
All other Governmental Funds								
Reserved	\$ 996,895	\$ 990,678	\$ 992,448	\$ 12,660,356	\$ 1,700,247	\$ 1,023,775	\$ 976,128	\$ 1,435,069
Total for all governmental funds	\$8,115,118	\$ 7,652,331	\$ 9,008,897	\$ 23,106,612	\$ 13,642,316	\$ 13,510,593	\$ 11,767,491	\$ 14,791,338

Note: The District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only eight years of Governmental-Wide financial data is presented.

High Plains Library District
Changes in Fund Balances, Governmental Funds
Last Eight Years

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
(modified accrual basis of accounting)								
Revenues								
Taxes	\$ 7,802,059	\$ 7,995,631	\$ 9,483,840	\$ 11,890,986	\$ 13,640,686	\$ 14,220,348	\$ 14,327,106	\$ 17,951,004
Charges for services	17,033	24,324	26,476	22,240	19,346	25,878	27,436	23,787
Library fines	62,141	74,947	93,229	118,368	128,082	128,295	165,640	170,724
Earnings on investments	98,299	91,368	259,965	452,392	1,110,903	647,636	420,081	238,444
Contributions in kind - rent	113,750	113,750	113,750	113,750	113,750	113,750	113,750	113,750
Miscellaneous	28,872	20,906	12,896	21,523	165,288	394,024	2,311	28,475
Total revenues	8,122,154	8,320,926	9,990,156	12,619,259	15,178,055	15,529,931	15,056,324	18,526,184
Expenditures								
General government	6,818,927	6,652,292	7,494,199	8,479,730	10,605,257	12,339,574	12,617,493	13,602,384
Capital outlay	1,716,061	1,121,534	133,407	1,146,099	12,471,553	1,875,230	2,189,730	1,049,190
Debt service								
Interest	532,488	524,887	500,984	480,715	1,015,541	956,850	927,203	772,337
Principal	470,000	485,000	505,000	525,000	550,000	570,000	1,065,000	1,235,000
Debt Issue Costs	-	-	-	-	-	-	-	129,523
Total expenditures	9,537,476	8,783,713	8,633,590	10,631,544	24,642,351	15,741,654	16,799,426	16,788,434
Excess of revenues over (under) expenditure	(1,415,322)	(462,787)	1,356,566	1,987,715	(9,464,296)	(211,723)	(1,743,102)	1,737,750
Other financing sources (uses)								
Transfers in	1,003,149	996,842	983,125	962,692	3,067,149	1,492,085	1,995,160	1,993,701
Transfers out	(1,003,149)	(996,842)	(983,125)	(962,692)	(3,067,149)	(1,492,085)	(1,995,160)	(1,993,701)
Proceeds of debt	-	-	-	12,110,000	-	-	-	9,580,000
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	(8,293,903)
Sale of capital assets	-	-	-	-	-	80,000	-	-
Total other financing sources (uses)	-	-	-	12,110,000	-	80,000	-	1,286,097
Net change in fund balances	\$ (1,415,322)	\$ (462,787)	\$ 1,356,566	\$ 14,097,715	\$ (9,464,296)	\$ (131,723)	\$ (1,743,102)	\$ 3,023,847
Debt service as a percentage of noncapital expenditures	14.01%	12.02%	10.88%	9.75%	13.23%	10.85%	12.88%	12.06%

Note: The District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only eight years of Governmental-Wide financial data is presented.

High Plains Library District
General Governmental Expenditures By Function
Last Ten Fiscal Years

Fiscal Year	Salaries	Benefits	Administrative Services	Books; Services	Facilities Operations	Grants In Aid	Capital Outlay	Debt Service	Totals
2001 ¹	1,354,425	318,594	589,462	481,103	163,806	894,580	1,983,297	865,261	6,650,528
2002 ¹	1,876,063	415,139	646,531	746,238	119,381	1,122,396	6,708,123	1,009,313	12,643,184
2003	2,718,625	599,606	670,124	1,388,776	257,550	1,186,222	1,757,339	1,002,488	9,580,730
2004	2,984,225	626,189	779,260	804,522	281,134	1,143,248	1,155,248	1,009,887	8,783,713
2005	3,273,817	692,467	785,929	850,327	401,874	1,489,785	133,407	1,005,984	8,633,590
2006	3,516,545	748,618	1,005,055	901,892	418,626	1,888,994	1,146,099	1,005,715	10,631,544
2007 ²	3,765,283	820,520	1,115,606	2,090,301	565,929	2,247,618	12,471,553	1,565,541	24,642,351
2008	4,640,223	1,072,167	1,538,707	1,964,908	805,422	2,486,401	1,706,976	1,526,850	15,741,654
2009	4,943,865	1,100,470	1,664,117	1,333,189	868,594	2,707,258	2,189,730	1,992,203	16,799,426
2010	4,993,005	1,256,554	1,498,585	1,253,838	1,168,945	3,431,457	1,049,190	2,136,860	16,788,434

Note:

¹ The large increase in capital outlay reflects the construction costs of the Farr Regional Library.

² The large increase in capital outlay reflects the construction costs of the Erie Community Library and the Carbon Valley Regional Library.

High Plains Library District
General Governmental Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Specific				Fines	Miscellaneous	Total
		Ownership Taxes	Interest Income	Grants				
2001	4,926,972	656,697	424,181	185,015	47,179	184,150	6,424,194	
2002	6,438,130	775,382	220,133	65,828	47,414	136,374	7,683,261	
2003	7,004,605	797,454	98,299	14,710	62,141	144,945	8,122,154	
2004	7,089,351	906,280	91,368	9,241	74,947	149,739	8,320,926	
2005	8,519,389	955,943	259,965	200	93,229	161,430	9,990,156	
2006	10,788,232	1,097,230	452,392	15,000	118,368	148,037	12,619,259	
2007	12,394,319	1,230,703	1,110,903	133,236	128,082	180,812	15,178,055	
2008	12,987,150	1,211,207	647,636	382,000	128,295	173,643	15,529,931	
2009	13,254,718	1,048,351	420,081	-	165,640	167,534	15,056,324	
2010	16,874,455	1,044,416	238,444	25,000	170,724	173,145	18,526,184	

Source:
HPLD 2010 CAFR

**High Plains Library District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ³		Total Collections to Date	
		Amount ²	Percent of Levy	Amount	Percent of Levy	Amount	Percent of Levy
2001	5,045,637	4,926,972	97.6%			4,926,972	97.6%
2002	6,436,259	6,438,130	100.0%			6,438,130	100.0%
2003	7,001,239	7,004,605	100.0%			7,004,605	100.0%
2004	7,101,928	7,089,351	99.8%			7,089,351	99.8%
2005	8,608,491	8,527,897	99.1%			8,527,897	99.1%
2006	10,826,345	10,793,756	99.7%			10,793,756	99.7%
2007	12,393,437	12,394,319	100.0%	10,639		12,404,958	100.1%
2008	13,027,541	12,987,150	99.7%	5,289		12,992,439	99.7%
2009	13,321,310	13,254,718	99.5%	84,283		13,339,001	100.1%
2010	16,933,657	16,874,455	99.7%	86,443		16,960,898	100.2%

Source:

¹ Final Budget

² YTD Treasurer's Tax Distribution

³ Not available for years not shown

High Plains Library District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Levy Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Resources	Natural Resources	Oil & Gas	State Assessed	Total Taxable Assessed Value	Estimated Taxable Value	Total Direct Tax Rate	Assessed Value as a % of Actual Value	
												Actual Value	% of Actual Value
2001	59,188	622,932	314,188	88,797	88,674	5,946	612,047	192,395	1,984,167	10,186,328	3.249	19,479%	
2002	70,966	687,695	328,653	92,427	89,527	6,547	637,951	243,639	2,157,405	11,213,243	3.249	19,240%	
2003	91,119	687,932	361,696	91,215	80,617	7,863	543,424	267,863	2,131,729	12,504,078	3.249	17,048%	
2004	83,911	769,931	380,465	93,682	85,020	9,244	954,983	284,546	2,661,782	14,121,101	3.249	18,850%	
2005	89,806	881,185	433,442	93,554	84,920	8,510	1,244,098	392,763	3,228,278	16,440,133	3.249	19,637%	
2006	79,160	941,732	457,201	89,597	85,628	9,600	1,684,449	375,798	3,723,165	17,712,418	3.249	21,020%	
2007	95,329	1,000,203	533,940	97,007	89,879	13,275	1,685,509	400,731	3,915,873	18,946,262	3.249	20,668%	
2008	89,085	1,028,385	555,777	98,813	91,031	13,620	1,643,986	475,737	3,996,434	20,513,872	3.249	19,482%	
2009	80,401	923,754	601,990	144,788	93,731	14,798	2,728,330	520,780	5,108,572	19,995,658	3.249	25,548%	
2010	76,597	935,623	612,171	191,689	93,792	11,881	1,593,865	573,725	4,089,343	19,166,061	3.249	21,336%	

Source: Weld County Assessor's office

High Plains Library District
Principal Taxpayers
December 31, 2010

	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Noble Energy	\$ 720,128,640	1	18.02%			
Kerr-Mcgee Oil & Gas Onshore LP	454,815,910	2	11.38%			
Encana Oil & Gas (USA) Inc	126,332,820	3	3.16%			
Petroleum Development Corp	123,154,770	4	3.08%			
Public Service Company of Colorado (Xcel)	109,467,550	5	2.74%	\$ 80,430,700	3	4.92%
Rocky Mountain Energy Center	66,745,500	6	1.67%			
DCP Midstream LP	56,192,010	7	1.41%			
Kerr Mcgee Gathering LLC	55,180,600	8	1.38%			
Colorado Interstate Gas Co	50,342,200	9	1.26%			
Merit Energy	38,338,500	10	0.96%			
HS Resources Inc.				254,158,840	1	15.54%
Patina Oil & Gas Corporation				157,607,780	2	9.63%
North American Resources Company				50,280,260	4	3.07%
Prima Oil & Gas Company				34,392,530	5	2.10%
Eastman Kodak Company				28,554,690	6	1.75%
Southwestern Production				28,396,110	7	1.74%
Qwest Corp FKA US West				22,286,490	8	1.36%
Thermo Cogeneration Partnership				19,430,000	9	1.19%
Duke Energy Field Services Inc.				16,958,570	10	1.04%
	<u>\$ 1,800,698,500</u>		<u>45.05%</u>	<u>\$ 692,495,970</u>		<u>42.34%</u>

Source: Weld County Assessor

High Plains Library District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Per Capita 1
	Certificates of Participation	Total Library District	Percentage of Personal Income 1	
2001	\$ 11,930,000	\$ 11,930,000	0.03%	\$ 61.52
2002	11,475,000	11,475,000	0.24%	56.71
2003	11,005,000	11,005,000	0.22%	53.13
2004	10,520,000	10,520,000	0.18%	48.33
2005	10,015,000	10,015,000	0.17%	45.12
2006	21,600,000	21,600,000	0.37%	94.17
2007	21,050,000	21,050,000	0.34%	88.85
2008	20,480,000	20,480,000	0.31%	83.76
2009	19,415,000	19,415,000	0.32%	77.28
2010	19,466,100	19,466,100	0.33%	77.49

1 Refer to Demographic and Economic Statistics schedule on page 50 for personal income and population data.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
The district was without debt prior to 2001.

Source: Current and prior year's financial statements.

**High Plains Library District
Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed Valuation	\$4,052,105,412
Debt Limit 1.5% of Assessed Value	60,781,581
<hr/>	
Certificates of Participation ¹	19,466,100
Legal Debt Margin	<u>41,315,481</u>

Legal Debt Margin Information

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 29,762,516	\$ 32,361,084	\$ 32,833,514	\$ 39,788,050	\$ 48,424,000	\$ 55,847,456	\$ 58,738,118	\$ 59,946,492	\$ 76,527,915	\$ 60,781,581
Total net debt applicable to limit	11,930,000	11,475,000	11,005,000	10,520,000	10,015,000	21,600,000	21,050,000	20,480,000	19,415,000	19,466,100
Legal debt margin	\$ 17,832,516	\$ 20,886,084	\$ 21,828,514	\$ 29,268,050	\$ 38,409,000	\$ 34,247,456	\$ 37,688,118	\$ 39,466,492	\$ 57,112,915	\$ 41,315,481
Total net debt applicable to the limit as a percentage of debt limit	40.08%	35.46%	33.52%	26.44%	20.68%	38.68%	35.84%	34.16%	25.37%	32.03%

Note: ¹ Certificates of Participation are not generally included as debt for purposes of calculating legal debt limit (Colorado Revised Statute 22-42-104). However, they are presented here to give the most conservative analysis of debt allowable that remains available.

Debt Limitation: Under Section 22-42-104, Colorado Revised Statutes, 1973, the High Plains Library District may incur indebtedness of general District purposes in an amount not to exceed 1.5% of assessed valuation of all taxable property.

The District had not incurred debt prior to 2001.

High Plains Library District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government¹	Amount Applicable to Government
Cities and Towns	\$ 74,623,673	86.99%	\$ 64,913,461
Schools	954,467,193	42.62%	406,762,589
Special Districts	156,104,561	64.17%	100,172,966
Total Overlapping	<u>\$1,185,195,427</u>		<u>\$ 571,849,016</u>

Source: Weld County CAFR

Note:

¹ Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses located within the district's boundaries. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**High Plains Library District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population	Estimated Median Age	Total			Unemployment Rate
			Personal Income (\$ billions)	Per Capita Income		
2001	193,929	32.20	4.36	22,469	4.00%	
2002	202,329	31.20	4.69	23,189	6.10%	
2003	207,120	31.90	4.94	23,869	6.70%	
2004	217,652	30.90	5.91	27,132	5.40%	
2005	221,957	31.16	5.76	25,968	5.00%	
2006	229,377	31.21	5.85	25,495	3.80%	
2007	236,908	31.21	6.23	26,280	4.63%	
2008	244,515	31.10	6.66	27,238	6.30%	
2009	251,220	31.90	5.98	23,788	8.60%	
2010	252,825	31.10	7.21	28,503	9.80%	

Source: Weld County CAFR
Upstate Colorado demographic profile

High Plains Library District
Principal Employers
December 31, 2010

	2010				2001				
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
JBS Swift Beef Company	4,500	1	3.81%	3,550	1	4.17%			
Banner Health: Northern Colorado Medical Center	2,141	2	1.81%	1,807	4	2.12%			
Greeley Evans School District 6	1,877	3	1.59%	1,934	3	2.27%			
State of Colorado (includes UNC)	1,600	4	1.35%	2,062	2	2.42%			
Weld County Government	1,372	5	1.16%	1,200	9	1.41%			
State Farm Insurance Companies	1,300	6	1.10%	1,500	6	1.76%			
Vestas	1,060	7	0.90%						
Aims Community College	874	8	0.74%	1,488	7	1.75%			
City of Greeley	847	9	0.72%	1,016	10	1.19%			
Carestream Health Inc.	540	10	0.46%						
Eastman Kodak Company				1,800	5	2.11%			
StarTek, Inc.				1,204	8	1.41%			
Total Principal Employers	16,111		13.63%	17,561		20.61%			
Other Employers	102,087		86.37%	67,653		79.39%			
Total County Employment	118,198		100.00%	85,214		100.00%			

Source: Upstate Colorado
Total Employment from Colorado Department of Labor

**High Plains Library District
Library Materials Purchased and Circulated
Last Ten Fiscal Years**

Fiscal Year	Number of Volumes		Number of Audio/Visual		Total Items		Number of Items Circulated
	Owned ¹		Items Owned ²		Owned		
2001	395,130		16,795		411,925		876,733
2002	418,997		20,232		439,229		948,491
2003	418,008		29,325		447,333		1,170,222
2004	430,503		41,880		472,383		1,187,351
2005	452,394		49,450		501,844		1,594,539
2006	469,383		59,197		528,580		1,652,496
2007	558,157		73,868		632,025		1,713,594
2008	588,748		90,252		679,000		2,309,741
2009	612,332		103,306		715,638		2,709,365
2010	613,815		111,641		725,456		2,774,312

Note:

1 Volumes include books, book club bags, exempt books, new books, Ft. Lupton Library references and ready references, Inter Library Loan, member books, new periodicals, periodicals, references, and express books.

2 Audio/visual items include audio books, music, cassettes, CD's, DVD's, E-books, equipment, short check out equipment, software, member audio, member video, net library, recordings, and video cassettes.

Source: High Plains Library District IT department.

**High Plains Library District
Service Locations
December 31, 2010**

Libraries	Address	Square Footage	Number of Employees
Carbon Valley Regional	7 Park Avenue Firestone, CO 80504	34,000	24
Centennial Park Library	2227 23rd Avenue Greeley, CO 80634	29,610	31
District Support Services *	2650 W. 29th Street Greeley, CO 80631	23,903	48
Erie Community	400 Powers Street Erie, CO 80516	20,000	18
Farr Regional Library	1939 61st Avenue Greeley, CO 80634	38,000	33
Lincoln Park Library	919 7th Street, Suite A Greeley, CO 80631	13,000	20
Outreach Services *	2650 W. 29th Street Greeley, CO 80631	23,903	8

* The new Administration and Support Services building houses the District Support Services staff, Collection Resources department and Outreach department.

**High Plains Library District
Circulation Summary by Location
Last Ten Fiscal Years**

Fiscal Year	Centennial		Farr 3	Lincoln Park	Outreach Services	Total
	Carbon Valley 1	Park				
2001	34,569	403,973	n/a	145,381	106,466	690,389
2002	52,607	276,649	n/a	158,665	123,294	713,707
2003	73,035	214,705	n/a	160,861	125,041	892,041
2004	102,830	441,904	n/a	120,290	116,631	1,187,351
2005	119,069	446,642	n/a	177,979	97,051	1,289,432
2006	135,475	431,071	7,674	174,455	96,503	1,337,810
2007	142,423	403,580	8,828	166,030	81,667	1,371,682
2008	328,473	485,661	274,667	199,280	64,440	1,904,401
2009	431,063	557,161	360,777	230,495	66,912	2,260,237
2010	460,549	544,937	394,194	210,738	63,808	2,307,504

Note:

- 1 The new Carbon Valley Regional Library opened in March 2008.
- 2 Erie activity occurred at the Lorraine David Children's Library which ceased its operations with the new Erie Community Library opening on January 12, 2008.
- 3 The Farr Regional Library opened in September 2002.

Source: High Plains Library District IT department.