



WELD COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2011

High Plains Library District

2650 W. 29th Street
Greeley, Colorado 80631

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011

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Prepared by:
Andrew Romero, CGFM
Finance Director

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	2
Principal District Officials.....	6
Organizational Chart	7
Certificate of Achievement	8

FINANCIAL SECTION

Independent Auditors' Report.....	9
Management Discussion and Analysis.....	11
Basic Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Assets.....	17
Statement of Governmental Funds Revenue, Expenditures and Changes In Fund Balances/Statement of Activities	19
Budgetary Comparison Statement – General Fund.....	23
Notes to Financial Statements	25
Other Supplementary Information:	
Budgetary Comparison Schedule:	
Debt Service Fund.....	36
Capital Projects Fund	37

STATISTICAL SECTION (Unaudited)

Net Assets by Component	38
Changes in Net Assets	39
Fund Balances of Governmental Funds	40
Changes in Fund Balances, Governmental Funds.....	41
General Governmental Expenditures by Function	42
General Governmental Revenues by Source.....	43
Property Tax Levies and Collections	44
Assessed and Estimated Actual Value of Taxable Property	45
Principal Taxpayers.....	46
Ratio of Outstanding Debt by Type	47
Legal Debt Margin Calculation.....	48
Direct and Overlapping Governmental Activities Debt.....	49
Demographic and Economic Statistics.....	50
Principal Employers	51
Library Materials Purchased and Circulated.....	52
Service Locations	53
Circulation Summary by Location	54



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June 01, 2012

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, 2011.

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, 2011 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 ten public computer centers (PCCs) located in Greeley, Evans, Keenesburg, Kersey, Lochbuie, Mead, Milliken, Nunn, and Pierce. The PCCs have become an extension of the District's Outreach services where staff offers computer classes and one-on-one appointments at each site. 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 Collection Resources, Executive Director, Finance, Facilities Services, Human Resources, Information Technology, Outreach, and Public Information 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: As we entered 2012 we found ourselves facing somewhat mixed economic indicators and possibly new challenges that are different than past economic growing and recovery cycles following a recession. The economy continues to struggle with burdensome forces related to the recent recession, such as high private and public debt, high unemployment, the loss of wealth, tight credit markets, the real estate market decline, and heightened uncertainty. However, there are economic conditions that continue to be favorable, such as strong manufacturing activity, sustained export growth, and the solid financial condition of many businesses, especially large corporations. Growth for both Colorado and the nation will be constrained over the next few years as these negative factors are likely to persist and weigh on the economy.

Colorado and Weld County are well positioned for the future due to our diverse economic base and skilled workforce. Entrepreneurship and innovative activity are strengths of the Colorado economy and it will be these strengths that will eventually lead the state to stronger sustained growth. However, the economy will have to navigate against risks that include the threat of sustained price increases, increased financial instability, and a rise in interest rates, all of which pose forecast risks to the downside.

Agriculture is Weld County's heritage, and food processing is a logical adjunct. In addition, Weld County leads all of Colorado in the number of active oil and gas wells. With the recent locations of wind and solar equipment manufacturers, Weld County is a regional center for the new energy sector. Other sectors like business services and logistics continue to grow.

Excitement related to exploration of the Niobrara shale formation in northern Weld County remains high, driving several significant job-creating projects in Weld County.

► **Halliburton** broke ground on a 150,000 sq. ft. facility in Fort Lupton on March 18. The City of Fort Lupton is in the process of extending water and sewer to the Halliburton site - a project that will open development for hundreds of acres along the utilities' path.

► **Noble Energy** will construct a 66,000 sq. ft. field operations office in Greeley. The new facility will house up to 300 field and management jobs.

► **Anadarko** has constructed a 42,000 sq. ft. building in Evans to accommodate new growth. The company expects to double its existing local workforce of 200.

The housing market impacts the economy substantially and is closely linked with the business cycle. Home construction remains at historically low levels. Home values affect personal saving rates and can influence national saving and investment. Home values can also affect consumer spending considerably. A strong recovery in the housing sector is necessary in order for a more robust recovery in the broader economy. Unfortunately, this is unlikely in the near future. Nationally, 13 percent of all living units are vacant. According to a recent CoreLogic negative equity report, 19.8 percent of all Colorado residential properties with a mortgage were in negative equity at the beginning of 2011. Meanwhile, the Federal Reserve just recently said that they intend to keep interest rates low for the next 2 to 3 years. Building permits for all types of property remain low statewide, however, in Weld County 2011 increased by 8 percent compared to 2010. So far for the first quarter 2012, 617 permits have been issued compared to 639 for the same period in 2011.

Some good news for the Northern Colorado economy, foreclosure filings fell sharply in the 3rd quarter in Larimer and Weld Counties and statewide according to a report from the Colorado Division of Housing. Weld County foreclosures dropped by 27.6 percent with Larimer County also seeing a sharp decline, dropping 24.3 percent compared to 2010. As quoted from the report "Statewide, the number of foreclosure filings in the third quarter was down by 24.6 percent and the number of foreclosure sales was down 25.4 percent from the same quarter in 2010. Foreclosure filings in Weld County for the quarter totaled 453 compared to 626 in 2010. In Larimer County, the number of filings in the third quarter was 352 compared to 478 in 2010."

The outlook for the economy is particularly murky at this time given the risks to certain fundamental aspects of the economy. Overall price levels have turned upward recently, and further increases will weaken the economy. Consumers, businesses, and government will have to spend more on goods they need, leaving less for investments needed to help the economy grow. Further, rising prices create uncertainty, which would further dampen economic activity. The unrest in the large oil-producing region of North Africa and the Middle East and the heightened worries about the debt crisis in Europe are adding to the uncertainty.

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 and a practice that the HPLD does annually. It allows the HPLD to concentrate on high priority programs and stop providing those that patrons have little or no interest in.

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: During 2011 the District opened eleven Public Computer Centers throughout Weld County at the following locations: Catholic Charities serving Weld County located at the Guadalupe Center Greeley; Connections For Independent Living Greeley; Evans; Keenesburg; Kersey; LaSalle; Lochbuie; Mead; Milliken; Nunn; and Pierce. The District enjoyed launch parties at each location.

The District working with Comprise implemented the SmartPay online payment system which allows patrons to make full or partial payments to their account as well as make donations by accessing a computer with a VISA or MasterCard.

Looking ahead: Budgeted revenues for fiscal year 2012 increased by 14.2% which allowed the District to increase its spending allocation for library materials, create a Virtual Library department, provide funds to support the Public Computer Centers, and provide funds to remodel the Farr Regional Library. The Virtual Library department will focus on providing services to individuals who prefer to not walk into a physical library. Department staff will serve patrons primarily via phone, but will eventually add services such as live CHAT and other online communications that our patrons prefer. Building on the success of the District's first four years of sponsoring a Common Read, the District intends to sponsor another community read that involves distribution of thousands of copies of one title, with many programming opportunities.

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, 2010. This was the ninth 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



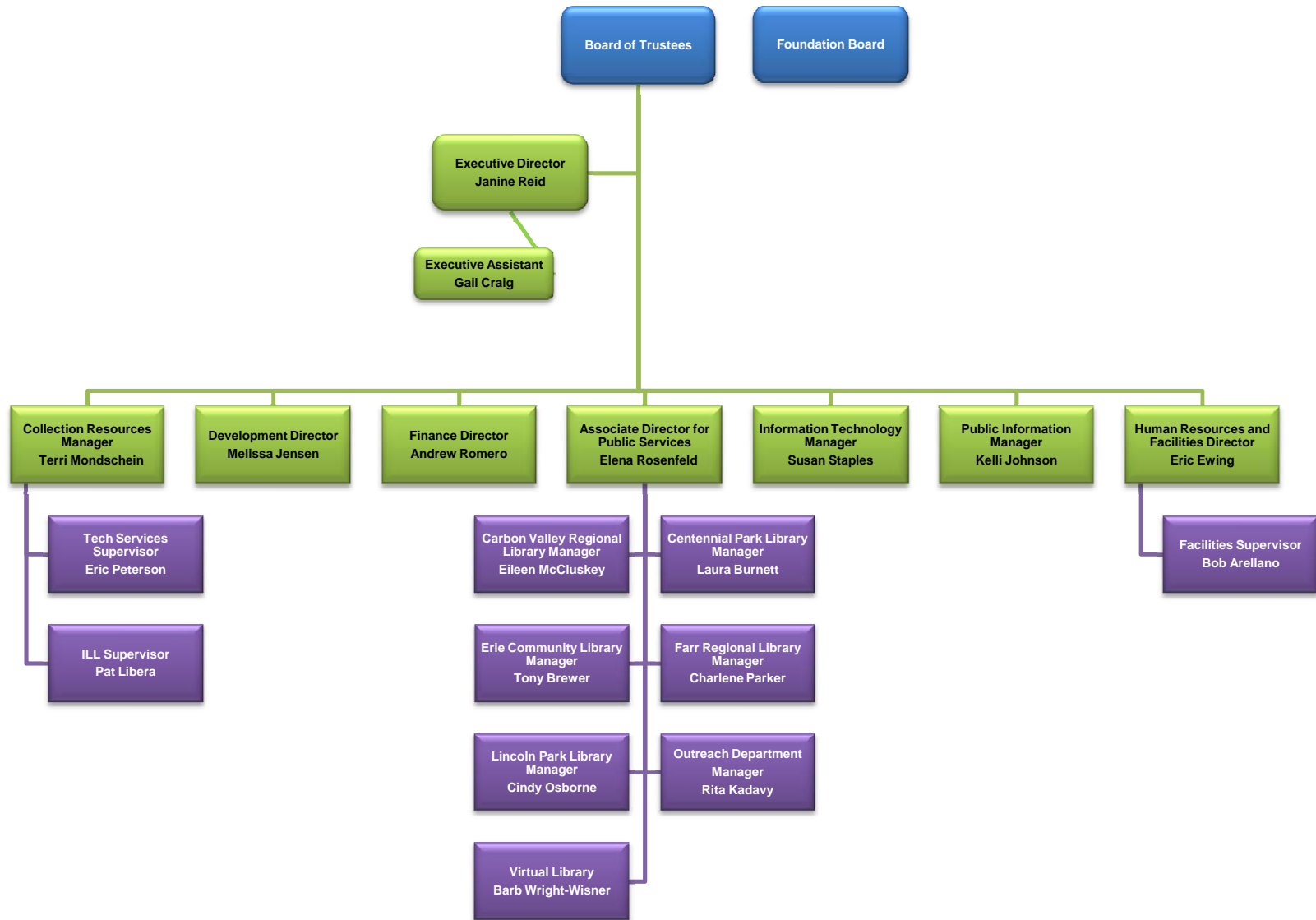
Andrew Romero, CGFM

Finance Director

HIGH PLAINS LIBRARY DISTRICT PRINCIPAL DISTRICT OFFICIALS

Janine Reid Executive Director
Elena Rosenfeld Associate Director for Public Services
Eric Ewing Human Resources and Facilities Director
Melissa Jensen Foundation Director
Kelli Johnson Public Information Coordinator
Andrew Romero Finance Director
Susan Staples Information Technology Manager
Terri Mondschein Collection Resources Manager

High Plains Library District - 2011



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, 2010

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.



Linda C. Danison

President

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, 2011, 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, 2011, 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.

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed 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 is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

May 24, 2012

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, 2011. 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 \$26.8 million at the end of 2011. Of this amount, \$13.1 million may be used to meet the District's ongoing obligations to patrons and creditors. The remaining \$13.7 million are capital assets or are restricted by law.
- The District's General Fund balance was \$13.7 million as of December 31, 2011. Of this amount, \$449,770 is reserved for emergencies.
- The 2011 General Fund balance is \$.4 million higher than the previous year. The total fund balance is 94% of 2011 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 17-22 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 36-37 of this report.

The basic governmental fund financial statements can be found on pages 17 through 22 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 23 to 24 of this report. Budget to actual comparison for the Debt Service and Capital Projects funds is provided on pages 36 and 37.

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 25 through 35 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, 2011, assets exceeded liabilities by \$26.8 million.

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

	2011	2010
Assets		
Current and other assets	\$31.1	\$29.1
Capital assets	30.5	30.9
Total assets	61.6	60.0
Liabilities		
Current and other liabilities	17.9	15.6
Long-term liabilities	16.9	18.3
Total liabilities	34.8	33.9
Net Assets		
Invested in capital assets, net of related debt	12.3	12.0
Restricted	1.4	1.4
Unrestricted	13.1	12.7
Total net assets	\$ 26.8	\$26.1

A significant portion of High Plains Library District's net assets (49%) represents unrestricted net assets of \$13.1 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 \$1.4 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	2011	2010
Revenues:		
General revenues:		
Property and specific ownership taxes	\$14,581,876	\$17,951,004
Investment earnings	128,210	238,444
Program revenues:		
Charges for services	178,005	194,511
Operating grants and contributions	113,750	117,225
Capital grants and contributions	--	25,000
Total revenues	15,001,841	18,526,184
Expenses:		
Library services	10,367,000	11,486,546
Operations and maintenance	2,219,134	2,153,718
Depreciation	1,021,201	904,340
Interest on long-term debt	748,904	772,337
Total expenses	14,356,239	15,316,941
Increase in net assets	\$ 645,602	\$3,209,243

Governmental activities

Governmental activities increased High Plains Library District's net assets by \$645,602 in 2011. The key element to this change was the decreased property taxes from anticipated decreases in assessed property valuations for the 2011 collection year.

Expenses totaled a 7% decrease over the previous year. Decreases occurred in most categories due to budgetary constraints. Distributions to member libraries also decreased as they are related to decreased 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 2011, the combined ending fund balance of High Plains Library District governmental funds was \$14.7 million. Approximately 89% of this consists of unrestricted 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 restricted 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 \$449,770, 2) a debt service reserve of \$929,937, and 3) a capital projects reserve of \$28.

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 \$13.7 million as of December 31, 2011. The 2011 fund balance is \$.4 million more than the previous year. As a measure of the General Funds liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures and transfers out. Unrestricted fund balance represents 91% of total 2011 expenditures and transfers out, while total fund balance is 94% of the same amount.
2. **Debt Service Fund.** The debt service fund has a fund balance of \$929,937 all of which is restricted for the payment of debt. This balance increased slightly during the year.
3. **Capital Projects Fund.** The capital projects fund has a fund balance of \$28 as it was spent 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 2011, the Board of Trustees appropriated \$14.7 million for general fund expenditures and other financing uses, anticipating an increase in the fund balance by \$620 thousand. The actual increase was \$372 thousand due to lower interest income. The budget was not amended during the year.

Table		
2011 General Fund Budget		
(in Millions)		
	Budget	Actual
Beginning Fund Balance	\$ 13.4	\$13.4
Revenue	15.3	15.0
Expenditures and other financing uses	(14.7)	(14.7)
Ending Fund Balance	\$ 14.0	\$ 13.7

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: High Plains Library District's investment in capital assets for its governmental activities as of December 31, 2011 totals \$30.4 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, 2011, High Plains Library District had outstanding long-term debt (principal amount) of \$18.6 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.

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 2012 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 15% higher in 2012 than 2011; expenditures for 2012 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.

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HIGH PLAINS LIBRARY DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET/ STATEMENT OF NET ASSETS

December 31, 2011	General Fund	Debt Service Fund	Capital Projects Fund	Total
<u>ASSETS</u>				
Cash and Investments	\$14,246,561	\$ 960,000	\$ 28	\$15,206,589
Receivables:				
Property taxes	15,880,456	-	-	15,880,456
Other libraries	22,998	-	-	22,998
Debt issuance costs	-	-	-	-
Capital Assets:				
Depreciable	-	-	-	-
Nondepreciable	-	-	-	-
Total Assets	\$30,150,015	\$ 960,000	\$ 28	\$31,110,043
<u>LIABILITIES</u>				
Accounts Payable	\$ 244,912	\$ -	\$ -	\$ 244,912
Accrued Expenses	296,623	30,063	-	326,686
Unearned Revenue	15,880,456	-	-	15,880,456
Long-Term Liabilities:				
Due within one year	-	-	-	-
Due after one year	-	-	-	-
Total Liabilities	16,421,991	30,063	-	16,452,054
<u>FUND BALANCES/NET ASSETS</u>				
Fund Balances:				
Restricted for:				
Emergencies	449,770	-	-	449,770
Debt service	-	929,937	-	929,937
Capital projects	-	-	28	28
Unassigned	13,278,254	-	-	13,278,254
Total Fund Balances	13,728,024	929,937	28	14,657,989
Total Liabilities and Fund Balances	\$30,150,015	\$ 960,000	\$ 28	\$31,110,043
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
\$ -	\$15,206,589
-	15,880,456
-	22,998
115,132	115,132
27,205,655	27,205,655
3,211,822	3,211,822
<u>\$30,532,609</u>	<u>\$61,642,652</u>
\$ -	\$ 244,912
-	326,686
-	15,880,456
1,527,656	1,527,656
16,875,444	16,875,444
<u>18,403,100</u>	<u>34,855,154</u>
(449,770)	-
(929,937)	-
(28)	-
(13,278,254)	-
<u>(14,657,989)</u>	-
12,298,749	12,298,749
1,379,707	1,379,707
13,109,042	13,109,042
<u>\$26,787,498</u>	<u>\$26,787,498</u>

HIGH PLAINS LIBRARY DISTRICT

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

Year Ended December 31, 2011	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenue:				
General property taxes	\$13,581,475	\$ -	\$ -	\$13,581,475
Specific ownership taxes	979,076	-	-	979,076
Penalties and interest on delinquent taxes	21,325	-	-	21,325
Charges for services	21,504	-	-	21,504
Library fines	154,588	-	-	154,588
Earnings on investments	127,114	1,070	26	128,210
Contributions in kind - rent	113,750	-	-	113,750
Donations	-	-	-	-
Grant	-	-	-	-
Miscellaneous	1,913	-	-	1,913
Total Revenue	15,000,745	1,070	26	15,001,841
Expenditures/Expenses:				
Current:				
Salaries, wages, and benefits	6,242,941	-	-	6,242,941
Supplies	228,101	-	-	228,101
Small equipment	27,541	-	-	27,541
Software	139,256	-	-	139,256
Postage	22,254	-	-	22,254
Printing	6,887	-	-	6,887
Book collections	559,511	-	-	559,511
Periodicals	41,855	-	-	41,855
Public relations	59,761	-	-	59,761
Audio visual	270,576	-	-	270,576
CD and online databases	184,804	-	-	184,804
Telephone	122,360	-	-	122,360
Contract services	562,602	-	-	562,602
Buildings and grounds	178,171	-	-	178,171
Travel and meetings	101,373	-	-	101,373
County Treasurer's fees	203,915	-	-	203,915
Maintenance of equipment	315,045	-	-	315,045
Memberships	11,895	-	-	11,895
Miscellaneous	23,117	-	182,628	205,745
Insurance	48,066	-	-	48,066
Rent	113,750	-	-	113,750
Utilities	341,142	-	-	341,142
Grants-in-aid	2,586,016	-	-	2,586,016
Depreciation	-	-	-	-
Total Current	12,390,939	-	182,628	12,573,567

Continued on next page.

Adjustments (Note 11)	Statement of Activities
\$ -	\$13,581,475
-	979,076
-	21,325
-	21,504
-	154,588
-	128,210
-	113,750
-	-
-	-
-	1,913
-	15,001,841

12,567	6,255,508
-	228,101
-	27,541
-	139,256
-	22,254
-	6,887
-	559,511
-	41,855
-	59,761
-	270,576
-	184,804
-	122,360
-	562,602
-	178,171
-	101,373
-	203,915
-	315,045
-	11,895
-	205,745
-	48,066
-	113,750
-	341,142
-	2,586,016
1,021,201	1,021,201
1,033,768	13,607,335

HIGH PLAINS LIBRARY DISTRICT

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

Year Ended December 31, 2011	General Fund	Debt Service Fund	Capital Projects Fund	Total
Expenditures/Expenses - Continued:				
Capital Outlay	\$ 143,334	\$ -	\$ 336,430	\$ 479,764
Debt Service:				
Principal	-	1,405,000	-	1,405,000
Interest and Fees	-	676,859	-	676,859
Debt issuance costs	-	-	-	-
Total Expenditures/Expenses	12,534,273	2,081,859	519,058	15,135,190
Revenue Over (Under) Expenditures	2,466,472	(2,080,789)	(519,032)	(133,349)
Other Financing Sources (Uses):				
Transfers - internal activities	(2,094,717)	2,094,717	-	-
Net Change in Fund Balances/Net Assets	371,755	13,928	(519,032)	(133,349)
Fund Balances/Net Assets, Beginning of Year	13,356,269	916,009	519,060	14,791,338
Fund Balances/Net Assets, End of Year	\$13,728,024	\$ 929,937	\$ 28	\$14,657,989

See Accompanying Notes to Financial Statements.

Adjustments (Note 11)	Statement of Activities
\$ (479,764)	\$ -
(1,405,000)	-
57,656	734,515
14,389	14,389
(778,951)	14,356,239
778,951	645,602
-	-
778,951	645,602
11,350,558	26,141,896
<u>\$ 12,129,509</u>	<u>\$26,787,498</u>

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON STATEMENT - GENERAL FUND

Year Ended December 31, 2011	Actual	Original and Final Budget	Variance
Revenue:			
General property taxes	\$13,581,475	\$13,476,135	\$ 105,340
Specific ownership taxes	979,076	1,000,000	(20,924)
Penalties and interest on delinquent taxes	21,325	132,729	(111,404)
Grants	-	50,000	(50,000)
Charges for services	21,504	24,000	(2,496)
Library fines	154,588	150,000	4,588
Earnings on investments	127,114	400,000	(272,886)
Contributions - in kind	113,750	113,750	-
Donations	-	-	-
Miscellaneous	1,913	7,000	(5,087)
Total Revenue	15,000,745	15,353,614	(352,869)
Expenditures:			
Current:			
Salaries, wages, and benefits	6,242,941	6,403,361	160,420
Supplies	228,101	284,219	56,118
Small equipment	27,541	30,676	3,135
Software	139,256	134,649	(4,607)
Postage	22,254	36,041	13,787
Printing	6,887	22,450	15,563
Book collection	559,511	558,525	(986)
Periodicals	41,855	45,000	3,145
Public relations	59,761	63,014	3,253
Audio visual	270,576	277,125	6,549
CD and Online databases	184,804	144,000	(40,804)
Telephone	122,360	127,440	5,080
Contract services	562,602	497,869	(64,733)
Buildings and grounds	178,171	93,217	(84,954)
Travel, training, and meetings	101,373	76,391	(24,982)
County Treasurer's fees	203,915	202,143	(1,772)
Maintenance of equipment	315,045	405,156	90,111
Memberships	11,895	13,435	1,540
Miscellaneous	23,117	6,570	(16,547)
Insurance	48,066	46,000	(2,066)
Rent	113,750	113,750	-
Utilities	341,142	319,099	(22,043)
Grants-in-aid	2,586,016	2,586,016	-
Total Current	12,390,939	12,486,146	95,207
Capital Outlay	143,334	149,400	6,066
Total Expenditures	12,534,273	12,635,546	101,273

Continued on next page.

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON STATEMENT - GENERAL FUND - Continued

Year Ended December 31, 2011	Actual	Original and Final Budget	Variance
Revenue Over Expenditures	\$ 2,466,472	\$ 2,718,068	\$ (251,596)
Other Financing Sources (Uses):			
Transfer to Debt Service Fund	(2,094,717)	(2,097,806)	3,089
Excess of Revenue Over Expenditures and Other Financing Sources (Uses)	371,755	620,262	(248,507)
Fund Balances - Beginning	13,356,269	13,356,269	-
Fund Balances - Ending	\$13,728,024	\$13,976,531	\$ (248,507)

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.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity – Continued:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR restrictions at December 31, 2011 are \$449,770.

Restricted for Debt Services:

A restricted fund of \$929,937 is required by the 2010 certificates of participation.

Assigned fund balances, if any, are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official to which the Board delegates the authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

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 Capital Projects Fund due to the completion of projects originally anticipated for 2010.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

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.

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, 2011, levies for the general fund of the District are as follows:

	Mill Levy	Amount
General Fund	3.249	\$13,608,864

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.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

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.

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 (24.8%), U.S. treasury bonds (16.7%), U.S. sponsored agency bonds (35.0%), corporate bonds (18.5%), and commercial paper (5.0%).

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, 2011, the Library District held General Fund investments of \$2,777,258, Debt Service Fund investments of \$960,000 and Capital Projects Fund investments of \$28 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.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments - Continued:

Investments held as of December 31, 2011 are as follows:

	Cost	Fair Value
U.S. Government Treasury and Sponsored Agency Bonds, primarily FHLB, FNMA, FFCB, and FHLMC, maturing in 2012 through 2016, rated AAA by Standard & Poor's	\$ 7,784,348	\$ 7,784,348
Corporate Bonds, maturing 2012 and 2014, rated AA+ by Standard & Poor's	2,789,535	2,789,535
Commercial Paper, maturing May 2012, rated A-1 by Standard & Poor's	753,700	753,700
Total	\$11,327,583	\$11,327,583

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, 2011	Amount
Town of:	
Ault	\$ 339,246
Eaton	416,328
Fort Lupton	605,343
Hudson	541,118
Johnstown	245,756
Platteville	438,225
	\$ 2,586,016

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.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Capital Assets:

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance, 01/01/11	Additions	Deletions	Balance, 12/31/11
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	869,983	--	26,896,742
Building improvements	2,801,244	--	--	2,801,244
Equipment and furniture	3,234,770	123,138	--	3,357,908
Total Cost	35,787,950	993,121	513,355	36,267,716
Less Accumulated Depreciation:				
Buildings	2,465,446	565,548	--	3,030,994
Building improvements	824,524	120,804	--	945,328
Equipment and furniture	1,539,068	334,849	--	1,873,917
Total Accumulated Depreciation	4,829,038	1,021,201	--	5,850,239
Capital Assets, net	\$ 30,958,912	\$ (28,080)	\$ (513,355)	\$ 30,417,477

NOTE 5 - Long-Term Liabilities:

December 31	2011
\$9,580,000 Refunding Certificates of Participation (2010) due in varying installments through December 15, 2019, interest at 2.00 – 3.00%	\$ 7,930,000
Less Deferred Amounts	(461,244)
\$12,110,000 Certificates of Participation (2006) due in varying installments through December 15, 2026, interest at 4.0 – 5.1%	10,650,000
	\$ 18,118,756

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Long-Term Liabilities - Continued:

The annual requirements to repay these certificates as of December 31, 2011, are as follows:

Years Ending December 31	Principal	Interest	Total
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	1,570,000	519,856	2,089,856
2016	1,615,000	476,556	2,091,556
2017-2021	6,640,000	1,606,075	8,246,075
2022-2026	4,280,000	631,925	4,911,925
	\$ 18,580,000	\$ 5,041,880	\$ 23,621,880

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.

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 01/01/11	Additions	Deletions	Balance 12/31/11	Due Within One Year
Certificates of Participation – 2006	\$11,155,000	\$ --	\$ 505,000	\$ 10,650,000	\$ 530,000
Refunding Certificates of Participation - 2010	8,830,000	--	900,000	7,930,000	920,000
Less: Deferred Amounts	(518,900)	--	(57,656)	(461,244)	57,656
Compensated Absences	271,777	18,908	6,341	284,344	20,000
	\$19,737,877	\$ 18,908	\$1,353,685	\$ 18,403,100	\$ 1,527,656

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

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.

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 \$449,770 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.

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 2011, employees contributed \$237,481 and the District contributed \$236,621 to the plan.

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	2011
Total fund balances of governmental funds	\$ 14,657,989
Capital assets and debt issuance costs used in governmental activities are not financial resources and therefore are not reported in the funds	30,532,609
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	(18,403,100)
Total Net Assets	\$ 26,787,498

HIGH PLAINS LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

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):

<u>Year Ended December 31</u>	<u>2011</u>
Net change in fund balances – total governmental funds	\$ (133,349)
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 depreciation exceeded capital outlay in the current year.	(541,437)
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.	1,332,955
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	(12,567)
<u>Change in Net Assets of Governmental Activities</u>	<u>\$ 645,602</u>

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

Year Ended December 31, 2011	Actual	Original and Final Budget	Variance
Revenue:			
Earnings on investments	\$ 1,070	\$ 1,100	\$ (30)
Total Revenue	1,070	1,100	(30)
Expenditures:			
Debt service	2,081,859	2,097,806	15,947
Total Expenditures	2,081,859	2,097,806	15,947
Revenue Under Expenditures	(2,080,789)	(2,096,706)	15,917
Other Financing Sources (Uses):			
Transfer from General Fund	2,094,717	2,097,806	(3,089)
Revenue and Other Financing Sources Over Expenditures	13,928	1,100	12,828
Fund Balance - Beginning	916,009	916,009	-
Fund Balance - Ending	\$ 929,937	\$ 917,109	\$ 12,828

HIGH PLAINS LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

Year Ended December 31, 2011	Actual	Original and Final Budget	Variance
Revenue:			
Earnings on investments	\$ 26	\$ 1	\$ 25
Total Revenue	26	1	25
Expenditures:			
Trustee management fee	75	-	(75)
Capital outlay	518,983	289	(518,694)
Total Expenditures	519,058	289	(518,769)
Revenue Under Expenditures	(519,032)	(288)	(518,744)
Fund Balance - Beginning	519,060	519,060	-
Fund Balance - Ending	\$ 28	\$ 518,772	\$ (518,744)

STATISTICAL SECTION



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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 12,298,749
Restricted for									
Debt service	996,895	990,678	992,448	994,391	982,877	968,184	972,355	916,009	929,937
Emergencies	85,000	246,010	246,010	377,228	437,649	464,902	451,652	555,749	449,770
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	13,109,042
Total governmental activities net assets	<u>\$ 11,888,388</u>	<u>\$ 12,300,435</u>	<u>\$ 13,527,012</u>	<u>\$ 16,344,681</u>	<u>\$ 20,214,955</u>	<u>\$ 22,282,933</u>	<u>\$ 22,932,653</u>	<u>\$ 26,141,896</u>	<u>\$ 26,787,498</u>
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	12,298,749
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	1,379,707
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	13,109,042
Total primary government net assets	<u>\$ 11,888,388</u>	<u>\$ 12,300,435</u>	<u>\$ 13,527,012</u>	<u>\$ 16,344,681</u>	<u>\$ 20,214,955</u>	<u>\$ 22,282,933</u>	<u>\$ 22,932,653</u>	<u>\$ 26,141,896</u>	<u>\$ 26,787,498</u>

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

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 13,607,335
Interest on long term debt	532,488	524,887	500,984	480,715	1,015,541	956,850	927,203	772,337	734,515
Debt issuance costs	-	-	-	-	-	-	-	-	14,389
Total governmental activities expenses	<u>\$ 6,727,821</u>	<u>\$ 7,908,879</u>	<u>\$ 8,763,579</u>	<u>\$ 9,801,590</u>	<u>\$ 11,307,781</u>	<u>\$ 13,520,499</u>	<u>\$ 14,406,604</u>	<u>\$ 15,316,941</u>	<u>\$ 14,356,239</u>
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	178,005
Operating grants and contributions	128,460	122,991	113,950	128,750	246,986	553,113	113,750	138,750	113,750
Total governmental activities program revenues	<u>\$ 221,796</u>	<u>\$ 233,927</u>	<u>\$ 246,351</u>	<u>\$ 275,881</u>	<u>\$ 426,466</u>	<u>\$ 720,493</u>	<u>\$ 309,137</u>	<u>\$ 336,736</u>	<u>\$ 291,755</u>
Net (Expenses)/Revenue									
Governmental activities									
Total primary government net	<u>\$ (6,506,025)</u>	<u>\$ (7,674,952)</u>	<u>\$ (8,517,228)</u>	<u>\$ (9,525,709)</u>	<u>\$ (10,881,315)</u>	<u>\$ (12,800,006)</u>	<u>\$ (14,097,467)</u>	<u>\$ (14,980,205)</u>	<u>\$ (14,064,484)</u>
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	\$ 13,602,800
Specific ownership	797,454	906,280	955,943	1,097,230	1,230,703	1,211,207	1,048,351	1,044,416	979,076
Unrestricted investment earnings	98,299	91,368	259,965	452,392	1,110,903	647,636	420,081	238,444	128,210
Total governmental activities	<u>7,900,358</u>	<u>8,086,999</u>	<u>9,743,805</u>	<u>12,343,378</u>	<u>14,751,589</u>	<u>14,867,984</u>	<u>14,747,187</u>	<u>18,189,448</u>	<u>14,710,086</u>
Total primary government	<u>\$ 7,900,358</u>	<u>\$ 8,086,999</u>	<u>\$ 9,743,805</u>	<u>\$ 12,343,378</u>	<u>\$ 14,751,589</u>	<u>\$ 14,867,984</u>	<u>\$ 14,747,187</u>	<u>\$ 18,189,448</u>	<u>\$ 14,710,086</u>
Change in Net Assets									
Governmental activities									
Total primary government	<u>\$ 1,394,333</u>	<u>\$ 412,047</u>	<u>\$ 1,226,577</u>	<u>\$ 2,817,669</u>	<u>\$ 3,870,274</u>	<u>\$ 2,067,978</u>	<u>\$ 649,720</u>	<u>\$ 3,209,243</u>	<u>\$ 645,602</u>

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

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

(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved/restricted	\$ 85,000	\$ 246,010	\$ 246,010	\$ 377,228	\$ 437,649	\$ 464,902	\$ 451,652	\$ 555,749	\$ 449,770
Unreserved/unrestricted	7,033,223	6,415,643	7,770,439	10,069,028	11,504,420	12,021,916	10,339,711	12,800,520	13,278,254
Total general fund	<u>\$ 7,118,223</u>	<u>\$ 6,661,653</u>	<u>\$ 8,016,449</u>	<u>\$ 10,446,256</u>	<u>\$ 11,942,069</u>	<u>\$ 12,486,818</u>	<u>\$ 10,791,363</u>	<u>\$ 13,356,269</u>	<u>\$ 13,728,024</u>
All other Governmental Funds									
Reserved/restricted	\$ 996,895	\$ 990,678	\$ 992,448	\$ 12,660,356	\$ 1,700,247	\$ 1,023,775	\$ 976,128	\$ 1,435,069	\$ 929,965
Total for all governmental funds	<u>\$ 8,115,118</u>	<u>\$ 7,652,331</u>	<u>\$ 9,008,897</u>	<u>\$ 23,106,612</u>	<u>\$ 13,642,316</u>	<u>\$ 13,510,593</u>	<u>\$ 11,767,491</u>	<u>\$ 14,791,338</u>	<u>\$ 14,657,989</u>

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

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

(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 14,581,876
Charges for services	17,033	24,324	26,476	22,240	19,346	25,878	27,436	23,787	21,504
Library fines	62,141	74,947	93,229	118,368	128,082	128,295	165,640	170,724	154,588
Earnings on investments	98,299	91,368	259,965	452,392	1,110,903	647,636	420,081	238,444	128,210
Contributions in kind - rent	113,750	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	1,913
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	15,001,841
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	12,573,567
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	479,764
Debt issuance costs	-	-	-	-	-	-	-	129,523	-
Debt service									
Interest	532,488	524,887	500,984	480,715	1,015,541	956,850	927,203	772,337	676,859
Principal	470,000	485,000	505,000	525,000	550,000	570,000	1,065,000	1,235,000	1,405,000
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	15,135,190
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	(133,349)
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	2,094,717
Transfers out	(1,003,149)	(996,842)	(983,125)	(962,692)	(3,067,149)	(1,492,085)	(1,995,160)	(1,993,701)	(2,094,717)
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	\$ (133,349)
Debt service as a percentage of noncapital expenditures	12.82%	13.18%	11.83%	10.60%	12.86%	11.01%	13.64%	12.75%	14.21%

Note: The District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only nine 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
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
2011	4,972,908	1,270,033	1,691,690	1,056,746	996,174	2,586,016	479,764	2,081,859	15,135,190

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 Ownership Taxes	Interest Income	Grants	Fines	Miscellaneous	Total
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
2011	13,602,800	979,076	128,210	-	154,588	137,167	15,001,841

Source:
HPLD 2011 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
2002	6,436,259	6,423,603	99.8%		6,423,603	99.8%
2003	7,001,239	6,989,104	99.8%		6,989,104	99.8%
2004	7,101,928	7,080,999	99.7%		7,080,999	99.7%
2005	8,608,491	8,519,389	99.0%		8,519,389	99.0%
2006	10,826,345	10,788,232	99.6%		10,788,232	99.6%
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%
2011	13,608,864	13,581,475	99.8%	-	13,581,475	99.8%

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	Natural Resources	Oil & Gas	State Assessed	Total Taxable Assessed Value	Estimated Taxable Value	Total Direct Tax Rate	Assessed Value as a % of Actual Value
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%
2011	59,313	893,155	600,970	207,560	109,046	12,221	2,338,283	593,893	4,814,441	19,664,487	3.249	24.483%

Source: Weld County Assessor's office

**High Plains Library District
Principal Taxpayers
December 31, 2011**

	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Noble Energy	978,636,640	1	24.49%			
Kerr-Mcgee Oil & Gas Onshore LP	737,284,110	2	18.45%			
Encana Oil & Gas (USA) Inc	184,505,010	3	4.62%			
Public Service Company of Colorado (Xcel)	182,601,420	4	4.57%	90,262,700	3	5.52%
Petroleum Development Corp	158,911,600	5	3.98%			
DCP Midstream LP	74,626,980	6	1.87%			
Kerr Mcgee Gathering LLC	63,672,300	7	1.59%	31,418,800	6	1.92%
Colorado Interstate Gas Co	49,306,900	8	1.23%			
Merit Energy	35,685,060	9	0.89%			
Vestas Blades America Inc.	34,991,500	10	0.88%			
Kerr Mcgee Rocky Mountain Corp				270,294,080	1	16.52%
Patina Oil & Gas Corporation				174,150,230	2	10.65%
Pancanadian Energy Resources Inc.				38,311,940	4	2.34%
Prima Oil & Gas Company				32,896,630	5	2.01%
Qwest Corp FKA US West				29,835,600	7	1.82%
Merit Energy				26,943,680	8	1.65%
Thermo Cogeneration Partnership				18,640,300	9	1.14%
Duke Energy Field Services Inc.				16,984,350	10	1.04%
	<u>\$ 2,500,221,520</u>		<u>51.92%</u>	<u>\$ 729,738,310</u>		<u>33.83%</u>

Source: Weld County Assessor

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

Governmental Activities					
Fiscal Year	Certificates of Participation	Total Library District	Percentage of Personal Income ¹		
			Per Capita ¹		
2002	\$ 11,475,000	\$ 11,475,000	0.23%	56.71	
2003	11,005,000	11,005,000	0.21%	53.13	
2004	10,520,000	10,520,000	0.20%	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	0.26%	77.28	
2010	19,466,100	19,466,100	0.28%	76.99	
2011	18,118,756	18,118,756	0.26%	71.12	

¹ Refer to Demographic and Economic Statistics schedule on page 50 of the CAFR.

Note: Details regarding the district's outstanding debt can be found in FN 5 page 31 of the CAFR.

Source: Current and prior year's financial statements.

**High Plains Library District
Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Valuation	\$4,755,542,850
Debt Limit 1.5% of Assessed Value ¹	71,333,143
Certificates of Participation ²	18,118,756
Legal Debt Margin	53,214,387

**Legal Debt Margin Information
Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 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	\$ 71,333,143
Total net debt applicable to limit	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	18,118,756
Legal debt margin	\$ 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	\$ 53,214,387
Total net debt applicable to the limit as a percentage of debt limit	35.46%	33.52%	26.44%	20.68%	38.68%	35.84%	34.16%	25.37%	32.03%	25.40%

Note:

¹ 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.

² 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.

**High Plains Library District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government ¹	Amount Applicable to Government
Cities and Towns	\$ 81,719,029	86.99%	\$ 74,489,479
Schools	933,312,833	42.62%	465,658,398
Special Districts	<u>131,919,520</u>	64.17%	<u>84,074,041</u>
Total Overlapping	<u><u>\$1,146,951,382</u></u>		<u><u>\$ 624,221,918</u></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	Total Personal Income (\$ billions)	Per Capita Income	Unemployment Rate
2002	202,329	5.02	24,571	6.10%
2003	207,120	5.14	24,279	6.70%
2004	217,652	5.38	25,274	5.40%
2005	221,957	5.79	25,968	5.00%
2006	229,377	5.84	25,495	3.80%
2007	236,908	6.23	26,280	4.63%
2008	244,515	6.66	27,238	6.30%
2009	251,220	7.38	27,788	8.16%
2010	252,825	7.07	28,503	9.80%
2011	254,759	6.93	27,186	9.10%

Source: Weld County CAFR
Upstate Colorado demographic profile

**High Plains Library District
Principal Employers
December 31, 2011**

	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
JBS Swift Beef Company	4,500	1	4.04%	3,370	1	3.77%
Banner Health: Northern Colorado Medical Center	3,000	2	2.69%	1,857	4	2.08%
Greeley Evans School District 6	2,300	3	2.06%	1,994	3	2.23%
State of Colorado (includes UNC)	1,658	4	1.49%	2,052	2	2.30%
Vestas	1,600	7	1.44%			
Weld County Government	1,372	5	1.23%	1,200	9	1.34%
State Farm Insurance Companies	1,350	6	1.21%	1,350	7	1.51%
Aims Community College	900	8	0.81%	1,596	6	1.79%
City of Greeley	874	9	0.78%	1,078	10	1.21%
Carestream Health Inc.	521	10	0.47%			
StarTek, Inc.				1,257	8	1.41%
Eastman Kodak Company				1,800	5	2.01%
Total Principal Employers	18,075		16.22%	17,554		19.64%
Other Employers	93,359		83.78%	71,844		80.36%
Total County Employment	111,434		100.00%	89,398		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 Owned¹	Number of Audio/Visual Items Owned²	Total Items Owned	Number of Items Circulated
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
2011	637,087	111,048	748,135	2,761,638

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, 2011**

Libraries	Address	Square Footage	Number of Employees
Cabon Valley Regional	7 Park Avenue Firestone, CO 80504	34,000	24
Centennial Park Library	2227 23rd Avenue Greeley, CO 80634	29,610	26
District Support Services *	2650 W. 29th Street Greeley, CO 80631	23,903	47
Erie Community	400 Powers Street Erie, CO 80516	20,000	19
Farr Regional Library**	1939 61st Avenue Greeley, CO 80634	38,000	29
Lincoln Park Library	919 7th Street, Suite A Greeley, CO 80631	13,000	22
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.

** The Virtual Library department consisting of 3 employees is located at the Farr Regional Library (FRL) and included in the number of employees listed for the FRL.

This information is presented on an annual year end basis, to highlight the number of employees at each location.

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

Fiscal Year	Carbon Valley ¹	Centennial Park	Erie ²	Farr ³	Lincoln Park	Outreach Services	Total
2002	52,607	276,649	n/a	102,492	158,665	123,294	713,707
2003	73,035	214,705	n/a	318,399	160,861	125,041	892,041
2004	102,830	441,904	n/a	405,696	120,290	116,631	1,187,351
2005	119,069	446,642	n/a	448,691	177,979	97,051	1,289,432
2006	135,475	431,071	7,674	492,632	174,455	96,503	1,337,810
2007	142,423	403,580	8,828	569,154	166,030	81,667	1,371,682
2008	328,473	485,661	274,667	551,880	199,280	64,440	1,904,401
2009	431,063	557,161	360,777	613,829	230,495	66,912	2,260,237
2010	460,549	544,937	394,194	633,278	210,738	63,808	2,307,504
2011	447,547	531,887	390,389	584,903	220,894	59,341	2,234,961

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.