



WELD COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017



**RECEIVED**

Office of the State Auditor

May 22, 2018



# High Plains Library District

2650 W. 29<sup>th</sup> Street  
Greeley, Colorado 80631

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2017

### Board of Trustees

Kenneth Poncelow .....	Chairman
Mary Heberlee.....	Vice Chairman
Bob Grand.....	Secretary/Treasurer
George Conger .....	Trustee
John Damsma .....	Trustee
Rosalie Martinez .....	Trustee
Joyce Smock.....	Trustee

Executive Director  
Dr. Matthew Hott

Interim Executive Director/Associate Director of Branch Services  
Edward A. Brewer

Associate Director for Community Engagement  
Elena Rosenfeld

Prepared by:  
Natalie Wertz  
Finance Manager

## TABLE OF CONTENTS

---

### INTRODUCTORY SECTION

Letter of Transmittal .....	3
Principal District Officials .....	8
Organizational Chart .....	9
Certificate of Achievement .....	10

### FINANCIAL SECTION

Independent Auditors' Report.....	11
Management Discussion and Analysis.....	13
Basic Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Position .....	18
Statement of Governmental Funds Revenue, Expenditures and Changes In Fund Balances/Statement of Activities.....	20
Budgetary Comparison Statement – General Fund.....	24
Notes to Financial Statements.....	26
Other Supplementary Information:	
Budgetary Comparison Schedule:	
Debt Service Fund.....	38

### STATISTICAL SECTION (Unaudited)

Net Position by Component .....	41
Changes in Net Position .....	42
Fund Balances of Governmental Funds .....	43
Changes in Fund Balances, Governmental Funds.....	44
General Governmental Expenditures by Function .....	45
General Governmental Revenues by Source.....	46
Property Tax Levies and Collections .....	47
Assessed and Estimated Actual Value of Taxable Property .....	48
Principal Taxpayers.....	49
Ratio of Outstanding Debt by Type .....	50
Legal Debt Margin Calculation.....	51
Direct and Overlapping Governmental Activities Debt.....	52
Demographic and Economic Statistics.....	53
Principal Employers .....	54
Library Materials Purchased and Circulated.....	55
Service Locations.....	56
Circulation Summary by Location .....	57

May 21, 2018

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, 2017.

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, 2017 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 Number RE-8. The District is fiscally, managerially and operationally an independent political subdivision of the State of Colorado.

There are seven 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 each in Erie, Evans, Firestone, and Kersey. 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. By contract with the municipalities 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 public computer centers (PCCs) located in Greeley and Evans, and supports technology at PCCs located in Lochbuie, Milliken, and Nunn. Affiliated Libraries consist of the Poudre Learning Center in Greeley, the Hazel E. Johnson Research Center, located within the City of Greeley Museum and the City of Evans museum. A book deposit is available at the Hill and Park Senior Center.

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 include Associate Directors, Collection Resources, Community Relations and Marketing, Executive Director, Facilities Services, Finance, Foundation, Human Resources, Information Technology, 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 founding bodies that established the District. Trustees serve staggered terms with two board members having terms expiring at the end of each year from 2018 to 2020 and one at the end of 2021. The trustees hold two meetings each month 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 file a certified copy of the budget with the State of Colorado Division of Local Government by 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 and approval on or before October 15. The deadline for certification of mill levies to the Boulder County and Weld County Commissioners is December 15 of each year. 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 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 when applicable the 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 Colorado economy improved during 2017 with continued growth projected for 2018. The Weld County economy continues to be one of the strongest in the state. The unemployment rate in Colorado remained low throughout 2017 with a reported unemployment rate of 3.4 percent in Weld County for December 2017. Inflation in Colorado was reported to be 3.1 percent in 2017. Inflationary pressures may increase with continued high employment rates.

Economic activity continued to gain momentum in 2017. Growth was limited in 2017, but improvements occurred in major sectors of the economy, particularly construction and oil and gas. Oil and gas companies continue to invest in the Denver-Julesburg Basin which covers most of the High Plains Library District geographic area. Record levels of oil production were reached in 2017. Oil production is expected to increase up to 10% in 2018.

The northern Colorado region's real estate market continues to be active. High employment has supported the demand for housing and increased pressure to provide affordable housing. While prices are projected to continue to rise in 2018 because of limited available housing inventory, growth may be tempered as increasing interest rates may dampen the market. The value of nonresidential projects continues to grow. Government facility construction and medical facility construction have contributed to the nonresidential growth. Commercial construction has been active with hotel, retail, and restaurant construction in the area. This, along with housing growth, has also helped maintain steady growth in construction jobs for the region's labor market.

Growth in the county's labor market remains steady. A primary driver of recent growth has been oil and gas development. With the impact of the recession on Colorado's economy, the oil and gas industry's jobs and monetary contribution played a critical role in our recovery, and its importance today has not waned. The industry continues to be an enormous driver to recovery from the recent recession and to the continued economic growth of Weld County and Colorado.

The continued impact of oil and gas development in the county touches on many aspects of the High Plains Library District (HPLD) currently, and in planning for the future. The energy development presents both challenges and opportunities for HPLD. As has been the case for the last four to five years, growth and development activity directly, or indirectly, related to oil and gas exploration seems to be a main economic driver of positive economic activities in Weld County. During the last few years, the County has seen several compressor stations, injection wells, new pipelines, and other oil and gas support and service industries seeking permits. Given the commitments of the large oil and gas companies in Weld County, the County seems primed to see considerable long-term investment and development in the oil and gas arena. Although the potential for the future of energy development in Weld County appears bright, it is not without risks. Oil and gas production in Colorado has risks associated with the potential of more government regulations and voter initiatives trying to restrict or limit fracking and limit drilling in Colorado communities. These regulatory risks, if implemented, could dramatically impact future oil and gas development in Colorado.

Historically, Weld County agricultural production has been the highest in the state and among the highest in the nation. Agricultural production continues to be a significant local economic factor. Corn, wheat, and sugar beets remain some of the primary crops grown in the area. The local dairy market has benefitted from the construction and expansion of a cheese factory in Greeley.

In the summer of 2017 a national food company began construction of a plant in the southwest area of the district. The plant is expected to open in late 2018. At opening, the plant is expected to cost \$200 million and employ 250 workers.

As the High Plains Library District looks to 2018 and beyond, a number of challenges face the District to meet the ever changing and growing demands of its patrons to maintain the quality of service and product offerings that the patrons have grown to expect from their library district. The additional production of oil and gas during recent years has resulted in significant increases in the District's assessed value with the oil and gas production exceeding fifty-four percent of the District's total assessed valuation for fiscal year 2017. However, oil and gas production comprised over sixty-six percent of the District's total assessed valuation for fiscal year 2016. The District's total valuation for fiscal year 2017 decreased approximately twenty-two percent from the 2016 assessed values. Because of the volatility of production levels and price fluctuations of the oil and gas production, the District must prudently manage the property tax revenue created by the energy development. To assist the Board of Trustees in managing volatility in property tax revenue will be the continued utilization of the Capital Improvement Program, five-year planning horizon, and the ten-year forecast model used during the bi-annual budget preparation.

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 on 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. Prioritizing services is essential and a practice that the HPLD does annually. It allows the HPLD to concentrate on high priority programs and cease 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 as well as match those needs with the appropriate projected revenue sources.

**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 percent of annual spending and the requirement for elections to approve any tax increase.

**Major initiatives:** HPLD budgeted revenues for fiscal year 2017 decreased by approximately \$8,6 million or 23%, compared to 2016. This required the District to institute a temporary hiring freeze and decrease its spending allocation for library materials and information technology.

During April 2014 Towns of Ault, Eaton and Hudson, the City of Fort Lupton, RE8 School District in Fort Lupton, and the Weld County Commissioners, founding parties of the Weld Library District (WLD) (now known as the High Plains Library District (HPLD)), approved respective resolutions, except for the City of Greeley and Evans, to remove all existing High Plains Library District Board of Trustee members and approved appointment of nominees for the vacant positions. This all stemmed from the members stating that the HPLD Board of Trustees was not honoring the three conditions that were guaranteed by the creating documents. 1) Municipal retention of the title to their library property, 2) Continuation of local boards of library trustees to insure local control, and 3) The sharing of the library-related mill levies through 2/3-1/3 allocation of the property tax generated from the service area of the municipal libraries. The HPLD Trustees brought suit seeking Declaratory Judgment and Injunctive Relief, granted by the District Court of Weld County, Colorado, as necessary and the only relief available under the law at this time. The board was prohibited from entering into any new contracts without full agreement of all parties involved in the action, or without written Court approval if no agreement could be reached. By court order, the board was authorized to continue implementation of policies or procedures previously adopted, but was not authorized to begin any new projects, or adopt new policies without approval. In April 2016, the Colorado Supreme Court denied the Defendants' request to hear an appeal to the case. The case was resolved by a settlement agreement between the parties that was approved in February 2017. As a result of the settlement agreement, six new board members were selected by the nominating committee and were subsequently ratified by the founding parties. The six new board members assumed their seats on the board in June 2017.

Janine Reid, Executive Director, retired effective September 1, 2017. Edward A. Brewer, Associate Director of Branch Services, was appointed Interim Executive Director. The board hired an executive recruiting firm. The search for the next Executive Director began in October 2017. In February 2018, the board selected Dr. Matthew Hott as the next Executive Director of High Plains Library District. Dr. Hott began his work with HPLD in April 2018.

Programming initiatives in 2017 included the second annual Signature Author Series with Jodi Picoult, the Teen Tour Event with Joaquin Zihuatanejo, a Poetry Slam for National Coming Out Day, and the Discover Health Exhibit. HPLD continued collaboration with the Immigrant and Refugee Center to provide citizenship and ESL classes. Collection Resource initiatives included implementing Prospector which gives patrons free access to over 30 million collection items from Prospector member libraries located in Colorado and Wyoming. Prospector allows patrons to request items directly from another library instead of using the Interlibrary Loan process. Collection Resources added 400 Launchpads to the collection that are preloaded with applications to improve reading skills and increase reading comprehension. HPLD also implemented a specialty checkout program that allows patrons to reserve laptops, projectors, telescopes, mobile internet hotspots, and State Park Passes for checkout.

**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, 2016. This was the fifteenth 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,



Dr. Matthew Hortt  
Executive Director

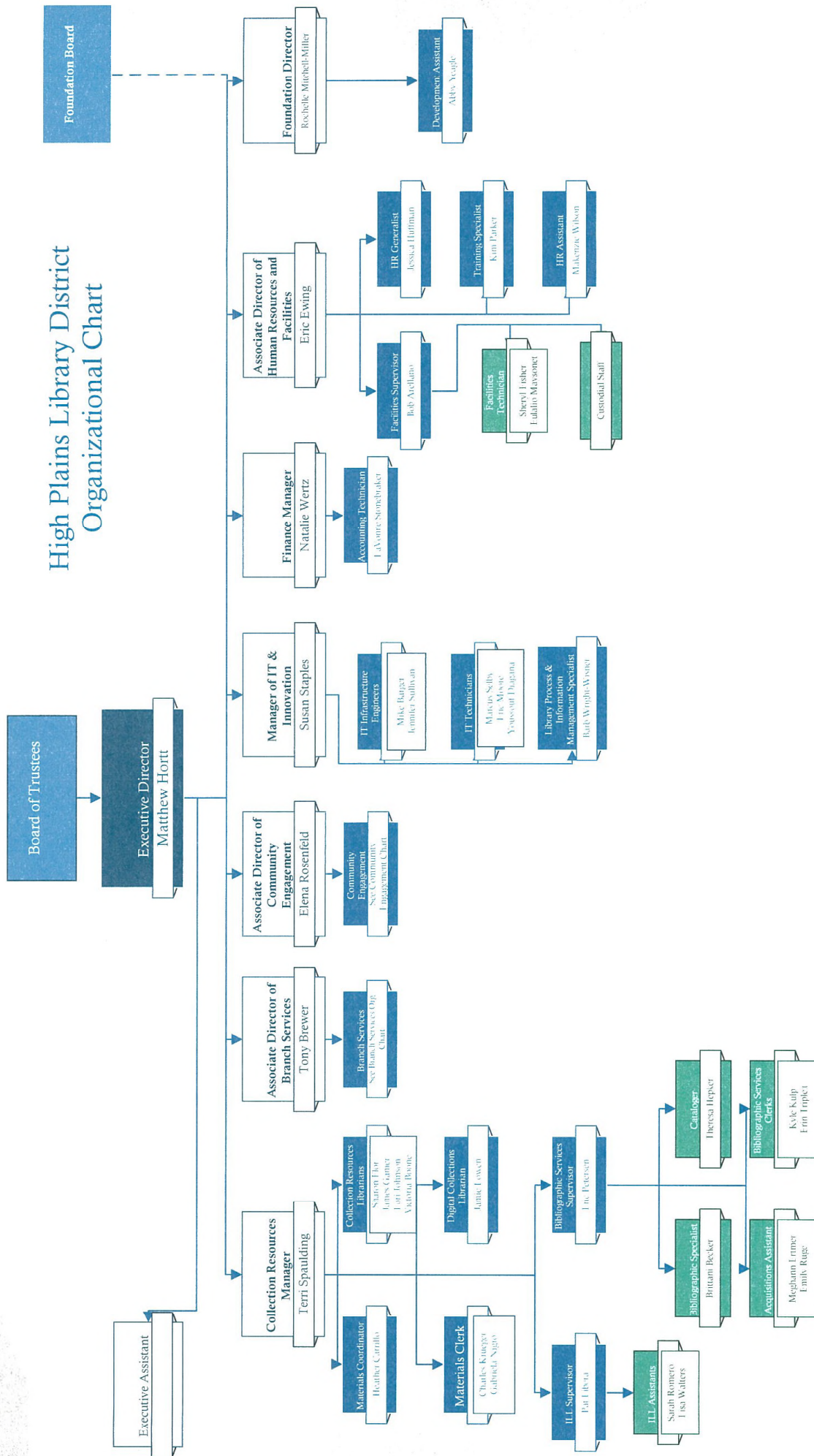


Natalie Wertz, CPA, CFE  
Finance Manager

## HIGH PLAINS LIBRARY DISTRICT PRINCIPAL DISTRICT OFFICIALS

Dr. Matthew Hottt..... Executive Director  
Edward A. Brewer ..... Associate Director of Branch Services  
Elena Rosenfeld..... Associate Director of Community Engagement  
Eric Ewing ..... Associate Director of Human Resources and Facilities  
Kelli Johnson..... Community Relations and Marketing Manager  
Abby Yeagle..... Interim Foundation Director  
Terri Spaulding..... Collection Resources Manager  
Susan Staples ..... Information Technology Manager  
Natalie Wertz..... Finance Manager

# High Plains Library District Organizational Chart





Government Finance Officers Association

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, 2016**

*Christopher P. Morrill*

Executive Director/CEO



## Independent Auditors' Report

Board of Trustees  
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, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **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, 2017, 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.

## **Other Matters**

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 1, 2018

## 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, 2017. 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 and deferred inflows by \$62.5 million at the end of 2017. Of this amount, \$29.7 million may be used to meet the District's ongoing obligations to patrons and creditors. The remaining \$32.8 million are capital assets or are restricted by law.
- The District's General Fund balance was \$31.1 million as of December 31, 2017. Of this amount, \$.9 million is reserved for emergencies.
- The 2017 General Fund balance is \$8,200,821 higher than the previous year. The total fund balance is 146% of 2017 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 position* presents information on all of the District's assets, liabilities, and deferred resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the year. All changes in net position 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 18-23 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 two 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 and Debt Service Fund. Individual fund data for the Debt Service Fund is provided in the form of a budget comparison schedule on page 38 of this report.

The basic governmental fund financial statements can be found on pages 18 through 23 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 24 to 25 of this report. Budget to actual comparison for the Debt Service fund is provided on page 38.

**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 26 through 37 of this report.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net position:** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, net position was \$62.5 million.

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

Table 1 - Net position (in Millions)		
	2017	2016
<b>Assets</b>		
Current and other assets	\$60.4	\$ 51.8
Capital assets	32.9	34.1
<b>Total assets</b>	<b>93.3</b>	<b>85.9</b>
<b>Liabilities</b>		
Current and other liabilities	1.8	1.9
Long-term liabilities	1.6	2.6
<b>Total liabilities</b>	<b>3.4</b>	<b>4.5</b>
<b>Deferred Inflows</b>		
Deferred Property Taxes	27.4	26.9
<b>Net Position</b>		
Net Investment in capital assets	30.9	31.2
Restricted	1.8	2.0
Unrestricted	29.8	21.3
<b>Total net position</b>	<b>\$ 62.5</b>	<b>\$ 54.5</b>

A significant portion of High Plains Library District's net position (48%) represents unrestricted net position of \$29.8 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 position (49%) 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 remodel of various facilities. High Plains Library District has no other debt.

An additional \$1.8 million of the District's net position (3%) 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 position:

Governmental Activities	2017	2016
Revenues:		
General revenues:		
Property and specific ownership taxes	\$ 29,086,905	\$ 37,462,247
Investment earnings	279,300	214,921
Program revenues:		
Charges for services	89,100	101,381
Operating grants and contributions	76,675	122,808
Total revenues	29,531,980	37,901,357
Expenses:		
Library services	17,270,523	21,275,559
Operations and maintenance	2,911,932	3,287,026
Depreciation	1,266,253	1,360,260
Interest on long-term debt	141,872	519,145
Total expenses	21,590,580	26,441,990
Increase in net position	7,941,400	11,459,367
Beginning net position	54,560,554	43,101,187
Ending net position	\$ 62,501,954	\$ 54,560,554

**Governmental activities**

Governmental activities increased High Plains Library District's net position by \$7,941,400 in 2017. One key element to this change was the decreased property taxes from anticipated decreases in assessed property valuations for the 2017 collection year.

Expenses totaled an 18% decrease over the previous year. Decreases occurred due to distributions to member libraries also decreasing as they are related to decreased property taxes. Interest expense decreased due to one of the certificate of participation series being repaid in 2016.

## 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, unrestricted 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 2017, the combined ending fund balance of High Plains Library District governmental funds was \$32.1 million. Approximately 71% 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 \$872,179, and 2) a debt service reserve of \$957,200.

The District has two 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 \$31.1 million as of December 31, 2017. The 2017 fund balance is \$8.2 million more than the previous year. As a measure of the General Fund 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 106% of total 2017 expenditures and transfers out, while total fund balance is 146% of the same amount. The fund balance increased in 2017 as increased property taxes were more than the amounts transferred to the Debt Service Fund for debt repayment.
2. **Debt Service Fund.** The debt service fund has a fund balance of \$957,200 all of which is restricted for the payment of debt. This balance increased slightly during the year.

## 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 2016, the Board of Trustees appropriated \$28.6 million for general fund expenditures and other financing uses, anticipating no decrease or increase in the fund balance. The actual increase was \$8.2 million due to capital expenditures for new library facilities being shifted from 2017, and expenditures held under budget. The budget was not amended during the year.

<b>Table</b>		
<b>2017 General Fund Budget</b>		
<b>(in Millions)</b>		
	<b>Budget</b>	<b>Actual</b>
Beginning Fund Balance	\$ 22.9	\$ 22.9
Revenue	28.6	29.5
Expenditures and other financing uses	28.6	21.3
Ending Fund Balance	\$ 22.9	\$ 31.1

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** High Plains Library District's investment in capital assets for its governmental activities as of December 31, 2017 totals \$32.9 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, 2017, High Plains Library District had outstanding long-term debt (principal amount) of \$2.125 million in Certificates of Participation (COP's), funded by lease payments for remodeling various 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 2018 budget:

- HPLD budgeted revenues for fiscal year 2018 increased approximately \$485,000 or 1.69% compared to 2017. The 2018 budget includes funds to address the future home site of the Lincoln Park Library, remodel and expand the Erie Library, remodel the Carbon Valley Library, expand the Administration building, and enhance the Kersey Library with a new building or upgrade an existing building. The 2018 budget includes funds for four Outreach vehicles, two of which are intended to be replacements and the other two are expansions of the fleet.
- Continued growth in Weld County causes increased demands in all service areas of the library system.
- Oil and gas property tax revenues continue to be very volatile. Property tax revenue is expected to increase by 2% in 2018 compared to 2017. Budgeted expenditures for 2018 include funding to lease a temporary facility for the Lincoln Park Library building as well as meet the demands placed by our patrons for library materials as well as increased programing for all ages.
- Interest rates continue to increase which will have a positive impact on investment income.
- The economy for the State of Colorado and Weld County continues to improve at a faster pace than the nation as a whole.

## **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 Manager, 2650 West 29<sup>th</sup> Street Greeley, CO 80631.

# HIGH PLAINS LIBRARY DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET/ STATEMENT OF NET POSITION

December 31, 2017	General Fund	Debt Service Fund	Total
<u>ASSETS</u>			
Cash and Investments	\$ 31,686,371	\$ 963,174	\$ 32,649,545
Receivables:			
Property taxes	27,389,997	-	27,389,997
Other assets	213,112	-	213,112
Capital Assets:			
Depreciable	-	-	-
Nondepreciable	-	-	-
Total Assets	59,289,480	963,174	60,252,654
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on Debt Refunding	-	-	-
<u>LIABILITIES</u>			
Accounts Payable	465,266	-	465,266
Accrued Costs	334,120	5,974	340,094
Long-Term Liabilities:			
Due within one year	-	-	-
Due after one year	-	-	-
Total Liabilities	799,386	5,974	805,360
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Taxes	27,389,997	-	27,389,997
<u>FUND BALANCES/NET POSITION</u>			
Fund Balances:			
Restricted for:			
Emergencies	872,179	-	872,179
Debt service	-	957,200	957,200
Assigned for capital projects	7,577,350	-	7,577,350
Unassigned	22,650,568	-	22,650,568
Total Fund Balances	31,100,097	957,200	32,057,297
Total Liabilities and Fund Balances	\$ 59,289,480	\$ 963,174	\$ 60,252,654
Net Position:			
Net investment in capital assets			
Restricted for debt service			
Restricted for emergencies			
Unrestricted			
<u>Total Net Position</u>			

See Accompanying Notes to Financial Statements.

Adjustments (Note 10)	Statement of Net Position
\$ -	\$ 32,649,545
-	27,389,997
-	213,112
29,297,122	29,297,122
3,643,871	3,643,871
<u>32,940,993</u>	<u>93,193,647</u>
115,311	115,311
-	465,266
-	340,094
1,045,000	1,045,000
1,566,647	1,566,647
<u>2,611,647</u>	<u>3,417,007</u>
-	27,389,997
(872,179)	-
(957,200)	-
(7,577,350)	-
(22,650,568)	-
<u>(32,057,297)</u>	-
30,931,304	30,931,304
957,200	957,200
872,179	872,179
29,741,271	29,741,271
<u>\$ 62,501,954</u>	<u>\$ 62,501,954</u>

# HIGH PLAINS LIBRARY DISTRICT

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

Year Ended December 31, 2017	General Fund	Debt Service Fund	Total
Revenue:			
General property taxes	\$ 26,947,573	\$ -	\$ 26,947,573
Specific ownership taxes	2,125,055	-	2,125,055
Penalties and interest			
on delinquent taxes	14,277	-	14,277
Library fines	89,100	-	89,100
Earnings on investments	278,255	1,045	279,300
Grant	65,578	-	65,578
Miscellaneous	11,097	-	11,097
Total Revenue	29,530,935	1,045	29,531,980
Expenditures/Expenses:			
Current:			
Salaries, wages, and benefits	8,987,418	-	8,987,418
Supplies	380,335	-	380,335
Small equipment	49,953	-	49,953
Software	232,146	-	232,146
Postage	22,084	-	22,084
Printing	7,199	-	7,199
Book collections	528,602	-	528,602
Periodicals	51,850	-	51,850
Public relations	57,304	-	57,304
Electronic resources	665,201	-	665,201
CD and online databases	58,829	-	58,829
Telephone	169,178	-	169,178
Contract services	988,487	-	988,487
Buildings and grounds	207,581	-	207,581
Travel and meetings	82,388	-	82,388
County Treasurer's fees	403,494	-	403,494
Maintenance of equipment	690,820	-	690,820
Memberships	13,824	-	13,824
Miscellaneous	3,664	-	3,664
Insurance	59,806	-	59,806
Rent		-	-
Utilities	285,345	-	285,345
Grants-in-aid	6,227,241	-	6,227,241
Depreciation	-	-	-
Total Current	20,172,749	-	20,172,749

Continued on next page.

Adjustments (Note 11)	Statement of Activities
\$ -	\$ 26,947,573
-	2,125,055
-	14,277
-	89,100
-	279,300
-	65,578
-	11,097
-	29,531,980

9,706	8,997,124
-	380,335
-	49,953
-	232,146
-	22,084
-	7,199
-	528,602
-	51,850
-	57,304
-	665,201
-	58,829
-	169,178
-	988,487
-	207,581
-	82,388
-	403,494
-	690,820
-	13,824
-	3,664
-	59,806
-	-
-	285,345
-	6,227,241
1,266,253	1,266,253
1,275,959	21,448,708

# HIGH PLAINS LIBRARY DISTRICT

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

Continued

Year Ended December 31, 2017	General Fund	Debt Service Fund	Total
Expenditures/Expenses - Continued:			
Capital Outlay	\$ 53,149	\$ -	\$ 53,149
Debt Service:			
Principal	-	1,020,000	1,020,000
Interest and Fees	-	84,216	84,216
Total Expenditures/Expenses	20,225,898	1,104,216	21,330,114
Revenue Over (Under) Expenditures	9,305,037	(1,103,171)	8,201,866
Other Financing Sources (Uses):			
Transfers - internal activities	(1,104,216)	1,104,216	-
Net Change in Fund Balances/Net Position	8,200,821	1,045	8,201,866
Fund Balances/Net Position, Beginning of Year	22,899,276	956,155	23,855,431
Fund Balances/Net Position, End of Year	\$ 31,100,097	\$ 957,200	\$ 32,057,297

See Accompanying Notes to Financial Statements.

Adjustments (Note 11)	Statement of Activities
\$ (53,149)	\$ -
(1,020,000)	-
57,656	141,872
260,466	21,590,580
(260,466)	7,941,400
-	-
(260,466)	7,941,400
30,705,123	54,560,554
<u>\$ 30,444,657</u>	<u>\$ 62,501,954</u>

# HIGH PLAINS LIBRARY DISTRICT

## BUDGETARY COMPARISON STATEMENT - GENERAL FUND

Year Ended December 31, 2017	Actual	Original and Final Budget	Variance
Revenue:			
General property taxes	\$ 26,947,573	\$ 26,930,379	\$ 17,194
Specific ownership taxes	2,125,055	1,400,000	725,055
Penalties and interest on delinquent taxes	14,277	-	14,277
Grants	65,578	65,621	(43)
Library fines	89,100	65,000	24,100
Earnings on investments	278,255	120,000	158,255
Contributions - in kind	-	15,600	(15,600)
Miscellaneous	11,097	10,000	1,097
Total Revenue	29,530,935	28,606,600	924,335
Expenditures:			
Current:			
Salaries, wages, and benefits	8,987,418	9,917,332	929,914
Supplies	380,335	504,662	124,327
Small equipment	49,953	59,443	9,490
Software	232,146	286,456	54,310
Postage	22,084	41,857	19,773
Printing	7,199	18,100	10,901
Book collection	528,602	584,000	55,398
Periodicals	51,850	52,000	150
Public relations	57,304	110,875	53,571
Electronic resources	665,201	708,000	42,799
CD and Online databases	58,829	63,700	4,871
Telephone	169,178	253,542	84,364
Contract services	988,487	945,602	(42,885)
Buildings and grounds	207,581	185,000	(22,581)
Travel, training, and meetings	82,388	105,765	23,377
County Treasurer's fees	403,494	425,281	21,787
Maintenance of equipment	690,820	574,738	(116,082)
Memberships	13,824	17,833	4,009
Miscellaneous	3,664	4,030	366
Insurance	59,806	61,829	2,023
Rent	-	65,170	65,170
Utilities	285,345	294,253	8,908
Grants-in-aid	6,227,241	6,227,241	-
Total Current	20,172,749	21,506,709	1,333,960
Capital Outlay	53,149	5,982,366	5,929,217
Total Expenditures	20,225,898	27,489,075	7,263,177

Continued on next page.

# HIGH PLAINS LIBRARY DISTRICT

## BUDGETARY COMPARISON STATEMENT - GENERAL FUND -

### Continued

Year Ended December 31, 2017	Actual	Original and Final Budget	Variance
Revenue Over Expenditures	\$ 9,305,037	\$ 1,117,525	\$ 8,187,512
Other Financing Sources (Uses):			
Transfer to Debt Service Fund	(1,104,216)	(1,117,525)	13,309
Excess of Revenue Over Expenditures and Other Financing Sources (Uses)	8,200,821	-	8,200,821
Fund Balances - Beginning	22,899,276	22,899,276	-
Fund Balances - Ending	\$ 31,100,097	\$ 22,899,276	\$ 8,200,821

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 position 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.

---

#### 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, 2017 are \$872,179.

##### Restricted for Debt Services:

A restricted fund of \$957,200 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 the executive director, to whom the Board delegated the authority. Fund balance may be assigned after the end of the reporting period. Restricted funds are considered to be spent first, followed by committed, assigned and unassigned, for an expenditure for which any could be used.

---

#### Net Position:

Net position represents the difference between assets and liabilities. Net position 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 position is 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 position is 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.

---

# 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 acquisition 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, 2017, levies for the general fund of the District are as follows:

---

	Mill Levy	Amount
General Fund	3.249	\$ 26,930,379

---

Property tax revenue is reported net of approximately \$546,000 of property tax abatements for the year ended December 31, 2017. Numerous tax increment financing districts have been established by municipalities in the District.

---

# HIGH PLAINS LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 1 - Summary of Significant Accounting Policies - Continued:**

#### Vacation and Sick Leave:

Accrued sick leave for the District is accounted for in the government-wide statement of net position. Sick leave is earned when vested and recorded as expenditure in the general fund 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 position. 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 expenditure in the General Fund when paid.

---

#### Investments:

Short-term investments are reported at 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 (55%), U.S. treasury bonds (19%), U.S. sponsored agency bonds (24%), and corporate bonds (2%).

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.

# HIGH PLAINS LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2 - Cash and Investments - Continued:

At December 31, 2017, the Library District held General Fund investments of \$17,511,927 and Debt Service Fund investments of \$963,174 in the Colorado Local Government Liquid Asset Trust (COLOTRUST). The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at \$1.00. COLOTRUST is rated AAAM by Standard & Poor's. The District's interest is valued at NAV.

Investments held as of December 31, 2017 are as follows:

	Cost	Fair Value
U.S. Government Treasury and Sponsored Agency Bonds, primarily FNMA, FFCB, and FHLMC, maturing in 2018 through 2020, rated AA+ by Standard & Poor's	\$ 13,483,092	\$ 13,439,392
Corporate Bonds, maturing in 2018, rated AA by Standard & Poor's	500,050	501,619
<b>Total</b>	<b>\$13,983,142</b>	<b>\$ 13,941,011</b>

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

# HIGH PLAINS LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2 - Cash and Investments - Continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

Description	Fair Value Measurements at Reporting Date Using		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2017</u>			
U.S. Government Treasury and Sponsored Agency Bonds	--	13,439,392	--
Corporate Bonds	--	501,619	--

---

### 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, 2017	Amount
Town of:	
Ault	\$ 386,188
Eaton	868,553
Fort Lupton	2,276,520
Hudson	1,733,466
Johnstown	344,793
Platteville	617,721
	<u>\$ 6,227,241</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.

---

# HIGH PLAINS LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – Capital Assets:

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance, 01/01/17	Additions	Deletions/ Transfers	Balance, 12/31/17
Not Depreciated:				
Land	\$ 716,670	\$ --	\$ --	\$ 716,670
Opening day book collection	2,927,201	--	--	2,927,201
Depreciated:				
Buildings	32,856,758	--	--	32,856,758
Building improvements	4,222,292	17,980	--	4,240,272
Equipment and furniture	4,091,595	35,169	--	4,126,764
Total Cost	44,814,516	53,149	--	44,867,665
Less Accumulated Depreciation:				
Buildings	6,267,514	719,435	--	6,986,949
Building improvements	1,217,817	213,755	--	1,431,572
Equipment and furniture	3,175,088	333,063	--	3,508,151
Total Accumulated Depreciation	10,660,419	1,266,253	--	11,926,672
Capital Assets, net	\$ 34,154,097	\$(1,213,104)	\$ -	\$ 32,940,993

### NOTE 5 - Long-Term Liabilities:

December 31	2017
\$9,580,000 Refunding Certificates of Participation (2010) due in varying installments through December 15, 2019, interest at 2.0 – 3.0%	\$ 2,125,000
	\$ 2,125,000

# 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, 2017, are as follows:

Years Ending December 31	Principal	Interest	Total
2018	\$ 1,045,000	\$ 63,750	\$ 1,108,750
2019	1,080,000	32,400	1,112,400
	\$ 2,125,000	\$ 96,150	\$ 2,221,150

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 01/01/17	Additions	Deletions	Balance 12/31/17	Due Within One Year
Refunding					
Certificates of					
Participation –					
2010	\$ 3,145,000	\$ --	\$ 1,020,000	\$ 2,125,000	\$ 1,045,000
Compensated					
Absences	476,941	37,363	27,657	486,647	20,000
	\$ 3,621,941	\$ 37,363	\$ 1,047,657	\$ 2,611,647	\$ 1,065,000

# 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. On January 1, 2014, the District and the City renewed the agreement on an annual basis, pending the redevelopment of the property by the City. The property began redevelopment in June 2016.

In connection with this agreement, the District rented a library building from the City of Greeley for \$10 per year. These yearly rents were adjusted in the financial statements to recognize the fair market value of these facilities. The lease ended May 2016.

The District entered into a one year lease with Goodwill Industries of Denver starting in May 2016 for a temporary location for the Lincoln Park branch in downtown Greeley. After the initial one year period, there is a month to month option for an additional year. Lease expense in 2017 and 2016 was \$49,560 and \$28,910 respectively.

---

### **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.

# HIGH PLAINS LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 8 - Taxpayer's Bill of Rights – Continued:

Included in the accompanying financial statements in the General Fund is an emergency reserve of \$872,179 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 2017, employees contributed \$320,347 and the District contributed \$320,347 to the plan. The amount payable to the plan at December 31, 2017 was \$33,694. Forfeitures were not material to the financial statements.

---

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

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

December 31	2017
Total fund balances of governmental funds	\$ 32,057,297
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	32,940,993
Long-term liabilities and deferred outflows, including C.O.P.'s payable, are not due and payable in the current period and therefore are not reported in the funds	(2,496,336)
<b>Total Net Position</b>	<b>\$ 62,501,954</b>

---

# 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>2017</u>
Net change in fund balances – total governmental funds	\$ 8,201,866
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 (\$53,149) was less than depreciation (\$1,266,253) in the current year.	(1,213,104)
The issuance of long term debt (e.g. COP's) provides current financial resources to governmental 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 position. Also, governmental funds report the effect of deferred amounts 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.	962,344
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	(9,706)
<u>Change in Net Position of Governmental Activities</u>	<u>\$ 7,941,400</u>

---

# HIGH PLAINS LIBRARY DISTRICT

## BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND

Year Ended December 31, 2017	Actual	Original and Final Budget	Variance
Revenue:			
Earnings on investments	\$ 1,045	\$ 600	\$ 445
Total Revenue	1,045	600	445
Expenditures:			
Debt service	1,104,216	1,117,525	13,309
Total Expenditures	1,104,216	1,117,525	13,309
Revenue Under Expenditures	(1,103,171)	(1,116,925)	13,754
Other Financing Sources (Uses):			
Transfer from General Fund	1,104,216	1,117,525	(13,309)
Revenue and Other Financing Sources Over Expenditures	1,045	600	445
Fund Balance - Beginning	956,155	935,279	20,876
Fund Balance - Ending	\$ 957,200	\$ 935,879	\$ 21,321

**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.

<b>Contents</b>	<b>Pages</b>
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>41-46</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>47-49</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>50-52</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>53-54</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>55-57</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 Position by Component**  
**Last Ten Years**  
**(accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 9,056,248	\$ 11,402,832	\$ 12,011,872	\$ 12,298,749	\$ 13,537,209	\$ 15,481,507	\$ 22,620,113	\$ 22,839,391	\$ 31,182,064	\$ 30,931,304
Restricted for										
Debt service	968,184	972,355	916,009	929,937	930,828	931,956	933,107	934,901	956,155	957,200
Emergencies	464,902	451,652	555,749	449,770	515,291	598,917	684,707	862,082	1,123,404	872,179
Unrestricted	11,793,599	10,105,814	12,658,266	13,109,042	13,360,265	14,596,825	11,910,752	18,464,841	21,298,931	29,741,271
<b>Total governmental activities net assets</b>	<b>\$ 22,282,933</b>	<b>\$ 22,932,653</b>	<b>\$ 26,141,896</b>	<b>\$ 26,787,498</b>	<b>\$ 28,343,593</b>	<b>\$ 31,609,205</b>	<b>\$ 36,148,679</b>	<b>\$ 43,101,215</b>	<b>\$ 54,560,554</b>	<b>\$ 62,501,954</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	9,056,248	11,402,832	12,011,872	12,298,749	13,537,209	15,481,507	22,620,113	22,839,391	31,182,064	30,931,304
Restricted	1,433,086	1,424,007	1,471,758	1,379,707	1,446,119	1,530,873	1,617,814	1,796,983	2,079,559	1,829,379
Unrestricted	11,793,599	10,105,814	12,658,266	13,109,042	13,360,265	14,596,825	11,910,752	18,464,841	21,298,931	29,741,271
<b>Total primary government net assets</b>	<b>\$ 22,282,933</b>	<b>\$ 22,932,653</b>	<b>\$ 26,141,896</b>	<b>\$ 26,787,498</b>	<b>\$ 28,343,593</b>	<b>\$ 31,609,205</b>	<b>\$ 36,148,679</b>	<b>\$ 43,101,215</b>	<b>\$ 54,560,554</b>	<b>\$ 62,501,954</b>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 12,563,649	\$ 13,479,401	\$ 14,544,604	\$ 13,607,335	\$ 15,346,468	\$ 16,840,316	\$ 18,129,352	\$ 21,711,526	\$ 25,922,845	\$ 21,448,708
Interest on long term debt	956,850	927,203	772,337	734,515	704,412	665,007	622,536	580,418	519,145	141,872
Debt issuance costs	-	-	-	14,389	14,389	-	-	-	-	-
Total governmental activities expenses	\$ 13,520,499	\$ 14,406,604	\$ 15,316,941	\$ 14,356,239	\$ 16,065,269	\$ 17,505,323	\$ 18,751,888	\$ 22,291,944	\$ 26,441,990	\$ 21,590,580
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	167,380	195,387	197,986	178,005	201,749	176,750	174,026	156,912	101,381	89,100
Operating grants and contributions	553,113	113,750	138,750	113,750	126,248	185,227	137,247	192,479	122,808	76,875
Total governmental activities program revenues	\$ 720,493	\$ 309,137	\$ 336,736	\$ 291,755	\$ 327,997	\$ 361,977	\$ 311,273	\$ 349,391	\$ 224,189	\$ 165,775
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (12,800,006)	\$ (14,097,467)	\$ (14,980,205)	\$ (14,064,484)	\$ (15,737,272)	\$ (17,143,346)	\$ (18,440,615)	\$ (21,942,553)	\$ (26,217,801)	\$ (21,424,805)
Total primary government net										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,009,141	\$ 13,278,755	\$ 16,906,588	\$ 13,602,800	\$ 15,849,259	\$ 19,043,402	\$ 21,048,874	\$ 26,881,943	\$ 35,238,427	\$ 26,961,850
Specific ownership	1,211,207	1,048,351	1,044,416	979,076	1,280,320	1,298,477	1,784,930	1,854,124	2,223,890	2,125,055
Unrestricted investment earnings	647,636	420,081	238,444	128,210	163,788	167,822	146,285	159,022	214,921	279,300
Total governmental activities	14,867,984	14,747,187	18,189,448	14,710,086	17,293,367	20,509,701	22,980,089	28,895,089	37,677,238	29,366,205
Total primary government	\$ 14,867,984	\$ 14,747,187	\$ 18,189,448	\$ 14,710,086	\$ 17,293,367	\$ 20,509,701	\$ 22,980,089	\$ 28,895,089	\$ 37,677,238	\$ 29,366,205
<b>Change in Net Position</b>										
Governmental activities	\$ 2,067,978	\$ 649,720	\$ 3,209,243	\$ 645,602	\$ 1,556,095	\$ 3,366,355	\$ 4,539,474	\$ 6,952,536	\$ 11,459,437	\$ 7,941,400
Total primary government	\$ 2,067,978	\$ 649,720	\$ 3,209,243	\$ 645,602	\$ 1,556,095	\$ 3,366,355	\$ 4,539,474	\$ 6,952,536	\$ 11,459,437	\$ 7,941,400

**High Plains Library District**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Restricted	\$ 464,902	\$ 451,652	\$ 555,749	\$ 449,770	\$ 515,291	\$ 598,917	\$ 684,707	\$ 862,082	\$ 1,123,404	\$ 872,179
Unrestricted, unassigned	12,021,916	10,339,711	12,800,520	13,278,254	13,541,761	14,250,893	12,287,812	13,710,589	16,348,874	22,650,568
Assigned	-	-	-	-	-	-	-	5,170,000	5,427,000	7,577,350
<b>Total general fund</b>	<b>\$ 12,486,818</b>	<b>\$ 10,791,363</b>	<b>\$ 13,356,269</b>	<b>\$ 13,728,024</b>	<b>\$ 14,057,052</b>	<b>\$ 14,849,810</b>	<b>\$ 12,972,519</b>	<b>\$ 19,742,671</b>	<b>\$ 22,899,278</b>	<b>\$ 31,100,097</b>
<b>All other Governmental Funds</b>										
Restricted	\$ 1,023,775	\$ 976,128	\$ 1,435,069	\$ 929,965	\$ 930,828	\$ 931,956	\$ 933,107	\$ 934,901	\$ 956,155	\$ 957,200
<b>Total for all governmental funds</b>	<b>\$ 13,510,593</b>	<b>\$ 11,767,491</b>	<b>\$ 14,791,338</b>	<b>\$ 14,657,989</b>	<b>\$ 14,987,880</b>	<b>\$ 15,781,766</b>	<b>\$ 13,905,626</b>	<b>\$ 20,677,572</b>	<b>\$ 23,855,433</b>	<b>\$ 32,057,297</b>

**High Plains Library District**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 14,220,348	\$ 14,327,106	\$ 17,951,004	\$ 14,581,876	\$ 17,129,579	\$ 20,341,879	\$ 22,823,587	28,750,311	37,462,247	29,086,905
Charges for services	25,878	27,436	23,787	21,504	25,106	-	-	-	-	-
Library fines	128,295	165,640	170,724	154,588	168,186	167,834	174,026	156,912	101,381	89,100
Earnings on investments	647,636	420,091	238,444	128,210	163,788	167,822	146,285	159,022	214,921	279,300
Contributions in kind - rent	113,750	113,750	113,750	113,750	113,750	113,750	113,750	113,750	47,395	-
Miscellaneous	394,024	2,311	28,475	1,913	20,955	80,393	33,714	64,485	75,413	76,675
Total revenues	15,529,931	15,056,324	18,526,184	15,001,841	17,621,364	20,871,678	23,291,362	29,244,480	37,901,357	29,531,980
<b>Expenditures</b>										
General government	12,339,574	12,617,493	13,602,384	12,573,567	14,237,613	15,651,701	16,982,271	20,271,134	24,501,391	20,156,867
Capital outlay	1,875,230	2,189,730	1,049,190	479,764	957,104	2,323,740	6,090,351	108,638	370,588	70,531
Debt issuance costs	-	-	129,523	-	-	-	-	-	-	-
Debt service	956,850	927,203	772,337	676,859	646,756	607,351	564,880	522,762	461,489	82,716
Interest	570,000	1,065,000	1,235,000	1,405,000	1,450,000	1,495,000	1,530,000	1,570,000	9,390,000	1,020,000
Principal	15,741,654	16,799,426	16,788,434	15,135,190	17,291,473	20,077,792	25,167,502	22,472,534	34,723,468	21,330,114
Total expenditures	(211,723)	(1,743,102)	1,737,750	(133,349)	329,891	793,886	(1,876,140)	6,771,946	3,177,889	8,201,866
Excess of revenues over (under) expenditures										
<b>Other financing sources (uses)</b>										
Transfers in	1,492,085	1,995,160	1,993,701	2,094,717	2,095,385	2,102,192	2,094,880	2,092,762	9,867,206	1,102,716
Transfers out	(1,492,085)	(1,995,160)	(1,993,701)	(2,094,717)	(2,095,385)	(2,102,192)	(2,094,880)	(2,092,762)	(9,867,206)	(1,102,716)
Proceeds of debt	-	-	9,580,000	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	(8,293,903)	-	-	-	-	-	-	-
Sale of capital assets	80,000	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	80,000	-	1,286,097	-	-	-	-	-	-	-
Net change in fund balances	\$ (131,723)	\$ (1,743,102)	\$ 3,023,847	\$ (133,349)	\$ 329,891	\$ 793,886	\$ (1,876,140)	\$ 6,771,946	\$ 3,177,889	\$ 8,201,866
Debt service as a percentage of noncapital expenditures	11.01%	13.64%	12.75%	14.21%	12.84%	11.84%	10.98%	9.36%	28.68%	5.19%

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

<b>Fiscal Year</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Administrative Services</b>	<b>Books; Resources</b>	<b>Facilities Operations</b>	<b>Grants In Aid</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Totals</b>
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
2012	5,334,425	1,389,422	1,772,378	1,239,946	1,272,936	3,228,506	957,104	2,096,756	17,291,473
2013	5,644,619	1,306,285	2,056,482	1,248,730	1,315,355	4,080,230	2,323,740	2,102,351	20,077,792
2014 <sup>1</sup>	6,120,836	1,675,209	1,780,284	1,238,798	1,598,867	4,577,277	6,090,351	2,094,880	25,176,502
2015	6,724,535	1,971,410	2,006,234	1,633,200	1,406,582	6,529,173	108,638	2,092,762	22,472,534
2016 <sup>2</sup>	7,127,174	2,041,965	2,632,139	1,652,204	1,609,406	9,438,503	370,588	9,851,489	34,723,468
2017	6,928,292	2,014,659	2,291,142	1,117,897	1,577,637	6,227,241	70,530	1,102,716	21,330,114

Note:

<sup>1</sup> The large increase in capital outlay reflects the construction costs of the Riverside Library and Cultural Center.

<sup>2</sup> The large increase in debt service reflects the early repayment of the 2006 Certificates of Participation.

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

Fiscal Year	Property Taxes	Specific				Total	
		Ownership Taxes	Interest Income	Grants	Fines		Miscellaneous
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
2012	15,849,259	1,280,320	163,788	12,498	168,186	147,313	17,621,364
2013	19,043,402	1,298,477	167,822	71,477	167,834	122,666	20,871,678
2014	21,038,657	1,784,930	146,285	16,302	174,026	131,162	23,291,362
2015	26,881,943	1,854,124	159,022	55,436	156,912	137,043	29,244,480
2016	35,238,427	2,223,820	214,921	60,836	101,381	61,972	37,901,357
2017	26,961,850	2,125,055	279,300	65,578	89,100	11,097	29,531,980

Source:  
HPLD 2017 CAFR

**High Plains Library District**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Levy Year	Collect Year	Total Tax Levy for Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Subsequent Years <sup>3</sup>	Total Collections to Date	
			Tax Amount <sup>2</sup>	Percent of Levy		Tax Amount	Percent of Levy
2007	2008	13,028	12,987	99.7%	5	12,992	99.7%
2008	2009	13,321	13,255	99.5%	66	13,321	100.0%
2009	2010	16,934	16,874	99.6%	60	16,934	100.0%
2010	2011	13,609	13,581	99.8%	-	13,581	99.8%
2011	2012	15,880	15,832	99.7%	-	15,832	99.7%
2012	2013	19,074	19,023	99.7%	-	19,023	99.7%
2013	2014	21,063	21,038	99.9%	-	21,038	99.9%
2014	2015	27,320	26,882	98.4%	-	26,882	98.4%
2015	2016	35,255	35,223	99.9%	-	35,223	99.9%
2016	2017	26,930	26,962	100.1%	-	26,962	100.1%

Source:

<sup>1</sup> Final Budget

<sup>2</sup> YTD Treasurer's Tax Distribution

<sup>3</sup> 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 Actual Taxable Value	Total Direct Tax Rate	Assessed Value as a % of Actual Value
									Value	Value			
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%	
2012	55,684	902,490	637,249	279,787	111,959	11,555	3,225,865	625,554	5,850,143	21,467,579	3,249	27.251%	
2013	49,578	897,581	613,627	325,483	132,082	14,056	3,750,013	678,356	6,460,776	22,463,026	3,249	28.762%	
2014	46,605	915,284	620,508	430,782	138,769	14,625	5,544,193	710,011	8,420,777	25,523,496	3,249	32.992%	
2015	55,985	1,146,858	655,020	525,734	168,228	18,440	7,374,473	740,461	10,685,199	31,560,980	3,249	33.856%	
2016	48,576	1,192,400	677,672	680,033	172,787	18,187	4,708,785	771,524	8,269,964	29,936,864	3,249	27.625%	
2017	65,994	1,413,932	764,517	795,317	197,001	18,605	4,369,798	813,039	8,438,203	35,327,035	3,249	23.886%	

Source: Weld County Assessor's office

**High Plains Library District  
Principal Taxpayers  
December 31, 2017**

	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kerr-Mcgee Oil & Gas Onshore LP	1,344,484,170	1	16.59%	445,390,850	2	11.37%
Noble Energy Inc.	1,035,845,790	2	12.78%	635,470,520	1	16.23%
Encana Oil & Gas (USA) Inc				130,337,590	3	3.33%
PDC Energy Inc	536,832,300	3	6.63%			
Extraction Oil & Gas LLC	250,460,760	4	3.09%			
Crestone Peak Resources, LP	248,981,470	5	3.07%			
Public Service Company of Colorado (Xcel)	225,989,480	6	2.79%	90,839,600	5	2.32%
DCP Midstream LP	190,514,810	7	2.35%	50,954,850	10	1.30%
Bonanza Creek Energy Inc.	183,544,240	8	2.27%			
Kerr Mcgee Gathering LLC	178,824,370	9	2.21%	53,956,900	8	1.38%
DCP Lucerne 2 Plant, LLC	165,321,640	10	2.04%			
Petroleum Development Corp.				112,117,250	4	2.86%
Rocky Mountain Energy Center				74,138,000	7	1.89%
Petro-Canada Resources (USA) Inc.				87,617,670	6	2.24%
Merit Energy				52,455,875	9	1.34%
	<u>\$ 4,360,799,030</u>		<u>53.82%</u>	<u>\$1,733,279,105</u>		<u>44.26%</u>

Source: Weld County Assessor

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

Fiscal Year	Certificates of Participation	Governmental Activities		Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
		Total Library District	District		
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
2012	16,726,412	16,726,412		0.22%	63.43
2013	15,635,000	15,635,000		0.19%	59.29
2014	14,105,000	14,105,000		0.17%	52.28
2015	12,535,000	12,535,000		0.15%	45.67
2016	3,145,000	3,145,000		0.04%	11.04
2017	2,125,000	2,125,000		0.03%	6.98

<sup>1</sup> Refer to Demographic and Economic Statistics schedule on page 52 of the CAFR.

Note: Details regarding the district's outstanding debt can be found in FN 5 page 33 of the CAFR.

Source: Current and prior year's financial statements.

**High Plains Library District  
Legal Debt Margin Calculation for Fiscal Year 2017:**

Assessed Valuation	\$8,412,253,355
Debt Limit 1.5% of Assessed Value <sup>1</sup>	126,183,800
Certificates of Participation <sup>2</sup>	<u>2,125,000</u>
Legal Debt Margin	<u><u>124,058,800</u></u>

**Legal Debt Margin Information**

	Last Ten Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 59,946,492	\$ 76,527,915	\$ 60,781,581	\$ 71,333,143	\$ 86,294,415	\$ 95,350,662	\$ 125,437,455	\$ 159,863,784	\$ 123,496,081	\$ 126,183,800
Total net debt applicable to limit	20,480,000	19,415,000	19,466,100	18,118,756	16,726,412	15,635,060	14,145,000	12,535,000	3,145,000	2,125,000
Legal debt margin	<u>\$ 39,466,492</u>	<u>\$ 57,112,915</u>	<u>\$ 41,315,481</u>	<u>\$ 53,214,387</u>	<u>\$ 69,568,003</u>	<u>\$ 79,715,602</u>	<u>\$ 111,292,455</u>	<u>\$ 147,328,784</u>	<u>\$ 120,351,081</u>	<u>\$ 124,058,800</u>

Total net debt applicable to the limit as a percentage of debt limit	34.16%	25.37%	32.03%	25.40%	19.38%	16.40%	11.28%	7.84%	2.55%	1.68%
--	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------

Note:

<sup>1</sup> 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.

<sup>2</sup> 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, 2017**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government <sup>1</sup>	Amount Applicable to Government
HPLD COP's	\$ 2,125,000	100.00%	\$ 2,125,000
Total Direct Debt	<u>2,125,000</u>		<u>2,125,000</u>
Cities and Towns	76,380,445	60.13%	45,930,364
Schools	1,274,364,527	46.94%	598,156,577
Special Districts	141,182,446	55.42%	78,237,715
Total Overlapping Debt	<u>1,491,927,418</u>		<u>722,324,656</u>
Total Direct and Overlapping Debt	<u>\$1,494,052,418</u>		<u>\$ 724,449,656</u>

Source: Weld County CAFR

Note:

<sup>1</sup> 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	High Plains		Total			Per Capita Income	Unemployment Rate
	Library District Patron Population	Weld County Population	Personal Income (\$ billions)	Per Capita Income	Unemployment Rate		
2008	229,010	244,515	6.66	27,238	6.30%		
2009	237,214	251,220	7.38	27,788	8.16%		
2010	235,511	252,825	7.07	28,503	9.80%		
2011	236,815	254,759	6.93	27,186	9.10%		
2012	240,898	263,691	7.76	25,233	8.70%		
2013	245,989	263,691	8.35	29,986	6.70%		
2014	251,308	269,785	8.35	31,657	3.90%		
2015	257,157	274,487	8.35	27,047	3.80%		
2016	259,688	284,876	8.35	42,787	2.60%		
2017	268,307	296,397	11.20	42,701	3.40%		

Source: Upstate Colorado in cooperation with the University of Northern Colorado and the State of Colorado demographic.

Library Research Service State of Colorado for HPLD population.

Note: The HPLD Patron population is shown as a comparative to the Weld County population as the District's service area approximates the boundary of Weld County.

**High Plains Library District  
Principal Employers  
December 31, 2017**

	2017				2008				
	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	4,520	1	3.03%	3,600	1	3.09%			
Banner Health: Northern Colorado Medical Center	3,600	2	2.41%	2,700	2	2.32%			
Greeley Evans School District 6	1,923	3	1.29%	2,400	3	2.06%			
University of Northern Colorado	1,623	4	1.09%						
Weld County Government	1,615	5	1.08%	1,490	5	1.28%			
State Farm Insurance Companies	1,300	6	0.87%	1,310	7	1.12%			
City of Greeley	812	7	0.54%	1,160	8	1.00%			
Teletech	780	8	0.52%						
Halliburton Energy Services Inc.	700	9	0.47%						
Anadarko Petroleum	610	10	0.41%						
State of Colorado (includes UNC)				1,701	4	1.46%			
Wal-Mart Super Center				1,015	9	0.87%			
US Government				1,400	6	1.20%			
Aims Community College				874	10	0.75%			
<b>Total Principal Employers</b>	<b>17,483</b>		<b>11.70%</b>	<b>17,650</b>		<b>15.14%</b>			
<b>Other Employers</b>	<b>131,882</b>		<b>88.30%</b>	<b>98,926</b>		<b>84.86%</b>			
<b>Total County Employment</b>	<b>149,365</b>		<b>100.00%</b>	<b>116,576</b>		<b>100.00%</b>			

Combined State of Colorado (including UNC) not available for 2017

Source: Upstate Colorado

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

Fiscal Year	Number of Volumes Owned (1)	Number of Audio/Visual		Total Items Owned	Number of Items Circulated *
		Items Owned (2)	Owned		
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	
2012	652,019	104,427	756,446	2,746,572	
2013	615,874	111,046	726,920	2,879,953	
2014	673,140	128,416	801,556	2,749,021	
2015	683,682	131,135	814,817	2,781,499	
2016	636,645	602,207	1,238,852	2,640,378	
2017	534,531	609,660	1,144,191	2,555,135	

Source: High Plains Library District IT department.

Note:

(1) Volumes include books, book club bags, new books, Paperbacks, Large Print, Kits, member books, new periodicals, periodicals, and references, and express books.

(2) Audio/visual items include audio books, MP3, Blu-Ray, cassettes, CD's, DVD's, E-books, equipment, short check out equipment, software, member audio, member video, net library, recordings, and video cassettes.

\* The number of items circulated includes the HPLD seven branch locations; one mini branch location; two Outreach vehicles; Member Libraries - Eaton Public Library, Fort Lupton Public & School Library, Glenn A Jones, M.D. Memorial Library, Hudson Public Library, Northern Plains Public Library, Platteville Public Library, and Nantes Library.

**High Plains Library District  
Service Locations  
December 31, 2017**

Libraries	Address	Square Footage	Number of Employees
Carbon Valley Regional	7 Park Avenue Firestone, CO 80504	35,400	23
Centennial Park Library	2227 23rd Avenue Greeley, CO 80634	28,000	35
Administration and Support Services building*	2650 W. 29th Street Greeley, CO 80631	23,903	60
Erie Community	400 Powers Street Erie, CO 80516	20,000	23
Farr Regional Library**	1939 61st Avenue Greeley, CO 80634	38,000	30
Kersey Library	415 1st Street Kersey, CO 80644	800	1
Lincoln Park Library	1012 11th Street Greeley, CO 80631	6,195	21
Riverside Library and Cultural Center	3700 Golden Street Evans, CO 80620	18,500	19

\* The Administration and Support Services building houses the administrative, collection resources and outreach department staff.

\*\* The Virtual Library department consisting of 5 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 individual employees at each location and not FTE.

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

Fiscal Year	RIVERSIDE LIBRARY				Lincoln Park	and Cultural Center <sup>4</sup>	Outreach Services	Total
	Carbon Valley <sup>1</sup>	Centennial Park	Erie <sup>2</sup>	Farr				
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
2012	442,864	598,032	408,498	556,127	247,896		64,949	2,318,366
2013	416,713	612,407	410,951	568,357	267,543		62,786	2,346,294
2014	382,228	558,494	394,962	550,391	234,827	24,519	68,480	2,224,991
2015	290,955	395,511	296,969	432,621	174,416	123,496	79,522	1,803,921
2016	272,125	399,477	281,932	405,275	97,700	106,282	89,766	1,660,474
2017	245,117	365,264	280,578	377,723	85,789	104,204	96,240	1,558,189

Note:

<sup>1</sup> The Carbon Valley Regional Library opened in March 2008.

<sup>2</sup> Erie activity occurred at the Lorraine David Children's Library which ceased its operations with the Erie Community Library opening on January 12, 2008.

<sup>3</sup> The Kersey mini-branch opened in January 2013. The Kersey mini-branch was closed from June 2017 to late December 2017 for mold mitigation.

<sup>4</sup> The Riverside Library and Cultural Center opened October 18, 2014.

Source: High Plains Library District IT department.