

HIGH PLAINS LIBRARY  
DISTRICT FRIENDS &  
FOUNDATION

FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

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## Independent Auditors' Report

Board of Directors  
High Plains Library District Friends & Foundation  
Greeley, Colorado

### **Opinion**

We have audited the financial statements of the High Plains Library District Friends & Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



April \_\_, 2026

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

December 31	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 2,000	\$ 6,720
Total Current Assets	2,000	6,720
Other Assets:		
Investments	1,258,812	786,920
<b>TOTAL ASSETS</b>	<b>\$ 1,260,812</b>	<b>\$ 793,640</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Refundable advances	347,161	-
Total Current Liabilities	347,161	-
Net Assets:		
Without donor restrictions:		
Undesignated	270,818	209,431
Quasi-endowment	642,833	584,209
Total Net Assets	913,651	793,640
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,260,812</b>	<b>\$ 793,640</b>

See Accompanying Notes to Financial Statements.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## STATEMENTS OF ACTIVITIES

Years Ended December 31	2025	2024
Change in Net Assets Without Donor Restriction:		
Revenue:		
Contributions	\$ 58,560	\$ 33,914
HPLD In-kind contribution	139,968	143,230
Used book sales	3,053	7,140
Grants	252,933	28,685
Special events	32,610	24,769
Earnings (loss) on investments	105,935	85,910
<b>Total Revenue</b>	<b>593,059</b>	<b>323,648</b>
Expenses:		
Grants to HPLD	311,315	69,117
Salaries	139,968	143,230
Special events	4,341	4,933
Professional services	17,424	16,005
<b>Total Expenses</b>	<b>473,048</b>	<b>233,285</b>
Increase in Net Assets Without Donor Restriction	120,011	90,363
NET ASSETS, Beginning of Year	793,640	703,277
NET ASSETS, End of Year	\$ 913,651	\$ 793,640

See Accompanying Notes to Financial Statements.

**HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Years Ended December 31	2025				2024			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Grants to HPLD	\$ 311,315	\$ -	\$ -	\$ 311,315	\$ 69,117	\$ -	\$ -	\$ 69,117
Salaries	71,128	-	68,840	139,968	74,605	-	68,625	143,230
Special events	-	4,341	-	4,341	-	4,933	-	4,933
Professional services	-	-	17,424	17,424	-	-	16,005	16,005
	<u>\$ 382,443</u>	<u>\$ 4,341</u>	<u>\$ 86,264</u>	<u>\$ 473,048</u>	<u>\$ 143,722</u>	<u>\$ 4,933</u>	<u>\$ 84,630</u>	<u>\$ 233,285</u>

See Accompanying Notes to Financial Statements.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended December 31	2025	2024
Cash Flows from Operating Activities:		
Cash received (paid) for:		
Fundraising and grants	\$ 694,317	\$ 86,959
Suppliers and grantees	(333,080)	(90,055)
Net Cash Provided (Used) by Operating Activities	361,237	(3,096)
Cash Flows from Investing Activities:		
Purchase of investments	(695,202)	(91,844)
Sales of investments	329,245	94,160
Net Cash Provided (Used) by Investing Activities	(365,957)	2,316
Cash Flows from Financing Activities		
	-	-
Net Increase (Decrease) in Cash	(4,720)	(780)
Cash, Beginning of Year	6,720	7,500
Cash, End of Year	\$ 2,000	\$ 6,720

### Reconciliation of Change in Net Assets to Net Cash

Provided by Operating Activities:		
Change in net assets	\$ 120,011	\$ 90,363
Adjustments:		
Gain on investments	(105,935)	(85,910)
Increase (decrease) in operating liabilities:		
Refundable advances	347,161	(7,549)
Net Cash Provided (Used) by Operating Activities	\$ 361,237	\$ (3,096)

See Accompanying Notes to Financial Statements.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of High Plains Library District Friends & Foundation 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 High Plains Library District Foundation's financial statements.

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#### Organization:

The High Plains Library District Foundation (Foundation) was incorporated in 2000 to cultivate information, inspiration and entertainment for our communities by raising funds to sustain and create literacy programs, collection development, technology upgrades and capital improvements for the HPLD libraries. Effective April 4, 2023, its name was officially changed to the High Plains Library District Friends & Foundation (Foundation).

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#### Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Restricted contributions received and spent in the same year are reported as unrestricted.

Net Assets with Donor Restrictions are subject to donor-imposed stipulations that will be met, either by specific actions of High Plains Library District Friends & Foundation or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to without donor restrictions and reported in the Statement of Activities as net assets released from restriction.

As of December 31, 2025 and 2024, the Foundation did not have any net assets with donor restrictions.

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# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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

#### Cash and Cash Equivalents:

The Foundation considers all demand bank deposits and highly liquid investments with a maturity of three months or less at the date of acquisition to be cash and cash equivalents for purposes of the cash flow statement.

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#### Concentrations of Credit Risk:

The Foundation cash accounts are held at financial institutions at which deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Balances in the bank accounts may, at times, exceed the FDIC insurance coverage.

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#### Investments:

The Foundation records investments at market value. Gains and losses on the sale of investments are based on either the specific cost or average cost of the investments sold. Investments are generally pooled for investment management.

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#### Donated Materials and Services:

Donations of used books are not valued until sold. Numerous volunteers donate significant time to program services and special event activities. The value of contributed time, while critical to program activities, is not reflected in the financial statements since it does not meet accounting requirements.

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#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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#### Functional Expenses:

The Statement of Functional Expenses presents expenses by both their nature and their function for 2025 and 2024. Certain categories of expenses are attributable to program and to management and general functions and thus require allocation on a reasonable basis that is consistently applied. Personnel costs (compensation, fringe benefits and payroll taxes) are allocated based on estimates of the efforts the staff apply to various programs and functions.

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# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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

#### Tax Exempt Status:

High Plains Library District Friends & Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity described in IRC Section 509(a)(3). The Foundation qualifies for charitable contribution deduction under Section 170(b)(1)(A)(vi). However, income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation had no unrelated business income during 2025 and 2024, and accordingly, no provision is made in these financial statements for income taxes.

The Foundation follows guidance to account for any uncertainty in income taxes with respect to the accounting for all tax positions taken (or expected to be taken) on any income tax return. This guidance applies to all open tax periods in all tax jurisdictions in which the Foundation is required to file an income tax return.

Management makes judgements regarding the interpretation of tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability.

The Foundation determined that no uncertain tax positions have been taken or are expected to be taken that could have a material effect of the Foundation's income tax liabilities. In management's opinion, adequate provisions for income taxes have been made for all years after 2022 (all open years).

Tax penalties and interest, if any, would be classified as income tax expense in the financial statements. No tax penalties or interest have been incurred or recognized in these financial statements.

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#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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#### Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditors' report.

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# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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

#### Revenue Recognition:

The Foundation has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standards improves the usefulness and understandability of the Foundation’s financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenues, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis.

Contributions, including unconditional promises to give, if any, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions whose restrictions are met in the same reporting period as donated are reported as contributions without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

A portion of the Foundation’s revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statements of Financial Position. Special event revenues are recognized when the event occurs.

Payment terms for goods and services to grantors are billed monthly and are typically received in 30 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Foundation has determined that a significant financing component does not exist. The primary purpose of the Foundation’s invoicing terms is to provide grantors and contractors with simplified and predictable ways of purchasing products and services and not to receive financing from or providing financing to the grantor.

Practical Expedients: The Foundation does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the organization has the right to invoice the customer for services performed.

The Foundation expenses costs to obtain contracts as incurred as contracts are generally less than one year. Beginning balances of receivables and contract liabilities as of January 1, 2024 were \$0 of grants and contributions receivable and \$0 of refundable advances. Refundable advances are generally earned in the following year.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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

#### Allowance for Credit Losses:

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Currently, the Foundation does not have any financial assets that are subject to the guidance in FASB ASC 326.

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### NOTE 2 – Endowment:

Board designated net assets include an endowment fund designated by the Foundation's Board of Directors. Designated net assets are invested in perpetuity, the income from which is expendable to support the Foundation's programs and operations.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Foundation generally classifies as quasi-endowment net assets (a) the original value of gifts designated to the quasi-endowment, (b) the original value of subsequent gifts to the quasi-endowment, and (c) accumulations to the quasi-endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate quasi-endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purpose of the organization and the quasi-endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the organization.
- (7) The investment policies of the organization.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Endowment - Continued:

The endowment funds may be invested in portfolios of mutual funds, exchange traded funds, individual equity securities (common stock and convertible securities), fixed-income securities, and short-term (cash) investments. As a guide to accomplishing these objectives, the investments shall remain within the ranges provided in asset allocation guidelines.

The Foundation's policy is to diversify funds to best achieve its purpose as stated in this policy. The primary objective of the Foundation and its Board of Directors is to seek a moderate investment approach that values principal preservation but will accept a small degree of risk and volatility to seek a desired degree of appreciation. The Board acknowledges that unfavorable capital markets may persist over periods of unpredictable duration and therefore, maintains a long-term investment horizon. The primary investment objective of the endowment is to achieve a total annual return measured on an average basis, at least equal to the rate of inflation plus five percent (5%).

The Foundation has a policy of appropriating for distribution each year up to 5% of the endowment's market values, as approved by the Foundation's Board of Directors, in accordance with the endowment mission and purpose.

The following are the changes in board designated net assets for the year ended December 31, 2025:

Year Ended December 31, 2025	Board Designated
Endowment net assets, beginning of year	\$ 584,209
Board designated contributions	--
Appropriation of endowment assets for expenditure	(33,024)
Investment income	91,648
<b>Endowment net assets, end of year</b>	<b>\$ 642,833</b>

The following are the changes in board designated net assets for the year ended December 31, 2024:

Year Ended December 31, 2024	Board Designated
Endowment net assets, beginning of year	\$542,152
Board designated contributions	--
Appropriation of endowment assets for expenditure	(30,000)
Investment income	72,057
<b>Endowment net assets, end of year</b>	<b>\$584,209</b>

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 – Endowment - Continued:

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Codification establishes a fair value hierarchy that is based on the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

Description	Fair Value Measurements at December 31, 2025		
	Quoted Prices In Active Markets for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Securities:			
Mutual funds	\$642,833	\$ --	\$ --
ColoTrust	--	615,979	--

Description	Fair Value Measurements at December 31, 2024		
	Quoted Prices In Active Markets for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Securities:			
Mutual funds	\$ 584,209	\$ --	\$ --
ColoTrust	--	202,711	--

The Colorado Liquid Asset Trust (COLOTRUST), is an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00 per share. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAM by Standard & Poor's. The Foundation's interest is measured at NAV.

# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – Related Party Transactions:

The Foundation receives, manages, and invests gifts on behalf of the High Plains Library District. In consideration of these services and up until 2024, the District provided workspace and assigned one employee to also be the executive director of the Foundation. In 2024, three additional employees of the High Plains Library District were also assigned to work with the Foundation, in addition to the executive director. For 2025 and 2024, the estimated value of these services was \$139,968 and \$143,230, respectively, and is reported under salaries in the financial statements.

Grants and other payments for the High Plains Library District were \$311,315 and \$69,117 in 2025 and 2024, respectively. District employees donated approximately \$6,831 and \$5,490 to the Foundation in 2025 and 2024, respectively through unused vacation.

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### NOTE 4 – Information Regarding Liquidity and Availability:

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

The following table reflects the Foundation’s financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the Statements of Financial Position date. Amounts not available include board-designated funds that are intended to fund future technological and operational needs and to provide resources for the implementation or expansion of various programs. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

December 31	2025	2024
Financial Assets at Year-End:		
Cash and cash equivalents	\$ 2,000	\$ 6,720
Investment securities	1,258,812	786,920
	1,260,812	793,640
Refundable Advances	(347,161)	--
Board Designations for Programs and Projects	(642,833)	(584,209)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$270,818	\$209,431

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# HIGH PLAINS LIBRARY DISTRICT FRIENDS AND FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5– Board Designated Net Assets:

The Foundation’s board of directors has designated, from net assets without donor restrictions, a portion of net assets for the programs, projects and purposes listed in the table below. These balances are for planning purposes and the Foundation is under no contractual or donor-specified obligation to maintain these funds.

December 31	2025	2024
Designated for Future Operational Needs:		
Quasi-Endowment	\$642,833	\$584,209
	\$642,833	\$584,209