



# 2024

## Annual Comprehensive Financial Report

For the Year Ended  
September 30, 2024



# **Annual Comprehensive Financial Report**

Year ended September 30, 2024

**Municipal Subdistrict,  
Northern Colorado Water Conservancy District**  
Berthoud, Colorado



Issued by:  
Municipal Subdistrict,  
Northern Colorado Water Conservancy District  
with the assistance of the  
Financial Services Department, Northern Water



**Municipal Subdistrict**  
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# INTRODUCTION





March 28, 2025

To the Residents and Board of Directors of the Municipal Subdistrict of the Northern Colorado Water Conservancy District,

We are pleased to transmit the Annual Comprehensive Financial Report of the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict) for the fiscal year ended September 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the Subdistrict. All disclosures necessary to enable the reader to gain an understanding of the Subdistrict's financial activities have been included.

In developing and evaluating the Subdistrict's accounting system, an important consideration is the overall adequacy of internal controls. Internal controls are designed to provide Subdistrict management with reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the overall reliability of maintaining accountability and control over the Subdistrict's assets. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

Plante & Moran, PLLC (Plante Moran), a certified public accounting and consulting firm, has issued unmodified opinions on the Subdistrict's financial statements as of and for the year ended September 30, 2024. The Plante Moran independent auditors' report is located on page 18 of the Financial Section of this report. State statute requires that an annual audit of the books of account, financial records and transactions of the Subdistrict be performed in accordance with generally accepted auditing standards by independent certified public accountants selected by the Subdistrict Board of Directors. Those requirements have been met.

Management's Discussion and Analysis (MD&A), located on page 22, provides a narrative overview and analysis of the basic financial statements. The MD&A complements, and should be read in conjunction with, this letter.

### **Profile of the Subdistrict**

The Subdistrict was organized in 1970 as a subdistrict of the Northern Colorado Water Conservancy District (Northern Water) pursuant to the Water Conservancy Act. Under the Water Conservancy Act, a subdistrict has the same powers and legal standing as its parent district and is an independent political subdivision of the State of Colorado. It has the authority to undertake projects separate from those undertaken by its parent district.

The Subdistrict owns the following water activity enterprises, which are government-owned businesses within the meaning of Article X, Section 20 of the Colorado Constitution: The Windy Gap Water Activity Enterprise created August 1993 and the Windy Gap Firming Project Water Activity Enterprise created November 1999. The two water activity enterprises are legally distinct and financially independent.

The Board of Directors of the Subdistrict is, by statute, the same as the Board of Northern Water; however, the Subdistrict elects its own slate of officers. Northern Water does not approve or modify the Subdistrict budget, hold title to any of the Subdistrict's water rights or authorize issuance of Subdistrict bonds. The Subdistrict is not under the control of Northern Water and, therefore, is not included in Northern Water's financial statements. The Subdistrict has no full-time employees. All day-to-day functions are provided through an agreement with Northern Water. The Subdistrict maintains third-party insurance coverage for its potential losses. The Subdistrict was established to develop a water supply for participating

Northern Colorado Front Range communities through the Windy Gap Project and, subsequently, the Windy Gap Firming Project. The number of Subdistrict participants, or allottees, has grown from its original six participants to a total of 18 participants, including municipalities, water providers and a power authority. All Subdistrict participants have an interest in the Windy Gap Project. Of these participants, 12 are also participants in the Windy Gap Firming Project. Subdistrict participants span the Colorado Front Range from Platte River Power Authority, in the northern region, to the City and County of Broomfield in the Metro Denver area and include participants from Boulder, Broomfield, Larimer and Weld counties.

The Subdistrict operates under the 2014 Contract for the Introduction, Storage, Conveyance, Exchange, Substitution and Delivery of Water for the Municipal Subdistrict, Northern Water, Colorado-Big Thompson (C-BT) Project, Colorado (2014 Carriage Contract) with the U.S. Bureau of Reclamation (Reclamation) and Northern Water. The contract defines the terms for moving Windy Gap Project water through the C-BT Project. The Subdistrict has water allotment contracts with each of the Windy Gap and Windy Gap Firming Project participants. The Windy Gap allotment contracts govern the operation of the Windy Gap Project. The Windy Gap Firming Project allotment contracts govern the storage and delivery of water through the Windy Gap Firming Project's Chimney Hollow Reservoir Project, presently under construction. Under the terms of the Windy Gap Firming Project contracts, the participants are committed to funding their proportional share of the Chimney Hollow Reservoir Project construction costs in exchange for capacity in the project.

The Subdistrict financial statements include the following:

### ***Windy Gap Water Activity Enterprise Fund***

Windy Gap Water Activity Enterprise Fund (Windy Gap) owns, operates and maintains the Windy Gap Project. Windy Gap accounts for the wholesale water operations of the project and is self-supporting through participant water assessments. The Windy Gap Project consists of a diversion dam on the Colorado River, a pump plant, and a pipeline to pump and transport diverted Windy Gap Project water to Lake Granby, a water storage feature of the C-BT Project on the West Slope. Windy Gap Project water is then conveyed from Lake Granby through the C-BT Project's Alva B. Adams Tunnel for distribution to the Windy Gap participants along the Front Range. The project is operationally capable of delivering an average of 48,000 acre-feet of water annually. The Windy Gap Project has had no dedicated storage and relied on available capacity in the C-BT Project. When such C-BT Project storage is fully needed for C-BT Project water, Windy Gap Project water must either be delivered directly to participants or spilled out of Lake Granby. However, upon the construction completion of Chimney Hollow Reservoir in the summer of 2025, the Windy Gap Project will finally have a storage component for 12 Participants who are part of the Windy Gap Firming Project, as outlined below. The Windy Gap Project became operational in 1985 and began making water deliveries shortly thereafter.



*Windy Gap Reservoir*

### ***Windy Gap Firming Project Water Activity Enterprise Fund***

The Windy Gap Firming Project (WGFP) began construction of the Chimney Hollow Reservoir Project in 2021. This project aligns with the Subdistrict's vision to ensure a secure water future for Northern Colorado. See major initiatives below.

### **Local Economy**

The Colorado Economic & Revenue Forecast (Economic Outlook)<sup>1</sup> provides an economic overview of the state of Colorado. Most of the data in this section comes from this source, which is not Northern Water's data or commentary. The

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<sup>1</sup> Published in December 2024 by the Colorado Legislative Council Staff at [https://leg.colorado.gov/sites/default/files/images/dec2024forecastwithcover\\_accessible.pdf](https://leg.colorado.gov/sites/default/files/images/dec2024forecastwithcover_accessible.pdf)

forecast includes analysis of two of the major regions within Northern Water District boundaries: the Metro Denver Region and the Northern Region. The Metro Denver Region includes Boulder and Broomfield counties. It has the largest share of the state's population and more than 60.0 percent of the state's workers. Leisure and hospitality are key economic sectors. The Northern Region consists of Larimer and Weld counties. Larimer County has a diverse economy that continues to outperform the state, fueled largely by population growth. Weld County economics are driven primarily by energy and agriculture.

The U.S. economy avoided a hard landing to the post-pandemic inflation cycle, and continues to expand at a moderate pace. Consumer activity has stood up against persistently high prices, and businesses activity has stood up against still-high borrowing costs. While the labor market softened throughout 2024, the unemployment rate remains at a healthy level. Upward revisions to personal income data indicate that workers saw stronger real wage growth in 2024 than previously anticipated, buoyed by receding inflation. The softening labor market paired with slowing inflation laid the foundation for the Federal Reserve to implement a series of interest rate cuts beginning in September 2024. This forecast anticipates a continued moderate expansion in the U.S. and Colorado economies at a slower rate in 2025. Additional interest rate reductions and receding inflation will boost growth, while slowing employment growth will raise headwinds. Colorado's economy is expected to be comparable with the nation's, with slower consumer spending, similar unemployment rates, lower inflation and higher income growth.

### **Assessed Values**

The State of Colorado Economic Outlook's assessed value projections incorporate estimated impacts of policy changes passed during the 2024 regular session and the August 2024 special session. Among the legislative adjustments is the creation of two assessed values for each residential property in the state beginning with property tax year 2025, one that is used for mill levies assessed by school districts, and one that is used for all other local government entities.

Assessed values fell 2.8 percent in property tax year 2024 as nonresidential value decreased with a decline in oil and gas valuations and legislative changes. In property tax year 2025, a reassessment year, assessed values for school districts are expected to increase 7.9 percent. In addition to slow but positive growth anticipated due to property reassessments, assessed value will be boosted largely by the end of temporarily lower residential assessment rates and value reductions that were effective for property tax year 2024. In 2025, the residential assessment rate for school districts is projected to rise to 7.1 percent. In property tax year 2026, assessed values for school districts are expected to decrease by 0.9 percent with further nonresidential assessment rate reductions offsetting growth in residential assessed values at a rate more typical for an intervening year. Although nonresidential assessment rate reductions continue through property tax year 2027, higher property values are projected to boost the 2027 reassessment, and assessed value is projected to increase 3.9 percent.



*Homes through Municipal Subdistrict boundaries are subjected to assessed values.*

### **Labor**

The U.S. and Colorado labor market indicators remain consistent with an economy in a moderate, yet cooling expansion. Employers continue to add new employees to their payroll at a rate consistent with monthly averages prior to pandemic-related disruptions. Though U.S. and Colorado unemployment rates remain low, they have been slowly, steadily increasing. Some of the rise in unemployment rates reflects new or returning entrants to the labor force. Near-term employment growth is expected to continue to slow for both the United States and Colorado, as the labor market response lags declining interest rates while long-term employment growth is challenged by demographic shifts. The impacts of labor market cooling are expected to continue to be uneven, with unemployment rates and job growth varying significantly

across industries. Larger-than-usual expected revisions and other sources of data uncertainty make the labor market picture cloudier than usual.

- United States nonfarm employment is expected to end 2024 with 1.6 percent growth, slowing to 0.9 percent in 2025 and 0.8 percent in 2026. The U.S. unemployment rate is expected to average 4.0 percent over 2024, rising slightly to 4.1 percent in 2025 and 2026.
- In Colorado, employment is expected to end 2024 having increased by 1.7 percent, and to decelerate throughout the forecast period, to 1.2 percent in 2025 and 1.2 percent in 2026. The Colorado unemployment rate is expected to average 3.8 percent over 2024, increasing to 4.1 percent in 2025 and 4.1 percent in 2026.

### **Energy**

Expectations for oil prices have decreased on weak global demand and increasing supply. The price of West Texas Intermediate crude oil continues to fall below expectations and was down about 16.0 percent year-over-year in October 2024, reaching an average of \$71.99 for the month. The price in October was about 37.0 percent below the mid-2022 peak following the pandemic. For the year, oil is expected to average \$76.76 per barrel, down from a forecast of \$80.06 in September 2024, and down from an average of \$77.64 in 2023. Global production over the next year is expected to outpace demand. In its latest outlook, the U.S. Energy Information Administration (EIA) expects production to increase broadly, including in the United States and OPEC countries. Although delayed recently, the expectation is that OPEC will still allow voluntary cuts among member states to expire as the group manages declining market share among its members. Also noteworthy, in its recent oil market report, the International Energy Agency noted that production is projected to significantly increase for Brazil after an unexpected underproduction this year. On the demand side, China continues to underperform. Combined with slower economic growth, analysts note that the rapidly expanding electric vehicle market paired with use of liquefied natural gas in trucking and shipping are slowing China's oil consumption. Globally, economic growth is expected to remain steady without significant acceleration that would boost oil demand.

- The price of West Texas Intermediate crude oil is expected to average \$76.76 per barrel over 2024, decrease further to \$64.00 per barrel in 2025, and then fall to \$62.25 per barrel in 2026.

Expectations for natural gas prices have been revised down. Natural gas prices have fallen to pandemic-era levels after rising as high as \$8.13 in May 2022, attributable to supply that has outpaced demand over the past couple of years. Since the September 2024 forecast, the outlook for natural gas prices has been revised down through the forecast period. In 2024, the Henry Hub spot price is now expected to average \$2.19 for the year, down from a projected \$2.30. The Henry Hub spot price has not climbed as quickly as anticipated from a low of \$1.51 in March, averaging just \$2.27 per million BTU in October 2024. Although low prices early in the year caused some producers to curtail or stop production in response to low prices, and a hot summer boosted demand for electricity, warmer-than-expected fall temperatures delayed seasonal inventory withdrawals. Although United States production remains near all-time highs and improved slightly in the third quarter, production was down in the United States year-over-year in the second quarter for the first time since the first quarter of 2021. Monthly production in the United States peaked in December 2023. Although United States production is slower than the past couple of years, it is still expected to grow modestly during the forecast period, partly due to natural gas produced alongside oil wells that will continue to increase. Lower prices create varied production pressures across regions of the United States producing oil-associated natural gas continue to grow, while those with more unassociated natural gas operations are experiencing declining production.

- Throughout 2024, the Henry Hub spot price is expected to average \$2.19 per million BTU, rising to \$2.90 in 2025 and \$3.20 in 2026.

Colorado's retail gasoline prices ease down in 2024, expected to fall further on lower oil prices. Colorado's retail gasoline prices have declined year-over-year for 12 consecutive months through October 2024, reaching \$3.33 per gallon. Year-to-date, Colorado's average prices through October were 14.5 percent below 2023 levels, while down just 5.7 percent nationally. In 2023, Colorado's prices were temporarily pushed up due to a refinery outage, but have since trended below the national average in general. Prices in both Colorado and the nation remain well below the peak in June 2022, when prices were hovering around \$5.00. In 2024, U.S. prices averaged approximately \$3.32 per gallon, slightly below the \$3.38 expected in the September forecast. In 2025, retail gas prices are expected to fall further with lower oil prices.



## **Personal Income**

Personal income measures the aggregate amount of income received by individuals and households from wages and salaries, business ownership, investments and other sources. Personal income influences state revenue streams, such as individual income tax revenue and foreshadows consumer spending and contributions to sales tax receipts.

Personal income has continued to grow at a moderate pace in both Colorado and the nation. Since the last forecast, personal income data were revised upward, showing stronger growth over the past three years than was previously thought. The upward revision helps explain strong readings in consumer spending over that time period.

Total Colorado personal income was 5.1 percent higher in the second quarter of 2024 compared to a year prior. Wages and salaries are the largest source of personal income, and were up 5.4 percent compared to one-year prior, a bit slower than the average rate of growth before the pandemic. The second largest component of personal income, dividends, interest and rent, grew by 4.6 percent over the past year.

- Personal income growth is expected to slow to 4.8 percent nationally and 5.0 percent in Colorado in 2025 as wage pressures from a tight labor market recede and interest rates fall.
- Similarly, growth in wage and salary income is expected to moderate to 4.5 percent nationally and 5.1 percent in Colorado in 2025, as employment and inflation slow.

While nominal personal income continues to grow, households have also had to contend with above-trend inflation over the past few years. After adjusting for population and inflation, personal incomes in both Colorado and the United States increased modestly over the past year, up by 2.5 percent and 2.8 percent respectively. Growth has been more robust in Colorado than the nation since the pandemic, with real per-capita incomes being 14.0 percent higher in Colorado than the national average in the second quarter. With inflation expected to remain anchored through the forecast period, real per-capita personal income is expected to continue increasing modestly for both the United States and Colorado in 2025.

## **Agriculture**

Conditions in the U.S. agriculture industry continue to soften from higher input costs and expensive financing, despite still-elevated commodity prices and favorable growing conditions. The U.S. Department of Agriculture (USDA) forecasted that net farm income, a broad measure of profits, would end 2024 down again after a 16.0 percent decrease in 2023. However, Colorado producers are relatively well-positioned, as prices for Colorado's key outputs are strong, and drought conditions in the state remain favorable.

Commodity prices peaked halfway through 2024. After declining by 17.0 percent from its peak in June 2022 to January 2024, the USDA's nationwide index of prices received began to increase through the first half of 2024 with avian flu contributing to a sharp rise in poultry and egg prices. While poultry and egg prices continue to increase through the third quarter of 2024, prices received for agricultural and crop production peaked in June 2024 and have declined through the third quarter of 2024. Similarly, cattle prices peaked at an all-time high in July 2024 and have been on the decline through September. The all-time high prices for beef cattle were largely attributable to low inventories as a result of unfavorable drought conditions from 2020 through 2023. However, beef production is on track to exceed 2023 levels, which may be contributing to moderating prices. Still, the nationwide cattle inventory is at its lowest level since 1951, which is expected to keep cattle prices high compared to historical averages, lending to beneficial conditions for Colorado producers.

Farm income remains depressed alongside elevated production costs. After U.S. farm income moderated in 2023 coming off multiple years of strong growth, the USDA expected another 5.0 percent decrease in 2024 U.S. farm income. Crop producers are experiencing the brunt of income declines as crop prices remain weak, largely attributable to a stronger crop harvest paired with lower export activity. In contrast, strong cattle prices have boosted margins for many ranchers and feedlots. U.S. production costs remained elevated, but the USDA forecasted a slight decrease in production expenses through late 2024 as inflation cooled and interest rates were cut. While interest costs inch lower from elevated levels, banks in the Federal Reserve's Tenth District report a continued decline in loan repayments through the first three quarters of 2024 as farmers face still-high costs for labor and input goods. Alongside narrow profit opportunities and still-tight credit conditions, growth in farmland values have slowed, but remain positive.

Precipitation levels in 2024 lend to healthy drought conditions. Through November 2024, drought levels in Colorado have been at their lowest since 2017, remaining relatively stable through the year. As of November, 58.0 percent of the state is completely drought free, and another 31.0 percent is just abnormally dry, leaving only 11.0 percent of the state in current drought conditions. Drought conditions are moderate in the Denver metropolitan area and increase in severity up north, impacting Weld County and Larimer County the most. Precipitation has continued to be relatively consistent and generally above median levels statewide through 2024. As of November 2024, precipitation accumulation levels averaged 102.0 percent of the state median, ranging from 76.0 percent of the median in the Laramie and North Platte River Basin to 153.0 percent in the Arkansas River Basin. The USDA forecasts relatively healthy water supply levels for Colorado through the remainder of 2024 and into 2025, with most downside risk for the San Miguel-Dolores-Animas-San Juan River basin where reservoir storage levels have remained well below average since 2020.

## Highlights

### Chimney Hollow Reservoir Project

In August 2021, construction began on the Chimney Hollow Reservoir Project, marking the culmination of 20 years of planning, permitting and preparation. The 90,000-acre-foot reservoir will constitute dedicated storage for Windy Gap Project water and supply a reliable 30,000 acre-feet of water each year for the WGFP participants. Total project costs are currently budgeted at \$675 million for construction. Construction is expected to be completed in 2025. Filling the reservoir with water will begin soon after construction is completed.



*Construction of Chimney Hollow Reservoir is nearing completion and is anticipated to be complete in summer 2025. This shows the main dam.*

### Chimney Hollow Reservoir Project Funding

The Chimney Hollow Reservoir Project was funded by the issuance of the Series 2021 Senior Revenue Bonds and cash contributions from allottees. The bonds were issued in an original principal amount of \$169,705,000 with stated interest rates of either 4.0 percent or 5.0 percent. The bonds were sold at a premium to yield net proceeds of approximately \$218 million and a true interest cost of 2.96 percent. In addition, the Colorado Water Conservation Board provided a subordinated loan in the amount of \$90 million, which was amended after fiscal year end 2024 to \$154.5 million. See Notes 8 and 16 for more information.



*The Colorado River Connectivity Channel was completed in 2024.*

### Colorado River Connectivity Channel

Groundbreaking for the Colorado River Connectivity Channel took place on August 23, 2022. This project will reconnect the Colorado River around Windy Gap Reservoir dam and is in support of the WGFP mitigation and enhancement plan. Construction is substantially complete and water is flowing through the Connectivity Channel with a total construction cost of approximately \$24 million. Project partners include the Colorado Water Conservation Board, the National Resources Conservation Service through a subgrant with Trout Unlimited, the Colorado River Water Conservation District, Grand County (representing a number of separate interest groups) and Northern Water. Project costs to date have been paid by the Subdistrict, funding from the partners noted above, and contributions from Northern Water.

## Major Initiatives and Long-Term Financial Planning

### **Chimney Hollow Reservoir Project**

The Chimney Hollow Reservoir Project will consist of a 350-foot-tall asphalt-core dam in the valley west of Carter Lake in southwest Larimer County. The dam will establish the reservoir, the water storage component of the project. Total project costs, including the reservoir, dam and appurtenances are expected to total \$675 million. Those costs include \$17 million in mitigation and enhancement measures, which includes work to improve aquatic habitat and flow conditions on the Colorado River and support of endangered species on the West and East Slopes. Substantially all the mitigation and enhancement costs required of WGFP were recognized in 2021, except for construction costs relating to the Colorado River Connectivity Channel, which substantially completed construction in 2024, and an outstanding current liability to a third party.

Construction of the Chimney Hollow Reservoir Project is being financed in part with \$218 million in proceeds from the Senior Revenue Bonds, Series 2021 (Series 2021 Bonds) issued by WGFP, reflecting the pooled interests of seven of the 12 WGFP allottees. In addition, funding includes just under \$300 million in up-front cash payments from the remaining five cash allottees. The seven allottees participating in the pooled financing consist of Platte River Power Authority, the cities of Greeley, Louisville, Fort Lupton and Lafayette, Superior Metropolitan District No. 1 and Little Thompson Water District. The five allottees cash funding their interests in the project consist of the City and County of Broomfield, the cities of Loveland, Longmont and Fort Lupton, and Central Weld County Water District. Bond proceeds funded a \$13.5 million debt service reserve account. Both bond proceeds and participant cash payments are held by a trustee and accessed by WGFP through the submission of monthly pay requests. In addition, WGFP has a \$90 million subordinated loan from the Colorado Water Conservation Board (CWCB) that is expected to be used towards the end of construction. Draws began during 2024. After September 30, 2024, the Subdistrict and CWCB signed an amendment to the subordinated loan that increased the amount by \$64.5 million. See Note 16 on page 45 for details.

In accordance with the allotment contracts, the allottees will be assessed annually. For pooled financing allottees, this assessment includes annual debt service requirements and contributions to a Liquidity Fund. It is anticipated that the Liquidity Fund will be fully funded by fiscal year 2026.

### **Colorado River Connectivity Channel**

The Subdistrict entered into an agreement to construct a Colorado River Connectivity Channel around the Windy Gap Reservoir dam, thereby reconnecting the Colorado River around the Windy Gap Reservoir dam. The channel will minimize the dam's impact on the movement of aquatic species and the continuity of aquatic habitat in the river. Construction is expected to cost approximately \$25.5 million and is being funded by a combination of resources including funding from the Subdistrict and other stakeholders. Project partners include the Colorado Water Conservation Board, the National Resources Conservation Service through a subgrant with Trout Unlimited, the Colorado River Water Conservation District, Grand County (representing a number of separate interest groups), and Northern Water. In 2022, final design and permitting efforts for the Colorado River Connectivity Channel were completed and construction began in August 2022. The Colorado River Connectivity Channel meets certain WGFP agreements for mitigation and enhancement. The project is expected to be completed in early fiscal year 2025.

### **Single Audit**

In conformity with the provisions of the Uniform Grant Guidance, the Subdistrict was required to undergo a single audit relating to the National Resources Conservation Service grant for the construction of the Colorado River Connectivity Channel. Information related to this Single Audit included the schedule of expenditures of federal awards, findings and



*Aerial view from the south end of the Chimney Hollow Reservoir project showing the saddle dam in the foreground and the main dam in the background.*

questioned costs, and the independent auditors' reports on internal control and compliance with applicable laws and regulations. This information is available as a separate document.

### **Financial Policies**

All financial principles and policies have been consistently applied in the preparation of the Subdistrict financial statements including the basis of accounting and valuation of fund assets. These policies are further detailed in Note 1 to the financial statements.

### **Awards and Acknowledgements**

#### ***Annual Comprehensive Financial Report***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Subdistrict for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. The Subdistrict has received this award every year since 1987. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report, the contents of which 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 the September 30, 2024, Subdistrict ACFR continues to meet the Certificate of Achievement Program's requirements, and the Subdistrict will be submitting it to GFOA to determine its eligibility for another certification.

#### ***Annual Budget***

The Subdistrict received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2023. To qualify for this award, the Subdistrict budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

Both the ACFR and Annual Budget are available at [www.northernwater.org](http://www.northernwater.org).

The preparation of this ACFR would not have been possible without the efficient and dedicated service of Northern Water staff. We would like to recognize the outstanding efforts of the Northern Water Financial Services Department personnel. In addition, we would like to recognize the leadership of the Board of Directors of the Subdistrict for its unfailing support for maintaining the highest standards of professionalism in the management of the Subdistrict's finances.

Sincerely,

Sander A. Blackburn, MBA  
Director of Finance and Administration  
Municipal Subdistrict, Northern Colorado Water Conservancy District

Gerald A. Gibbens, P.E.  
Director of Operations and Board Treasurer  
Municipal Subdistrict, Northern Colorado Water Conservancy District

Bradley D. Wind, P.E.  
General Manager and Board Secretary  
Municipal Subdistrict, Northern Colorado Water Conservancy District

## BOARD OF DIRECTORS AND OFFICERS

The 13-member Board is responsible for establishing policy and strategic direction. Directors from the eight counties within the Municipal Subdistrict boundaries are appointed to four-year terms by district court judges. At least three Board seats are up for appointment every year. When a director's term expires, he or she continues to serve until the judge reappoints or replaces him or her. The Municipal Subdistrict's Board officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.

### Current Board of Directors



**Bill Emslie**  
President  
Larimer County  
Aug. 20, 2010 – Sept. 28, 2025  
✓



**Dick Wolfe**  
Vice President  
Broomfield County  
April 7, 2022 – Sept. 28, 2025  
✳



**Jennifer Gimbel**  
Larimer County  
July 15, 2019 – Sept. 28, 2028  
✳ ▶ ✓



**Sue Ellen Harrison**  
Boulder County  
Sept. 28, 2009 – Sept. 29, 2026  
✓



**Don Magnuson**  
Weld County  
Sept. 28, 2004- Sept. 28, 2028  
✓



**Gene Manuello**  
Logan County  
Sept. 28, 2018 – Sept. 28, 2026  
✓



**Rob McClary**  
Sedgwick County  
Sept. 28, 2011 – Sept. 28, 2027  
✳ ▶ ◆ ✓



**David Nettles**  
Weld County  
Oct. 18, 2018 – Sept. 28, 2026  
✳ ▶ ✓



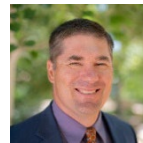
**John Rusch**  
Morgan and Washington Counties  
April 12, 2002 – Sept. 28, 2025  
✓



**Dave Stewart**  
Larimer County  
Sept. 28, 2023 – Sept. 28, 2027  
✳ ◆ ✓



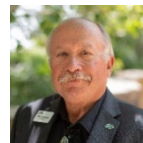
**Dale Trowbridge**  
Weld County  
Aug. 15, 2014 – Sept. 28, 2027  
✳ ◆ ✓



**Todd Williams**  
Boulder County  
Sept. 28, 2017 – Sept. 28, 2025  
✳ ▶ ◆ ✓



**Dennis Yanchunas**  
Boulder County  
Aug. 20, 2010 – Sept. 28, 2028  
✳ ▶ ◆



**Mike Applegate**  
Director Emeritus  
Mr. Applegate was appointed Director Emeritus in January 2024, after serving 35 years on the Board from 1991 to 2023.

### Municipal Subdistrict Officers:

Secretary Brad Wind, General Manager

Treasurer Gerald Gibbens, Director of Operations

The General Manager is appointed by and serves at the pleasure of the Board.

### Committees:

Audit ✳

Benefits and Human Resources ▶

Business and Finance ◆

Legal and Legislative ✓

## BOARD COMMITTEES



The Municipal Subdistrict has four joint committees with Northern Water tasked with the detailed study of specialized topics: the Audit Committee, the Benefits and Human Resources Committee, the Business and Finance Committee and the Legal and Legislative Committee. The chair of each committee reports on the committee's activities and, depending on the subject matter, may present committee recommendations for Board action to the Board of Directors. The committees are duplicative between Northern Water and the Municipal Subdistrict. As a note, prior to October 2024, the Benefits and Human Resources Committee and the Business and Finance Committee were combined.

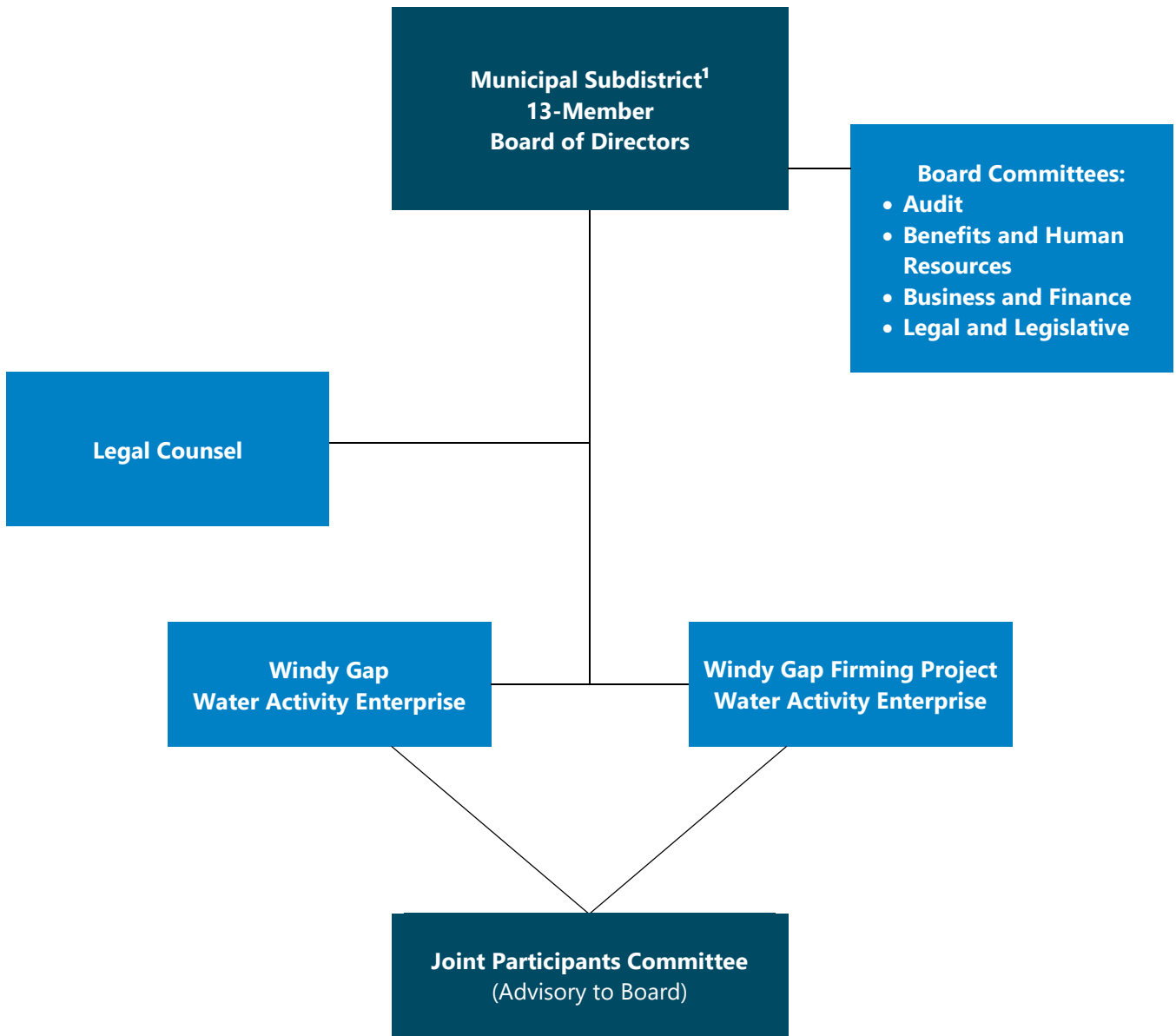
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors to ensure that the Board can faithfully carry out its fiduciary obligations to the Northern Water.

The Benefits and Human Resources Committee meets on a regular basis to review employee benefit policies, investment and Pension Plan fund performance.

The Business and Finance Committee meets on a regular basis with Northern Water financial, actuarial and benefit advisors to review financial policies and to discuss any other financial matters.

The Legal and Legislative Committee meets at least quarterly to receive updates on federal, state and local legislation of interest to Northern Water and its constituents. The committee works closely with its legislative consultant to recommend positions on proposed legislation and to provide input to authors of new legislation. The committee also receives briefings on specialized legal topics.

# ORGANIZATIONAL CHART



<sup>1</sup>The Subdistrict has no full-time employees. All day-to-day functions are provided through an agreement with Northern Water.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Municipal Subdistrict, Northern Colorado  
Water Conservancy District**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morrill*

Executive Director/CEO





# INDEPENDENT AUDITOR'S REPORT



**Plante & Moran, PLLC**  
P.O. Box 307  
3000 Town Center, Suite 100  
Southfield, MI 48075  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

## Independent Auditor's Report

To the Board of Directors  
Municipal Subdistrict, Northern  
Colorado Water Conservancy District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of each major fund of Municipal Subdistrict, Northern Colorado Water Conservancy District (the "Subdistrict") as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the Subdistrict's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Subdistrict as of September 30, 2024 and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Subdistrict 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 opinions.

#### *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 Subdistrict's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *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 opinions. 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 and *Government Auditing Standards* 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.

To the Board of Directors  
Municipal Subdistrict, Northern  
Colorado Water Conservancy District

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Subdistrict'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 Subdistrict'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.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 of America, 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 sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit for the year ended September 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Subdistrict's basic financial statements. The supplementary information, as identified in the table of contents, for the year ended September 30, 2024 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended September 30, 2024 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2024.

To the Board of Directors  
Municipal Subdistrict, Northern  
Colorado Water Conservancy District

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Subdistrict as of and for the year ended September 30, 2023 (not presented herein) and have issued our report thereon dated April 2, 2024, which contained unmodified opinions on the respective financial statements of each major fund. The summarized comparative supplementary information for the year ended September 30, 2023 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the summarized comparative supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2023.

**Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the Subdistrict's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Subdistrict's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Subdistrict's internal control over financial reporting and compliance.



March 25, 2025

# MANAGEMENT'S DISCUSSION AND ANALYSIS



## MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s Discussion and Analysis presents a narrative overview of the financial activities of the Subdistrict for the fiscal year ended September 30, 2024. It should be read in conjunction with the additional information furnished in the transmittal letter on page 5 of this report.

### Overview of the Financial Statements

The Subdistrict financial statements consist of the enterprise fund financial statements of Windy Gap and WGFP. These funds report business-type activities only. The ACFR also includes other supplementary and statistical information. Comparative data is included on select schedules to enable the reader to review information against prior years.

The enterprise fund financial statements include the following:

- Statement of Net Position – Presents information about the Subdistrict’s current and noncurrent assets, capital assets, current liabilities, and debt obligations. The difference between assets and liabilities is reported as net position.
- Statement of Revenues, Expenses and Changes in Net Position – Reports the Subdistrict’s operating and nonoperating revenues and expenses by major types, capital contributions and changes in net position for the year.
- Statement of Cash Flows – Reports the Subdistrict’s cash flows from operating, capital and related financing, and investing activities.
- Notes to Financial Statements – Provide further explanation and details that are essential to a full understanding of the above statements.

### Financial Analysis – Statement of Net Position<sup>1</sup>

(condensed)

September 30,

	\$000s		
	2024	2023	Change
<b>Assets</b>			
Cash, cash equivalents and investments, unrestricted	\$ 50,045	\$ 49,361	\$ 684
Cash equivalents and investments, restricted	104,336	283,049	(178,713)
Capital assets, net of accumulated depreciation	650,505	408,901	241,604
Other assets	5,195	10,126	(4,931)
<b>Assets</b>	<b>810,081</b>	<b>751,437</b>	<b>58,644</b>
<b>Liabilities</b>			
Current liabilities	73,321	181,959	(108,638)
Debt obligations and other noncurrent liability	288,998	267,270	21,728
<b>Liabilities</b>	<b>362,319</b>	<b>449,229</b>	<b>(86,910)</b>
<b>Net Position</b>			
Net investment in capital assets	394,216	256,830	137,386
Restricted net position			
Capital projects	15,205	12,556	2,649
Debt service	21,694	13,983	7,711
Unrestricted net position	16,648	18,839	(2,191)
<b>Net position</b>	<b>\$ 447,763</b>	<b>\$ 302,208</b>	<b>\$ 145,555</b>

<sup>1</sup> Balances reflect both Subdistrict enterprise funds combined.

## Financial Analysis – Revenues, Expenses and Changes in Net Position<sup>1</sup>

(condensed)

Years ended September 30,

	\$000s		
	2024	2023	Change
<b>Operating revenues</b>			
Assessments	\$ 4,371	\$ 5,567	\$ (1,196)
Other operating revenue	837	-	837
Operating revenues	5,208	5,567	(359)
<b>Operating expenses</b>	(8,684)	(7,144)	(1,540)
Operating loss	(3,476)	(1,577)	(1,899)
<b>Nonoperating revenues (expenses)</b>			
Earnings on investments	12,298	15,127	(2,829)
Interest expense, net of premium amortization	(5,054)	(5,017)	(37)
Other	108	340	(232)
Nonoperating revenues (expenses)	7,352	10,450	(3,098)
Loss before contributions	3,876	8,873	(4,997)
<b>Capital contributions</b>			
Capital grants	7,159	12,674	(5,515)
Other capital contributions	134,520	94,853	39,667
Changes in net position	145,555	116,400	29,155
Net position, beginning of year	302,208	185,808	116,400
Net position, end of year	\$ 447,763	\$ 302,208	\$ 145,555

On a stand-alone basis, Windy Gap had a net position of \$54.5 million at September 30, 2024, which consisted of its net investment in capital assets of \$37.9 million and \$16.6 million of unrestricted net position. See the Statement of Net Position. Net position increased by \$4.9 million over September 30, 2023, largely due to capital grants of \$7.2 million. Other significant variances included a decrease of \$6.6 million in accounts receivable due to collections on outstanding accounts receivable and a decrease in accounts payable and accrued liabilities of \$1 million due to the timing of certain payments. See Note 13 on page 44 for additional information on grants received.

Net position for WGFP of \$393.3 million at September 30, 2024, primarily reflected its net investment in capital assets of \$356.4 million. See the Statement of Net Position. The net position increase was largely due to recognizing capital contributions from participants of \$134.5 million, of which 112.6 million represents the recognition of contributions made by participants in previous years. The increase in capital assets of \$234.5 million, or 62.0 percent, and decrease in cash and investments of \$185 million, or 59.6 percent, are related as funds were expended to further the construction of the Chimney Hollow Reservoir. The reservoir construction project passed the midpoint during fiscal year 2024. All but \$15.5 million of the Series 2021 revenue bonds were expended as of September 30, 2024. Windy Gap Firing Project also began drawing down on a subordinated loan from the Colorado Water Conservation Board. About \$14.5 million has been drawn down out of a total amount available of \$90 million. See the Debt Administration section below and Note 8 – Long Term Debt for additional details.

The increase in accounts payable of \$16 million or 30.6 percent was due to timing of certain payments related to the Chimney Hollow Reservoir construction project. Other current and noncurrent liabilities decreased by \$5 million, or 50.0 percent, as a required payment was made to the Grand Foundation. See the Debt Administration section below, as well as Note 9 for additional information. Investment earnings decreased by \$3.1 million, or 22.3 percent, for Windy Gap Firing project compared to 2023 due to a reduction in invested amounts, as noted above. Other Capital Contributions increased by \$48 million, or 50.8 percent, as participants made required contributions to the Chimney Hollow Reservoir Project.

<sup>1</sup> Balances reflect both Subdistrict enterprise funds combined.

## Capital Assets<sup>1</sup>

(condensed)

September 30,

	\$000s		
	2024	2023	Change
<b>Capital assets, net of depreciation</b>			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	2,308	4,400	(2,092)
Construction in progress	645,679	401,984	243,695
Capital assets, net of depreciation	<u>\$ 650,504</u>	<u>\$ 408,901</u>	<u>\$ 241,603</u>

	\$000s		
	2024	2023	Change
<b>Windy Gap</b>			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	2,308	4,400	(2,092)
Construction in progress	33,025	23,810	9,215
Capital assets, net of depreciation	<u>\$ 37,850</u>	<u>\$ 30,727</u>	<u>\$ 7,123</u>
<b>Windy Gap FIRMING Project</b>			
Construction in progress	<u>\$ 612,654</u>	<u>\$ 378,174</u>	<u>\$ 234,480</u>

Overall capital assets for both Windy Gap and WGFP increased \$241.6 million from \$408.9 million in 2023 to \$650.5 million in 2024, reflecting an increase in construction in progress offset by current year depreciation of the Windy Gap water diversion project. The combined increase in construction in progress included costs relating to Windy Gap's Colorado River Connectivity Channel of \$8.6 million, WGFP's Chimney Hollow Reservoir Project construction costs of \$234.5 million, several other small Windy Gap projects totaling \$635,000, and approximately \$2.1 million of accumulated depreciation. See Note 7 for Capital Asset Activity and Note 14 for Intergovernmental Transactions.

<sup>1</sup> Balances reflect both Subdistrict enterprise funds combined.



## Debt Administration<sup>1</sup>

(condensed)

September 30,

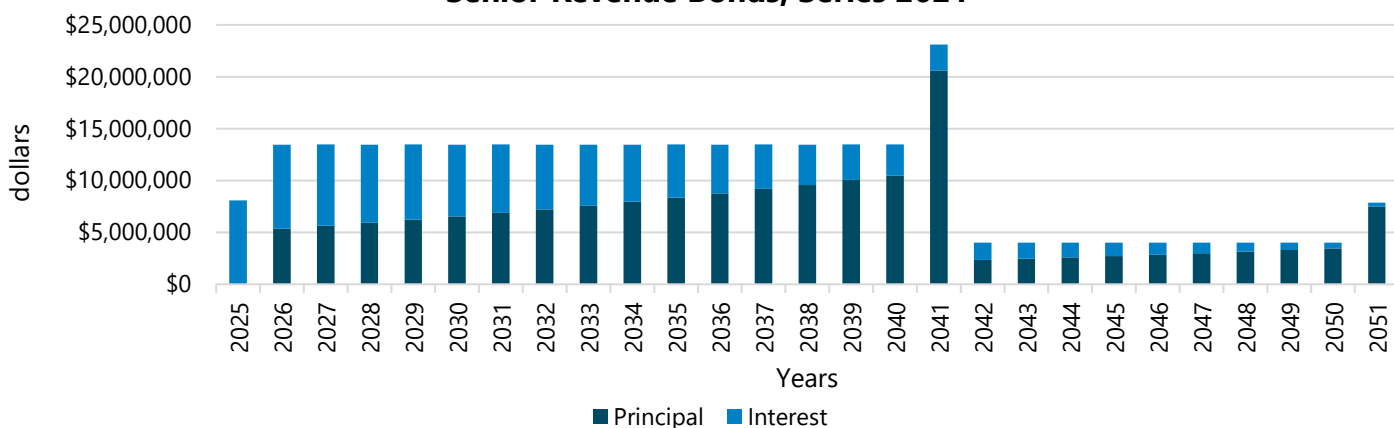
	\$000s		
	2024	2023	Increase
<b>Debt obligations</b>			
Senior Revenue Bonds, Series 2021	\$ 223,584	\$ 212,102	\$ 11,482
Colorado Water Conservation Board subordinated loan	14,539	-	14,539
Other noncurrent liability	-	5,000	(5,000)
Debt obligations	<u>\$ 238,123</u>	<u>\$ 217,102</u>	<u>\$ 21,021</u>

In 2021, WGFP issued the Series 2021 Bonds to partially fund the Chimney Hollow Reservoir Project. The bond offering was a pooled financing for seven of the 12 WGFP allottees. The bonds were issued in an original principal amount of \$169,705,000 and bear interest at either 4.0 percent or 5.0 percent. The bonds were issued at a premium of \$49 million. Some of the WGFP allottees elected to have a bond term of 20 years while the remainder elected a 30-year term. Bond proceeds of \$218.0 million, net of underwriter's discount, funded a construction fund account of \$204 million, a debt service reserve fund of \$13.5 million and a costs of issuance account of \$487,000. All bond proceeds are restricted and held in trust. Debt service payments are to be funded by annual participant assessments. The bond premium is amortized over the term of the bonds.

In addition, as part of its mitigation and enhancement, WGFP entered into an agreement with a third party, the Grand Foundation, to pay \$15 million to be used to improve the habitat or water quality in areas impacted by the Subdistrict. Of the \$15 million, \$5 million was paid in 2021 and a subsequent \$5 million payment occurred in 2024 as the Chimney Hollow Reservoir Project dam construction reached its mid-point, with a final \$5 million payment to occur upon completion of the project (estimated to occur in 2025).

Finally, Windy Gap Firming Project entered into a \$90.0 million subordinated loan from the Colorado Water Conservation Board, with such funds to be used for the Chimney Hollow Reservoir Project construction. The 30-year loan is at 2.08 percent interest with a 1.0 percent origination fee included in the \$90 million total. Draws of \$14,538,603 have been made on the loan as of September 30, 2024. See additional information relating to long-term debt and the Windy Gap Firming Project Enterprise Fund at Notes 8, 9 and 16.

### Senior Revenue Bonds, Series 2021

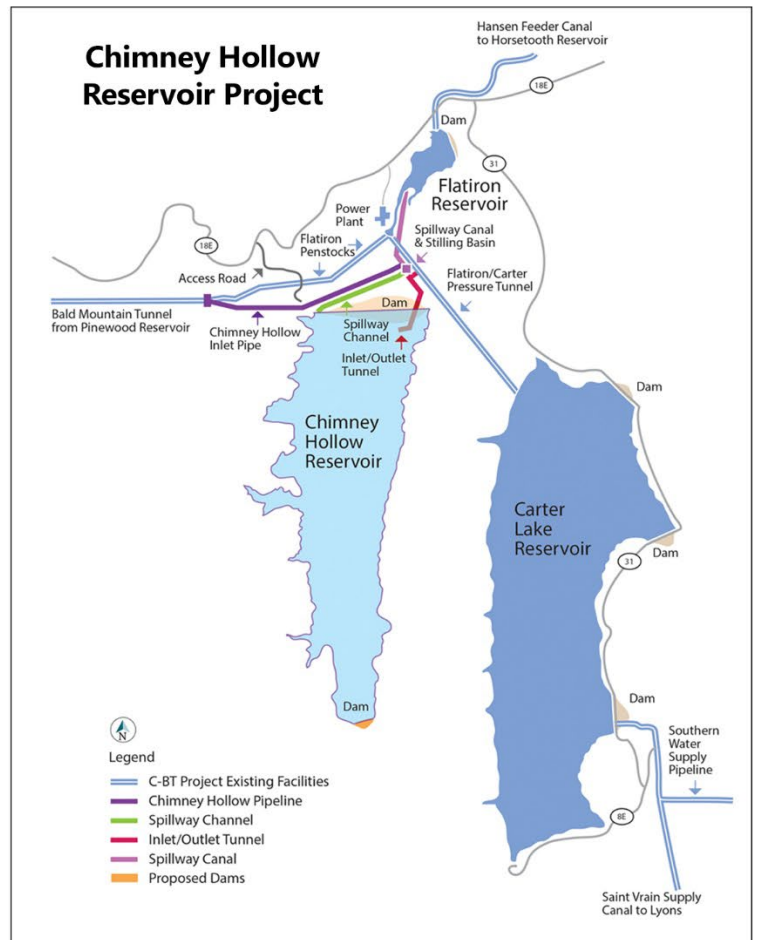
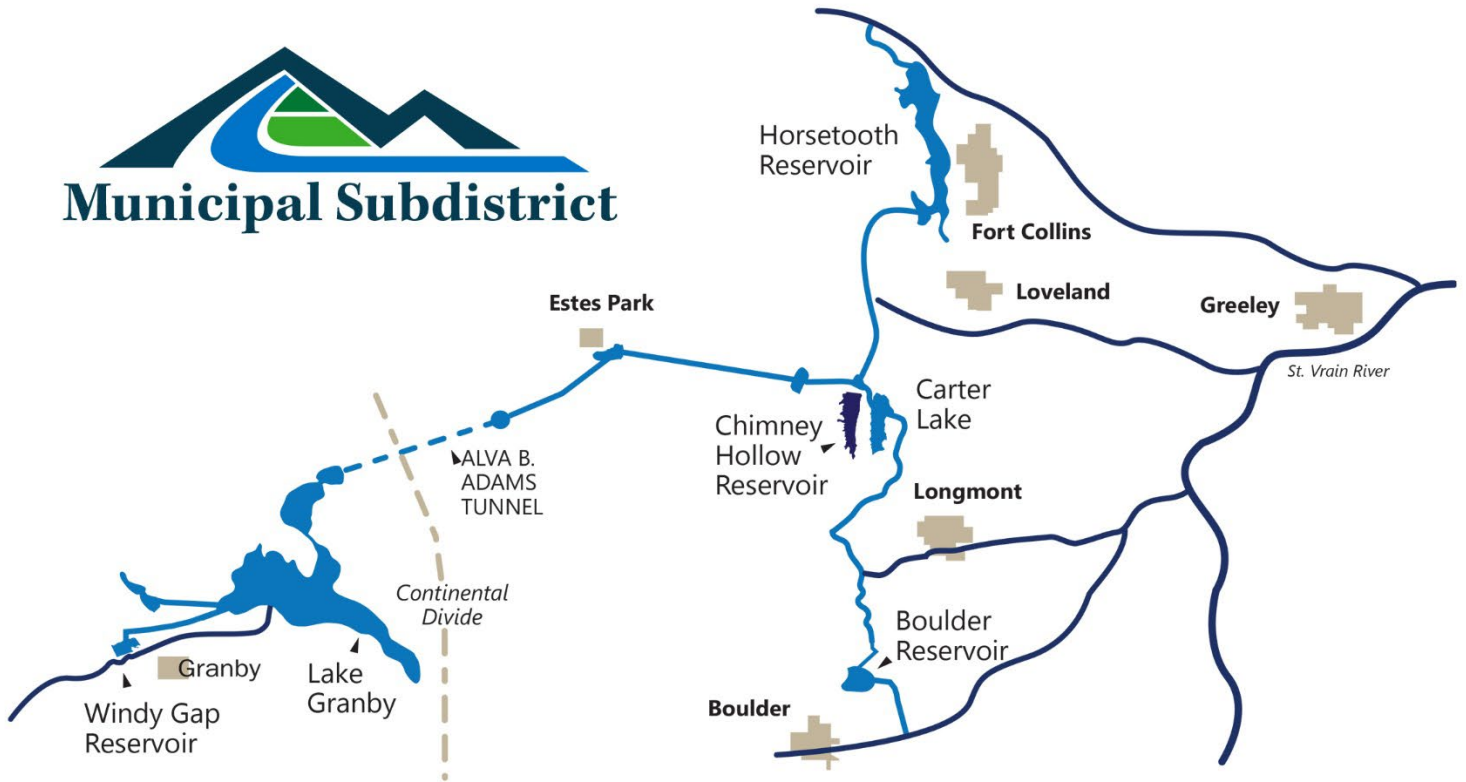


### Financial Contact

The Subdistrict's financial statements are designed to present users with a general overview of the Subdistrict's finances and to demonstrate the Subdistrict's accountability. If there are any questions about the report, or if additional financial information is needed, please contact the Financial Services Department, Northern Water, 220 Water Avenue, Berthoud, Colorado 80513.

<sup>1</sup> Balances reflect WGFP. Windy Gap had no debt outstanding at September 30, 2022.

**Map of Windy Gap Project and the Chimney Hollow Reservoir Project**





## Statement of Net Position – Proprietary Funds

September 30, 2024

	Business-type Activity Enterprise Funds		
	Windy Gap		Total
	Windy Gap	Firming Project	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash, unrestricted (Note 3)	\$ 12,885,795	\$ 21,030,191	\$ 33,915,986
Investments, unrestricted (Note 4)	7,629,154	-	7,629,154
Receivables	2,100,811	1,835,907	3,936,718
Unused capacity receivable	-	-	-
Prepaid carriage cost	868,108	-	868,108
Other prepaids	7,094	-	7,094
Interest receivable	50,808	159,946	210,754
Water inventory	172,669	-	172,669
Current assets	<u>23,714,439</u>	<u>23,026,044</u>	<u>46,740,483</u>
<b>Noncurrent assets</b>			
Cash equivalents, restricted (Notes 3 and 5)	-	27,298,182	27,298,182
Investments, unrestricted (Note 4)	8,500,032	-	8,500,032
Investments, restricted (Notes 4 and 6)	-	77,038,232	77,038,232
Cash and investments, noncurrent	<u>8,500,032</u>	<u>104,336,414</u>	<u>112,836,446</u>
Capital assets	118,178,241	612,653,853	730,832,094
Less accumulated depreciation	(80,327,543)	-	(80,327,543)
Capital assets, net of accumulated depreciation (Note 7)	<u>37,850,698</u>	<u>612,653,853</u>	<u>650,504,551</u>
Noncurrent assets	<u>46,350,730</u>	<u>716,990,267</u>	<u>763,340,997</u>
Assets	<u>\$ 70,065,169</u>	<u>\$ 740,016,311</u>	<u>\$ 810,081,480</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 3,529,773	\$ 2,777,150	\$ 6,306,923
Related party payable (Note 14)	3,881,718	\$ 15,085,396	18,967,114
Other current liabilities (Note 9)	-	5,000,000	5,000,000
Carriage costs payable	4,033,770	-	4,033,770
Unused capacity payable	383,658	-	383,658
Unearned revenue	3,737,634	34,891,926	38,629,560
Current liabilities	<u>15,566,553</u>	<u>57,754,472</u>	<u>73,321,025</u>
<b>Noncurrent liabilities</b>			
Accounts payable from non-current restricted assets	\$ -	\$ 65,414,695	\$ 65,414,695
Long term debt	-	223,583,559	223,583,559
Noncurrent liabilities	<u>-</u>	<u>288,998,254</u>	<u>288,998,254</u>
Liabilities	<u>\$ 15,566,553</u>	<u>\$ 346,752,726</u>	<u>\$ 362,319,279</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 37,850,698	\$ 356,365,293	\$ 394,215,991
Restricted net position			
Capital projects	-	15,204,584	15,204,584
Debt service	-	21,693,708	21,693,708
Unrestricted net position (deficit)	16,647,918	-	16,647,918
Net position	<u>\$ 54,498,616</u>	<u>\$ 393,263,585</u>	<u>\$ 447,762,201</u>

See accompanying Notes to Financial Statements.

## Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2024

	Business-type Activity Enterprise Funds		
	Windy Gap		Total
	Windy Gap	Firming Project	
<b>Operating revenues</b>			
Assessments	\$ 4,370,674	\$ -	\$ 4,370,674
Other operating revenue	837,060	-	837,060
Operating revenues	5,207,734	-	5,207,734
<b>Operating expenses</b>			
Operations	478,743	-	478,743
Engineering	301,200	-	301,200
Environmental services	250,694	-	250,694
Administration	5,561,512	-	5,561,512
Depreciation	2,091,400	-	2,091,400
Operating expenses	8,683,549	-	8,683,549
Operating loss	(3,475,815)	-	(3,475,815)
<b>Nonoperating revenues and expenses</b>			
Investment earnings (losses)	1,245,642	11,051,988	12,297,630
Interest expense, net of bond premium amortization	-	(5,054,446)	(5,054,446)
Nonoperating revenue other	4,025	129,214	133,239
Nonoperating expense other	-	(24,935)	(24,935)
Nonoperating revenues and expenses, net	1,249,667	6,101,821	7,351,488
Income (loss) before contributions	(2,226,148)	6,101,821	3,875,673
<b>Capital contributions</b>			
Capital grants	7,158,977	-	7,158,977
Other capital contributions	-	134,519,897	134,519,897
Increase in net position	4,932,829	140,621,718	145,554,547
<b>Net position, beginning of year</b>	49,565,787	252,641,867	302,207,654
<b>Net position, end of year</b>	\$ 54,498,616	\$ 393,263,585	\$ 447,762,201

See accompanying Notes to Financial Statements.

## Statement of Cash Flows

Year ended September 30, 2024

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
<b>Cash flows from operating activities</b>			
Receipts from participants	\$ 7,816,259	\$ -	\$ 7,816,259
Cash received on interfund, net	1,760,530	-	1,760,530
Payments to suppliers	(7,533,607)	-	(7,533,607)
Payments to employees	(413,041)	-	(413,041)
Net cash used by operating activities	1,630,141	-	1,630,141
<b>Cash flows from capital and related financing activities</b>			
Capital contributions	-	20,041,929	20,041,929
Proceeds from debt issuance	-	14,538,603	14,538,603
Payments on other long-term liabilities	-	(5,000,000)	(5,000,000)
Interest payments on debt	-	(8,086,650)	(8,086,650)
Interfund payments made, net of receipts	-	(86,018)	(86,018)
Intergovernmental grant proceeds	13,734,513	-	13,734,513
Acquisition and construction of capital assets	(9,215,079)	(218,537,479)	(227,752,558)
Net cash provided by capital and related financing activities	4,519,434	(197,129,615)	(192,610,181)
<b>Cash flows from investing activities</b>			
Investment purchases	(15,373,270)	(36,582,935)	(51,956,205)
Investment sales and net proceeds	7,344,109	120,928,833	128,272,942
Earnings (losses ) on investments	1,245,642	7,124,698	8,370,340
Net cash provided (used) by investing activities	(6,783,519)	91,470,596	84,687,077
Net increase (decrease) in cash and cash equivalents	(633,944)	(105,659,019)	(106,292,963)
<b>Cash and cash equivalents, beginning of year</b>	13,519,739	153,987,392	167,507,131
<b>Cash and cash equivalents, end of year</b>	\$ 12,885,795	\$ 48,328,373	\$ 61,214,168
<b>Reconciliation of operating loss to net cash provided by operating activities</b>			
Operating loss	\$ (3,475,815)	\$ -	\$ (3,475,815)
Adjustments to reconcile operating income to net cash provided by operating activities			-
Depreciation	2,091,400	-	2,091,400
(Increase) decrease in current assets			
Due from other funds	1,760,530	-	1,760,530
Prepaid carriage costs	(471,706)	-	(471,706)
Other prepaids	(536,792)	-	(536,792)
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities	(3,707,121)	-	(3,707,120)
Carriage costs payable	3,245,123	-	3,245,123
Unused capacity payable	115,997	-	115,997
Unearned revenue	2,608,525	-	2,608,525
Adjustments	5,105,957	-	5,105,957
Net cash used by operating activities	\$ 1,630,141	\$ -	\$ 1,630,142
<b>Non-cash activities</b>			
Capital contributions revenue	-	\$ 112,642,766	\$ 112,642,766
Capital additions included in payables	-	65,414,695	65,414,695
Bond premium amortization	-	3,057,442	3,057,442
Change in interest payable	-	25,237	25,237
Earnings (losses) on investments	-	3,927,290	3,927,290
Non-cash activities	\$ -	\$ 185,067,430	\$ 185,067,430

See accompanying Notes to Financial Statements.

## Notes to Financial Statements

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The Subdistrict was established July 6, 1970, pursuant to the Water Conservancy Act. The Subdistrict is governed by a 13-member Board of Directors, which is appointed by the presiding district court judges of four of the five judicial districts located wholly or partially within Subdistrict boundaries. The financial statements of the Subdistrict have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities and as promulgated by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The Subdistrict is a special-purpose government engaged in business-type activities. Therefore, only enterprise fund financial statements are presented. For financial reporting purposes, management has considered all potential component units. The Subdistrict meets the criteria of an "other stand-alone government" as defined in GASB Statement No. 39.

The Subdistrict accounts for its financial operations as proprietary funds recognizing assets, liabilities, revenues and expenses on the accrual basis of accounting. Accordingly, revenues and expenses are recognized in the period earned and incurred, respectively, regardless of the timing of related cash flows.

Windy Gap accounts for the activities of the Windy Gap Project, which provides wholesale water supplies to participating Northern Colorado municipalities, water districts and a power authority. WGFP accounts for the activities of the Chimney Hollow Reservoir Project which is a dedicated water storage facility that will make the water supplies of the Windy Gap Project more reliable.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. Both Windy Gap and WGFP met these criteria as of September 30, 2024.

#### **Assets, Liabilities and Net Position**

##### ***Cash and Cash Equivalents, Unrestricted and Restricted***

Cash and cash equivalents are considered to be cash deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado statutes require that the Subdistrict use eligible public depositories as defined by the Colorado Public Deposit Protection Act (PDPA). Under the PDPA, amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA and allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

Cash balances have been classified as current and noncurrent consistent with the anticipated uses of the funds. Cash balances not expected to be used within one year are classified as noncurrent.

##### ***Investments, Unrestricted and Restricted***

The Subdistrict's investments are reported at their fair value and categorized within the fair value level hierarchy established by GAAP, which prioritizes the inputs to valuation techniques. Investments categorized as Level 1 are valued using prices quoted in active markets for identical assets. Investments categorized as Level 2 are valued using a matrix pricing technique from an independent securities pricing service based on the securities' relationship to quoted benchmark prices.

*Note 1 continued*

The Subdistrict Board has adopted an investment policy that establishes investment standards and objectives for funds not required for current liquidity. The investment objectives are the preservation of capital (safety), liquidity, return and diversification. The investment policy allows the following investments:

- U.S. Treasury Obligations guaranteed by the U.S. Government
- Federal Agency and Instrumentality Securities, including those issued by or fully guaranteed by federal agencies or U.S. government-sponsored enterprises
- Time Certificates of Deposit in FDIC-insured state or nationally-chartered banks or savings banks
- Negotiable Certificates of Deposit issued by any bank organized and operating within or outside the United States
- Corporate Bonds issued by a corporation or bank organized and operating within or outside the United States and denominated in U.S. dollars
- Municipal Bonds representing general and revenue obligations of state or local governments or under the authority of any state or political subdivision of such a government entity
- Commercial Paper where the issuer's commercial paper program's size exceeds \$200 million and is organized within or outside the United States
- Bankers' acceptances issued by FDIC-insured state or national banks with combined capital and surplus of at least \$250 million
- Repurchase agreements collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities
- Local Government Investment Pools (LGIP) authorized under Colorado state statute
- Money Market Mutual Funds registered under the Investment Company Act of 1940 and authorized under Colorado state statute

Certain investment balances are held in the Colorado Statewide Investment Pool (CSIP), a local government investment pool. The State Securities Commissioner administers and enforces State statutes governing the CSIP. The CSIP seeks to maintain a stable net asset value of \$1.00 per share. These balances are reported at amortized cost, which is not considered significantly different from fair value. There are no limitations or restrictions on withdrawals. As of September 30, 2024, the weighted average maturity of the liquid portfolios was 38 days. The weighted average maturity of the 2024 and 2025 term portfolios was 54 days and 173 days, respectively. CSIP had a Standard and Poor's rating of AAAM as of September 30, 2024.

Investment balances have been classified as current and noncurrent consistent with the anticipated uses of the funds. Funds not expected to be used within one year are classified as noncurrent.

***Receivables***

The Subdistrict does not provide an allowance for uncollectible receivable balances because the receivables are considered fully collectible.

***Water Inventory***

The Subdistrict is permitted to use storage capacity in Lake Granby, a water storage feature of the C-BT Project, in accordance with its 2014 Carriage Contract with Reclamation and Northern Water. The agreement specifies that when Lake Granby's storage capacity is needed for storage of water under C-BT Project water rights, Windy Gap participants are required to take delivery of their stored water or that water must be spilled. Water inventory is valued on a specific identification basis using its pumping energy cost component.

***Carriage Costs***

Windy Gap participants pay the carriage costs on water delivery charges for use of the C-BT Project conveyance and storage system and pumping energy charges based on estimates of water to be delivered during the coming water season. Estimates paid by participants over actual costs incurred represent unearned revenue. Participants are invoiced annually for the upcoming year's estimates as well as the prior year's true-up of expenses to their actual costs.



*Note 1 continued*

### **Capital Assets**

Capital assets consist primarily of the Windy Gap water diversion project and construction in progress for both Windy Gap and WGFP. In accordance with Subdistrict policy, costs incurred for infrastructure projects, including labor, environmental impact, engineering, feasibility and other studies, are capitalized at historical cost. When construction of a project is complete, accumulated costs are depreciated over the estimated useful life of the project. If a project does not become operational or does not benefit other projects, the accumulated costs are charged to expense in the period such determination is made.

Water rights are considered intangible, have an indefinite useful life, and are not depreciated or amortized. Capital assets, other than infrastructure assets, are defined by the Subdistrict as those with an initial individual cost of more than \$5,000. All capital assets are reported at their historical cost.

Maintenance and repair charges that do not increase the capacity or efficiency of an asset or extend its useful life beyond the original estimate are charged to current period operating expenses as incurred. Upon retirement or other disposition of capital assets, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are reflected as nonoperating revenues or expenses.

Capital assets are depreciated using the straight-line method over the following estimated useful lives: equipment over three to five years, buildings, and improvements over 10 to 25 years and the water diversion project over 40 years.

### **Leases**

As of October 1, 2021, the Subdistrict implemented the provisions of GASB 87, Leases. The Subdistrict determines if an arrangement is a lease at inception. The lease term may include options to extend or terminate the lease. The lease term includes the non-cancellable period of the lease. As lessee, the Subdistrict would recognize a lease liability and an intangible right-to-use asset in the financial statements, should a lease arrangement qualify for recognition. As lessor, the Subdistrict would recognize a lease receivable and a deferred inflow of resources in the financial statements.

As of October 1, 2022, the Subdistrict implemented the provisions of GASB 96, Subscription-Based Technology Arrangements (SBITA). This standard requires a subscription asset and a corresponding liability to be recognized on the statement of financial position for any SBITA arrangements a government has with software vendors.

The Subdistrict monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

As of September 30, 2024, the Subdistrict has not identified any lease arrangements qualifying for recognition within the provisions of GASB 87 or GASB 96.

### **Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities include routine accounts payable, other accrued liabilities, retainages payable and interest payable.

### **Related party payable**

Related party payable includes amounts due to Northern Water. See further discussion at Note 14 Intergovernmental Transactions.

### **Unearned Revenue**

Unearned revenue for Windy Gap consists of estimated carriage costs paid by participants over actual costs incurred. Unearned revenue for WGFP relates to participant cash contributions to fund the Chimney Hollow Reservoir Project. Capital contributions for construction are recognized ratably as project costs are incurred.

Note 1 continued

### **Net Position**

The accompanying financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted net position for capital projects, debt service and unrestricted net position. When both restricted and unrestricted resources are available for use, it is the Subdistrict's policy to use restricted resources for their specified purposes first, then unrestricted as needed.

### **Intergovernmental Grants**

Intergovernmental grants received by the Subdistrict primarily come from federal and state sources. Certain grants from non-governmental organizations are also included in this amount. Refer to Note 13 for additional discussion related to intergovernmental grants.

### **Operating Revenues and Expenses**

Operating revenues and expenses for proprietary enterprise funds are those that result from providing services and delivering goods in connection with the funds' principal ongoing operations. Windy Gap operating revenues consist primarily of annual assessments charged to participants in accordance with the terms of their allotment contracts. The annual assessments are independent of whether the participants take delivery of water. Operating expenses include operations, engineering, environmental services, financial and administration costs associated with providing untreated water and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. WGFP is not yet operational and, therefore, has no operating revenues or expenses.

## **2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Tax Revenue, Spending and Multiple-Fiscal Year Debt and Other Financial Obligation Limitations**

Article X, Section 20, of the Colorado Constitution contains limitations on the ability of state and local governmental entities to increase taxes, revenues and spending and to enter into multiple-fiscal year direct or indirect debt or other financial obligations. However, these limitations do not apply to "enterprises" as defined in the constitutional provision. The Subdistrict's Windy Gap Water Activity Enterprise and Windy Gap Firing Project Water Activity Enterprise have been established as "water activity enterprises" in accordance with Colorado statutes and, as "enterprises," are excluded from the application of these constitutional restrictions. Amendment X, Section 20 is complex and subject to judicial interpretation. The Subdistrict believes it is in compliance with the requirements of the Amendment. However, the Subdistrict has made certain interpretations of the Amendment's language to determine its compliance.

### **Budgetary Data**

The budget process provides an opportunity to align short-term objectives and actions at the program level to the Subdistrict's long-term mission and values. The Board of Directors, general manager, division directors and staff participate in the development of the budget.

The budget is presented to the Board for consideration and adoption in August to align it with the adoption of water assessments which are also approved. The Board, at its regular meeting on May 5, 2023, appointed Bradley Wind, Sander Blackburn, Gerald Gibbens, Kristyn Unrein, Myles Baker, and Shawn Cyr as budget officers and directed them to prepare and submit the requisite budgets of the Subdistrict for fiscal year 2024. A notice was published, as required by law, in all the counties located wholly or partly within Subdistrict boundaries stating the annual budget was available for inspection by the public, including the date and time for public hearing. This year's budget review process included a Board workshop on June 29, 2023.

**Budget Schedule**

Task	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Budget instructions issued to all department managers											
Formulate key goals and objectives											
Identify major budget assumptions											
Review and final recommendations of budget by Senior Management team											
Appointment of budget officers and prepare budget reports											
Deliver budget to the Board											
Board holds public hearing and adopts the budget											
File budget with the State of Colorado											

The level of control (level at which expenses may not exceed appropriations) is maintained at the department, capital-outlay and debt-service levels. No commitment is authorized, nor any expenditure incurred, until it is determined that adequate appropriation balances exist for that purpose. Material purchase orders that would result in an overrun of available funds are not released until additional appropriations are made available. Management is authorized to transfer budget amounts between departments; however, any revisions that exceed the appropriated balances must be approved by the Subdistrict Board. Unused appropriations lapse at the end of each fiscal year. The overall objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Subdistrict Board.

Annual budgets are adopted for all funds on a basis consistent with GAAP with the following exceptions:

- Depreciation is not budgeted
- Capital outlays are treated as nonoperating expense uses
- Capital contributions are budgeted in the year received rather than when earned
- Bond proceeds are treated as revenue sources
- Interest expense is budgeted in the year paid as debt service rather than when incurred

### 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents balance at September 30, 2024, were as follows:

Fund/Deposit Type	Current		Noncurrent		Cash and Cash Equivalents
	Unrestricted	Restricted	Unrestricted	Restricted	
<b>Windy Gap</b>					
Deposits	\$ 12,885,795	\$ -	\$ -	\$ -	\$ 12,885,795
Windy Gap	12,885,795	-	-	-	12,885,795
<b>Windy Gap Firming Project</b>					
Deposits	21,030,191	-	-	-	21,030,191
Money Market Funds	-	-	-	27,298,182	27,298,182
Windy Gap Firming Project	21,030,191	-	-	27,298,182	48,328,373
Cash and cash equivalents	\$ 33,915,986	\$ -	\$ -	\$ 27,298,182	\$ 61,214,168

There is no custodial credit risk for deposits held since all are eligible public depositories pursuant to the PDPA.

## 4 INVESTMENTS

Investment balances for the Subdistrict enterprise funds by investment type at September 30, 2024, were as follows:

Fund/Investment Type	Current		Noncurrent		Total Investments
	Unrestricted	Unrestricted	Restricted	Restricted	
<b>Windy Gap</b>					
U.S. Government Securities	\$ -	\$ 4,478,889	\$ -	\$ -	\$ 4,478,889
Federal Agency Securities	-	836,830	-	-	836,830
Federal Agency Collateralized Mortgage Obligations	-	1,730,512	-	-	1,730,512
Negotiable Certificates of Deposit	-	101,626	-	-	101,626
Supranationals	-	634,028	-	-	634,028
Municipal Obligations	-	269,817	-	-	269,817
Local Government Investment Pool	7,629,154	40,162	-	-	7,669,316
Corporate Notes	-	408,168	-	-	408,168
Windy Gap	7,629,154	8,500,032	-	-	16,129,186
<b>Windy Gap Firming Project</b>					
U.S. Government Securities	-	-	40,455,297	-	40,455,297
Local Government Investment Pool	-	-	36,582,935	-	36,582,935
Windy Gap Firming Project Investments	-	-	77,038,232	-	77,038,232
	\$ 7,629,154	\$ 8,500,032	\$ 77,038,232	\$ -	\$ 93,167,418

Investment balances by level hierarchy at September 30, 2024, were as follows:

	Level 1	Level 2	Fair Value
<b>Investments by fair value level</b>			
U.S. Government Securities	\$ 44,934,186	\$ -	\$ 44,934,186
Federal Agency Securities	-	836,830	836,830
Federal Agency Collateralized Mortgage Obligations	-	1,730,512	1,730,512
Supranationals	-	634,028	634,028
Municipal Obligations	-	269,817	269,817
Negotiable Certificates of Deposit	-	101,626	101,626
Corporate Notes	-	408,168	408,168
Investments	\$ 44,934,186	\$ 3,980,981	\$ 48,915,167
<b>Investments by amortized cost</b>			
Colorado Statewide Investment Pool			\$ 44,252,251
Total Investments			\$ 93,167,418

Note 4 continued

In accordance with the Subdistrict’s investment policy, investments are limited to those meeting the following criteria:

<b>Investment Type</b>	<b>Maximum Portfolio Percentage</b>	<b>Maximum Issuer Percentage</b>	<b>Maximum Maturity Restrictions</b>	<b>Rating Restrictions</b>
U.S. Treasury Obligations	100%	100%	5 years	N/A
Federal Agency and Instrumentality Securities <sup>1</sup>	85%	35%	5 years	AA-
Negotiable Certificates of Deposit <sup>1 2</sup>	35%	5%	3 years	-
Time Certificates of Deposit	5%	1%	1 year	N/A
Corporate Bonds <sup>1</sup>	35%	5%	3 years	AA-
Municipal Bonds <sup>1</sup>				
Colorado Issuer	35%	5%	5 years	A-
Non-Colorado Issuer	35%	5%	5 years	AA-
School District Certificates of Participation	35%	5%	5 years	A
Commercial Paper <sup>1 3</sup>	35%	5%	270 days	A-
Bankers Acceptances <sup>1 3</sup>	35%	5%	180 days	A-
Repurchase Agreements <sup>4</sup>	100%	25%	180 days	-
Local Government Investment Pools (LGIP)	100%	100%	N/A	AAAm/AAAf
Money Market Funds <sup>5</sup>	100%	100%	N/A	AAAm

The investment portfolio is limited to an aggregate exposure of 50.0 percent of the sum total of the following investment types: Certificates of Deposit, Negotiable Certificates of Deposit, Corporate Bonds, Commercial Paper and Bankers Acceptances. The aggregate exposure to Municipal Bonds may not exceed 35.0 percent of the portfolio and no more than 5.0 percent of the portfolio may be invested with a single issuer with certain exceptions pursuant to the provisions of GASB 40 – *Deposit and Investment Risk Disclosures – An Amendment of GASB Statement No. 3* or to the extent the Subdistrict’s investment policy is more restrictive.

<sup>1</sup> Rating required by two nationally-recognized statistical rating organizations.

<sup>2</sup> Long-term rating of at least AA- or the equivalent, short-term rating of at least A-1 or the equivalent.

<sup>3</sup> If senior debt is outstanding, senior debt must be rated “A” or the equivalent. Issuer’s commercial paper program size shall exceed \$200 million.

<sup>4</sup> Collateralized by U.S. Treasury Obligations and Federal Agency Instrumentality Securities with collateral maturity not exceeding 10 years. Long-term credit rating of at least A or the equivalent; short-term rating of at least A-1 or the equivalent.

<sup>5</sup> No load; constant net asset value per share of \$1.00.

Note 4 continued

At September 30, 2024, the Subdistrict had investments with the following ratings:

<b>Investment Type</b>	<b>Rating</b>	<b>Investments</b>	<b>Percentage</b>
U.S. Government Securities	See note	\$ 44,934,186	48.2%
Federal Agency Securities	AA+	836,830	0.9%
Federal Agency Collateralized Mortgage Obligations	AA+	1,730,512	1.9%
Supranationals	AAA	634,028	0.7%
Municipal Obligations	AA-	35,666	0.1%
Municipal Obligations	AA	108,311	0.1%
Municipal Obligations	AA+	19,205	0.0%
Municipal Obligations	AAA	106,635	0.1%
Local Government Investment Pools (LGIP)	AAA <sub>m</sub>	44,252,251	47.5%
Negotiable Certificates of Deposit	A-1+	101,625	0.1%
Corporate Notes	AA-	179,825	0.2%
Corporate Notes	AA	169,845	0.2%
Corporate Notes	AAA	58,499	0.1%
Investments		<u>\$ 93,167,418</u>	<u>100.0%</u>

Note: No rating is disclosed as these securities are explicitly guaranteed by the government of the United States.

### Credit and Interest Rate Risk

Credit risk is generally considered to be the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Such risk is measured by the assignment of a rating by a nationally-recognized statistical rating organization. Concentration of credit risk derives from investments being concentrated with a single issuer. Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. At September 30, 2024, there were no investments greater than 5.0 percent of the portfolio with any one issuer.

At September 30, 2024, the Subdistrict had investments with the following maturities:

<b>Investment Type</b>	<b>Investment Maturities</b>					<b>Investments</b>
	<b>1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>3 - 4 years</b>	<b>4 - 5 years</b>	
U.S. Government Securities	\$ 34,248,840	\$ 1,258,561	\$ 741,388	\$ 7,648,141	\$ 1,037,256	\$ 44,934,186
Federal Agency Securities	62,777	305,929	82,956	163,281	221,887	836,830
Federal Agency Collateralized Mortgage Obligations	63,551	234,971	284,517	626,817	520,656	1,730,512
Supranationals	-	285,907	266,463	81,658	-	634,028
Negotiable Certificates of Deposit	-	-	101,626	-	-	101,626
Municipal Obligations	63,493	145,548	25,110	35,666	-	269,817
Local Government Investment Pool	44,252,251	-	-	-	-	44,252,251
Corporate Notes	29,933	320,936	57,299	-	-	408,168
Investments	<u>\$ 78,720,845</u>	<u>\$ 2,551,852</u>	<u>\$ 1,559,359</u>	<u>\$ 8,555,563</u>	<u>\$ 1,779,799</u>	<u>\$ 93,167,418</u>

To the extent possible, Subdistrict investments are matched with anticipated cash flow requirements.

## 5 CASH EQUIVALENTS, RESTRICTED

Restricted cash equivalent balances have been classified as current and noncurrent consistent with the anticipated uses of the funds. Windy Gap had no restricted cash equivalents at September 30, 2024. WGFP restricted balances were as follows:

	<u>2024</u>
<b>Noncurrent Cash Equivalents, Restricted</b>	
Participant Capital Funds	\$ 19,859,869
Senior Revenue Bonds, Series 2021 Debt Service reserve	<u>7,438,313</u>
Noncurrent cash equivalents, restricted	<u>\$ 27,298,182</u>

- Senior Revenue Bonds, Series 2021, Debt Service Reserve is restricted for the payment of bond debt service requirements. The reserve is equal to the maximum annual debt service in any future year less any amounts anticipated to be released from the Debt Service Reserve Fund in such fiscal year.
- Participant Capital Funds are restricted for payment of Chimney Hollow Reservoir Project construction costs.

## 6 INVESTMENTS, RESTRICTED

Restricted investments have been classified as current and noncurrent consistent with the anticipated uses of the funds. Windy Gap had no restricted investments at September 30, 2024. WGFP restricted balances were as follows:

	<u>2024</u>
<b>Noncurrent Investments, Restricted</b>	
Participant Capital Funds	\$ 66,978,642
Senior Revenue Bonds, Series 2021 Liquidity Fund	8,048,937
Operations and Maintenance Reserve	<u>2,010,653</u>
Noncurrent investments, restricted	<u>\$ 77,038,232</u>

- Senior Revenue Bonds, Series 2021 Liquidity Fund and Participant Capital Funds are restricted for payment of Chimney Hollow Reservoir Project construction costs.
- Operations and Maintenance Reserve is restricted for payment of operations and maintenance costs.



## 7 CAPITAL ASSETS

Capital asset activity for the Subdistrict enterprise funds for the year ended September 30, 2024, was as follows:

	2023	Additions	Retirements	2024
<b>Windy Gap</b>				
Capital assets				
Non-depreciable capital assets				
Construction in progress	\$ 23,810,292	\$ 9,215,079	\$ -	\$ 33,025,371
Land	2,046,198	-	-	2,046,198
Water rights	470,921	-	-	470,921
Depreciable capital assets				
Buildings, equipment and improvements	403,197	-	(86,743)	316,454
Water diversion project	82,319,297	-	-	82,319,297
Capital assets	109,049,905	9,215,079	(86,743)	118,178,241
Accumulated depreciation				
Buildings, equipment and improvements	(360,960)	(8,609)	86,743	(282,826)
Water diversion project	(77,961,925)	(2,082,792)	-	(80,044,717)
Accumulated depreciation	(78,322,885)	(2,091,401)	86,743	(80,327,543)
Capital assets, net	30,727,020	7,123,678	-	37,850,698
<b>Windy Gap Firming Project</b>				
Construction in progress	378,173,500	234,480,353	-	612,653,853
Capital assets, net of accumulated depreciation	\$ 408,900,520	\$ 241,604,031	\$ -	\$ 650,504,551

See outstanding commitments described in Note 15.

## 8 LONG-TERM DEBT

In 2021, WGFP issued the Series 2021 Bonds, to partially fund the Chimney Hollow Reservoir Project. The offering constituted a pooled financing of seven of the 12 WGFP allottees. The other allottees elected to fund their portion of the construction costs through up-front cash contributions. The bonds are subject to federal arbitrage regulations.

The bonds were issued with an original principal amount of \$169,705,000 and a premium of \$49,351,106. Annual principal payments on the bonds are due each July beginning in 2026. Some of the allottees elected to have a 20-year term. The other allottees chose a 30-year term. Interest is payable in semi-annual installments in January and July at either 4.0 percent or 5.0 percent beginning January 2022. Amortization of the related premium amounted to \$3,057,442 for the year ended September 30, 2024, and was credited against interest expense. The bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption under terms as described below.

	2023	Additions	Amortization	2024	Amounts Due Within One Year
Senior Revenue Bonds, Series 2021	\$ 169,705,000	\$ -	\$ -	\$ 169,705,000	\$ -
Colorado Water Conservation Board Subordinated Loan	-	14,538,603	-	14,538,603	-
Unamortized premium	42,397,399	-	(3,057,443)	39,339,956	-
Long-term debt	\$ 212,102,399	\$ 14,538,603	\$ (3,057,443)	\$ 223,583,559	\$ -

Annual debt service requirements to maturity are as follows:

Years ending September 30,	Principal	Interest	Annual Debt Service
2025	-	8,086,650	8,086,650
2026	5,380,000	8,086,650	13,466,650
2027	5,655,000	7,817,650	13,472,650
2028	5,930,000	7,534,900	13,464,900
2029	6,230,000	7,238,400	13,468,400
2030 - 2034	36,140,000	31,196,500	67,336,500
2035 - 2039	45,940,000	21,399,850	67,339,850
2040 - 2044	38,460,000	10,155,900	48,615,900
2045 - 2049	15,015,000	5,064,500	20,079,500
2050 - 2051	10,955,000	922,000	11,877,000
Debt service	\$ 169,705,000	\$ 107,503,000	\$ 277,208,000

Bonds maturing on or prior to July 15, 2031, are not subject to optional redemption prior to maturity. Bonds maturing on or after July 15, 2032, are subject to redemption prior to maturity at the option of WGFP at any time on or after July 1, 2031, at a redemption price equal to the principal amount of the bonds being redeemed plus accrued interest to the redemption date, but without a premium.

All Municipal Subdistrict outstanding debt is considered to be direct borrowings under GASB 88.

Note 8 continued

Bonds maturing on July 15, 2046, are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without a premium, as follows:

<b>Redemption Date (July 15)</b>	<b>Amount</b>
2042	\$ 2,345,000
2043	2,465,000
2044	2,590,000
2045	2,715,000
2046	2,855,000

Bonds maturing on July 15, 2051, are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without a premium, as follows:

<b>Redemption Date (July 15)</b>	<b>Amount</b>
2047	\$ 2,995,000
2048	3,145,000
2049	3,305,000
2050	3,470,000
2051 <sup>†</sup>	7,485,000

(final maturity<sup>†</sup>)

The bonds are special, limited obligations of WGFP payable solely from and secured solely by a pledge and assignment of revenues of WGFP derived from payments under allotment contracts with the pooled financing allottees. In accordance with the terms of the bond offering, a restricted debt service reserved reserve had been established. As of September 30, 2023, \$6,797 is remaining in the reserve account. All bond proceeds are held by a trustee for project costs.

**Colorado Water Conservation Board Subordinated Loan**

WGFP has a \$90 million subordinated loan from the Colorado Water Conservation Board, such funds to be used for the Chimney Hollow Reservoir Project construction. The 30-year loan is at 2.08 percent interest with a 1.0 percent origination fee included in the \$90 million total. Draws of \$14,538,603 have been made on the loan as of September 30, 2024. Interest is accrued during the drawdown period. When the drawdown period closes out, the 30-year repayment term will begin.

**9 OTHER CURRENT LIABILITY**

As part of its mitigation and enhancement efforts, WGFP entered into an agreement with a third party to pay \$15 million to be used for the design, construction and maintenance of projects to improve the aquatic and riparian habitat or water quality in areas impacted by the Windy Gap or WGFP projects. An initial payment of \$5 million was paid in August 2021. The second payment of \$5 million was paid on March 15, 2024, when Chimney Hollow Reservoir Project dam construction reached the midpoint. A final \$5 million payment will occur upon completion of the project, expected to be in 2025.

## 10 CAPITAL CONTRIBUTIONS

The WGFP allottees who did not participate in the pooled financing bond issuance contributed their share of the Chimney Hollow Reservoir Project costs in 2021 in cash, in accordance with the participant allotment contracts. The funding is recognized in the Statement of Revenues, Expenses and Changes in Net Position as capital contributions ratably as project costs are incurred. The remainder is reflected as unearned revenue. All project funds are held by a trustee for project construction costs and reflected as restricted cash and investments in the financial statements at September 30, 2024.

## 11 WINDY GAP PRINCIPAL PARTICIPANTS BASED ON ASSESSMENTS

The following Windy Gap participants individually generated 5.0 percent or more of Windy Gap assessments for the year ended September 30. Amounts do not reflect the adjustment for unearned revenue.

<b>Participant</b>	<b>2024</b>
Platte River Power Authority	22.3%
City of Longmont	16.7%
City and County of Broomfield	11.7%
City of Greeley	10.2%
City of Loveland	8.3%

## 12 RISK MANAGEMENT

The Subdistrict is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Subdistrict is a participant in a property and liability insurance pool which provides coverage for various risks, including property damage, general liability, workers compensation, and other related exposures. The pool is a self-insurance arrangement that allows participating members to share risks and costs. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

## 13 INTERGOVERNMENTAL GRANTS

To partially fund development of the Colorado River Connectivity Channel, the Subdistrict entered into subgrant agreements with Trout Unlimited, Colorado Water Conservation Board, Grand County and USDA's Natural Resources Conservation Service. Under the terms of the agreements, the Subdistrict was reimbursed for certain costs incurred for the project. In fiscal year 2024, \$7.2 million in eligible costs had been incurred and recognized as grant revenue, of which \$4.9 million was from federal sources. These grants will be renewed and utilized throughout the construction period.

## 14 INTERGOVERNMENTAL TRANSACTIONS

At September 30, 2024, total charges to the Subdistrict from Northern Water totaled \$5,362,602. Of this amount, \$5,203,650 related to the Subdistrict's use of conveyance and storage of the C-BT Project, administration, operation, maintenance and replacement costs (\$2,188,287 for charges for services and \$3,015,363 for indirect costs), \$4,287 related to the Adams Tunnel conveyance charge and \$154,665 related to carriage costs (\$390,518 payable, net with \$235,853 receivable). These revenues from Windy Gap to Northern Water provide compensation for prior water rights to the Windy Gap Participants. Northern Water also provides centralized cash receipts and disbursement functions for the Subdistrict, which are treated as reimbursements and impact solely the Statement of Net Position.

Of the \$18,967,114 reported as related party payable as of September 30, 2024, \$3,881,718 relates to the charges described above, and \$15,085,396 relates to centralized cash activity in which Northern Water incurred capital construction expenses on behalf of Windy Gap Firming Project due to be reimbursed as of September 30, 2024.

## **15 COMMITMENTS AND CONTINGENCIES**

At September 30, 2024, the Windy Gap Firming Project had contract commitments for the design, construction management and construction for the Chimney Hollow Reservoir Project. The purchase order commitments had an original value of \$676.4 million; \$71.4 million remained outstanding at September 30, 2024.

The Windy Gap Project Enterprise Fund had contract commitments for the design, construction management and construction for the Colorado River Connectivity Project. The purchase order commitments had an original value of \$30.1 million; \$1.1 million remained outstanding at September 30, 2024.

The Subdistrict has a perpetual commitment to provide water and water storage that can be used for environmental purposes. The commitment was valued at approximately \$40 million, representing management's best estimate given the future value of storage in the Chimney Hollow Reservoir Project and the value of water currently being delivered to other entities.

In addition, in the normal course of business, there are various outstanding legal proceedings, claims, commitments and contingent liabilities. In the opinion of management, the ultimate disposition of these matters will not have a materially adverse effect on the Subdistrict's financial statements.

## **16 SUBSEQUENT EVENT**

As detailed in Note 10, WGFP has a \$90 million subordinated loan from the Colorado Water Conservation Board. On January 13, 2025, an amendment to the original loan contract was signed, increasing the subordinated loan amount by \$64.5 million. There were no other significant modifications to the terms of the original agreement.

## SUPPLEMENTARY INFORMATION



## Schedule of Revenues and Expenses, Budget to Actual

### Windy Gap

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended September 30, 2023 Actual
	Budget (unaudited)	Actual	Variance	
<b>Operating revenue sources</b>				
Water assessments	\$ 6,307,071	\$ 4,370,674	\$ (1,936,397)	\$ 5,566,667
Other Operating Revenue	1,007	837,060	\$ 836,053	338,000
Operating revenue sources	6,308,078	5,207,734	(1,100,344)	5,904,667
<b>Operating expense uses</b>	(7,148,448)	(6,592,149)	556,299	(5,052,468)
Operating revenue sources over (under) expense uses	(840,370)	(1,384,415)	(544,045)	852,199
<b>Nonoperating revenue sources</b>				
Intergovernmental grants	9,742,000	7,158,977	(2,583,023)	12,673,557
Earnings on investments & Change in Value	671,827	1,245,642	573,815	906,802
Other nonoperating revenues	23,506	4,025	(19,481)	3,825
Nonoperating revenue sources	10,437,333	8,408,644	(2,028,689)	13,584,184
<b>Nonoperating expense uses</b>				
Capital purchases and project expenditures	(13,556,788)	(8,555,988)	5,000,800	(12,768,425)
Other nonoperating expenses	-	-	-	-
Contingency appropriation	(250,000)	-	250,000	-
Nonoperating expense uses	(13,806,788)	(8,555,988)	5,250,800	(12,768,425)
Nonoperating revenue sources over (under) expense uses	(3,369,455)	(147,344)	3,222,111	815,759
Revenue sources over (under) expenses uses	<u>\$ (4,209,825)</u>	<u>(1,531,759)</u>	<u>\$ 2,678,066</u>	<u>1,667,958</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis</b>				
Capital purchases and project costs under GAAP		8,555,988		12,768,425
Depreciation		(2,091,400)		(2,091,400)
Changes in net position		<u>\$ 4,932,829</u>		<u>\$ 12,344,983</u>

## Schedule of Revenues and Expenses, Budget to Actual

### Windy Gap Firming Project

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended September 30, 2023 Actual
	Budget (unaudited)	Actual	Variance	
<b>Nonoperating revenue sources</b>				
Participant contributions and bond proceeds	\$ 19,063,687	\$ 20,744,990	\$ 1,681,303	\$ 12,039,386
Earnings on investments and rental income	5,532,261	11,051,988	5,519,727	30,000
Contribution from the District	-	129,214	129,214	-
Capital contribution - Other	-	3,774	3,774	14,544
Other nonoperating revenues	-	30,000	30,000	14,220,482
Nonoperating revenue sources	<u>24,595,948</u>	<u>31,959,966</u>	<u>7,364,018</u>	<u>26,304,412</u>
<b>Nonoperating expense uses</b>				
Capital project expenditures	(226,462,700)	(234,634,963)	(8,172,263)	(156,876,475)
Bond expenses	-	3,057,442	3,057,442	3,057,442
Debt Service	(8,086,650)	-	8,086,650	-
Contingency appropriation	(30,000,000)	-	30,000,000	-
Nonoperating expense uses	<u>(264,549,350)</u>	<u>(231,577,521)</u>	<u>32,971,829</u>	<u>(153,819,033)</u>
Nonoperating revenue sources over expense uses	<u>\$ (239,953,402)</u>	<u>\$ (199,617,555)</u>	<u>\$ 40,335,847</u>	<u>(127,514,621)</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis</b>				
Unearned revenue		113,741,133		82,779,957
Accrued interest expense		(8,111,888)		(8,074,884)
Capital project expenditures under GAAP		<u>234,610,028</u>		<u>156,864,384</u>
Changes in net position		<u>\$ 140,621,718</u>		<u>\$ 104,054,836</u>



## Schedule of Changes in Restricted Assets

### Windy Gap FIRMING Project

Year ended September 30, 2024

Activity	Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	Costs of Issuance Fund	Debt Service Reserve	Liquidity Fund
Cash and investment balances, beginning of year	\$ 89,853,663	\$ -	\$ 6,797	\$ 846,168
Senior Revenue Bonds, Series 2021, bond proceeds	-	-	7,355,480	-
Transfer	-	-	(347,707)	6,954,073
Use of funds for construction project	(92,134,913)	-	-	-
Unrealized gains (losses) and interest income	2,281,250	-	423,743	248,695
Cash and investment balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,438,313</u>	<u>\$ 8,048,936</u>

Activity	Participant Capital Funds	Revenue Account	Debt Service Fund	Operations and Maintenance Reserve
Cash and investment balances, beginning of year	\$ 192,342,413	\$ -	\$ -	\$ -
Transfer	-	-	-	988,889
Use of funds for construction project	(108,624,363)	-	-	-
Unrealized gains (losses) and interest income	3,120,461	-	-	1,021,763
Cash and investment balances, end of year	<u>\$ 86,838,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,010,652</u>



## STATISTICAL SECTION – INTRODUCTION AND CONTENTS

This section of the Municipal Subdistrict’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the Subdistrict’s overall financial health.

### Maps

These maps provide a look at the region served by the Municipal Subdistrict.

Municipal Subdistrict Participants and Boundaries .....	52
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### Financial Trends

These schedules contain trend information to help the reader understand how the Municipal Subdistrict’s financial performance and well-being have changed over time.

Statement of Revenues, Expenses and Changes in Net Position by Component (2015-2024) .....	54
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### Revenue Capacity

These schedules contain information to help the reader assess the Municipal Subdistrict’s most significant local revenue sources.

Windy Gap Assessments by Participant (2015-2024) .....	57
Statement of Windy Gap and Windy Gap Firming Participant Units .....	59
Windy Gap Carriage, Energy, and Wheeling Charges (2015-2024) .....	60

### Debt Capacity

These schedules present information to help the reader assess the affordability of the Subdistrict’s current levels of outstanding debt and the organization’s ability to issue additional debt in the future.

Statistics of Outstanding Debt by Type (2015-2024) .....	63
Pledged Revenue Coverage .....	65

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Municipal Subdistrict’s financial activities take place.

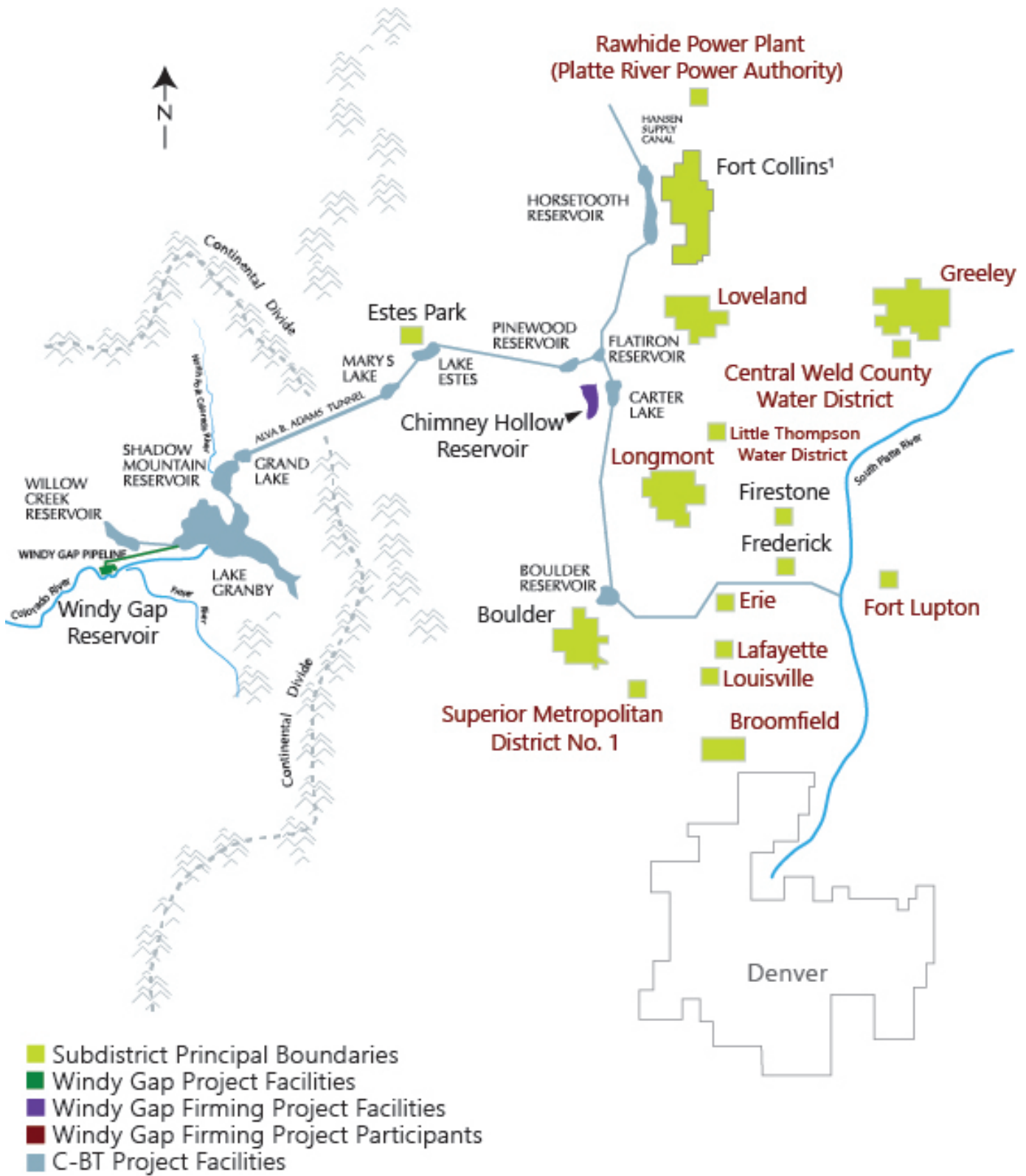
Population and Economic Statistics by Principal Cities Served by the Subdistrict (2015-2024) .....	64
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### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Municipal Subdistrict’s financial report relates to services the organization provides and the activities it performs.

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Windy Gap Project Water Pumped and Delivered (Historical) .....	74
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# MAP OF SUBDISTRICT PARTICIPANTS



<sup>1</sup>Fort Collins transferred its units to Platte River Power Authority



**Statement of Revenues, Expenses and Changes in Net Position and  
Net Position by Component (2015 - 2024)<sup>1</sup>**

Years ended September 30,

Unaudited

	2024	2023	2022	2021	2020
<b>Operating revenues</b>					
Assessments	\$ 4,370,674	\$ 5,566,667	\$ 6,338,867	\$ 5,101,176	\$ 3,687,686
Other operating income	837,060	-	-	-	-
Operating revenue	5,207,734	5,566,667	6,338,867	5,101,176	3,687,686
<b>Operating expenses</b>					
Operations	478,743	246,392	5,582,391	3,919,301	2,383,187
Administration	5,561,512	4,403,560	776,824	672,661	555,824
Environmental Service <sup>2</sup>	250,694	337,163	269,406	371,940	322,443
Engineering	301,200	65,353	79,554	467,422	34,740
Depreciation	2,091,400	2,091,400	2,088,475	2,088,395	2,082,887
Operating expenses	8,683,549	7,143,868	8,796,650	7,519,719	5,379,081
Operating loss	(3,475,815)	(1,577,201)	(2,457,783)	(2,418,543)	(1,691,395)
<b>Nonoperating revenues (expenses)</b>					
Earnings (loss) on investments	12,297,630	15,127,284	(8,684,958)	(375,232)	634,152
Bond issuance expenses	-	-	(3,485)	(1,602,260)	-
Interest expense	(5,054,446)	(5,017,442)	(4,983,380)	(476,693)	-
Loss on defeasance of water revenue bonds	-	-	-	-	-
Other nonoperating revenues	133,239	(12,088)			
Other nonoperating expenses	(24,935)	352,304	(226,408)	6,227	-
Nonoperating revenues, net	7,351,488	10,450,058	(13,898,231)	(2,447,958)	634,152
Loss before contributions	3,875,673	8,872,857	(16,356,014)	(4,866,501)	(1,057,243)
<b>Capital contributions</b>					
Capital grants	7,158,977	12,673,557	5,309,517	2,822,153	141,863
Other capital contributions	134,519,897	94,853,408	69,372,986	20,413,724	12,315,993
Changes in net position	\$ 145,554,547	\$ 116,399,822	\$ 58,326,489	\$ 18,369,376	\$ 11,400,613
<b>Net position</b>					
Net investment in capital assets	\$ 394,215,991	\$ 256,829,651	\$ 168,263,443	\$ 92,844,039	\$ 80,935,339
Restricted net position					
Debt service	15,204,584	13,983,215	13,685,851	13,472,650	-
Capital project	21,693,708	12,556,022	-	2,404,928	9,386,216
Unrestricted net position	16,647,918	18,838,766	3,858,538	18,759,728	18,790,414
Net position	\$ 447,762,201	\$ 302,207,654	\$ 185,807,832	\$ 127,481,345	\$ 109,111,969

<sup>1</sup> Amounts reflect the Subdistrict's two enterprise funds combined.

<sup>2</sup> Environmental Services established in 2018.

**Statement of Revenues, Expenses and Changes in Net Position  
and Net Position by Component (2015 - 2024)<sup>1</sup> (continued)**

Years ended September 30,  
Unaudited

	2019	2018	2017 <sup>2</sup>	2016	2015
<b>Operating revenues</b>					
Assessments	\$ 3,407,426	\$ 3,615,652	\$ 2,959,905	\$ 12,873,962	\$ 13,959,770
Other operating income	6,286	29,785	-	-	-
Operating revenue	3,413,712	3,645,437	2,959,905	12,873,962	13,959,770
<b>Operating expenses</b>					
Operations	2,562,743	2,456,538	1,813,030	1,514,945	2,878,863
Administration	640,374	856,587	894,621	604,070	539,622
Environmental Services <sup>3</sup>	295,559	-	-	-	-
Engineering	47,585	224,081	266,694	175,590	117,402
Depreciation	2,081,291	2,081,291	2,079,764	2,078,999	2,078,999
Operating expenses	5,627,552	5,618,497	5,054,109	4,373,604	5,614,886
Operating income/(loss)	(2,213,840)	(1,973,060)	(2,094,204)	8,500,358	8,344,884
<b>Nonoperating revenues (expenses)</b>					
Earnings on investments	672,708	120,867	129,556	166,206	180,024
Bond issuance expenses	-	-	-	-	-
Interest expense	-	-	-	(638,455)	(1,325,146)
Loss on defeasance of water revenue bonds	-	-	-	(864,629)	-
Other nonoperating revenues					
Other nonoperating expenses	20,097	44,957	73,820	342,442	55,695
Nonoperating revenues, net	692,805	165,824	203,376	(994,436)	(1,089,427)
Income before contributions	(1,521,035)	(1,807,236)	(1,890,828)	7,505,922	7,255,457
<b>Capital contributions</b>					
Capital grants	-	-	-	-	-
Other capital contributions	10,386,309	9,181,914	10,534,897	14,103,950	1,469,333
Changes in net position	\$ 8,865,274	\$ 7,374,678	\$ 8,644,069	\$ 21,609,872	\$ 8,724,790
<b>Net position</b>					
Net investment in capital assets	\$ 73,556,919	\$ 64,860,852	\$ 53,771,856	\$ 41,892,903	\$ 29,565,993
Restricted net position					
Debt service	-	-	-	-	12,616,627
Capital project	4,998,664	5,216,736	9,154,797	12,555,702	222,835
Unrestricted net position	19,155,773	18,768,494	18,544,751	18,378,730	8,812,008
<b>Net position</b>	\$ 97,711,356	\$ 88,846,082	\$ 81,471,404	\$ 72,827,335	\$ 51,217,463

<sup>1</sup> Amounts reflect the Subdistrict's two enterprise funds combined.

<sup>2</sup> In 2017 assessments were reduced due to the extinguishment of debt in 2016.

<sup>3</sup> Environmental Services established in 2019.





## Windy Gap Assessments by Participant (2015 - 2024)

Years ended September 30,

Unaudited

Participant	2024	2023	2022	2021	2020
Platte River Power Authority	\$ 1,050,490	\$ 1,180,922	\$ 977,263	\$ 900,434	\$ 1,037,240
City and County of Broomfield	1,135,650	1,291,236	1,232,209	894,274	847,981
City of Greeley	517,781	569,938	1,056,619	608,589	667,594
City of Longmont <sup>1</sup>	45,863	731,679	933,657	450,276	544,897
City of Loveland	(219,006)	253,063	166,334	193,408	353,209
Town of Erie	412,151	460,278	441,474	138,289	288,356
Superior Metropolitan District No. 1	221,521	268,012	248,234	281,168	230,679
City of Fort Lupton	267,729	272,251	278,662	266,446	227,138
City of Boulder	163,462	196,124	190,720	167,813	167,153
Little Thompson Water District	222,176	82,379	188,462	105,667	107,928
City of Louisville	38,466	100,424	37,381	43,950	91,619
Town of Frederick	143,940	44,714	158,786	34,184	61,831
Central Weld County Water District	3,845	11,569	22,683	4,883	44,763
Town of Firestone	102,677	115,732	113,421	24,416	44,163
City of Dacono	28,492	61,594	113,865	97,900	-
Town of Berthoud	44,619	157,816	125,623	116,921	37,705
Town of Estes Park	24,873	33,231	31,899	31,523	36,961
City of Lafayette	12,501	34,538	68,061	14,650	28,411
Unearned revenue adjustment	153,445	(298,833)	(46,487)	726,386	(1,129,942)
Assessments	\$ 4,370,674	\$ 5,566,667	\$ 6,338,866	\$ 5,101,177	\$ 3,687,686

<sup>1</sup> Negative assessment in 2024 reflects current year assessment less than prior year estimate to actual adjustment.

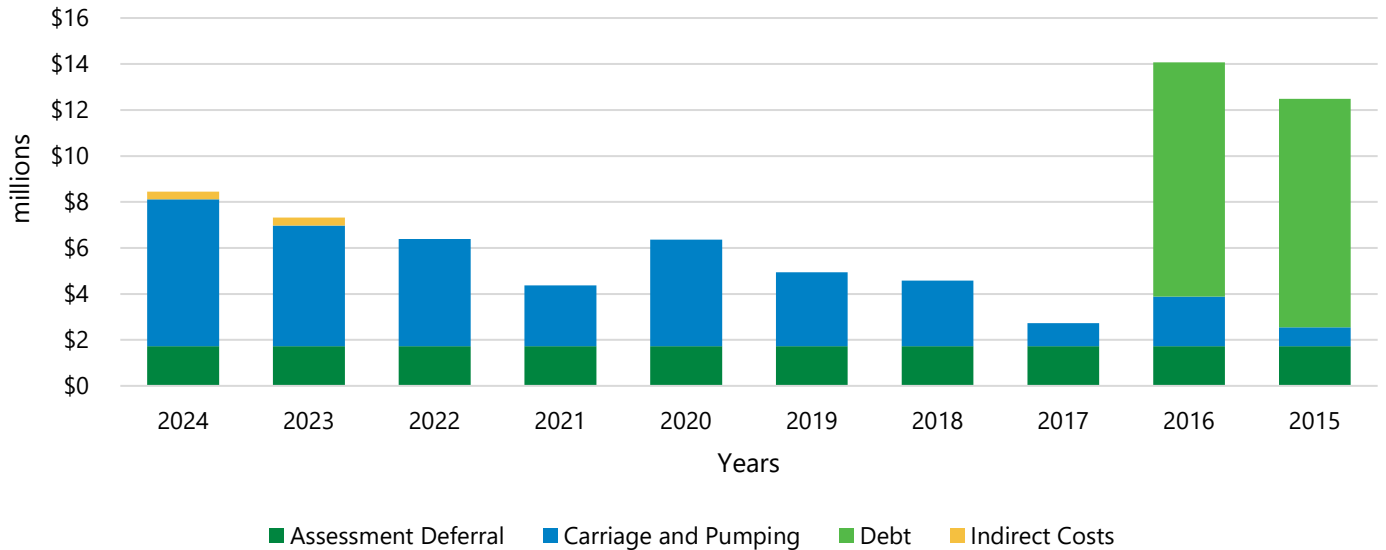
## Windy Gap Assessments by Participants (2015 - 2024) (continued)

Years ended September 30,

Unaudited

Participant	2019	2018	2017 <sup>1</sup>	2016	2015
Platte River Power Authority	\$ 770,578	\$ 764,404	\$ 850,402	\$ 4,918,223	\$ 4,604,577
City and County of Broomfield	611,804	588,366	481,468	1,993,171	1,645,257
City of Greeley	544,381	489,463	302,637	1,628,167	1,360,400
City of Longmont <sup>2</sup>	763,127	(3,661)	389,629	1,853,861	1,736,904
City of Loveland	159,181	184,120	153,881	953,243	931,557
Town of Erie	153,531	271,237	108,344	560,716	389,141
Superior Metropolitan District No. 1	174,855	164,589	142,135	542,502	501,778
City of Fort Lupton	211,485	147,221	35,136	120,724	121,213
City of Boulder	189,345	163,058	148,469	910,645	956,179
Little Thompson Water District	87,679	72,176	51,954	302,120	-
City of Louisville	64,969	27,668	22,732	143,911	103,659
Town of Frederick	95,869	-	-	-	-
Central Weld County Water District	10,887	9,039	12,130	39,239	30,276
Town of Firestone	68,478	-	-	-	-
City of Dacono	-	-	-	-	-
Town of Berthoud	41,087	-	-	-	-
Town of Estes Park	24,920	27,681	20,440	79,046	77,521
City of Lafayette	14,532	31,682	3,701	23,897	23,285
Unearned revenue adjustment	(579,282)	678,609	236,847	(1,195,503)	1,478,023
Assessments	\$ 3,407,426	\$ 3,615,652	\$ 2,959,905	\$ 12,873,962	\$ 13,959,770

### Annual Assessments<sup>3</sup>



<sup>1</sup> Lower assessment beginning in 2017 result from the extinguishment of Subdistrict water revenue bonds in 2016.

<sup>2</sup> Negative assessment in 2018 reflects current year assessment less than prior year estimate to actual adjustment.

<sup>3</sup> Graph of annual assessments does not reflect unearned revenue. Assessment deferral charges include assessments for all Windy Gap operational costs with the exception of carriage and pumping, which is assessed separately.

## Statement of Windy Gap and Windy Gap Firing Participant Units

September 30

Unaudited

	2024		
	Units	Acre-Feet	Percentage
<b>Windy Gap</b>			
Platte River Power Authority	107	10,700	22.3%
City of Longmont	80	8,000	16.7%
City and County of Broomfield	56	5,600	11.7%
City of Greeley	49	4,900	10.2%
City of Loveland	40	4,000	8.3%
City of Boulder	37	3,700	7.7%
Town of Erie	20	2,000	4.2%
Little Thompson Water District	20	2,000	4.2%
Superior Metropolitan District No. 1	15	1,500	3.1%
City of Fort Lupton	13	1,300	2.7%
City of Louisville	9	900	1.9%
Town of Berthoud	10	1,000	2.1%
Town of Frederick	7	700	1.5%
Town of Dacono	5	500	1.0%
Town of Firestone	5	500	1.0%
Town of Estes Park	3	300	0.6%
City of Lafayette	3	300	0.6%
Central Weld County Water District	1	100	0.2%
<b>Total</b>	<b>480</b>	<b>48,000</b>	<b>100.0%</b>

	2024		
	Units	Acre-Feet	Percentage
<b>Windy Gap Firing Project</b>	-	-	-
City and County of Broomfield	26,464	26,464	29.4%
Platte River Power Authority	16,000	16,000	17.8%
City of Loveland	10,000	10,000	11.1%
City of Greeley	9,189	9,189	10.2%
City of Longmont	7,500	7,500	8.3%
Town of Erie	6,000	6,000	6.7%
Little Thompson Water District	4,850	4,850	5.4%
Superior Metropolitan District No. 1	4,726	4,726	5.3%
City of Louisville	2,835	2,835	3.2%
City of Fort Lupton	1,190	1,190	1.3%
City of Lafayette	900	900	1.0%
Central Weld County Water District	346	346	0.4%
<b>Total</b>	<b>90,000</b>	<b>90,000</b>	<b>100.0%</b>

## Windy Gap Carriage, Energy and Wheeling Charges (2015 - 2024)

Years ended September 30

Unaudited

(Cost per acre-foot)

Carriage charges <sup>1</sup>	2024	2023	2022	2021	2020 <sup>2</sup>
Reclamation <sup>3</sup>					
6(b) Charge for in-lieu water <sup>1</sup>	\$ 37.15	\$ 36.50	\$ 35.86	\$ 35.23	\$ 34.00
6(c) ii Farr Pump Plant	2.60	2.45	2.45	2.42	2.42
6(c) iii Flatiron Pump Plant	6.33	5.30	5.22	5.22	5.45
6(e) Operations and maintenance	10.79	11.04	11.00	11.00	10.16
7(e) Service charge <sup>1</sup>	-	-	-	-	-
Reclamation carriage charges	56.87	55.29	54.53	53.87	52.03
Northern Water					
7(a) Adams tunnel conveyance	0.25	0.25	0.25	0.25	0.25
7(b)(d) Operations, maintenance and administrative costs	106.74	106.81	105.00	81.10	104.62
8(e) Service charge <sup>1</sup>	-	-	-	-	-
Northern Water carriage charges	106.99	107.06	105.25	81.35	104.87
Carriage charges	163.86	162.35	159.78	135.22	156.90
<b>Energy and wheeling charges</b>					
Carriage, energy and wheeling charges	\$ 163.86	\$ 162.35	\$ 159.78	\$ 135.22	\$ 156.90
Water pumped (acre-feet) <sup>4</sup>	-	-	40,172	15,435	-
Water delivered to participants (acre feet)	16,292	21,116	25,459	19,463	12,739
Adams Tunnel total conveyance (acre feet) <sup>5</sup>	202,622	192,671	212,251	248,644	211,451

<sup>1</sup> References are to the appropriate section in the Subdistrict 2014 carriage contract (beginning fiscal year 2020) with Reclamation and Northern Water. Service charges under paragraphs 7(e) and 8(e) no longer applies to the 2014 contract.

<sup>2</sup> Amounts exclude fixed annual carriage charge from Reclamation of \$84,525. This charge no longer applies to the 2014 contract.

<sup>3</sup> Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).

<sup>4</sup> No water pumped in certain years as a result of the lack of available storage capacity for Windy Gap Project water in the C-BT Project.

<sup>5</sup> Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

## Windy Gap Carriage, Energy and Wheeling Charges (2015 - 2024) (continued)

Years ended September 30

Unaudited

(Cost per acre-foot)

<b>Carriage charges<sup>1</sup></b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016<sup>2</sup></b>	<b>2015<sup>2</sup></b>
Reclamation <sup>3</sup>					
6(b) Charge for in-lieu water	\$ -	\$ -	\$ -	\$ -	\$ -
6(c) ii Farr Pump Plant	2.51	2.42	2.88	3.22	3.07
6(c) iii Flatiron Pump Plant	5.25	5.22	6.10	6.89	7.25
6(e) Operations and maintenance	9.17	11.00	9.18	7.12	16.05
7(e) Service charge <sup>1</sup>	2.85	2.85	2.85	2.85	2.85
Reclamation carriage charges	19.78	21.49	21.01	20.08	29.22
Northern Water					
7(a) Adams tunnel conveyance	0.25	0.25	0.25	0.25	0.25
7(b)(d) Operations, maintenance and administrative costs	75.83	81.22	70.32	63.22	134.89
8(e) Service charge <sup>1</sup>	2.85	2.85	2.85	2.85	2.85
Northern Water carriage charges	78.93	84.32	73.42	66.32	137.99
Carriage charges	98.71	105.81	94.43	86.40	167.21
<b>Energy and wheeling charges</b>	22.06	22.45	-	-	-
Carriage, energy and wheeling charges	\$ 120.77	\$ 128.26	\$ 94.43	\$ 86.40	\$ 167.21
Water pumped (acre-feet) <sup>4</sup>	12,538	26,235	-	-	-
Water delivered to participants (acre feet)	13,842	16,135	13,049	11,294	13,964
Adams Tunnel total conveyance (acre feet) <sup>5</sup>	289,294	236,479	240,304	243,543	113,856

<sup>1</sup> References are to the appropriate section in the Subdistrict 2014 carriage contract (beginning fiscal year 2020) with Reclamation and Northern Water. Service charges under paragraphs 7(e) and 8(e) no longer applies to the 2014 contract.

<sup>2</sup> Carriage charges are calculated, in part, based on total water conveyed through the C-BT Project Adams Tunnel, which was at an abnormally low level in 2015.

<sup>3</sup> Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).

<sup>4</sup> No water pumped in certain years as a result of the lack of available storage capacity for Windy Gap Project water in the C-BT Project.

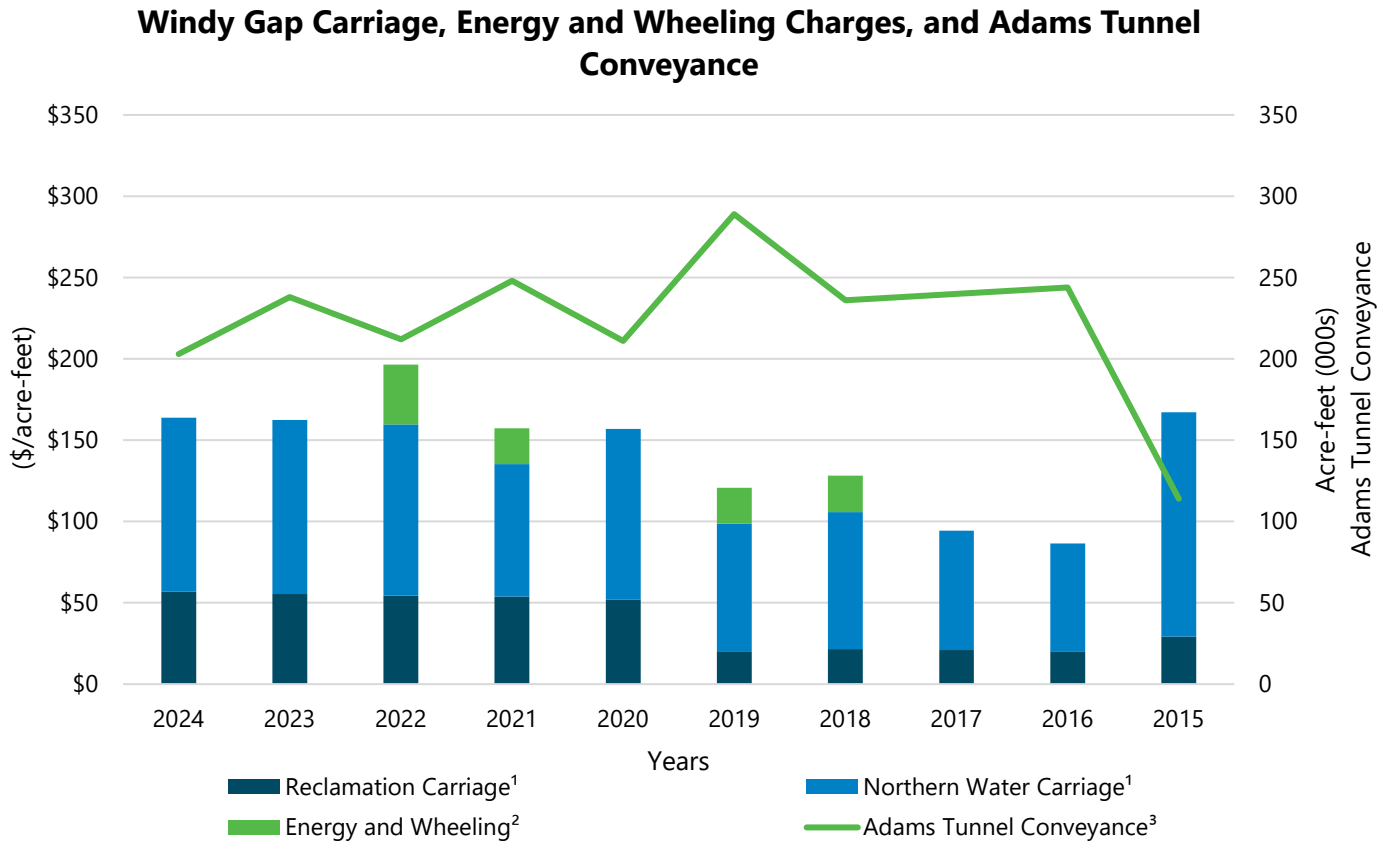
<sup>5</sup> Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

## Windy Gap Carriage, Energy and Wheeling Charges (2015 - 2024) (continued)

September 30

Unaudited

(Cost per acre-foot)



<sup>1</sup> Carriage – Charges are for the use of the C-BT Project storage and conveyance system.

<sup>2</sup> Energy and Wheeling – Charges are for pumping Windy Gap Project water from the Windy Gap Reservoir to Lake Granby.

<sup>3</sup> Adams Tunnel Conveyance (C-BT Project and Windy Gap Project water) – Carriage charges are calculated based on total water carried through the Adams Tunnel. As less water is conveyed through the tunnel, carriage costs increase.

## Statistics of Outstanding Debt by Type (2015 - 2024)

Year ended September 30,

Unaudited

	2024	2023	2022	2021	2020
<b>Windy Gap Firing Project</b>					
<b>Northern Water Hydropower</b>					
Senior Revenue Bonds, Series 2021	\$ 169,705,000	\$169,705,000	\$169,705,000	\$169,705,000	\$ -
Unamortized premium	39,339,956	42,397,399	45,454,841	48,781,669	-
Colorado Water Conservation Board	14,538,603	-	-	-	-
Total Windy Gap Firing Project debt	<u>\$ 223,583,559</u>	<u>\$212,102,399</u>	<u>\$215,159,841</u>	<u>\$218,486,669</u>	<u>\$ -</u>

**Statistics of Outstanding Debt by Type (2015 - 2024) (continued)**

Year ended September 30,

Unaudited

	2019	2018	2017	2016	2015
<b>Windy Gap Firing Project</b>					
Senior Revenue Bonds, Series 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Unamortized premium	-	-	-	-	-
Colorado Water Conservation Board	-	-	-	-	-
<b>Total Windy Gap Firing Project debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## Pledged Revenue Coverage<sup>1</sup>

Year ended September 30,

Unaudited

Windy Gap Firing Project Senior Revenue Bonds, Series 2021

	Capital contributions	Pledged to other purposes	Available for debt service	Debt Service		Coverage
				Principal	Interest	
2022	\$ 69,276,110	\$ 61,953,199	\$ 7,322,911	\$ -	\$ 7,322,911	1.00
2023	94,853,408	86,766,758	8,086,650	-	8,086,650	1.00
2024	132,814,294	124,727,644	8,086,650	-	8,086,650	1.00

<sup>1</sup> Senior Revenue Bonds were issued in 2021, with interest payments commencing in 2022. No revenues pledged for debt service prior to 2022.

## DEMOGRAPHIC AND ECONOMIC INFORMATION



## Population and Economic Statistics by Principal Cities Served by the Subdistrict (2015 - 2024)

Unaudited

	2024	2023	2022	2021	2020
<b>City of Boulder<sup>1</sup></b>					
Estimated population	108,000	107,000	108,000	\$ 108,000	107,000
Unemployment rate	3.3%	2.6%	3.5%	5.7%	2.4%
School enrollment	27,184	27,607	27,946	28,699	30,302
Per capita income	N/A <sup>2</sup>	\$ 98,553	\$ 89,593	\$ 79,650	\$ 76,527
Personal income(millions)	N/A <sup>2</sup>	\$ 32,273	\$ 29,525	\$ 26,059	\$ 24,962
<b>City and County of Broomfield<sup>3 4</sup></b>					
Estimated population	77,100	76,121	76,100	71,950	70,762
Unemployment rate	3.0%	2.6%	4.8%	6.4%	2.4%
School enrollment	13,900	13,405	12,024	12,100	11,895
Per capita income	\$ 90,026	\$ 73,678	\$ 70,870	\$ 72,775	\$ 70,996
Personal income(millions)	\$ 6,941	\$ 5,608	\$ 5,119	\$ 5,236	\$ 5,003
<b>City of Greeley<sup>5</sup></b>					
Estimated population	114,882	112,745	113,906	111,748	110,263
Unemployment rate	3.3%	3.2%	3.8%	6.6%	4.2%
School enrollment <sup>6</sup>	22,664	22,373	22,694	22,219	22,467
Per capita income	\$ 63,450	\$ 58,860	\$ 56,592	\$ 54,612	\$ 57,586
Personal income(millions)	\$ 7,289	\$ 6,636	\$ 6,446	\$ 6,103	\$ 6,349
<b>City of Longmont<sup>7</sup></b>					
Estimated population	106,173	101,764	99,629	99,570	97,530
Unemployment rate	2.2%	2.2%	6.9%	6.9%	3.2%
School enrollment <sup>8</sup>	32,639	32,639	32,406	31,312	32,855
Per capita income	\$ 89,593	\$ 89,593	\$ 79,649	\$ 61,157	\$ 73,394
Personal income(millions)	\$ 5,840	\$ 5,840	\$ 5,808	\$ 5,759	\$ 7,158
<b>City of Loveland<sup>9</sup></b>					
Estimated population	83,484	82,788	77,016	75,600	75,441
Unemployment rate	3.3%	5.0%	6.4%	7.4%	2.3%
School enrollment	15,039	15,212	15,291	14,965	16,163
Per capita income	\$ 81,898	\$ 73,907	\$ 56,836	\$ 55,884	\$ 54,188
Personal income(millions)	\$ 6,837	\$ 6,119	\$ 4,377	\$ 4,225	\$ 4,088
Estimated population in					
Subdistrict area <sup>10</sup>	1,075,097	1,064,392	1,051,301	1,037,717	1,020,792

<sup>1</sup> Data taken from City of Boulder's December 31, 2023, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Boulder Valley School District June 30, 2024, Annual Comprehensive Financial Report, representing enrollment for the entire district.

<sup>2</sup> Not available.

<sup>3</sup> Data taken from City and County of Broomfield's December 31, 2023, Annual Comprehensive Financial Report.

<sup>4</sup> Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.

<sup>5</sup> Data taken from City of Greeley's December 31, 2023, Annual Comprehensive Financial Report.

<sup>6</sup> Represents enrollment for the Greeley/Evans School District as a whole.

<sup>7</sup> Data taken from City of Longmont's December 31, 2023, Annual Comprehensive Financial Report.

<sup>8</sup> Represents enrollment for the St. Vrain Valley School District as a whole.

<sup>9</sup> Data taken from City of Loveland's December 31, 2023, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Thompson School District June 30, 2024, Annual Comprehensive Financial Report, representing enrollment for the entire district.

<sup>10</sup> Data from Northern Water's September 30, 2024, Annual Comprehensive Financial Report and represents the estimated population for Northern Water.

**Population and Economic Statistics by Principal Cities Served by the Subdistrict (2015 - 2024)**  
**(continued)**

Unaudited

	2019	2018	2017	2016	2015
<b>City of Boulder<sup>1</sup></b>					
Estimated population	107,000	108,000	107,000	105,000	105,000
Unemployment rate	3.3%	3.0%	2.2%	2.8%	3.2%
School enrollment	29,766	29,822	29,673	29,702	29,398
Per capita income	\$ 73,394	\$ 68,027	\$ 63,707	\$ 60,220	\$ 58,627
Personal income(millions)	\$ 23,932	\$ 21,940	\$ 20,528	\$ 19,233	\$ 18,370
<b>City and County of Broomfield<sup>2 3</sup></b>					
Estimated population	69,591	68,182	66,449	64,780	61,670
Unemployment rate	2.9%	2.5%	2.8%	3.3%	4.2%
School enrollment	11,848	11,746	11,451	11,513	11,335
Per capita income	\$ 66,410	\$ 63,170	\$ 60,403	\$ 58,698	\$ 57,635
Personal income(millions)	\$ 4,622	\$ 4,307	\$ 4,014	\$ 3,802	\$ 3,554
<b>City of Greeley<sup>4</sup></b>					
Estimated population	107,457	104,557	103,037	101,048	98,423
Unemployment rate	3.5%	2.8%	2.6%	3.5%	4.0%
School enrollment <sup>5</sup>	22,878	22,820	22,547	21,440	21,183
Per capita income	\$ 46,172	\$ 44,080	\$ 50,483	\$ 42,787	\$ 38,664
Personal income(millions)	\$ 4,961	\$ 4,609	\$ 5,202	\$ 4,324	\$ 3,805
<b>City of Longmont<sup>6</sup></b>					
Estimated population	96,192	94,777	93,933	92,852	91,911
Unemployment rate	3.3%	2.6%	2.2%	2.6%	3.1%
School enrollment <sup>7</sup>	32,639	32,421	32,171	31,777	31,076
Per capita income	\$ 68,027	\$ 63,707	\$ 60,220	\$ 58,627	\$ 54,968
Personal income(millions)	\$ 6,544	\$ 6,038	\$ 5,657	\$ 5,443	\$ 5,052
<b>City of Loveland<sup>8</sup></b>					
Estimated population	74,719	73,987	73,349	72,155	70,210
Unemployment rate	2.9%	2.5%	3.2%	3.8%	4.8%
School enrollment	16,181	16,278	16,280	16,043	16,133
Per capita income	\$ 50,539	\$ 47,117	\$ 45,318	\$ 43,584	\$ 42,866
Personal income(millions)	\$ 3,776	\$ 3,486	\$ 3,324	\$ 3,145	\$ 3,010
Estimated population in Subdistrict area <sup>9</sup>	1,000,013	982,678	959,455	922,233	893,145

<sup>1</sup> Data taken from City of Boulder's December 31, 2023, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Boulder Valley School District June 30, 2024, Annual Comprehensive Financial Report, representing enrollment for the entire district.

<sup>2</sup> Data taken from City and County of Broomfield's December 31, 2023, Annual Comprehensive Financial Report.

<sup>3</sup> Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.

<sup>4</sup> Data taken from City of Greeley's December 31, 2023, Annual Comprehensive Financial Report.

<sup>5</sup> Represents enrollment for the Greeley/Evans School District as a whole.

<sup>6</sup> Data taken from City of Longmont's December 31, 2023, Annual Comprehensive Financial Report.

<sup>7</sup> Represents enrollment for the St. Vrain Valley School District as a whole.

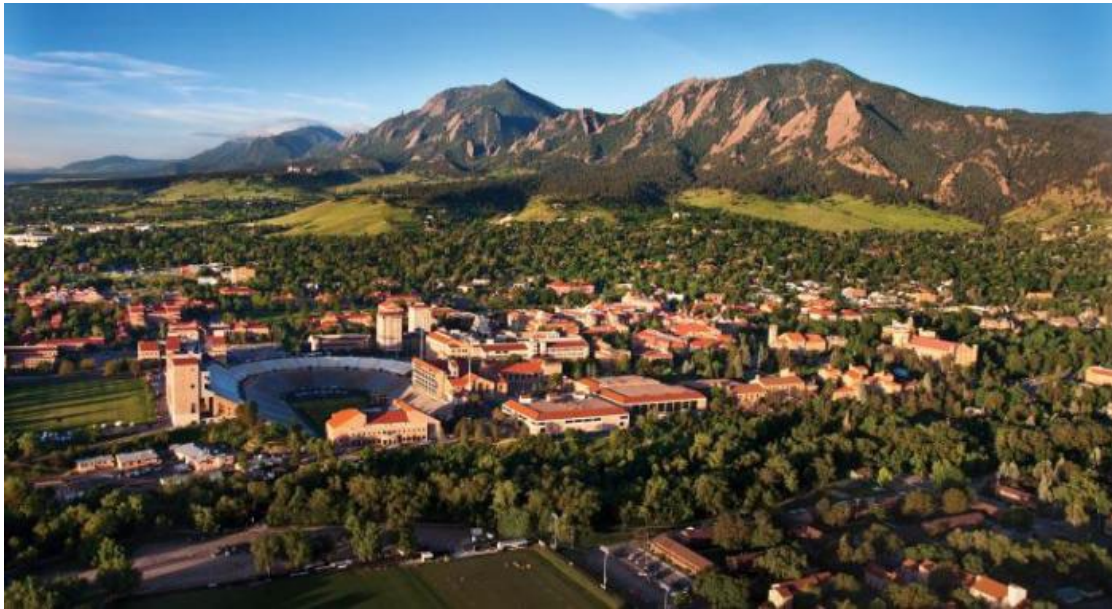
<sup>8</sup> Data taken from City of Loveland's December 31, 2023, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Thompson School District June 30, 2024, Annual Comprehensive Financial Report, representing enrollment for the entire district.

<sup>9</sup> Data from Northern Water's September 30, 2024, Annual Comprehensive Financial Report and represents the estimated population for Northern Water.

## Largest Employers by Principal Cities Served by the Subdistrict (2015 and 2024)<sup>1</sup>

Years ended September 30,

Unaudited



### City of Boulder<sup>1 2</sup>

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
University of Colorado at Boulder	1	6,230	3.2%	1	7,500	3.8%
Ball Corporation	2	6,000	3.1%	4	2,160	1.4%
Boulder Valley School District	3	4,300	2.2%	2	4,133	2.2%
St. Vrain Valley School District <sup>3</sup>	4	3,570	1.8%	4	3,806	2.3%
Boulder Community Health	5	2,360	1.2%	6	2,350	1.2%
Boulder County	6	2,200	1.1%	-	-	-
City of Boulder	7	1,546	0.8%	-	-	-
National Center for Atmospheric Research (NCAR)	8	1,187	0.6%	-	-	-
University Corporation for Atmospheric Research (UCAR)	9	1,187	0.6%	-	-	-
National Oceanic & Atmospheric Administration (NOAA)	10	870	0.5%	-	-	-
Oracle Corporation	-	-	-	8	1,900	0
SCL Health System	-	-	-	8	1,900	0.9%
Covidien	-	-	-	10	1,800	0.9%
Top ten principal employers		29,450	15.1%		25,549	13.6%

<sup>1</sup> This list is the 10 largest employers in Boulder County. Employment information specific to the City of Boulder is not available for the years presented.

<sup>2</sup> Data is taken from the December 31, 2023, City of Boulder Annual Comprehensive Financial Report.

<sup>3</sup> The St. Vrain Valley School District spans 13 different communities including eastern Boulder. Also reported under the City of Longmont.

## Largest Employers by Principal Municipalities Served by the Subdistrict (2015 and 2024) (continued)<sup>1</sup>

Years ended September 30,  
Unaudited



### City and County of Broomfield<sup>1</sup>

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Oracle America	1	1,650	3.8%	2	1,980	5
Intermountain Health Care <sup>2</sup>	2	1,550	3.6%	-	-	-
BAE Systems <sup>3</sup>	3	1,100	2.5%	7	674	1.7%
Hunter Douglas Window Fashions Division	4	950	2.2%	-	-	-
City and County of Broomfield	5	900	2.1%	9	600	1.5%
Vail Resorts	6	750	1.7%	6	648	1.7%
DanoneWave Foods <sup>4</sup>	7	600	1.4%	-	-	-
Crocs	8	600	1.4%	-	-	-
Broadcom Inc. <sup>5</sup>	9	500	1.2%	9	600	1.5%
Vmware	10	450	1.0%	-	-	-
Level 3 Communications	-	-	-	1	2,500	6.2%
Urban Lending Solutions	-	-	-	3	1,389	3.5%
Hunter Douglas	-	-	-	4	868	2.2%
Staples Advantage	-	-	-	5	700	1.7%
Sandoz, Inc.	-	-	-	8	601	1.5%
TransFirst Holdings	-	-	-	9	600	1.5%
Top ten principal employers		9,050	20.9%		11,160	513.0%
Total employment		43,350				

<sup>1</sup> Data is taken from the December 31, 2023 City and County of Broomfield Annual Comprehensive Financial Report.

<sup>2</sup> Formerly SCL Health Care.

<sup>3</sup> Formerly Ball Aerospace.

<sup>4</sup> Formerly Whitewave Foods.

<sup>5</sup> Formerly Brocade Communications Systems, Inc.

**Largest Employers by Principal Municipalities Served by the Subdistrict (2015 and 2024)**  
**(continued)<sup>1</sup>**

Years ended September 30,  
 Unaudited



**City of Longmont<sup>1</sup>**

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
St Vrain Valley Schools <sup>2</sup>	1	5,331	9.2%	1	3,960	8.3%
UCHealth Longs Peak Hospital	2	1,351	2.3%	-	-	-
City of Longmont	3	1,098	1.9%	6	818	1.7%
Seagate Technology	4	802	1.4%	2	1,381	2.9%
The J.M. Smucker Company	5	568	1.0%	-	-	-
McLane Western	6	520	0.9%	10	435	0.9%
FRCC	7	469	0.8%	-	-	-
Intrado	8	447	0.8%	5	858	1.8%
Federal Aviation Administration	9	405	0.7%	8	543	1.1%
Longmont United Hospital	10	375	0.7%	3	1,257	2.6%
Circle Graphics	-	-	-	7	590	1.2%
Amgen	-	-	-	9	446	0.9%
DigitalGlobe	-	-	-	4	918	1.9%
Top ten principal employers		11,366	19.6%		11,206	23.3%

<sup>1</sup> Data is taken from the December 31, 2023, City of Longmont Annual Comprehensive Financial Report.

<sup>2</sup> The St. Vrain Valley School District spans 13 different communities including eastern Boulder. Also reported under the City of Boulder.

## Largest Employers by Principal Municipalities Served by the Subdistrict (2015 and 2024) (continued)<sup>1</sup>

Years ended September 30,  
Unaudited



### City of Loveland<sup>1</sup>

Employers	2024			2015 <sup>2</sup>		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Thompson School District R2-J	1	2,455	4.9%	1	2,043	4.7%
Hach Company	2	1,700	3.4%	3	980	2.2%
Medical Center of the Rockies	3	1343	2.7%	2	1,447	3.3%
Wal-Mart Distribution Center	4	1273	2.5%	5	895	2.0%
City of Loveland	5	985	2.0%	4	969	2.2%
Heska Corp	6	808	1.6%	-	-	-
Nutrien/Crop Production Services	7	525	1.0%	8	478	1.1%
McKee Medical Center	8	326	0.7%	6	708	1.6%
LPR Construction	9	323	0.6%	-	-	-
Lightning eMotors, Inc.	10	269	0.5%	-	-	-
Woodward Governor	-	-	-	7	500	1.1%
Kroll Factual Data	-	-	-	9	350	0.8%
Agilent Technologies	-	-	-	10	300	0.7%
Top ten principal employers		10,007	19.9%		8,670	19.8%
Total employment		50,355			43,825	

<sup>1</sup> Data taken from the December 31, 2023, City of Loveland Annual Comprehensive Financial Report.

<sup>2</sup> Numbers prior to 2016 reflect full employment. 2016 forward reflect full time equivalents (FTEs).



**Largest Employers by Principal Municipalities Served by the Subdistrict (2015 and 2024)  
(continued)<sup>1</sup>**

Years ended September 30,  
Unaudited



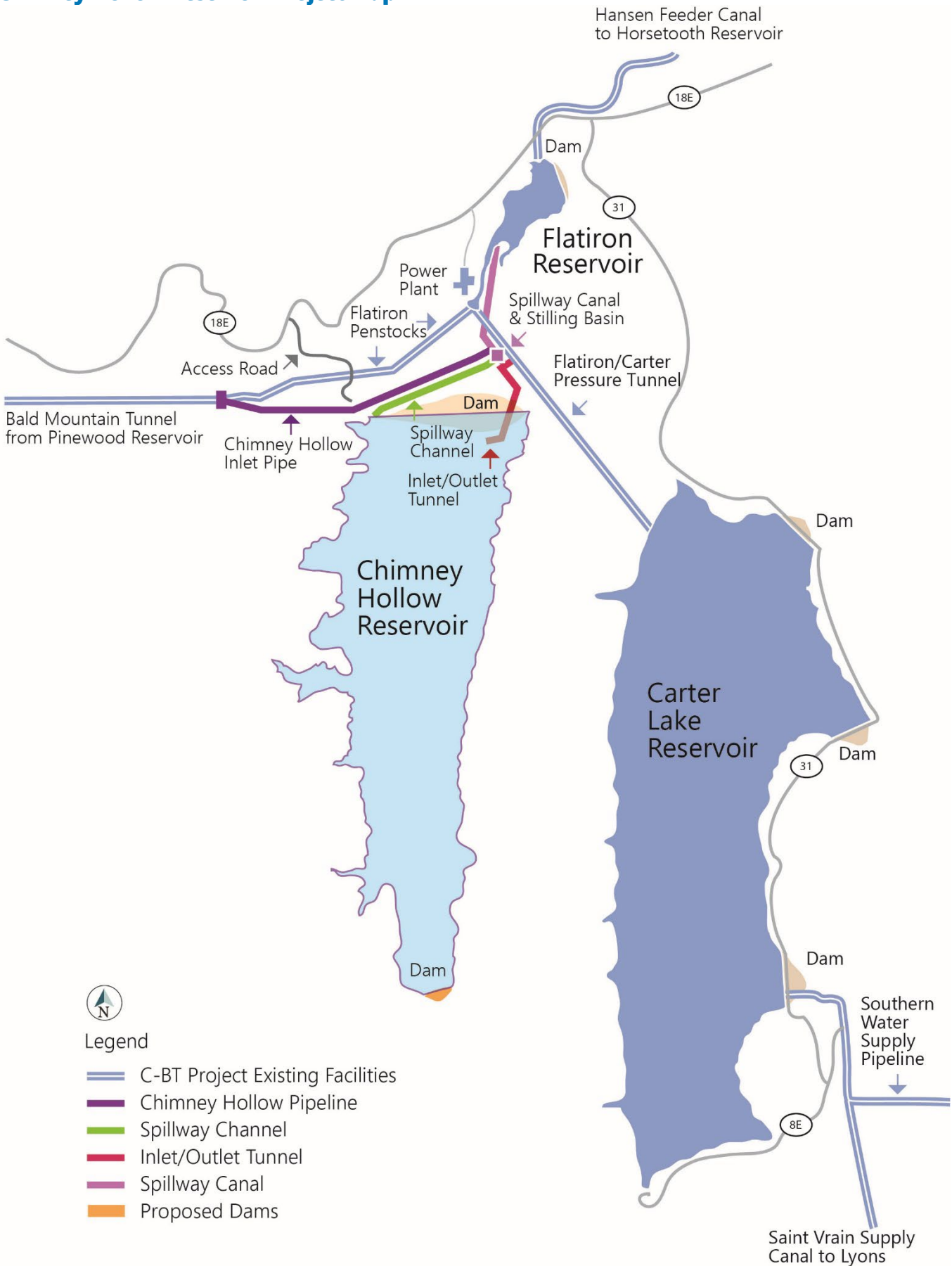
**City of Greeley<sup>1</sup>**

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
JBS USA & Affiliated Companies	1	5,277	9.8%	1	4,619	9.7%
Greeley/Evans School District 6	2	2,951	5.5%	-	-	-
Weld County	3	1,850	3.4%	-	-	-
Banner Health Care/Northern Colorado Medical Center	4	1,500	2.8%	2	3,000	6.3%
University of Northern Colorado	5	1,188	2.2%	-	-	-
City of Greeley	6	1,061	2.0%	-	-	-
University Of Colorado Health Systems (All Weld)	7	1,023	1.9%	-	-	-
Chevron Operations Center Greeley	8	800	1.5%	-	-	-
Leprino Foods	9	510	1.0%	8	320	0.7%
Colorado Premium Foods (K2D, LLC)	10	430	0.8%	9	300	0.6%
State Farm Insurance Companies	-	-	-	3	1,828	3.9%
Tele Tech	-	-	-	4	700	1.5%
Select Energy Services	-	-	-	5	428	0.9%
Star Tek, LLC	-	-	-	6	370	0.8%
Xerox Business Services, LLC	-	-	-	7	350	0.7%
Noble Energy	-	-	-	10	300	0.6%
Top ten principal employers		16,590	30.8%		12,215	25.7%
Total employment		53,866			47,525	

<sup>1</sup> Data is taken from the December 31, 2023, City of Greeley Annual Comprehensive Financial Report.



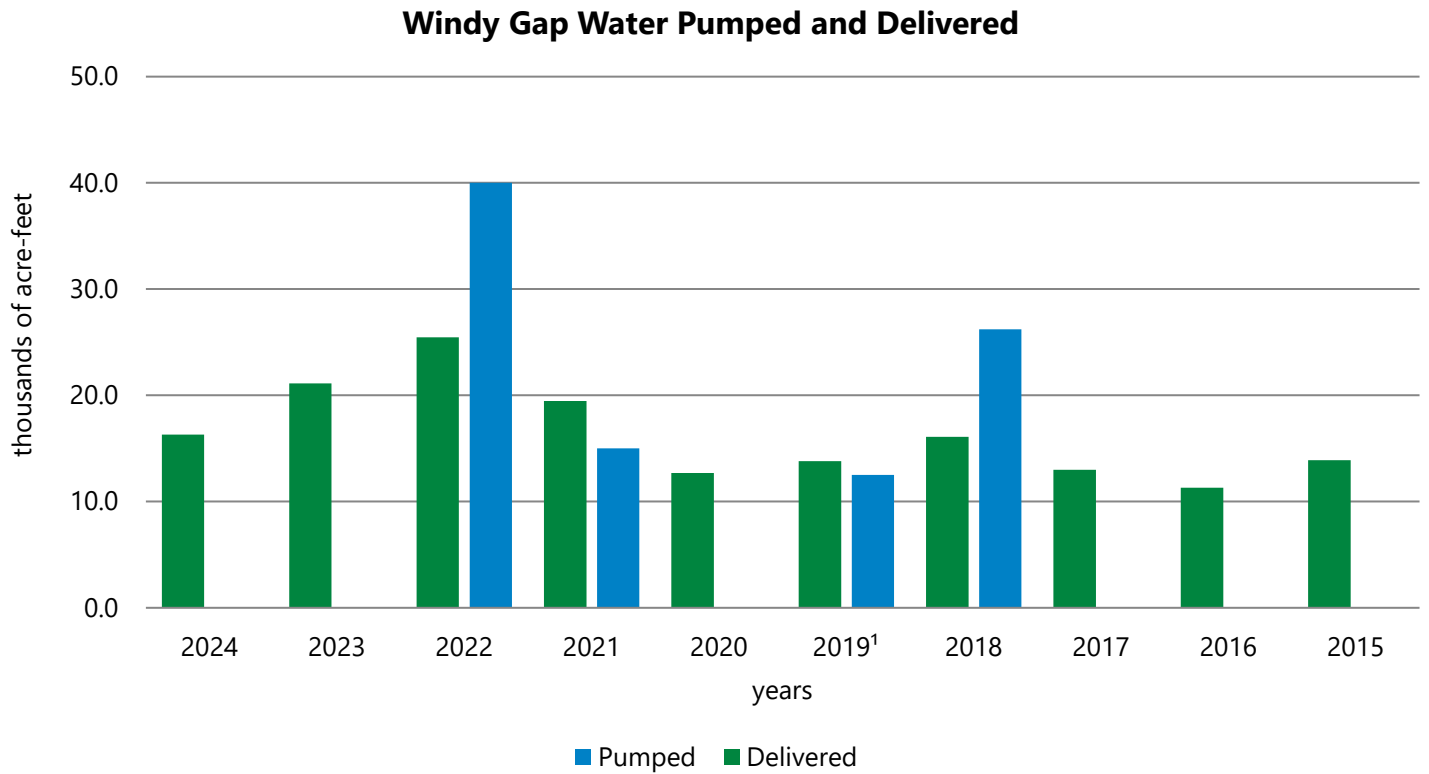
# Chimney Hollow Reservoir Project Map



## Windy Gap Project Water Pumped and Delivered

Years ended September 30,

Unaudited



<sup>1</sup> Years in which Windy Gap water spilled from Lake Granby.

Note: Delivery of C-BT Project water in-lieu of Windy Gap Project water. Repayment may include C-BT Project water, Windy Gap Project water, Windy Gap Project water pumped or cancellation of the in-lieu obligation as the result of Windy Gap Project water spillage.

## Windy Gap Project Water Pumped and Delivered (Historical)

Years ended September 30,

Unaudited

Measurements in acre-feet

Year	Pumped	Deliverable <sup>1</sup>	Delivered <sup>2</sup>	Losses <sup>3</sup>	Spilled <sup>4</sup>	Delivered In-lieu <sup>5</sup>	Rented	Inventory
1987	3,700	3,330	(864)	-	-	-	-	2,466
1988	19,863	17,876	(7,317)	(146)	-	-	-	10,413
1989	3,998	3,598	(7,940)	(964)	-	-	-	(5,306)
1990	14,519	13,069	(4,479)	(552)	-	-	-	8,038
1991	19,252	18,827	(6,213)	(1,306)	-	-	(15,000)	(3,692)
1992	21,857	19,671	(5,207)	(920)	-	-	(9,517)	4,027
1993	21,740	19,566	(5,620)	(971)	-	-	(11,089)	1,886
1994	10,784	9,706	(5,507)	(1,209)	-	-	(11,194)	(8,204)
1995	14,058	12,652	(5,401)	(728)	(10,463)	-	-	(3,940)
1996	-	-	(5,653)	(350)	(1,902)	2,217	-	(5,688)
1997	-	-	(5,911)	-	-	5,911	-	-
1998	-	-	(5,846)	-	-	5,846	-	-
1999	-	-	(5,911)	-	-	5,911	-	-
2000	-	-	(12,105)	-	-	12,105	-	-
2001	14,250	12,825	(13,310)	-	-	485	-	-
2002	-	-	(16,803)	-	-	16,803	-	-
2003	64,200	57,780	(14,639)	-	-	-	-	43,141
2004	327	294	(15,197)	(4,208)	-	-	-	(19,111)
2005	41,320	37,188	(17,240)	(2,167)	-	-	-	17,781
2006	25,022	22,520	(21,884)	(3,500)	-	-	-	(2,864)
2007	40,993	36,840	(24,089)	(3,343)	-	-	-	9,408
2008	33,523	30,171	(20,889)	(4,459)	-	-	-	4,823
2009	26,365	23,729	(22,713)	(4,746)	-	-	-	(3,730)
2010	6,758	6,082	(22,461)	(4,278)	-	-	-	(20,657)
2011	-	-	(18,023)	(2,034)	(11,529)	2,795	-	(28,791)
2012	5,145	4,630	(16,774)	-	-	13,330	-	1,186
2013	45,061	40,555	(19,536)	(112)	-	2,169	-	23,076
2014	-	-	(12,627)	(1,883)	(11,449)	1,697	-	(24,262)
2015	-	-	(13,964)	-	-	13,964	-	-
2016	-	-	(11,294)	-	-	11,294	-	-
2017	-	-	(13,049)	-	-	13,049	-	-
2018	26,236	24,924	(16,135)	(405)	-	947	-	9,331
2019	12,538	11,911	(13,843)	(615)	(11,789)	5,005	-	(9,331)
2020	-	-	(12,739)	-	-	12,739	-	-
2021	15,435	14,663	(11,545)	(162)	-	-	-	2,956
2022	40,172	38,163	(25,459)	(705)	-	11,860	-	23,859
2023	-	-	(21,016)	(964)	(4,336)	10,390	-	-
2024	-	-	(16,292)	-	-	16,292	-	-

<sup>1</sup> Effective 2018, 95 percent of water pumped was considered deliverable under the Carriage Contract. Previously, 90 percent of water pumped was considered deliverable.

<sup>2</sup> Includes 1,000 acre-feet leased to Northern Water to delivery to Grand Valley Water Users in 2007 and water leased to Grand County in the years 2008, 2011 and 2018.

<sup>3</sup> Effective 2018, 5 percent of all delivered water and an additional 5 percent of all water remaining in storage at March 31 are deducted as shrinkage losses to the system.

<sup>4</sup> When Windy Gap Project water is being stored in Lake Granby and Lake Granby's storage capacity is needed for storage of water under C-BT Project water rights, Windy Gap participants are required to take delivery of their stored water or that water is required to be spilled.

<sup>5</sup> Delivery of C-BT Project water in-lieu of Windy Gap Project water. Repayment may include C-BT Project water, Windy Gap Project water, Windy Gap Project water pumped or cancellation of the in-lieu obligation as the result of Windy Gap Project water spillage.

## Subdistrict Capital Assets (2015 - 2024)

Years ended September 30,

Unaudited

	2024	2023	2022	2021	2020
<b>Windy Gap</b>					
Non-depreciable assets					
Construction in progress	\$ 33,025,371	\$ 23,810,292	\$ 10,903,678	\$ 4,662,837	\$ 2,229,111
Land	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
Water rights	470,921	470,921	470,921	470,921	470,921
Depreciable assets					
Buildings, equipment and improvements	316,454	403,197	403,197	379,159	476,964
Water diversion project	82,319,297	82,319,297	82,319,297	82,319,297	82,167,586
Capital assets	118,178,241	109,049,905	96,143,291	89,878,412	87,390,780
Less accumulated depreciation					
Buildings, equipment and improvements	(282,826)	(360,960)	(352,352)	(346,669)	(438,871)
Water diversion project	(80,044,717)	(77,961,924)	(75,879,133)	(73,796,340)	(71,713,547)
Accumulated depreciation	(80,327,543)	(78,322,884)	(76,231,485)	(74,143,009)	(72,152,418)
Capital assets, net	\$ 37,850,698	\$ 30,727,021	\$ 19,911,806	\$ 15,735,403	\$ 15,238,362
<b>Windy Gap Firming Project</b>					
Construction in progress	\$612,653,853	\$378,173,500	\$221,258,528	\$114,828,846	\$ 65,696,977

## Subdistrict Capital Assets (2015 - 2024) (continued)

Years ended September 30,

Unaudited

	2019	2018	2017	2016	2015
<b>Windy Gap</b>					
Non-depreciable assets					
Construction in progress	\$ 581,057	\$ 155,883	\$ -	\$ -	\$ -
Land	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
Water rights	470,921	470,921	470,921	470,921	470,921
Depreciable assets					
Buildings, equipment and improvements	452,551	464,428	499,569	793,558	825,707
Water diversion project	82,167,586	82,167,586	82,167,586	82,167,586	82,167,586
Capital assets	85,718,313	85,305,016	85,184,274	85,478,263	85,510,412
Less accumulated depreciation					
Buildings, equipment and improvements	(434,983)	(444,570)	(477,419)	(793,558)	(825,707)
Water diversion project	(69,634,548)	(67,555,549)	(65,476,550)	(63,397,551)	(61,318,552)
Accumulated depreciation	(70,069,531)	(68,000,119)	(65,953,969)	(64,191,109)	(62,144,259)
Capital assets, net	\$ 15,648,782	\$ 17,304,897	\$ 19,230,305	\$ 21,287,154	\$ 23,366,153
<b>Windy Gap Firming Project</b>					
Construction in progress	\$ 57,908,138	\$ 47,555,955	\$ 34,541,551	\$ 20,605,749	\$ 19,162,666

## Windy Gap Reservoir, Dam, Pump Plant Capacity and Pipeline

September 20, 2024

Unaudited



### Windy Gap Reservoir

- Capacity – 255 acre-feet<sup>1</sup>

### Windy Gap Dam

#### Embankment section

- Length – 0.97 miles
- Maximum height – 25 feet
- Volume of fill – 249,000 cubic yards

#### Spillway

- Discharge capacity – 32,400 cubic feet per second
- Length – 345 feet
- Volume of concrete – 15,000 cubic yards

#### Main bypass outlet works

- Discharge capacity – 133 cubic feet per second
- Length of 48-in diameter, reinforced concrete pipe – 245 feet

#### Auxiliary outlet works

- Discharge capacity – 228 cubic feet per second

### Windy Gap Pump Plant

- Maximum discharge capacity – 600 cubic feet per second
- Motor horsepower – 12,000 horsepower per pump
- Installed capacity – 35,800 KW
- Maximum total dynamic head – 521 feet
- Number of 150 cfs pumps – 4



### Windy Gap – Lake Granby Pipeline

#### Pipeline

- Capacity – 600 cubic feet per second
- Length – 6.2 miles
- Diameter – 9 feet

#### Surge Tank

- Type – Dual 9-foot diameter pipes
- Tank length – 735 feet
- Vertical rise – 134 feet

#### Discharge capacity

- Willow Creek – 440 cubic feet per second
- Windy Gap – 600 cubic feet per second

<sup>1</sup> Reservoir capacity modified in 2023 after Colorado River Connectivity Channel construction.



## Windy Gap Firming Project

September 20, 2024

Unaudited



### Chimney Hollow Reservoir

- Capacity – 90,000 acre-feet

### Chimney Hollow Dams

- Chimney Hollow Dam Height – 355 feet
- Saddle Dam – Height 36 feet

### Chimney Hollow Spillway Channel

- Discharge capacity – 930 cubic feet per second
- Length – 3,700 feet

### Chimney Hollow Conveyance

- 72-inch steel pipe – 5,000 feet
- Tunnel – 2,000 feet
- Concrete Intake Tower – 65 feet tall

The Chimney Hollow Reservoir Project is expected to be operational in 2026.

## GENERAL INFORMATION

### Subdistrict Organizational and Contact Information

Year ended September 30, 2024

Unaudited

<b>Authority</b>	Water Conservancy Act
<b>Date of Formation</b>	July 6, 1970
<b>Governing Body</b>	The Subdistrict is governed by a 13-member Board of Directors, which is appointed by the presiding district court judges of four of the five judicial districts located wholly or partially within the Northern Colorado Water Conservancy District boundaries.
<b>Organization</b>	The Subdistrict is a public body political and corporate, a quasi-municipal entity and political subdivision of the State of Colorado.
<b>Purpose</b>	The Subdistrict was organized to acquire water; to obtain rights-of-way for certain water works; to provide for construction of water facilities; to incur contractual or bond indebtedness; to administer, operate and maintain physical works; and to conserve, control, allocate and distribute water supplies.
<b>Number of Employees</b>	There are no full-time employees of the Subdistrict. All administrative, engineering, environmental services and operating functions are provided through an agreement with Northern Water.
<b>Offices</b>	Northern Water 220 Water Avenue Berthoud, Colorado 80513 800-369-7246 Fax: 877-851-0018 <a href="http://www.northernwater.org">www.northernwater.org</a>
<b>Independent Auditors</b>	Plante & Moran, PLLC 8181 E. Tufts Avenue, Suite 600 Denver, Colorado 80237 303-740-9400
<b>General Counsel</b>	Trout Raley Montaño Freeman Sinor Thompson, P.C. 1120 Lincoln Street, Suite 1600 Denver, Colorado 80203-2141 303-861-1963
<b>Bond Counsel</b>	Butler Snow, LLP 1700 Broadway, 41 <sup>st</sup> Floor New York, New York 10019 646-606-2996



**Municipal Subdistrict**