2017

Municipal Subdistrict

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Municipal Subdistrict
Northern Colorado Water Conservancy District
Comprehensive Annual Financial Report

Year ended September 30, 2017

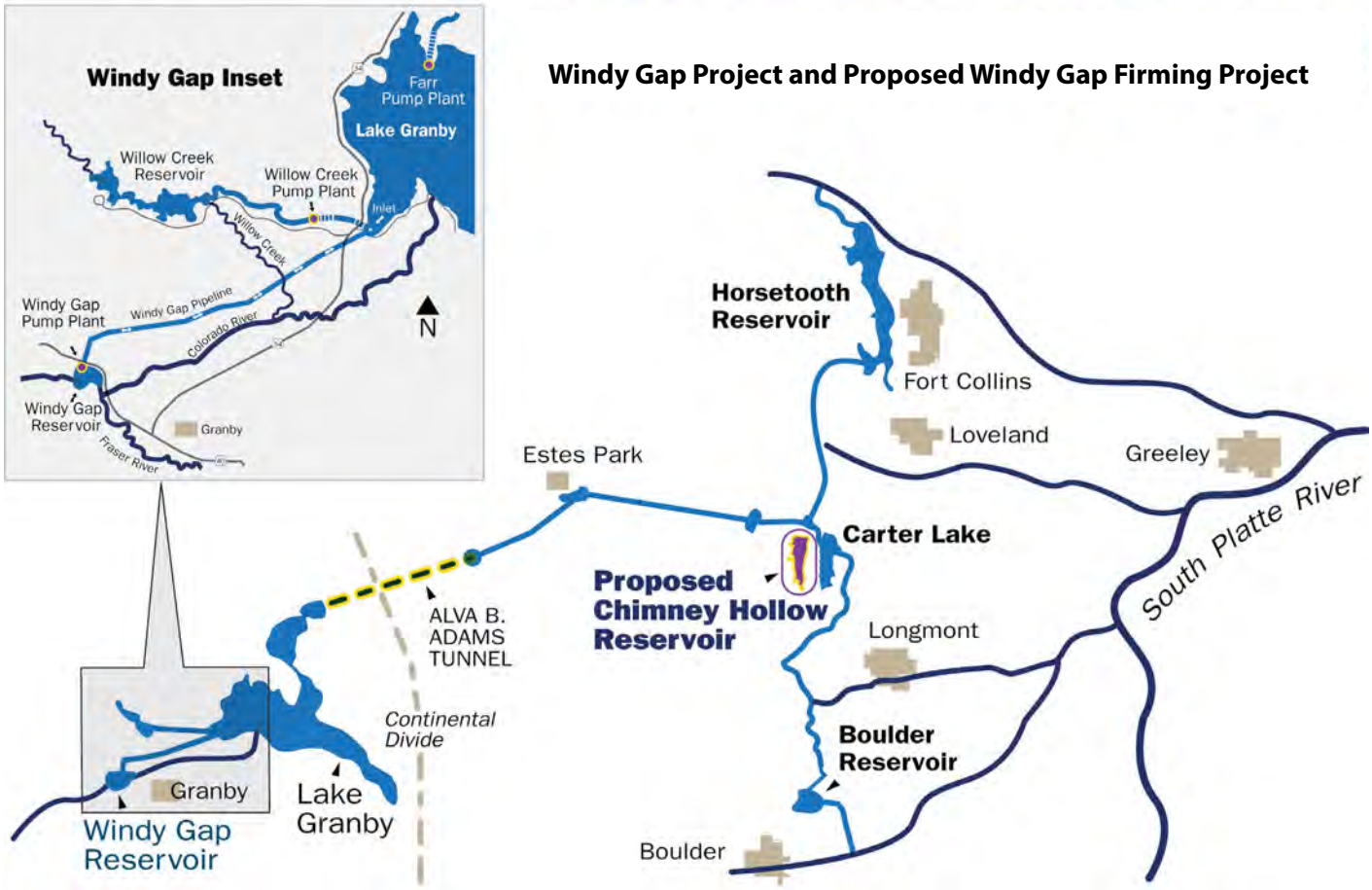
Comprehensive Annual Financial Report

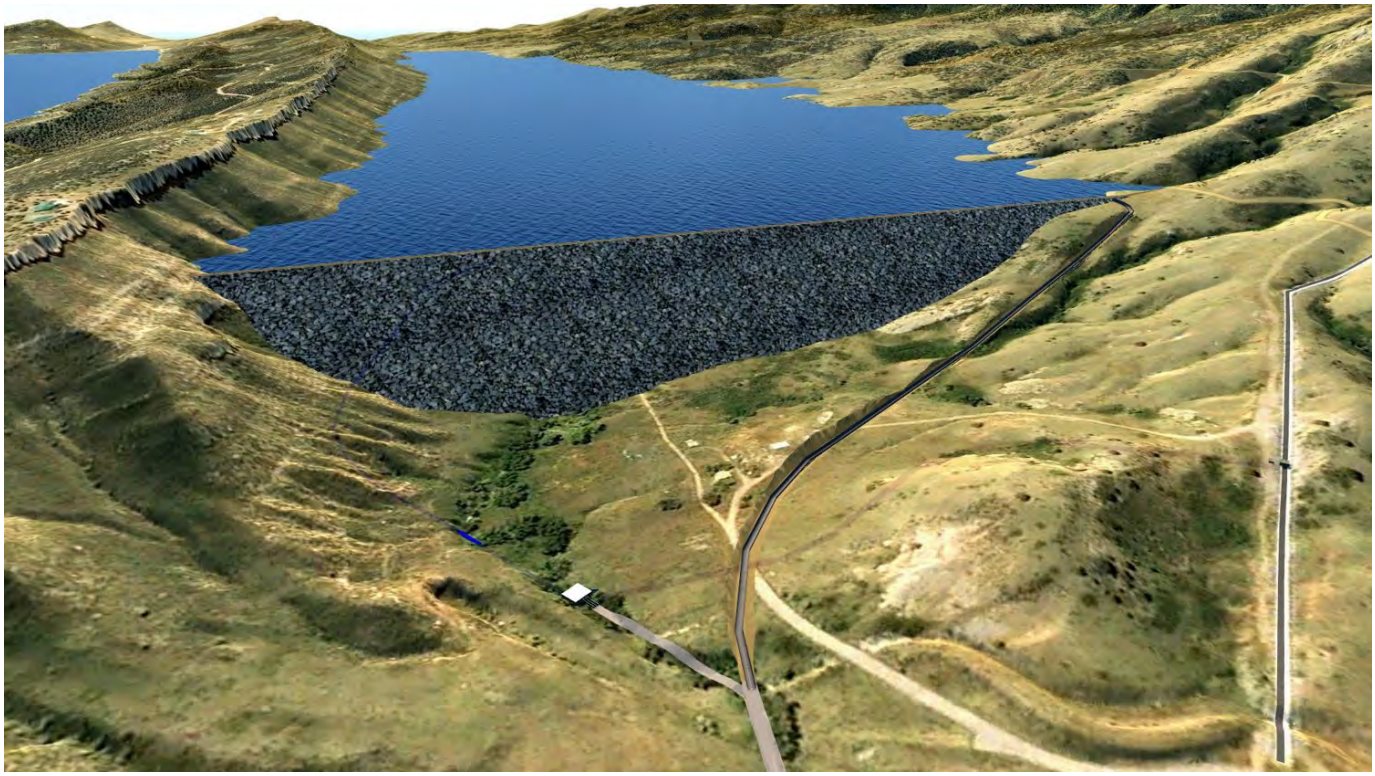
Year ended September 30, 2017

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





3D rendering of Chimney Hollow Reservoir

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Municipal Subdistrict
Northern Colorado
Water Conservancy District
220 Water Avenue Berthoud, Colorado 80513
Phone 1-800-369-RAIN (7246) • Fax 1-877-851-0018
www.northernwater.org

February 23, 2018

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

The comprehensive annual financial report of the Municipal Subdistrict, Northern Colorado Water Conservancy District, (Subdistrict) for the fiscal year ended September 30, 2017, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Subdistrict's 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 and the evaluation of costs and benefits requires estimates and judgments by management.

CliftonLarsonAllen LLP, 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, 2017. Their independent auditors' report is located on pages 1 - 3 of the Financial Section of this report. State statutes require 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 Board of Directors. These requirements have been met.

Management's Discussion and Analysis (MD&A), located on pages 4 - 6, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with the letter.

Profile of the Subdistrict

The Subdistrict, established in 1970, includes the Windy Gap Water Activity Enterprise (Windy Gap) and the Windy Gap Firming Project Water Activity Enterprise (WGFP). The Subdistrict was established to develop a water supply for six Northern Colorado Front Range communities. Since then, the number of Windy Gap participants has increased to include additional municipalities, water districts and a power authority for a total of 14 participants.

The Windy Gap Project consists of a diversion dam on the Colorado River, a pump station and a pipeline to pump and transport diverted Windy Gap Project water to Lake Granby, a water storage feature of the Colorado-Big Thompson (C-BT) Project. The water is then conveyed through the C-BT's Adams Tunnel for distribution to the Windy Gap participants on the East Slope. The Windy Gap Project became operational in 1985 and began making water deliveries shortly thereafter. The Subdistrict has a Carriage Contract with the U.S. Bureau of Reclamation (Reclamation) and the Northern Colorado Water Conservancy District (Northern Water) whereby Windy Gap may utilize unused capacity in the C-BT Project.

The WGFP is a collaboration between 12 Front Range water providers and was established to improve the reliability of (i.e. "firm") water supplies from the Windy Gap Project. The Windy Gap participants are also participants in WGFP with the exception of the City of Boulder and the Town of Estes Park.

The Subdistrict maintains third-party insurance coverage for all of its potential losses; it is not self-insured.

Local Economy

The Subdistrict serves an area located on the Northern Front Range of the Colorado Rocky Mountains. This area has one of the state's largest concentrations of economic activity. The region provides many opportunities due to its broad mix of industries. Growth in the professional and business services, high-tech, finance and health care sectors continue to fuel the construction, real estate, retail and recreation sectors. The economy has become increasingly knowledge-based where economic value is created through ideas, information and innovation. Knowledge-based and high-tech industries are involved in developing new products and processes that lead to increased productivity and overall economic growth. Several universities are located in the Subdistrict, including Colorado State University, the University of Colorado Boulder, and the University of Northern Colorado, as well as several community colleges.

The Colorado Economic Outlook, published in December 2017 by the Colorado Office of State Planning and Budgeting, indicates that the state's economic growth remains solid, with broad-based increases in jobs and low unemployment. The most populated urban areas along the Front Range, with their greater economic diversity of growing industries, continue to outperform other areas of the state. However, strong expansion has led to higher costs of living and doing business, as well as to one of the tightest labor markets in the country. These factors have contributed to moderating growth, which is expected to continue through the forecast period.

New business formation, the source of most new jobs, continues to contribute to Colorado's economic well being. Greeley experienced the highest job growth over the last twelve months at 6.5 percent while the average for the state remained steady at approximately 2.0 percent. The unemployment rate in Colorado continued to decline in 2017 to 2.8 percent, but is expected to rise slightly in coming years to 3.0 percent.

Personal income in Colorado is expected to increase by just over 5.0 percent annually in coming years. Per-capita income continues to grow faster than the national average, increasing 3.6 percent to $56,000 in 2018 as compared to $52,000 for the nation. The state's home values

increased by 18.7 percent but are forecasted to correct by 8.5 percent before leveling off to slight declines of approximately 2.0 percent in coming years. The Denver-Boulder-Greeley CPI grew 2.8 percent, more than twice the national average, and is expected to remain at this level for the forecast period compared to 2.2 percent nationwide.

In 2017, Colorado's population increased 1.7 percent, more than double the national average. Lower rates of in-migration will contribute to future lower population growth overall. The state's total population, presently at 5.5 million, is expected to reach almost 5.8 million by 2019.

Major Initiative and Long-Term Financial Planning

Windy Gap Firming Project

The WGFP will consist of Chimney Hollow reservoir and related appurtenances, providing dedicated storage capacity for Windy Gap Project water. Using existing Windy Gap water rights, the WGFP is expected to provide 30,000 acre-feet of water yield to WGFP participants annually.

WGFP's federal permitting process began in 2003 and has progressed since then to the December 2014 Reclamation Record of Decision, the March 2016 state Water Quality Control certification and the May 2017 final 404 permit from the Army Corps of Engineers.

In conjunction with the Record of Decision, the Subdistrict, Reclamation and Northern Water entered into the December 2014 Carriage Contract. As part of this and other agreements, the Subdistrict has agreed to fund environmental mitigation and enhancement measures which will work toward improving aquatic habitat and flow conditions on the Colorado River and support endangered species. In addition, the Subdistrict is evaluating the potential of a channel to connect the Colorado River above and below Windy Gap Dam, allowing for a more natural aquatic habitat. Funding for the channel project is being sought.

WGFP final design began in 2016. In 2017, a project review board consisting of a team of dam experts was established to guide the design process. WGFP participants continue to develop a plan for financing the project. All project expenditures to date have been paid by participant contributions.

Water Year

For the fourth consecutive year Windy Gap participants faced a full C-BT Project with no storage capacity available in Lake Granby for Windy Gap Project water. Therefore, no Windy Gap Project water was pumped in 2017 due to lack of available storage. However, participants took delivery of 13,049 acre-feet of C-BT Project water in accordance with the integrated operations criteria for the C-BT and Windy Gap Projects. Participants who borrowed C-BT Project water for use in-lieu of Windy Gap Project water repaid a portion of their water obligation with C-BT Project water. The remainder was cancelled as a result of the C-BT Project spill.

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

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 Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2016. 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 CAFR, 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 Subdistrict CAFR for the year ended September 30, 2017, continues to meet the Certificate of Achievement Program's requirements, and the Subdistrict will be submitting it to GFOA to determine its eligibilty for another certification.

The preparation of this report would not have been possible without the efficient and dedicated service of the following individuals:

Zach Allen	Bernice Rupp
Veronica Gomez	Sarah Smith
Colleen Krabbenhoft	Mary Krakow

In addition, we would like to recognize the leadership of the Board of Directors for its unfailing support for maintaining the highest standards of professionalism in the management of the Subdistrict's finances.

Sincerely,

/s/ Judy L. Skram

Judy L. Skram, CPA
Senior Accountant, Financial Services Department of Northen Water

/s/ John B. Budde

John B. Budde, CPA
Manager, Financial Services Department of Northern Water

/s/ Bradley D. Wind

Bradley D. Wind, P.E.
Treasurer
Municipal Subdistrict,
Northern Colorado Water Conservancy District

Board of Directors[1]

Dennis Yanchunas, *President and Board Chairman*
Retired Securities Broker
Director since August 20, 2010
Term expires September 28, 2020
Boulder County
Committees: 1,2,5

Bill Emslie, *Vice President and Board Vice-Chairman*
Retired Electrical Engineer and Farmer
Director since September 28, 2005
Term expires September 28, 2021
Larimer County
Committees: 2,3,5

Bill Fischer
Attorney
Director since September 28, 2016
Term expires September 28, 2020
Larimer County
Committees: 3,4,5

Kenton Brunner
Retired Farmer/Cattle Feeder
Director since March 14, 1994
Term expires September 28, 2018
Weld County
Committees: 2,5

Don Magnuson
Retired Ditch Company General Manager and Agricultural Enterprises
Director since September 28, 2004
Term expires September 28, 2020
Weld County
Committees: 1,3,4,5

Dale Trowbridge
Ditch Company General Manager
Director since August 15, 2014
Term expires September 28, 2019
Weld County
Committees: 1,2,3,4,5

Mike Applegate
Engineer
Director since September 28, 1991
Term expires September 28, 2019
Larimer County
Committees: 1,2,3,4,5

Todd Williams
Water Resources Engineer
Director since September 28, 2017
Term expires September 28, 2021
Boulder County
Committees: 1,2,3,4,5

Sue Ellen Harrison
Attorney
Director since September 28, 2009
Term expires September 28, 2018
Boulder County
Committees: 3,4,5

John Rusch
Water Resource Consultant
Director since May 20, 2002
Term expires September 28, 2021
Morgan/Washington Counties
Committees: 4,5

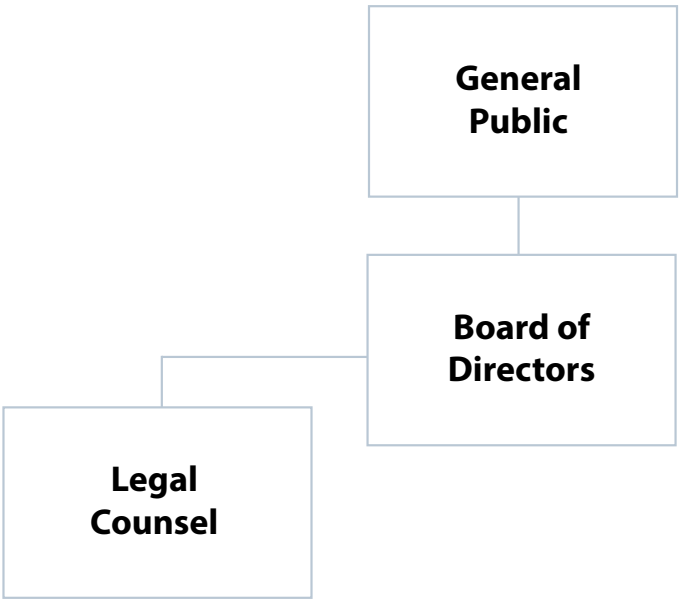
Brad Stromberger
Farmer
Director since September 28, 2010
Term expires September 28, 2018
Logan County
Committees: 3,4,5

Rob McClary
Farmer
Director since September 28, 2011
Term expires September 28, 2019
Sedgwick County
Committees: 2,5

Committees
1 Audit
2 Finance
3 Legislative
4 Legal
5 Planning

[1] *Effective October 1, 2017*

Organizational Chart



There are no full-time employees of the Subdistrict. All administrative, engineering and operations and maintenance 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 Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

Lake Granby

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Municipal Subdistrict, Northern Colorado Water Conservancy District
Berthoud, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Municipal Subdistrict, Northern Colorado Water Conservancy District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Municipal Subdistrict, Northern Colorado Water Conservancy District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Municipal Subdistrict, Northern Colorado Water Conservancy District as of September 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

Other Information

Our audit for the year ended September 30, 2017, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal Subdistrict, Northern Colorado Water Conservancy District's basic financial statements. The supplementary information for the year ended September 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Municipal Subdistrict, Northern Colorado Water Conservancy District as of and for the year ended September 30, 2016, and have issued our report thereon dated February 22, 2017, which contained unmodified opinions on the respective financial statements of the business-type activities and each major fund.

Board of Directors
Municipal Subdistrict, Northern Colorado Water Conservancy District

The budgetary schedules for the year ended September 30, 2016 are presented for purposes of additional analysis and are 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 accounts and other records used to prepare the 2016 financial statements. The budgetary schedules have been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounts and 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 budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2016.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 23, 2018

Management's Discussion and Analysis

Management's Discussion and Analysis (MD & A) presents a narrative overview of the financial activities of the Subdistrict for the fiscal year ended September 30, 2017. It should be read in conjunction with the additional information furnished in the transmittal letter on pages i - ii of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Subdistrict financial statements consist of the Windy Gap Water Activity Enterprise (Windy Gap) Fund and the Windy Gap Firming Project Water Activity Enterprise (WGFP) Fund. These funds report business-type activities and have been established by their respective water activity enterprises pursuant to Colorado state law.

This MD & A is intended to serve as an introduction to the Subdistrict's basic financial statements. The Subdistrict report 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 Subdistrict's basic financial statements are composed of the following:

- **Statement of Net Position** - presents information as to the Subdistrict's current and noncurrent financial assets, capital assets and current obligations. The Subdistrict presently does not have any noncurrent liabilities. 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 sources along with capital contributions. It details the 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.

Windy Gap Reservoir

FINANCIAL ANALYSIS
STATEMENT OF NET POSITION
(condensed)
September 30,

	($000s)			
	2017	**2016**	**Change in Net Position**	**Percentage Change**
Assets				
Current assets	**$ 25,740**	$ 27,399	($ 1,659)	
Noncurrent cash equivalents and investments	**7,470**	7,052	418	
Capital assets, net of depreciation	**53,772**	41,893	11,879	
Assets	**$ 86,982**	$ 76,344	$ 10,638	13.9%
Liabilities	**$ 5,511**	$ 3,517	$ 1,994	56.7%
Net position				
Investment in capital assets	**$ 53,772**	$ 41,893	$ 11,879	
Restricted net position for capital project	**9,155**	12,555	(3,400)	
Unrestricted net position	**18,544**	18,379	165	
Net position	**$ 81,471**	$ 72,827	$ 8,644	11.9%

CAPITAL ASSETS
September 30,

	($000s)			
	2017	**2016**	**Increase**	**Percentage Change**
Capital assets, net of depreciation				
Land and water rights	**$ 2,517**	$ 2,517		
Water diversion project, equipment and improvements	**16,713**	18,770		
Construction in progress	**34,542**	20,606		
Capital assets, net of depreciation	**$ 53,772**	$ 41,893	$ 11,879	28.4%

Capital assets consist primarily of the Windy Gap water diversion infrastructure and WGFP construction in progress. Capital assets increased in 2017 reflecting the $14 million investment in WGFP offset by Windy Gap current year depreciation expense of $2 million. The current year WGFP construction in progress costs included $1 million for real property acquired to facilitate the final design and construction of the project. All WGFP costs are funded by participants in the project. In the event a participant's share of actual costs is less than contributions provided, the excess will be refunded. See additional information relating to capital assets at Note 4 to the financial statements.

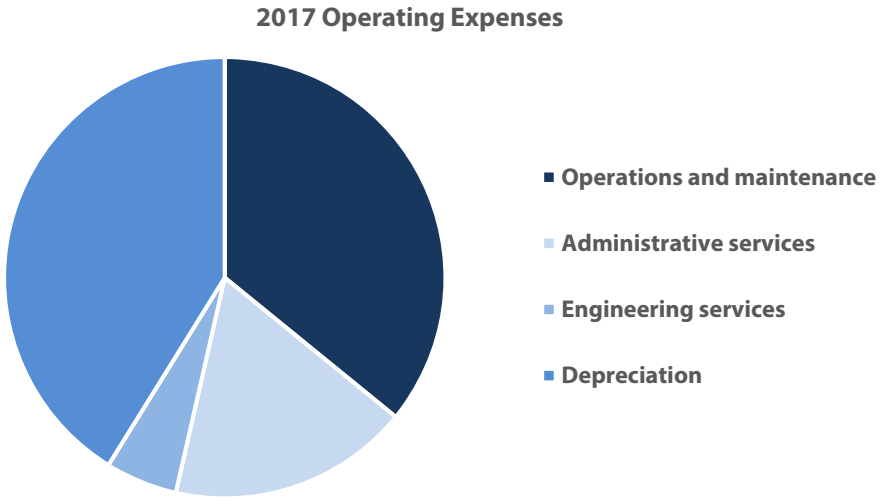
The $12 million increase in capital assets offset by a $3 million decrease in restricted net position directly contributed to the $9 million overall increase in net position. Restricted net position decreased reflecting lower year end cash balances and increased payables due to capital project expenditures.

REVENUES, EXPENSES AND CHANGES IN NET POSITION
(condensed)

Years ended September 30,	*($000s)* 2017	2016	Changes in Net Position	Percentage Change
Operating revenues				
Assessments	**$ 2,960**	$ 12,874	($ 9,914)	
Operating expenses	**5,054**	4,374	(680)	
Operating income (loss)	**(2,094)**	8,500	(10,594)	(124.6%)
Nonoperating revenues (expenses)				
Loss on defeasance of water revenue bonds	**-**	(864)		
Interest expense	**-**	(638)		
Other nonoperating revenues (expenses), net	**203**	508		
Nonoperating revenues (expenses), net	**203**	(994)	1,197	
Income (loss) before contributions	**(1,891)**	7,506	(9,397)	
Capital contributions	**10,535**	14,104	(3,569)	
Increase in net position	**8,644**	21,610	(12,966)	(60.0%)
Net position, beginning of year	**72,827**	51,217	21,610	
Net position, end of year	**$ 81,471**	$ 72,827	$ 8,644	11.9%

The Subdistrict discharged its outstanding water revenue bond obligations in 2016 (Note 5), resulting in significant differences in 2017 revenues and expenses as compared to the prior year. Assessments decreased in 2017 from $12.8 million to $3 million as no assessments were charged for debt service obligations. Nonoperating revenues (expenses), net, increased from a net expense of $1 million to net revenue of $203,000 reflecting the loss on defeasance and interest expense on the water revenue bonds recognized in 2016.

Capital contributions consisted of WGFP participant funding of current year anticipated project expenditures.



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.

Statement of Net Position
Proprietary Funds

September 30, 2017

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
ASSETS			
Current assets			
Cash and cash equivalents, unrestricted	$ 13,579,601	$ 11,124,511	$ 24,704,112
Accounts receivable	45,598	350,624	396,222
Accrued interest receivable	27,544	-	27,544
Prepaid carriage costs	612,752	-	612,752
Current assets	14,265,495	11,475,135	25,740,630
Noncurrent assets			
Cash and cash equivalents, unrestricted	569,626	-	569,626
Investments, unrestricted	6,900,263	-	6,900,263
Capital assets	85,184,274	34,541,551	119,725,825
Less accumulated depreciation	(65,953,969)	-	(65,953,969)
Capital assets, net of depreciation	19,230,305	34,541,551	53,771,856
Noncurrent assets	26,700,194	34,541,551	61,241,745
Assets	$ 40,965,689	$ 46,016,686	$ 86,982,375
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 1,552,858	$ 2,320,338	$ 3,873,196
Unearned revenue	1,637,775	-	1,637,775
Current liabilities	3,190,633	2,320,338	5,510,971
Liabilities	$ 3,190,633	$ 2,320,338	$ 5,510,971
NET POSITION			
Investment in capital assets	$ 19,230,305	$ 34,541,551	$ 53,771,856
Restricted net position for capital project	-	9,154,797	9,154,797
Unrestricted net position	18,544,751	-	18,544,751
Net position	$ 37,775,056	$ 43,696,348	$ 81,471,404

See accompanying Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

Year ended September 30, 2017

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
Operating revenues			
Assessments	$ 2,959,905	$ -	$ 2,959,905
Operating expenses			
Operations and maintenance	1,813,030	-	1,813,030
Administrative services	894,621	-	894,621
Engineering services	266,694	-	266,694
Depreciation	2,079,764	-	2,079,764
Operating expenses	5,054,109	-	5,054,109
Operating loss	(2,094,204)	-	(2,094,204)
Nonoperating revenues			
Earnings on investments	129,556	-	129,556
Other nonoperating revenues	73,820	-	73,820
Nonoperating revenues	203,376	-	203,376
Loss before contributions	(1,890,828)	-	(1,890,828)
Capital contributions	-	10,534,897	10,534,897
Increase (decrease) in net position	(1,890,828)	10,534,897	8,644,069
Net position, beginning of year	39,665,884	33,161,451	72,827,335
Net position, end of year	$ 37,775,056	$ 43,696,348	$ 81,471,404

See accompanying Notes to Financial Statements.

Statement of Cash Flows
Proprietary Funds

Year ended September 30, 2017

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
Cash flows from operating activities			
Receipts from participants	$ 2,723,058	$ -	$ 2,723,058
Payments to suppliers	(1,991,218)	-	(1,991,218)
Payments for labor charges	(731,699)	-	(731,699)
Net cash provided by operating activities	141	-	141
Cash flows from noncapital financing activities			
Non operating receipts	44,293	-	44,293
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(22,915)	(11,944,961)	(11,967,876)
Capital contributions	-	10,464,012	10,464,012
Net cash used by capital and related financing activities	(22,915)	(1,480,949)	(1,503,864)
Cash flows from investing activities			
Investment purchases	(6,672,816)	-	(6,672,816)
Investment sales	6,783,244	-	6,783,244
Interest received on investments	137,416	-	137,416
Net cash provided by investing activities	247,844	-	247,844
Net increase (decrease) in cash and cash equivalents	269,363	(1,480,949)	(1,211,586)
Cash and cash equivalents, beginning of year	13,879,864	12,605,460	26,485,324
Cash and cash equivalents, end of year	$ 14,149,227	$ 11,124,511	$ 25,273,738
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	($ 2,094,204)	$ -	($ 2,094,204)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	2,079,764	-	2,079,764
Changes in current assets and current liabilities			
Prepaid carriage costs	10,940	-	10,940
Accounts payable and accrued liabilities	240,488	-	240,488
Unearned revenue	(236,847)	-	(236,847)
Adjustments	2,094,345	-	2,094,345
Net cash provided by operating activities	$ 141	$ -	$ 141
Schedule of non-cash activities			
Change in value of investments	($ 20,090)	$ -	($ 20,090)

See accompanying Notes to Financial Statements.

September 30, 2017

1 Summary of Significant Accounting Policies

Reporting Entity

The Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict) was established July 6, 1970, pursuant to the Water Conservancy Act. The Subdistrict is governed by a 12-member Board of Directors (Board), 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 (Northern Water) boundaries.

The financial statements of the Subdistrict have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is 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.

The Windy Gap Water Activity Enterprise (Windy Gap) Fund accounts for the activities of the Windy Gap Project, which provides water supplies to participating Northern Colorado municipalities, water districts and a power authority. The Windy Gap Firming Project Water Activity Enterprise (WGFP) Fund accounts for the activities of the WGFP in connection with making 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 the Windy Gap Fund and the WGFP Fund met this criteria at September 30, 2017.

Assets, Liabilities and Net Position

Cash, Cash Equivalents and Investments, Unrestricted

Cash and cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition. Certain cash balances are held in the Colorado Statewide Investment Pool (CSIP), a local government investment pool. CSIP seeks to maintain a stable net asset value of $1.00 per share. Cash equivalents are reported at amortized cost, which is not considered significantly different from fair value.

The Subdistrict's investments are reported at their fair value. The Subdistrict categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, which prioritizes the inputs to fair market 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.

Colorado statutes require that the Subdistrict use eligible public depositories as defined by the Colorado Public Deposit Protection Act. Under the Act, amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the Act 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.

The Subdistrict's investment objectives are the preservation of capital (safety), liquidity, return and diversification. The Board has adopted a policy that establishes the investment scope and incorporates the investment objectives of the Subdistrict. The investment policy allows for the following investments:

- U.S. Treasury Obligations guaranteed by the U.S. Government.
- Federal Agency 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 the United States.
- Corporate Bonds issued by a corporation or bank organized and operating within the United States and denominated in U.S. dollars.
- Municipal Bonds representing general and revenue obligations of or under the authority of any state in the United States or any political subdivision of such a government entity.
- Commercial Paper where the issuer's commercial paper program's size exceeds $200 million.
- 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 Agency Instrumentality Securities.
- Local Government Investment Pools authorized under Colorado state statute.
- Money Market Funds registered under the Investment Company Act of 1940 and authorized under Colorado state statute.

Accounts Receivable
The Subdistrict does not provide an allowance for uncollectible receivable balances as 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 Colorado-Big Thompson (C-BT) Project, in accordance with a carriage contract with the U.S. Bureau of Reclamation (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. There was no water inventory as of September 30, 2017.

Prepaid Carriage Costs and Unearned Revenue
Windy Gap participants pay carriage costs representing 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. Prepaid balances represent estimated advance payments made to Reclamation. Amounts paid over actual costs incurred represent unearned revenue.

Capital Assets
Capital assets consist primarily of the Windy Gap water diversion project and WGFP construction in progress. In accordance with Subdistrict policy, costs incurred for infrastructure projects, including capitalized labor, environmental impact, engineering, feasibility and other studies, are capitalized at historical cost. When construction of a project is completed, 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. Any applicable interest costs incurred during the construction period are capitalized as part of the value of the constructed assets.

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:

	Years
Equipment	3 - 5
Buildings and improvements	10 - 25
Water diversion project	40

Water rights have an indefinite useful life and are not depreciated or amortized.

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 project 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.

Operating Revenues and Expenses
Assessments represent revenues from Windy Gap participants' "take-or-pay" contracts. The participants must make certain assessment payments whether or not they take delivery of water.

Operating revenues and expenses for proprietary funds in general are those that result from providing services and/or producing and delivering goods. They include all revenues and expenses not related to capital and related financing, noncapital financing or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Contributions
Capital contributions are received in cash from project participants. No non-cash items are included as capital contributions.

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 Firming 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.

Budgetary Data
The Subdistrict follows these procedures in establishing budgetary data reflected in the financial statements:

- On or before June 1, all Department Managers submit working budgets to Budget Officers.
- Budget workshops are held with participants and the Board in July.
- Budget Officers submit an overall budget to the Board prior to the August Planning and Action Session.
- The Board holds a public hearing during the August Planning and Action session, and the budget is legally enacted through passage of resolutions by the Board.

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 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 Board.

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

- Debt service and defeasement of water revenue bonds were budgeted as nonoperating expense uses based on amounts paid, not GAAP basis interest expense and loss on defeasance.
- Depreciation is not budgeted.
- Capital outlays are treated as nonoperating expense uses.

3 Cash , Cash Equivalents and Investments

Cash, cash equivalents and investments at September 30, 2017, by investment type were as follows:

	Investment Type					
	Deposits	Local Government Investment Pools/ Money Market Funds	U.S. Government Securities	Federal Agency Securities	Negotiable Certificates of Deposit	Total
Current assets						
Cash and cash equivalents, unrestricted						
Windy Gap	$ 7,124,241	$ 6,455,360	$ -	$ -	$ -	$ 13,579,601
Windy Gap Firming Project	11,124,511	-	-	-	-	11,124,511
Noncurrent assets						
Cash and cash equivalents, unrestricted						
Windy Gap	-	569,626	-	-	-	569,626
Investments, unrestricted						
Windy Gap	-	-	1,399,620	3,184,754	2,315,889	6,900,263
Cash, cash equivalents and investments	$ 18,248,752	$ 7,024,986	$ 1,399,620	$ 3,184,754	$ 2,315,889	$ 32,174,001

Cash, cash equivalents and investment balances at September 30, 2017, by level hierarchy were as follows:

Investment Type	Level 1	Level 2	Fair Value
U.S. Government Securities	$ 1,399,620	$ -	$ 1,399,620
Federal Agency Securities	-	3,184,754	3,184,754
Negotiable Certificates of Deposit	-	2,315,889	2,315,889
Investments	$ 1,399,620	$ 5,500,643	6,900,263
Deposits			18,248,752
Local Government Investment Pools/Money Market Funds (measured at amortized cost)			7,024,986
Cash, cash equivalents and investments			$ 32,174,001

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

Investment Type	Maximum Portfolio Percentage	Maximum Issuer Percentage	Rating Restrictions	Maximum Maturity Restrictions
U.S. Treasury Obligations	100%	100%	N/A	5 years
Federal Agency Instrumentality Securities	85%	35%	AA[1]	5 years
Negotiable Certificates of Deposit:				
Long-term	35%	5%	A-1[1]	3 years
Short-term	35%	5%	AA-[1]	3 years
Certificates of Deposit	5%	1%	N/A	1 year
Corporate Bonds	35%	5%	AA-[1]	3 years
Municipal Bonds:				
Colorado Issuer	35%	5%	A[1]	5 years
Non-Colorado Issuer	35%	5%	AA[1]	5 years
School District Certificates of Participation	35%	5%	A[1]	5 years
Commercial Paper	35%	5%	A-1[1]	270 days
Bankers Acceptances	35%	10%	A-1[1]	180 days
Repurchase Agreements	50%	10%	A-1	180 days
Local Government Investment Pools	100%	100%	AAAm/AAAf	N/A
Money Market Funds	100%	100%	AAAm	N/A

The investment portfolio is limited to an aggregate exposure of 50 percent for 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 percent of the portfolio and no more than 5 percent of the portfolio may be invested with a single issuer.

[1] *Rating required by two nationally recognized statistical rating organizations.*

At September 30, 2017, the Subdistrict had cash, cash equivalents and investments with the following ratings:

Investment Type	Cash, Cash Equivalents and Investments	Rating	Percentage
Negotiable Certificates of Deposit	$ 1,125,052	A-1	3.5%
Negotiable Certificates of Deposit	100,092	A-1+	0.3
Negotiable Certificates of Deposit	775,953	A+	2.4
Negotiable Certificates of Deposit	314,792	AA-	1.0
US Government Securities	1,399,620	AA+	4.4
Federal Agency Securities	3,184,754	AA+	9.9
Local Government Investment Pools/Money Market Funds	7,024,986	AAAm	21.8
Deposits	18,248,752	N/A	56.7
Cash, cash equivalents and investments	$ 32,174,001		100.0%

Interest and Credit 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, 2017, more than 5 percent of the Subdistrict investment portfolio was invested in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation federal agency securities.

At September 30, 2017, the Subdistrict had cash, cash equivalents and investments with the following maturities:

Investment Type	Cash, Cash Equivalents and Investments	Investment Maturities (in years)	
		<1	1 - 2
Deposits	$ 18,248,752	$ 18,248,752	$ -
Local Government Investment Pools/Money Market Funds	7,024,986	7,024,986	-
U.S. Government Securities	1,399,620	150,713	1,248,907
Federal Agency Securities	3,184,754	2,110,205	1,074,549
Negotiable Certificates of Deposit	2,315,889	1,225,144	1,090,745
Cash, cash equivalents and investments	$ 32,174,001	$ 28,759,800	$ 3,414,201

To the extent possible, Subdistrict investments are matched with anticipated cash flow requirements. Investments are not invested in securities maturing more than five years from the date of trade settlement.

4 Capital Assets

Capital asset activity for the Subdistrict enterprise funds for the year ended September 30, 2017, was as follows:

	2016	Additions	Retirements	2017
Windy Gap				
Non-depreciable assets				
Land	$ 2,046,198	$ -	$ -	$ 2,046,198
Water rights	470,921	-	-	470,921
Depreciable assets				
Buildings, equipment and improvements	793,558	22,915	(316,904)	499,569
Water diversion project	82,167,586	-	-	82,167,586
Capital assets	85,478,263	22,915	(316,904)	85,184,274
Less accumulated depreciation				
Buildings, equipment and improvements	(793,558)	(765)	316,904	(477,419)
Water diversion project	(63,397,551)	(2,078,999)	-	(65,476,550)
Accumulated depreciation	(64,191,109)	(2,079,764)	316,904	(65,953,969)
Capital assets, net	21,287,154	(2,056,849)	-	19,230,305
Windy Gap Firming Project				
Construction in progress	20,605,749	13,935,802	-	34,541,551
Capital assets, net of accumulated depreciation	$ 41,892,903	$ 11,878,953	$ -	$ 53,771,856

5 Water Revenue Bonds

The Subdistrict defeased its Series H water revenue bonds in 2016 by depositing in an irrevocable trust funds sufficient to provide for all remaining Series H debt service payments. At September 30, 2017, $9,685,000 of the defeased debt principal remained outstanding.

6 Windy Gap Principal Participants

The following participants individually generated 5 percent or more of Windy Gap assessments for the year ended September 30:

	2017
Platte River Power Authority	29.9%
Broomfield, City and County of	18.5
Greeley, City of	15.1
Longmont, City of	10.2
Erie, Town of	6.1
Superior, Town of	5.2
Loveland, City of	5.1
Principal participants	90.1%

7 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 carries commercial insurance for these risks. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three fiscal years.

8 Intergovernmental Transactions

Total charges from Northern Water for carriage, operations and maintenance, engineering and administrative services amounted to $2,311,516 for the year ended September 30, 2017, of which $1,124,041 was payable at year end and is included in accounts payable on the accompanying financial statements.

9 Commitments and Contingencies

The Subdistrict has agreed to fund approximately $21 million in environmental mitigation and enhancement measures. In some cases, costs to be incurred reflect management's best estimates to achieve performance objectives. Committed funds are expected to be paid over the next six years; however, certain of these costs are contingent upon the successful completion of the project.

In accordance with the December 2014 carriage contract with Reclamation and Northern Water, the Subdistrict will pay an additional charge of $34 per acre foot for the use of the C-BT Project storage and conveyance system, such rate to increase at 1.79 percent per year. The rate structure in the December 2014 Carriage Contract becomes effective the earlier of December 2019 or the date that water is first stored in Chimney Hollow Reservoir.

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.

SUPPLEMENTARY INFORMATION

Schedule of Revenues and Expenses, Budget to Actual
Windy Gap

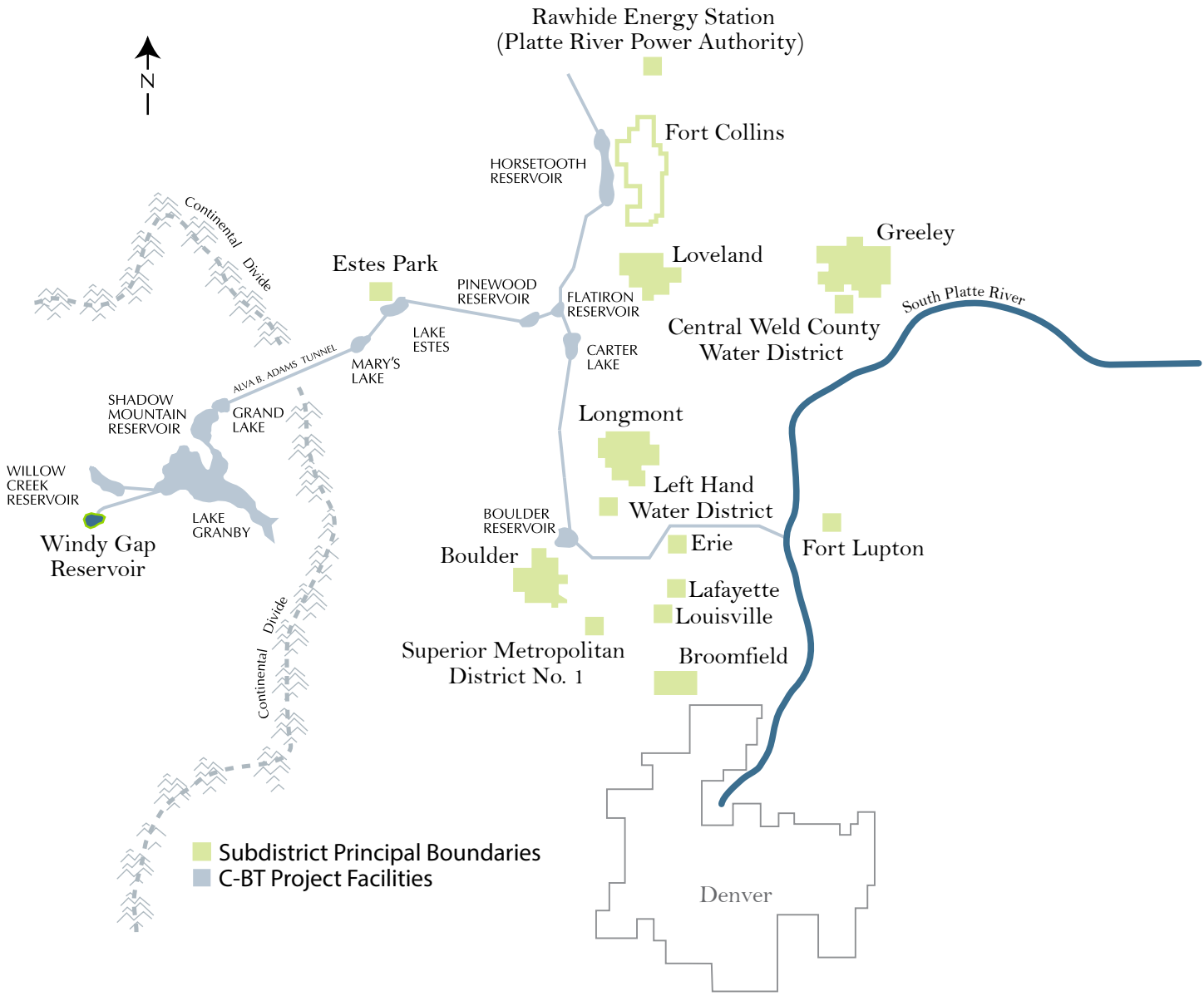
	Year ended September 30, 2017			Year ended September 30, 2016
	Budget	Actual	Variance	Actual
Operating revenue sources				
Assessments	$ 4,923,900	**$ 2,959,905**	($ 1,963,995)	$ 12,873,962
Operating expense uses[1]				
Operations and maintenance	3,832,636	**1,724,410**	2,108,226	1,444,954
Programs	1,173,313	**865,746**	307,567	698,423
Facilities	31,000	**23,874**	7,126	22,123
Operating expense uses	5,036,949	**2,614,030**	2,422,919	2,165,500
Operating revenue sources over (under) expense uses	(113,049)	**345,875**	458,924	10,708,462
Nonoperating revenue sources				
Capital contributions	444,300	**-**	(444,300)	598,000
Earnings on investments	92,000	**129,556**	37,556	166,206
Other nonoperating revenues	23,500	**73,820**	50,320	80,858
Nonoperating revenue sources	559,800	**203,376**	(356,424)	845,064
Nonoperating expense uses				
Capital expenditures	501,870	**383,231**	118,639	137,521
Debt service and defeasement of water revenue bonds	-	**-**	-	29,214,800
Nonoperating expense uses	501,870	**383,231**	118,639	29,352,321
Nonoperating revenue sources over (under) expense uses	57,930	**(179,855)**	(237,785)	28,507,257
Revenue sources over (under) expense uses	($ 55,119)	**166,020**	$ 221,139	(17,798,795)
Adjustments to reconcile budgetary basis to GAAP basis				
Water revenue bond defeasance funds placed in escrow		**-**		20,238,997
Water revenue bond related amortization expense		**-**		8,623
Loss on water revenue bond defeasance for GAAP		**-**		(860,904)
Water revenue bond principal payments		**-**		8,325,000
Capital outlay		**22,915**		-
Depreciation		**(2,079,763)**		(2,078,999)
Increase (decrease) in net position		**($ 1,890,828)**		$ 7,833,922

[1] *2016 actual balances restated to budget classifications.*

Schedule of Revenues and Expenses, Budget to Actual
Windy Gap Firming Project

	Year ended September 30, 2017			Year ended September 30, 2016
	Budget	Actual	Variance	Actual
Nonoperating revenue sources				
Capital contributions	$ 11,904,291	**$ 10,534,897**	($ 1,369,394)	$ 13,775,950
Nonoperating expense uses				
Construction in progress capital outlay	18,490,539	**13,935,802**	4,554,737	1,443,083
Nonoperating revenue sources over expense uses	($ 6,586,248)	**(3,400,905)**	$ 3,185,343	12,332,867
Adjustment to reconcile budgetary basis to GAAP basis				
Capital expenditures		**13,935,802**		1,443,083
Increases in net position		**$ 10,534,897**		$ 13,775,950

Subdistrict Boundaries



Statement of Revenues, Expenses and Changes in Net Position and Net Position by Component (2008 - 2017) [1]

Years ended September 30,
Unaudited

	2017[2]	2016	2015	2014
Operating revenues				
Assessments	**$ 2,959,905**	$ 12,873,962	$ 13,959,770	$ 13,524,172
Operating expenses				
Operations and maintenance	**1,813,030**	1,514,945	2,878,863	2,788,801
Administrative services	**894,621**	604,070	539,622	479,124
Engineering services	**266,694**	175,590	117,402	160,445
Depreciation	**2,079,764**	2,078,999	2,078,999	2,078,999
Operating expenses	**5,054,109**	4,373,604	5,614,886	5,507,369
Operating income (loss)	**(2,094,204)**	8,500,358	8,344,884	8,016,803
Nonoperating revenues (expenses)				
Earnings on investments	**129,556**	166,206	180,024	124,093
Interest expense	**-**	(638,455)	(1,325,146)	(1,784,178)
Loss on defeasance of water revenue bonds	**-**	(864,629)	-	-
Other nonoperating revenues (expenses), net	**73,820**	342,442	55,695	44,107
Nonoperating revenues (expenses), net	**203,376**	(994,436)	(1,089,427)	(1,615,978)
Income (loss) before contributions	**(1,890,828)**	7,505,922	7,255,457	6,400,825
Capital contributions	**10,534,897**	14,103,950	1,469,333	2,336,001
Increases in net position	**$ 8,644,069**	$ 21,609,872	$ 8,724,790	$ 8,736,826
Net Position				
Investment in capital assets	**$ 53,771,856**	$ 41,892,903	$ 29,565,993	$ 21,741,075
Restricted net position				
Debt service	**-**	-	12,616,627	12,289,137
Capital project	**9,154,797**	12,555,702	222,835	756,453
Unrestricted net position	**18,544,751**	18,378,730	8,812,008	7,706,008
Net position	**$ 81,471,404**	$ 72,827,335	$ 51,217,463	$ 42,492,673

[1] Amounts reflect the Subdistrict two enterprise funds combined.
[2] Lower assessments and operating loss in 2017 result from the extinguishment of Subdistrict water revenue bonds in 2016.
[3] Opening net position restated for GASB Statement No. 65.

2013[3]	2012	2011	2010	2009	2008
$ 13,715,876	$ 13,292,546	$ 13,538,859	$ 13,464,062	$ 13,581,712	$ 13,027,880
3,374,057	2,422,523	2,630,065	3,097,335	3,041,115	2,324,047
642,510	832,077	805,951	1,049,366	1,011,348	1,036,247
223,415	166,293	133,176	149,335	174,548	196,932
2,060,125	2,041,474	2,047,112	2,046,020	2,044,000	2,049,154
6,300,107	5,462,367	5,616,304	6,342,056	6,271,011	5,606,380
7,415,769	7,830,179	7,922,555	7,122,006	7,310,701	7,421,500
117,006	62,237	96,932	105,687	835,444	1,300,073
(2,214,668)	(2,575,659)	(3,001,470)	(3,646,792)	(4,042,116)	(4,510,585)
-	-	-	-	-	-
275,177	19,704	40,757	23,635	99,261	36,490
(1,822,485)	(2,493,718)	(2,863,781)	(3,517,470)	(3,107,411)	(3,174,022)
5,593,284	5,336,461	5,058,774	3,604,536	4,203,290	4,247,478
-	1,999,998	-	1,073,180	988,528	915,347
$ 5,593,284	$ 7,336,459	$ 5,058,774	$ 4,677,716	$ 5,191,818	$ 5,162,825
$ 13,873,621	$ 7,923,924	$ 2,623,507	($ 2,506,786)	($ 6,809,396)	($ 9,702,576)
12,013,764	12,022,534	11,842,320	11,945,850	11,656,123	10,044,658
637,669	1,088,872	-	858,839	470,260	292,868
7,230,793	7,734,372	6,967,416	6,076,566	6,379,766	5,869,985
$ 33,755,847	$ 28,769,702	$ 21,433,243	$ 16,374,469	$ 11,696,753	$ 6,504,935

Schedule of Windy Gap Assessments by Participant (2008 - 2017)

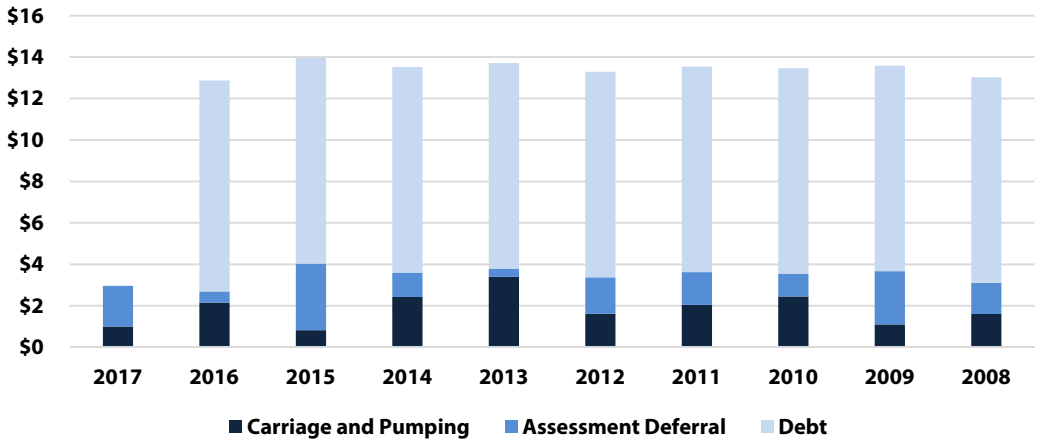
Years ended September 30,
Unaudited

Participant	2017[1]	2016	2015	2014
Platte River Power Authority	**$ 850,402**	$ 4,918,223	$ 4,604,577	$ 4,575,200
Boulder, City of	**148,469**	910,645	956,179	1,693,008
Longmont, City of	**389,629**	1,853,861	1,736,904	2,509,157
Greeley, City of	**302,637**	1,628,167	1,360,400	2,083,128
Loveland, City of	**153,881**	953,243	931,557	1,018,408
Superior Metropolitan District No. 1	**142,135**	542,502	501,778	480,735
Broomfield, City and County of	**481,468**	1,993,171	1,645,257	823,939
Estes Park, Town of	**20,440**	79,046	77,521	82,728
Erie, Town of	**108,344**	560,716	389,141	474,128
Louisville, City of	**22,732**	143,911	103,659	146,270
Central Weld County Water District	**12,130**	39,239	30,276	28,548
Fort Lupton, Town of	**35,136**	120,724	121,213	85,046
Lafayette, City of	**3,701**	23,897	23,285	24,307
Little Thompson Water District	**51,954**	302,120	-	-
Water rental	**-**	-	-	-
Unearned revenue adjustment	**236,847**	(1,195,503)	1,478,023	(500,430)
Assessments	**$ 2,959,905**	$ 12,873,962	$ 13,959,770	$ 13,524,172

[1] *Lower assessment in 2017 result from the extinguishment of Subdistrict water revenue bonds in 2016.*

2013	2012	2011	2010	2009	2008
$ 4,869,952	$ 4,327,875	$ 4,372,347	$ 4,466,818	$ 4,120,248	$ 4,192,518
1,972,529	2,251,034	2,340,919	2,461,675	2,196,290	2,167,616
2,378,341	1,898,498	2,120,995	2,032,150	1,961,383	2,191,255
2,181,730	1,887,647	1,820,399	1,924,617	1,750,205	1,855,600
1,061,399	963,042	999,468	1,072,916	915,365	952,058
531,523	513,991	496,906	493,092	418,342	444,250
1,020,464	427,794	438,421	467,299	380,920	397,726
88,707	78,938	84,444	91,228	76,732	87,580
459,202	444,606	416,419	453,203	369,393	393,079
167,330	144,341	150,755	171,577	131,412	139,606
30,779	27,486	27,665	30,149	25,990	31,209
110,623	86,295	105,246	111,072	89,569	93,448
27,236	24,002	24,631	26,950	22,486	23,402
-	-	-	-	-	-
-	-	-	225,434	245,342	60,000
(1,183,939)	216,997	140,244	(564,118)	878,035	(1,467)
$ 13,715,876	$ 13,292,546	$ 13,538,859	$ 13,464,062	$ 13,581,712	$ 13,027,880

Annual Assessments
(millions)



Statement of Windy Gap Participant Units

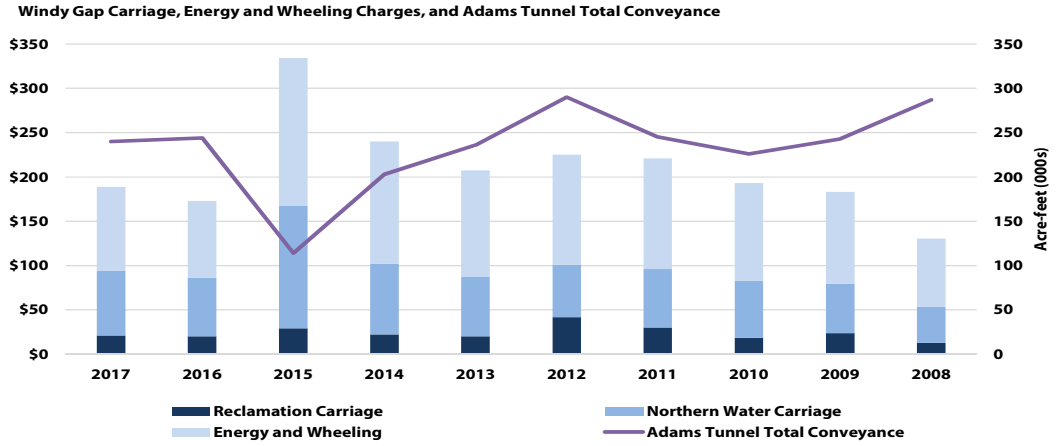
September 30, 2017
Unaudited

Participants	Units	Acre-Feet	Percentage
Platte River Power Authority	147	14,700	30.6%
Longmont, City of	80	8,000	16.7
Broomfield, City and County of	56	5,600	11.7
Greeley, City of	52	5,200	10.8
Loveland, City of	40	4,000	8.4
Boulder, City of	37	3,700	7.7
Erie, Town of	20	2,000	4.2
Little Thompson Water District	17	1,700	3.5
Superior Metropolitan District No. 1	15	1,500	3.1
Louisville, City of	6	600	1.3
Estes Park, Town of	3	300	0.6
Fort Lupton, Town of	3	300	0.6
Lafayette, City of	3	300	0.6
Central Weld County Water District	1	100	0.2
Total	480	48,000	100.0%

Windy Gap Carriage, Energy and Wheeling Charges (2008 - 2017)

Years ended September 30,
Unaudited
(Cost per acre-foot)

	2017	2016[3]	2015[3]	2014	2013	2012[4]	2011[4]	2010	2009[4]	2008
Carriage charges[1]										
Reclamation[2]										
7(c) ii Farr Pumping Plant	**$ 2.88**	$ 3.22	$ 3.07	$ 3.53	$ 3.92	$ 3.29	$ 3.14	$ 3.32	$ 3.13	$ 2.83
7(c) iii Flatiron Pumping Plant	**6.10**	6.89	7.25	6.60	6.63	6.52	6.03	6.84	5.94	4.68
7(d) Operations and maintenance	**9.18**	7.12	16.05	9.34	9.60	29.04	18.11	8.24	14.72	5.41
7(e) Service charge	**2.85**	2.85	2.85	2.85	-	2.85	2.85	-	-	-
Reclamation carriage charges	**21.01**	20.08	29.22	22.32	20.15	41.70	30.13	18.40	23.79	12.92
Northern Water										
8(a) Adams Tunnel conveyance	**.26**	.26	.26	.26	.26	.26	.26	.26	.26	.26
8(b)(d) Operations, maintenance and administration costs	**70.32**	63.22	134.89	76.62	66.64	56.31	62.90	64.54	55.55	40.27
8(e) Service charge	**2.85**	2.85	2.85	2.85	-	2.85	2.85	-	-	-
Northern Water carriage charges	**73.43**	66.33	138.00	79.73	66.90	59.42	66.01	64.80	55.81	40.53
Carriage charges	**94.44**	86.41	167.22	102.05	87.05	101.12	96.14	83.20	79.60	53.45
Energy and wheeling charges	**-**	-	-	35.99	33.30	22.93	28.67	26.67	24.04	23.62
Carriage, energy and wheeling charges	**$ 94.44**	$ 86.41	$167.22	$138.04	$120.35	$124.05	$124.81	$109.87	$103.64	$ 77.07
Water pumped (acre-feet)[5]	**-**	-	-	-	45,061	5,145	-	6,758	26,365	33,523
Water delivered (acre-feet)[6]	**13,049**	11,294	13,964	12,627	19,536	16,774	18,023	22,461	22,713	20,889
Adams Tunnel total conveyance (acre-feet)	**240,304**	243,543	113,856	203,467	236,268	289,890	245,284	225,917	242,832	287,012



[1] References are to the appropriate section in the 1990 Subdistrict carriage contract with Reclamation.
[2] Excludes fixed annual carriage charge from Reclamation of $84,525.
[3] Carriage charges are calculated, in part, based on total water conveyed through the C-BT Project Adams Tunnel, which increased from an abnormally low 113,856 acre-feet in 2015 to 243,543 acre-feet in 2016.
[4] Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX) .
[5] No water pumped since 2013 as the result of no available storage capacity for Windy Gap Project water in the C-BT Project.
[6] See Historical Schedule of Water Pumped and Delivered at page 33.

Subdistrict Population and Economic Statistics (2008 - 2017)

Unaudited

	2017[1]	2016	2015	2014
Boulder, City of				
Estimated population	**107,000**	105,000	105,000	102,000
Unemployment rate	**2.2%**	2.8%	3.2%	4.7%
School enrollment[2]	**13,312**	13,352	13,486	13,331
Per capita income[3]	**$ N/A**	$ 60,200	$ 58,627	$ 54,968
Personal income (000s)[3]	**$ N/A**	$ 19,233,000	$ 18,370,000	$ 17,042,000
Broomfield, City and County of[4]				
Estimated population	**67,093**	65,907	63,860	60,885
Unemployment rate	**2.5%**	4.3%	4.2%	6.8%
School enrollment[2]	**4,314**	4,317	4,319	4,260
Per capita income	**$ 36,783**	$ 36,783	$ 36,783	$ 36,783
Personal income (000s)	**$ 2,467,882**	$ 2,424,257	$ 2,348,962	$ 2,239,533
Greeley, City of				
Estimated population	**103,037**	101,048	98,423	97,320
Unemployment rate[3]	**2.6%**	3.5%	4.0%	7.6%
School enrollment[2]	**18,294**	17,613	17,713	21,183
Per capita income[3]	**$ N/A**	$ 42,787	$ 38,664	$ 33,393
Personal income (000s)[3]	**$ N/A**	$ 4,323,541	$ 3,805,427	$ 3,249,807
Longmont, City of				
Estimated population	**93,933**	92,852	91,911	90,219
Unemployment rate	**2.2%**	2.6%	3.1%	4.4%
School enrollment[2]	**14,660**	14,707	15,448	15,512
Per capita income	**$ 60,220**	$ 58,627	$ 54,968	$ 53,772
Personal income (000s)	**$ 5,656,645**	$ 5,443,634	$ 5,052,164	$ 4,851,256
Loveland, City of				
Estimated population	**74,427**	74,349	71,985	72,846
Unemployment rate[5]	**3.2%**	3.8%	4.8%	6.5%
School enrollment[2]	**15,714**	15,597	15,520	15,621
Per capita income[6]	**$ 45,318**	$ 43,584	$ 42,866	$ 41,311
Personal income (000s)	**$ 3,372,883**	$ 3,240,427	$ 3,085,709	$ 3,009,341
Estimated population in Subdistrict Area[7]	**959,455**	922,233	893,145	878,100

Source: Data taken from the government's most recent CAFR unless otherwise indicated.

[1] N/A Certain data not yet available.
[2] Information compiled from school district websites for schools within Subdistrict boundaries.
[3] Data for the Metropolitan Statistical Area.
[4] Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.
[5] Restated to reflect previously unavailable separate city statistics.
[6] Data for Larimer County. Separate municipal statistics not available.
[7] Data from the Northern Water current year CAFR.

2013	2012	2011	2010	2009	2008
101,000	98,000	97,000	104,000	104,000	103,000
5.6%	5.9%	6.5%	5.3%	4.6%	3.9%
12,627	13,471	13,583	13,258	13,129	12,999
$ 54,502	$ 51,893	$ 50,031	$ 48,891	$ 50,714	$ 49,999
$ 16,639,000	$ 15,536,000	$ 14,786,000	$ 14,334,000	$ 15,237,000	$ 14,784,000
57,865	57,336	56,543	55,284	54,586	53,693
7.8%	8.5%	8.9%	8.1%	4.8%	3.8%
4,102	4,034	4,034	4,165	4,151	4,150
$ 36,783	$ 35,836	$ 34,268	$ 33,500	$ 31,568	$ 28,661
$ 2,128,448	$ 2,054,693	$ 1,937,615	$ 1,852,014	$ 1,723,171	$ 1,538,895
96,093	95,453	94,358	91,759	90,249	86,779
8.7%	9.7%	11.1%	9.1%	5.2%	3.9%
20,450	19,821	17,278	19,851	19,444	18,870
$ 31,657	$ 29,986	$ 28,447	$ 27,109	$ 28,402	$ 27,988
$ 3,042,016	$ 2,862,254	$ 2,684,202	$ 2,487,495	$ 2,563,252	$ 2,428,771
87,854	87,850	87,461	86,303	86,194	85,762
5.5%	6.1%	6.8%	6.0%	5.0%	3.7%
15,381	14,404	14,132	13,997	15,953	24,582
$ 51,893	$ 50,697	$ 47,489	$ 52,719	$ 48,324	$ 48,324
$ 4,559,008	$ 4,453,731	$ 4,153,435	$ 4,549,808	$ 4,165,239	$ 4,144,363
68,825	67,581	66,572	65,800	64,800	65,800
7.7%	8.7%	8.2%	5.4%	3.7%	2.9%
15,577	15,420	15,043	14,734	14,747	14,958
$ 39,767	$ 37,844	$ 37,368	$ 37,481	$ 36,956	$ 34,300
$ 2,736,964	$ 2,557,535	$ 2,487,662	$ 2,466,250	$ 2,394,749	$ 2,256,940
859,913	858,565	842,494	842,447	828,350	794,616

Largest Employers by Principal Cities Served by the Subdistrict (2008 and 2017)

September 30,
Unaudited

Boulder, City of[1]

	2017			2008[2]		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
University of Colorado at Boulder	1	6,652	3.8%	1	6,902	4.3%
St. Vrain Valley School District[3]	2	4,661	2.6	4	3,392	2.1
Boulder Valley School Distirct	3	4,381	2.5	2	4,144	2.6
Boulder County	4	1,957	1.1	10	1,684	1.0
IBM Corporation	5	1,800	1.0	3	3,400	2.1
Boulder Community Hospital	6	1,796	1.0	8	2,380	1.5
Medtronic Surgical Technologies	7	1,700	1.0	-	-	-
Ball Corporation	8	1,616	0.9	7	3,000	1.9
Boulder, City of	9	1,400	0.8	-	-	-
National Center for Atmospheric Research (NCAR)	10	1,226	0.8	-	-	-
Oracle Corporation (formerly Sun Microsystems, Inc.)	-	-	-	5	3,387	2.1
Colorado, State of	-	-	-	6	3,048	1.9
Level 3 Communications, Inc.	-	-	-	9	2,000	1.2
Top ten principal employers		27,189	15.5%		33,337	20.7%
Employees[4]		175,413			161,048	

Broomfield, City and County of[5]

	2017			2008[2]		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**[6]
Level 3 Communications, Inc.	1	2,360	6.3%	3	2,305	-
Oracle Corporation (formerly Sun Microsystems, Inc.)	2	2,000	5.4	1	3,380	-
Urban Lending Solutions	3	740	2.0	-	-	-
SCL Health System	4	920	2.5	-	-	-
Hunter Douglas	5	910	2.4	4	967	-
Broomfield, City and County of	6	779	2.1	6	564	-
Staples Advantage (formerly Corporate Express)	7	700	1.9	5	599	-
Ball Corporation	7	700	1.9	2	3,000	-
Vail Resorts	9	680	1.8	-	-	-
TransFirst Holdings	10	660	1.8	-	-	-
Sandoz, Inc. (Geneva Pharmaceuticals)	-	-	-	7	544	-
Whitewave Foods	-	-	-	8	403	-
MWH Global	-	-	-	9	276	-
Bestop	-	-	-	10	269	-
Top ten principal employers		10,449	28.1%		12,307	-
Employees[4]		37,190			-[6]	

Source: Data taken or calculated from the cities' most recent CAFRs unless otherwise indicated.

[1] Information for the City of Boulder lists the largest employers in Boulder and Broomfield Counties. Employment information specific to the City of Boulder is not available for the years presented. Effective 2017, Broomfield County has been excluded.
[2] Data taken from the Subdistrict 2008 CAFR.
[3] The St. Vrain Valley School District spans 13 different communities including Eastern Boulder. Also reported under the City of Longmont.
[4] Calculated based on number of employees for largest employers and percentage employment.
[5] Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.
[6] Data not available.

Longmont, City of

Employers	2017 Rank	2017 Number of Employees	2017 Percentage of Employment	2008[2] Rank	2008[2] Number of Employees	2008[2] Percentage of Employment
St. Vrain Valley School District	1	4,727	9.6%	1	4,143	9.4%
Seagate Technology	2	1,539	3.1	2	1,605	3.6
Longmont United Hospital	3	1,273	2.6	3	1,297	2.9
Longmont, City of	4	818	1.7	5	816	1.9
West Safety Services Division	5	746	1.5	-	-	-
Circle Graphics, Inc.	6	631	1.3	-	-	-
DigitalGlobe	7	514	1.0	-	-	-
Federal Aviation Administration	8	445	0.9	9	428	1.0
McLane Western	9	433	0.9	8	545	1.2
Crocs	10	351	0.7	-	-	-
Butterball, LLC	-	-	-	4	920	2.1
Amgen	-	-	-	6	809	1.8
Intrado	-	-	-	7	693	1.6
Xilinx	-	-	-	10	400	0.9
Top ten principal employers		11,477	23.3%		11,656	26.4%
Employees[4]		49,258			44,152	

Greeley, City of

Employers	2017 Rank	2017 Number of Employees	2017 Percentage of Employment	2008[2] Rank	2008[2] Number of Employees	2008[2] Percentage of Employment[6]
JBS Swift & Company	1	4,620	9.7%	1	3,650	-
Banner Health Care (formerly North Colorado Medical Center)	2	3,450	7.2	2	2,700	-
University of Northern Colorado	3	1,623	3.4	3	2,559	-
Weld County	4	1,615	3.4	5	1,490	-
Greeley/Evans School District Six	5	1,609	3.4	4	2,307	-
State Farm Insurance Companies	6	1,400	2.9	6	1,322	-
Greeley, City of	7	1,002	2.1	7	1,306	-
TeleTech Services	8	830	1.8	-	-	-
Noble Energy	9	500	1.0	-	-	-
Xerox Commerical Solutions	9	500	1.0	-	-	-
StarTek, Inc.	-	-	-	8	906	-
Wal-Mart Supercenter	-	-	-	9	856	-
Corestream Health, Inc.	-	-	-	10	800	-
Top ten principal employers		17,149	35.9%		17,896	
Employees[4]		47,764			-[6]	

Largest Employers by Principal Cities Served by the Subdistrict (2008 and 2017) (continued)

September 30,
Unaudited

Loveland, City of

	2017			2008[1]		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
Thompson School District R2-J	1	2,115	5.1%	1	2,232	6.8%
Wal-Mart Distribution Center	2	1,250	3.0	2	1,225	3.7
U.S. Bank	3	1,000	2.4	-	-	-
Agrium/Crop Production Services	4	900	2.2	-	-	-
Hach Company	5	800	1.9	3	1,100	3.4
Loveland, City of	6	772	1.9	6	814	2.5
McKee Medical Center	7	577	1.4	4	950	2.9
Woodward Governor	8	360	0.9	-	-	-
Good Samaritan Society-Loveland	9	225	0.6	-	-	-
North Shore Health and Rehab Center	10	195	0.5	-	-	-
Medical Center of the Rockies[2]	-	-	-	4	950	2.9
Agilent Technologies	-	-	-	7	550	1.7
Kroll Factual Data	-	-	-	8	354	1.1
Group Publishing	-	-	-	9	324	1.0
Big Thompson Medical Group P.C.	-	-		10	250	0.7
Top ten principal employers		8,194	19.9%		8,749	26.7%
Employees[3]		41,128			32,768	

Source: Data taken or calculated from the cities' most recent CAFRs unless otherwise indicated.

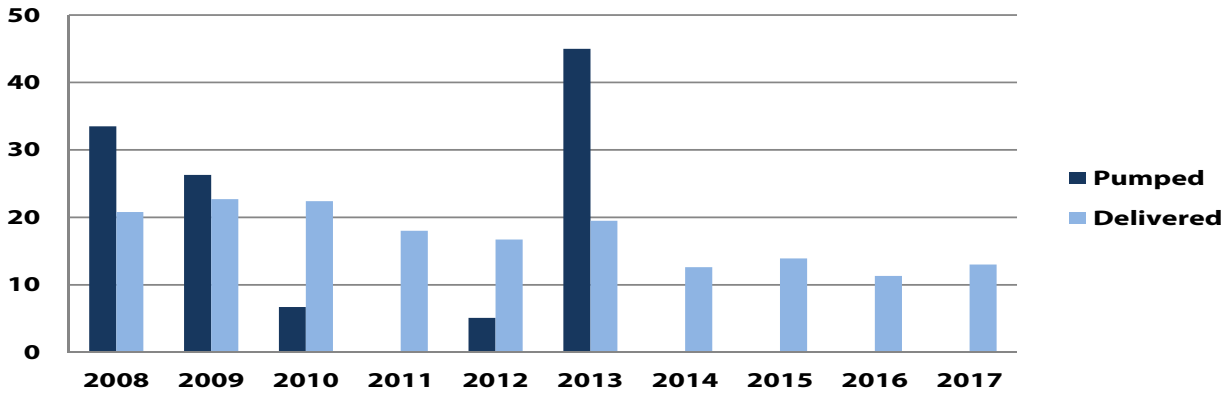
[1] Data taken from the Subdistrict 2008 CAFR.
[2] No longer included in City data source.
[3] Calculated based on number of employees for largest employers and percentage employment.

Schedule of Windy Gap Project Water Pumped and Delivered (Historical)

Years ended September 30,
Unaudited
(Acre-feet)

Years	Pumped	Deliverable[1]	Delivered[2]	Losses[3]	Spilled[4]	Delivered In-lieu[5]	Rented	Inventory
1987	3,700.0	3,330.0	(864.4)	-	-	-	-	2,465.6
1988	19,863.0	17,876.0	(7,316.8)	(146.2)	-	-	-	12,878.6
1989	3,998.2	3,598.4	(7,940.2)	(963.4)	-	-	-	7,573.4
1990	14,519.4	13,068.6	(4,478.8)	(552.5)	-	-	-	15,610.7
1991	19,252.3	18,827.1	(6,213.2)	(1,305.7)	-	-	(15,000.0)	11,918.9
1992	21,856.8	19,671.0	(5,206.8)	(919.9)	-	-	(9,517.0)	15,946.2
1993	21,740.0	19,566.0	(5,619.7)	(971.8)	-	-	(11,089.0)	17,831.7
1994	10,784.0	9,705.6	(5,507.0)	(1,208.0)	-	-	(11,194.0)	9,628.3
1995	14,058.0	12,652.2	(5,400.9)	(728.2)	(10,463.0)	-	-	5,688.4
1996	-	-	(5,652.7)	(350.5)	(1,902.4)	2,217.2	-	-
1997	-	-	(5,911.1)	-	-	5,911.1	-	-
1998	-	-	(5,845.5)	-	-	5,845.5	-	-
1999	-	-	(5,911.1)	-	-	5,911.1	-	-
2000	-	-	(12,105.3)	-	-	12,105.3	-	-
2001	14,250.0	12,825.0	(13,310.1)	-	-	485.1	-	-
2002	-	-	(16,803.0)	-	-	16,803.0	-	-
2003	64,200.0	57,780.0	(14,639.1)	-	-	-	-	43,140.9
2004	327.0	294.3	(15,196.7)	(4,208.6)	-	-	-	24,029.9
2005	41,320.0	37,188.0	(17,239.9)	(2,167.4)	-	-	-	41,810.6
2006	25,022.0	22,519.8	(21,883.8)	(3,499.9)	-	-	-	38,946.7
2007	40,933.0	36,839.7	(24,089.2)	(3,342.4)	-	-	-	48,354.8
2008	33,523.0	30,170.7	(20,889.1)	(4,458.4)	-	-	-	53,178.0
2009	26,365.0	23,728.5	(22,712.5)	(4,746.0)	-	-	-	49,448.0
2010	6,758.0	6,082.2	(22,460.7)	(4,278.9)	-	-	-	28,790.6
2011	-	-	(18,022.6)	(2,034.5)	(11,528.7)	2,795.2	-	-
2012	5,145.0	4,630.1	(16,774.1)	-	-	13,330.1	-	1,186.1
2013	45,061.0	40,554.9	(19,536.0)	(112.1)	-	2,169.0	-	24,261.9
2014	-	-	(12,627.3)	(1,882.6)	(11,448.6)	1,696.6	-	-
2015	-	-	(13,964.1)	-	-	13,964.1	-	-
2016	-	-	(11,294.0)	-	-	11,294.0	-	-
2017	**-**	**-**	**(13,049.0)**	**-**	**-**	**13,049.0**	**-**	**-**

Water Pumped and Delivered
(thousands of acre-feet)



[1] Ninety percent of water pumped.
[2] Includes 1,000 acre-feet leased to Northern Water for delivery to Grand Valley Water Users in 2007 and water leased to Grand County in 2008 through 2011, respectively.
[3] Ten percent of all water remaining on March 31 of any year is deducted as shrinkage loss to the system.
[4] 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 Project participants are required to take delivery of their stored water or that water is required to be spilled.
[5] 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 pumping or cancellation of the in-lieu obligation as the result of C-BT Project water spillage.

Subdistrict Capital Assets (2008 - 2017)

September 30,
Unaudited

Windy Gap	**2017**	**2016**	**2015**	**2014**
Non-depreciable assets				
Land	**$ 2,046,198**	$ 2,046,198	$ 2,046,198	$ 2,046,198
Water rights[1]	**470,921**	470,921	470,921	470,921
Depreciable assets				
Buildings, equipment and improvements	**499,569**	793,558	825,707	825,707
Water diversion project	**82,167,586**	82,167,586	82,167,586	82,167,586
Capital assets	**85,184,274**	85,478,263	85,510,412	85,510,412
Less accumulated depreciation				
Buildings, equipment and improvements	**(477,419)**	(793,558)	(825,707)	(825,707)
Water diversion project	**(65,476,550)**	(63,397,551)	(61,318,552)	(59,239,553)
Accumulated depreciation	**(65,953,969)**	(64,191,109)	(62,144,259)	(60,065,260)
Capital assets, net	**$ 19,230,305**	$ 21,287,154	$ 23,366,153	$ 25,445,152
Windy Gap Firming Project				
Construction in process	**$ 34,541,551**	$ 20,605,749	$ 19,162,666	$ 18,629,048

[1] *Water rights included under Land in 2012 and prior years.*

2013	2012	2011	2010	2009	2008
$ 2,046,198	$ 2,062,566	$ 2,061,352	$ 2,053,298	$ 2,046,198	$ 1,893,887
470,921	-	-	-	-	-
825,707	155,574	155,574	155,574	155,574	258,553
82,167,586	81,837,719	81,840,342	81,840,845	81,836,862	81,851,722
85,510,412	84,055,859	84,057,268	84,049,717	84,038,634	84,004,162
(825,707)	(155,574)	(155,574)	(155,574)	(155,574)	(258,553)
(57,160,554)	(55,770,562)	(53,731,711)	(51,685,101)	(49,653,287)	(47,624,148)
(57,986,261)	(55,926,136)	(53,887,285)	(51,840,675)	(49,808,861)	(47,882,701)
$ 27,524,151	$ 28,129,723	$ 30,169,983	$ 32,209,042	$ 34,229,773	$ 36,121,461
$ 17,610,297	$ 15,155,178	$ 14,325,617	$ 13,378,785	$ 12,691,012	$ 11,876,096

Windy Gap Project Reservoir, Dam, Pump Station Capacity and Pipeline

Unaudited

Windy Gap Reservoir
Capacity - 445 acre-feet

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-inch diameter, reinforced concrete pipe - 245 feet
Auxiliary outlet works
Discharge capacity - 228 cubic feet per second

Windy Gap Pump Station
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

Subdistrict Organizational and Contact Information

September 30, 2017
Unaudited

Authority	Water Conservancy Act
Date of Formation	July 6, 1970
Governing Body	The Subdistrict is governed by a 12-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.
Organization	The Subdistrict is a public body political and corporate, a quasi-municipal entity and political subdivision of the State of Colorado.
Purpose	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.
Number of Employees	There are no full-time employees of the Subdistrict. All administrative, engineering, operations and maintenance functions are provided through an agreement with Northern Water.

Offices

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