



**Municipal Subdistrict**  
Northern Colorado Water Conservancy District

# Annual Comprehensive Financial Report

For the Year Ended  
September 30, 2023



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

# **Annual Comprehensive Financial Report**

Year ended September 30, 2023

**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**

The introduction provides a framework for understanding the Municipal Subdistrict and a guide to its Annual Comprehensive Financial Report. This section provides an overview of the Municipal Subdistrict’s enterprise funds, while shedding light on the current local economy and major initiatives, including construction of the Chimney Hollow Reservoir Project.



April 2, 2024

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, 2023. 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, 2023. 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 21, 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 is not self-insured. 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 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 no dedicated storage; it relies 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. The Windy Gap Project became operational in 1985 and began making water deliveries shortly thereafter.



*The Windy Gap Pump Plant.*

***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 and Revenue Forecast, published in December 2023 by the Colorado Legislative Council Staff 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 forecast includes analysis of two of the major regions with 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 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. and Colorado economies exceeded expectations in 2023 with low unemployment rates, robust consumer spending, and softening inflation. This forecast anticipates that economic growth will slow in 2024 as the lagged impacts of higher interest rates continue to take effect and consumer activity slows due to weakening household finances. Risk of an upcoming recession is still present, but incoming data indicate that a recession is becoming less likely. Tight monetary policy continues to be a risk for economic activity moving forward, but consistent disinflation and a healthy labor market signal that monetary policy has, thus far, successfully walked the line between being too aggressive and not aggressive enough. Household balance sheets have weakened, showing low rates of personal saving, which is expected to weaken consumer spending in 2024. Finances may be improved by rebounding real incomes and wages. Employment growth has slowed to more sustainable levels compared to 2022, but has slowed more for Colorado than the nation, pending upcoming data revisions. Inflation has slowed substantially and is expected to continue to fall throughout the forecast period but remain above 2.0 percent. Inflation remains higher in Colorado than the nation as housing costs continue to exert more upward pressure.

### **Assessed Values**

A forecast for assessed values – the amount of property values that are subject to taxation at local mill levies – begins on page 61. This forecast incorporates the changes under Senate Bill 23B-001 that was passed by the General Assembly during the November 2023 special session. Assessed values are estimated to have increased 24.6 percent in property tax year 2023. Legislative adjustments dampened the spike in assessed values but increases still exceeded those in prior reassessment cycles. In 2024, assessed values are expected to grow 6.9 percent under current law as temporary reductions through lower assessment rates and value adjustments expire. Legislative adjustments are expected to offset a significant decrease in oil and gas valuation and weaker building activity. More pronounced in lower value areas of the state, the expiration of a \$55,000 residential value adjustment under SB 23B-001 could contribute to significant and rapid, double-digit increases in residential assessed value for many areas under current law. In the 2025 reassessment year, weaker market conditions following peak prices captured in the 2023 reassessment cycle will contribute to a slow 1.9 percent increase in projected assessed values. Moderate building activity will contribute to a projected 0.8 percent increase in the 2026 intervening year.



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

### **Labor**

Labor markets in Colorado and the nation show signs of cooling, with slower job growth and nominal wage growth alongside low but rising unemployment rates. A slowing labor market is consistent with a soft landing as the effects of tight monetary policy slow economic activity. Near-term employment growth is expected to continue to slow for both Colorado and the nation. The impacts of the slowdown are expected to continue to be uneven, with unemployment rates, wage growth, and job growth varying significantly across workers and industries. Additionally, expected revisions to nonfarm employment data muddy the picture of the state's job market.

- U.S. nonfarm employment is expected to end 2023 with 2.2 percent growth and to slow to 1.4 percent in 2024. The U.S. unemployment rate is expected to average 3.7 percent in 2023, before increasing to 4.0 percent in 2024.
- In Colorado, employment growth is expected to decelerate throughout the forecast period, with increases of 2.3 percent in 2023 and 1.5 percent in 2024. The Colorado unemployment rate is expected to average 3.0 percent in 2023, before rising to 3.3 percent in 2024.

## **Energy**

Oil and gas prices forecast to remain below summer 2022 peak through 2025. Oil and gas prices have decreased significantly since peaking in mid-2022. Although up from \$70.25 in June 2023, the average monthly oil price in October 2023 (\$85.64) remained 25.4 percent lower than its peak in June 2022 (Figure 46, left). Natural gas prices have also risen throughout the past six months, but were 66.1 percent lower than their August 2022 peak in October (Figure 46, right). In 2023, the price per barrel of West Texas Intermediate crude is expected to average \$79.65 per barrel, a 16.0 percent decline from the 2022 average, and the Henry Hub spot price is expected to decline by 58 percent to \$2.67 per million British thermal units (BTU). The price outlook for oil in 2023 was revised up slightly as prices over the fall were higher than anticipated, perhaps suggesting a larger-than-anticipated impact of voluntary OPEC production cuts over the latter half of the year. The oil price outlook for 2024 and 2025 was also revised higher based on the latest report from the Energy Information Administration, which attributes upward revisions to modest declines in inventories, increased risk of supply disruptions, and the expectation that OPEC producers will voluntarily keep production lower than stated production targets. The forecast now anticipates oil prices will grow by about 12.0 percent in 2024 and average about \$89, before a contraction in 2025 to around \$82. The higher price outlook is expected to support more U.S. oil production in addition to gains from improved well productivity.

Natural gas production continues to increase in the United States while declining in Colorado. A large contributor to national growth has been gas produced from oil wells, which has increased with rising oil production. The influx of supply has dampened prices and continues to weigh on the outlook. Additionally, warmer temperatures over the winter of 2024 compared with last year are expected to reduce demand for residential heating. Both effects are expected to contribute to larger-than-average inventories through 2024 and ease price pressure. Prices are expected to grow modestly in 2024 to \$3.26, a slight upward revision from the last forecast. Prices are expected to rise by about 7.0 percent in 2025 and average about \$3.50.

Retail gasoline prices trend lower with lower oil prices, but refinery outages moderated decreases in 2023. In November, the average price of a gallon of regular gasoline in the U.S. was down 11.6 percent year-to-date compared to the same period in 2022, and remained well below the peak in June 2022. In 2023, gasoline prices have fallen by a smaller percentage than oil prices due to summer and fall refinery outages. By year end, prices are expected to average \$3.55 for the year. In 2024, the Energy Information Administration anticipates higher crude oil prices will contribute to a higher price of gasoline, but will be offset somewhat by smaller wholesale margins. The average price is expected rise just 1.7 percent to \$3.61, an upward revision from the last forecast. Retail regular gasoline prices have averaged about 2 percent higher in Colorado than the U.S. in 2023 due in part to outages at the Suncor Refinery in the first half of the year. Historically, prices in Colorado have been lower than the nation, on average.

## **Personal Income**

Personal income growth has remained steady, continuing to grow at a healthy pace in both Colorado and the nation. 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 household contributions to income tax revenue, and foreshadows consumer spending and contributions to sales tax receipts.

## **Agriculture**

The outlook for the U.S. agricultural economy generally remains positive, with persistent headwinds dampening farm income in 2023 following multiple years of strong growth. Higher interest costs and falling commodity prices have contributed to softening farm finances, but impacts are tempered for producers more dependent on cattle production. Measures of financial stress have worsened in the Federal Reserve's Tenth District, which includes Colorado, but balance sheets and farm loan performance continue to be bolstered by multiple years of strong incomes.

Agricultural prices remain elevated, but continue falling. A nationwide index of agricultural prices declined by 5.0 percent in the second quarter of 2023, but remains well above recent historical averages. Price declines in major commodities,



*Irrigating crops.*

including broilers, corn and soybeans, more than offset price increases in cattle and hogs in the third quarter. A rebound in Colorado crop production last year placed downward pressure on corn and wheat prices, while declining beef cow herds continue to push cattle prices up. Nationwide, farmgate prices for cattle and wholesale beef were up 29.0 percent and 27.0 percent, respectively, in October 2023 compared to a year prior.

Farm income declined in 2023, with thinner profit margins for major commodities. After multiple years of strong growth, U.S. farm income moderated in 2023, as commodity prices softened and production costs remained elevated. While strong cattle prices boosted margins for many ranches and feedlots, crop producers face weakening profit opportunities. Farm loan repayment rates declined in the Tenth District in the third quarter, as interest rates on agricultural loans reached a 15-year high. Softening farm finances along with weather volatility remain key risks for producers, but several years of strong farm finances continue to support credit conditions and agricultural real estate values in the region. Food price inflation continues to exceed historical average rates. Food price inflation continues to ease, down to 3.3 percent in October 2023 compared to 9.9 percent in 2022, but remains above the 20-year historical average of 2.8 percent. Prices for eggs, fresh vegetables, fish and seafood, and dairy products were lower in October 2023 compared with the year prior. Beef and veal prices have risen each month in 2023, and were 8.9 percent higher in October 2023 than a year ago. While egg prices are 22 percent below their October 2022 level, highly pathogenic avian influenza (HPAI) was again detected in commercial egg layers in November 2023 for the first time since December 2022, raising concerns for renewed egg price inflation due to the outbreak. Overall food price inflation is expected to average 5.8 percent in 2023, with food-at-home prices increasing 5.2 percent and food-away-from-home prices increasing 7.1 percent. Food price inflation is expected to decelerate but not decline in 2024, falling to a near-historical average rate of 2.9 percent.

For the first time since 2019, Colorado was drought free in July 2023 according to the U.S. Drought Monitor. The Drought Severity and Coverage Index has increased since July, as some areas of drought have returned (Figure 49). As of mid-November, 48.0 percent of land in Colorado was not experiencing any drought or abnormally dry conditions. Drought has worsened in the southwest mountain and San Luis Valley regions, while abnormally dry areas have returned to the eastern plains. The area of moderate to exceptional drought has expanded from 15.0 percent in mid-August to 27.0 percent in mid-November, but conditions remain improved compared to recent years.

## 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 \$681 million. Construction is expected to be completed in 2025.

### 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.



*Construction on the Chimney Hollow Reservoir made great strides in 2023.*



*Work on the Colorado River Connectivity Channel progressed throughout 2023.*

### 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 expected to cost 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, grant funding 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 southern 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 \$681 million. Those costs include \$43 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 future construction costs relating to the Colorado River Connectivity Channel, which is in the design phase, and an outstanding noncurrent 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 twelve 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. 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. 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.



*Grouting on the east abutment at Chimney Hollow Reservoir took place on 45-degree angles.*

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 funded over the next three years.

### **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 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, 2022. 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, 2023, 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, 2022. 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 [northernwater.org](http://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:

Kristyn Persichitte-Unrein, CGFM  
*Financial Services Department Manager*

Kathy Jo Price, CPP  
*Accounting Supervisor*

Jim Nicholson, CPA  
*Senior Accountant*

Bernice Rupp  
*Payroll Administrator*

Myles Baker, MBA/MS  
*Senior Financial Analyst*

Shawn Cyr  
*Senior Financial Analyst*

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 Subdistrict boundaries are appointed to four-year terms by district court judges. Three Board seats are up for appointment every year. When directors' terms expire, they continue to serve until the judge reappoints or replaces them. The Subdistrict Board officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.



**Dennis Yanchunas**  
President  
Boulder County  
Aug. 20, 2010 – Sept. 28, 2024  
✿ ◆



**Bill Emslie**  
Vice President  
Finance and Benefits Committee Chair  
Larimer County  
Sept. 28, 2005 – Sept. 28, 2025  
✿ ◆ ✓



**Mike Applegate**  
Larimer County  
Sept. 28, 1991 – Sept. 28, 2023  
✿ ◆ ✓



**Dale Trowbridge**  
Audit Committee Chair  
Weld County  
Aug. 15, 2014 – Sept. 28, 2023  
✿ ◆ ✓



**Jennifer Gimbel**  
Larimer County  
July 15, 2019 – Sept. 28, 2024  
✿ ✓



**Sue Ellen Harrison**  
Legal and Legislative Committee Chair  
Boulder County  
Sept. 28, 2009 – Sept. 28, 2026  
✓



**Don Magnuson**  
Weld County  
Sept. 28, 2004 - Sept. 28, 2024  
✓



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



**Rob McClary**  
Sedgwick County  
Sept. 28, 2011 – Sept. 28, 2023  
✿ ◆ ✓



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



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



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



**Dick Wolfe**  
Broomfield County  
April 7, 2022 – Sept. 28, 2025  
✿ ◆ ✓

### 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.  
The Secretary and Treasurer are the same for the Municipal Subdistrict.

### Committees:

Audit ✿  
Finance and Benefits ◆  
Legal and Legislative ✓

## BOARD COMMITTEES



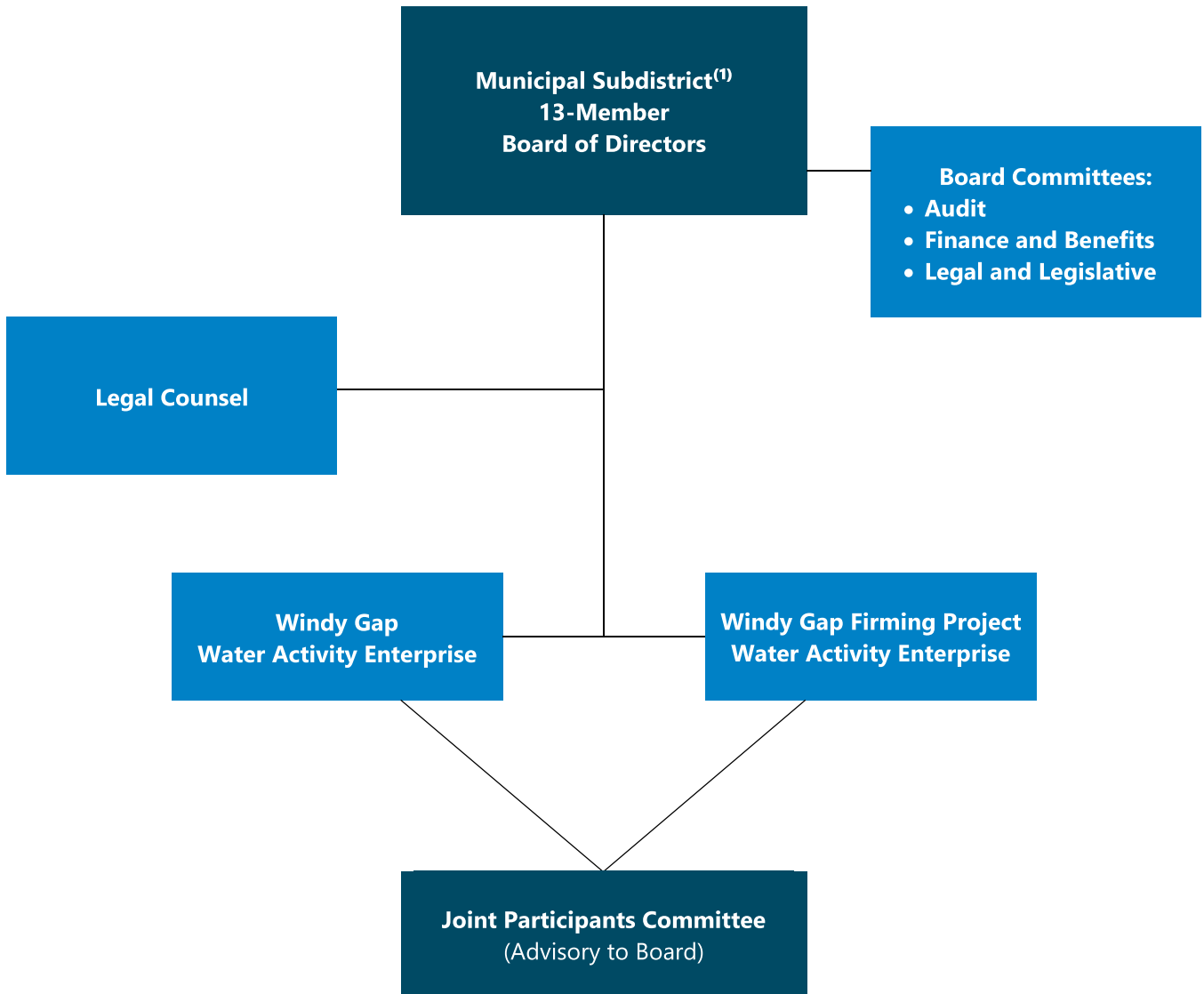
The Subdistrict has three standing committees tasked with the detailed study of specialized topics: the Audit Committee, the Finance and Benefits Committee, and the Legal and Legislative Committee. The chair of each committee reports on the committee's activities and, depending on the subject matter, may present committee recommendations for Board action to the Board of Directors. The committees are duplicative between the Subdistrict and Northern Water.

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 Subdistrict.

The Finance and Benefits Committee meets on a regular basis with the Subdistrict financial advisors to review financial and investment 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 the Subdistrict 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.

**CERTIFICATE OF ACHIEVEMENT**



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, 2022

*Christopher P. Morill*

Executive Director/CEO



## FINANCIAL SECTION

The financial section includes the Auditor’s Report, Management’s Discussion and Analysis, Basic Financial Statements and Supplementary Information.

## INDEPENDENT AUDITORS' 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, 2023 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, 2023 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, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Subdistrict's basic financial statements. The other supplementary information, as identified in the table of contents, 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 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, 2023 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 other 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.

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, 2022 (not presented herein) and have issued our report thereon dated June 19, 2023, which contained unmodified opinions on the respective financial statements of each major fund. The summarized comparative other supplementary information for the year ended September 30, 2022 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 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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 other 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, 2022.

**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 April 2, 2024 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.



April 2, 2024



## **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, 2023.

## 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, 2023. 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		
	2023	2022	Change
<b>Assets</b>			
Cash, cash equivalents and investments, unrestricted	\$ 49,361	\$ 31,410	\$ 17,951
Cash equivalents and investments, restricted	283,049	390,493	(107,444)
Capital assets, net of accumulated depreciation	408,901	241,170	167,731
Other assets	10,126	6,505	3,621
Assets	<u>751,437</u>	<u>669,578</u>	<u>81,859</u>
<b>Liabilities</b>			
Current liabilities	181,959	258,610	(76,651)
Debt obligations and other noncurrent liability	267,270	225,160	42,110
Liabilities	<u>449,229</u>	<u>483,770</u>	<u>(34,541)</u>
<b>Net Position</b>			
Net investment in capital assets	256,830	150,827	106,003
Restricted net position			
Capital projects	12,556	3,986	8,570
Debt service	13,983	13,686	297
Unrestricted net position	18,839	17,309	1,530
Net position	<u>\$ 302,208</u>	<u>\$ 185,808</u>	<u>\$ 116,400</u>

<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		
	2023	2022	Change
<b>Operating revenues</b>			
Assessments	\$ 5,567	\$ 6,339	\$ (772)
Operating revenues	5,567	6,339	(772)
<b>Operating expenses</b>	(7,144)	(8,797)	1,653
Operating loss	(1,577)	(2,458)	881
<b>Nonoperating revenues (expenses)</b>			
Bond issuance expenses	-	(4)	4
Earnings on investments	15,127	(11,732)	26,859
Interest expense, net of premium amortization	(5,017)	(4,983)	(34)
Other	340	2,821	(2,481)
Nonoperating revenues (expenses)	10,450	(13,898)	24,348
Loss before contributions	8,873	(16,356)	25,229
<b>Capital contributions</b>			
Capital grants	12,674	5,406	7,268
Other capital contributions	94,853	69,276	25,577
Changes in net position	116,400	58,326	58,074
Net position, beginning of year	185,808	109,112	76,696
Net position, end of year	\$ 302,208	\$ 167,438	\$ 134,770

On a stand-alone basis, Windy Gap had net position of \$49.6 million at September 30, 2023, which consisted of its investment in capital assets of \$30.7 million and unrestricted net position. See the Statement of Net Position. This net position was consistent with the \$37.2 million in 2022.

Net position for WGFP of \$252.6 million at September 30, 2023, primarily reflected its investment in the capital project, net of related debt of \$226.1 million. See the Statement of Net Position. The net position increase was due to additional capital investment of \$95.2 million over 2022.

The Chimney Hollow Reservoir Project was funded and construction began in August 2021. Funding consisted of upfront participant contributions and proceeds from the Series 2021 Bonds. Due to this activity, there were significant changes in fund balances. Participant contributions increased restricted cash and investments, unearned revenue and capital contributions. The bond offering increased restricted cash and investments, debt obligations, interest expense and bond issuance expenses.

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

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

(condensed)

September 30,

	\$000s		
	2023	2022	Change
<b>Capital assets, net of depreciation</b>			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	4,400	6,491	(2,091)
Construction in progress	401,984	232,162	169,822
Capital assets, net of depreciation	<u>\$ 408,901</u>	<u>\$ 241,170</u>	<u>\$ 167,731</u>

	\$000s		
	2023	2022	Change
<b>Windy Gap</b>			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	4,400	6,491	(2,091)
Construction in progress	23,810	10,904	12,906
Capital assets, net of depreciation	<u>\$ 30,727</u>	<u>\$ 19,912</u>	<u>\$ 10,815</u>
<b>Windy Gap Firming Project</b>			
Construction in progress	<u>\$ 378,174</u>	<u>\$ 221,258</u>	<u>\$ 156,916</u>

Overall capital assets for both Windy Gap and WGFP increased \$167.7 million from \$241.1 million in 2022 to \$408.9 million in 2023, 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 \$12.8 million, WGFP's Chimney Hollow Reservoir Project construction costs of \$156.9 million, and approximately \$2 million of accumulated depreciation. Approximately \$126,000 of the \$156.9 million current year costs consisted of mitigation and enhancement. 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)

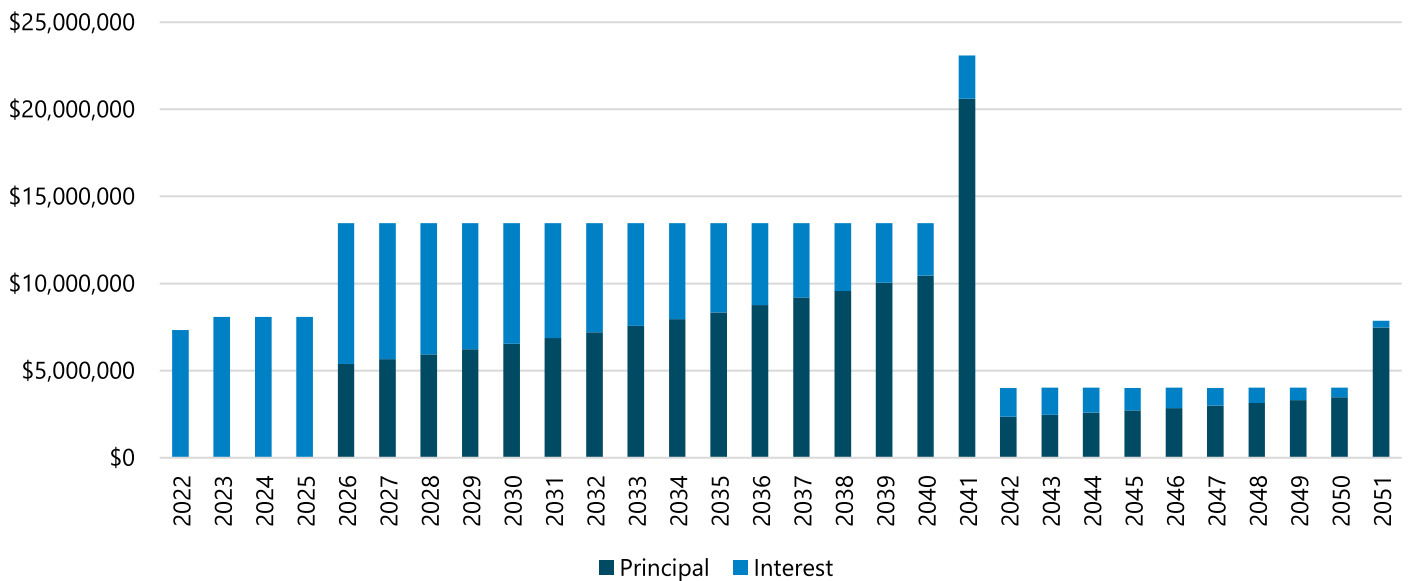
September 30,

	\$000s		
	2023	2022	Increase
<b>Debt obligations</b>			
Senior Revenue Bonds, Series 2021	\$ 212,102	\$ 215,160	\$ (3,058)
Other noncurrent liability	5,000	10,000	(5,000)
Debt obligations	<u>\$ 217,102</u>	<u>\$ 225,160</u>	<u>\$ (8,058)</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 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 with a subsequent \$5 million payment to occur as the Chimney Hollow Reservoir Project dam construction reaches a mid-point (occurred March 11, 2024) and a final \$5 million payment to occur upon completion of the project (estimated to occur in 2025). See additional information relating to long-term debt and the Windy Gap Firing Project Enterprise Fund at Notes 8.

### Senior Revenue Bonds, Series 2021

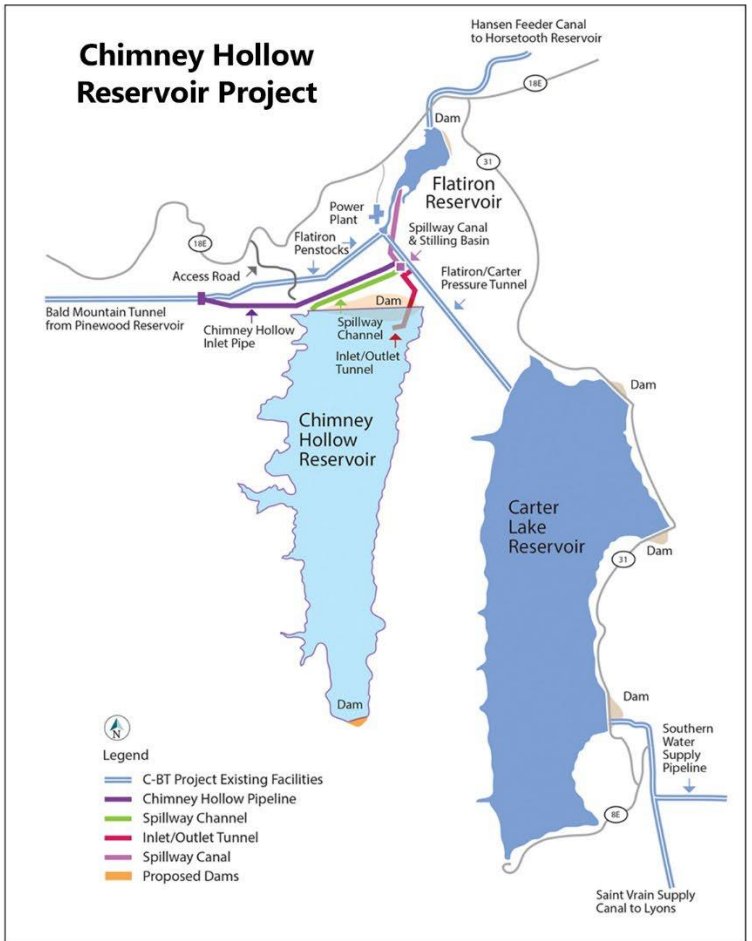
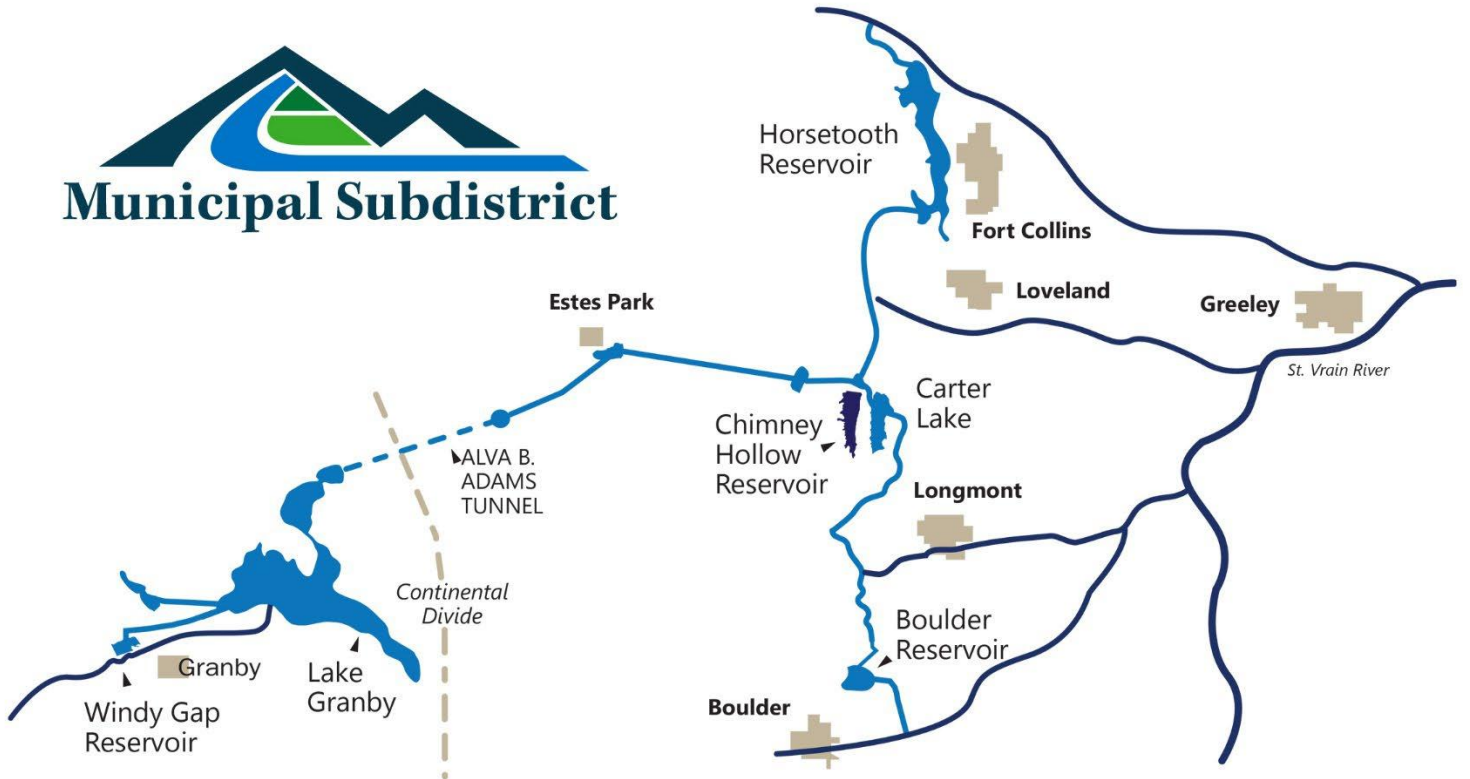


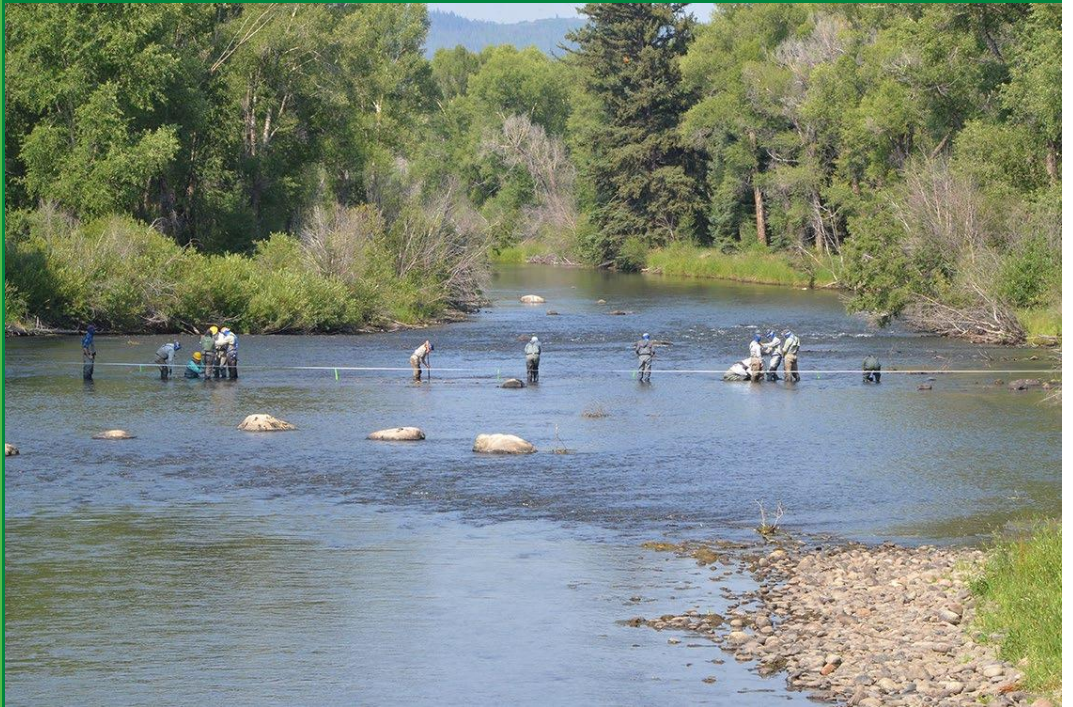
### Financial Contact

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**





## **BASIC FINANCIAL STATEMENTS**

## Statement of Net Position – Proprietary Funds

September 30, 2023

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash, unrestricted (Note 3)	\$ 13,507,227	\$ 27,727,132	\$ 41,234,359
Receivables	8,676,347	705	8,677,052
Unused capacity receivable	-	-	-
Prepaid carriage cost	396,402	-	396,402
Other prepaids	123,091	-	123,091
Interest receivable	33,097	723,727	756,824
Water inventory	172,669	-	172,669
Current assets	22,908,833	28,451,564	51,360,397
<b>Noncurrent assets</b>			
Cash equivalents, unrestricted (Note 3)	12,512	-	12,512
Cash equivalents, restricted (Notes 3 and 5)	-	126,260,260	126,260,260
Investments, unrestricted (Note 4)	8,113,709	-	8,113,709
Investments, restricted (Notes 4 and 6)	-	156,788,781	156,788,781
Cash and investments, noncurrent	8,126,221	283,049,041	291,175,262
Capital assets	109,049,905	378,173,500	487,223,405
Less accumulated depreciation	(78,322,884)	-	(78,322,884)
Capital assets, net of accumulated depreciation (Note 7)	30,727,021	378,173,500	408,900,521
Noncurrent assets	38,853,242	661,222,541	700,075,783
Assets	\$ 61,762,075	\$ 689,674,105	\$ 751,436,180
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 7,236,894	\$ 2,056,436	\$ 9,293,330
Related party payable (Note 14)	2,121,188	\$ 15,171,414	17,292,602
Other current liabilities	-	5,000,000	5,000,000
Carriage costs payable	788,647	-	788,647
Unused capacity payable	920,451	-	920,451
Unearned revenue	1,129,109	147,534,692	148,663,801
Current liabilities	12,196,289	169,762,542	181,958,831
<b>Noncurrent liabilities</b>			
Accounts payable from non-current restricted assets	\$ -	\$ 50,167,298	\$ 50,167,298
Senior Revenue Bonds, Series 2021 (Note 8)	-	212,102,399	212,102,399
Other noncurrent liability (Note 9)	-	5,000,000	5,000,000
Noncurrent liabilities	-	267,269,697	267,269,697
Liabilities	\$ 12,196,289	\$ 437,032,239	\$ 449,228,528
<b>NET POSITION</b>			
Net investment in capital assets	\$ 30,727,021	\$ 226,102,630	\$ 256,829,651
Restricted net position	-	-	-
Capital projects	-	12,556,022	12,556,022
Debt service	-	13,983,215	13,983,215
Unrestricted net position (deficit)	18,838,766	-	18,838,766
Net position	\$ 49,565,787	\$ 252,641,867	\$ 302,207,654

See accompanying Notes to Financial Statements.

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

Year ended September 30, 2023

	Business-type Activity Enterprise Funds		
	Windy Gap		Total
	Windy Gap	Firming Project	
<b>Operating revenues</b>			
Assessments	\$ 5,566,667	\$ -	\$ 5,566,667
<b>Operating expenses</b>			
Operations	246,392	-	246,392
Engineering	65,353	-	65,353
Environmental services	337,163	-	337,163
Administration	4,403,560	-	4,403,560
Depreciation	2,091,400	-	2,091,400
Operating expenses	7,143,868	-	7,143,868
Operating loss	(1,577,201)	-	(1,577,201)
<b>Nonoperating revenues and expenses</b>			
Bond issuance expenses	-	-	-
Investment earnings (losses)	906,802	14,220,482	15,127,284
Interest expense, net of bond premium amortization	-	(5,017,442)	(5,017,442)
Nonoperating expense other	-	(12,088)	(12,088)
Nonoperating revenue other	341,825	10,479	352,304
Nonoperating revenues and expenses, net	1,248,627	9,201,431	10,450,058
Income (loss) before contributions	(328,574)	9,201,431	8,872,857
<b>Capital contributions</b>			
Capital grants	12,673,557	-	12,673,557
Other capital contributions	-	94,853,408	94,853,408
Increase in net position	12,344,983	104,054,839	116,399,822
<b>Net position, beginning of year</b>	37,220,804	148,587,028	185,807,832
<b>Net position, end of year</b>	\$ 49,565,787	\$ 252,641,867	\$ 302,207,654

See accompanying Notes to Financial Statements.

## Statement of Cash Flows

Year ended September 30, 2023

### Business-type Activity Enterprise Funds

	Windy Gap		
	Windy Gap	Firming Project	Total
<b>Cash flows from operating activities</b>			
Receipts from participants	\$ 6,386,920	\$ -	\$ 6,386,920
Cash received on interfund, net	2,121,188	-	2,121,188
Payments to suppliers	(1,933,647)	-	(1,933,647)
Payments to employees	(375,350)	-	(375,350)
Net cash used by operating activities	6,199,111	-	6,199,111
<b>Cash flows from capital and related financing activities</b>			
Capital grants	8,639,430	-	8,639,430
Capital contributions	-	12,073,450	12,073,450
Interest payments on debt	-	(8,086,650)	(8,086,650)
Intergovernmental grant proceeds	-	802,687	802,687
Interfund payments made, net of receipts	-	11,965,032	11,965,032
Acquisition and construction of capital assets	(12,906,614)	(123,777,506)	(136,684,120)
Net cash provided by capital and related financing activities	(4,267,184)	(107,022,987)	(111,290,171)
<b>Cash flows from investing activities</b>			
Investment purchases	(7,764,593)	-	(7,764,593)
Investment sales and net proceeds	7,702,269	163,713,043	171,415,312
Investment earnings (losses)	906,802	1,940,443	2,847,245
Net cash provided (used) by investing activities	844,478	165,653,486	166,497,964
Net increase (decrease) in cash and cash equivalents	2,776,405	58,630,499	61,406,904
<b>Cash and cash equivalents, beginning of year</b>	10,743,334	95,356,893	106,100,227
<b>Cash and cash equivalents, end of year</b>	\$13,519,739	\$ 153,987,392	\$ 167,507,131
<b>Reconciliation of operating loss to net cash provided by operating activities</b>			
Operating loss	\$ (1,577,201)	\$ -	\$ (1,577,201)
Adjustments to reconcile operating income to net cash provided by operating activities			-
Depreciation	2,091,400	-	2,091,400
(Increase) decrease in current assets			
Receivables	-	-	-
Due from other funds	2,121,188	-	2,121,188
Prepaid carriage costs	(396,402)	-	(396,402)
Other prepaids	920,450	-	920,450
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities	2,826,007	-	2,826,007
Carriage costs payable	(483,493)	-	(483,493)
Unused capacity payable	(123,091)	-	(123,091)
Unearned revenue	820,253	-	820,253
Adjustments	7,776,312	-	7,776,312
Net cash used by operating activities	\$ 6,199,111	\$ -	\$ 6,199,111
<b>Non-cash activities</b>			
Capital contributions revenue	-	\$ 82,779,957	\$ 82,779,957
Capital additions included in payables	-	50,167,298	50,167,298
Bond premium amortization	-	3,057,442	3,057,442
Change in interest payable	-	11,766	11,766
Earnings (losses) on investments	-	12,280,039	12,280,039
Non-cash activities	\$ -	\$ 148,296,502	\$ 148,296,502

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, 2023.

#### 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. Certain cash 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. Cash equivalents 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, 2023, the weighted average maturity of the liquid portfolios was 42 days. The weighted average maturity of the 2022 and 2023 term portfolios was 92 days and 49 days, respectively. CSIP had a Standard and Poors rating of AAAM as of September 30, 2023.

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.

Note 1 continued

### **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.

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

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.

### **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,

*Note 1 continued*

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 3 to 5 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, 2023, 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 included 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.

**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.

Note 1 continued

### **Intergovernmental Grants**

Intergovernmental grants received by the Subdistrict primarily come from federal sources. 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 administrative 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 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. 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, general manager, 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, 2022, appointed Bradley Wind, Sander Blackburn, Gerald Gibbens, Kristyn Unrein and Myles Baker as budget officers and directed them to prepare and submit the requisite budgets of the Subdistrict for fiscal year 2023. 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 30, 2022.

Note 2 continued

**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, 2023, were as follows:

Fund/Deposit Type	Current		Noncurrent		Cash and Cash Equivalents
	Unrestricted	Restricted	Unrestricted	Restricted	
<b>Windy Gap</b>					
Deposits	\$ 6,280,495	\$ -	\$ -	\$ -	\$ 6,280,495
LGIP/Money Market Funds	7,226,732	-	12,512	-	7,239,244
Windy Gap	13,507,227	-	12,512	-	13,519,739
<b>Windy Gap Firming Project</b>					
Deposits	27,727,132	-	-	-	27,727,132
LGIP/Money Market Funds	-	-	-	126,260,260	126,260,260
Windy Gap Firming Project	27,727,132	-	-	126,260,260	153,987,392
Cash and cash equivalents	\$ 41,234,359	\$ -	\$ 12,512	\$ 126,260,260	\$ 167,507,131

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, 2023, were as follows:

Fund/Investment Type	Current		Noncurrent		Total Investments
	Unrestricted	Restricted	Unrestricted	Restricted	
<b>Windy Gap</b>					
U.S. Government Securities	\$ -	\$ -	\$ 2,922,978	\$ -	\$ 2,922,978
Federal Agency Securities	-	-	1,433,919	-	1,433,919
Federal Agency Collateralized Mortgage Obligations	-	-	1,012,328	-	1,012,328
Commercial Paper	-	-	287,127	-	287,127
Supranationals	-	-	876,802	-	876,802
Municipal Obligations	-	-	1,132,842	-	1,132,842
Corporate Notes	-	-	447,713	-	447,713
Windy Gap	-	-	8,113,709	-	8,113,709
<b>Windy Gap Firming Project</b>					
U.S. Government Securities	-	-	-	125,007,022	125,007,022
Federal Agency Securities	-	-	-	-	-
Federal Agency Collateralized Mortgage Obligations	-	-	-	-	-
Commercial Paper	-	-	-	-	-
Supranationals	-	-	-	31,781,759	31,781,759
Commercial Paper	-	-	-	-	-
Municipal Obligations	-	-	-	-	-
Corporate Notes	-	-	-	-	-
Windy Gap Firming Project Investments	-	-	-	156,788,781	156,788,781
	\$ -	\$ -	\$ 8,113,709	\$ 156,788,781	\$ 164,902,490

Investment balances by level hierarchy at September 30, 2023, were as follows:

	Level 1	Level 2	Fair Value
U.S. Government Securities	\$ 127,930,000	\$ -	\$ 127,930,000
Federal Agency Securities	-	1,433,919	1,433,919
Federal Agency Collateralized Mortgage Obligations	-	1,012,328	1,012,328
Supranationals	-	32,658,561	32,658,561
Municipal Obligations	-	1,132,842	1,132,842
Commercial Paper	-	287,127	287,127
Corporate Notes	-	447,713	447,713
Investments	\$ 127,930,000	\$ 36,972,490	\$ 164,902,490

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 or to the extent the Subdistrict's investment policy is more restrictive.

<sup>(1)</sup> Rating is 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 is required.

<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, 2023, the Subdistrict had investments with the following ratings:

Investment Type	Rating	Investments	Percentage
U.S. Government Securities	AA+	\$ 127,930,000	49.2%
Federal Agency Securities	AA+	1,433,919	0.3%
Federal Agency Collateralized Mortgage Obligations	AA+	1,012,328	0.1%
Supranationals	AAA	32,658,561	19.8%
Municipal Obligations	AA-	57,999	0.0%
Municipal Obligations	AA	504,020	0.3%
Municipal Obligations	AA+	112,337	0.1%
Municipal Obligations	AAA	309,639	0.2%
Municipal Obligations	Not rated	148,847	0.1%
Commercial Paper	AA-	287,127	0.2%
Corporate Notes	A+	85,444	0.1%
Corporate Notes	AA-	195,283	0.1%
Corporate Notes	AA	166,986	0.1%
Corporate Notes	AA+	-	0.0%
Investments		<u>\$ 164,902,490</u>	<u>70.4%</u>

Rating	Investments	Percentage
AAA	\$ 32,968,200	20.0%
AA+	130,488,584	79.2%
AA	671,006	0.4%
AA-	540,409	0.3%
A+	85,444	0.1%
A-1	-	0.0%
A-2	-	0.0%
Not rated	148,847	0.1%
Investments	<u>\$ 164,902,490</u>	<u>100.0%</u>

**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, 2023, there were no investments greater than 5 percent of the portfolio with any one issuer.

Note 4 continued

At September 30, 2023, the Subdistrict had investments with the following maturities:

Investment Type	Investment Maturities					Investments
	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	
U.S. Government Securities	\$ 86,142,834	\$ 33,073,758	\$ 901,686	\$ 1,202,100	\$ 6,609,622	\$ 127,930,000
Federal Agency Securities	33,719	372,565	227,006	273,817	526,812	1,433,919
Federal Agency Collateralized Mortgage Obligations	-	562,748	291,445	78,670	79,465	1,012,328
Supranationals	31,777,747	336,768	382,959	80,882	80,205	32,658,561
Commercial Paper	185,641	-	-	101,486	-	287,127
Municipal Obligations	327,826	606,857	139,025	24,699	34,435	1,132,842
Corporate Notes	-	191,915	255,798	-	-	447,713
Investments	<u>\$ 118,467,767</u>	<u>\$ 35,144,611</u>	<u>\$ 2,197,919</u>	<u>\$ 1,761,654</u>	<u>\$ 7,330,539</u>	<u>\$ 164,902,490</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, 2023. WGFP restricted balances were as follows:

	<u>2023</u>
<b>Noncurrent Cash Equivalents, Restricted</b>	
Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	\$ 63,055,428
Participant Capital Funds	63,198,035
Senior Revenue Bonds, Series 2021 Costs of Issuance Fund	-
Current cash equivalents, restricted	<u>\$ 126,253,463</u>
Senior Revenue Bonds, Series 2021 Debt Service Reserve	<u>\$ 6,797</u>
Noncurrent cash equivalents, restricted	<u>\$ 126,260,260</u>

Senior Revenue Bonds, Series 2021, Bond Proceeds Project Fund and Participant Capital Funds are restricted for payment of Chimney Hollow Reservoir Project construction costs.

- Senior Revenue Bonds, Series 2021, Costs of Issuance Fund is restricted for payment of bond issuance costs.
- 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.

## 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, 2023. WGFP restricted balances were as follows:

	<u>2023</u>
<b>Noncurrent Investments, Restricted</b>	
Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	\$ 26,798,235
Senior Revenue Bonds, Series 2021 Liquidity Fund	846,168
Participant Capital Funds	<u>129,144,377</u>
Noncurrent investments, restricted	<u>\$ 156,788,780</u>

See Note 5 Cash Equivalents, Restricted for description of the purpose of restricted funds.

## 7 CAPITAL ASSETS

Capital asset activity for the Subdistrict enterprise funds for the year ended September 30, 2023, was as follows:

	<u>2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>2023</u>
<b>Windy Gap</b>				
Capital assets				
Non-depreciable capital assets				
Construction in progress	\$ 10,903,678	\$ 12,906,614	-	\$ 23,810,292
Land	2,046,198	-	-	2,046,198
Water rights	470,921	-	-	470,921
Depreciable capital assets				
Buildings, equipment and improvements	403,197	-	-	403,197
Water diversion project	82,319,297	-	-	82,319,297
Capital assets	<u>96,143,291</u>	<u>12,906,614</u>	<u>-</u>	<u>109,049,905</u>
Accumulated depreciation				
Buildings, equipment and improvements	(352,352)	(8,608)	-	(360,960)
Water diversion project	(75,879,133)	(2,082,792)	-	(77,961,925)
Accumulated depreciation	<u>(76,231,485)</u>	<u>(2,091,400)</u>	<u>-</u>	<u>(78,322,885)</u>
Capital assets, net	19,911,806	10,815,214	-	30,727,020
<b>Windy Gap Firming Project</b>				
Construction in progress	221,258,528	156,914,972	-	378,173,500
Capital assets, net of accumulated depreciation	<u>\$ 241,170,334</u>	<u>\$ 167,730,186</u>	<u>\$ -</u>	<u>\$ 408,900,520</u>

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 twelve 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, 2023, 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.

	2022	Additions	Amortization	2023	Amounts Due Within One Year
Senior Revenue Bonds, Series 2021	\$ 169,705,000	\$ -	\$ -	\$ 169,705,000	\$ -
Unamortized premium	45,454,841	-	(3,057,442)	42,397,399	-
Long-term debt	\$ 215,159,841	\$ -	\$ (3,057,442)	\$ 212,102,399	\$ -

Annual debt service requirements to maturity are as follows:

Years ending September 30,	Principal	Interest	Annual Debt Service
2022	\$ -	\$ 7,322,911	\$ 7,322,911
2023	-	8,086,650	8,086,650
2024	-	8,086,650	8,086,650
2025	-	8,086,650	8,086,650
2026	5,380,000	8,086,650	13,466,650
2027 - 2031	31,225,000	36,117,750	67,342,750
2032 - 2036	39,845,000	27,492,000	67,337,000
2037 - 2041	59,885,000	17,085,700	76,970,700
2042 - 2046	12,970,000	7,109,000	20,079,000
2047 - 2051	20,400,000	3,525,250	23,925,250
Debt service	\$ 169,705,000	\$ 130,999,211	\$ 300,704,211

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 Northern Water 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.

WGFP has a \$90 million subordinated loan from the CWCB, 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 percent origination fee included in the \$90 million total. No draws on the loan had been made as of September 30, 2023.

## 9 OTHER NONCURRENT 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. A subsequent \$5 million payment will be paid when the Chimney Hollow Reservoir Project dam construction reaches a midpoint, expected to occur in March 2024, and a final \$5 million payment to occur upon completion of the project, expected to be in 2025. Five million was classified as short term on September 30, 2023.

## 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, 2023.

## 11 WINDY GAP PRINCIPAL PARTICIPANTS BASED ON ASSESSMENTS

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

<b>Participant</b>	<b>2023</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%

Amounts above do not reflect the adjustment for unearned revenue.

## 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 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.

## 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 2023, \$12.4 million in eligible costs had been incurred and recognized as intergovernmental or federal grant revenue. These grants will be renewed and utilized throughout the construction period.

## 14 INTERGOVERNMENTAL TRANSACTIONS

At September 30, 2023, total charges to the Subdistrict from Northern Water totaled \$2,954,644. Of this amount, \$2,636,262 related to the Subdistrict's use of conveyance and storage of the C-BT Project, administration, operation, maintenance and replacement costs (\$1,825,562 for charges for services and \$810,700 for indirect costs), \$5,500 related to the Adams Tunnel conveyance charge and \$312,882 related to carriage costs (\$511,083 payable, net with \$198,201 receivable, further described below). 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 \$17,292,602 reported as related party payable as of September 30, 2023, \$2,121,188 relates to the charges described above, and \$15,171,414 relates to centralized cash activity in which Northern Water incurred capital construction expenses on behalf of Windy Gap Firing Project due to be reimbursed as of September 30, 2023 (of which \$2,266,650 relates to the Middle Park mitigation described below).

The Windy Gap Firing Project Water Activity Enterprise has a \$2,266,650 payable obligation to Northern Water for 850 acre feet of Red Top Valley Ditch water dedicated for Middle Park mitigation per paragraph III.E.(3) of the 2012 Windy Gap Firing Project Intergovernmental Agreement (2012 WGFP IGA).

## 15 COMMITMENTS AND CONTINGENCIES

At September 30, 2023, 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 \$1.17 billion; \$265 million remained outstanding at September 30, 2023.

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 \$30.2 million; \$4.3 million remained outstanding at September 30, 2023.

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 \$40.0 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.



**SUPPLEMENTARY INFORMATION**

## Schedule of Revenues and Expenses, Budget to Actual

### Windy Gap

Non-GAAP Budgetary Basis

	Year ended September 30, 2023			Year ended September 30, 2022 Actual
	Budget (unaudited)	Actual	Variance	
<b>Operating revenue sources</b>				
Water assessments	\$ 6,233,000	\$ 5,566,667	\$ (666,333)	\$ 6,339,569
Other Operating Revenue	-	338,000	\$ 338,000	
Operating revenue sources	6,233,000	5,904,667	(328,333)	6,339,569
<b>Operating expense uses</b>	(6,483,649)	(5,052,468)	1,431,181	(6,708,174)
Operating revenue sources over (under) expense uses	(250,649)	852,199	1,102,848	(368,605)
<b>Nonoperating revenue sources</b>				
Capital contributions			-	1,000,000
Intergovernmental grants	14,820,000	12,673,557	(2,146,443)	4,606,393
Earnings on investments and change in value	328,300	906,802	578,502	(447,885)
Other nonoperating revenues	23,125	3,825	(19,300)	24,725
Nonoperating revenue sources	15,171,425	13,584,184	(1,587,241)	5,183,233
<b>Nonoperating expense uses</b>				
Capital purchases and project expenditures	(15,769,794)	(12,768,425)	3,001,369	(6,102,200)
Other nonoperating expenses	(184,561)		184,561	-
Contingency appropriation	(250,000)		250,000	-
Nonoperating expense uses	(16,204,355)	(12,768,425)	3,435,930	(6,102,200)
Nonoperating revenue sources over (under) expense uses	(1,032,930)	815,759	1,848,689	(918,967)
Revenue sources over (under) expenses uses	<u>\$ (1,283,579)</u>	<u>1,667,958</u>	<u>\$ 2,951,537</u>	<u>(1,287,572)</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis</b>				
Capital purchases and project costs under GAAP		12,768,425		6,101,720
Depreciation		(2,091,400)		(2,088,475)
Changes in net position		<u>\$ 12,344,983</u>		<u>\$ 2,725,673</u>

## Schedule of Revenues and Expenses, Budget to Actual

### Windy Gap Firing Project

Non-GAAP Budgetary Basis

	Year ended September 30, 2023			Year ended September 30, 2022 Actual
	Budget (unaudited)	Actual	Variance	
<b>Nonoperating revenue sources</b>				
Participant contributions and bond proceeds	\$ 11,566,687	\$ 12,039,386	\$ 472,699	\$ 13,123,778
Earnings on investments and rental income	60,000	30,000	(30,000)	39,834
Contribution from the District (Outlet Works)	-	-	-	2,000,000
Intergovernmental Grants	-	-	-	800,000
Capital contribution - Other	-	14,544	14,544	(96,876)
Other nonoperating revenues	-	14,220,482	14,220,482	(11,284,456)
Nonoperating revenue sources	<u>11,626,687</u>	<u>26,304,412</u>	<u>14,677,725</u>	<u>4,582,280</u>
<b>Nonoperating expense uses</b>				
Capital project expenditures	(221,876,798)	(156,876,475)	65,000,323	(105,132,442)
Bond issuance costs	-	-	-	(3,485)
Bond expenses	-	3,057,442	3,057,442	3,326,828
Debt Service	(8,086,650)	-	8,086,650	-
Contingency appropriation	-	-	-	-
Nonoperating expense uses	<u>(229,963,448)</u>	<u>(153,819,033)</u>	<u>76,144,415</u>	<u>(101,809,099)</u>
Nonoperating revenue sources over expense uses	<u><u>\$(218,336,761)</u></u>	<u><u>(127,514,621)</u></u>	<u><u>\$ 90,822,140</u></u>	<u><u>(97,226,819)</u></u>
<b>Adjustments to reconcile budgetary basis to GAAP basis</b>				
Unearned revenue		82,779,957		56,164,010
Bond proceeds		-		-
Accrued interest expense		(8,074,884)		(8,310,210)
Capital project expenditures under GAAP		<u>156,864,384</u>		<u>104,973,835</u>
Changes in net position		<u><u>\$ 104,054,836</u></u>		<u><u>\$ 55,600,816</u></u>

## Schedule of Changes in Restricted Assets

### Windy Gap Firming Project

Year ended September 30, 2023

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	\$ 144,839,023	\$ -	\$ 27,204
Senior Revenue Bonds, Series 2021, bond proceeds	-	-	-	-
Transfer	-	-	(60,252)	-
Use of funds for construction project	(60,271,714)	-	-	-
Use of funds for costs of bond issuance	-	-	-	-
Unrealized gains (losses) and interest income <sup>(2)</sup>	5,286,354	-	39,845	39,065
Cash and investment balances, end of year	<u>\$ 89,853,663</u>	<u>\$ -</u>	<u>\$ 6,797</u>	<u>\$ 846,168</u>

Activity	Participant Capital Funds	Revenue Account	Debt Service Fund	Operations and Maintenance Reserve <sup>(1)</sup>
	Cash and investment balances, beginning of year	\$ 244,820,036	\$ -	\$ -
Participant cash funding	-	-	-	-
Transfer	-	-	-	-
Use of funds for construction project	(72,310,950)	-	-	-
Unrealized gains (losses) and interest income <sup>(2)</sup>	19,833,327	-	-	-
Cash and investment balances, end of year	<u>\$ 192,342,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>(1)</sup> No activity during the year ended September 30, 2022.

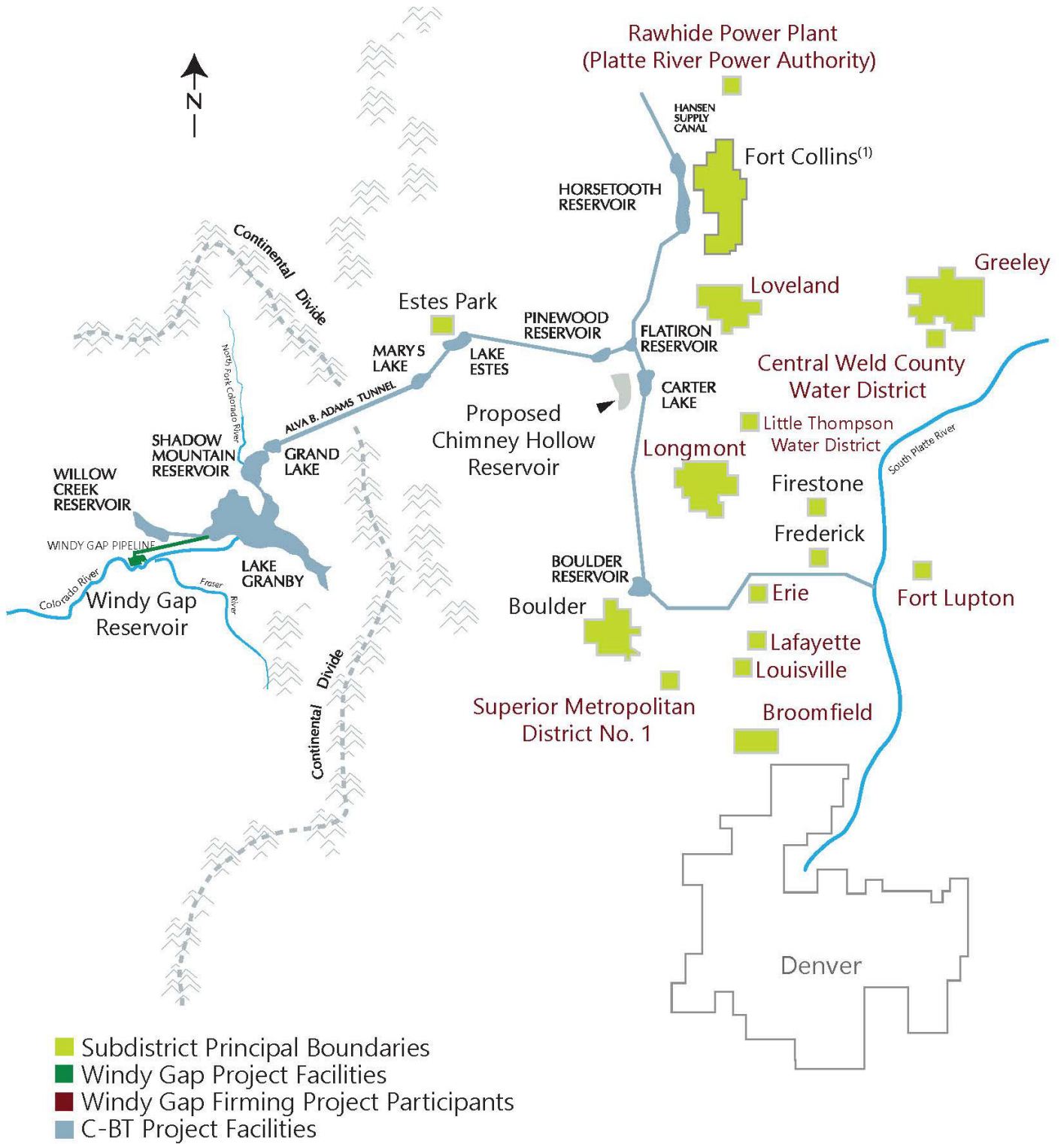
<sup>(2)</sup> It is anticipated that investments will be held until maturity and market value gains (losses) will not be realized.



## STATISTICS

The Subdistrict's Annual Comprehensive Financial Report (ACFR) presents statistical information as a context for understanding information in the financial statements, note disclosures and supplementary information. Unless otherwise noted, the information is derived from the ACFRs and underlying accounting, allotment and operating information of the Subdistrict.

# MAP OF SUBDISTRICT PARTICIPANTS



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



## **FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the Subdistrict's financial performance has changed over time.

**Statement of Revenues, Expenses and Changes in Net Position and  
Net Position by Component (2014 - 2023)<sup>(1)</sup>**

Years ended September 30,

Unaudited

	2023	2022	2021	2020	2019
<b>Operating revenues</b>					
Assessments	\$5,566,667	\$6,338,867	\$5,101,176	\$3,687,686	\$3,407,426
Other operating income	-	-	-	-	6,286
Operating revenue	5,566,667	6,338,867	5,101,176	3,687,686	3,413,712
<b>Operating expenses</b>					
Operations	246,392	5,582,391	3,919,301	2,383,187	2,562,743
Administration	4,403,560	776,824	672,661	555,824	640,374
Environmental Services <sup>(3)</sup>	337,163	269,406	371,940	322,443	295,559
Engineering	65,353	79,554	467,422	34,740	47,585
Depreciation	2,091,400	2,088,475	2,088,395	2,082,887	2,081,291
Operating expenses	7,143,868	8,796,650	7,519,719	5,379,081	5,627,552
Operating loss	(1,577,201)	(2,457,783)	(2,418,543)	(1,691,395)	(2,213,840)
<b>Nonoperating revenues (expenses)</b>					
Earnings (loss) on investments	15,127,284	(8,684,958)	(375,232)	634,152	672,708
Bond issuance expenses	-	(3,485)	(1,602,260)	-	-
Interest expense	(5,017,442)	(4,983,380)	(476,693)	-	-
Other nonoperating revenues, net	340,216	(226,408)	6,227	-	20,097
Nonoperating revenues, net	10,450,058	(13,898,231)	(2,447,958)	634,152	692,805
Loss before contributions	8,872,857	(16,356,014)	(4,866,501)	(1,057,243)	(1,521,035)
<b>Capital contributions</b>					
Capital grants	12,673,557	5,309,517	2,822,153	141,863	-
Other capital contributions	94,853,408	69,372,986	20,413,724	12,315,993	10,386,309
Changes in net position	\$116,399,822	\$58,326,489	\$18,369,376	\$11,400,613	\$8,865,274
<b>Net position</b>					
Investment in capital assets, net of related debt	\$256,829,651	\$168,263,443	\$92,844,039	\$80,935,339	\$73,556,919
Restricted net position					
Debt service	13,983,215	13,685,851	13,472,650	-	-
Capital project	12,556,022	-	2,404,928	9,386,216	4,998,664
Unrestricted net position	18,838,766	3,858,538	18,759,728	18,790,414	19,155,773
Net position	\$302,207,654	\$185,807,832	\$127,481,345	\$109,111,969	\$97,711,356

<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.

**Statement of Revenues, Expenses and Changes in Net Position  
and Net Position by Component (2014 - 2023)<sup>(1)</sup> (continued)**

Years ended September 30,

Unaudited

	2018	2017 <sup>(2)</sup>	2016	2015	2014
<b>Operating revenues</b>					
Assessments	\$3,615,652	\$2,959,905	\$12,873,962	\$13,959,770	\$13,524,172
Other operating income	29,785				
Operating revenue	3,645,437	2,959,905	12,873,962	13,959,770	13,524,172
<b>Operating expenses</b>					
Operations	2,456,538	1,813,030	1,514,945	2,878,863	2,788,801
Administration	856,587	894,621	604,070	539,622	479,124
Environmental Services <sup>(3)</sup>	-	-	-	-	-
Engineering	224,081	266,694	175,590	117,402	160,445
Depreciation	2,081,291	2,079,764	2,078,999	2,078,999	2,078,999
Operating expenses	5,618,497	5,054,109	4,373,604	5,614,886	5,507,369
Operating income/(loss)	(1,973,060)	(2,094,204)	8,500,358	8,344,884	8,016,803
<b>Nonoperating revenues (expenses)</b>					
Earnings on investments	120,867	129,556	166,206	180,024	124,093
Intergovernmental grants	-	-	-	-	-
Bond issuance expenses	-	-	-	-	-
Interest expense	-	-	(638,455)	(1,325,146)	(1,784,178)
Loss on defeasance of water revenue bonds	-	-	(864,629)	-	-
Other nonoperating revenues, net	44,957	73,820	342,442	55,695	44,107
Nonoperating revenues, net	165,824	203,376	(994,436)	(1,089,427)	(1,615,978)
Income before contributions	(1,807,236)	(1,890,828)	7,505,922	7,255,457	6,400,825
<b>Capital contributions</b>	9,181,914	10,534,897	14,103,950	1,469,333	2,336,001
Changes in net position	\$7,374,678	\$8,644,069	\$21,609,872	\$8,724,790	\$8,736,826
<b>Net position</b>					
Investment in capital assets	\$64,860,852	\$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	5,216,736	9,154,797	12,555,702	222,835	756,453
Unrestricted net position	18,768,494	18,544,751	18,378,730	8,812,008	7,706,008
<b>Net position</b>	<b>\$88,846,082</b>	<b>\$81,471,404</b>	<b>\$72,827,335</b>	<b>\$51,217,463</b>	<b>\$42,492,673</b>

<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.



## **REVENUE CAPACITY**

These schedules contain information to help the reader assess the Subdistrict's primary revenue sources.

### Windy Gap Assessments by Participant (2014 - 2023)

Years ended September 30,  
Unaudited

Participant	2023	2022	2021	2020	2019
Platte River Power Authority	\$ 1,180,922	\$ 977,263	\$ 900,434	\$ 1,037,240	\$ 770,578
City and County of Broomfield	1,291,236	1,232,209	894,274	847,981	611,804
City of Greeley	569,938	1,056,619	608,589	667,594	544,381
City of Longmont <sup>(2)</sup>	731,679	933,657	450,276	544,897	763,127
City of Loveland	253,063	166,334	193,408	353,209	159,181
Town of Erie	460,278	441,474	138,289	288,356	153,531
Superior Metropolitan District No. 1	268,012	248,234	281,168	230,679	174,855
City of Fort Lupton	272,251	278,662	266,446	227,138	211,485
City of Boulder	196,124	190,720	167,813	167,153	189,345
Little Thompson Water District	82,379	188,462	105,667	107,928	87,679
City of Louisville	100,424	37,381	43,950	91,619	64,969
Town of Frederick	44,714	158,786	34,184	61,831	95,869
Central Weld County Water District	11,569	22,683	4,883	44,763	10,887
Town of Firestone	115,732	113,421	24,416	44,163	68,478
City of Dacono	61,594	113,865	97,900	-	-
Town of Berthoud	157,816	125,623	116,921	37,705	41,087
Town of Estes Park	33,231	31,899	31,523	36,961	24,920
City of Lafayette	34,538	68,061	14,650	28,411	14,532
Unearned revenue adjustment	(298,833)	(46,487)	726,386	(1,129,942)	(579,282)
Assessments	\$ 5,566,667	\$ 6,338,866	\$ 5,101,177	\$ 3,687,686	\$ 3,407,426

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

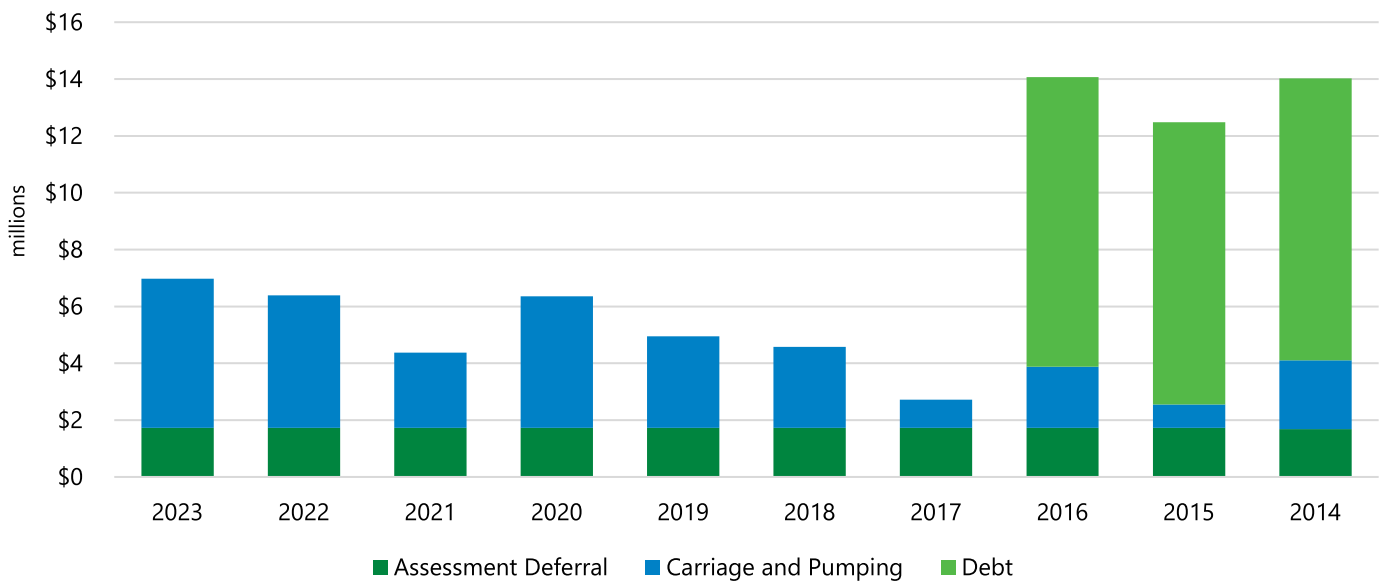
<sup>(2)</sup> Negative assessment in 2018 reflects current year assessment less than prior year estimate to actual adjustment.

**Windy Gap Assessments by Participants (2014 - 2023) (continued)**

Years ended September 30,  
Unaudited

Participant	2018	2017 <sup>(1)</sup>	2016	2015	2014
Platte River Power Authority	\$ 764,404	\$ 850,402	\$ 4,918,223	\$ 4,604,577	\$ 4,575,200
City and County of Broomfield	588,366	481,468	1,993,171	1,645,257	823,939
City of Greeley	489,463	302,637	1,628,167	1,360,400	2,083,128
City of Longmont <sup>(2)</sup>	(3,661)	389,629	1,853,861	1,736,904	2,509,157
City of Loveland	184,120	153,881	953,243	931,557	1,018,408
Town of Erie	271,237	108,344	560,716	389,141	474,128
Superior Metropolitan District No. 1	164,589	142,135	542,502	501,778	480,735
City of Fort Lupton	147,221	35,136	120,724	121,213	85,046
City of Boulder	163,058	148,469	910,645	956,179	1,693,008
Little Thompson Water District	72,176	51,954	302,120	-	-
City of Louisville	27,668	22,732	143,911	103,659	146,270
Town of Frederick	-	-	-	-	-
Central Weld County Water District	9,039	12,130	39,239	30,276	28,548
Town of Firestone	-	-	-	-	-
City of Dacono	-	-	-	-	-
Town of Berthoud	-	-	-	-	-
Town of Estes Park	27,681	20,440	79,046	77,521	82,728
City of Lafayette	31,682	3,701	23,897	23,285	24,307
Unearned revenue adjustment	678,609	236,847	(1,195,503)	1,478,023	(500,430)
Assessments	\$ 3,615,652	\$ 2,959,905	\$ 12,873,962	\$ 13,959,770	\$ 13,524,172

**Annual Assessments<sup>(1)</sup>**



<sup>(1)</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

	2023		
	Units	Acre-Feet	Percentage
<b>Windy Gap</b>			
Platte River Power Authority	110	11,000	22.9%
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	19	1,900	4.0%
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	8	800	1.7%
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>

	2023		
	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 (2014 - 2023)

Years ended September 30

Unaudited

(Cost per acre-foot)

Carriage charges <sup>(1)</sup>	2023	2022	2021	2020 <sup>(2)</sup>	2019
Reclamation <sup>(4)</sup>					
6(b) Charge for in-lieu water <sup>(1)</sup>	\$ 36.50	\$ 35.86	\$ 35.23	\$ 34.00	\$ -
6(c) ii Farr Pump Plant	2.45	2.45	2.42	2.42	2.51
6(c) iii Flatiron Pump Plant	5.30	5.22	5.22	5.45	5.25
6(e) Operations and maintenance	11.04	11.00	11.00	10.16	9.17
7(e) Service charge <sup>(1)</sup>	-	-	-	-	2.85
Reclamation carriage charges	55.29	54.53	53.87	52.03	19.78
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	106.81	105.00	81.10	104.62	75.83
8(e) Service charge <sup>(1)</sup>	-	-	-	-	2.85
Northern Water carriage charges	107.06	105.25	81.35	104.87	78.93
Carriage charges	162.35	159.78	135.22	156.90	98.71
<b>Energy and wheeling charges</b>					22.06
Carriage, energy and wheeling charges	\$ 162.35	\$ 159.78	\$ 135.22	\$ 156.90	\$ 120.77
Water pumped (acre-feet) <sup>(5)</sup>	-	40,172	15,435	-	12,538
Water delivered to participants (acre feet)	21,116	25,459	19,463	12,739	13,842
Adams Tunnel total conveyance (acre feet) <sup>(6)</sup>	192,671	212,251	248,644	211,451	289,294

<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> 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>(4)</sup> Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).

<sup>(5)</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>(6)</sup> Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

## Windy Gap Carriage, Energy and Wheeling Charges (2014 - 2023) (continued)

Years ended September 30

Unaudited

(Cost per acre-foot)

Carriage charges <sup>(1)</sup>	2018	2017	2016 <sup>(3)</sup>	2015 <sup>(3)</sup>	2014
Reclamation <sup>(2)</sup>					
6(b) Charge for in-lieu water	\$ -	\$ -	\$ -	\$ -	\$ -
6(c) ii Farr Pump Plant	2.42	2.88	3.22	3.07	3.53
6(c) iii Flatiron Pump Plant	5.22	6.10	6.89	7.25	6.60
6(e) Operations and maintenance	11.00	9.18	7.12	16.05	9.34
7(e) Service charge <sup>(1)</sup>	2.85	2.85	2.85	2.85	2.85
Reclamation carriage charges	21.49	21.01	20.08	29.22	22.32
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	81.22	70.32	63.22	134.89	76.62
8(e) Service charge <sup>(1)</sup>	2.85	2.85	2.85	2.85	2.85
Northern Water carriage charges	84.32	73.42	66.32	137.99	79.72
Carriage charges	105.81	94.43	86.40	167.21	102.04
<b>Energy and wheeling charges</b>	22.45	-	-	-	35.99
Carriage, energy and wheeling charges	\$ 128.26	\$ 94.43	\$ 86.40	\$ 167.21	\$ 138.03
Water pumped (acre-feet) <sup>(4)</sup>	26,235	-	-	-	-
Water delivered to participants (acre feet)	16,135	13,049	11,294	13,964	12,627
Adams Tunnel total conveyance (acre feet) <sup>(6)</sup>	236,479	240,304	243,543	113,856	203,467

<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> 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>(4)</sup> Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).

<sup>(5)</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.

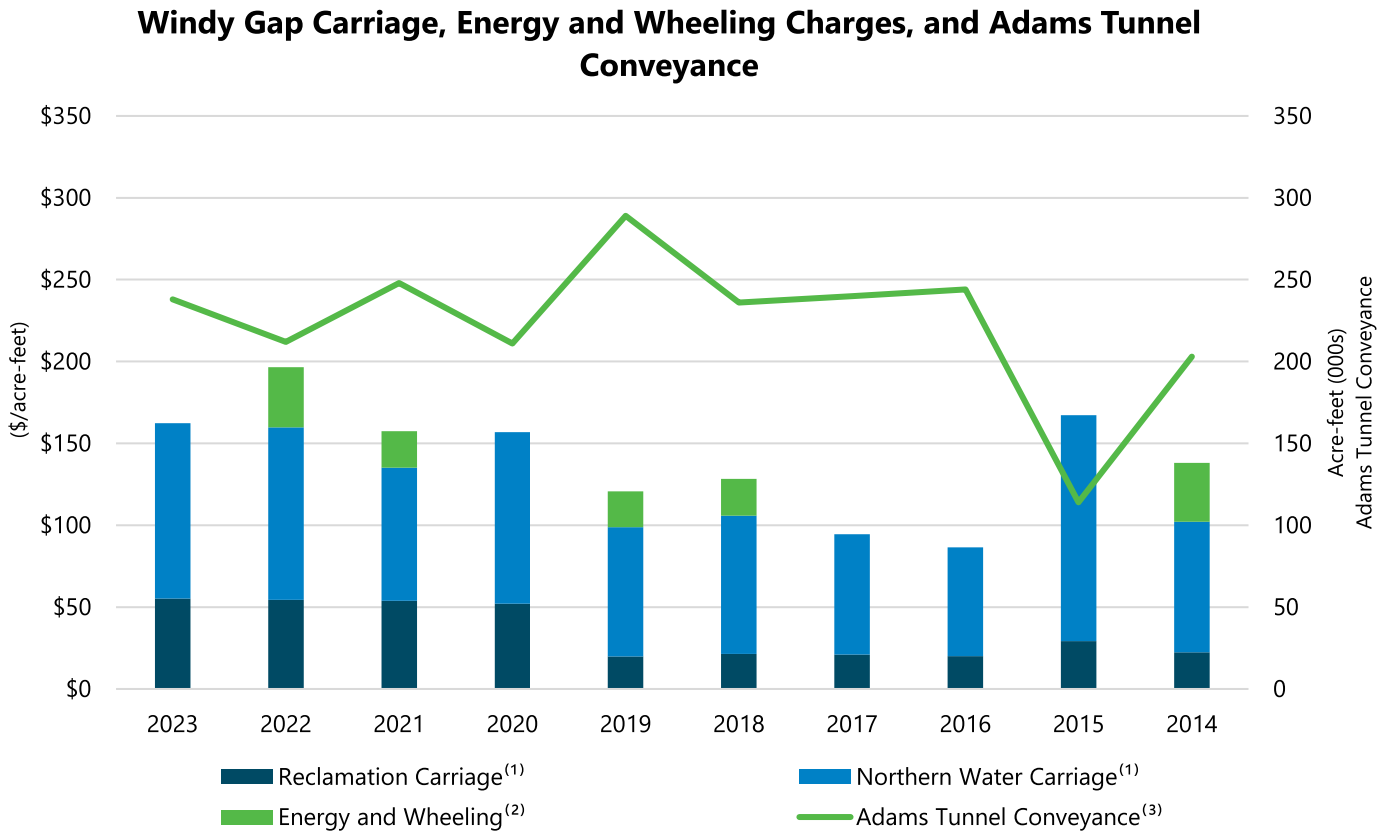
<sup>(6)</sup> Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

**Windy Gap Carriage, Energy and Wheeling Charges (2014 - 2023) (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.



**DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

**Population and Economic Statistics by Principal Cities Served by the Subdistrict (2014 - 2023)<sup>(1)</sup>**

Unaudited

	2023 <sup>(2)</sup>	2022	2021	2020	2019
<b>City of Boulder</b>					
Estimated population	107,000	108,000	\$ 108,000	108,000	107,000
Unemployment rate	2.6%	3.5%	5.7%	2.4%	3.3%
School enrollment	N/A	27,946	\$ 28,699	30,302	29,766
Per capita income <sup>(3)</sup>	N/A	\$ 89,593	\$ 79,650	\$ 76,527	\$ 73,394
Personal income(000s) <sup>(3)</sup>	N/A	\$29,525,000	\$26,059,000	\$24,962,000	\$23,932,000
<b>City and County of Broomfield<sup>(4)</sup></b>					
Estimated population	76,121	76,100	71,950	71,152	69,453
Unemployment rate	2.6%	4.8%	6.4%	2.5%	2.9%
School enrollment	13,405	12,024	12,100	11,950	11,848
Per capita income <sup>(3)</sup>	\$ 73,678	\$ 70,870	\$ 72,775	\$ 68,550	\$ 66,410
Personal income(000s) <sup>(3)</sup>	\$ 5,605,443	\$ 5,119,351	\$ 5,236,161	\$ 4,850,000	\$ 4,612,374
<b>City of Greeley<sup>(6)</sup></b>					
Estimated population	113,906	111,748	111,748	110,263	107,457
Unemployment rate	3.8%	6.6%	6.6%	4.2%	3.5%
School enrollment	22,694	22,219	22,219	22,467	22,878
Per capita income <sup>(3)</sup>	\$ 56,553	\$ 54,612	\$ 54,612	\$ 57,586	\$ 46,172
Personal income(000s) <sup>(3)</sup>	\$ 6,441,726	\$ 6,102,782	\$ 6,102,782	\$ 6,349,605	\$ 4,961,505
<b>City of Longmont</b>					
Estimated population	101,764	99,629	99,570	97,530	96,192
Unemployment rate	2.2%	6.9%	6.9%	3.2%	3.3%
School enrollment	32,639	31,672	31,312	32,855	32,639
Per capita income <sup>(3)</sup>	\$ 89,593	\$ 79,649	\$ 61,157	\$ 73,394	\$ 68,027
Personal income(000s) <sup>(3)</sup>	\$ 5,839,926	\$ 5,807,719	\$ 5,758,736	\$ 7,158,117	\$ 6,543,653
<b>City of Loveland</b>					
Estimated population	82,788	77,016	75,600	75,441	74,719
Unemployment rate	5.0%	6.4%	7.4%	2.3%	2.9%
School enrollment		15,299	15,000	13,794	14,032
Per capita income <sup>(3)</sup>	\$ 73,907	\$ 56,836	\$ 55,884	\$ 54,188	\$ 50,539
Personal income(000s) <sup>(3)</sup>	\$ 6,118,612	\$ 4,724,094	\$ 4,301,503	\$ 4,184,993	\$ 3,832,878
Estimated population in Subdistrict area <sup>(5)</sup>		1,051,301	1,037,717	1,020,792	1,000,013

<sup>(1)</sup> Data taken from the governments' most recent ACFRs unless otherwise indicated.

<sup>(2)</sup> N/A Certain data not yet available

<sup>(3)</sup> Data for the Metropolitan Statistical Area

<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 from the Northern Water current year ACFR, which represents the estimated population for Northern Water.

**Population and Economic Statistics by Principal Cities Served by the Subdistrict (2014 - 2023)**  
**(continued)<sup>(1)</sup>**

Unaudited

	2018	2017	2016	2015	2014
<b>City of Boulder</b>					
Estimated population	108,000	107,000	105,000	105,000	102,000
Unemployment rate	3.0%	2.2%	2.8%	3.2%	4.7%
School enrollment	29,822	29,673	29,702	29,398	28,959
Per capita income <sup>(2)</sup>	\$ 68,027	\$ 63,707	\$ 60,220	\$ 58,627	\$ 54,968
Personal income (000s) <sup>(2)</sup>	\$21,940,000	\$20,528,000	\$19,233,000	\$18,370,000	\$17,042,000
<b>City and County of Broomfield<sup>(4)</sup></b>					
Estimated population	68,110	66,404	64,765	61,672	60,055
Unemployment rate	2.5%	2.8%	3.3%	4.2%	5.8%
School enrollment	11,746	11,451	11,513	11,335	10,949
Per capita income <sup>(2)</sup>	\$ 63,170	\$ 60,403	\$ 58,698	\$ 57,635	\$ 55,035
Personal income (000s) <sup>(2)</sup>	\$ 4,302,509	\$ 4,011,001	\$ 3,801,576	\$ 3,554,466	\$ 3,305,127
<b>City of Greeley</b>					
Estimated population	104,557	103,037	101,048	98,423	97,320
Unemployment rate	2.8%	2.6%	3.5%	4.0%	7.6%
School enrollment	22,820	22,547	21,440	21,183	19,821
Per capita income <sup>(2)</sup>	\$ 44,080	\$ 50,483	\$ 42,787	\$ 38,664	\$ 33,393
Personal income (000s) <sup>(2)</sup>	\$ 4,608,873	\$ 5,201,617	\$ 4,323,541	\$ 3,805,427	\$ 3,249,807
<b>City of Longmont</b>					
Estimated population	94,777	93,933	92,852	91,911	90,219
Unemployment rate	2.6%	2.2%	2.6%	3.1%	4.4%
School enrollment	32,421	32,171	31,777	31,076	30,195
Per capita income <sup>(2)</sup>	\$ 63,707	\$ 60,220	\$ 58,627	\$ 54,968	\$ 53,772
Personal income (000s) <sup>(2)</sup>	\$ 6,037,958	\$ 5,656,645	\$ 5,443,634	\$ 5,052,164	\$ 4,851,256
<b>City of Loveland</b>					
Estimated population	75,655	74,427	74,349	71,985	72,846
Unemployment rate	2.5%	3.2%	3.8%	4.8%	6.5%
School enrollment	14,186	14,287	14,107	14,267	14,269
Per capita income <sup>(2)</sup>	\$ 47,117	\$ 45,318	\$ 43,584	\$ 42,866	\$ 41,311
Personal income (000s) <sup>(2)</sup>	\$ 3,564,637	\$ 3,372,883	\$ 3,240,427	\$ 3,085,709	\$ 3,009,341
Estimated population in Subdistrict area <sup>(4)</sup>	982,678	959,455	922,233	893,145	878,100

<sup>(1)</sup> Data taken from the governments' most recent ACFRs unless otherwise indicated.

<sup>(2)</sup> Data for the Metropolitan Statistical Area.

<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 from the Northern Water current year ACFR, which represents the estimated population for Northern Water.

## Largest Employers by Principal Cities Served by the Subdistrict (2014 and 2023)<sup>(1)</sup>

Years ended September 30,  
Unaudited



### City of Boulder<sup>(2)</sup>

Employers	2023			2014		
	Rank	Number of Employees	Percentage of Employment <sup>(4)</sup>	Rank	Number of Employees	Percentage of Employment
University of Colorado at Boulder	1	6,200	3.1%	1	7,500	4.2%
Ball Corporation	2	4,800	2.4%	7	2,160	2.4%
Boulder Valley School District	3	3,832	1.9%	2	4,133	1.4%
St. Vrain Valley School District <sup>(3)</sup>	4	3,570	1.8%	3	3,806	1.1%
Boulder Community Hospital	5	2,360	1.2%	6	2,350	1.2%
Boulder County	6	2,040	1.0%	8	1,902	2.1%
City of Boulder	7	1,461	0.7%	-	-	-
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	0.4%	9	1400	-
Exempla Good Samaritan Medical Center	-	-	-	4	3,400	2.0%
IBM Corporation	-	-	-	5	2,500	2.0%
Level 3 Communications Inc.	-	-	-	10	1,265	1.4%
Top ten principal employers		27,507	14.0%		30,416	18.3%

<sup>(1)</sup> Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

<sup>(2)</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. Effective in 2016, Broomfield County has been excluded.

<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 (2014 and 2023)  
(continued)<sup>(1)</sup>**

Years ended September 30,

Unaudited



**City and County of Broomfield**

Employers	2023			2014		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Lumen (Formerly CenturyLink)	1	1,800	4.3%	-	-	-
Oracle America	2	1,650	3.9%	2	1,900	6.3%
SCL Health Care	3	1,550	3.7%	13	330	1.1%
Ball Corporation	4	1,100	2.6%	3	787	2.6%
Hunter Douglas Window Fashions Division	5	950	2.3%	6	600	2.0%
City and County of Broomfield	6	900	2.1%	14	295	1.0%
Vail Resorts	7	750	1.8%	12	385	1.3%
DanoneWave Foods	8	600	1.4%	4	674	2.3%
Broadcom Inc.	9	500	1.2%	6	600	2.0%
Crocs	10	450	1.1%	-	-	-
Vmware	10	450	1.1%	-	-	-
Top ten principal employers		10,700	25.5%		5,571	18.6%
Total employment		42,050				

<sup>(1)</sup> Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

<sup>(2)</sup> Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.

**Largest Employers by Principal Municipalities Served by the Subdistrict (2014 and 2023)  
(continued)<sup>(1)</sup>**

Years ended September 30,

Unaudited



**City of Longmont**

Employers	2023			2014		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
St Vrain Valley School District <sup>(2)</sup>	1	3,600	6.6%	1	3,538	7.5%
Seagate Technology	2	1,465	2.7%	2	1,245	2.6%
City of Longmont	3	1,300	2.4%	4	835	
UC Health Longs Peak Hospital	4	1,184	2.2%			
Intrado	5	627	1.1%	5	793	1.7%
Longmont United Hospital	6	530	1.0%	3	1244	2.6%
Circle Graphics	7	457	0.8%	8	545	1.2%
McLane Western	8	450	0.8%	-	-	-
FRCC	9	450	0.8%	-	-	-
Federal Aviation Administration	10	402	0.7%	9	488	1.0%
Crocs	-	-	-	10	433	0.9%
Amgen	-	-	-	7	707	1.5%
DigitalGlobe				6	762	
Top ten principal employers		10,465	19.1%		10,590	19.0%

<sup>(1)</sup> Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

<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 (2014 and 2023)**  
**(continued)<sup>(1)</sup>**

Years ended September 30,

Unaudited



**City of Loveland**

Employers	2023			2014		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Thompson School District R2-J	1	2,399	4.8%	1	2,036	5.0%
Hach Company	2	1,700	3.4%	4	800	1.9%
Medical Center of the Rockies	3	1,273	2.5%	6	636	1.6%
Wal-Mart Distribution Center	4	1,273	2.5%	3	950	2.3%
City of Loveland	5	944	1.9%	2	958	2.3%
Heska Corp.	6	655	1.3%	-	-	-
Nutrein/Crop Production Services	7	525	1.0%	8	472	1.2%
McKee Medical Center	8	375	0.7%	5	708	1.7%
LPR Construction	9	353	0.7%	-	-	-
Lighting eMotors, Inc.	10	260	0.5%	-	-	-
Woodward Governor	-	-	-	7	500	1.2%
Kroll Factual Data	-	-	-	9	350	0.9%
Agilent Technologies	-	-	-	10	300	0.7%
Top ten principal employers		9,757	19.4%		7,710	18.8%
Total employment		50,902			35,220	

<sup>(1)</sup> Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

<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 (2014 and 2023)  
(continued)<sup>(1)</sup>**

Years ended September 30,

Unaudited



**City of Greeley**

Employers	2023			2014		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
JBS USA & Affiliated Companies	1	5,141	10.3%	1	4,307	9.1%
Banner Health Care/Northern Colorado Medical Center	2	4,558	9.1%	-	-	-
Greeley/Evans School District 6	3	2,258	4.5%	2	2,429	5.1%
Weld County	4	1,823	3.6%	6	1,327	2.8%
University of Northern Colorado	5	1,221	2.4%	4	1,922	4.0%
City of Greeley	6	1,145	2.3%	7	1,205	2.5%
University Of Colorado Health Systems (All Weld)	7	1,030	2.1%	-	-	-
State Farm Insurance Companies	8	857	1.7%	5	1,338	2.8%
Aims Community College	9	817	1.6%	10	621	1.3%
North Range Behavioral Health	10	560	1.1%	-	-	-
Colorado Premium Foods (K2D, LLC)	11	550	1.1%	-	-	-
Leprino Foods	12	534	1.1%	-	-	-
TTEC	13	440	0.9%	-	-	-
Hensel Phelps Construction Co.	14	419	0.8%	-	-	-
Chevron/Noble Energy District Center	15	350	0.7%	-	-	-
Banner Health Care	-	-	-	8	922	1.9%
Wal-Mart	-	-	-	9	745	1.6%
Northern Colorado Medical Center	-	-	-	3	1,966	4.1%
Top ten principal employers		21,703	43.3%		16,782	35.3%
Total employment		50,136			47,525	

<sup>(1)</sup> Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

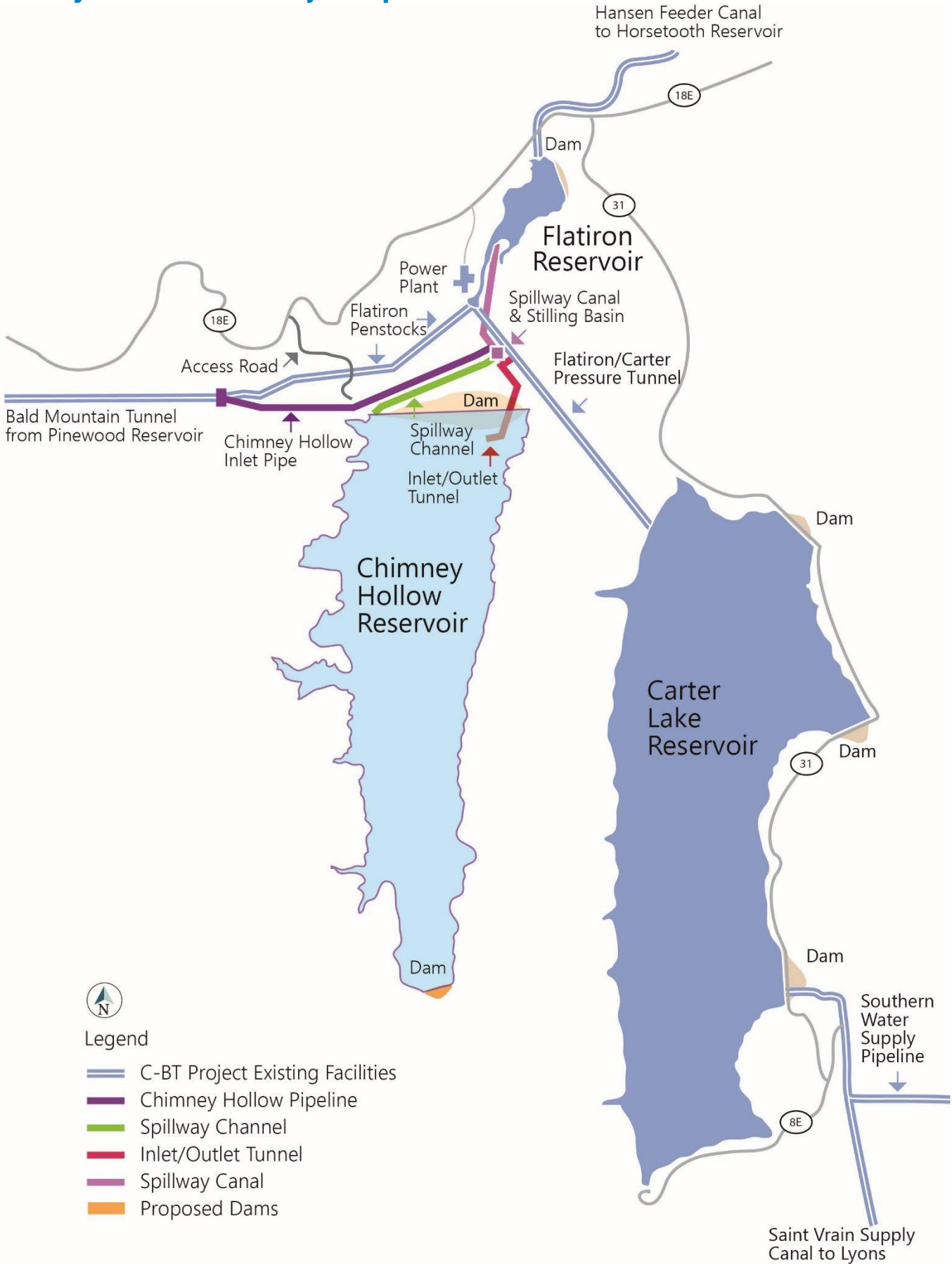
<sup>(2)</sup> Information from 2010 ACFR listed. 2011 information not available.



## **OPERATING INFORMATION**

These schedules contain information about the Subdistrict's operations and infrastructures to help the reader understand how the Subdistrict's financial information relates to the services it provides and the activities it performs.

## 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.

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

Years ended September 30,

Unaudited

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	-	-

<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 under the Carriage Contract. Previously, 10 percent of all water remaining at March 31 of any year was deducted as a shrinkage loss 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 (2014 - 2023)**

Years ended September 30,  
Unaudited

	2023	2022	2021	2020	2019
<b>Windy Gap</b>					
Non-depreciable assets					
Construction in progress	\$ 23,810,292	\$ 10,903,678	\$ 4,662,837	\$ 2,229,111	\$ 581,057
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	403,197	403,197	379,159	476,964	452,551
Water diversion project	82,319,297	82,319,297	82,319,297	82,167,586	82,167,586
Capital assets	109,049,905	96,143,291	89,878,412	87,390,780	85,718,313
Less accumulated depreciation					
Buildings, equipment and improvements	(360,960)	(352,352)	(346,669)	(438,871)	(434,983)
Water diversion project	(77,961,924)	(75,879,133)	(73,796,340)	(71,713,547)	(69,634,548)
Accumulated depreciation	(78,322,884)	(76,231,485)	(74,143,009)	(72,152,418)	(70,069,531)
Capital assets, net	\$ 30,727,021	\$ 19,911,806	\$ 15,735,403	\$ 15,238,362	\$ 15,648,782
<b>Windy Gap Firing Project</b>					
Construction in progress	\$ 378,173,500	\$ 221,258,528	\$ 114,828,846	\$ 65,696,977	\$ 57,908,138

**Subdistrict Capital Assets (2014 - 2023) (continued)**

Years ended September 30,  
Unaudited

	2018	2017	2016	2015	2014
<b>Windy Gap</b>					
Non-depreciable assets					
Construction in progress	\$ 155,883	\$ -	\$ -	\$ -	\$ -
Land	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
Water rights <sup>(1)</sup>	470,921	470,921	470,921	470,921	470,921
Depreciable assets					
Buildings, equipment and improvements	464,428	499,569	793,558	825,707	825,707
Water diversion project	82,167,586	82,167,586	82,167,586	82,167,586	82,167,586
Capital assets	85,305,016	85,184,274	85,478,263	85,510,412	85,510,412
Less accumulated depreciation					
Buildings, equipment and improvements	(444,570)	(477,419)	(793,558)	(825,707)	(825,707)
Water diversion project	(67,555,549)	(65,476,550)	(63,397,551)	(61,318,552)	(57,160,554)
Accumulated depreciation	(68,000,119)	(65,953,969)	(64,191,109)	(62,144,259)	(57,986,261)
Capital assets, net	\$ 17,304,897	\$ 19,230,305	\$ 21,287,154	\$ 23,366,153	\$ 27,524,151
<b>Windy Gap Firming Project</b>					
Construction in progress	\$ 47,555,955	\$ 34,541,551	\$ 20,605,749	\$ 19,162,666	\$ 17,610,297

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

September 20, 2023

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

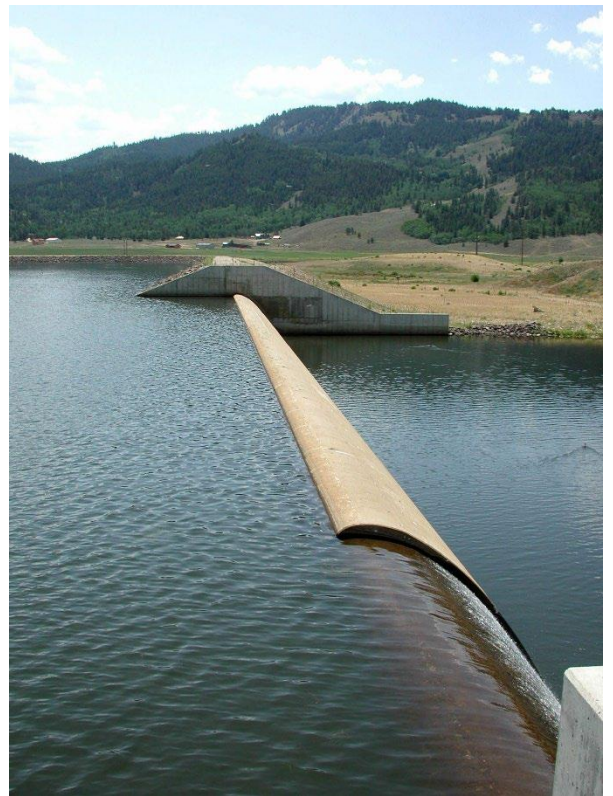
- Discharge capacity – 133 cubic feet per second
- Length of 48-in diameter, reinforced concrete pipe – 245 feet

#### 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, 2023

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, 2023

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**