

2024

Annual Comprehensive Financial Report
For the Year Ended September 30, 2024
Northern Colorado Water Conservancy District | Berthoud, CO

Annual Comprehensive Financial Report

Year ended September 30, 2024

Northern Colorado Water Conservancy District

Berthoud, Colorado



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



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March 28, 2025

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

We are pleased to transmit the Annual Comprehensive Financial Report of the Northern Colorado Water Conservancy District (Northern Water) for the year ended September 30, 2024.

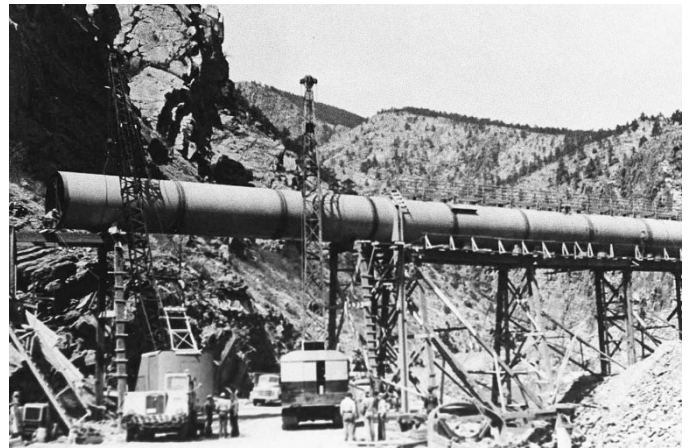
Northern Water's management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Internal controls are designed to provide Northern Water's management with reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the overall reliability of the financial records for preparing financial statements and for maintaining accountability and control over Northern Water's assets. The concept of reasonable assurance recognizes that the cost 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 Northern Water financial statements for the year ended September 30, 2024. The independent auditors' report is located on page 21.

Management's Discussion and Analysis, located on page 25, provides a narrative introduction, overview and analysis of the basic financial statements. Management's Discussion and Analysis complements, and should be read in conjunction with, this letter of transmittal.

Profile of Northern Water

Northern Water is a public agency created in 1937 to partner with the U.S. Bureau of Reclamation (Reclamation) in the construction and operation of the Colorado-Big Thompson (C-BT) Project. The C-BT Project diverts, stores and regulates water from the Colorado River on the West Slope of the Continental Divide and delivers that water to the East Slope of the Rocky Mountains. C-BT Project water provides supplemental irrigation for more than 615,000 acres of farm and ranch land and supplements the water needs of over 1 million people in the eight Northern Colorado counties within the Northern Water boundaries. The C-BT Project became fully operational in 1957 and today delivers on average more than 212,000 acre-feet of water annually.



Crews construct the Big Thompson Siphon at the opening of the Highway 34 canyon west of Loveland that carries water from Flatiron Reservoir north to Horsetooth Reservoir.

Northern Water's mission is to provide water resources management, project operations and conservation services for project beneficiaries. Its vision is to be a leader in ensuring a secure water future for Northern Colorado by collecting and delivering water, protecting and conserving water supplies, planning and implementing new water supply projects, cultivating operational and organizational excellence and maintaining and strengthening relationships.

The values and principles Northern Water adheres to as it works toward its mission are:

- Solution-oriented service
- Regional cooperation
- Collaborative, proactive and progressive leadership
- Water resources conservation
- Environmental stewardship
- Personal and corporate ethical integrity and professionalism

Northern Water's financial structure is defined by Colorado's Water Conservancy Act, C.R.S. §37-45-101 et. seq., and its contract with Reclamation: *the Contract Between the United States and the Northern Colorado Water Conservancy District Providing for the Construction of the Colorado-Big Thompson Project, Colorado* (Repayment Contract). Northern Water establishes water assessment rates in accordance with terms of perpetual allotment contracts with water users for delivery of wholesale C-BT Project water for use within Northern Water boundaries. Water users are charged based on allotment units held, independent of actual water deliveries. In addition, Northern Water collects a voter-approved 1 mill levy property tax on real property located within its boundaries in accordance with the Repayment Contract. Northern Water charges for services provided to the Northern Water enterprise funds, the Municipal Subdistrict of the Northern Colorado Water Conservancy District (Subdistrict), Reclamation, Subdistrict enterprise funds, and others.

Northern Water owns the following water activity enterprises, which are government-owned businesses within the meaning of Article X, Section 20 of the Colorado Constitution: the Southern Water Supply Project Water Activity Enterprise created in 1993, the Pleasant Valley Pipeline Project Water Activity Enterprise created in 1999, the Northern Integrated Supply Project Water Activity Enterprise created in 2003, and the Northern Water Hydropower Water Activity Enterprise created in 2010. In addition, Northern Water has a Pension Trust fund, a defined benefit retirement plan, which was closed to new participants as of 2003.

Northern Water

Northern Water and Reclamation individually own portions of and jointly operate and maintain the C-BT Project, a large transmountain diversion, storage and delivery system. The project includes dams, dikes, reservoirs, powerplants, pump plants, pipelines, tunnels, transmission lines, substations and other associated structures. These structures defined as being for single purpose water distribution; single purpose power generation; or multipurpose, serving or benefitting both water supply and power generation. Northern Water bears the cost of single purpose water distribution features. Reclamation bears the cost of single purpose power generation features. Northern Water and Reclamation share the cost of multipurpose water and power generation works.



Grand Lake in the foreground, then Shadow Mountain Reservoir and finally Lake Granby form the collection system for the Colorado-Big Thompson Project on the West Slope.

In addition to the C-BT Project and the activities and operations of its other enterprise funds, Northern Water engages in water management and planning activities for the purpose of meeting present and future water supply needs of water users. Northern Water is committed to actively engaging in working collaboratively and maintaining relationships with other water users, governing bodies and stakeholders to promote proactive solutions to Northern Colorado's water challenges.

Southern Water Supply Project Enterprise Fund

Southern Water Supply Project Enterprise Fund (SWSP) was developed to convey C-BT and Windy Gap project water supplies to areas located within Northern Water and Subdistrict boundaries through 113 miles of pipeline. A second 20-mile pipeline was completed in early 2020. Both pipelines are operated and maintained by Northern Water for the benefit

of project participants. The participants fully funded construction of both pipelines and provide ongoing cash requirements.

Pleasant Valley Pipeline Project Enterprise Fund

In 2004, the Pleasant Valley Pipeline Project Enterprise Fund (PVP) project was constructed to increase water reliability and flexibility for project participants on the East Slope using an 8.5-mile reversible flow pipeline. The project is maintained by Northern Water for the benefit of project participants who fully funded construction costs and provide ongoing cash requirements.

Northern Integrated Supply Project Enterprise Fund

Northern Integrated Supply Project Enterprise Fund (NISF) is a collaborative effort to develop new water supplies along with a storage and distribution system that will supply water to 15 participants located in Northern Water boundaries. See further discussion on the following pages.

Northern Water Hydropower Enterprise Fund

The Northern Water Hydropower Enterprise Fund (Hydropower) was established to construct and operate small hydropower plants. Hydropower currently owns and operates the Robert V. Trout Hydropower Plant at Carter Lake and the Granby Hydropower Plant at Lake Granby. The two plants became operational in 2012 and 2016, respectively, and, combined, generated almost 14.77 million kWh of energy in 2024. Energy is purchased by local electric utilities. Construction of the plants was funded through debt and interfund financing. Revenue from energy sales provides all operating and debt service cash requirements.

Highlights

District Enterprise Fund

- Northern Water and Reclamation crews performed inspections and conducted work in 2024 that highlights the robust condition of the C-BT Project, while indicating the challenges ahead for all water infrastructure into the future. Annual inspections of the C-BT and Windy Gap project components showed that the projects remain in remarkable shape after decades of use.
- East Troublesome Fire recovery efforts shifted gears in 2024, but with many of the same goals as previous years. The bulk of this year's recovery work involved construction crews building post-assisted log structures (PALS) on Forest Service land within the burn area. Nearly 80 of these wooden structures were built across two sites along Kauffman and Stillwater creeks. The structures – placed both within the creeks and adjacent floodplains – are designed to slow down and capture portions the creeks' streamflows. This mimics some of the benefits of beaver dams to help restore stream channel functions and the surrounding wetlands.
- Northern Water reconvened a collaborative group focused on improving water quality in the Three Lakes system (Lake Granby, Shadow Mountain Reservoir and Grand Lake). The group made significant upgrades to its modeling platforms, set for completion in 2025, to support the adaptive management of Grand Lake clarity.
- Northern Water continued collaborating with its partners across the state on the Colorado Airborne Snowpack Monitoring Program, which uses airborne snow observatory technology to collect precise snowpack data and make that vital information available to water providers.
- Northern Water awarded \$303,000 in Water-Efficient Landscape Grants Program funding to 19 new projects that, once fully implemented, will together save an estimated 4.7 million gallons of water annually across approximately 500,000 square feet of landscape. Northern Water has now awarded a total of approximately \$1.2 million in grants throughout the past six years to 82 projects within Northern Water's boundaries.



Crews placed post-assisted log structures (PALS) on Forest Service land within the burn area of the 2020 East Troublesome Fire.

- Northern Water created six scalable landscape templates for residential properties that are available to any homeowner, but were designed specifically for those affected by the Marshall Fire in 2021, located in Boulder County. These templates include irrigation plans, water-wise, low-flammability plant lists and cost estimates to encourage homeowners to adopt sustainable landscaping practices.

Northern Integrated Supply Project

- The Northern Integrated Supply Project (NISP) continued advancing toward construction in 2024, with work on the project design and environmental mitigation.
- In early 2024, a local organization sued the U.S. Army Corps of Engineers for issuing its federal permit for NISP.

MAJOR ACTIVITIES AND INITIATIVES

Northern Water

Campus Development Project

In June 2024, Northern Water concluded Phase II of the Campus Development Project. This phase largely consisted of the expansion and renovation of Building A, the main administration building, at the Berthoud headquarters. New water-efficient demonstration gardens and an education pavilion were also added during this phase to the Conservation Campus west of Building A. Phase I, which began in May 2021, included the construction of the Willow Creek Campus near Granby and the addition of an operations and maintenance building, new training spaces and storage in Berthoud. To celebrate the Phase II milestone achievement, the Northern Water Board of Directors hosted a ribbon-cutting ceremony in Berthoud on June 13, followed by a public open house on October 4.



Northern Water concluded Phase II of its campus development efforts in 2024.

With an ever-growing Front Range community and consequent new water supply projects under way, it was necessary for Northern Water to expand its office footprint to house additional staff. In the last five years, the organization has grown from approximately 130 to nearly 200 full-time employees, nearly all of whom report to the Berthoud, Colorado Willow Creek campus daily. Not only were new offices created, but more storage space was constructed for added fleet and equipment, additional meeting rooms were incorporated to further support collaboration and other technological enhancements were made across campus.

The Campus Development Project will allow Northern Water to continue its mission of providing a reliable water source to Northeastern Colorado while also meeting future demands within the region.

Northern Integrated Supply Project Enterprise Fund

NISP is designed to yield 40,000 acre-feet of new water supply annually and provide more than 200,000 acre-feet of storage capacity with the construction of Glade and Galeton reservoirs. The project also includes pump plants, conveyance pipelines and other appurtenant structures.

NISP participants are committed to building an environmentally responsible project. The NISP State Fish and Wildlife Mitigation and Enhancement Plan will improve the aquatic and riparian habitat of the Poudre River, regional wildlife habitat and enhance recreational opportunities. In 2021, NISP purchased Table Top Conservation Bank credits for \$2.4 million. The bank provides riparian and upland habitat for the Endangered Species Act listed Preble's Meadow Jumping Mouse. The purchase of these credits provides a portion of the mitigation required by the U.S. Fish and Wildlife Services Biological Opinion of the project. Overall, NISP is committing nearly \$60 million toward mitigation and enhancement activities, through its established mitigation plans.

In early 2024, a local organization sued the U.S. Army Corps of Engineers for issuing its federal permit for NISP. However, work continues as NISP continued advancing toward construction in 2024, with work on the project design and environmental mitigation.

Local Economy

The Colorado Economic & Revenue Forecast (Economic Outlook)¹ 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 within Northern Water District boundaries: the Metro Denver Region and the Northern Region. The Metro Denver Region includes Boulder and Broomfield counties. It has the largest share of the state’s population and more than 60.0 percent of the state’s workers. Leisure and hospitality are key economic sectors. The Northern Region consists of Larimer and Weld counties. Larimer County has a diverse economy that continues to outperform the state, fueled largely by population growth. Weld County economics are driven primarily by energy and agriculture.

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

Assessed Values

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

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



Home values continue to climb throughout Northern Water boundaries.

¹ Published in December 2024 by the Colorado Legislative Council Staff at https://leg.colorado.gov/sites/default/files/images/dec2024forecastwithcover_accessible.pdf

Labor

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

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

Energy

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

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

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

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

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

Personal Income

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

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

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

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

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

Agriculture

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

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

contributing to moderating prices. Still, the nationwide cattle inventory is at its lowest level since 1951, which is expected to keep cattle prices high compared to historical averages, lending to beneficial conditions for Colorado producers. Farm income remains depressed alongside elevated production costs. After U.S. farm income moderated in 2023 coming off multiple years of strong growth, the USDA expected another 5.0 percent decrease in 2024 U.S. farm income. Crop producers are experiencing the brunt of income declines as crop prices remain weak, largely attributable to a stronger crop harvest paired with lower export activity. In contrast, strong cattle prices have boosted margins for many ranchers and feedlots. U.S. production costs remained elevated, but the USDA forecasted a slight decrease in production expenses through late 2024 as inflation cooled and interest rates were cut. While interest costs inch lower from elevated levels, banks in the Federal Reserve's Tenth District report a continued decline in loan repayments through the first three quarters of 2024 as farmers face still-high costs for labor and input goods. Alongside narrow profit opportunities and still-tight credit conditions, growth in farmland values have slowed, but remain positive.



Irrigation pivot in a field.

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

Water Year 2024

A year of near average snowpack and streamflows, followed by a summer drought throughout Northern Water boundaries, led to increased deliveries from the C-BT Project reservoirs, but those reservoirs remained at 115.0 percent of average by the end of the 2024 water year.

The C-BT Project started the year at 127.0 percent of long-term average storage. Despite storms in October and December 2023, both precipitation and snowpack were generally below average until storms between January 9 and 19, increased snow water equivalent in the Upper Colorado Headwaters by approximately 3 inches, bringing the snowpack up to average. Conditions improved slightly throughout the rest of the snow accumulation season. By April 1, statewide snowpack was at 109.0 percent of average, with local snowpack readings of 111.0 percent of average in the South Platte River's northern tributaries and 106.0 percent of average in the Upper Colorado River Basin. Late April and early May brought significant storms and below-average temperatures, which led to a late snowpack peak on May 13 in the Upper Colorado River Basin and the filling of Lake Granby.

Above-average precipitation, average regional streamflow forecasts and above-average local storage conditions in Northeastern Colorado prompted the Board of Directors to set the 2024 C-BT Project delivery quota at 70.0 percent, its most common quota throughout the history of project deliveries. However, conditions degraded, especially for the northern Front Range, throughout the summer. Well-below-average precipitation from May through July led to drought development throughout the region, and the Board increased the C-BT quota by an additional 10.0 percent to 80.0 percent at their August Board meeting. Precipitation continued to be below average for the rest of the water year, leaving Northern Water boundaries mean areal precipitation at 79.0 percent of average for water year 2024.

Statewide, water year 2024 total precipitation was near normal, but by the conclusion of the water year, much of the northeastern half of the state was abnormally dry, with the most significant drought being along the northern Front Range.

Water Assessments

Northern Water annually updates its financial projections to determine adjustments to water assessment rates that may be needed to meet current and projected operating and capital cost requirements, as well as to maintain adequate financial reserves. Based on the projections, Northern Water increased its open-rate assessments as follows:

Year	Irrigation	Municipal/Industrial
2025	\$33.80	\$53.65
2024	\$33.00	\$53.60
2023	\$30.60	\$50.55

Forward guidance projections based on the updated Cost of Service Rate model and adopted by Board as shown below:

Year	Irrigation	Municipal/Industrial
2027	\$36.40 - \$39.70	\$56.92 - \$60.51
2026	\$35.40 - \$36.74	\$55.26 - \$57.08
2025	\$33.80	\$53.65
2024	\$33.00	\$53.60

Financial Policies

Northern Water financial principles and policies have been consistently applied in the preparation of the Northern Water 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 Northern Water for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. Northern Water has received this award each year since 1987. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report, the contents of which must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe the Northern Water ACFR for the year ended September 30, 2024, continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility.

Annual Budget

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

Both the ACFR and annual budget are available at www.northernwater.org/finance.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of staff throughout Northern Water. We would like to recognize the outstanding efforts of the Financial Services Department personnel. We would also like to recognize the leadership of the Board of Directors of Northern Water for its unfailing support for maintaining the highest standards of professionalism in the management of Northern Water finances.

Sincerely,

Sander A. Blackburn, MBA
Director of Finance and Administration, Northern Water

Gerald A. Gibbens, P.E.
Director of Operations and Board Treasurer, Northern Water

Bradley D. Wind, P.E.
General Manager and Board Secretary, Northern Water

BOARD OF DIRECTORS AND OFFICERS

The 13-member Board is the policy-making body of Northern Water. Among other duties, the Board sets the wholesale water assessment rates, adopts the annual budget, determines the amount of water available for delivery annually through its quota process and approves the transfers of allotment contracts. Directors from the counties within Northern Water boundaries are appointed to four-year terms by district court judges. Northern Water officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.

Current Board of Directors



Dennis Yanchunas
President
Boulder County
Aug. 20, 2010 – Sept. 28, 2028
✿ ▶ ◆



Dale Trowbridge
Vice President
Weld County
Aug. 15, 2014 – Sept. 28, 2027
✿ ◆ ✓



Bill Emslie
Larimer County
Sept. 28, 2005 – Sept. 28, 2025
✓



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



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



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



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



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



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



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



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



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



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



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

Northern Water District Officers:

Secretary Brad Wind, General Manager

Treasurer Gerald Gibbens, Director of Operations

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

Committees:

Audit ✿

Benefits and Human Resources ▶

Business and Finance ◆

Legal and Legislative ✓

BOARD COMMITTEES



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

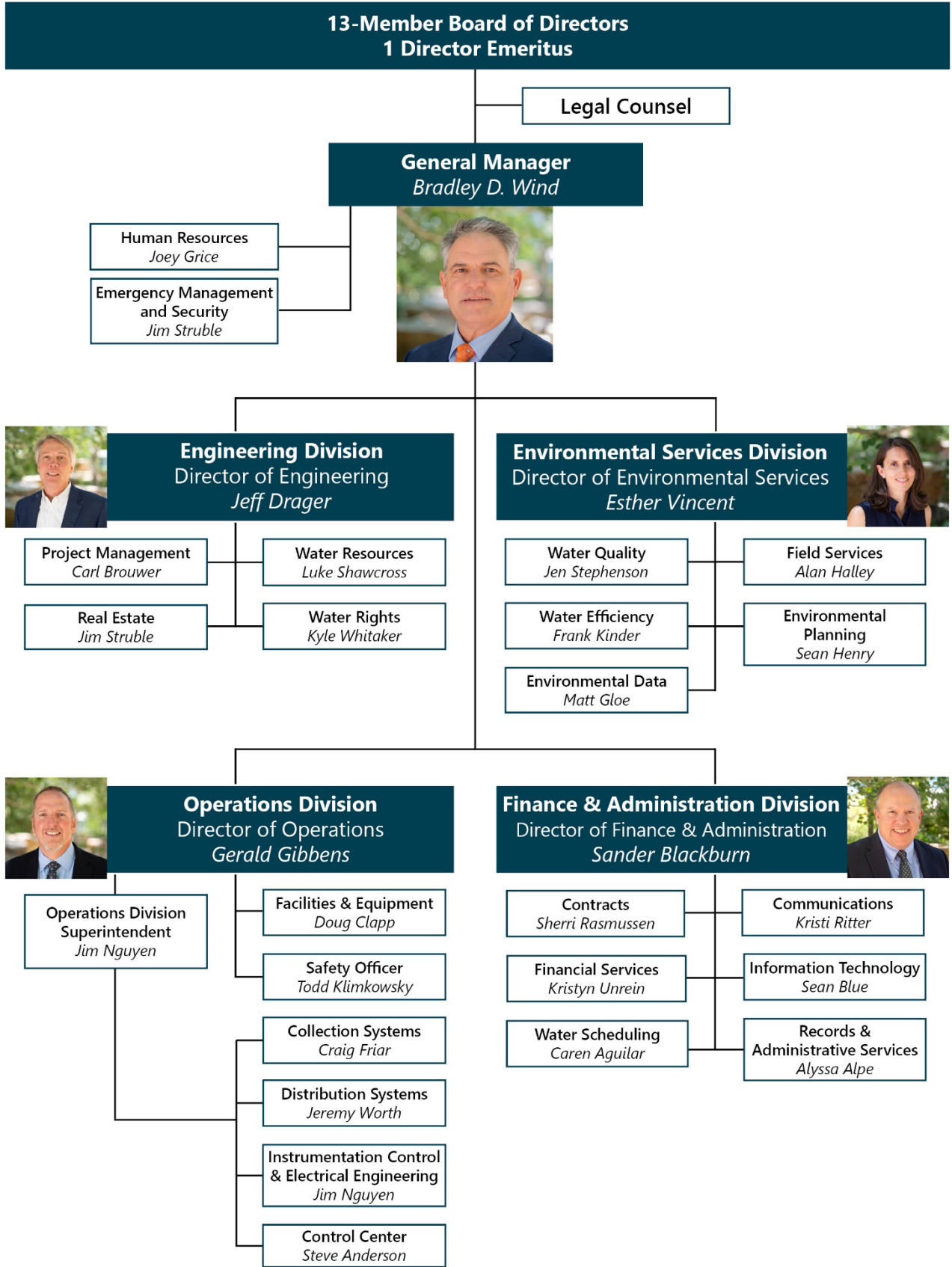
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors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

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

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

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

ORGANIZATIONAL CHART



CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Northern Colorado Water Conservancy District

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT



Plante & Moran, PLLC

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

Independent Auditor's Report

To the Board of Directors
Northern Colorado Water Conservancy District

Opinions

We have audited the financial statements of each major fund and the aggregate remaining fund information of Northern Colorado Water Conservancy District (the "District") as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the District'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 and the aggregate remaining fund information of the District as of September 30, 2024 and the respective changes in its financial position and, where applicable, 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). 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 District 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.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the 2023 basic financial statements have been restated in accordance with GASB 100 for the correction of an error. Our opinion is not modified with respect to this matter.

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 District'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 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
Northern Colorado Water Conservancy District

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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 and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



March 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis presents a narrative overview of the financial activities of Northern Water for the fiscal year ended September 30, 2024. It should be considered in conjunction with the additional information furnished in the Transmittal Letter (page 6).

Overview of the Financial Statements

The Northern Water financial statements consist of enterprise fund financial statements used to report the business-type activities of Northern Water, fiduciary fund financial statements reporting the transactions of the Northern Water defined benefit Group Pension Plan (Pension Plan) and accompanying Notes to Financial Statements. The report also contains required supplementary information, supplementary information and statistical information. Management's Discussion and Analysis includes comparative data to enable the reader to review information against the prior year.

The enterprise fund financial statements include the following:

- Statement of Net Position – reports Northern Water's current and noncurrent assets, deferred inflows and outflows of resources, current and noncurrent liabilities. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as net position (page 39).
- Statement of Revenues, Expenses and Changes in Net Position – reports Northern Water's operating and nonoperating revenues and expenses by major classifications, capital contributions and changes in net position (page 41).
- Statement of Cash Flows – reports Northern Water's cash flows from operating, noncapital financing, capital and related financing, and investing activities (page 42).
- Statements of Fiduciary Net Position and Changes in Fiduciary Net Position – report the net position restricted for the pension and the increase in net position for the year (page 44). The net position of the Pension Plan is not reflected as part of the Northern Water net position because the Pension Plan resources are not available to support Northern Water operations. Required information concerning Northern Water's net pension asset and contributions to the Pension Plan can be found in the Required Supplementary Information (page 74).
- Notes to Financial Statements – provide further explanations and details that are essential to a full understanding of the information provided in the financial statements described above (page 46).

Financial Analysis – Statement of Net Position¹

(condensed)

September 30,

	\$000s		
	2024	2023	Change
Assets			
Cash, cash equivalents and investments, unrestricted	\$ 141,795	\$ 130,363	\$ 11,432
Cash, cash equivalents and investments, restricted	11,696	28,816	(17,120)
Receivables	14,766	8,144	6,622
Other current/noncurrent assets	3,295	2,175	1,120
Related party receivable	18,967	17,292	1,675
Due from other funds	1,224	2,146	(922)
Interfund loan receivable	2,106	2,346	(240)
Capital assets, net of accumulated depreciation	471,225	421,257	49,968
Assets	<u>\$ 665,074</u>	<u>\$ 612,539</u>	<u>\$ 52,535</u>
Deferred outflows of resources related to Pension Plan			
	<u>\$ 3,110</u>	<u>\$ 5,902</u>	<u>\$ (2,792)</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 17,102	\$ 13,088	\$ (4,014)
Unearned revenue	3,542	3,519	(23)
Other current liabilities	6,187	6,846	659
Long-term debt, net of current maturities	99,833	102,547	2,714
Interfund loan payable, net of current maturity	2,106	2,346	240
Net pension liability	4,185	9,187	5,002
Liabilities	<u>\$ 132,955</u>	<u>\$ 137,533</u>	<u>\$ 4,578</u>
Deferred inflows of resources related to Pension Plan			
	<u>\$ 1,702</u>	<u>\$ -</u>	<u>\$ (1,702)</u>
Net position, as restated			
Net investment in capital assets	\$ 372,253	\$ 334,633	\$ 37,620
Restricted net position			
Major repairs	2,114	1,930	184
Capital projects	5,989	5,840	149
Debt service	357	267	90
Restricted net position	8,460	8,037	423
Unrestricted net position, as restated	152,814	138,238	14,576
Net position	<u>\$ 533,527</u>	<u>\$ 480,908</u>	<u>\$ 52,619</u>

¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

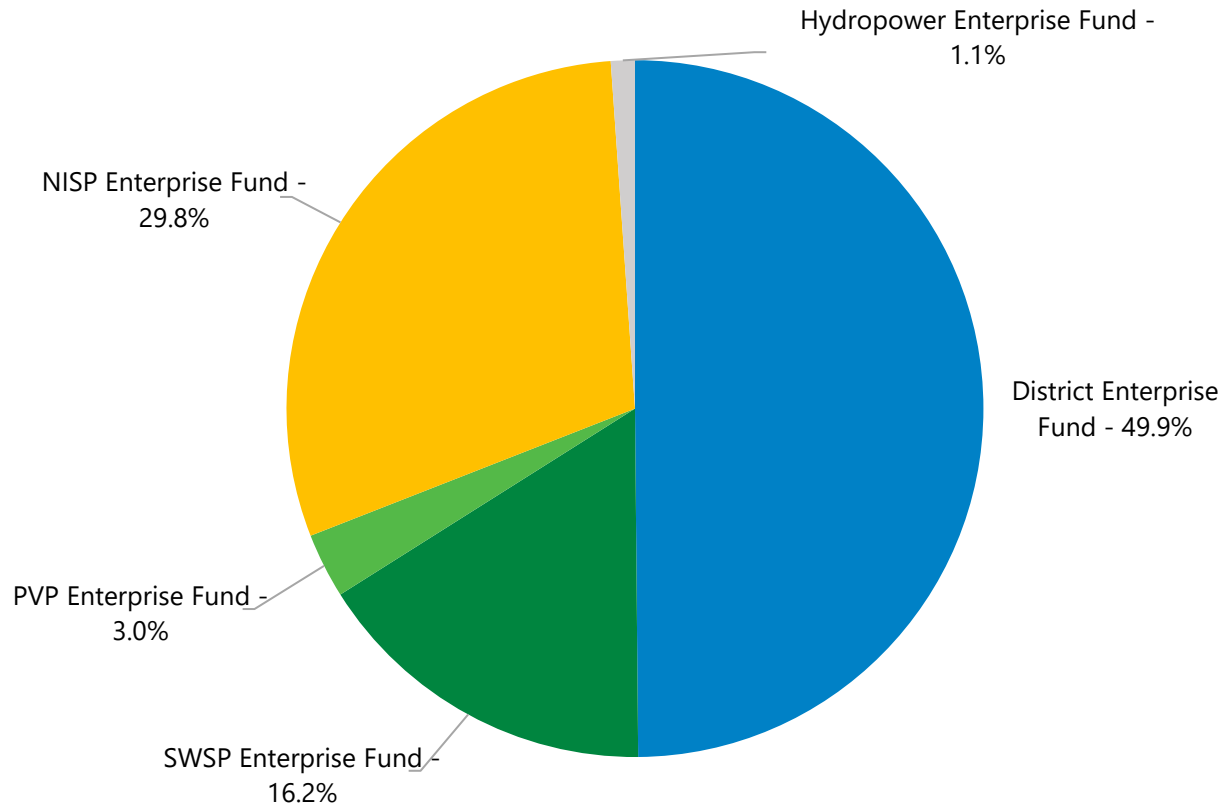
Financial Analysis – Changes in Net Position¹

September 30,

	\$000s		
	2024	2023	Change
Income before contributions	\$ 25,122	\$ 12,897	\$ 12,225
Capital contributions	27,497	23,477	4,020
Changes in net position	52,619	36,374	16,245
Net position, beginning of year, as restated ²	480,908	444,534	36,374
Net position, end of year	<u>\$ 533,527</u>	<u>\$ 480,908</u>	<u>\$ 52,619</u>

	\$000s		
	2024	2023	Change
District Enterprise Fund	\$ 266,216	\$ 240,455	\$ 25,761
Southern Water Supply Project	86,282	87,848	(1,566)
Pleasant Valley Pipeline Project	16,077	16,829	(752)
Northern Integrated Supply Project	159,025	130,524	28,501
Northern Water Hydropower	5,927	5,252	675
Changes in net position	<u>\$ 533,527</u>	<u>\$ 480,908</u>	<u>\$ 52,619</u>

Net Position by Enterprise Fund September 30, 2024



¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

² See Note 20 in the accompanying notes to the financial statements for restatement details.

Financial Analysis – Changes in Net Position (continued)

District Enterprise Fund

The District Enterprise Fund had a net position of \$266.2 million at year end. Approximately 45.9 percent of this balance, \$122.1 million, reflected the District Enterprise Fund's net investment in capital assets. Unrestricted cash and investment balances, amounts due from the Municipal Subdistrict, and trade receivables make up most of the remainder of the balance. Receivables increased by \$7.1 million, or 96.1 percent, over 2023 largely due to delays in processing amounts due from the United States Bureau of Reclamation. In addition, the net pension liability decreased by \$5 million, or 54.5 percent, compared to 2023. This is due to favorable market conditions that existed at the time of the most recent actuarial valuation. More information about the Northern Water pension plan can be found in Note 16 on page 71. Finally, District Enterprise Fund capital assets increased by \$18.7 million, or 9.5 percent. This change was driven by the completion of the Berthoud Campus Development Project. This is explained in greater detail in the capital assets section on page 34.

Southern Water Supply Project

The Southern Water Supply Project net investment in capital assets, totaling \$82.8 million, comprised the majority of its \$86.3 million net position at September 30, 2024. Net position decreased by \$1.6 million in 2024, largely due to depreciation on capital assets.

Pleasant Valley Pipeline Project

The net investment in capital assets, totaling \$15.9 million, for Pleasant Valley Pipeline Project fund comprises the majority of its \$16.1 million net position at September 30, 2024. Net position decreased by \$752,000 in 2024, reflecting the current year depreciation on capital assets.

Northern Integrated Supply Project

Net position for the Northern Integrated Supply Project increased \$28.5 million in 2024, reflecting an increase of \$34.6 million in net investment in capital assets offset by a \$6.4 million decrease in unrestricted net position. Net investment in capital assets increased due to \$29.4 million in capital asset additions for the project. This is explained in greater detail in the capital assets section on page 35.

Northern Water Hydropower

Northern Water Hydropower fund net position of \$5.9 million consisted primarily of its net investment in the hydropower plants (\$3.6 million). Net position increased by \$675,000, reflecting positive operating income.

Financial Analysis – Revenues¹

(condensed)

Years ended September 30,

Operating and nonoperating revenues were as follows:

	\$000s		
	2024	2023	Change
Operating revenues			
Assessments	\$ 16,819	\$ 16,892	\$ (73)
Charges for services	8,191	7,490	701
Energy revenue	1,323	1,245	78
Other operating revenues	10,577	5,891	4,686
Operating revenues	36,910	31,518	5,392
Nonoperating revenues			
Property and specific ownership taxes	38,279	30,330	7,949
Intergovernmental grants	1,932	6,714	(4,782)
Earnings on investments	9,856	6,792	3,064
Other nonoperating revenues	1,488	395	1,093
Nonoperating revenues	51,555	44,231	7,324
Revenues	\$ 88,465	\$ 75,749	\$ 12,716

Operating and nonoperating revenues for the District Enterprise Fund are as follows:

	\$000s		
	2024	2023	Change
Assessments	\$ 13,607	\$ 13,007	\$ 600
Charges for services	8,191	7,490	701
Property and specific ownership taxes	38,279	30,330	7,949
Intergovernmental grant revenue	1,932	6,212	(4,280)
Earnings on investments	8,411	5,280	3,131
Other revenues	12,063	6,280	5,783
District Enterprise Fund revenues	\$ 82,483	\$ 68,599	\$ 13,884

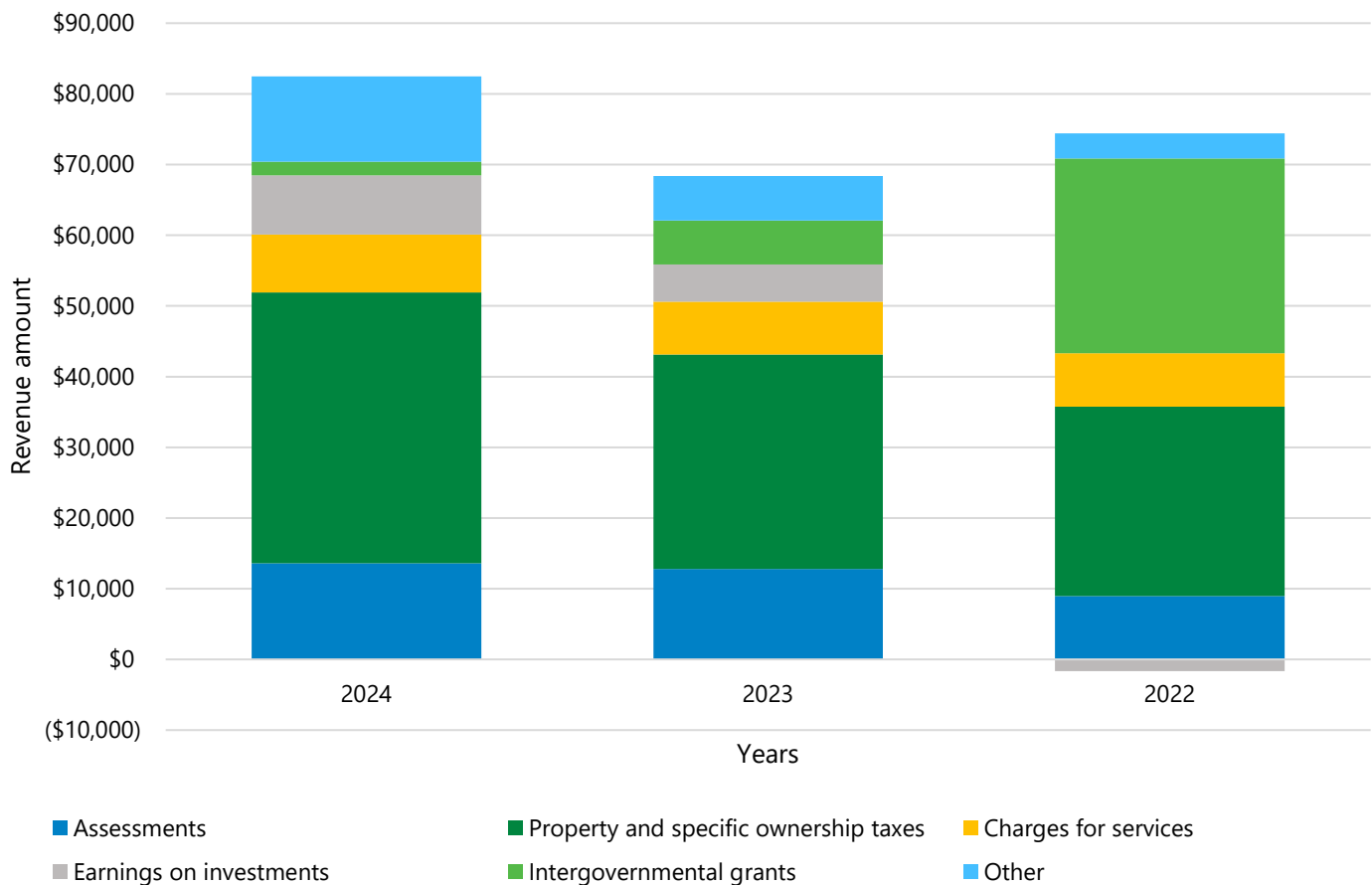
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

Financial Analysis – Revenues (continued)

(condensed)

Years ended September 30,

Revenues for District Enterprise Fund



District Enterprise Fund operating revenues consist primarily of water assessments from allottees and charges for services. District annual water assessments are based on units held and independent of actual water deliveries. The 2024 open rate assessments increased 6.0 percent from \$50.55 to \$53.60 per acre-foot unit for municipal/industrial users and 9.8 percent from \$30.60 to \$33.60 for agricultural users. In addition, District Enterprise Fund assessments included approximately \$2.7 million and \$2.5 million, in 2024 and 2023, respectively, from its Carryover Program, a program whereby allottees may carry over allotted but undelivered water from one year to the next as a hedge against drought and low runoff. The terms and limitations of the program are specified in the Northern Water Annual Carryover Program rule.

Charges for services relate to amounts charged by the District Enterprise Fund to other enterprise funds for providing certain administrative, engineering, environmental and operational services to those enterprises. In addition, the charges include amounts reimbursable by Reclamation under the terms of the Repayment Contract between Northern Water and Reclamation.

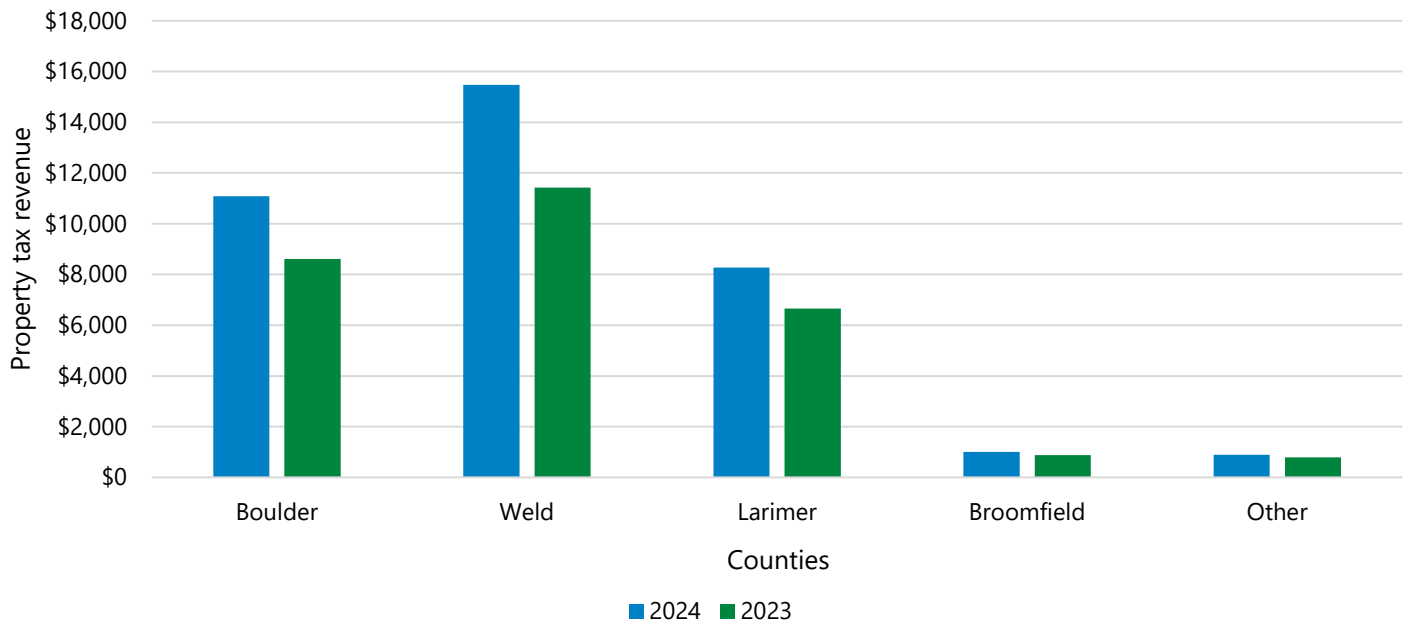
In 2024, nonoperating revenues included property taxes, intergovernmental grant revenue, earnings on investments and other nonoperating revenues.

Financial Analysis – Revenues (continued)

(condensed)

Years ended September 30,

Property Tax Revenue by County



Northern Water collects a voter-approved 1 mill levy tax on real property located within its boundaries. The counties of Weld, Boulder, Larimer and Broomfield account for the majority of property tax revenue. While the 1 mill levy rate remains unchanged, property tax revenue increased by \$7.9 million, or 26.0 percent, in 2024 over 2023 due to significant increases in property valuations across the district.

In fiscal year 2024, grant revenue requested for reimbursement amounted to \$1.9 million and is reflected as intergovernmental grant revenue in the financial statements. The grants include federal grants for East Troublesome Fire Recovery (United States Forest Service) in the amount of \$850,000 and Airborne Snow Observation (Reclamation) in the amount of \$212,000. In addition, Northern Water received approximately \$425,000 from the Colorado Water Conservation Board for fire recovery efforts. Grant revenue from sources other than federal or state grants was approximately \$445,000 for the Kawauneeche Valley Ecosystem and East Troublesome Fire Recovery initiatives.

Across all funds, earnings on investments, which consists of interest earnings, realized and unrealized gains and losses on investments, increased by \$3.1 million, or 59.0 percent, over prior year due to strong investment markets.

Other Enterprise Funds

SWSP and PVP revenues consisted of annual assessments from their respective participants and were generally consistent between 2024 and 2023. NISP had no operating revenue because that enterprise fund is in the design and permitting phase. Hydropower energy revenue, reflecting power charges earned based on energy produced from the hydropower plants, increased between 2024 and 2023 by approximately \$176,000. In 2023, Hydropower was granted and received \$502,000 in incentive payments from the U.S. Department of Energy based on energy production from the Granby and Trout hydropower plants. This amount was included in intergovernmental nonoperating revenue in 2023, but was not received in 2024.

Financial Analysis – Expenses¹

(condensed)

Years ended September 30,

Operating and nonoperating expenses were as follows:

	\$000s		
	2024	2023	Change
Operating expenses			
Operations	\$ 14,720	\$ 11,627	\$ 3,093
Engineering	6,684	6,682	2
Environmental Services	6,355	5,769	586
Finance and Administration	19,385	21,772	(2,387)
Depreciation	10,288	7,401	2,887
Operating expenses	<u>57,432</u>	<u>53,251</u>	<u>4,181</u>
Nonoperating expenses			
Interest expense	3,317	3,383	(66)
Other nonoperating expenses	2,595	6,219	(3,624)
Nonoperating expenses	<u>5,912</u>	<u>9,602</u>	<u>(3,690)</u>
Expenses	<u>\$ 63,344</u>	<u>\$ 62,853</u>	<u>\$ 491</u>

Operating expenses for the District Enterprise Fund were as follows:

	\$000s		
	2024	2023	Change
Operations	\$ 13,269	\$ 10,193	\$ 3,076
Engineering	6,364	6,325	39
Environmental Services	6,353	5,768	585
Finance and Administration	18,925	20,322	(1,397)
Depreciation	6,072	3,197	2,875
District Enterprise Fund	<u>\$ 50,983</u>	<u>\$ 45,805</u>	<u>\$ 5,178</u>

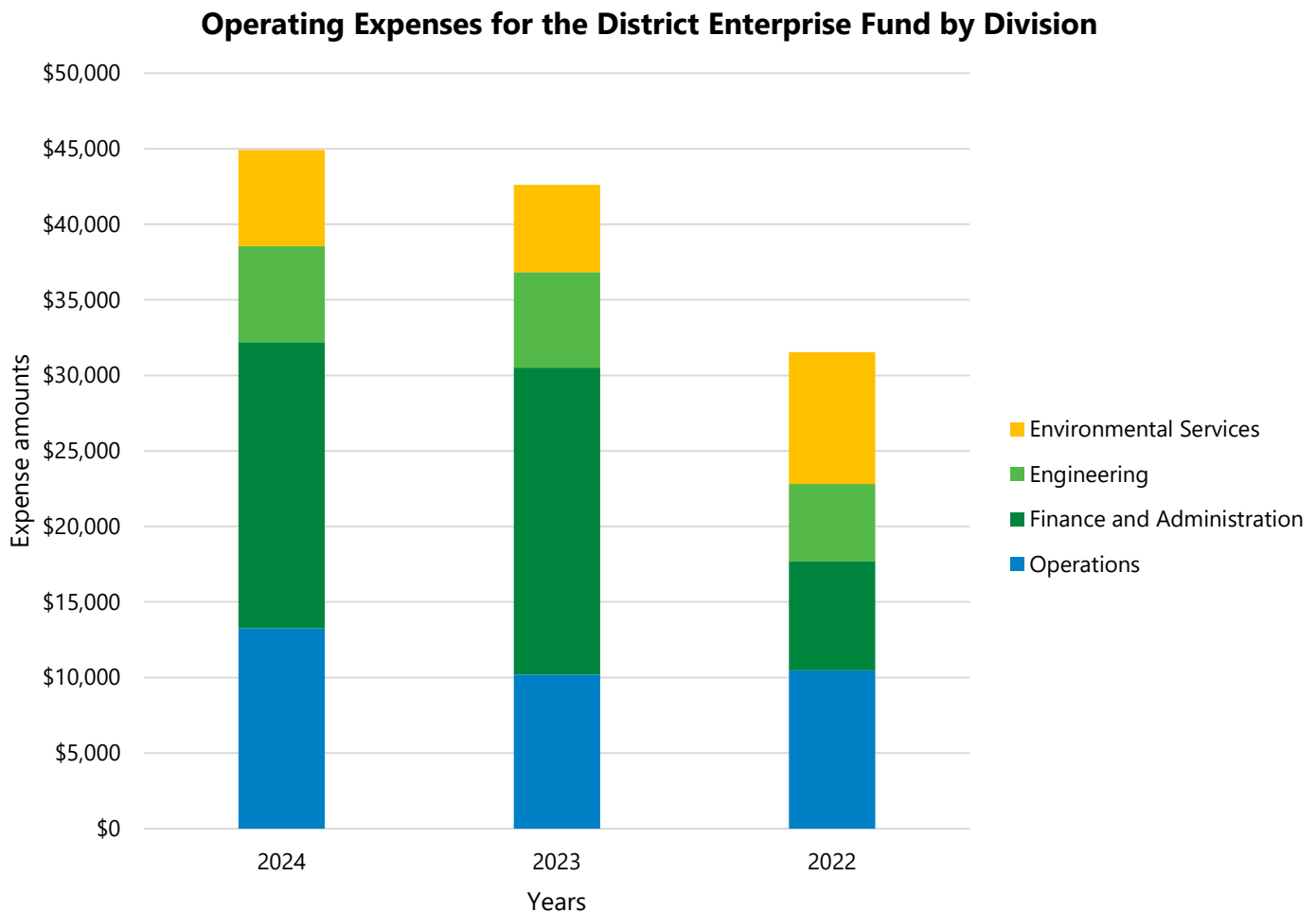
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

Financial Analysis – Expenses (continued)

(condensed)

Years ended September 30,

Operating expenses (excluding depreciation expense) for the District Enterprise Fund by division are as follows:



District Enterprise Fund total operating expenses increased approximately \$3.5 million from \$45.8 million in 2023 to \$51.0 million in 2024, or 11.4 percent. Finance and Administration and Operations Divisions incurred the majority of these costs at \$18.9 million and \$13.3 million, respectively.

The increase of \$3.1 million in expenses for the Operations Division was primarily due to costs incurred related to the Horsetooth Fiber Project. In addition, other work that contributed to the increase are concrete maintenance work on canals, tunnels and at Lake Granby. Finally, the decrease in Finance and Administration Division costs of \$1.4 million was due to a decrease in fire recovery projects. Most of those projects were completed in 2023, with the remainder wrapping up in 2024.

Operating expenses for SWSP decreased in 2024 from \$5.8 million to \$5.4 million. There were no operating expenses for NISP because that enterprise fund is in the design and permitting phase. Nonoperating expenses consisted primarily of interest expense for Hydropower.

Financial Analysis – Capital Assets, Net¹

(condensed)

September 30,

	\$000s		
	2024	2023	Change
Construction in progress	\$ 138,793	\$ 142,105	\$ (3,312)
Land, easements and water rights	116,132	94,990	21,142
Water pipelines and equipment	160,571	160,264	307
Hydropower plants	11,503	11,503	-
Operations equipment	13,006	10,792	2,214
Buildings and improvements	125,008	86,634	38,374
Computer and office equipment	12,717	14,243	(1,526)
Capital assets	577,730	520,531	57,199
Less accumulated depreciation	(106,505)	(99,274)	(7,231)
Capital assets, net of depreciation	<u>\$ 471,225</u>	<u>\$ 421,257</u>	<u>\$ 49,968</u>
District Enterprise Fund			
Construction in progress	\$ 6,203	\$ 28,638	\$ (22,435)
Land, easements and water rights	94,181	88,823	5,358
Operations equipment	5,588	4,121	1,467
Water pipeline and equipment	169	180	(11)
Buildings and improvements	105,766	70,702	35,064
Computer and office equipment	4,258	4,959	(701)
Capital assets, net of depreciation	<u>216,165</u>	<u>197,423</u>	<u>18,742</u>
Southern Water Supply Project			
Construction in progress	507	173	334
Land, easements and water rights	5,233	5,233	-
Operations equipment	69	-	69
Water pipeline and equipment	76,991	79,703	(2,712)
Capital assets, net of depreciation	<u>82,800</u>	<u>85,109</u>	<u>(2,309)</u>
Pleasant Valley Pipeline			
Construction in progress	13	-	13
Land, easements and water rights	934	934	-
Water pipeline and equipment	14,938	15,687	(749)
Capital assets, net of depreciation	<u>15,885</u>	<u>16,621</u>	<u>(736)</u>
Northern Integrated Pipeline Project			
Construction in progress	132,064	113,288	18,776
Land, easements and water rights	15,784	-	15,784
Capital assets, nondepreciable	<u>147,848</u>	<u>113,288</u>	<u>34,560</u>
Northern Water Hydropower			
Construction in progress	6	-	6
Hydropower plants	8,521	8,816	(295)
Capital assets, net of depreciation	<u>8,527</u>	<u>8,816</u>	<u>(289)</u>
Total capital assets, net of depreciation	<u>\$ 471,225</u>	<u>\$ 421,257</u>	<u>\$ 49,968</u>

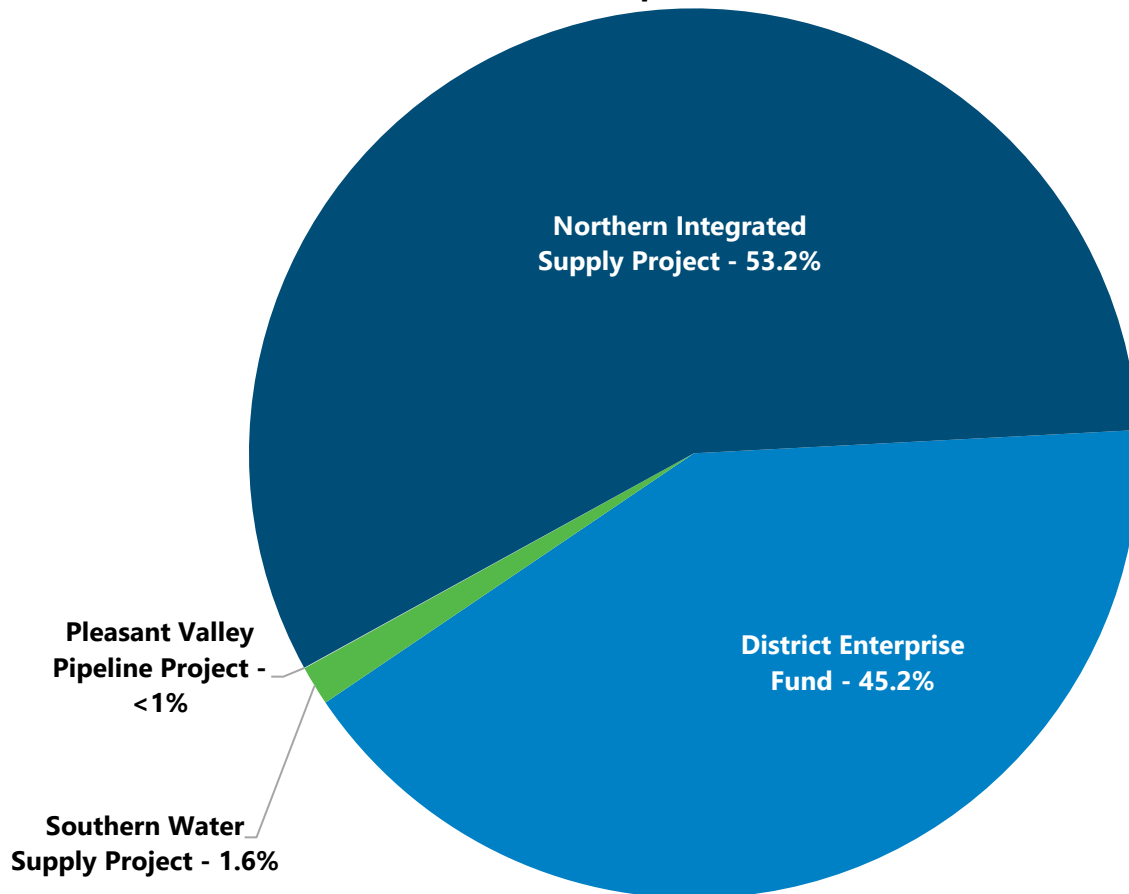
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

Capital Assets, Net (continued)

(condensed)

September 30,

2024 Capital Additions



District Enterprise Fund

District capital assets, net of depreciation, increased by approximately \$18.7 million, or 9.5 percent, from \$197.4 million in 2023 to \$216.2 million in 2024 primarily due to the completion of Phase II of the Campus Development Project. The project was placed in service in 2024.

Southern Water Supply Project

SWSP capital assets, net of depreciation, decreased by approximately \$2.3 million, or 2.7 percent, from \$85.1 million in 2023 to \$82.8 million in 2024. SWSP had approximately \$871,000 in capital asset additions, offset by approximately \$3.1 million in depreciation expense.

Northern Integrated Supply Project

NISP costs cumulative since inception of the project amounted to \$147.8 million at September 30, 2024. The \$34.6 million invested in 2024 included completion of the Eastman Park wetlands mitigation, land acquisition costs, other mitigation and enhancement efforts, and ongoing permitting and design costs.

Other Enterprise Funds

Other enterprise funds had no significant capital asset activity.

See additional information relating to capital assets at Notes 1 and 10 to the financial statements.

Financial Analysis – Debt Administration

(condensed)

September 30,

	\$000s		
	2024	2023	Change
District Enterprise Fund			
Certificates of Participation, Series 2021	\$ 58,340	\$ 59,919	\$ (1,579)
Certificates of Participation, Series 2022	36,057	36,689	(632)
Horsetooth Safety of Dams	2,409	2,584	(175)
District Enterprise Fund debt	96,806	99,192	(2,386)
Northern Water Hydropower			
Colorado Water Resources and Power Development Authority	896	998	(102)
Colorado Water Conservation Board	4,049	4,194	(145)
Hydropower	4,945	5,192	(247)
District Enterprise and Northern Water Hydropower long-term debt	101,751	104,384	(2,633)
Less current maturities of long-term debt	(1,918)	(1,838)	(80)
Long-term debt, net of current maturities	\$ 99,833	\$ 102,546	\$ (2,713)
Interfund loan			
District Enterprise Fund/Hydropower interfund loan	\$ 2,346	\$ 2,582	\$ (236)
Less current maturities of long-term debt	(241)	(236)	(5)
Long-term debt, net of current maturities	\$ 2,105	\$ 2,346	\$ (241)

Financial Analysis – Debt Administration (continued)

(condensed)

September 30,

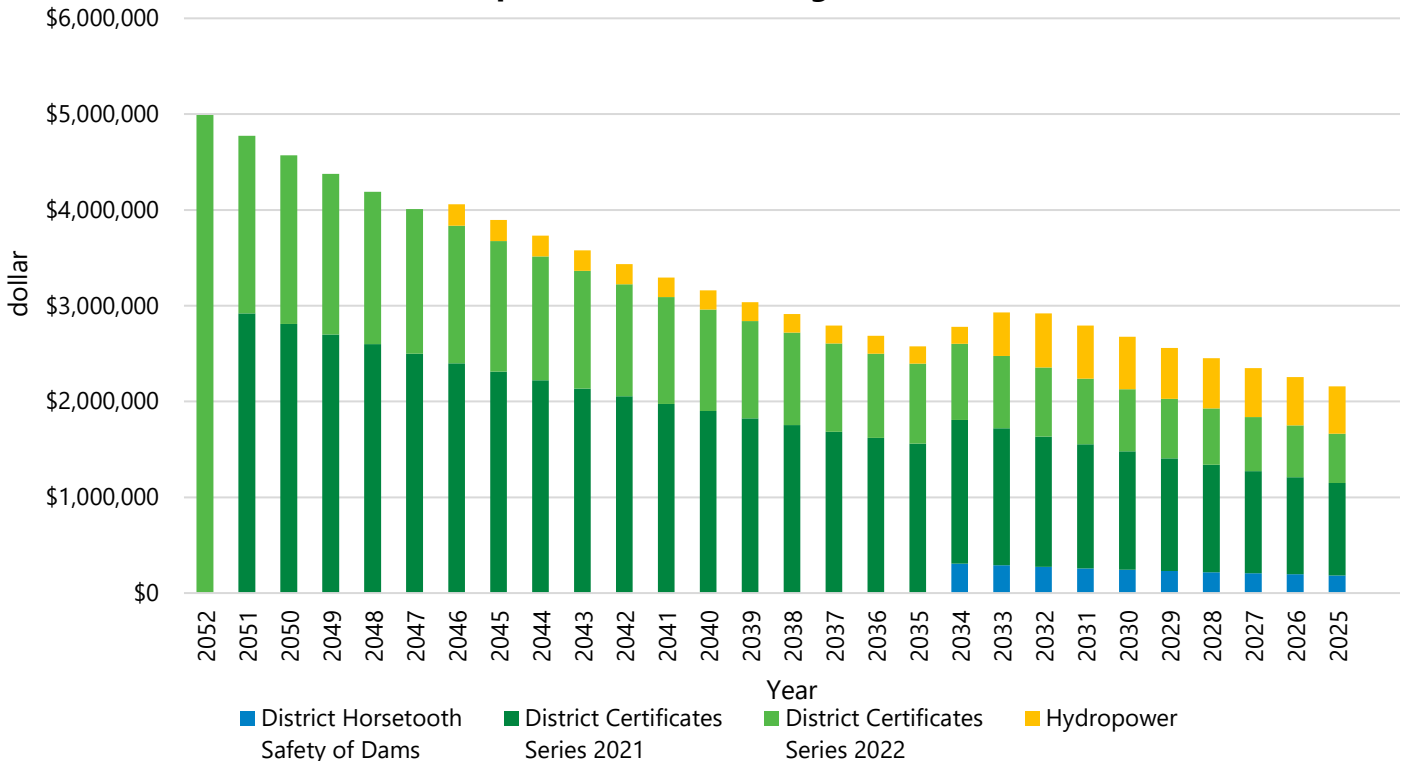
In 2021, Northern Water issued the 2021 Certificates of Participation (Certificates) to fund the initial phase of its Campus Development Project. The 2021 Certificates represent undivided proportionate interests in Base Rentals and other revenues under an annually renewable lease purchase agreement between the trustee for the 2021 Certificates and Northern Water. The 2021 Certificates have a 30-year term, an original principal amount of \$52,050,000, bear interest at 4.0 percent or 5.0 percent and were issued at a premium. Annual principal and interest payments began in fiscal year 2022.

In 2022, Northern Water issued the 2022 Certificates to fund the second phase of its Campus Development Project. The 2022 Certificates represent undivided proportionate interests in Base Rentals and other revenues under an annually renewable lease purchase agreement between the trustee for the 2022 Certificates and Northern Water. The 2022 Certificates have a 30-year term, an original principal amount of \$33,940,000, bear interest at 5.0 percent or 5.25 percent and were issued at a premium. Annual principal and interest payments began in fiscal year 2024.

The 2021 Certificates were issued with a True Interest Cost (TIC) of 2.6 percent. The 2022 Certificates were issued with a TIC of 4.4 percent.

Northern Water and Hydropower continued to pay their regularly scheduled debt service payments on previously outstanding debt. Aside from routine payments, there was no significant debt activity in 2024. See additional information relating to long-term debt and the District Enterprise Fund/Hydropower interfund loan receivable/payable at Notes 1 and 14 to the financial statements.

Principal Maturities of Long Term Debt



Financial Contact

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

BASIC FINANCIAL STATEMENTS



Statement of Net Position – Proprietary Funds

September 30, 2024

	Business-type Activity Enterprise Funds					Total
	District Enterprise Fund	Southern Water Supply Project	Pleasant Valley Pipeline Project	Northern Integrated Supply Project	Hydropower	
ASSETS						
Current assets						
Cash and cash equivalents						
Unrestricted (Note 3)	\$37,266,370	\$ 2,942,488	\$ 182,412	\$ 12,787,120	\$ 3,776,964	\$ 56,955,354
Investments						
Unrestricted (Note 4)	84,839,374	-	-	-	-	84,839,374
Receivables (Note 5)	14,522,178	-	686	124,450	119,189	14,766,503
Related party receivable (Note 17)	18,967,114	-	-	-	-	18,967,114
Due from other funds (Note 6)	-	1,050,736	9,486	77,814	85,868	1,223,904
Advances	-	-	-	29,170	23,990	53,160
Other current assets (Note 7)	2,987,426	12,399	-	-	1,231	3,001,056
Current maturity of interfund loan (Note 13)	240,514	-	-	-	-	240,514
Current assets	158,822,976	4,005,623	192,584	13,018,554	4,007,242	180,046,979
Noncurrent assets						
Cash equivalents, restricted (Notes 3 and 8)	272,831	-	-	-	206,679	479,510
Investments, restricted (Notes 4 and 9)	4,877,066	-	-	5,829,305	510,380	11,216,751
Interfund loan receivable (Note 13)	2,105,611	-	-	-	-	2,105,611
Capital assets, net of accumulated depreciation (Note 10)	216,164,595	82,800,937	15,884,897	147,847,441	8,527,215	471,225,085
Noncurrent assets	223,420,103	82,800,937	15,884,897	153,676,746	9,244,274	485,026,957
Assets	\$382,243,079	\$ 86,806,560	\$16,077,481	\$ 166,695,300	\$ 13,251,516	\$665,073,936
DEFERRED						
OUTFLOWS OF RESOURCES RELATED TO PENSION PLAN						
(Notes 14 & 16)	\$ 3,110,396	\$ -	\$ -	\$ -	\$ -	\$ 3,110,396

See accompanying Notes to Financial Statements.

Statement of Net Position – Proprietary Funds (continued)

September 30, 2024

	Business-type Activity Enterprise Funds					Total
	District Enterprise Fund	Southern Water Supply Project	Pleasant Valley Pipeline Project	Northern Integrated Supply Project	Hydropower	
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 8,705,440	\$ 524,335	\$ 15	\$ 7,669,975	\$ 1,359	\$ 16,901,124
Unearned revenue	3,541,627	-	-	-	-	3,541,627
Due to other funds (Note 6)	1,223,904	-	-	-	-	1,223,904
Interest payable	1,047,271	-	-	-	32,775	1,080,046
Compensated absences (Note 12)	1,725,073	-	-	-	-	1,725,073
Current maturities of long-term debt	1,664,909	-	-	-	252,704	1,917,613
Current maturity of interfund loan (Note 13)	-	-	-	-	240,514	240,514
Current liabilities	17,908,224	524,335	15	7,669,975	527,352	26,629,901
Noncurrent liabilities						
Accounts payable from non-current restricted assets	200,766	-	-	-	-	200,766
Long-term debt, net of current maturities (Note 13)	95,141,242	-	-	-	4,692,035	99,833,277
Interfund loan, net of current maturity (Note 13)	-	-	-	-	2,105,611	2,105,611
Net pension liability	4,185,462	-	-	-	-	4,185,462
Noncurrent liabilities	99,527,470	-	-	-	6,797,646	106,325,116
Liabilities	\$117,435,694	\$ 524,335	\$ 15	\$ 7,669,975	\$ 7,324,998	\$132,955,017
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION PLAN						
	\$ 1,701,580	\$ -	\$ -	\$ -	\$ -	\$ 1,701,580
NET POSITION						
Net investment in capital assets	\$122,137,063	\$ 82,800,936	\$15,884,897	\$147,847,441	\$ 3,582,475	\$372,252,812
Restricted net position						
Major repairs	2,113,529	-	-	-	-	2,113,529
Capital projects	-	160,105	-	5,829,305	-	5,989,410
Debt service	-	-	-	-	356,790	356,790
Restricted net position	2,113,529	160,105	-	5,829,305	356,790	8,459,729
Unrestricted net position (deficit)	141,965,609	3,321,184	192,569	5,348,579	1,987,253	152,815,194
Net position	\$266,216,201	\$ 86,282,225	\$16,077,466	\$159,025,325	\$ 5,926,518	\$533,527,735

See accompanying Notes to Financial Statements.

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

Year ended September 30, 2024

	Business-type Activity Enterprise Funds					Total
	District Enterprise Fund	Southern Water Supply Project	Pleasant Valley Pipeline Project	Northern Integrated Supply Project	Hydropower	
Operating revenues						
Assessments	\$13,606,791	\$ 3,076,920	\$ 135,380	\$ -	\$ -	\$16,819,091
Charges for services	8,190,556	-	-	-	-	8,190,556
Energy revenue	-	-	-	-	1,323,389	1,323,389
Other operating revenues	10,577,198	-	-	-	-	10,577,198
Operating revenues	32,374,545	3,076,920	135,380	-	1,323,389	36,910,234
Operating expenses						
Operations	13,268,770	1,170,238	70,614	-	210,263	14,719,885
Engineering	6,363,964	305,447	8,436	-	6,203	6,684,050
Environmental Services	6,353,473	1,368	-	-	-	6,354,841
Finance and Administration	18,924,965	171,879	69,408	-	218,575	19,384,827
Depreciation	6,071,639	3,178,403	749,286	-	288,604	10,287,932
Operating expenses	50,982,811	4,827,335	897,744	-	723,645	57,431,535
Operating income (loss)	(18,608,266)	(1,750,415)	(762,364)	-	599,744	(20,521,301)
Nonoperating revenues						
Property and specific ownership taxes	38,279,424	-	-	-	-	38,279,424
Intergovernmental grant revenue	1,931,751	-	-	-	-	1,931,751
Earnings (Loss) on investments	8,410,842	184,085	11,061	1,022,885	227,235	9,856,108
Other nonoperating revenues	1,486,478	-	-	2,000	-	1,488,478
Nonoperating revenues	50,108,495	184,085	11,061	1,024,885	227,235	51,555,761
Nonoperating expenses						
Interest expense, net of bond premium amortization	(3,164,544)	-	-	-	(152,173)	(3,316,717)
Other nonoperating expenses	-	-	-	(537)	-	(537)
Other nonoperating grant-related expenses	(2,594,681)	-	-	-	-	(2,594,681)
Nonoperating expenses	(5,759,225)	-	-	(537)	(152,173)	(5,911,935)
Nonoperating income (loss)	44,349,270	184,085	11,061	1,024,348	75,062	45,643,826
Income (loss) before contributions	25,741,004	(1,566,330)	(751,303)	1,024,348	674,806	25,122,525
Capital contributions	20,122	-	-	27,476,893	-	27,497,015
Changes in net position	25,761,126	(1,566,330)	(751,303)	28,501,241	674,806	52,619,540
Net position beginning of year, as previously reported	243,973,915	87,848,555	16,828,769	130,524,084	5,251,712	484,427,035
Restatement (Note 20)	(3,518,840)	-	-	-	-	(3,518,840)
Net position beginning of year, as restated	240,455,075	87,848,555	16,828,769	130,524,084	5,251,712	480,908,195
Net position, end of year	\$266,216,201	\$86,282,225	\$16,077,466	\$159,025,325	\$ 5,926,518	\$533,527,735

See accompanying Notes to Financial Statements.

Statement of Cash Flows – Proprietary Funds

Year ended September 30, 2024

	Business-type Activity Enterprise Funds					Total
	District Enterprise Fund	Southern Water Supply Project	Pleasant Valley Pipeline Project	Northern Integrated Supply Project	Hydropower	
Cash flows from operating activities						
Receipts from participants	\$ 26,958,833	\$3,076,920	\$ 134,694	\$ -	\$ 1,940,762	\$32,111,209
Receipts from other funds	3,370,252	-	-	-	-	3,370,252
Payments to related parties	(1,674,512)	-	-	-	-	(1,674,512)
Payments to other funds	-	(2,386,096)	(52,943)	-	(280,115)	(2,719,154)
Payments to suppliers	(18,013,002)	(295,784)	(59,188)	-	(276,894)	(18,644,868)
Payments to employees	(26,490,424)	(870,362)	(89,543)	-	(149,180)	(27,599,509)
Net cash provided by (used in operating activities)	(15,848,853)	(475,322)	(66,980)	-	1,234,573	(15,156,582)
Cash flows from noncapital financing activities						
Property and specific ownership tax receipts	38,177,187	-	-	-	-	38,177,187
Intergovernmental grants	767,226	-	-	-	-	767,226
Grant funded noncapital payments	(3,140,494)	-	-	-	-	(3,140,494)
Other noncapital financing activities	1,426,901	-	-	578	-	1,427,479
Net cash provided by noncapital financing activities	37,230,820	-	-	578	-	37,231,398
Cash flows from capital and related financing activities						
Capital contributions	20,122	-	-	27,476,894	-	27,497,016
Acquisition and construction of capital assets (net of disposals)	(26,941,847)	(870,878)	(12,813)	(30,332,362)	-	(58,157,900)
Payments to other funds to reimburse capital acquisitions	-	-	-	(651,098)	-	(651,098)
Principal paid on capital debt and interfund loan	(1,589,854)	-	-	-	(483,548)	(2,073,402)
Interest paid of capital debt and interfund loan	(3,983,574)	-	-	-	(155,488)	(4,139,062)
Principal receipts from interfund loan	235,798	-	-	-	-	235,798
Interest received from interfund loan	56,433	-	-	-	-	56,433
Net cash provided by (used in capital and related financing activities)	(32,202,922)	(870,878)	(12,813)	(3,506,566)	(639,036)	(37,232,215)
Cash flows from investing activities						
Investment purchases	(78,632,377)	-	-	(5,829,305)	(510,380)	(84,972,062)
Proceeds from sale of investments	50,489,024	-	-	-	-	50,489,024
Proceeds from earnings on investments	6,389,950	184,085	11,062	1,022,025	227,235	7,834,357
Net cash provided (used) by investing activities	(21,753,403)	184,085	11,062	(4,807,280)	(283,145)	(26,648,681)
Net change in cash and cash equivalents	(32,574,358)	(1,162,115)	(68,731)	(8,313,268)	312,392	(41,806,080)
Cash and cash equivalents, beginning of year	70,113,559	4,104,603	251,143	21,100,388	3,671,251	99,240,944
Cash and cash equivalents, end of year	\$ 37,539,201	\$ 2,942,488	\$ 182,412	\$ 12,787,120	\$ 3,983,643	\$57,434,864

See accompanying Notes to Financial Statements.

Statement of Cash Flows – Proprietary Funds (continued)

Year ended September 30, 2024

	Business-type Activity Enterprise Funds					Total
	District Enterprise Fund	Southern Water Supply Project	Pleasant Valley Pipeline Project	Northern Integrated Supply Project	Hydropower	
Reconciliation of operating income (loss) to net cash provided (used) in operating activities						
Operating income (loss)	\$(18,608,266)	\$(1,750,415)	\$(762,364)	\$ -	\$ 599,744	\$(20,521,301)
Adjustments						
Depreciation	6,071,639	3,178,403	749,286	-	288,604	10,287,932
(Increase) decrease in current assets						
Receivables	(5,460,341)	-	(686)	-	617,373	(4,843,654)
Related party receivable	(1,674,512)	-	-	-	-	(1,674,512)
Due from other funds	2,714,678	(482,406)	(9,486)	-	(85,868)	2,136,918
Advances	17,054	-	-	-	8,845	25,899
Other current assets	(1,112,220)	(12,399)	-	-	(1,231)	(1,125,850)
Increase (decrease) in current liabilities						
Accounts payable and accrued liabilities	1,827,813	495,185	(273)	-	1,353	2,324,078
Due to other funds	655,574	(1,903,690)	(43,457)	-	(194,247)	(1,485,820)
Unearned revenue	22,787	-	-	-	-	22,787
Compensated absences	204,708	-	-	-	-	204,708
Increase (decrease) in Pension Plan-related items						
Net pension liability	(5,001,415)	-	-	-	-	(5,001,415)
Deferred outflows of resources	2,792,068	-	-	-	-	2,792,068
Deferred inflows of resources	1,701,580	-	-	-	-	1,701,580
Adjustments	2,759,413	1,275,093	695,384	-	634,829	5,364,719
Net cash provided (used) in operating activities	\$(15,848,853)	\$ (475,322)	\$ (66,980)	\$ -	\$ 1,234,573	\$(15,156,582)
Non-cash activities						
Amortization of bond premium	\$ 796,126	\$ -	\$ -	\$ -	\$ -	\$ 796,126
Change in value of investments	1,633,779	-	-	-	-	1,633,779
Capital additions in retainage	1,007,891	-	-	-	-	1,007,891
Change in capital assets in accounts payable	2,128,885	-	-	4,364,117	-	6,493,002
Cash flow from non-cash activities	\$ 5,566,681	\$ -	\$ -	\$ 4,364,117	\$ -	\$ 9,930,798

See accompanying Notes to Financial Statements.

Statement of Fiduciary Net Position – Fiduciary Fund Pension Trust Fund

December 31, 2023

	<u>Pension Plan</u>
ASSETS	
Cash and Cash equivalents	\$ 844,558
Investments	
Domestic equities	9,380,883
Mutual Funds	
Fixed income	8,972,564
International equities	3,307,696
Low correlated hedge	3,932,671
Emerging markets equities	1,565,695
Investments	<u>27,159,509</u>
Assets	<u>28,004,067</u>
LIABILITIES	
Liabilities - Due to Northern Water	<u>202,370</u>
NET POSITION	
Net position restricted for pension	<u><u>\$ 27,801,697</u></u>

See accompanying Notes to Financial Statements.

Statement of Changes in Fiduciary Net Position – Fiduciary Fund Pension Trust Fund

Year ended December 31, 2023

	<u>Pension Plan</u>
Additions	
Employer contributions	\$ 1,199,445
Investment earnings	
Net increase in fair value of investments	3,014,911
Interest and dividends	688,313
Investment gains	3,703,224
Increase to Plan assets	4,902,669
Deductions	
Benefit payments	(2,118,387)
Increase in net position	2,784,282
Net position, beginning of year	25,017,415
Net position, end of year	<u>\$ 27,801,697</u>

See accompanying Notes to Financial Statements.

Notes to Financial Statements – September 30, 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Northern Water was organized September 20, 1937, as a quasi-municipal entity and political subdivision of the State of Colorado. Northern Water 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 Northern Water boundaries. Board members are appointed to four-year terms, which are staggered so at least three Board seats are up for appointment each year.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Northern Water is a special-purpose government engaged in business-type activities. The accounts are organized and operated on a fund basis. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. For these business-type activities, enterprise fund financial statements are presented. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, consistent with businesses in the private sector. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. The Northern Water Group Pension Plan Fund, a defined benefit retirement plan, is presented as a fiduciary fund pension trust fund as of its December 31 year end.

The financial statements of Northern Water have been prepared in conformity with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34 – *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* sets forth minimum criteria for the determination of major and nonmajor funds. All of the Northern Water business-type enterprise funds met the major fund criteria specified in the statement at September 30, 2024, with the exception of the Pleasant Valley Pipeline Project Enterprise Fund. Northern Water management has elected to report this fund as a major fund.

Northern Water, pursuant to a perpetual contract with the U.S. Department of the Interior and in conjunction with Reclamation, operates and maintains a portion of the C-BT Project. The primary purpose of the C-BT Project is the development and use of the waters of the Colorado and Big Thompson rivers.

The following is a description of the proprietary business-type enterprise funds and fiduciary fund of Northern Water:

- The District Enterprise Fund accounts for the operating activities of the C-BT Project, engineering programs, environmental and administrative support services.
- Southern Water Supply Project Enterprise Fund accounts for the activities of the SWSP pipelines and pump plant system.
- The Pleasant Valley Pipeline Project Enterprise Fund accounts for the activities of the PVP project.
- The Northern Integrated Supply Project Enterprise Fund accounts for the activities of NISP. The fund is engaged in permitting, design and preconstruction activities.
- The Northern Water Hydropower Enterprise Fund accounts for the activities of the Robert V. Trout (Trout) and Granby hydropower plants.
- The Pension Plan Fund accounts for the activities of the Northern Water Group Pension Plan. Since January 1, 2003, the Pension Plan has been closed to new participants. As a fiduciary component unit in accordance with GASB No. 84, the Pension Plan reports net position restricted for pensions and, therefore, is not available to support Northern Water operations. The reporting focus of the Pension Plan is on net position and changes in net position and employs accounting principles like the proprietary enterprise funds described above. As further described in Note 17, the financial statements of the Pension Plan are reported using the economic resources measurement focus and the accrual basis of accounting.

Note 1 continued

Proprietary enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and delivering goods in connection with the funds' principal ongoing operations. Operating revenues of Northern Water enterprise funds consist primarily of assessments, charges for services and energy revenue. Operating expenses include operations, engineering, environmental services, financial and administrative costs associated with providing untreated water, services, energy and depreciation on capital assets. All revenues and expenses not meeting this definition of operating revenues and expenses, including property and specific ownership taxes, are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is Northern Water's policy to use restricted resources for their specified purposes first, then unrestricted resources as needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Cash Equivalents, Unrestricted and Restricted

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

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

Investments, Unrestricted and Restricted

Northern Water's investment balances are reported at their fair value with net appreciation or depreciation on the assets included in earnings on investments. Northern Water categorizes its fair value measurements within the fair value level hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments classified as Level 1 are valued using prices quoted in active markets for identical assets; investments classified as Level 2 are valued using a matrix pricing technique from an independent securities pricing service. Matrix pricing is used to value securities based on the securities' relationship to quoted benchmark prices.

Northern Water's investment objectives are the preservation of capital (safety), liquidity, return and diversification. The Board has adopted an investment policy for its proprietary enterprise funds that incorporates those objectives and establishes investment scope. The investment policy allows for 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 Agency Instrumentality Securities
- Local Government Investment Pools (LGIPs) authorized under Colorado state statute
- Money Market Mutual Funds registered under the Investment Company Act of 1940 and authorized under Colorado state statute

Note 1 continued

Certain investment balances are held in the Colorado Statewide Investment Pool (CSIP), a local government investment pool. The State Securities Commissioner administers and enforces State statutes governing the CSIP. The CSIP seeks to maintain a stable net asset value of \$1.00 per share. These investments are reported at amortized cost, which is not considered significantly different from fair value. There are no limitations or restrictions on withdrawal. The weighted average maturity of the liquid portfolios is 38 days. The weighted average maturity of the term portfolios Series Dec 2024 and Series Dec 2025 are 54 days and 173 days, respectively. The fund has ratings of AAAM. Certain balances are classified as restricted on the Statement of Net Position because their use is limited by either contractual obligations or debt covenants (Notes 8 and 9).

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

Northern Water does not provide an allowance for uncollectible receivable balances because all balances are considered fully collectible. Related party balances consist solely of activity between Northern Water and the Municipal Subdistrict, which was organized in 1970 as a subdistrict of the Northern Colorado Water Conservancy District (Northern Water) pursuant to the Water Conservancy Act. Although the Subdistrict is legally separate and not under the control of Northern Water, the Board of Directors, by statute is the same for both entities.

Other Current Assets

Other current assets consist primarily of supplies inventory and payments to vendors applicable to future periods considered prepaid at year end. Inventory is held for consumption and valued at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Capital assets of Northern Water include intangible assets such as water rights, easements and computer software; physical assets such as water pipelines and hydropower plant infrastructures, buildings and improvements, computer, office and operations equipment and construction in progress.

Northern Water's share of the original construction and subsequent modifications or enhancements to the C-BT Project are treated like water rights and easements. Under its Repayment Contract, Northern Water has a perpetual contractual right to use water made available by the C-BT Project. All control and ownership of the C-BT Project multipurpose facilities remains with Reclamation. These rights are considered intangible, have an indefinite useful life, and are not depreciated or amortized.

All costs incurred for the construction or acquisition of infrastructure assets not related to the C-BT Project, including labor and legal charges, are capitalized. Capital assets, other than infrastructure assets, are defined by Northern Water as those with an initial individual cost of more than \$5,000. As Northern Water completes construction or acquires capital assets, including infrastructure assets, the assets are capitalized and reported at their historical cost. This reported value excludes normal maintenance and repairs, which are amounts incurred in relation to capital assets that do not increase the capacity or efficiency of those assets or extend their useful lives beyond the original estimate.

Capital assets are depreciated using the straight-line method over the following estimated useful lives: water pipelines and hydropower plants over 40 years, buildings, and improvements over five to 25 years, operations equipment over three to 10 years, office equipment over five to 10 years and computer equipment over three years.

Leases

As of October 1, 2021, Northern Water implemented the provisions of GASB 87, *Leases*. Northern Water 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, Northern Water would recognize a lease liability and an

Note 1 continued

intangible right-to-use asset in the financial statements, should a lease arrangement qualify for recognition. As lessor, Northern Water would recognize a lease receivable and a deferred inflow of resources in the financial statements.

As of October 1, 2022, Northern Water 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.

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

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

Estimated Liability for Medical Claims

Northern Water self-insures its specific individual medical claims and has assigned funds as a reserve for future claims. In accordance with GAAP, Northern Water accrues an estimated liability for medical claims incurred but not reported (IBNR). The accrual is based on industry norms given actual claims paid by Northern Water. The estimated liability is included in accounts payable and accrued liabilities.

Compensated Absences

Northern Water accrues annual and compensatory leave benefits when earned by employees and reflects the unused accumulated leave obligation as an accrued liability. In the event of an employee's termination, the employee is paid for the unused accumulated days up to specified maximum amounts. Employees do not accumulate sick leave and, therefore, no liability for unpaid sick leave is accrued.

Net Position

The financial statements utilize a net position presentation categorized as net investment in capital assets; restricted net position for major repairs, capital projects and debt service; and unrestricted. Net investment in capital assets reflects the portion of net position associated with capital assets, less outstanding capital-asset-related debt. Restricted net position consists of liquid assets generated from revenues that have third-party debt or contractual limitations on their use. Unrestricted net position represents unrestricted liquid assets.

Revenues and Expenses

Charges for Services

The District Enterprise Fund provides certain finance, administrative, engineering, environmental and operational services to the other Northern Water enterprise funds. Charges for these services are considered equal to their cost and, therefore, are reported as operating revenue from charges for services by the District Enterprise Fund and operating expenses by the enterprise funds receiving the services.

C-BT Project Operations Costs

Northern Water reimburses Reclamation 50.0 percent of the operations costs incurred by Reclamation on those multipurpose project features not maintained by Northern Water. Similarly, Reclamation reimburses Northern Water 50.0 percent of the operations costs incurred by Northern Water for multipurpose features up to agreed-upon limitations and contingent on appropriations being made. In accordance with Northern Water's Repayment Contract with Reclamation, Northern Water makes estimated advance payments to Reclamation for its share of operations costs as described above. Reclamation reimbursements to Northern Water and Northern Water reimbursements to Reclamation are reflected as operating revenues from charges for services and operating expenses for operations, respectively, on the accompanying Statement of Revenues, Expenses and Changes in Net Position.

Note 1 continued

Energy Revenue

Hydropower energy revenue includes revenue from generated power and the sale of green energy credits in accordance with renewable agreements between Hydropower and electric associations. Revenue earned is based on megawatt hours of energy produced.

Property and Specific Ownership Taxes

Northern Water collects a voter-approved 1 mill levy tax on real property located within Northern Water boundaries. This tax is levied by the respective eight county treasurers in December of each year and attached as an enforceable property lien on January 1 of the following year. The county treasurers are responsible for collecting the assessments and remitting them to Northern Water. Property and specific ownership tax revenue is reported as nonoperating revenues on the accompanying financial statements.

Intergovernmental Grants

Grant funding received under United States Forest Service, Reclamation and Colorado Water Conservation Board grant agreements relating to the East Troublesome Fire recovery effort and other initiatives is recognized as earned under the terms of the agreements and reflected as intergovernmental grant revenue.

Refer to Note 16 for additional discussion related to intergovernmental grants.

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 debt, direct and indirect, or other financial obligations. However, these limitations do not apply to "enterprises" as defined in the constitutional provision. Northern Water's Southern Water Supply Project Water Activity Enterprise, Pleasant Valley Pipeline Project Water Activity Enterprise, Northern Integrated Supply Project Water Activity Enterprise and the Northern Water Hydropower 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. Northern Water believes it is in compliance with the requirements of the Amendment. However, Northern Water has made certain interpretations of the Amendment's language to determine its compliance.

The District Enterprise Fund is an enterprise as defined by the GASB, but it is not an enterprise as defined in Article X, Section 20(2)(d) of the Colorado Constitution, commonly known as TABOR.

Budgetary Information

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

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

Budget Schedule

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

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

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

- 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

As of September 30, 2024, Northern Water had the following cash and cash equivalents:

	Current	Noncurrent	Total Cash and
	Unrestricted	Restricted	Cash
			Equivalents
District Enterprise Fund			
Deposits	\$ 37,266,370	\$ -	\$ 37,266,370
Money Market Funds	-	272,831	272,831
District Enterprise fund	37,266,370	272,831	37,539,201
Southern Water Supply Project			
Money Market Funds	2,942,488	-	2,942,488
Pleasant Valley Pipeline Project			
Money Market Funds	182,412	-	182,412
Northern Integrated Supply Project			
Money Market Funds	12,787,120	-	12,787,120
Northern Water Hydropower			
Deposits	3,776,964	-	3,776,964
Money Market Funds	-	206,679	206,679
Northern Water Hydropower	3,776,964	206,679	3,983,643
Cash and cash equivalents	\$ 56,955,354	\$ 479,510	\$ 57,434,864

There is no custodial credit risk for deposits held since all are eligible public depositories pursuant to the Public Deposit Protection Act.

4 INVESTMENTS

As of September 30, 2024, Northern Water had the following investments:

	Current		Noncurrent	Total
	Unrestricted	Restricted	Restricted	Investments
District Enterprise Fund				
U.S. Government Securities	\$ 53,818,824	\$ -	\$ 1,803,889	\$ 55,622,713
Federal Agency Collateralized Mortgage Obligations	8,503,714	-	-	8,503,714
Negotiable Certificates of Deposit	3,192,611	-	-	3,192,611
Supranationals	2,050,335	-	-	2,050,335
Municipal Obligations	1,795,031	-	-	1,795,031
Local Government Investment Pools	4,422,151	-	3,073,177	7,495,328
Commercial Paper	2,405,906	-	-	2,405,906
Corporate Notes	8,650,802	-	-	8,650,802
District Enterprise Fund	84,839,374	-	4,877,066	89,716,440
Northern Integrated Supply Project				
Local Government Investment Pools	-	-	5,829,305	5,829,305
Northern Integrated Supply Project	-	-	5,829,305	5,829,305
Northern Water Hydropower				
Local Government Investment Pools	-	-	510,380	510,380
Northern Water Hydropower	-	-	510,380	510,380
Investments	\$ 84,839,374	\$ -	\$ 11,216,751	\$ 96,056,125

Note 4 continued

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

	Level 1	Level 2	Fair Value
Investments by fair value level			
District Enterprise Fund			
U.S. Government Securities	\$ 55,622,713	\$ -	\$ 55,622,713
Federal Agency Collateralized Mortgage Obligations	-	8,503,714	8,503,714
Negotiable Certificates of Deposit	-	3,192,611	3,192,611
Supranationals	-	2,050,335	2,050,335
Municipal Obligations	-	1,795,031	1,795,031
Commercial Paper	-	2,405,906	2,405,906
Corporate Notes	-	8,650,802	8,650,802
Investments	<u>\$ 55,622,713</u>	<u>\$ 26,598,399</u>	<u>\$ 82,221,112</u>
Investments by amortized cost			
District Enterprise Fund			
Colorado Statewide Investment Pool			<u>\$ 7,495,328</u>
Northern Integrated Supply Project			
Colorado Statewide Investment Pool			<u>5,829,305</u>
Northern Water Hydropower			
Colorado Statewide Investment Pool			<u>510,380</u>
Total Investments			<u>\$ 96,056,125</u>

In accordance with Northern Water's investment policy, investments are limited to those meeting the following criteria:

	Maximum Portfolio Percentage	Maximum Issuer Percentage	Maximum Maturity Restrictions	Rating Restrictions
U.S. Treasury Obligations	100%	100%	5 years	N/A
Federal Agency and Instrumentality Securities ¹	85%	35%	5 years	AA-
Negotiable Certificates of Deposit ^{1 2}	35%	5%	3 years	-
Time Certificates of Deposit	5%	1%	1 year	N/A
Corporate Bonds ¹	35%	5%	3 years	AA-
Municipal Bonds ¹				
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 ^{1 3}	35%	5%	270 days	A-
Bankers Acceptances ^{1 3}	35%	5%	180 days	A-
Repurchase Agreements ⁴	100%	25%	180 days	-
Local Government Investment Pools	100%	100%	N/A	AAAm/AAAf
Money Market Funds ⁵	100%	100%	N/A	AAAm

¹ Rating by two nationally recognized statistical rating organizations.

² Long-term rating of at least AA- or the equivalent; short-term rating of at least A-1 or the equivalent.

³ If senior debt is outstanding, senior debt must be rated A or the equivalent. Issuer's commercial paper program size shall exceed \$200 million.

⁴ 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.

⁵ No load; constant net asset value per share of \$1.00.

Note 4 continued

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

As of September 30, 2024, Northern Water had investments with the following maturities:

	Investment Maturities			Total Investments
	1 - 2 years	2 - 3 years	3 - 5 years	
District Enterprise Fund				
U.S. Government Securities	\$ 945,636	\$ 28,765,893	\$ 25,911,184	\$ 55,622,713
Federal Agency Collateralized Mortgage Obligations	964,764	3,239,441	4,299,509	8,503,714
Negotiable Certificates of Deposit	2,430,418	762,193	-	3,192,611
Supranationals	-	446,574	1,603,761	2,050,335
Municipal Obligations	588,740	1,206,291	-	1,795,031
Local Government Investment Pools	7,495,328	-	-	7,495,328
Commercial Paper	2,405,906	-	-	2,405,906
Corporate Notes	510,531	4,065,597	4,074,674	8,650,802
District Enterprise Fund	15,341,323	38,485,989	35,889,128	89,716,440
Northern Integrated Supply Project				
Local Government Investment Pools	5,829,305	-	-	5,829,305
Northern Integrated Supply Project	5,829,305	-	-	5,829,305
Northern Water Hydropower				
Local Government Investment Pools	510,380	-	-	510,380
Northern Water Hydropower Investments	510,380	-	-	510,380
	21,681,008	38,485,989	35,889,128	96,056,125

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

Interest Rate and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Credit risk is generally considered to be the risk that a financial institution holding a deposit or an issuer of an investment will not fulfill its obligation to a depositor or investor. Credit risk can be measured in part by the assignment of a rating by a nationally recognized statistical rating organization. Concentration of credit risk arises from the magnitude of an investment in a single issuer.

Note 4 continued

As of September 30, 2024, there was one investment over 5.0 percent, Federal Home Loan Mortgage Corporation, with a value of \$7,940,244, representing 8.3 percent of the portfolio. As of September 30, 2024, the District Enterprise Fund had investments with the following Standard and Poor's ratings:

Interest Rate and Credit Risk (continued)

	Rating	Investments	Percentage
U.S. Government Securities	See note	\$ 55,622,713	57.9%
Federal Agency Collateralized Mortgage Obligations	AA+	8,503,714	8.9%
Negotiable Certificates of Deposit	A-1	1,978,972	2.1%
Negotiable Certificates of Deposit	A-1+	1,213,639	1.3%
Supranationals	AAA	2,050,335	2.1%
Municipal Obligations	AA	375,807	0.4%
Municipal Obligations	AA+	720,717	0.8%
Municipal Obligations	AAA	698,507	0.7%
Local Government Investment Pools	AAAm	13,835,013	14.4%
Commercial Paper	A-1	2,405,906	2.5%
Corporate Notes	A+	2,678,859	2.8%
Corporate Notes	AA-	3,744,449	3.9%
Corporate Notes	AA	1,949,503	2.0%
Corporate Notes	AA+	277,991	0.3%
Investments		<u>\$ 96,056,125</u>	<u>100.0%</u>

Note: U.S. Government securities category includes securities explicitly backed by the full faith and credit of the United States government.

5 RECEIVABLES

Receivables for the District Enterprise Fund at September 30, 2024, are summarized by major classification as follows:

	2024
Assessments	\$ 3,021,861
Property taxes receivable	687,346
Grant fund receivables	2,051,009
Interest receivable	829,848
Pension fund	305,373
Bureau of Reclamation	7,563,585
Other receivables	63,156
Receivables	<u>\$ 14,522,178</u>

In addition to the District receivables above, the total receivables also include the following: Pleasant Valley Pipeline Project, Northern Integrated Supply Project and Hydropower receivable amounts of \$686, \$124,450 and \$119,189, respectively.

6 DUE TO/FROM OTHER FUNDS

Amounts due from the District Enterprise Fund to the other Northern Water enterprise funds at September 30, 2024, were as follows:

Due from District Enterprise Fund	2024
Southern Water Supply Project	\$ 1,050,736
Pleasant Valley Pipeline Project	9,486
Northern Integrated Supply Project	77,814
Hydropower	85,868
Due from District Enterprise Fund	<u>\$ 1,223,904</u>

Amounts due from the District Enterprise Fund represent excess reimbursements to the District Enterprise Fund from the other enterprise funds for charges for services on wages and benefits paid to employees and any vendor payments made on the Enterprise's behalf.

7 OTHER CURRENT ASSETS

Other current assets at September 30, 2024, included the following:

	2024
Inventory	\$ 496,725
Prepaid expenses	2,490,701
Other current assets	<u>\$ 2,987,426</u>

In addition to the District other current assets listed above, the Southern Water Supply Project has other current assets of \$12,399 for prepaid expenses and the Hydropower fund has other current assets of \$1,231 for prepaid expenses.

8 CASH EQUIVALENTS, RESTRICTED

Restricted cash equivalent balances have been classified as current and noncurrent consistent with the anticipated uses of the funds. The restricted balances at September 30, 2024, are detailed as follows:

	<u>2024</u>
Noncurrent Cash Equivalents, Restricted	
District Enterprise Fund	
Certificates of Participation, Series 2021, Costs of Issuance	\$ 50,873
Certificates of Participation, Series 2022, Costs of Issuance	32,409
Fund I Single Purpose (Reclamation)	74,303
Fund II Multipurpose (Reclamation)	102,664
Fund IV Contingency (Reclamation)	<u>12,582</u>
District Enterprise Fund	<u>272,831</u>
Northern Water Hydropower	
Colorado Water Conservation Board Debt Service	<u>206,679</u>
Northern Water Hydropower	<u>206,679</u>
Noncurrent cash equivalents and investments, restricted	<u>\$ 479,510</u>

District Enterprise Fund

- Certificates of Participation, Series 2021, Costs of Issuance – Restricted for payment of 2021 Certificates issuance costs.
- Certificates of Participation, Series 2022, Costs of Issuance – Restricted for payment of 2022 Certificates issuance costs.
- Fund I Single Purpose (Reclamation) – Restricted for operations and maintenance costs, major repairs, extraordinary and unforeseen expenditures for the C-BT Project single-purpose water supply features in the event there are insufficient funds available for such purposes from current revenues. Funding requirements are \$600,000 with a minimum of \$100,000. Part of these balances are held in restricted investments. See Note 9.
- Fund II Multipurpose (Reclamation) – Restricted for operations and maintenance costs, major repairs, extraordinary and unforeseen expenditures for the C-BT Project multipurpose features in the event there are insufficient funds available for such purposes from current revenues. Funding requirements are \$800,000 with a minimum of \$150,000. Part of these balances are held in restricted investments. See Note 9.
- Fund IV Contingency (Reclamation) – Restricted for contingent items with a funding requirement of \$100,000. Part of these balances are held in restricted investments. See Note 9.

Northern Water Hydropower

- Colorado Water Resources and Development Authority (CWRPDA) Debt Service – Restricted for the payment of one year's debt service requirement.

9 INVESTMENTS, RESTRICTED

Restricted investments have been classified as noncurrent, consistent with the anticipated uses of the funds. Restricted balances at September 30, 2024, are detailed as follows:

Noncurrent Investments, Restricted	2024
District Enterprise Fund	
Certificates of Participation, Series 2021, Project Fund	\$ 994,021
Certificates of Participation, Series 2022, Project Fund	1,959,065
Fund IV Contingency (Reclamation)	116,806
Fund I Single Purpose (Reclamation)	346,355
Supplemental Major Repairs	363,622
Fund II Multipurpose (Reclamation)	500,741
Supplemental Major Repairs Joint	476,365
Northern Water Hydropower Facility Removal	120,091
District Enterprise Fund	4,877,066
Northern Integrated Supply Project	
Phase 1	\$ 5,829,305
Northern Integrated Supply Project	\$ 5,829,305
Northern Water Hydropower	
Colorado Water Resources and Power Development Authority Debt Service	150,111
Interfund Loan Payable Debt Service	360,269
Northern Water Hydropower	510,380
Noncurrent investments, restricted	\$ 11,216,751

District Enterprise Fund

- Certificates of Participation, Series 2021 – Restricted for Campus Development Project costs.
- Certificates of Participation, Series 2022 – Restricted for Campus Development Project costs.
- Fund I Single Purpose (Reclamation) – Restricted for operations and maintenance costs, major repairs, extraordinary and unforeseen expenditures for the C-BT Project single-purpose water supply features in the event there are insufficient funds available for such purposes from current revenues. Funding requirements are \$600,000 with a minimum of \$100,000. Part of these balances are held in restricted cash equivalents. See Note 8.
- Fund II Multipurpose (Reclamation) – Restricted for operations and maintenance costs, major repairs, extraordinary and unforeseen expenditures for the C-BT Project multipurpose features in the event there are insufficient funds available for such purposes from current revenues. Funding requirements are \$800,000 with a minimum of \$150,000. Part of these balances are held in restricted cash equivalents. See Note 8.
- Fund IV Contingency (Reclamation) – Restricted for contingent items with a funding requirement of \$100,000. Part of these balances are held in restricted cash equivalents. See Note 8.
- Northern Water Hydropower Facility Removal – Restricted for any future removal costs of the Trout hydropower plant.

Northern Integrated Supply Project

- Phase 1– Restricted for the acquisition of properties in conjunction with the NISP project, a long-term capital project.

Northern Water Hydropower

- Interfund Loan Payable Debt Service – Restricted for the payment of one year’s debt service requirement.
- Colorado Water Conservation Board Debt Service – Restricted for debt service in accordance with the Colorado Water Conservation Board (CWCB) loan agreement.

10 CAPITAL ASSETS

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

	2023	Additions	Retirements/Other	2024
District Enterprise Fund				
Non-depreciable capital assets				
Construction in progress	\$ 28,638,291	\$ 17,108,549	\$ (39,544,105)	\$ 6,202,735
Land, easements and water rights	88,822,608	5,557,099	(199,144)	94,180,563
Non-depreciable Capital assets	117,460,899	22,665,648	(39,743,249)	100,383,298
Depreciable capital assets				
Buildings and improvements	86,633,697	38,614,982	(240,365)	125,008,314
Operations equipment	10,792,202	2,989,962	(900,033)	12,882,131
Water pipeline and equipment	179,679	-	-	179,679
Computer and office equipment	14,242,748	278,479	(1,804,256)	12,716,971
Depreciable Capital assets	111,848,326	41,883,423	(2,944,654)	150,787,095
Less accumulated depreciation				
Buildings and improvements	(15,931,535)	(3,312,455)	2,000	(19,241,990)
Operations equipment	(6,670,975)	(1,519,105)	896,381	(7,293,699)
Water pipeline and equipment	(5,743)	(5,372)	-	(11,115)
Computer and office equipment	(9,277,694)	(985,556)	1,804,256	(8,458,994)
Accumulated depreciation	(31,885,947)	(5,822,488)	2,702,637	(35,005,798)
District Enterprise Fund capital assets, net	197,423,278	58,726,583	(39,985,266)	216,164,595
Southern Water Supply Project				
Non-depreciable capital assets				
Construction in progress	173,283	832,972	(498,861)	507,394
Land and easements	5,232,983	-	-	5,232,983
Non-depreciable Capital assets	5,406,266	832,972	(498,861)	5,740,377
Depreciable capital assets				
Operations equipment	194,523	35,046	(105,588)	123,981
Water pipeline and equipment	130,079,664	501,719	-	130,581,383
Depreciable Capital assets	130,274,187	536,765	(105,588)	130,705,364
Less accumulated depreciation				
Operations equipment	(147,868)	(12,313)	105,588	(54,593)
Water pipeline and equipment	(50,424,120)	(3,166,091)	-	(53,590,211)
Accumulated depreciation	(50,571,988)	(3,178,404)	105,588	(53,644,804)
Southern Water Supply Project capital assets, net	85,108,465	(1,808,667)	(498,861)	82,800,937
Pleasant Valley Pipeline Project				
Non-depreciable capital assets				
Construction in progress	-	12,813	-	12,813
Land and easements	934,330	-	-	934,330
Non-depreciable Capital assets	934,330	12,813	-	947,143
Depreciable capital assets				
Water pipeline and equipment	29,810,585	-	-	29,810,585
Depreciable Capital assets	29,810,585	-	-	29,810,585
Less accumulated depreciation				
Water pipeline and equipment	(14,123,545)	(749,286)	-	(14,872,831)
Pleasant Valley Pipeline Project capital assets, net	16,621,370	(736,473)	-	15,884,897
Northern Integrated Supply Project				
Non-depreciable capital assets				
Construction in progress	113,287,801	18,775,768	-	132,063,569
Land, easements and water rights	-	15,783,872	-	15,783,872
Non-depreciable Capital assets	113,287,801	34,559,640	-	147,847,441
Northern Integrated Supply Project capital assets, net	113,287,801	34,559,640	-	147,847,441

Note 10 continued

	2023	Additions	Retirements/Other	2024
Northern Water Hydropower				
Non-depreciable capital assets				
Construction in progress	6,043	-	-	6,043
Non-depreciable Capital assets	6,043	-	-	6,043
Depreciable capital assets				
Hydropower plants	11,502,848	-	-	11,502,848
Depreciable capital assets	11,502,848	-	-	11,502,848
Less accumulated depreciation				
Hydropower plants	(2,693,072)	(288,604)	-	(2,981,676)
Hydropower capital assets, net	8,815,819	(288,604)	-	8,527,215
Capital assets, net	\$ 421,256,733	\$ 90,452,479	\$ (40,484,127)	\$ 471,225,085

See outstanding commitments described in Note 19.

11 COMPENSATED ABSENCES

Activity for annual leave, floating holiday and compensatory time off for the years ended September 30 was as follows:

	2024	2023
Absences accrued	\$ 1,609,681	\$ 1,512,646
Absences taken	(1,404,973)	(1,461,660)
Compensated absences, beginning of year	1,520,365	1,469,379
Compensated absences, end of year	\$ 1,725,073	\$ 1,520,365

12 LONG-TERM DEBT, INTERFUND LOAN RECEIVABLE/PAYABLE AND NET PENSION (ASSET) LIABILITY

District Enterprise Fund

Certificates of Participation, Series 2022

The District issued the 2022 Certificates to fund its Campus Development Project. The 2022 Certificates were issued with an original principal amount of \$33,940,000 and at a premium of \$3,406,206. Annual principal payments on the 2022 Certificates are due each July through 2052 beginning in 2023. Interest is payable in semi-annual installments in January and July beginning January 2023. Amortization of the related premium amounted to \$66,208 for the year ended September 30, 2022, and was credited against interest expense. The 2022 Certificates are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption under terms as described below.

The 2022 Certificates represent undivided proportionate interests in Base Rentals and other revenues under an annually renewable lease purchase agreement between the trustee for the 2022 Certificates and Northern Water. Although no particular funds or sources of revenue are pledged to make payments under the lease, the District intends to budget, appropriate and pay the Base Rentals allocable to the 2022 Certificates from the District's revenues. The lease is subject to annual appropriation. Base Rental amounts contain or equal the annual debt service on the 2022 Certificates. The 2022 Certificates are subject to federal arbitrage regulations applicable to tax-exempt bonds.

The 2022 Certificates maturing on or prior to July 1, 2031, shall not be subject to optional redemption prior to their respective maturity dates. The 2022 Certificates maturing on and after July 1, 2032, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in integral multiples of \$5,000, and if in part, in such order of maturities as the District shall determine and by lot within a maturity, on July 1, 2031, and on any date thereafter, at a redemption price equal to the principal amount of the 2022 Certificates so redeemed plus accrued interest to the redemption date, without a premium.

The 2022 Certificates maturing on July 1, 2042, are subject to mandatory sinking fund redemption by lot on July 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without a premium:

July 1,	Amount
2038	\$ 965,000
2039	1,015,000
2040	1,060,000
2041	1,115,000
(maturity)	1,170,000

The 2022 Certificates maturing on July 1, 2052, are subject to mandatory sinking fund redemption by lot on July 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without a premium:

July 1,	Amount
2043	\$ 1,230,000
2044	1,295,000
2045	1,365,000
2046	1,435,000
2047 through maturity	13,380,000

If the lease is terminated by reason of non-appropriation, lease default or in the event the leased property is damaged or destroyed or title thereto is jeopardized in any way, the 2022 Certificates are subject to being called for extraordinary

Note 12 continued

mandatory redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to availability of funds).

The terms and conditions of the Certificates also provide for redemption pricing, the handling of insufficient funds, if applicable, and other like matters should a mandatory redemption be exercised.

District Enterprise Fund

Certificates of Participation, Series 2021

In 2021, the District issued the 2021 Certificates to fund its Campus Development Project. The 2021 Certificates were issued with an original principal amount of \$52,050,000 and at a premium of \$11,365,647. Annual principal payments on the 2021 Certificates are due each July through 2051 beginning in 2022. Interest is payable in semi-annual installments in January and July at either 4 percent or 5 percent beginning January 2022. Amortization of the related premium amounted to \$723,769 for the year ended September 30, 2022, and was credited against interest expense. The 2021 Certificates are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption under terms as described below.

The 2021 Certificates represent undivided proportionate interests in Base Rentals and other revenues under an annually renewable lease purchase agreement between the trustee for the 2021 Certificates and Northern Water. Although no particular funds or sources of revenue are pledged to make payments under the lease, the District intends to budget, appropriate and pay the Base Rentals allocable to the 2021 Certificates from the District's revenues. The lease is subject to annual appropriation. Base Rental amounts contain or equal the annual debt service on the 2021 Certificates. The 2021 Certificates are subject to federal arbitrage regulations applicable to tax-exempt bonds.

The 2021 Certificates maturing on or prior to July 1, 2031, are not subject to optional redemption prior to maturity. The 2021 Certificates maturing on or after July 1, 2032, are subject to redemption prior to maturity at the option of the District at any time on or after July 1, 2031, at a redemption price equal to the principal amount of the 2021 Certificates being redeemed plus accrued interest to the redemption date, but without a premium.

The 2021 Certificates maturing on July 1, 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:

July 1,	Amount
2042	\$ 2,055,000
2043	2,135,000
2044	2,220,000
2045	2,310,000
(maturity)	2,400,000

The 2021 Certificates maturing on July 1, 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:

July 1,	Amount
2047	\$ 2,500,000
2048	2,600,000
2049	2,700,000
2050	2,810,000
(maturity)	2,920,000

If the lease is terminated by reason of non-appropriation, lease default or in the event the leased property is damaged or destroyed or title thereto is jeopardized in any way, the 2021 Certificates are subject to being called for extraordinary mandatory redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to availability of funds).

Horsetooth Safety of Dams

Northern Water is obligated under its contract with Reclamation to pay a portion of the costs of the Reclamation Horsetooth Safety of Dams project. This obligation, with an original loan amount of \$4,234,399, was funded by Reclamation under Supplement No. 7 of the Repayment Contract between Northern Water and Reclamation. Annual payments of \$323,416, including interest at 5.75 percent, are due on December 31 through the year 2033.

**Northern Water Hydropower
*Colorado Water Resources and Power Development Authority***

Hydropower has a 20-year loan agreement with CWRPDA for an original loan amount of \$2 million that was used to partially finance construction of the Trout hydropower plant.

Annual payments of \$122,313, including interest at 2.0 percent, are due September 1 through the year 2032. In accordance with the terms of the debt agreement, a restricted balance has been established for debt service payments (Note 8). In the event of default, the lender shall have the right to take any action required to collect the amounts then due. Capital assets of the Trout plant and energy revenues generated from the plant are pledged as security for the loan.

Interfund Loan Receivable/Payable

Hydropower capital financing for the Trout hydropower plant not provided by CWRPDA as described above was financed by the District Enterprise Fund in the form of a 20-year loan to Hydropower with an original loan amount of \$4.7 million. Annual payments of \$287,437, including interest at 2.0 percent, are due on February 15 through the year 2033.

In accordance with the terms of the debt agreement, a restricted balance has been established for debt service payments (Note 8). In the event of default the lender shall have the right to take any action required to collect the amounts then due. Capital assets of the Trout plant and energy revenues generated from the plant are pledged as security for the loan. The loan is subordinated to the lien granted to secure the loan from CWRPDA.

Colorado Water Conservation Board

Hydropower has a 30-year loan agreement with the CWCB for an original loan amount of \$5,135,183, which was used to finance construction of the Granby hydropower plant. Annual payments of \$229,285, including interest at 2.0 percent, are due on October 1 through the year 2047.

In accordance with the terms of the debt agreement, a restricted debt service balance has been established (Note 8). The balance is increased annually by one-tenth of the annual debt service through 2026. Energy revenues generated from the Granby plant are pledged as security for the loan. In the event of default, CWCB may, at its option, declare the entire outstanding principal and accrued interest amounts as immediately due and payable.

All Northern Water outstanding debt is considered to be direct borrowings under Governmental Accounting Standards Board Statement Number 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

Note 12 continued

Long-term debt activity for the year ended September 30, 2024, was as follows:

	2023	Additions	Reductions	2024	Amounts Due Within One Year
District Enterprise Fund					
Certificates of Participation, Series 2021	\$ 50,060,000	\$ -	\$ (930,000)	\$ 49,130,000	\$ 965,000
Unamortized premium	9,858,966	-	(648,972)	9,209,994	-
Certificates of Participation, Series 2021	59,918,966	-	(1,578,972)	58,339,994	965,000
Certificates of Participation, Series 2022	33,585,000	-	(485,000)	33,100,000	515,000
Unamortized premium	3,104,494	-	(147,154)	2,957,340	-
Certificates of Participation, Series 2022	36,689,494	-	(632,154)	36,057,340	515,000
Contract payable to Reclamation Horsetooth Safety of Dams District Enterprise Fund	2,583,672	-	(174,855)	2,408,817	184,909
	99,192,132	-	(2,385,981)	96,806,151	1,664,909
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	998,351	-	(102,346)	896,005	104,393
Colorado Water Conservation Board	4,194,137	-	(145,403)	4,048,734	148,311
Northern Water Hydropower	5,192,488	-	(247,749)	4,944,739	252,704
Total long-term debt outstanding	104,384,620	-	(2,633,730)	101,750,890	\$ 1,917,613
Less current maturities of long-term debt	(1,837,604)	(80,009)	-	(1,917,613)	
Long-term debt, net of current maturities	\$102,547,016	\$ (80,009)	\$ (2,633,730)	\$ 99,833,277	

Interfund receivable/payable activity for the year ended September 30, 2024, was as follows:

	2023	Additions	Reductions	2024	Amounts Due Within One Year
Northern Water Hydropower Interfund					
Interfund loan receivable/payable	\$ 2,581,923	\$ -	\$ (235,798)	\$ 2,346,125	\$ 240,514
Less current maturities of interfund loan receivable/payable	(235,798)	(4,716)	-	(240,514)	
Interfund loan receivable/payable, net of current maturities	\$ 2,346,125	\$ (4,716)	\$ (235,798)	\$ 2,105,611	
District Enterprise Fund					
Net pension (asset)/liability	\$ 9,186,877	\$ -	\$ (5,001,415)	\$ 4,185,462	

Note 12 continued

Annual debt service requirements to maturity by major type of debt including the interfund loan receivable/payable are as shown below, broken into two sections with the full debt service amounts in the bottom right:

District Enterprise Fund				
Years ending September 30,	Certificates of Participation, Series 2021		Certificates of Participation, Series 2022	
	Principal	Interest	Principal	Interest
2025	\$ 965,000	\$ 2,071,800	\$ 515,000	\$ 1,701,763
2026	1,015,000	2,023,550	540,000	1,676,013
2027	1,065,000	1,972,800	565,000	1,649,012
2028	1,120,000	1,919,550	590,000	1,620,763
2029	1,175,000	1,863,550	620,000	1,591,263
2030 - 2034	6,820,000	8,375,250	3,605,000	7,458,812
2035 - 2039	8,445,000	6,745,000	4,615,000	6,460,813
2040 - 2044	10,285,000	4,914,200	5,870,000	5,185,487
2045 - 2049	12,510,000	2,686,400	7,575,000	3,492,563
2050 - 2052	5,730,000	346,000	8,605,000	1,073,100
Debt service	<u>\$ 49,130,000</u>	<u>\$ 32,918,100</u>	<u>\$ 33,100,000</u>	<u>\$31,909,588</u>

District Enterprise Fund					
Years ending September 30,	Horsetooth Safety of Dams		Hydropower		Debt Service
	Principal	Interest	Principal	Interest	
2025	\$ 184,909	\$ 138,507	\$ 493,218	\$ 145,818	\$ 6,216,015
2026	195,541	127,875	503,083	135,953	6,217,015
2027	206,785	116,631	513,144	125,891	6,214,263
2028	218,675	104,741	523,407	115,628	6,212,764
2029	231,248	92,167	533,875	105,160	6,212,263
2030 - 2034	1,371,659	245,418	2,299,365	363,749	30,539,253
2035 - 2039	-	-	940,839	205,589	27,412,241
2040 - 2044	-	-	1,038,762	107,666	27,401,115
2045 - 2049	-	-	445,171	13,399	26,722,533
2050 - 2052	-	-	-	-	15,754,100
Debt service	<u>\$ 2,408,817</u>	<u>\$ 825,339</u>	<u>\$ 7,290,864</u>	<u>\$1,318,853</u>	<u>\$ 158,901,561</u>

Note 12 continued

Annual debt service requirements to maturity for all types of debt for Northern Water including the interfund loan receivable/payable are as follows:

Years ending September 30,	Principal	Interest	Total
2025	\$ 2,158,127	\$ 4,057,888	\$ 6,216,015
2026	2,253,624	3,963,391	6,217,015
2027	2,349,929	3,864,334	6,214,263
2028	2,452,082	3,760,682	6,212,764
2029	2,560,123	3,652,140	6,212,263
2030 - 2034	14,096,024	16,443,229	30,539,253
2035 - 2039	14,000,839	13,411,402	27,412,241
2040 - 2044	17,193,762	10,207,353	27,401,115
2045 - 2049	20,530,171	6,192,362	26,722,533
2050 - 2052	14,335,000	1,419,100	15,754,100
Debt service	<u>\$ 91,929,681</u>	<u>\$ 66,971,880</u>	<u>\$158,901,561</u>

13 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At September 30, 2024, Northern Water had deferred outflows and inflows of resources relating to the Pension Plan as follows:

	2024
Deferred Outflows	
Contributions subsequent to December 31, 2023, measurement date	\$ 979,966
Difference between expected and actual experience	\$ 950,477
Effect of assumption changes	31,436
Difference between projected and actual earnings on pension plan investments	1,148,517
Deferred Outflows	<u>\$ 3,110,396</u>
Deferred Inflows	
Investments gains/losses	\$ -
Effect of assumption changes	1,701,580
Deferred Inflows	<u>\$ 1,701,580</u>

14 MONEY PURCHASE PLAN

Northern Water has a defined contribution Money Purchase Plan established by the Board in 2003 to provide retirement benefits to employees not covered under the Pension Plan. The Money Purchase Plan is administered by a third-party plan administrator. The participants are neither permitted nor required to make contributions to the Money Purchase Plan. Plan administrative fees are paid by Northern Water. The Board established the Money Purchase Plan and may amend its provisions and contribution requirements.

In addition, Northern Water has a matching program whereby Northern Water makes additional contributions to the Money Purchase Plan to match employees' contributions to the Northern Water voluntary Deferred Compensation Plan up to specified maximums. Only employees participating in the Money Purchase Plan are eligible for the Northern Water match.

Years of Service	Percentage of Employee's Compensation	
	Money Purchase Plan Contribution	Matching Contribution
Less than 5 years	5%	3%
5 to 9 years	6%	2%
10 - 14 years	7%	2%
15 years or more	8%	1%

Northern Water's contributions to the Money Purchase Plan, including the matching portion, for the year ended September 30, 2024, totaled \$1,412,677.

15 PENSION PLAN

Plan Description

Northern Water has a single-employer Pension Plan, which provides retirement benefits to qualified employees hired prior to January 1, 2003, and their beneficiaries. The Pension Plan is on a calendar year end. The most recent actuarial valuation was as of January 1, 2024. The Measurement Date, the date as of which the net pension asset was determined, was December 31, 2023. The Pension Plan does not issue a stand-alone financial report.

Under the terms of the Pension Plan, at normal retirement age, eligible participants may elect to receive one of the following retirement benefit options:

- A monthly benefit equal to two percent of their average monthly compensation multiplied by their years of credited service
- An actuarially-determined lump sum benefit based on this same formula
- A benefit reflecting a combination of a monthly benefit and a lump sum benefit in three specified proportions

Normal retirement age is defined as having attained age 65 or 30 years of service and age 60. Monthly benefit payments are increased by an annual cost of living increase based on the Consumer Price Index. The Board established the Pension Plan and may amend it.

At January 1, 2024, the Pension Plan had a total of 48 participants including 30 retirees receiving benefits, 17 active plan members and 1 former employee entitled to benefits but not yet eligible to receive them.

Summary of Significant Accounting Policies

The financial statements of the Pension Plan are prepared using the accrual basis of accounting.

Pension Plan Contributions

Pension Plan contributions are approved and may be amended by the Board. Contributions are recognized when paid into the Pension Plan. Contributions are neither permitted nor required of the Pension Plan participants. Northern Water funds all Pension Plan administrative and investment management costs. It is the policy of Northern Water to fund the Pension Plan based on amounts duly appropriated by the Board for the current fiscal year. That amount is typically the actuarially determined contribution as defined by the Pension Plan's actuarial report. For the year ended December 31, 2023, Northern Water contributions to the Pension Plan amounted to \$1,208,710, which included the annual actuarially determined contribution and investment fees.

Investment Portfolio

In accordance with the terms of the Pension Plan Investment Policy Statement, at December 31, 2023, Pension Plan assets were invested in a diversified portfolio as follows:

	<u>Concentration</u>
Domestic equities	34.5%
Fixed income	33.0%
International equities	12.2%
Low correlated hedge funds	14.5%
Emerging markets	5.8%
Investments	100.0%
Cash	0.0%
Pension Plan investment portfolio	<u>100.0%</u>

GAAP has established a fair value hierarchy that prioritizes the inputs to cash and investment fair value techniques, giving the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and lower priority to unobservable inputs (Level 3 measurements). Certain investments may be measured at their net asset value (NAV) as a practical expedient of fair value and excluded from the fair value hierarchy.

As of December 31, 2023, the Pension Plan had the following investments:

	<u>December 31, 2023</u>	<u>Level 1</u>
Domestic equities	\$ 9,380,883	\$ 9,380,883
Fixed income	7,634,915	7,634,915
International equities	3,307,696	3,307,696
Low correlated hedge funds	166,194	166,194
Floating rate corporate loans	1,337,649	1,337,649
Emerging markets	1,565,695	1,565,695
Investments at fair value	23,393,032	<u>\$ 23,393,032</u>
Low correlated hedge funds measured at NAV		
Equity long/short hedge fund	1,815,637	
Multi-strategy hedge fund	1,950,840	
Investments	<u>\$ 27,159,509</u>	

The equity long/short hedge fund invests in a variety of related segregated portfolios with various global investment strategies of which the majority follow a long/short or market neutral equity strategy that primarily relies on fundamental security analysis for the purchase or sale of individual securities. Redemptions are permitted monthly with a 30-day notice. The multi-strategy hedge fund invests in approximately 18 independent funds that pursue multiple strategies to diversify

Note 15 continued

risk and reduce volatility including relative value, market neutral and low net equity, event-driven, and distressed and credit securities. Liquidity, representing the available frequency of redemption without a redemption fee, is permitted semi-annually with a 95-day notice.

The long-term expected rate of return on Pension Plan investments was based on expected inflation, long-term real returns and volatility. The capital market assumptions listed below are from Northern Water's actuarial investment consulting practice as of December 31, 2023, and assume a 20-year time horizon.

	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Cash	3.0%	0.8%
US Core Fixed Income	28.0%	2.1%
US Bank/Leveraged Loans	5.0%	5.9%
US Large Caps	21.0%	3.6%
US Small & Mid Caps	8.0%	3.8%
Foreign Developed Equity	17.0%	5.6%
Emerging Markets Equity	6.0%	6.0%
Hedge FOF Diversified	12.0%	2.2%

For the Pension Plan year ended December 31, 2023, the annual money-weighted rate of return was 15.2 percent. The money-weighted rate of return considered the changing amounts actually invested during the period and weighted the amount of Pension Plan investments by the proportion of time they were available to earn a return during the period. External cash outflows were determined on a monthly basis and were assumed to occur at the middle of each month. External cash inflows were netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return was calculated net of investment expenses.

Interest Rate and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Credit risk is generally considered to be the risk that an issuer of an investment will not fulfill its obligations to an investor. The fixed income mutual funds held by the Pension Plan at December 31, 2024, were unrated by a nationally-recognized statistical rating organization. Concentration of credit risk arises from the magnitude of an investment in a single issuer. At December 31, 2023, there were no individual holdings of the Pension Plan exceeded 5.0 percent of total assets.

Weighted average maturities for the Pension Plan's fixed income mutual funds were as follows:

	Fair Value December 31, 2023	Weighted Average Maturity
Pimco	\$ 2,218,228	4.3 years
Metropolitan West	2,736,664	7.2 years
Dodge & Cox Income	2,680,023	9.7 years

Actuarial Methods and Assumptions

Total pension liability was determined by an actuarial valuation as of the December 31, 2023, Measurement Date, using the following actuarial assumptions:

- Inflation – 2.5 percent
- Salary Increases – Based on the Northern Water step-grade pay increase program with periodic 5.0 percent increases at various years of service, plus an underlying wage increase of 3.25 percent
- Cost of Living Adjustments – 1.25 percent
- Mortality – Pub-2010 Healthy Employee and Retiree Mortality Tables for General Employees projected generationally using Scale MP2021
- Investment Rate of Return – 6.2 percent
- Valuation Timing – January 1
- Actuarial Cost Method – Aggregate
- Retirement Age – Participants are assumed to retire at age 65

Changes in Net Pension Liability

The net pension liability was determined by an actuarial valuation as of the December 31, 2023, Measurement Date, calculated based on a discount rate and long-term expected rate of return of 6.2 percent. Changes in pension liability for the Pension Plan year ended December 31, 2023, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Balances, December 31, 2022	\$ 34,204,292	\$ 25,017,415	\$ 9,186,877
Changes for the year:			
Service cost	397,460	-	397,460
Interest on total pension liability	1,761,697	-	1,761,697
Effect of economic/demographic gains/losses	507,164	-	507,164
Effect of assumption changes	(2,765,068)	-	(2,765,068)
Benefit payments	(2,118,387)	(2,118,387)	-
Employer contributions	-	1,208,710	(1,208,710)
Investment gains or losses	-	3,693,958	(3,693,958)
Net changes	(2,217,134)	2,784,281	(5,001,415)
Balance, December 31, 2023	\$ 31,987,158	\$ 27,801,696	\$ 4,185,462
Fiduciary net position as a percentage of total pension liability		86.9%	
Covered payroll		\$2,687,637	
Net pension liability as a percentage of covered payroll		155.7%	

Sensitivity Analysis

The following presents the net pension liability as of December 31, 2023, calculated using the discount rate of 6.2 percent, as well as what the net pension liability would have been if it were calculated using a discount rate that was 1 percentage point lower (5.2 percent) or 1 percentage point higher (7.2 percent) than the current rate.

	1 Percentage Point Decrease (5.20%)	Current Discount Rate (6.20%)	1 Percentage Point Increase (7.20%)
Total pension liability	\$ 34,908,327	\$ 31,987,158	\$ 29,444,320
Fiduciary net position	27,801,696	27,801,696	27,801,696
Net pension (asset) liability	\$ 7,106,631	\$ 4,185,462	\$ 1,642,624

Note 15 continued

Pension Plan Deferred Inflows and Outflows of Resources

As of the December 31, 2023, Measurement Date deferred inflows and outflows of resources relating to the Pension Plan were as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Economic/demographic (gains)/losses	\$ -	\$ 950,477
Effect of assumption changes	(1,701,580)	31,436
Net difference between projected and actual earnings on investments	-	1,148,517
Northern Water contributions made subsequent to the December 31, 2023, measurement date	-	979,966
Deferred inflows and outflows of resources	<u>\$ (1,701,580)</u>	<u>\$ 3,110,396</u>

Deferred outflows of resources resulting from Northern Water contributions subsequent to the December 31, 2023, Measurement Date are included above and will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Years ending September 30,	Amounts Recognized in Pension Expense
2025	(320,663)
2026	281,040
2027	949,296
2028	(480,823)
2029	-
Thereafter	-
	<u>\$ 428,850</u>

Additional future Pension Plan-related deferred inflows and outflows of resources may impact these numbers.

Pension Expense

For the fiscal year ended September 30, 2024, Northern Water recognized pension expense of \$814,645.

16 INTERGOVERNMENTAL GRANTS

Northern Water received awards from the CWCB under the Colorado Watershed Restoration Grant and Forest Restoration and Wildfire Risk Management Grant programs in the amount of \$13.5 million, and from the Bureau of Land Management (BLM) under the Forests and Woodlands Resource Management program in the amount of \$3.7 million. As of September 30, 2024, \$12.2 million in eligible costs had been incurred and recognized as intergovernmental revenue from CWCB, of which \$425,000 was recognized in fiscal year 2024. As of September 30, 2024, \$2.7 million in eligible costs had been incurred and recognized as federal revenue from BLM. There were no expenditures or revenue recognized for fiscal year 2024. The BLM grant expired in June of 2024. The CWCB Colorado Watershed Restoration Grant expired in December 2024. The Forest Restoration and Wildfire Risk Management Grant expires in September 2026.

Additionally, Northern Water's Participating Agreement with the U.S. Forest Service for \$15,190,000 addresses priority areas which had been identified as in need of emergency stabilization using wood mulch and other treatments to help limit impacts to watersheds, soil and water resources including, C-BT Project water supplies. The purpose of this mitigation measure was to stabilize soils and promote forest and watershed recovery reducing sediment and debris transport from runoff water or precipitation events, which in-turn protects C-BT Project infrastructure and water quality.

In fiscal year 2024, \$850,000 in eligible costs had been recognized in federal revenue from the U.S. Forest Service. Non-federal and state sources reimbursed \$300,000 to the fire recovery efforts. Northern Water works with Reclamation on Airborne Snow Observation and was reimbursed \$212,000 from Reclamation in fiscal year 2024. Along with other partners, Northern Water works on the Kawuneeche Valley Ecosystem Restoration project and was reimbursed \$145,000 from non-federal and state sources in fiscal year 2024.

17 INTERGOVERNMENTAL TRANSACTIONS

The Municipal Subdistrict, organized as a subdistrict of Northern Water by Colorado statute, is governed by the same Board of Directors as Northern Water; however, the Subdistrict has its own slate of officers, approves its own budget annually, is legally separate and otherwise not under the control of Northern Water. Northern Water provides several services to the Subdistrict and the entities have several intergovernmental transactions as outlined below. The Subdistrict contains two enterprise funds: Windy Gap Project Water Activity Enterprise (Windy Gap), and Windy Gap Firing Project Water Activity Enterprise (Windy Gap Firing).

At September 30, 2024, total charges to the Subdistrict from Northern Water totaled \$5,362,602. Of this amount, \$5,203,650 related to the Subdistrict's use of conveyance and storage of the C-BT Project, administration, operation, maintenance and replacement costs (\$2,188,287 for charges for services and \$3,015,363 for indirect costs), \$4,287 related to the Adams Tunnel conveyance charge and \$154,665 related to carriage costs (\$390,518 receivable, net with \$235,853 payable). These revenues from Windy Gap to Northern Water provide compensation for prior water rights to the Windy Gap Participants. Northern Water also provides centralized cash receipts and disbursement functions for the Subdistrict, which are treated as reimbursements and impact solely the Statement of Net Position. Of the \$18,967,114 reported as related party receivable as of September 30, 2024, \$3,881,718 relates to the charges described above, and \$15,085,396 relates to centralized cash activity in which Northern Water incurred capital construction expenses on behalf of Windy Gap Firing Project due to be reimbursed as of September 30, 2024.

Outside of the above-mentioned transactions, all payments made are processed through the District Enterprise. The amounts owed to the District from other Enterprise funds relate to expenses paid on their behalf. This includes all employee wages and benefit expenses and vendor payments associated with that Enterprise. In addition, the District also receives reimbursement for any fleet expenses charged and insurance related costs associated with the various Enterprise projects. All payments received are also processed through the District Enterprise. The amounts owed to other Enterprise funds from the District are associated with payments received by the District for services the Enterprise provides to their customers. Amounts that have been received but not yet transferred to the Enterprise make up this receivable balance on the Enterprise funds.

18 RISK MANAGEMENT

Northern Water is a participant in a property and liability insurance pool which provides coverage for various risks, including property damage, general liability, workers compensation, and other related exposures. The pool is a self-insurance arrangement that allows participating members to share risks and costs. Settled claims have not exceeded insurance coverage in any of the past three fiscal years. Northern Water is self-insured for medical benefits with stop loss coverage.

Changes in the balances of claims liabilities for each of the past two years are as follows:

	2024	2023
Claims incurred	\$ 2,503,225	\$ 1,798,839
Claims paid	(2,389,253)	(1,783,207)
Adjustment to IBNR estimate	113,972	15,632
IBNR, beginning of year	282,147	266,515
IBNR, end of year	<u>\$ 396,119</u>	<u>\$ 282,147</u>

Claims incurred and paid are shown net of stop loss reimbursements.

19 COMMITMENTS AND CONTINGENCIES

Northern Water has outstanding commitments for Northern Integrated Supply Project mitigation and enhancement, design, and preconstruction work of \$21.1 million and for the Campus Development Project design and construction of \$3 million as of September 30, 2024. The purchase order commitments had an original value of \$143.6 million combined.

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 Northern Water financial statements.

20 RESTATEMENT OF NET POSITION

In fiscal year 2024, Northern Water identified errors in the recognition of Class B assessment revenues. A total of \$3.5 million of 2024 revenue was incorrectly recognized in 2023, understating unearned revenue and overstating 2023 revenue. Similarly, \$3.3 million of 2023 revenue was recognized in 2022, understating 2023 revenue. These errors resulted in a net overstatement of approximately \$200,000 for Class B revenue in 2023 and led to restatements of the beginning net position for both government-wide and District Enterprise Fund accounts in 2024. The error correction resulted in a restatement of beginning net position for both the government-wide net position and District Enterprise Fund net position in 2024, as follows:

	Funds	Government-Wide
	District Enterprise	Business-Type
	Fund	Activities
Net position, September 30, 2023, as previously reported	\$ 243,973,915	\$ 484,427,035
Correction of an error in accounting for Class B assessment revenues	(3,518,840)	(3,518,840)
Net Position, September 30, 2023, as restated	<u>\$ 240,455,075</u>	<u>\$ 480,908,195</u>

21 SUBSEQUENT EVENT

The Northern Integrated Water Supply Project ("NISP") is owned by the Northern Integrated Supply Project Water Activity Enterprise ("NISP Enterprise"). Save the Poudre initiated litigation in federal district court against the U.S. Army Corps of Engineers regarding the validity of certain federal approvals for NISP. On February 28, 2025, the NISP Enterprise Board of Directors approved a settlement agreement between the NISP Enterprise and Save the Poudre. This settlement agreement resulted in the dismissal of the federal court litigation. Under the settlement agreement, the NISP Enterprise is required, subject to certain conditions subsequent, to pay a total of \$100 million to be held and disbursed by a local organization that is mutually acceptable to both the NISP Enterprise and Save the Poudre. The funds are to be used for the study, design, construction, permitting, operation, implementation and maintenance of projects to improve aquatic habit, riparian habitat, water quality, water flows, boating and other recreational opportunities in the reach of the Cache la Poudre River between immediately above the diversion works for the Munroe Gravity Canal and the Cache la Poudre River's confluence with the South Platte River. A six-member committee, comprised of three members appointed by NISP and three members appointed by Save the Poudre, will make recommendations regarding the distribution of funds paid pursuant to the settlement agreement.

The first \$5 million was paid by the NISP Enterprise on March 18, 2025, as required by the settlement agreement. A second \$5 million payment by the NISP Enterprise pursuant to the settlement agreement is contingent on the issuance of the final notice to proceed for construction of the main dam for Glade Reservoir, which is a component of NISP. An additional payment of \$7.5 million by the NISP Enterprise pursuant to the settlement agreement is contingent upon final acceptance by the Colorado State Engineer of the main dam of the Glade Reservoir project. For the remaining \$82.5 million, \$7.5 million will be paid by the NISP Enterprise annually, on or before August 1, for 11 consecutive years following the year in which final acceptance of the main dam for Glade Reservoir occurs, subject to the suspension or termination of such payments in the event that certain events occur.

The NISP Enterprise Fund has recognized a liability of \$5 million as of September 30, 2024 as a result of this subsequent event related to conditions that existed as of the date of the statement of net position. The remaining amounts payable pursuant to the settlement agreement are contingent on the occurrence of certain future events and the non-occurrence of certain other events. Management has determined that future payments pursuant to the settlement agreement are not yet probable, therefore a liability has not yet been recorded for these amounts.

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Changes in Net Pension Liability and Related Ratios – Fiduciary Fund Pension Trust Plan

Pension Plan year ended December 31

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 397,460	\$ 494,918	\$ 591,506	\$ 673,664	\$ 744,039
Interest on total pension liability	1,761,697	1,856,809	2,095,261	2,305,359	2,357,210
Effect of economic/ demographic gains/losses	507,164	2,234,318	2,846,977	215,956	853,600
Effect of assumption changes	(2,765,068)	110,025	-	742,260	856,705
Benefit payments	(2,118,387)	(10,593,772)	(9,379,984)	(2,429,380)	(5,171,928)
Net change in pension liability	(2,217,134)	(5,897,702)	(3,846,240)	1,507,859	(360,374)
Total pension liability, beginning of year	34,204,292	40,101,994	43,948,234	42,440,373	42,800,747
Total pension liability, end of year	31,987,158	34,204,292	40,101,994	43,948,232	42,440,373
Fiduciary net position					
Employer contributions	1,208,710	1,184,771	1,472,880	2,367,405	2,089,663
Investment gains (losses)	3,693,958	(5,305,428)	2,886,670	6,720,560	5,854,474
Benefit payments	(2,118,387)	(10,593,772)	(9,379,984)	(2,429,380)	(5,171,928)
Change in fiduciary net position	2,784,281	(14,714,429)	(5,020,434)	6,658,585	2,772,209
Fiduciary net position, beginning of year	25,017,413	39,731,842	44,867,975	38,209,389	35,437,180
Fiduciary net position, end of year	27,801,694	25,017,413	39,847,541	44,867,974	38,209,389
Net pension (asset) liability, end of year	\$ 4,185,464	\$ 9,186,879	\$ 254,453	\$ (919,742)	\$ 4,230,984
Fiduciary net position as a percentage of pension liability	86.9%	73.1%	99.4%	102.1%	90.0%
Covered payroll	\$ 2,687,637	\$ 3,239,061	\$ 3,676,533	\$ 4,408,705	\$ 4,626,308
Net pension liability as a percentage of covered payroll	155.7%	283.6%	6.9%	(20.9%)	91.5%
Money-weighted rate of return	15.2%	(13.9%)	7.0%	17.7%	17.5%

**Schedule of Changes in Net Pension Liability and Related Ratios – Fiduciary Fund Pension Trust Plan
(continued)**

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 750,237	\$ 593,304	\$ 629,104	\$ 767,076	\$ 746,409
Interest on total pension liability	2,412,496	2,481,636	2,533,835	2,479,704	2,360,109
Effect of economic/ demographic gains/losses	940,602	90,073	98,744	459,807	(63,355)
Effect of assumption changes	1,678,482	(529,054)	120,176	727,550	1,178,636
Benefit payments	(4,808,193)	(3,107,012)	(1,962,149)	(1,846,706)	(293,103)
Net change in pension liability	973,624	(471,053)	1,419,710	2,587,431	3,928,696
Total pension liability, beginning of year	41,827,123	42,298,176	40,878,466	38,291,035	34,362,339
Total pension liability, end of year	42,800,747	41,827,123	42,298,176	40,878,466	38,291,035
Fiduciary net position					
Employer contributions	2,533,926	2,612,183	3,315,464	1,511,622	631,338
Investment gains (losses)	(2,118,348)	4,636,518	1,611,802	(421,624)	1,091,271
Benefit payments	(4,808,193)	(3,107,012)	(1,962,149)	(1,846,706)	(293,103)
Change in fiduciary net position	(4,392,615)	4,141,689	2,965,117	(756,708)	1,429,506
Fiduciary net position, beginning of year	39,829,795	35,688,106	32,722,989	33,479,697	32,050,191
Fiduciary net position, end of year	35,437,180	39,829,795	35,688,106	32,722,989	33,479,697
Net pension (asset) liability, end of year	\$ 7,363,567	\$ 1,997,328	\$ 6,610,070	\$ 8,155,477	\$ 4,811,338
Fiduciary net position as a percentage of pension liability	82.8%	95.2%	84.4%	80.0%	87.4%
Covered payroll	\$ 4,946,272	\$ 5,752,756	\$ 6,150,893	\$ 6,212,513	\$ 6,235,218
Net pension liability as a percentage of covered payroll	148.9%	34.7%	107.5%	131.3%	77.2%
Money-weighted rate of return	(5.6%)	13.2%	4.9%	(1.3%)	3.4%

Note: Changes in assumptions. For the year ended December 31, 2023, the discount rate used to measure the total pension liability (TPL) changed to 6.20 percent from 5.25 percent at December 31, 2022. For the year ended December 31, 2022, the discount rate used to measure the TPL changed to 5.25 percent from 5.50 percent at December 31, 2019. At December 31, 2019, the discount rate used to measure the TPL changed to 5.50 percent from 5.75 percent at December 31, 2018. At December 31, 2018, the discount rate used to measure the TPL changed to 5.75 percent from 6.00 percent used at December 31, 2017. At December 31, 2017, the discount rate used to measure the TPL changed to 6.00 percent from 6.25 percent used at December 31, 2016. At December 31, 2016, the discount rate used to measure the TPL changed to 6.25 percent from 6.50 percent used at December 31, 2015. For the year ended December 31, 2018, the valuation timing changed to January 1 from July 1 of the fiscal year in which the contributions are reported. For the year ended December 31, 2020, salary increase assumptions were changed to “based on Northern Water’s step grade pay increase program with period 5.0 percent increases at various years of service, plus an underlying wage increase of 3.0 percent” from “[...], plus an underlying wage increase of 3.5 percent” at December 31, 2019. For the year ended December 31, 2018, salary increase assumptions were changed to “based on Northern Water’s step grade pay increase program with period 5.0 percent increases at various years of service, plus an underlying wage increase of 3.5 percent” from “[...], plus an underlying wage increase of 3.7 percent” at December 31, 2015. For the year ended December 31, 2018, mortality assumptions changed to “Pub-2010 Healthy Employee and Retiree Mortality Tables for General Employees projected generationally using Scale MP2018”. Previous valuations assumed RP-2000 Mortality Tables, projected generationally using Scale BB.

Schedule of Employer Contributions and Pension Investment Returns

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Employer Contribution Over (Under) Actuarially-Determined Contribution	Covered Payroll	Employer Contribution as a Percentage of Covered Payroll	Money Weighted Rate of Return
2015	\$ 1,326,183	\$ 631,338	\$ (694,845)	\$ 6,235,218	10.1%	3.4%
2016	1,632,209	1,511,622	(120,587)	6,212,513	24.3%	(1.3%)
2017	1,607,405	3,315,464	1,708,059	6,150,893	53.9%	4.9%
2018	1,317,640	2,612,183	1,294,543	5,752,756	45.4%	13.2%
2019	1,120,983	2,533,926	1,412,943	4,946,272	51.2%	(5.6%)
2020	1,501,389	2,089,663	588,274	4,626,308	45.2%	17.5%
2021	1,483,961	2,367,405	883,444	4,408,705	53.7%	17.7%
2022	1,171,619	1,472,880	301,261	3,676,533	40.1%	6.9%
2023	1,163,112	1,184,771	21,659	3,239,061	36.6%	(13.9%)
2024	1,306,622	1,208,710	(97,912)	2,687,637	45.0%	15.2%

SUPPLEMENTARY INFORMATION



Schedule of Revenues and Expenses, Budget to Actual

District Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended September 30, 2023
	Budget (unaudited)	Actual	Variance	Actual
Operating revenue sources				
Water assessments	\$ 13,256,134	\$ 13,606,791	\$ 350,657	\$ 13,007,261
Charges for services	9,185,097	8,190,556	(994,541)	7,489,601
Indirect Costs	2,773,800	4,050,667	1,276,867	2,773,800
Other operating revenues	2,674,068	6,526,531	3,852,463	3,117,580
Operating revenue sources	27,889,099	32,374,545	4,485,446	26,388,242
Operating expense uses	(41,153,321)	(47,505,853)	(6,352,532)	(48,826,882)
Operating revenue sources under expense uses	(13,264,222)	(15,131,308)	(1,867,086)	(22,438,640)
Nonoperating revenue sources				
Property and specific ownership taxes	37,248,041	38,279,424	1,031,383	30,330,162
Earnings on investments / change in value	694,554	8,410,842	7,716,288	5,280,004
Intergovernmental grants	23,824,800	1,931,751	(21,893,049)	6,211,666
Other nonoperating revenues	185,076	1,486,478	1,301,402	390,263
Interfund loan receivable receipts	352,676	287,437	(65,239)	287,437
Capital Contributions	-	20,122	20,122	226,689
Nonoperating revenue sources	62,305,147	50,416,054	(11,889,093)	42,726,221
Nonoperating expense uses				
Debt service	(5,579,179)	(5,573,428)	5,751	(5,578,229)
Capital purchase and project expenditures	(52,270,748)	(24,138,305)	28,132,443	(30,986,406)
Reserve funding	(2,340,254)	(2,340,254)	-	(2,057,666)
Nonoperating expense uses	(60,190,181)	(32,051,987)	28,138,194	(38,622,301)
Nonoperating revenue sources over expense uses	2,114,966	18,364,067	16,249,101	4,103,920
Revenue sources over (under) expense uses	<u>\$ (11,149,256)</u>	3,232,759	<u>\$ 14,382,015</u>	(18,334,720)
Adjustments to reconcile budgetary basis to GAAP basis				
Interfund loan receivable principal receipts		(287,437)		(287,437)
Debt service payments		5,573,428		5,578,229
Interest expense, net of bond premium amortization		(3,164,544)		(3,218,987)
Capital outlay		24,138,305		30,986,406
Reserve funding		2,340,254		2,057,666
Depreciation		(6,071,639)		(3,194,533)
Changes in net position		<u>\$ 25,761,126</u>		<u>\$ 13,586,624</u>

Schedule of Revenues and Expenses, Budget to Actual

Southern Water Supply Project Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended September 30, 2023
	Budget (unaudited)	Actual	Variance	Actual
Operating revenue sources				
Water assessments	\$ 4,663,124	\$ 3,076,920	\$ (1,586,204)	\$ 3,882,258
Operating revenue sources	4,663,124	3,076,920	(1,586,204)	3,882,258
Operating expense uses	(3,519,322)	(1,648,932)	1,870,390	(2,577,039)
Operating revenue sources over expense uses	1,143,802	1,427,988	284,186	1,305,219
Nonoperating revenue sources				
Earnings on investments	108,000	184,085	76,085	129,664
Nonoperating revenue sources	108,000	184,085	76,085	129,664
Nonoperating expense uses				
Capital expenditures	(1,143,802)	(667,081)	476,721	(323,320)
Nonoperating expense uses	(1,143,802)	(667,081)	476,721	(323,320)
Nonoperating revenue sources under expense uses	(1,035,802)	(482,996)	552,806	(193,656)
Revenue sources under expenses uses	\$ 108,000	944,992	\$ 836,992	1,111,563
Adjustments to reconcile budgetary basis to GAAP basis				
Unearned revenue recognized as capital contributions		-		(29,973)
Capital expenditures		667,081		323,320
Depreciation		(3,178,403)		(3,166,035)
Changes in net position		\$ (1,566,330)		\$ (1,761,125)

Schedule of Revenues and Expenses, Budget to Actual

Pleasant Valley Pipeline Project Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended September 30, 2023 Actual
	Budget (unaudited)	Actual	Variance	
Operating revenue sources				
Water assessments	\$ 240,797	\$ 135,380	\$ (105,417)	\$ 299,897
Operating revenue sources	240,797	135,380	(105,417)	299,897
Operating expense uses	(182,818)	(148,458)	34,360	(128,472)
Operating revenue sources over (under) expense uses	57,979	(13,078)	(71,057)	171,425
Nonoperating revenue sources				
Earnings on investments	4,500	11,061	6,561	8,061
Nonoperating revenue sources	4,500	11,061	6,561	8,061
Nonoperating expense uses				
Capital purchase and project expenditures	(57,979)	(12,173)	45,806	(18,708)
Nonoperating expense uses	(57,979)	(12,173)	45,806	(18,708)
Nonoperating revenue sources over (under) expense uses	(53,479)	(1,112)	52,367	(10,647)
Revenue sources over (under) expense uses	<u>\$ 4,500</u>	(14,190)	<u>\$ (18,690)</u>	160,778
Adjustments to reconcile budgetary basis to GAAP basis				
Depreciation		(749,286)		(748,758)
Capital projects		12,173		18,708
Changes in net position		<u>\$ (751,303)</u>		<u>\$ (569,272)</u>

Schedule of Revenues and Expenses, Budget to Actual

Northern Integrated Supply Project Enterprise Fund

Non-GAAP Budgetary Basis

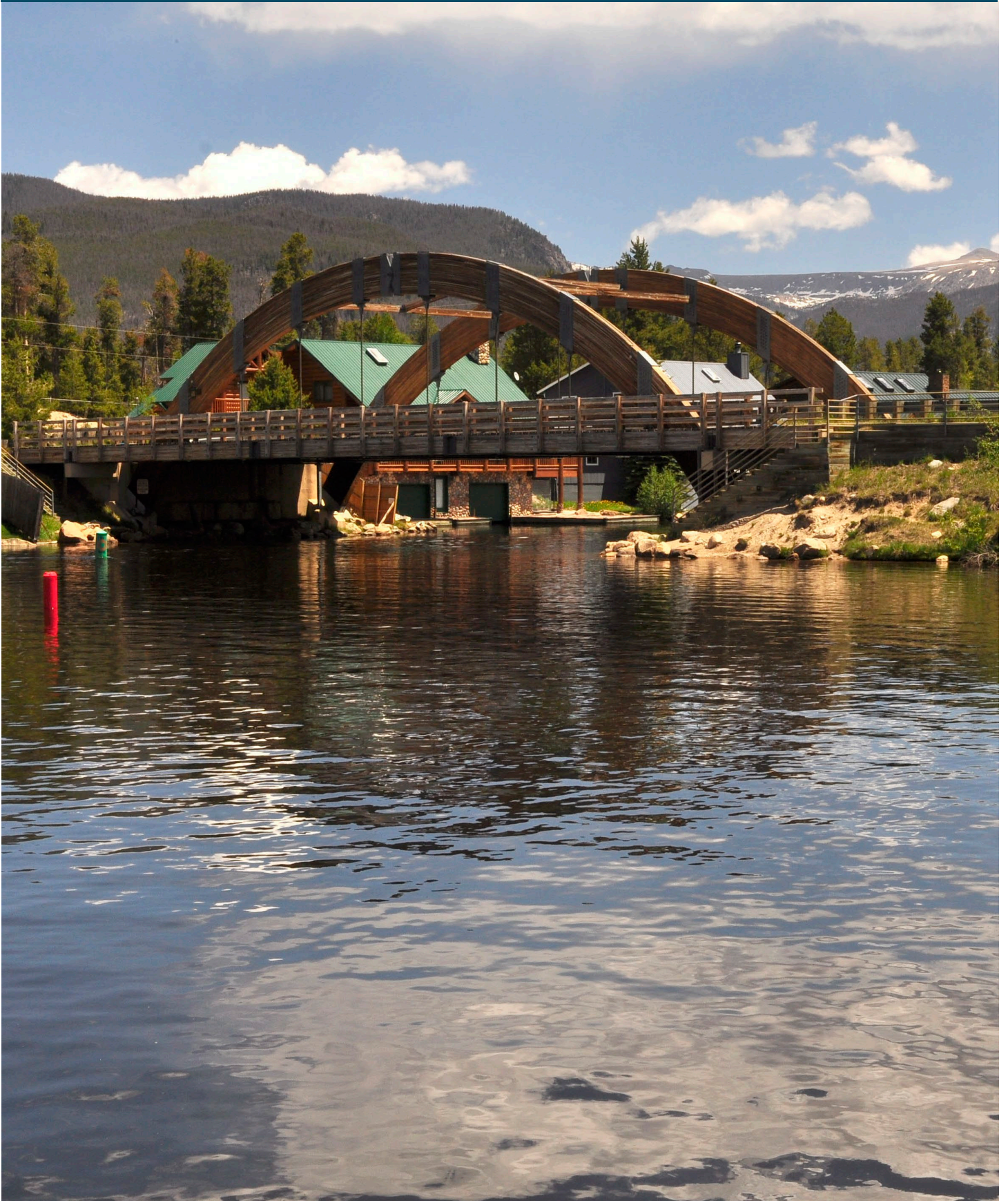
	Year ended September 30, 2024			Year ended September 30, 2023 Actual
	Budget (unaudited)	Actual	Variance	
Nonoperating revenue sources				
Capital contributions	\$ 30,000,000	\$ 27,476,893	\$ (2,523,107)	\$ 23,116,000
Earnings on investments	100,000	1,022,885	922,885	1,215,879
Other nonoperating revenues	40,000	2,000	(38,000)	65,385
Nonoperating revenue sources	<u>30,140,000</u>	<u>28,501,778</u>	<u>(1,638,222)</u>	<u>24,397,264</u>
Nonoperating expense uses				
Capital purchase and project expenditures	(35,000,000)	(34,559,640)	440,360	(25,799,864)
Other nonoperating expenses	-	(537)	(537)	(1,494)
Nonoperating expense uses	<u>(35,000,000)</u>	<u>(34,560,177)</u>	<u>439,823</u>	<u>(25,801,358)</u>
Nonoperating revenue sources over (under) expense uses	<u>\$ (4,860,000)</u>	<u>(6,058,399)</u>	<u>\$ (1,198,399)</u>	<u>(1,404,094)</u>
Adjustments to reconcile budgetary basis to GAAP basis				
Capital outlay		<u>34,559,640</u>		<u>25,799,864</u>
Changes in net position		<u>\$ 28,501,241</u>		<u>\$ 24,395,770</u>

Schedule of Revenues and Expenses, Budget to Actual

Northern Water Hydropower Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2024			Year ended
	Budget (unaudited)	Actual	Variance	September 30, 2023 Actual
Operating revenue sources				
Energy revenue	\$ 1,300,000	\$ 1,323,389	\$ 23,389	\$ 1,245,462
Operating expense uses	(602,600)	(435,041)	167,559	(507,357)
Operating revenue sources over expense uses	697,400	888,348	190,948	738,105
Nonoperating revenue sources				
Earnings on investments	120,000	227,235	107,235	158,214
Intergovernmental grants	-	-	-	502,053
Nonoperating revenue sources	120,000	227,235	107,235	660,267
Nonoperating expense uses				
Debt service				
Principal	(483,548)	(483,547)	1	(474,971)
Interest	(155,489)	(152,173)	3,316	(164,064)
Capital purchase and project expenditures	(34,780)	-	34,780	(6,570)
Contingency	(50,000)	-	50,000	-
Nonoperating expense uses	(723,817)	(635,720)	88,097	(645,605)
Nonoperating revenue sources under expense uses	(603,817)	(408,485)	195,332	14,662
Revenue sources over expense uses	\$ 93,583	479,863	\$ 386,280	752,767
Adjustments to reconcile budgetary basis to GAAP basis				
Debt principal payments		483,547		474,971
Depreciation		(288,604)		(288,604)
Capital Expenditures		-		6,570
Changes in net position		\$ 674,806		\$ 945,704



STATISTICAL SECTION – INTRODUCTION AND CONTENTS

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

Maps

These maps provide a look at the region served by the Colorado-Big Thompson Project and Northern Water.

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

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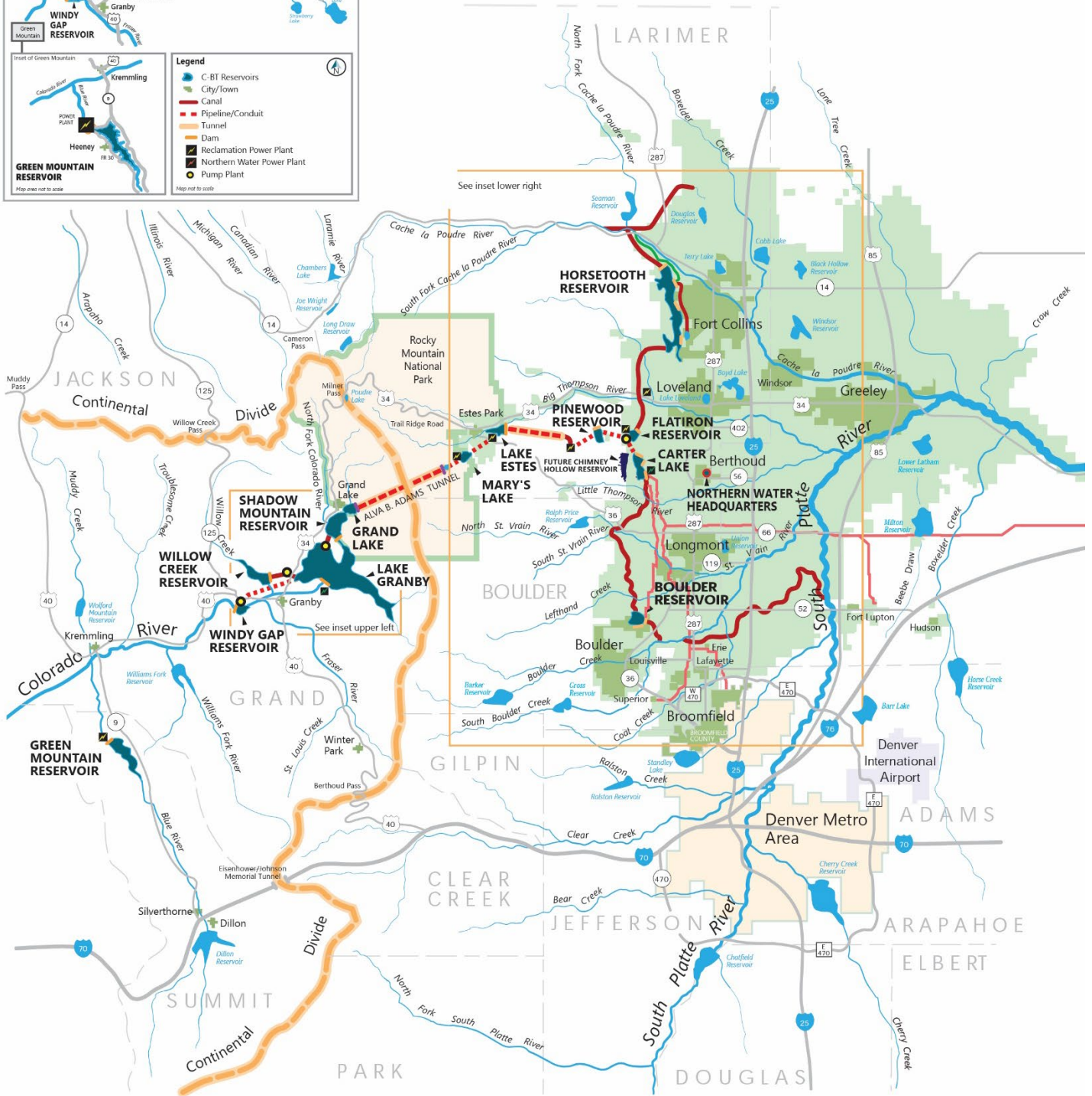
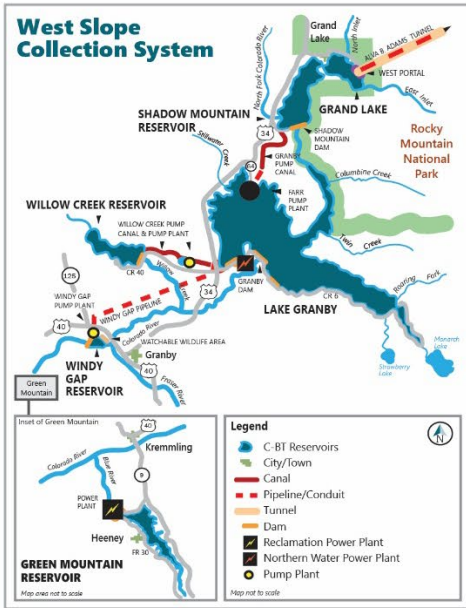
Operating Information

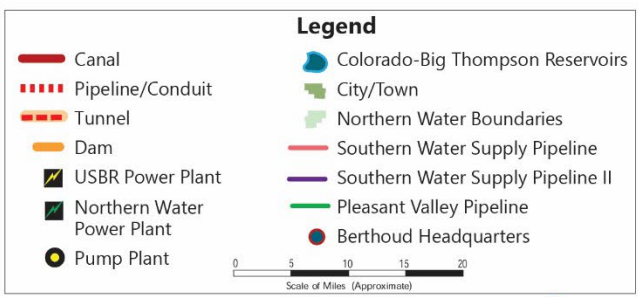
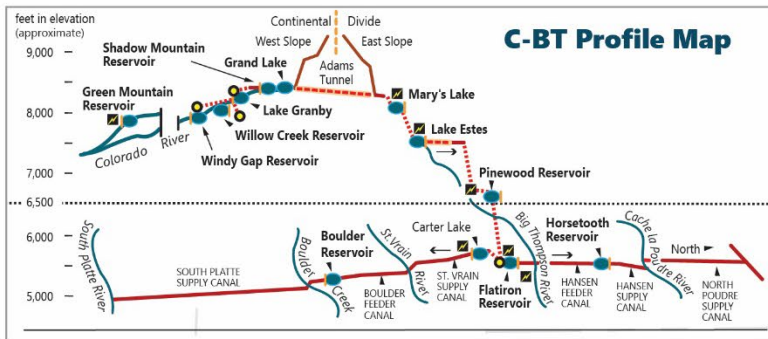
These schedules contain service and infrastructure data to help the reader understand how the information in Northern Water’s financial report relates to services the organization provides and the activities it performs.

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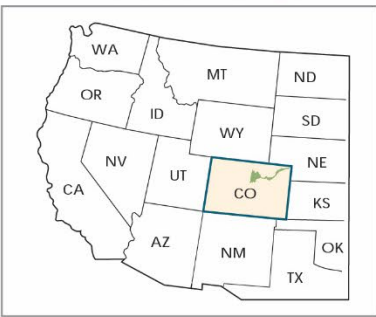
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COLORADO-BIG THOMPSON PROJECT AND NORTHERN WATER BOUNDARIES

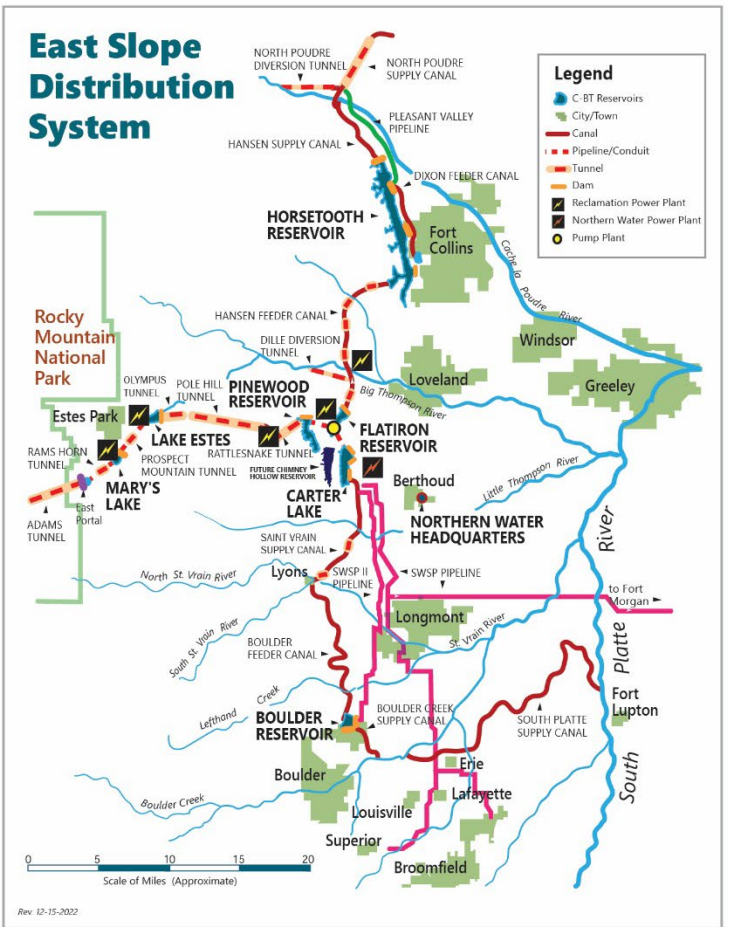
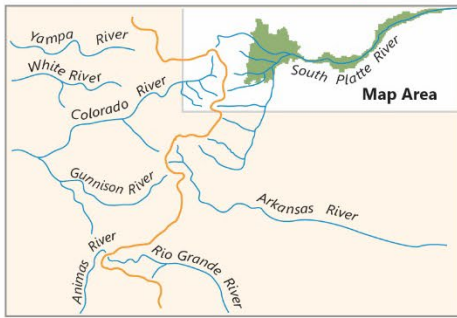


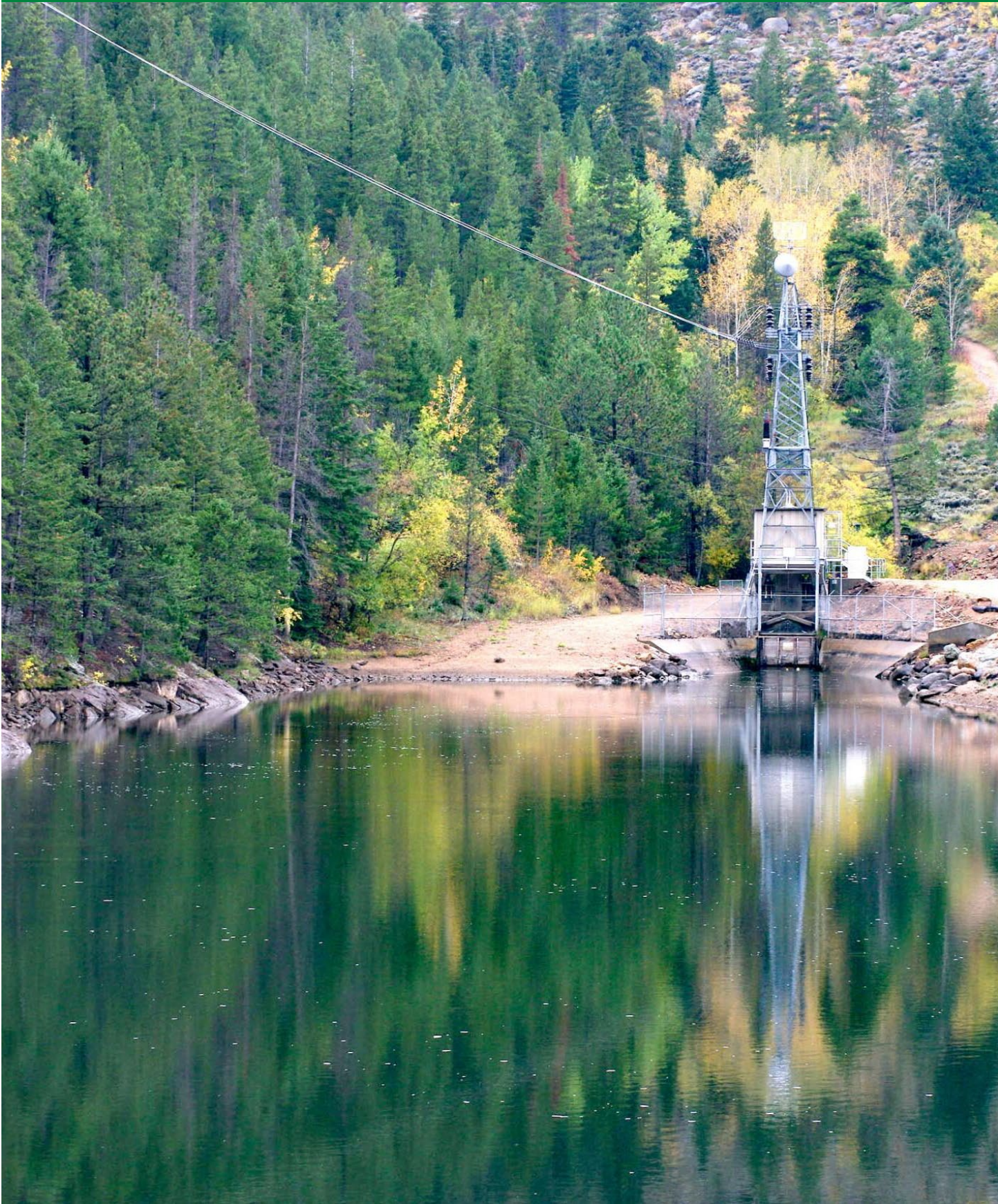


US Index Map



Colorado Index Map





Statement of Changes in Net Position¹ (2015 - 2024)

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
Revenues					
Operating revenues					
Assessments	\$16,819,091	\$16,891,915	\$11,516,690	\$13,978,731	\$ 13,496,094
Charges for services	8,190,556	7,489,601	7,552,240	7,276,338	7,961,981
Energy revenue ²	1,323,389	1,245,462	1,466,764	1,349,216	1,301,643
Other operating revenues	10,577,198	5,891,381	2,874,076	4,320,428	2,509,470
Operating revenues	36,910,234	31,518,359	23,409,770	26,924,713	25,269,188
Nonoperating revenues					
Property and specific ownership taxes	38,279,424	30,330,162	26,763,785	26,963,388	27,187,290
Earnings on investments	9,856,108	6,791,816	(1,632,894)	449,032	2,173,881
Intergovernmental grants	1,931,751	6,713,720	27,914,798	12,462,356	104,678
Other nonoperating revenues, net	1,488,478	394,982	862,988	3,644,883	356,265
Gain on disposition of assets	-	-	-	-	-
Nonoperating revenues	51,555,761	44,230,680	53,908,677	43,519,659	29,822,114
Revenues	88,465,995	75,749,039	77,318,447	70,444,372	55,091,302
Expenses					
Operating expenses					
Operations	14,719,885	11,626,904	12,235,108	17,421,047	13,955,318
Finance and Administration	19,384,827	21,771,876	8,990,876	6,297,145	4,645,341
Engineering	6,684,050	6,681,890	7,851,778	13,415,600	3,946,941
Environmental Services ³	6,354,841	5,768,687	5,140,981	11,349,679	12,286,840
Depreciation	10,287,932	7,400,840	6,759,053	6,563,873	5,554,090
Operating expenses	57,431,535	53,250,197	40,977,796	55,047,344	40,388,530
Nonoperating expenses					
Interest expense	3,316,717	3,383,051	2,210,315	503,440	237,870
Other nonoperating grant expenses	2,594,681	6,217,455	27,139,056	-	-
Bond issuance costs	-	-	331,440	386,052	-
Other nonoperating expenses	537	1,494	3,109,593	-	-
Intergovernmental subgrantee payments	-	-	-	-	-
Participant gain on use of facilities ⁴	-	-	-	-	-
Refund of contributed capital	-	-	-	-	-
Nonoperating expenses	5,911,935	9,602,000	32,790,404	889,492	237,870
Expenses	63,343,470	62,852,197	73,768,200	55,936,836	40,626,400
Income before contributions	25,122,525	12,896,842	3,550,247	14,507,536	14,464,902
Capital contributions	27,497,015	23,477,011	19,220,866	17,025,895	47,243,558
Changes in net position	52,619,540	36,373,853	22,771,113	31,533,431	61,708,460
Net position, beginning of year, as restated ⁵	480,908,195	444,534,342	421,763,229	390,229,798	328,521,338
Net position, end of year	\$533,527,735	\$480,908,195	\$444,534,342	\$421,763,229	\$390,229,798

¹ Balances reflect all Northern Water's enterprise funds combined.

² Balance in 2018 is the result of SWSP Pipeline II facilities transactions.

³ Established 2019. In previous years was included in Engineering.

⁴ Balances reflect all Northern Water's enterprise funds combined.

⁵ The Granby hydropower plant became operational in 2016.

Statement of Changes in Net Position¹ (2015 - 2024) (continued)

Years ended September 30

Unaudited

	2019	2018	2017	2016	2015
Revenues					
Operating revenues					
Assessments	\$ 12,512,455	\$ 12,239,150	\$ 11,496,339	\$ 10,113,724	\$ 8,110,867
Charges for services	6,593,167	6,307,644	5,783,834	4,701,786	4,541,473
Energy revenue ²	1,115,254	1,112,541	1,110,090	936,746	606,827
Other operating revenues	1,923,491	2,374,919	1,916,281	1,644,774	2,592,305
Operating revenues	22,144,367	22,034,254	20,306,544	17,397,030	15,851,472
Nonoperating revenues					
Property and specific ownership taxes	23,043,100	21,282,930	18,807,149	19,027,007	15,997,115
Earnings on investments	2,257,120	390,058	314,956	344,096	313,207
Intergovernmental grants	129,279	253,333	83,449	536,777	1,397,620
Other nonoperating revenues, net	2,153,900	1,941,115	390,855	262,128	487,930
Gain on disposition of assets	-	782,263	-	-	-
Nonoperating revenues	27,583,399	24,649,699	19,596,409	20,170,008	18,195,872
Revenues	49,727,766	46,683,953	39,902,953	37,567,038	34,047,344
Expenses					
Operating expenses					
Operations	12,324,327	14,117,940	13,223,118	12,736,200	12,787,288
Administration	12,417,554	6,755,097	6,806,674	6,289,010	4,934,313
Engineering	3,713,533	-	-	5,435,991	5,497,912
Environmental Service ³	3,656,229	7,695,271	7,102,192	-	-
Depreciation	4,767,424	4,563,619	4,384,339	4,169,073	4,102,074
Operating expenses	36,879,067	33,131,927	31,516,323	28,630,274	27,321,587
Nonoperating expenses					
Interest expense	411,575	476,068	530,614	475,720	522,045
Other nonoperating grant expenses	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Other nonoperating expenses	-	-	-	-	-
Intergovernmental subgrantee payments	-	118,398	113,800	454,589	1,191,100
Participant gain on use of facilities ⁴	-	782,263	-	-	-
Refund of contributed capital	-	371,803	-	59,672	-
Nonoperating expenses	411,575	1,748,532	644,414	989,981	1,713,145
Expenses	37,290,642	34,880,459	32,160,737	29,620,255	29,034,732
Income (loss) before contributions	12,437,124	11,803,494	7,742,216	7,946,783	5,012,612
Capital contributions	39,470,161	12,552,674	6,528,346	4,400,000	3,542,024
Changes in net position	51,907,285	24,356,168	14,270,562	12,346,783	8,554,636
Net position, beginning of year	276,614,053	252,257,885	237,987,323	225,640,540	217,085,904
Net position, end of year	\$ 328,521,338	\$ 276,614,053	\$ 252,257,885	\$ 237,987,323	\$ 225,640,540

¹ Balances reflect all Northern Water's enterprise funds combined.

² The Granby hydropower plant became operational in 2016.

³ Established 2019. In previous years was included in Engineering.

⁴ Balance in 2018 is the result of SWSP Pipeline II facilities transactions.

Statement of Net Position by Component¹ (2015 - 2024)

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
Net Position					
Net investment in capital assets	\$ 372,252,812	\$ 334,633,475	\$ 305,412,241	\$ 285,218,526	\$ 265,628,101
Restricted net position					
Debt service	356,790	267,455	253,403	251,449	228,413
Major repairs	2,113,529	1,929,635	1,912,446	1,909,163	2,295,393
Capital projects	5,989,410	5,839,561	3,260,620	18,043,510	22,947,964
Unrestricted net position, as restated ²	152,815,194	138,238,069	133,695,632	116,340,581	99,129,927
Net position	<u>\$ 533,527,735</u>	<u>\$ 480,908,195</u>	<u>\$ 444,534,342</u>	<u>\$ 421,763,229</u>	<u>\$ 390,229,798</u>

¹ Balances reflect all Northern Water's enterprise funds combined.

² Beginning net position restated for 2022, 2023 and 2024 due to an error correction.

Statement of Net Position by Component¹ (2015 - 2024) (continued)

Years ended September 30

Unaudited

	2019	2018	2017	2016	2015
Net Position					
Net investment in capital assets	\$ 233,624,113	\$ 193,162,975	\$ 182,061,936	\$177,863,092	\$174,959,097
Restricted net position					
Debt service	202,653	174,967	149,684	126,010	125,505
Major repairs	2,106,516	1,970,697	2,007,139	1,993,343	1,989,621
Capital projects	3,285,800	2,420,068	2,786,161	1,959,697	1,381,990
Unrestricted net position	89,302,256	78,885,346	65,252,965	56,045,181	47,184,327
Net position	<u>\$ 328,521,338</u>	<u>\$ 276,614,053</u>	<u>\$252,257,885</u>	<u>\$237,987,323</u>	<u>\$225,640,540</u>

¹ Balances reflect all Northern Water's enterprise funds combined.

Schedule of C-BT Project Joint Operations and Maintenance Costs (Historical)

District Enterprise Fund

Years ended September 30

Unaudited

	Reclamation	WAPA Colorado River ¹	Lower Boulder Ditch Company ²	Coal Ridge Ditch Company ³	Reclamation Power Interference ³	Joint Operation and Maintenance Costs
2003	\$ 1,258,913	\$ 69,421	\$ 148,829	\$ 75,598	\$ 66,804	\$ 1,619,565
2004	1,268,617	55,975	183,015	88,676	64,772	1,661,055
2005	1,933,792	59,283	176,078	69,467	54,307	2,292,927
2006	2,127,367	71,809	146,736	72,541	57,351	2,475,804
2007	1,417,394	133,184	203,812	73,607	88,077	1,916,074
2008	2,353,997	87,912	151,007	98,269	78,985	2,770,170
2009	4,150,250	151,287	161,432	74,253	81,857	4,619,079
2010	2,186,032	72,784	166,147	96,361	68,813	2,590,137
2011	2,562,308	25,862	184,213	70,148	68,225	2,910,756
2012	2,660,054	93,421	166,809	73,910	87,029	3,081,223
2013	1,809,712	26,472	155,247	92,945	77,686	2,162,062
2014	1,695,104	10,156	117,984	90,630	84,044	1,997,918
2015	1,347,374	3,394	181,260	67,673	161,075	1,760,776
2016	1,353,954	4,712	233,974	170,102	95,193	1,857,935
2017	1,646,323	364,136	121,646	117,090	94,492	2,343,687
2018	1,821,433	211,291	275,053	81,732	97,879	2,487,388
2019	1,890,330	21,500	201,879	15,515	104,054	2,233,278
2020	1,658,306	147,810	460,061	28,664	103,444	2,398,285
2021	1,667,717	40,188	273,608	109,209	108,717	2,199,439
2022	1,571,579	23,070	477,318	107,043	106,131	2,285,141
2023	2,301,939	5,231	325,446	131,836	104,969	2,869,421
2024	3,068,863	3,724	517,603	133,828	110,715	3,834,733

¹ Northern Water costs incurred on joint works relate to the C-BT Project power distribution system. Increase in 2017 due to charges relating to a fiber optic connection and vegetation management on transmission lines.

² Costs incurred under terms of agreements whereby Northern Water shares a portion of the ditch companies' costs in consideration for use of the ditch companies' conveyance systems.

³ Charges from Reclamation for losses in C-BT Project power revenue resulting from changes in the distribution pattern of C-BT Project water. Power interference charges for 2015 adjusted to reflect identified corrections.



Water Assessments and Ownership by Water Allotment Contract Class and Rate (2015 - 2024)

District Enterprise Fund

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
Water Assessments					
Class A inclusions ¹	\$ -	\$ -	\$ 2,800	\$ -	\$ -
Class B municipal ²	5,878,933	5,585,710	2,197,453	5,335,633	5,213,301
Class C					
Domestic	2,969,252	2,791,304	2,652,161	2,556,864	2,453,720
Industrial	672,388	634,129	611,044	599,633	583,326
Irrigation	601,882	564,136	534,936	534,239	516,872
Multi-Purpose	18,248	12,890	12,421	14,101	13,718
Class D, irrigation	704,420	710,429	712,016	713,749	711,851
Regional Pool	51,962	17,500	-	-	-
Carryover	2,709,706	2,467,316	2,253,784	2,305,571	2,087,361
Water assessments	<u>\$ 13,606,791</u>	<u>\$ 12,783,414</u>	<u>\$ 8,976,615</u>	<u>\$ 12,059,790</u>	<u>\$ 11,580,149</u>
Ownership by Water Allotment Contract Class (acre-foot units)					
Class B, municipal	154,261	153,367	153,768	153,223	153,176
Class C					
Irrigation	56,630	56,725	56,710	56,980	57,057
Domestic/Industrial/ Multi-purpose	69,897	68,347	68,725	67,806	67,119
Class D irrigation	29,212	31,561	30,797	31,991	32,648
Acre-foot units	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>
Ownership by Water Allotment Contract Rate (acre-foot units)					
Fixed rate	93,366	94,116	93,956	94,216	94,824
Open rate	216,634	215,884	216,044	215,784	215,176
Acre-foot units	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>

¹ Prior to 2022, Class A Inclusion revenues were classified as "Other Operating Revenue".

² Class B municipal assessments restated for 2022, 2023 and 2024 due to an error correction.

Water Assessments and Ownership by Water Allotment Contract Class and Rate (2015 - 2024)
(continued)

District Enterprise Fund
Years ended September 30
Unaudited

	2019	2018	2017	2016	2015
Water Assessments					
Class A inclusions ¹	\$ -	\$ -	\$ -	\$ -	\$ -
Class B Municipal	5,064,728	4,875,560	4,689,355	4,371,754	3,529,939
Class C					
Domestic	2,356,342	2,259,151	2,163,133	1,795,448	1,442,564
Industrial	567,019	532,861	524,355	440,908	376,939
Irrigation	496,287	478,708	464,719	343,280	262,962
Multi-Purpose	13,334	12,832	22,998	17,053	14,487
Class D, irrigation	714,012	691,788	660,774	506,851	318,641
Regional Pool	-				
Carryover	2,084,736	2,056,639	1,817,185	1,545,158	1,224,416
Water assessments	<u>\$ 11,296,458</u>	<u>\$ 10,907,539</u>	<u>\$ 10,342,519</u>	<u>\$ 9,020,452</u>	<u>\$ 7,169,948</u>
Ownership by Water Allotment Contract Class (acre-foot units)					
Class B, municipal	152,729	152,429	151,517	151,063	150,161
Class C					
Irrigation	57,063	56,754	56,490	56,615	56,417
Domestic/Industrial/ Multi-purpose	66,532	66,006	65,894	64,587	63,878
Class D Irrigation	33,676	34,811	36,099	37,735	39,544
Acre-foot units	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>
Ownership by Water Allotment Contract Rate (acre-foot units)					
Fixed rate	95,299	96,289	97,401	98,263	99,311
Open rate	214,701	213,711	212,599	211,737	210,689
Acre-foot units	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>

¹ Prior to 2022, Class A Inclusion revenues were classified as "Other Operating Revenue".

Largest Water Allotment Contract Holders by Acre-Foot Units (2015 and 2024)

District Enterprise Fund

Current year and nine years ago

Unaudited

Entity	2024		2015	
	Acre-Foot Units	Percentage	Acre-Foot Units	Percentage
North Poudre Irrigation Company	40,001	12.9%	40,000	12.9%
City of Greeley	22,804	7.4%	22,565	7.3%
City of Boulder	21,000	6.8%	21,264	6.9%
City of Fort Collins	18,855	6.1%	18,855	6.1%
City and County of Broomfield	13,698	4.4%	12,849	4.1%
Fort Collins-Loveland Water District	13,209	4.3%	12,014	3.9%
City of Longmont	12,713	4.1%	12,713	4.1%
City of Loveland	12,210	3.9%	12,178	3.9%
Little Thompson Water District	11,795	3.8%	9,858	3.2%
Xcel Energy (Public Service Company of Colorado)	10,007	3.2%	9,997	3.2%
Ten largest allottees by acre-foot units	176,292	56.9%	172,293	55.6%
Other allottees	133,708	43.1%	137,707	44.4%
Acre-foot units	310,000	100.0%	310,000	100.0%

Largest Water Allotment Contract Holders by Water Assessment (2015 and 2024)

District Enterprise Fund

Current year and nine years ago

Unaudited

Entity	2024			2015		
	Rank	Assessment	Percentage	Rank	Assessment	Percentage
City and County of Broomfield	1	\$ 1,087,872	8.0%	1	\$ 461,279	6.4%
Fort Collins-Loveland Water District	2	1,049,036	7.7%	3	366,427	5.1%
City of Fort Collins	3	1,030,231	7.6%	2	404,570	5.6%
Little Thompson Water District	4	951,590	7.0%	5	300,669	4.2%
Xcel Energy (Public Service Company of Colorado)	5	794,739	5.8%	4	304,908	4.3%
City of Boulder	6	733,631	5.4%	6	297,753	4.2%
City of Greeley	7	640,735	4.7%	7	268,092	3.7%
City of Longmont	8	623,656	4.6%	8	258,876	3.6%
Left Hand Water District	9	584,916	4.3%	10	211,541	3.0%
City of Loveland	10	575,062	4.2%	9	232,939	3.2%
Water Assessments for ten largest allottees		8,071,467	59.3%		3,107,054	43.3%
Other allottees		5,535,324	40.7%		4,062,894	56.7%
C-BT Project water assessments, Classes B, C and D		\$ 13,606,791	100.0%		\$ 7,169,948	100.0%

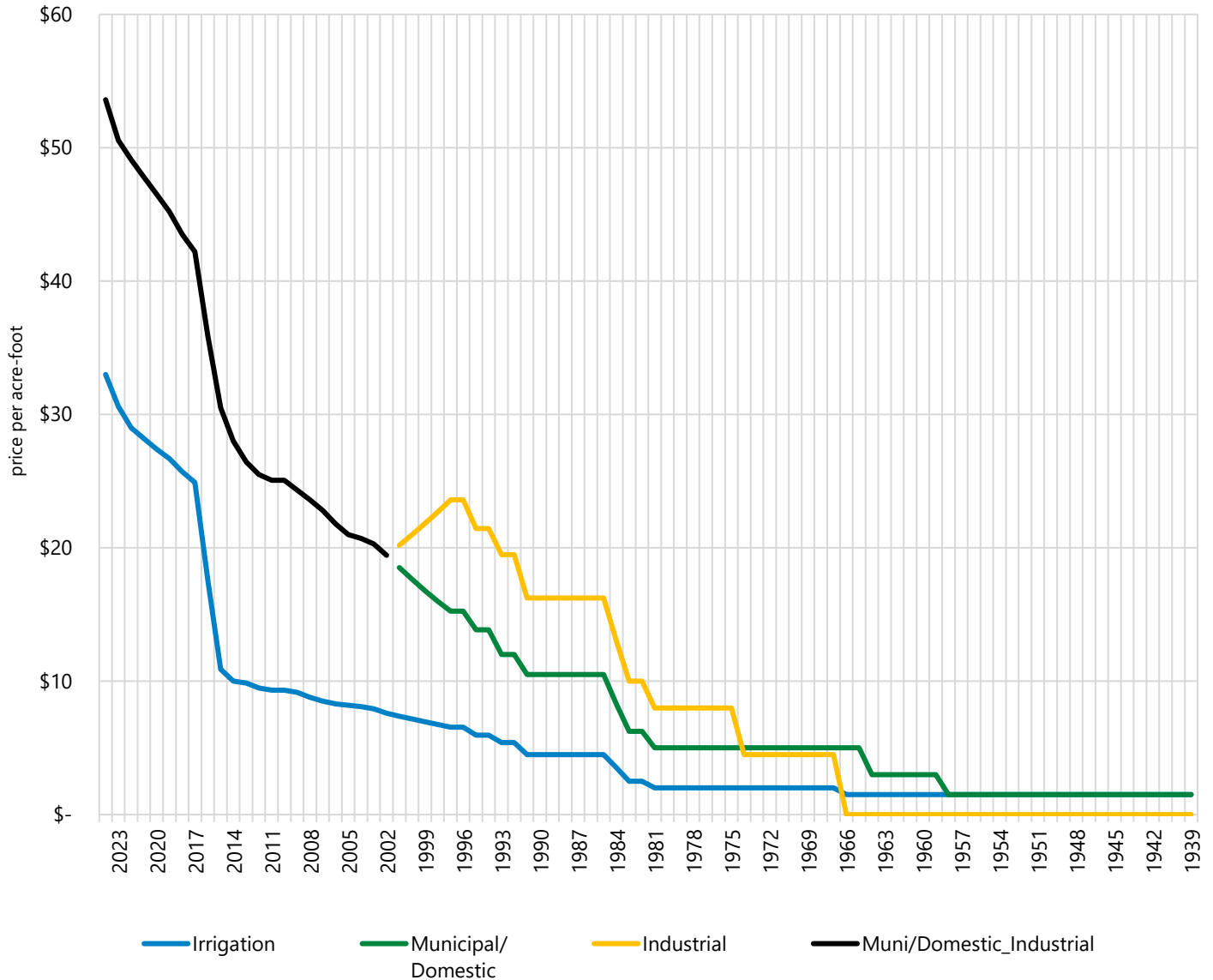
Open-Rate Water Assessment Charges¹ (Historical)

District Enterprise Fund

Years ended September 30

Unaudited

Open-Rate Assessments



2024 Open-Rate Water Assessments

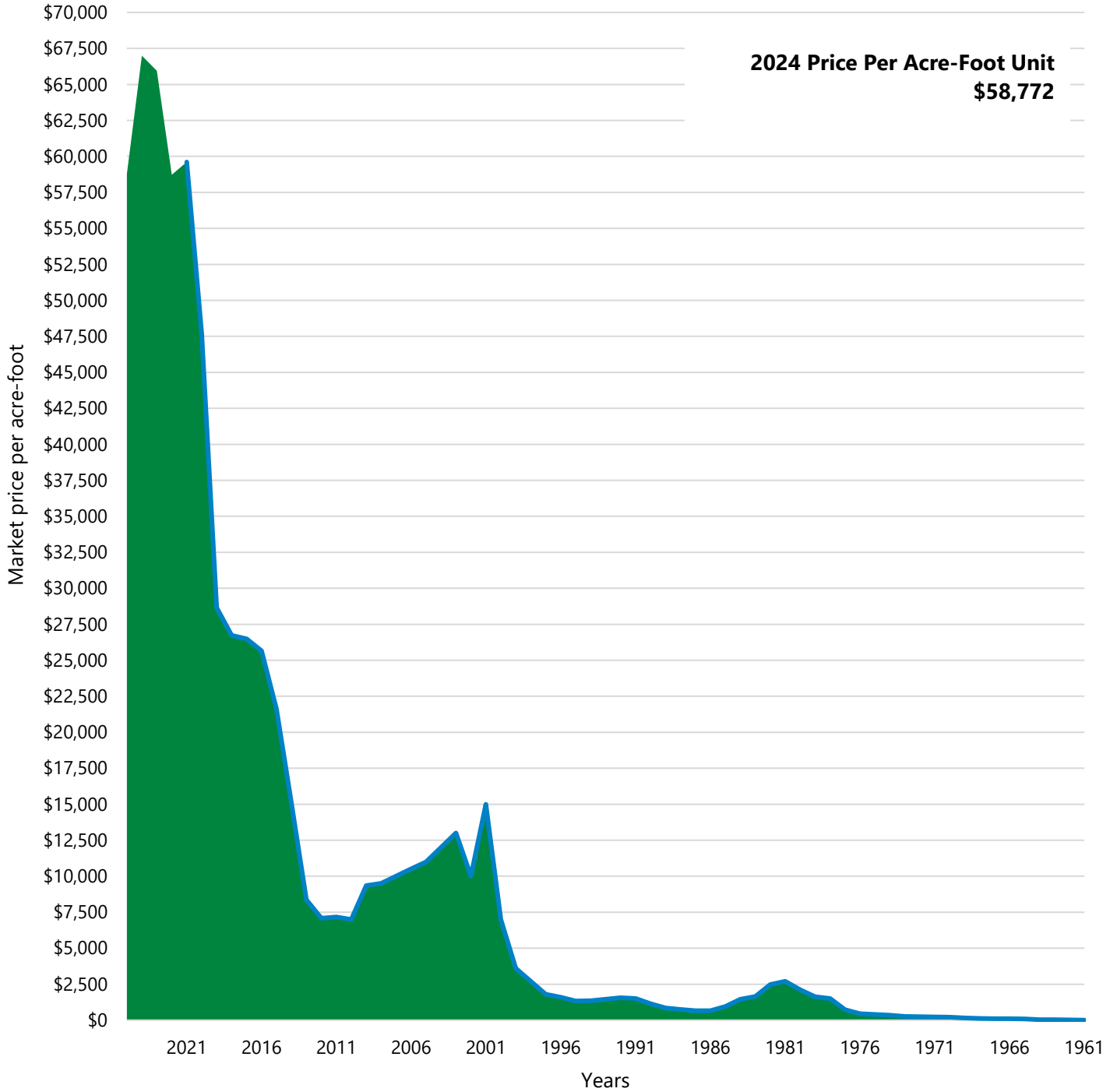
	<u>Per Acre-Foot Unit</u>
Irrigation	\$33.00
Municipal/Domestic/Industrial	\$53.60

¹ The District Enterprise Fund collects annual water assessments on each acre-foot unit. Assessments on fixed-rate contracts are \$1.50 per unit. When a fixed-rate unit contract is transferred, sold or altered, the contract is changed from the original fixed rate to an open-rate assessment. Open-rate assessments are determined annually by the Board. The assessments are not contingent on delivery of water and must be paid without regard to water deliveries.

Market Prices Per Acre-Foot Unit¹ (Historical)

District Enterprise Fund
 Years ended September 30
 Unaudited

Market Prices per Acre-Foot Unit



¹ Northern Water allottees of C-BT Project water may transfer or sell their respective acre-foot units to other parties within Northern Water boundaries. These transactions are subject to rules and regulations of the Board. The above table represents data gathered by voluntary action and serves as an indicator of how the price of C-BT Project acre-foot units has fluctuated on the open market through the years. Actual transaction prices may vary.

Charges for Services and Energy Revenue (2015 - 2024)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
CHARGES FOR SERVICES					
District Enterprise Fund					
Reclamation	\$ 2,778,637	\$ 2,316,876	\$ 2,343,480	\$ 2,396,404	\$ 3,313,886
Labor, overhead and supplies	5,411,919	5,172,725	5,208,760	4,879,934	4,648,095
Charges for services	\$ 8,190,556	\$ 7,489,601	\$ 7,552,240	\$ 7,276,338	\$ 7,961,981
ENERGY REVENUE AND OUTPUT					
Hydropower					
Trout	\$ 1,038,894	\$ 910,367	\$ 1,141,448	\$ 1,004,471	\$ 921,473
Granby	381,824	335,095	325,316	344,745	380,171
Hydropower	\$ 1,420,718	\$ 1,245,462	\$ 1,466,764	\$ 1,349,216	\$ 1,301,644
Hydropower(kWh)					
Trout	9,871,816	8,617,057	10,343,000	9,291,000	8,782,453
Granby	4,924,195	4,330,897	5,837,000	4,583,000	5,157,266
Hydropower	14,796,011	12,947,954	16,180,000	13,874,000	13,939,719

Charges for Services and Energy Revenue (2015 - 2024) (continued)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2019	2018	2017	2016	2015
CHARGES FOR SERVICES					
District Enterprise Fund					
Reclamation	\$ 2,721,725	\$ 2,736,656	\$ 2,796,752	\$ 2,162,973	\$ 2,243,156
Labor, overhead and supplies	3,871,442	3,570,988	2,987,082	2,538,813	2,298,317
Charges for services	\$ 6,593,167	\$ 6,307,644	\$ 5,783,834	\$ 4,701,786	\$ 4,541,473
ENERGY REVENUE AND OUTPUT					
Hydropower¹					
Trout	\$ 785,813	\$ 760,873	\$ 798,799	\$ 750,251	\$ 606,827
Granby	329,441	351,668	311,291	186,492	-
Hydropower	\$ 1,115,254	\$ 1,112,541	\$ 1,110,090	\$ 936,743	\$ 606,827
Hydropower(kWh)¹					
Trout	8,027,000	8,213,000	9,039,000	8,078,000	6,585,000
Granby	4,698,130	5,338,000	4,921,000	2,954,000	-
Hydropower	12,725,130	13,551,000	13,960,000	11,032,000	6,585,000

¹ The Trout and Granby hydropower facilities became operational in 2012 and 2016, respectively.

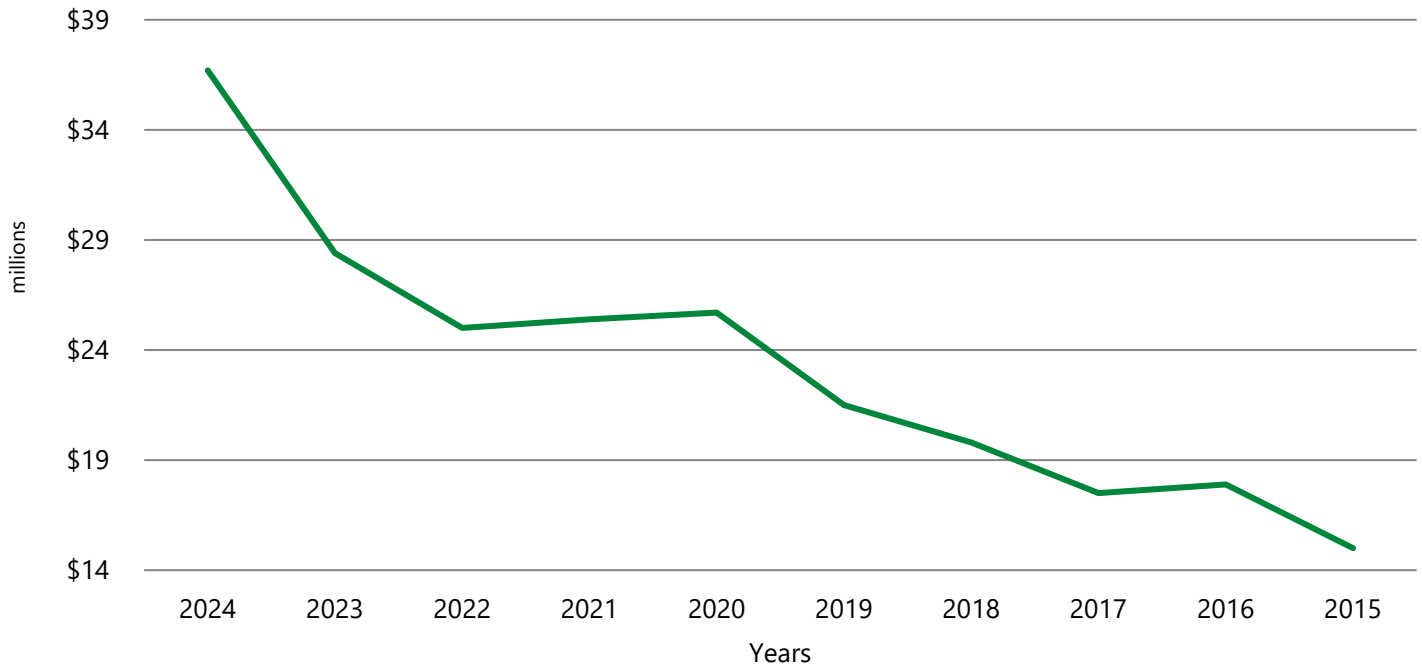
Property Tax Levies and Collections (2015 - 2024)

District Enterprise Fund

Years ended September 30

Unaudited

Property Tax Collections



Year	Collections within the Fiscal Year			Collections in Subsequent Years ¹	Collections to Date	
	Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 15,066,441	\$ 15,004,109	99.6%	\$ (98,832)	\$ 14,905,277	98.9%
2016	17,949,405	17,844,139	99.4%	47,974	17,892,113	99.7%
2017	17,645,466	17,521,665	99.3%	14,149	17,535,814	99.4%
2018	19,872,029	19,735,132	99.3%	87,503	19,822,635	99.8%
2019	21,571,402	21,231,116	98.4%	284,646	21,515,762	99.7%
2020	25,729,732	23,438,428	91.1%	2,219,912	25,658,340	99.7%
2021	25,322,157	24,892,211	98.3%	457,990	25,350,201	100.1%
2022	25,115,167	24,580,378	97.9%	497,930	25,078,308	99.9%
2023	28,396,318	27,811,208	97.9%	552,084	28,363,292	99.9%
2024	37,842,817	36,397,845	96.2%	318,049	36,715,894	97.0%

¹ Collections in subsequent years represent reported delinquent payments during the year and have not been identified with specific assessment years. Subsequent collections do not include delinquent tax interest or refunds.

Assessed and Estimated Actual Value of Taxable Properties (2015 - 2024)

District Enterprise Fund

Years ended September 30

Unaudited (thousands)

	2024	2023	2022	2021	2020
Assessed Value					
Residential	\$ 16,526,072	\$ 13,096,382	\$ 12,198,437	\$ 11,617,806	\$ 11,712,174
Commercial	9,100,947	7,570,458	6,936,809	6,943,335	7,176,022
Industrial	1,751,996	1,371,542	1,436,588	1,349,671	1,268,476
Agricultural	134,211	119,265	145,668	126,611	131,222
Oil/Gas Natural Resources	8,306,564	5,190,847	3,242,368	4,150,302	4,289,146
Other	453,415	1,047,824	1,155,297	1,134,432	1,152,692
Assessed value of properties ¹	\$ 36,273,205	\$ 28,396,318	\$ 25,115,167	\$ 25,322,157	\$ 25,729,732
Estimated actual taxable value ²	\$275,707,532	\$217,285,812	\$197,787,144	\$207,146,522	\$195,474,271
	13.2%	13.1%	12.7%	12.2%	13.2%

¹ The counties assess residential property at approximately 6.8 percent of actual value (2024) and all other properties at 26.4 percent (for 2024). Assessment rates have fluctuated in recent years. Estimated actual taxable value was calculated by dividing assessed value by those percentages. Tax exempt properties are included in each property classification. Apparent differences between these amounts and those shown on Largest Corporate Taxpayers by Assessed Valuation on page 104 are due to averaging in the above assessed valuation calculations.

² Tax rate at a maximum of 1 millage.

Sources: Abstract of Assessment and Summary of Levies from various County Assessor's offices and County ACFRs.

Assessed and Estimated Actual Value of Taxable Properties (2015 - 2024) (continued)

District Enterprise Fund

Years ended September 30

Unaudited (thousands)

	2019	2018	2017	2016	2015
Assessed Value					
Residential	\$ 9,780,474	\$ 9,075,556	\$ 7,866,349	\$ 7,693,115	\$ 6,281,199
Commercial	6,007,635	5,520,450	4,790,744	4,776,337	4,156,831
Industrial	1,097,984	1,134,693	1,009,321	911,830	827,148
Agricultural	138,057	147,053	125,283	105,901	91,905
Oil/Gas Natural Resources	3,337,096	2,615,159	2,560,357	3,182,430	2,565,815
Other	1,210,156	1,379,118	1,293,412	1,279,792	1,143,542
Assessed value of properties ¹	\$ 21,571,402	\$ 19,872,029	\$ 17,645,466	\$ 17,949,405	\$ 15,066,440
Estimated actual taxable value ²	\$163,528,648	\$151,243,740	\$132,544,573	\$132,013,690	\$109,203,469
	13.2%	13.1%	13.3%	13.6%	13.8%

¹ The counties assess residential property at approximately 6.8 percent of actual value (2024) and all other properties at 26.4 percent (for 2024). Assessment rates have fluctuated in recent years. Estimated actual taxable value was calculated by dividing assessed value by those percentages. Tax exempt properties are included in each property classification. Apparent differences between these amounts and those shown on Largest Corporate Taxpayers by Assessed Valuation on page 104 are due to averaging in the above assessed valuation calculations.

² Tax rate at a maximum of 1 millage.

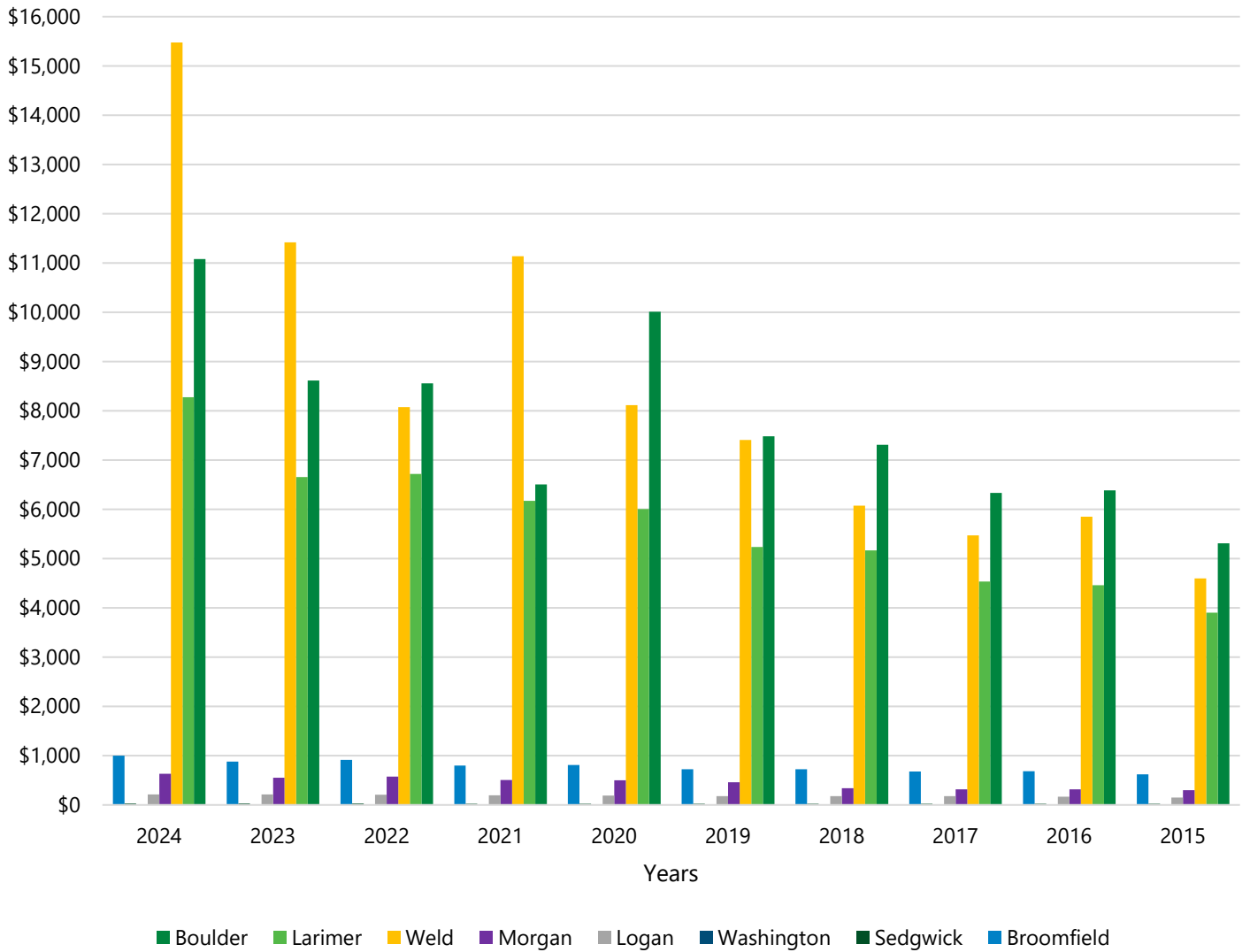
Sources: Abstract of Assessment and Summary of Levies from various County Assessor's offices and County ACFRs.

Property Tax Collections by County (2015 - 2024)

District Enterprise Fund

Years ended September 30

Unaudited



Largest Corporate Taxpayers by Taxable Assessed Valuation (2015 and 2024)

District Enterprise Fund

Current year and nine years ago

Unaudited (thousands)

Taxpayer	Rank	2024 ¹		2015 ²		
		Taxable Assessed Valuation	Percent	Rank	Taxable Assessed Valuation	Percent
Kerr-McGee Oil & Gas Onshore LP	1	\$ 2,664,843,770	7.2%	2	\$ 1,830,318,000	12.1%
PDC Energy, Inc.	2	2,188,186,950	5.9%			
Noble Energy	3	1,860,424,170	5.0%	1	2,002,942,720	13.3%
Extraction Oil & Gas	4	1,078,964,868	2.9%			
Crestone Peak Resources	5	573,290,010	1.5%			
Kerr McGee Gathering LLC	6	526,222,690	1.4%	8	127,427,700	0.8%
Civitas Resources Inc	7	457,157,790	1.2%			
Great Western Operating Company LLC	8	404,090,000	1.1%			
Bayswater Exploration and Production LLC	9	391,353,650	1.1%			
Highpoint Operating Corp	10	308,095,310	0.8%			
Public Service Company of Colorado (Xcel Energy)				3	414,859,200	2.8%
Encana Oil & Gas (USA) Inc				4	399,230,730	2.6%
Petroleum Development Corp				5	339,824,330	2.3%
Bonanza Creek Energy				6	285,524,130	1.9%
DCP Midstream LP				7	182,289,110	1.2%
Carrizo Oil & Gas				9	107,845,270	0.7%
Leprino Foods Company				10	99,121,120	0.7%
Taxable assessed value of ten largest taxpayers		10,452,629,208	28.1%		5,789,382,310	38.4%
Taxable assessed value of other taxpayers		26,706,979,814	71.9%		9,277,057,690	61.6%
Taxable assessed value of all taxpayers		\$37,159,609,022	100.0%		\$15,066,440,000	100.0%

¹ Data compiled from information provided by the counties of their largest taxpayers within Northern Water boundaries.

² Data from the Northern Water 2015 ACFR. Reflects the taxable assessed valuation for the entire counties, only a portion of which are within Northern Water boundaries.



Statistics of Outstanding Debt by Type¹ (2015 - 2024)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
District Enterprise Fund					
Certificates of Participation, Series 2021	\$ 49,130,000	\$ 50,060,000	\$ 50,955,000	\$ 52,050,000	\$ -
Certificates of Participation, Series 2022	33,100,000	33,585,000	33,940,000	-	-
Certificates of Participation, Series 2012	-	-	-	-	-
Unamortized premium	12,167,334	12,963,460	13,857,774	11,241,545	-
Certificates of Participation Contracts Payable to Reclamation	94,397,334	96,608,460	98,752,774	63,291,545	-
Horsetooth Safety of Dams	2,408,817	2,583,671	2,749,019	2,905,375	3,053,230
Pole Hill Canal	-	-	-	-	-
District Enterprise Fund	96,806,151	99,192,131	101,501,793	66,196,920	3,053,230
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	896,005	998,351	1,098,691	1,197,063	1,293,507
Colorado Water Conservation Board	4,048,734	4,194,138	4,336,689	4,476,446	4,613,462
Northern Water Hydropower	4,944,739	5,192,489	5,435,380	5,673,509	5,906,969
Total District Enterprise Fund and Northern Water Hydropower debt	\$ 101,750,890	\$ 104,384,620	\$ 106,937,173	\$ 71,870,429	\$ 8,960,199
District Enterprise Fund Outstanding Debt					
Per capita ²	\$ 90.04	\$ 93.19	\$ 96.55	\$ 63.79	\$ 2.99
Percentage of personal income ³	0.12%	0.13%	0.17%	0.11%	-
District Enterprise Fund Contracts Payable to Reclamation					
Per capita ⁴	\$ 2.24	\$ 2.43	\$ 2.61	\$ 2.79	\$ 2.99

1 Percentage of estimated actual value of taxable properties calculated by dividing District Enterprise Fund debt payable to Reclamation by Estimated Actual Taxable Value as shown on page 103 not significant.

2 Computed by dividing total District Enterprise Fund debt by estimated population in Northern Water boundaries as shown on page 111.

3 Computed by dividing total District Enterprise Fund debt by total personal income as shown on page 111.

4 Computed by dividing District Enterprise Fund debt payable to Reclamation by estimated population in Northern Water boundaries as shown on page 111.

Statistics of Outstanding Debt by Type¹ (2015 - 2024) (continued)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2019	2018	2017	2016	2015
District Enterprise Fund					
Certificates of Participation, Series 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Participation, Series 2022	-	-	-	-	-
Certificates of Participation, Series 2012	2,420,000	3,570,000	4,670,000	5,740,000	6,780,000
Unamortized premium	191,487	284,682	376,219	466,126	554,433
Certificates of Participation	2,611,487	3,854,682	5,046,219	6,206,126	7,334,433
Contracts Payable to Reclamation					
Horsetooth Safety of Dams	3,193,045	3,325,258	3,450,282	3,568,509	3,680,307
Pole Hill Canal	94,740	186,388	275,042	360,802	443,762
District Enterprise Fund	5,899,272	7,366,328	8,771,543	10,135,437	11,458,502
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	1,388,058	1,480,756	1,571,637	1,660,736	1,748,088
Colorado Water Conservation Board	4,747,792	4,879,488	5,008,601	5,135,183	2,033,958
Northern Water Hydropower	6,135,850	6,360,244	6,580,238	6,795,919	3,782,046
Total District Enterprise Fund and Northern Water Hydropower debt	\$ 12,035,122	\$ 13,726,572	\$ 15,351,781	\$ 16,931,356	\$ 15,240,548
District Enterprise Fund Outstanding Debt					
Per capita ²	\$ 6.00	\$ 7.00	\$ 9.00	\$ 11.00	\$ 13.00
Percentage of personal income ³	0.01%	0.01%	0.02%	0.02%	0.03%
District Enterprise Fund Contacts Payable to Reclamation					
Per capita ⁴	\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 5.00

¹ Percentage of estimated actual value of taxable properties calculated by dividing District Enterprise Fund debt payable to Reclamation by Estimated Actual Taxable Value as shown on page 103 not significant.

² Computed by dividing total District Enterprise Fund debt by estimated population in Northern Water boundaries as shown on page 111.

³ Computed by dividing total District Enterprise Fund debt by total personal income as shown on page 111.

⁴ Computed by dividing District Enterprise Fund debt payable to Reclamation by estimated population in Northern Water boundaries as shown on page 111.

DEMOGRAPHIC AND ECONOMIC INFORMATION



Northern Water Population and Economic Statistics¹ (2015 - 2024)

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020
Population in Northern Water Boundaries²	1,075,097	1,064,392	1,051,301	1,037,717	1,020,792
Per Capita Personal Income³					
Boulder County	\$ 98,553	\$ 89,593	\$ 83,173	\$ 79,698	\$ 71,974
Larimer County	67,849	67,849	64,258	60,219	56,851
Weld County	56,553	56,553	52,054	50,198	46,172
Personal Income (000s)³					
Boulder County	\$ 32,273,001	\$ 29,524,725	\$ 27,514,385	\$ 26,236,032	\$ 23,625,957
Larimer County	23,568,420	23,568,420	23,295,645	21,622,595	20,290,065
Weld County	21,000,000	21,000,000	12,700,000	15,300,000	14,700,000
Unemployment Rate³					
Boulder County	2.9%	2.5%	4.4%	5.8%	2.0%
Larimer County	2.8%	2.9%	4.9%	6.3%	2.1%
Weld County	3.0%	3.0%	5.7%	7.2%	3.0%

¹ Detailed information presented for Boulder, Larimer and Weld counties. The population in these counties represents more than 90 percent of the total estimated population within Northern Water's boundaries.

² Data calculated from Esri Population Demographics that are developed from U.S. Census and other data sources.

³ Data taken from the counties' most recent ACFR's unless otherwise noted.

Northern Water Population and Economic Statistics¹ (2015 - 2024) (continued)

Years ended September 30

Unaudited

	2019	2018	2017	2016	2015
Population in Northern Water Boundaries²	1,000,013	982,678	959,455	922,233	893,145
Per Capita Personal Income³					
Boulder County	\$ 69,239	\$ 66,415	\$ 63,707	\$ 60,220	\$ 58,552
Larimer County	53,935	51,471	48,327	47,085	45,279
Weld County	44,080	42,701	42,787	27,047	31,657
Personal Income (000s)³					
Boulder County	\$ 23,932,182	\$ 21,939,604	\$ 20,924,309	\$ 20,412,704	\$ 18,896,217
Larimer County	18,905,188	17,704,788	16,360,187	15,671,771	14,655,589
Weld County	12,500,000	11,200,000	10,600,000	10,740,000	8,350,000
Unemployment Rate³					
Boulder County	2.7%	2.6%	2.2%	2.9%	3.7%
Larimer County	2.7%	2.3%	2.8%	3.4%	4.3%
Weld County	2.7%	3.4%	3.8%	3.8%	3.9%

¹ Detailed information presented for Boulder, Larimer and Weld counties. The population in these counties represents more than 90 percent of the total estimated population within Northern Water's boundaries.

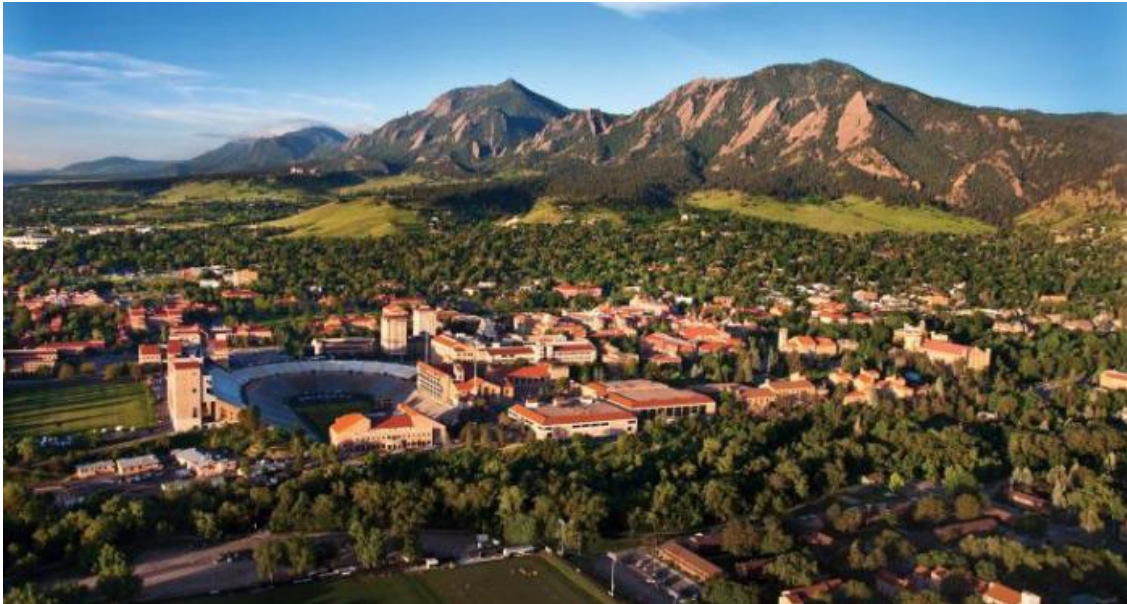
² Data calculated from Esri Population Demographics that are developed from U.S. Census and other data sources.

³ Data taken from the counties' most recent ACFR's unless otherwise noted.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024)

Current year and nine years ago

Unaudited



City of Boulder^{1 2}

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

¹ 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.

² Data taken from the December 31, 2023 City of Boulder Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024)
(continued)

Current year and nine years ago

Unaudited



City of Fort Collins¹

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Colorado State University	1	8,840	7.6%	1	7,317	8.1%
UC Health Poudre Valley Hospital	2	7,020	6.0%	3	3,078	3.4%
Poudre R-1 School District	3	4,740	4.1%	2	4,025	4.5%
City of Fort Collins	4	2,400	2.1%	4	1,889	2.1%
Larimer County	5	2,310	2.0%	5	1,566	1.7%
Woodward	6	1,420	1.2%	8	1,291	1.4%
Broadcom (Avago)	7	1,130	1.0%	10	852	0.9%
Department of Agriculture	8	1,090	0.9%	-	-	-
Orthopaedic & Spine Center of the Rockies	9	1,030	0.9%	-	-	-
Summitstone Health Partners	10	950	0.8%	-	-	-
Hewlett Packard	-	-	-	6	1,312	1.5%
Center Partners	-	-	-	7	1,299	1.4%
Employment Solutions Personal Serv.	-	-	-	9	1,242	1.4%
Top ten principal employers		30,930	26.6%		23,871	26.4%

¹ Data taken from the December 31, 2023 City of Fort Collins Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024) (continued)

Current year and nine years ago
Unaudited



City and County of Broomfield¹

Employers	2024			2015		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Oracle America	1	1,650	3.8%	2	1,980	4.9%
Intermountain ²	2	1,550	3.6%	-	-	-
BAE Systems ³	3	1,100	2.5%	7	674	1.7%
Hunter Douglas Window Fashions Division	4	950	2.2%	-	-	-
City and County of Broomfield	5	900	2.1%	9	600	1.5%
Vail Resorts	6	750	1.7%	6	648	1.7%
DanoneWave Foods ⁴	7	600	1.4%	-	-	-
Crocs	8	600	1.4%	-	-	-
Broadcom Inc. ⁵	9	500	1.2%	9	600	1.5%
Vmware	10	450	1.0%	-	-	-
Level 3 Communications	-	-	-	1	2,500	6.2%
Urban Lending Solutions	-	-	-	3	1,389	3.5%
Hunter Douglas	-	-	-	4	868	2.2%
Staples Advantage	-	-	-	5	700	1.7%
Sandoz, Inc.	-	-	-	8	601	1.5%
TransFirst Holdings	-	-	-	9	600	1.5%
Top ten principal employers	-	9,050	20.9%	-	11,160	27.9%
Total employment	-	43,350	-	-	-	-

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

² Formerly SCL Health.

³ Formerly Ball Aerospace.

⁴ Formerly Whitewave Foods.

⁵ Formerly Brocade Communications Systems, Inc.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024)
(continued)

Current year and nine years ago

Unaudited



City of Longmont¹

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

¹ Data taken from the December 31, 2023 City of Longmont Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024)
(continued)

Current year and nine years ago

Unaudited



City of Greeley¹

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

¹ Data taken from the December 31, 2023 City of Greeley Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2015 and 2024)

(continued)

Current year and nine years ago

Unaudited



City of Loveland¹

Employers	2024			2015 ²		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Thompson School District R2-J	1	2,455	4.9%	1	2,043	4.7%
Hach Company	2	1,700	3.4%	3	980	2.2%
Medical Center of the Rockies	3	1,343	2.7%	2	1,447	3.3%
Wal-Mart Distribution Center	4	1,273	2.5%	5	895	2.0%
City of Loveland	5	985	2.0%	4	969	2.2%
Heska Corp	6	808	1.6%	-	-	-
Nutrien/Crop Production Services	7	525	1.0%	8	478	1.1%
McKee Medical Center	8	326	0.7%	6	708	1.6%
LPR Construction	9	323	0.6%	-	-	-
Lightning eMotors, Inc.	10	269	0.5%	-	-	-
Woodward Governor	-	-	-	7	500	1.1%
Kroll Factual Data	-	-	-	9	350	0.8%
Agilent Technologies	-	-	-	10	300	0.7%
Top ten principal employers		10,007	19.9%		8,670	19.8%
Total employment		50,355			43,825	

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

² Numbers prior to 2016 reflect full employment. 2016 forward reflect full time equivalents (FTEs).

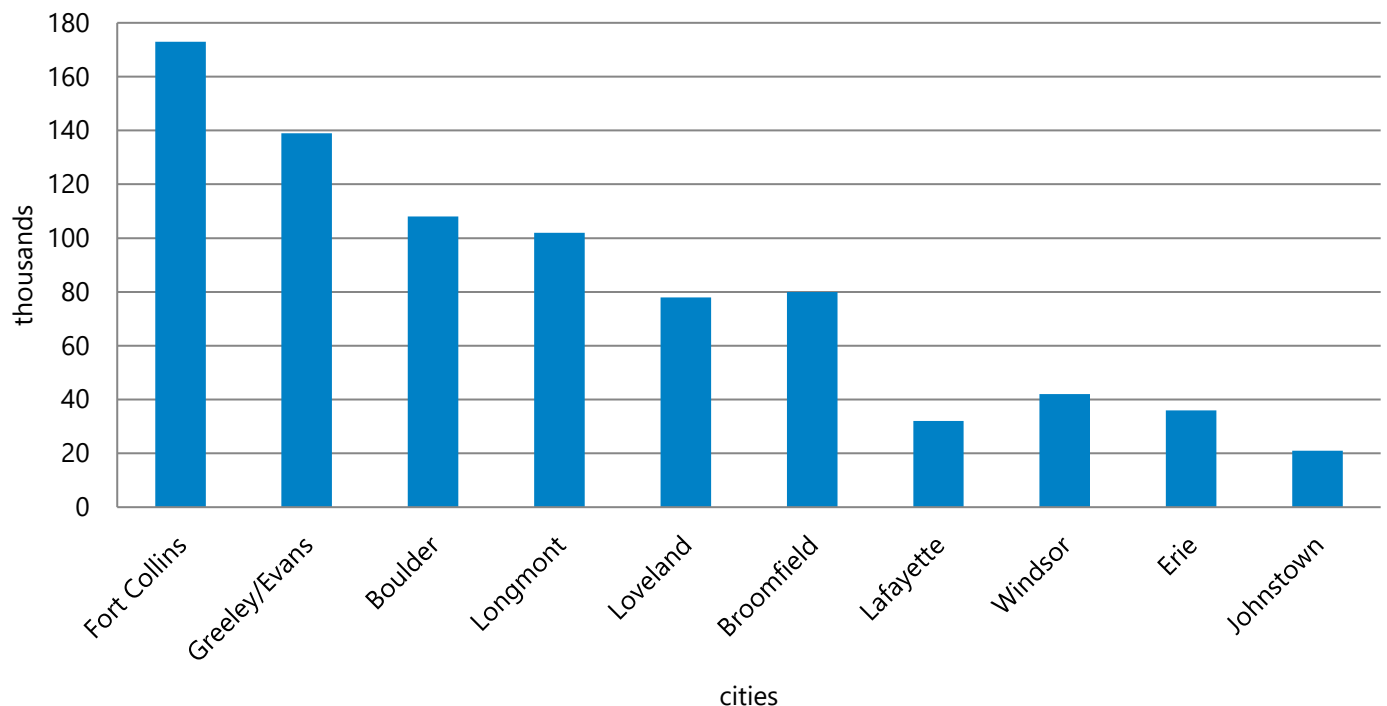
Population of Ten Largest Municipalities in Northern Water Boundaries (2015 and 2024)

Current year and nine years ago

Unaudited

Municipalities ¹	2024		2015	
	Population ²	Percentage	Population ³	Percentage
City of Fort Collins	172,581	15.3%	152,200	17.3%
Cities of Greeley/Evans	138,961	12.3%	115,800	13.2%
City of Boulder	107,656	9.5%	102,800	11.7%
City of Longmont	101,902	9.0%	90,200	10.3%
City and County of Broomfield	80,488	7.1%	59,500	6.8%
City of Loveland	78,526	6.9%	71,200	8.1%
Town of Windsor	42,265	3.7%	21,400	2.4%
Town of Erie	36,447	3.2%	20,100	2.3%
City of Lafayette	31,984	2.8%	26,700	3.0%
City of Johnstown	20,519	1.8%	-	-
City of Louisville	-	-	19,500	2.2%
Population of ten largest municipalities in Northern Water boundaries	811,329	71.8%	679,400	77.4%
Other municipalities and unincorporated areas	318,605	28.2%	198,700	22.6%
Estimated population within Northern Water boundaries	1,129,934	100.0%	878,100	100.0%

10 Largest Municipalities in Northern Water Boundaries



¹ Population data represents the estimated portion of municipal population located within Northern Water boundaries and, therefore, may differ from population statistics reported in the municipalities' ACFRs.

² Data calculated from Esri Population Demographics, which are developed from U.S. Census and other data sources.

³ Data taken from the Northern Water 2015 ACFR.

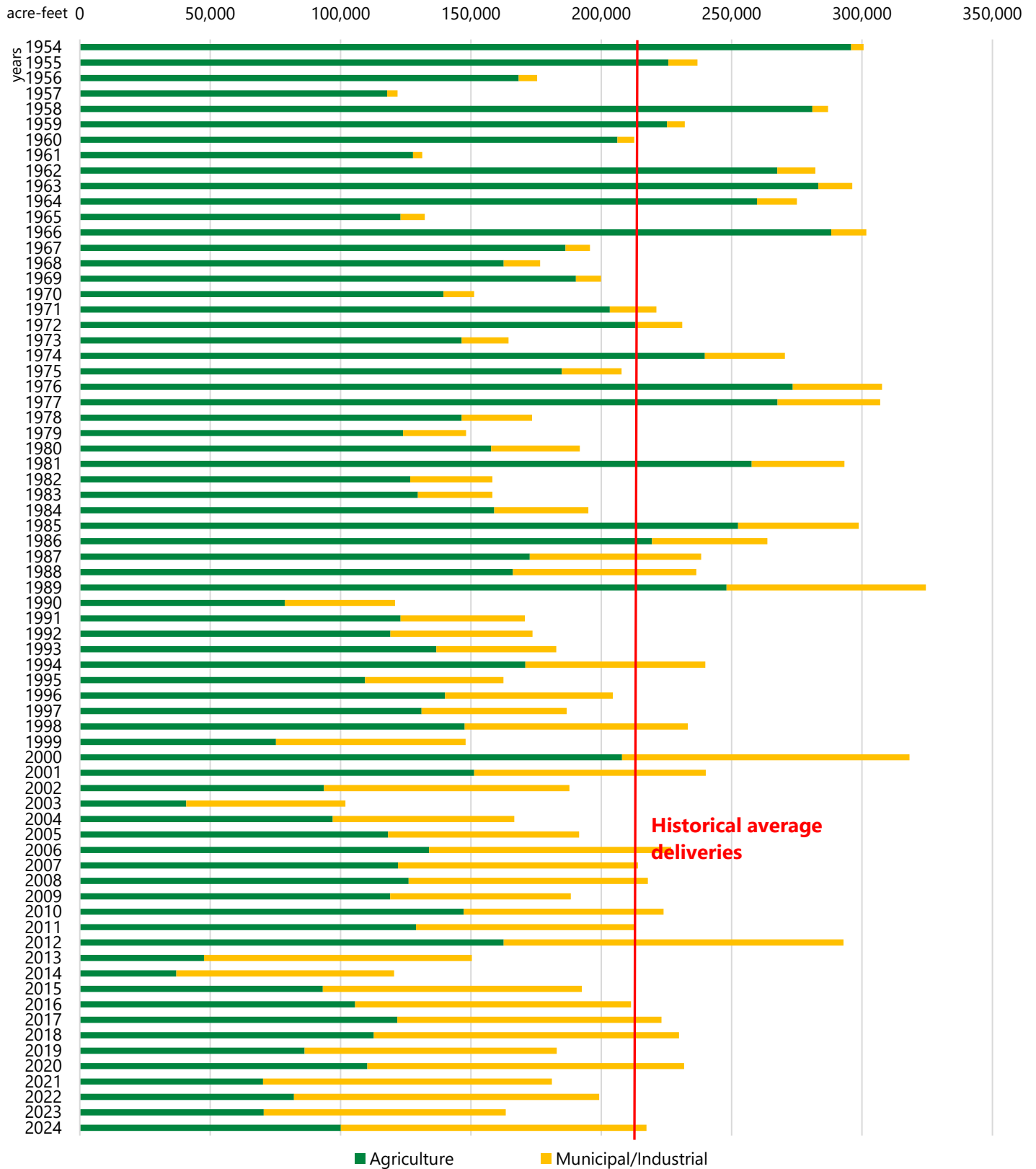


C-BT Project Water Deliveries¹ (Historical)

District Enterprise Fund

Years ended September 30

Unaudited



¹ Includes C-BT Project quota, carryover, non-charge, operations and Regional Pool water.

C-BT Project Water Deliveries¹ (2015 - 2024)

District Enterprise Fund

Years ended September 30

Unaudited

All measurements in acre-feet.

Year	Agricultural		Municipal/Industrial		Water Deliveries
	Deliveries	Percentage	Deliveries	Percentage	
2015	93,211	48.4%	99,345	51.6%	192,556
2016	105,576	49.9%	105,854	50.1%	211,430
2017	121,802	54.6%	101,307	45.4%	223,109
2018	112,785	49.1%	116,984	50.9%	229,769
2019	86,166	47.1%	96,739	52.9%	182,905
2020	110,225	47.6%	121,530	52.4%	231,755
2021	70,252	38.8%	110,833	61.2%	181,085
2022	82,140	41.2%	117,081	58.8%	199,221
2023	70,510	43.2%	92,857	56.8%	163,367
2024	100,126	46.1%	117,155	53.9%	217,281
Historical average from 1954	157,094	74.3%	54,254	25.7%	211,348

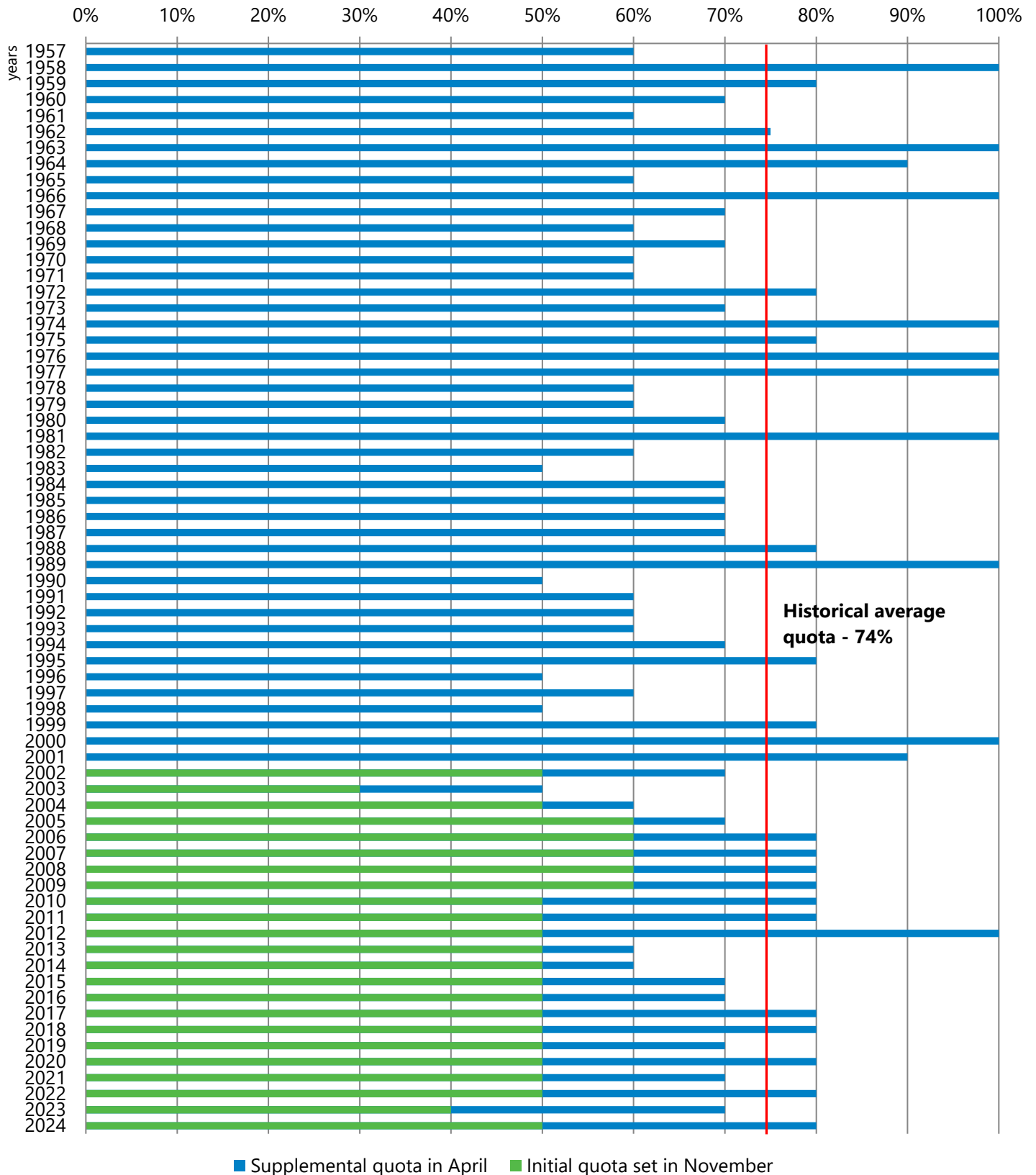
¹ Includes C-BT Project quota, carryover, non-charge, operations and Regional Pool water.

C-BT Project Water Delivery Quotas¹ (Historical)

District Enterprise Fund

Years ended September 30

Unaudited



¹ In 2002, the Board began issuing an initial quota for the water year which runs November 1 to October 31.

Capital Assets by Northern Water Enterprise Fund (2015 - 2024)

Years ended September 30

Unaudited

District Enterprise Fund	2024	2023	2022	2021	2020
Non-depreciable capital assets					
Land, easements and water rights	\$ 94,180,563	\$ 88,822,608	\$ 88,332,336	\$ 87,819,208	\$ 87,363,568
Construction in progress	6,202,735	28,638,291	66,049,710	19,282,569	2,094,548
Depreciable capital assets					
Buildings and improvements	125,008,314	86,633,697	23,558,603	23,298,526	23,271,621
Operations equipment	12,882,131	10,792,202	8,990,989	7,995,508	6,784,510
Water pipeline and equipment	179,679	179,679	90,778.00	-	-
Computer and office equipment	12,716,971	14,242,748	11,096,211	10,449,797	10,264,276
Capital assets	251,170,393	229,309,225	198,118,627	148,845,608	129,778,523
Less accumulated depreciation					
Buildings and improvements	(19,241,990)	(15,931,536)	(14,803,265)	(13,884,110)	(13,013,770)
Operations equipment	(7,293,699)	(6,670,975)	(6,181,298)	(5,369,881)	(4,958,262)
Water pipeline and equipment	(11,115)	-	-	-	-
Computer and office equipment	(8,458,994)	(9,283,437)	(8,365,028)	(7,446,919)	(6,580,705)
Accumulated depreciation	(35,005,798)	(31,885,948)	(29,349,591)	(26,700,910)	(24,552,737)
District Enterprise Fund capital assets, net	216,164,595	197,423,277	168,769,036	122,144,698	105,225,786
Southern Water Supply Project					
Non-depreciable capital assets					
Land, easements and water rights	5,232,983	5,232,983	5,232,983	5,232,983	5,232,983
Construction in progress	507,394	173,283	131,971	10,584,632	8,842,041
Depreciable capital assets					
Operations equipment	123,981	194,523	177,410	-	-
Water pipeline and equipment	130,581,383	130,079,664	129,629,299	119,007,737	118,809,604
Capital assets	136,445,741	135,680,453	135,171,663	134,825,352	132,884,628
Less accumulated depreciation					
Operations equipment	(54,593)	-	-	-	-
Water pipeline and equipment	(53,590,211)	(50,571,989)	(47,405,954)	(44,521,505)	(41,628,039)
Accumulated depreciation	(53,644,804)	(50,571,989)	(47,405,954)	(44,521,505)	(41,628,039)
Southern Water Supply Project capital assets, net	82,800,937	85,108,464	87,765,709	90,303,847	91,256,589
Pleasant Valley Pipeline Project					
Non-depreciable capital assets					
Land and easements	934,330	934,330	934,330	934,330	934,330
Construction in progress	12,813	-	-	-	-
Depreciable capital assets					
Water pipeline and equipment	29,810,585	29,810,585	29,787,545	29,764,565	29,764,565
Capital assets	30,757,728	30,744,915	30,721,875	30,698,895	30,698,895
Less accumulated depreciation					
Water pipeline and equipment	(14,872,831)	(14,123,545)	(13,374,787)	(12,630,596)	(11,886,482)
Pleasant Valley Pipeline Project capital assets, net	15,884,897	16,621,370	17,347,088	18,068,299	18,812,413
Northern Integrated Supply Project					
Non-depreciable capital assets					
Land and easements	15,783,872	-	-	-	-
Construction in progress	132,063,569	113,287,802	87,457,346	69,503,327	49,617,922
Northern Integrated Supply Project capital assets, net	147,847,441	113,287,802	87,457,346	69,503,327	49,617,922
Northern Water Hydropower					
Non-depreciable capital asset					
Construction in progress	6,043	6,043	6,043	824	-
Depreciable capital assets					
Hydropower plants	11,502,848	11,502,848	11,502,848	11,502,848	11,502,848
Capital assets	11,508,891	11,508,891	11,508,891	11,503,672	11,502,848
Less accumulated depreciation					
Hydropower plants	(2,981,676)	(2,693,072)	(2,404,468)	(2,115,864)	(1,827,259)
Northern Water Hydropower capital assets, net	8,527,215	8,815,819	9,104,423	9,387,808	9,675,589
Capital assets, net	\$ 471,225,085	\$ 421,256,732	\$ 370,443,602	\$ 309,407,979	\$ 274,588,299

Capital Assets by Northern Water Enterprise Fund (2015 - 2024) (continued)

Years ended September 30

Unaudited

District Enterprise Fund	2019	2018	2017	2016	2015
Non-depreciable capital assets					
Land, easements and water rights	\$ 84,541,864	\$ 84,252,380	\$ 81,911,417	\$ 81,996,315	\$ 81,997,293
Construction in progress	1,917,520	522,555	2,701,458	2,668,200	2,031,625
Depreciable capital assets					
Buildings and improvements	22,030,730	19,796,460	19,428,994	19,340,433	18,654,537
Operations equipment	6,343,738	5,476,107	5,472,775	5,370,649	5,440,607
Water pipeline and equipment	-	-	-	-	-
Computer and office equipment	9,358,085	9,698,287	10,055,588	9,382,832	8,555,986
Capital assets	124,191,937	119,745,789	119,570,232	118,758,429	116,680,048
Less accumulated depreciation					
Buildings and improvements	(12,152,680)	(11,380,960)	(10,622,714)	(9,865,172)	(9,123,419)
Operations equipment	(4,689,138)	(4,529,724)	(5,030,052)	(5,033,544)	(5,094,729)
Water pipeline and equipment	-	-	-	-	-
Computer and office equipment	(5,776,443)	(5,419,017)	(5,113,699)	(4,694,811)	(4,240,138)
Accumulated depreciation	(22,618,261)	(21,329,701)	(20,766,465)	(19,593,527)	(18,458,286)
District Enterprise Fund capital assets, net	101,573,676	98,416,088	98,803,767	99,164,902	98,221,762
Southern Water Supply Project					
Non-depreciable capital assets					
Land, easements and water rights	5,232,983	5,232,983	5,232,983	5,232,983	5,232,983
Construction in progress	38,796,165	8,999,194	3,857,236	2,189,374	1,750,024
Depreciable capital assets					
Operations equipment	-	-	-	-	-
Water pipeline and equipment	70,649,583	70,643,074	69,983,333	69,983,357	70,003,210
Capital assets	114,678,731	84,875,251	79,073,552	77,405,714	76,986,217
Less accumulated depreciation					
Operations equipment	-	-	-	-	-
Water pipeline and equipment	(39,452,542)	(37,777,246)	(36,117,443)	(34,461,533)	(32,824,079)
Accumulated depreciation	(39,452,542)	(37,777,246)	(36,117,443)	(34,461,533)	(32,824,079)
Southern Water Supply Project capital assets, net	75,226,189	47,098,005	42,956,109	42,944,181	44,162,138
Pleasant Valley Pipeline Project					
Non-depreciable capital assets					
Land and Easements	934,330	934,330	934,330	934,330	934,330
Construction in progress	-	-	-	-	-
Depreciable capital assets					
Water pipeline and equipment	29,732,205	29,732,205	29,732,205	29,732,205	29,732,205
Capital assets	30,666,535	30,666,535	30,666,535	30,666,535	30,666,535
Less accumulated depreciation					
Water pipeline and equipment	(11,149,576)	(10,406,271)	(9,662,966)	(8,919,661)	(8,176,356)
Pleasant Valley Pipeline Project capital assets, net	19,516,959	20,260,264	21,003,569	21,746,874	22,490,179
Northern Integrated Supply Project					
Non-depreciable capital asset					
Land and easements	-	-	-	-	-
Construction in progress	39,381,817	30,883,491	24,134,570	20,139,477	16,737,711
Northern Integrated Supply Project capital assets, net	39,381,817	30,883,491	24,134,570	20,139,477	16,737,711
Northern Water Hydropower¹					
Non-depreciable capital asset					
Construction in progress	-	-	-	-	2,830,289
Depreciable capital assets					
Hydropower plants	11,502,848	11,489,074	11,489,074	11,489,074	6,278,945
Capital assets	11,502,848	11,489,074	11,489,074	11,489,074	9,109,234
Less accumulated depreciation					
Hydropower plants	(1,540,032)	(1,252,804)	(965,578)	(678,352)	(521,378)
NW Hydropower capital assets, net	9,962,816	10,236,270	10,523,496	10,810,722	8,587,856
Capital assets, net	\$ 245,661,457	\$ 206,894,118	\$ 197,421,511	\$ 194,806,156	\$ 190,199,646

¹ The Granby hydropower facility became operational in 2015.

Project Capacity Statistics by Northern Water Enterprise Fund

Year ended September 30, 2024

Unaudited

Northern Water

The C-BT Project¹ consists of the following:

- 128.8 miles of water conveyance
- 12 storage reservoirs
- 6 hydroelectric power plants
- 700 miles of transmission lines

Water Conveyance	Capacity (cfs)	Length (miles)
Alva B. Adams Tunnel	550	13.1
East Slope Power Conduit System	550-1,300	18.5
Canals, West Slope – Willow Creek Feeder Canal	400	3.4
Canals, West Slope – Granby Pump Canal	1,100	1.8
Canals, East Slope – St. Vrain Supply	625	9.8
Canals, East Slope – Boulder Feeder	200	13.2
Canals, East Slope – Boulder Creek Supply	200	2.5
Canals, East Slope – South Platte Supply	230	32.2
Canals, East Slope – Charles Hansen Feeder	550	13.2
Canals, East Slope – Charles Hansen Supply	1,500	5.6
Canals, East Slope – North Poudre Supply	250	12.5
Canals, East Slope – Dixon Feeder	8	3.0

Power Plants	Capacity (kW)	Generators
Green Mountain	26,000	2
Mary's Lake	8,100	1
Estes	45,000	3
Pole Hill	38,238	1
Flatiron	94,500	3
Big Thompson	4,500	1
Total	216,338	11



Mary's Lake Power Plant



Farr Pump Plant

Pump Plants	Capacity (cfs)	Rated Lift (feet)	Installed Capacity (hp)
Farr	600	186	18,000
Willow Creek	400	175	10,000
Flatiron	370	240	13,000

¹ The capacity information for the C-BT Project has remained the same since the inception of the project in 1957.

Project Capacity Statistics by Northern Water Enterprise Fund (continued)

Year ended September 30, 2024

Unaudited



Storage Reservoirs

	Capacity (acre-feet)		
	Shoreline (miles)	Capacity (acre-feet)	Total
West Slope			
Grand Lake ¹	4.5	N/A	68,600
Green Mountain ²	19.0	146,779	154,645
Lake Granby	40.0	465,568	539,758
Willow Creek	7.0	3,329	10,553
Shadow Mountain	8.0	1,839	17,354
East Slope			
Mary's Lake	1.0	N/A	927
Lake Estes	4.0	N/A	3,068
Pinewood	3.0	N/A	2,181
Flatiron	2.0	N/A	760
Carter Lake	12.0	108,924	112,230
Boulder	4.0	11,970	13,270
Horsetooth	25.0	149,732	156,735
Total	129.5	888,141	1,080,081

¹ Natural lake.

² Operated and maintained by Reclamation.

Project Capacity Statistics by Northern Water Enterprise Fund (continued)

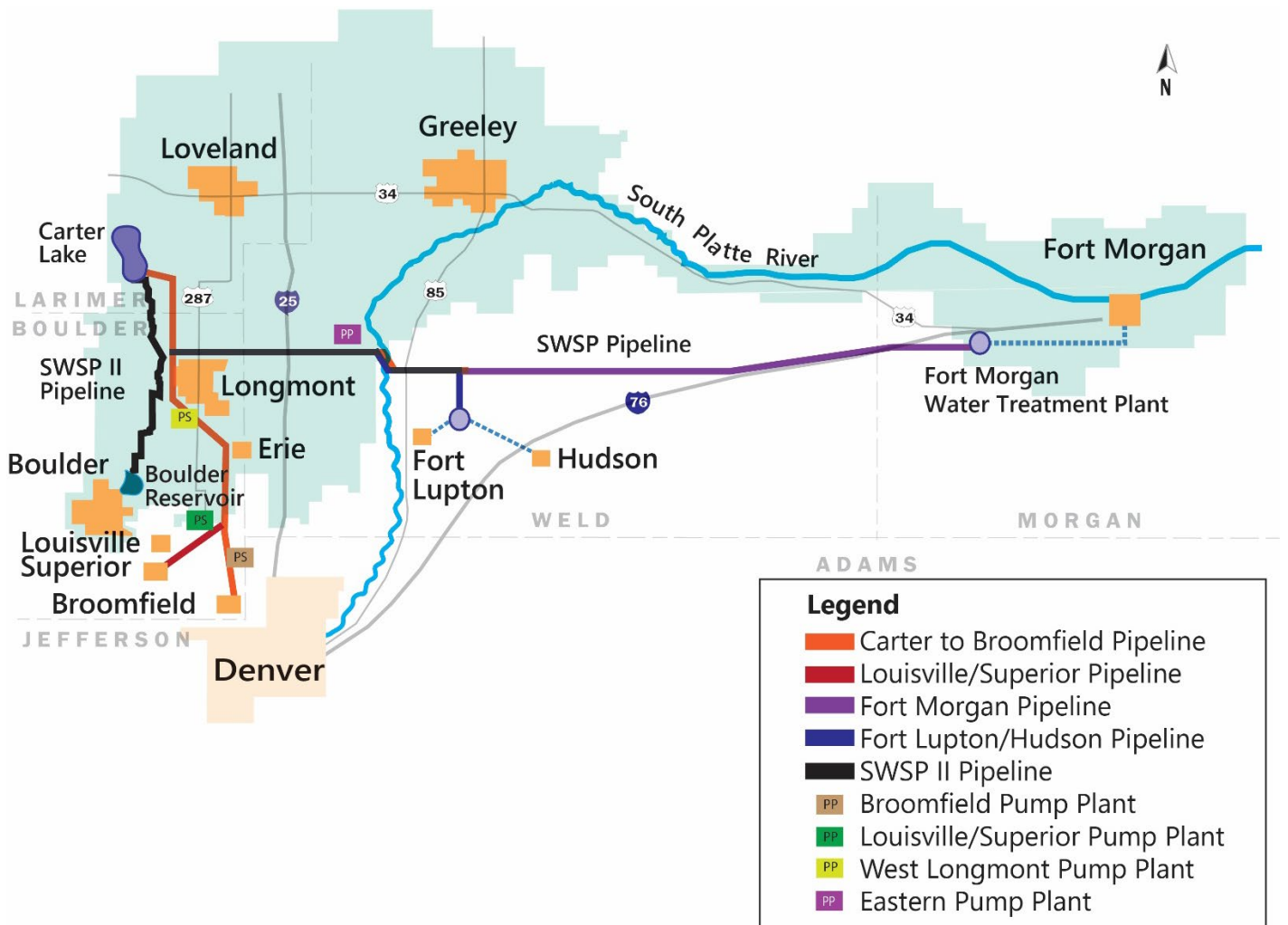
Southern Water Supply Project

Year ended September 30, 2024

Unaudited

Water Conveyance	Capacity (cfs)	Length (miles)
SWSP I - Broomfield	93.1	34.0
SWSP I - Louisville/Superior	13.2	8.0
SWSP I - Fort Morgan	11.0	42.0
SWSP I - Fort Lupton/Hudson	9.6	29.0
SWSP II	50.0	20.6

Pump Plants	Capacity (cfs)	Rates Lift (feet)	Installed Capacity (hp)
SWSP I - Broomfield	24	110	550
SWSP I - West Longmont	41	310	2,000
SWSP I - Louisville/Superior	9	340	600
SWSP I - Eastern Pump Plant	33.6	653	3,500



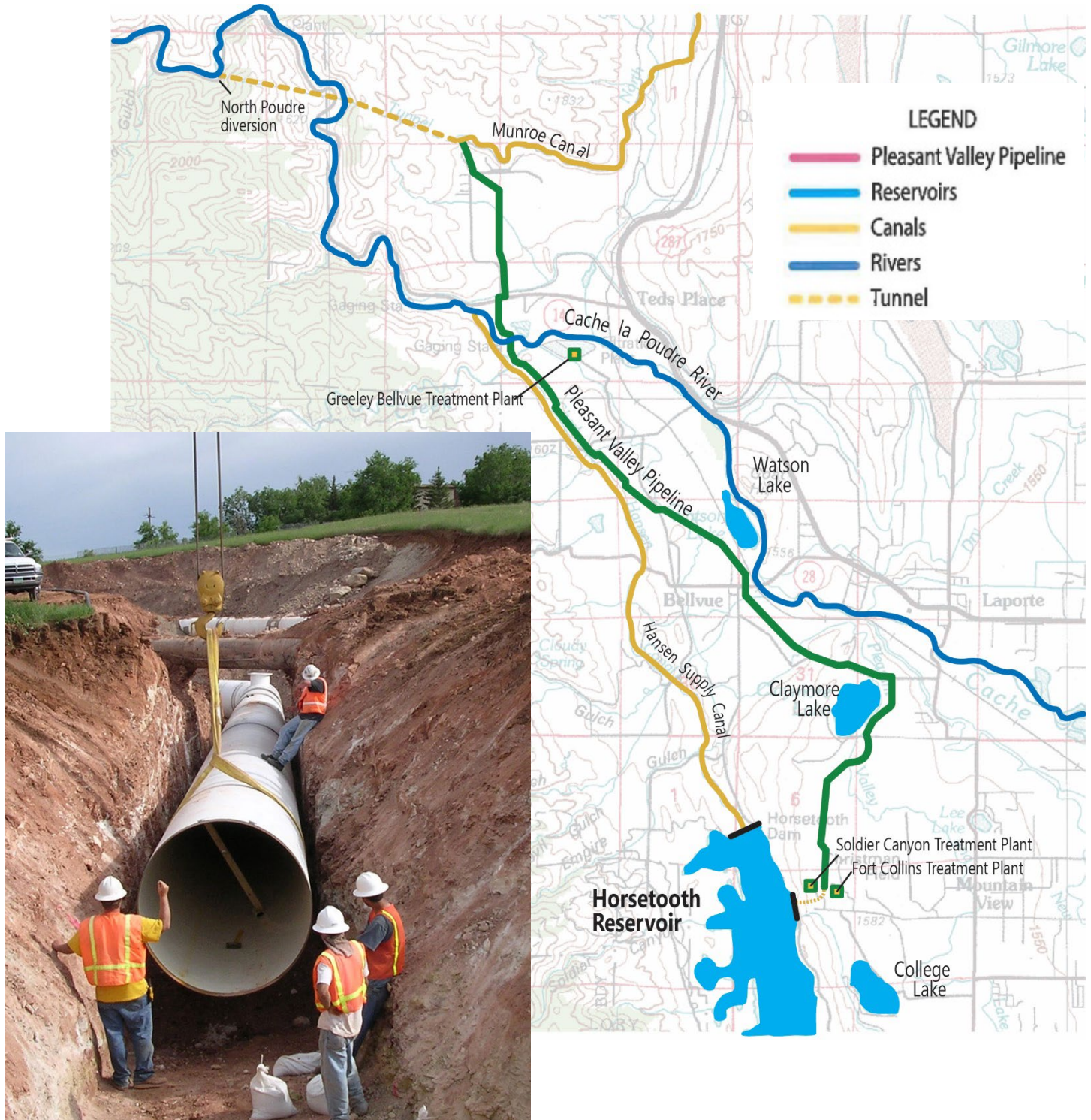
Project Capacity Statistics by Northern Water Enterprise Fund (continued)

Pleasant Valley Pipeline Project

Year ended September 30, 2024

Unaudited

Water Conveyance	Capacity (cfs)	Length (miles)
Pleasant Valley Pipeline	185	8.5



Project Capacity Statistics by Northern Water Enterprise Fund (continued)

Northern Water Hydropower

Year ended September 30, 2024

Unaudited

Hydropower Plants	Turbines	Power Generation (kWh)
Robert V. Trout	2 – 1300 KW	7-10 million
Granby	2 – 600 KW	5 million



Granby Hydro



Robert V. Trout Hydro

Northern Water Employees by Division¹ (2015 - 2024)

Years ended September 30

Unaudited

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Management	6	6	6	5	6	6	5	4	4	5
Human Resources²	3	4	4	4	2	2	2	-	-	-
Policy Advisors	-	-	-	1	2	2	4	-	-	-
Operations Division										
Collection Systems	14	11	10	9	9	15	14	15	15	17
Control Center	7	6	6	6	6	-	-	-	-	-
Distribution Systems	19	18	21	17	19	17	15	16	19	19
Facilities and Equipment	15	14	12	12	13	10	11	10	9	9
Capital Improvements	-	-	-	-	-	1	2	-	-	-
Instrumentation Control and Electrical Engineering	7	7	7	7	6	4	5	5	5	5
Safety Officer	1	1	1	1	1	1	1	1	1	1
Operations Division	63	57	57	52	54	48	48	47	49	51
Engineering Division										
Project Management	11	10	12	11	10	8	7	7	5	5
Water Resources	5	5	4	5	5	3	7	5	5	5
Water Rights	4	4	3	3	3	-	-	-	-	-
Real Estate/Emergency and Security	9	11	9	9	7	6	5	2	2	2
Engineering Division	29	30	28	28	25	17	19	14	12	12
Environmental Services Division										
Water Quality	7	6	8	7	8	6	6	5	4	3
Water Efficiency	5	5	4	5	4	4	4	6	6	6
Field Services	11	9	10	10	10	8	8	8	7	6
Environmental Planning	5	5	1	2	1	1	-	-	-	-
Environmental Data Management	2	2	1	1	1	-	-	-	-	-
Environmental Services Division	30	27	24	25	24	19	18	19	17	15
Finance & Administration Division										
Financial Services	13	11	9	10	7	8	6	6	6	6
Communications	8	7	7	7	7	7	5	7	6	7
Contracts	6	4	4	4	3	3	3	-	-	-
Cybersecurity & Governance ³	-	-	2	2	2	-	-	-	-	-
Information Technology	17	15	12	12	9	11	10	9	9	10
Water Scheduling	6	6	6	5	5	4	1	1	1	1
Records and Administrative Services	7	8	8	8	8	7	6	7	7	7
Administration Division	57	51	48	48	41	40	31	30	29	31
Full-time regular employees	188	175	167	163	154	134	127	114	111	114

¹ Statistics as of September 30, 2024.

² Prior to 2018, Human Resources included under Records and Administrative Services.

³ In 2023, Cybersecurity & Governance merged with Information Technology.

GENERAL INFORMATION

Northern Water Organization and Contact Information

Year ended September 30, 2024

Unaudited

Authority	Water Conservancy Act
Date of Formation	September 20, 1937
Governing Body	Northern Water 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 Northern Water boundaries.
Organization	Northern Water is a public body political and corporate, a quasi-municipal entity and a political subdivision of the State of Colorado.
Purpose	Northern Water was organized to acquire water; to obtain rights-of-way for certain water works; to provide construction for water facilities; to incur contractual or bond indebtedness; to administer, operate and maintain physical works; to conserve, control, allocate and distribute water supplies; and to derive the revenues needed to accomplish its purposes.
Offices	Northern Water 220 Water Avenue Berthoud, Colorado 80513 800-369-7246 www.northernwater.org
Independent Auditors	Plante & Moran, PLLC 8181 E. Tufts Avenue, Suite 600 Denver, Colorado 80237 303-740-9400
General Counsel	Trout Raley Montaño Freeman Sinor Thompson, P.C. 1120 Lincoln Street, Suite 1600 Denver, Colorado 80203-2141 303-861-1963
Bond Counsel	Snell & Wilmer L.L.P. 1200 Seventeenth Street Suite 1900 Denver, CO 80202-5854 303-634-2000

