

2025

Annual Comprehensive Financial Report

For the Year Ended September 30, 2025

📍 220 Water Avenue | Berthoud, CO 80513

🌐 www.NorthernWater.org

Annual Comprehensive Financial Report

Year ended September 30, 2025

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 23, 2026

To Water Users 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, 2025.

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, 2025. The independent auditors' report is located on page 20.

Management's Discussion and Analysis, located on page 24, 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 more than 1.1 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.



Building of the Granby Power Plant, which was later renamed the Farr Pump Plant.

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.



Horsetooth Reservoir.

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, Southern Water Supply Project II (SWSP II) was completed by the enterprise in early 2020. The first SWSP

pipeline began operations in 1999, with three additional pump plants added in 2003, 2005 and 2022. 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 funding for operation and maintenance activities.

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 funding for operation and maintenance activities.

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 15.66 million kWh of energy in 2025. Energy is purchased by local electric utilities. Construction of the plants was funded through debt and interfund financing. Revenue from energy sales fully funds all operating and debt service cash requirements.

MAJOR ACTIVITIES AND INITIATIVES

Northern Water

- Northern Water made improvements to the Shadow Mountain Reservoir spillway. This reservoir is a vital piece of the C-BT Project, receiving water pumped from Lake Granby and delivering it to Grand Lake and then to points on the East Slope via the Alva B. Adams Tunnel. Inspections had determined work was required on the spillway concrete, which receives water each spring from the high inflows into both Grand Lake and Shadow Mountain Reservoir from the Colorado River and its tributaries. Crews replaced a portion of the floor of the spillway with new concrete and reinforcement steel. In upcoming years, additional work will be needed on the structure, and that work will be announced in advance of its execution.
- In May 2025, crews conducted a two-day outage to install bypass valves and piping on the 54-inch and 48-inch butterfly valves at Horsetooth Reservoir's Soldier Canyon Dam outlet works. The need for this work was identified in 2024 during an annual inspection by Northern Water and Bureau of Reclamation staff. The new bypass valves will allow the 54-inch and 48-inch lines to rewater more safely after any draining for maintenance activities.
- Northern Water partnered with contractors to upgrade canal linings along the Colorado-Big Thompson Project. Dietzler Construction was able to replace 70 concrete panels on the Hansen Supply Canal and the St. Vrain Supply Canal, while Warbonnet Construction completed three different projects along the distributions system. Polyurea linings were placed on the Bennet Chute and the Lyons Chute on the St. Vrain Supply Canal, with polyurea-coated



Improvements were made at the Shadow Mountain Reservoir spillway in 2025.

geotextile fabric installed on the St. Vrain Supply Canal near Rabbit Mountain. Distributions staff prepped each location for the polyurea work, including sub-grade preparation at the Rabbit Mountain location. The polyurea linings will reduce seepage that has historically occurred at each location.

- East Troublesome Fire recovery efforts continued in 2025 with construction of the Stillwater 2 and 3 Restoration Projects. These projects both included upgrade of existing U.S. Forest Service Road stream crossings (culvert and ford crossings) and installation of post-assisted log structures (PALS) downstream of each crossing within the burn area. Nearly 30 of these wooden structures were built across the two sites. These projects will protect roads from future washouts, reduce sedimentation in Lake Granby, and restore riparian and wetland vegetation, resulting in improved water quality.
- Northern Water performed routine baseline water quality monitoring throughout the C-BT Project to identify changes in water quality, assess compliance with federal and state regulations, and to provide context in the event of a natural disaster.
- Northern Water awarded nearly \$400,000 in Water-Efficient Landscape Grants Program funding to 20 new projects. Northern Water has now awarded a total of approximately \$1.4 million in grants throughout the past seven years to 100 projects within Northern Water's boundaries.
- The Contracts Department conducted a large-scale mailing to Northern Water's Class D allottees to confirm property ownership and legal descriptions to the allotment contracts. The goal was to clean up contracts and engage in meaningful conversations with allottees.
- Northern Water made significant advancements toward a website refresh which will allow the organization to stay current with the latest technology and integrations, as well as incorporate accessibility into the core of the website. A new website will launch in 2026.
- 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.

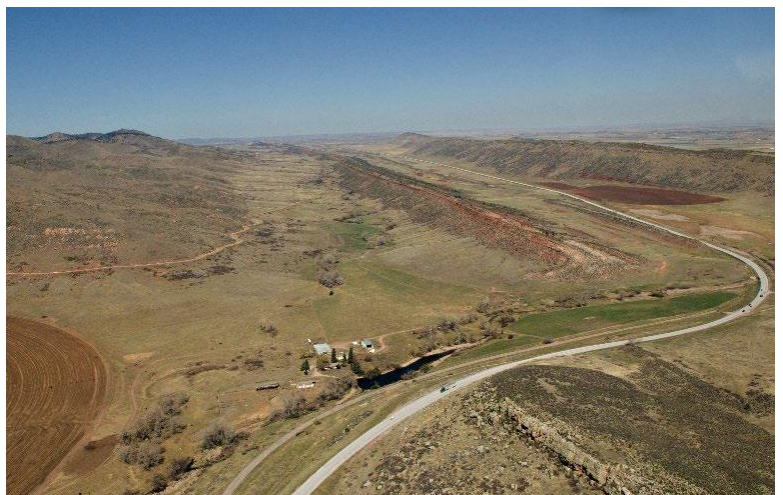


The First Congregational Church in Greeley was a grant recipient and converted much of their landscape to water-wise plantings.

Northern Integrated Supply Project Enterprise Fund

The Northern Integrated Supply Project (NISP) continued advancing toward construction, with work on the project design and environmental mitigation. 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



Aerial image of the location for the future Glade Reservoir.

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.

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. The Northern Region consists of Larimer and Weld counties.

The economic situation for the United States and Colorado is cloudier than usual due to a lack of available data, but most indicators show signs of slowing economic growth. Business activity has maintained a moderate pace of growth, unemployment rates remain relatively low, and income growth is stable. Labor markets are showing signs of deterioration, with slow job growth reflecting weakness in both supply and demand. Faced with high uncertainty and costs, businesses have reduced hiring, while immigration policy has reduced the supply of available workers. On the whole, the Colorado economy appears slightly weaker than the nation, as the state’s unemployment claims rise, real retail spending falls and the housing market weakens.

Assessed Values

The State of Colorado Economic Outlook’s assessed value outlook continues to be shaped by policy changes passed during the 2024 regular legislative session and the August 2024 special session, including a step down in nonresidential assessment rates for most property classes through the 2027 property tax year.

Property values in the state are appreciating at a rate well below the historically fast pace of growth experienced in the 2023 property tax year. Taking into account changes to assessment, assessed value for school districts increased 9.4 percent in the 2025 reassessment year. While slow but positive property value appreciation is expected through the forecast period, assessed values are expected to contract 0.9 percent in the 2026 property tax year as lower nonresidential assessment rates impact the property tax base. For 2027, assessed values are expected to increase 0.8 percent as modest value appreciation in a reassessment year is partially offset by still lower nonresidential assessment rates. In 2028, new construction activity will contribute to assessed values increasing by 1.1 percent.



Property values are appreciating at a rate well below the historically fast pace of growth experience in the 2023 property tax year.

Labor

The United States and Colorado labor markets continue to show signs of fraying, raising concern for overall economic health. Employment growth is challenged by weak business and consumer confidence coincident with a sharp decline in immigration and AI-related disruptions. Revised economic data indicate that labor market activity is not as robust as previously thought, with the unwelcome specter of further downward revisions plaguing the outlook. Risks to the labor market outlook remain elevated.

¹ Published in December 2025 by the Colorado Legislative Council Staff at <https://content.leg.colorado.gov/sites/default/files/2025-12/Dec2025Forecast.pdf>

Employers are adding new employees at lackluster rates while claims for unemployment benefits creep up. Unemployment rates remain low but are drifting upward, as exits from the labor force mask some labor market weakness. Near-term employment growth will continue to slow for both the U.S. and Colorado, as labor markets are likely to respond slowly to anticipated interest rate cuts and as the impacts of tariff uncertainty and immigration policies linger. Wage growth data indicate that lower wage workers are falling behind, raising concerns of narrowing support for continued consumer spending and economic growth.

- United States nonfarm employment growth is expected to slow from 1.0 percent in 2025 to 0.1 percent in 2026, before growing 0.4 percent in 2027. The U.S. unemployment rate is expected to average 4.2 percent in 2025, 4.1 percent in 2026, and 4.6 percent in 2027.
- In Colorado, employment growth is expected to decelerate from 0.4 percent in 2025 to 0.2 percent in 2026, before growing 0.5 percent in 2027. The Colorado unemployment rate is expected to decrease from 4.5 percent in 2025 to 4.4 percent in 2026, then increase to 4.7 percent in 2027.

Energy

Crude oil prices rapidly contracted during 2025. The average price was \$75.74 per barrel in January 2025 and had fallen to \$61.49 as of October. For the year, oil prices are expected to average \$65.22, slightly higher than the September forecast but 14.8 percent below the average in 2024.

Colorado's oil production remains stable in 2025, but is expected to decline in future years. Colorado's crude oil production remains below pre-pandemic levels, growing by only 7.4 percent between 2022 and 2024, compared with 10.4 percent nationwide. The outlook for Colorado's production has been revised from the September forecast for 2026 and 2027 as the outlook for prices remains weak. In 2025, production is projected to remain stable, up from an expected decrease of 1.5 percent projected in September. In contrast, U.S. crude oil production is forecast by the Energy Information Administration to increase 2.7 percent.

Low oil prices are expected to impact Colorado's production through the forecast period. According to the Federal Reserve Bank of Kansas City's second quarter energy survey, firms reported that oil prices in the tenth district, which includes Colorado, needed to be at least \$63 per barrel on average for drilling to be profitable, and around \$78 per barrel for a substantial increase in drilling. Projected prices in 2026 are on the low end of the range of profitable drilling as noted in the survey, and are expected to impede the profitability of new wells in many areas and impact production overall beginning in the second half of the year through 2027. The state's production is projected to decline by 4.4 percent in 2026, and another 8.2 percent in 2027. In contrast, U.S. production is forecast by the EIA to remain stable in 2026.

Colorado natural gas production has lagged the United States for several years. From 2020 to 2024, Colorado natural gas production declined by 7.2 percent, compared with a 12.6 percent increase for the nation as a whole. This is partly due to an increase in natural gas production across the U.S. from oil wells (approximately 10 percent), while oil well production in Colorado has significantly diminished. Expectations for Colorado's natural gas production were revised up through the forecast period due to stronger than expected production in recent months. Production is now expected to increase 0.4 percent in 2025 compared with a projected decrease of 0.8 percent in the September forecast. According to survey data from the Federal Reserve Bank of Kansas City, natural gas prices have mostly remained below the average profitability for new wells for several years. In the third quarter, firms indicated a spot price of \$3.56 per million BTU for drilling profitable new wells. Because prices are expected to exceed this level in both 2026 and 2027, production in the state is expected to increase modestly. In 2026 and 2027, natural gas production in Colorado is expected to increase by 1.4 percent and 1.8 percent, respectively.

Colorado's retail gasoline prices are expected to average \$3.05 in 2025. Colorado's retail gasoline prices averaged about \$3.10 per gallon through October 2025, lower than the \$3.25 average through October one year ago, and lower than the U.S. average of \$3.25. Prices in October were down nearly 12 percent year-over-year and continue to trend below U.S. prices, consistent with the trend historically. From 2025 to 2027, U.S. retail gasoline prices are expected to trend downward with projected 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 drives individual income tax revenue, the state's principal revenue stream, and foreshadows consumer spending and contributions to sales tax receipts. Incomes have grown slower in Colorado than the nation since early 2023. Due to the government shutdown, personal income data is delayed, and data for the third quarter are not yet available. Data quality concerns with Colorado's employment census data may also make state level personal income less reliable, resulting in an underreporting of total wages and salaries.

Colorado personal income is growing modestly. Total personal income in the United States grew by 1.4 percent compared to Colorado's 1.2 percent. Wages and salaries are the largest component of personal income, making up about half of the total. Historically, wage and salary growth in Colorado has exceeded the nation, but growth in Colorado has slowed over the past two years, down to just 1.0 percent quarterly growth, or 4.3 percent compared to the prior year. Slowing wage growth may be due to receding inflationary pressure, slower employment growth or poor-quality data underreporting wages.

The second largest component of personal income, dividends, interest and rent, grew by just 0.3 percent in the second quarter, particularly due to slow growth in dividends. Modest growth in most areas of personal income have been offset by larger government transfer payments as the Social Security Fairness Act takes effect, increasing social security payments for many public service retirees beginning in 2025. Payments for Medicaid also accelerated in the second quarter.

- U.S. personal income growth is expected to slow to 4.1 percent in 2026 and 4.4 percent in 2027.
- Personal income growth in Colorado was expected to reach a modest 5.0 percent in 2025 as employment growth weakens but transfer payments accelerate. Personal income is projected to increase 4.2 percent in 2026, then grow 4.6 percent in 2027.

Agriculture

The United States Department of Agriculture expects national net farm income to end 2025 up 40.7 percent compared to 2024, largely driven by increases in direct government farm payments and livestock cash receipts and only partially offset by inflated production costs and declining crop cash receipts. A persistently low cattle inventory paired with lower feed costs leaves room for new entrants into the cattle market through the forecast period. Tighter international inventories and a slowdown in U.S. imports may additionally boost demand and prices received for U.S. and Colorado crops. While easing interest rates and government payments may additionally provide some relief to farmers through the forecast period, increasing production costs, labor supply constraints and drought conditions pose risks to production and profitability. For livestock, low production lends to high prices received. Both cattle and poultry product prices received by farmers are elevated as inventory and production remain low. Egg production continues to rebound after a July 2024 avian flu outbreak in Weld County, but remains 40.0 percent below peak production prior to the outbreak. As egg production recovers, prices received for both eggs and poultry begin to moderate but remain well above historical averages. Egg production is expected to continue to rebound through 2026, and prices received are correspondingly expected to continue to moderate.



Irrigation pivot in a field.

With cattle inventory levels at their lowest since the end of the last cattle cycle in 2014, beef production is correspondingly down 21.2 percent year-over-year, while prices received are up 27.0 percent through August 2025. Low feed prices paired

with high prices received for beef may encourage increased cattle production through the forecast period; however, labor supply challenges and declining prices for dairy products may weigh on profitability. On net, beef production is expected to remain dampened and prices elevated while cattle inventory remains low.

Prices received for crops are low while inventories are high. Cash receipts for wheat, corn and hay continued to decline in 2025, respectively down 15.4 percent, 5.2 percent and 17.2 percent year-over-year. An abundance of international supply and competition amongst other producing countries, in combination with high levels of production nationally for more than a decade, likely contributed to the three-year decline in prices received. Inventories globally and U.S. imports are expected to moderate through the forecast period, potentially putting upward pressure on prices for wheat, corn and hay.

WATER YEAR 2025

The 2025 water year highlights why the Colorado-Big Thompson (C-BT) Project is essential to Northern Colorado. A year of near-average snowpack but below-average streamflows, followed by a summer drought in western Colorado, demonstrate dramatic weather patterns that are not uncommon. At the start of the 2025 water year, the C-BT Project contained 115.0 percent of long-term average storage. Snowpack and precipitation were near average until February, when a series of significant storms through early April led to well-above-average snowpack. However, dry and warm weather persisted for the rest of the spring. Snowpack peaked earlier than normal with West Slope sites at 103.0 percent and East Slope sites at 100.0 percent. However, seasonal streamflow totals ranged from 71.0 percent to 88.0 percent of average on both sides of the divide.



Boulder Feeder Canal.

Near-average conditions in April prompted the Northern Water Board of Directors to set the 2025 C-BT Project delivery quota at 70.0 percent. However, due to the decline in the snowpack and below average precipitation in April and May, the Board increased the C-BT Project quota to 75.0 percent in June. Dry conditions persisted in early summer, and C-BT Project supplies helped water users bring crops to harvest. By late August, however, the pattern shifted: large rainstorms delivered two or three times the average for the period, improving conditions on both the East and West slopes at the end of the water year. Mean areal precipitation within Northern Water boundaries for water year 2025 was 105.0 percent of average. C-BT Project reservoirs ended the water year with 110.0 percent of average storage.

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, current and recent Northern Water open-rate assessments are as follows:

Year	Irrigation	Municipal/Industrial
2026	\$36.07	\$56.17
2025	\$33.80	\$53.65
2024	\$33.00	\$53.60

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

Year	Irrigation	Municipal/Industrial
2028	\$38.30 - \$42.10	\$59.59 - \$63.11
2027	\$37.10 - \$39.00	\$57.86 - \$59.54

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, 2024. 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, 2025, 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, 2024. 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/financialreports.

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
✿ ◆ ✓



Steve Buckbee
Boulder County
Sept. 28, 2025- Sept. 28, 2026
✓



Bill Emslie
Larimer County
Sept. 28, 2005 – Sept. 28, 2029
✓



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



Christine Hawley
Boulder County
Sept. 28, 2025- Sept. 28, 2029
✓



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, 2029
✓



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



Dick Wolfe
Broomfield County
April 7, 2022 – Sept. 28, 2029
✿ ▶ ◆ ✓



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.

*Directors Buckbee and Hawley replaced Director Sue Ellen Harrison and Director Todd Williams in September 2025.

Committees:

Audit ✿

Benefits and Human Resources ▶

Business and Finance ◆

Legal and Legislative ✓

BOARD COMMITTEES



The Northern Water Board 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.

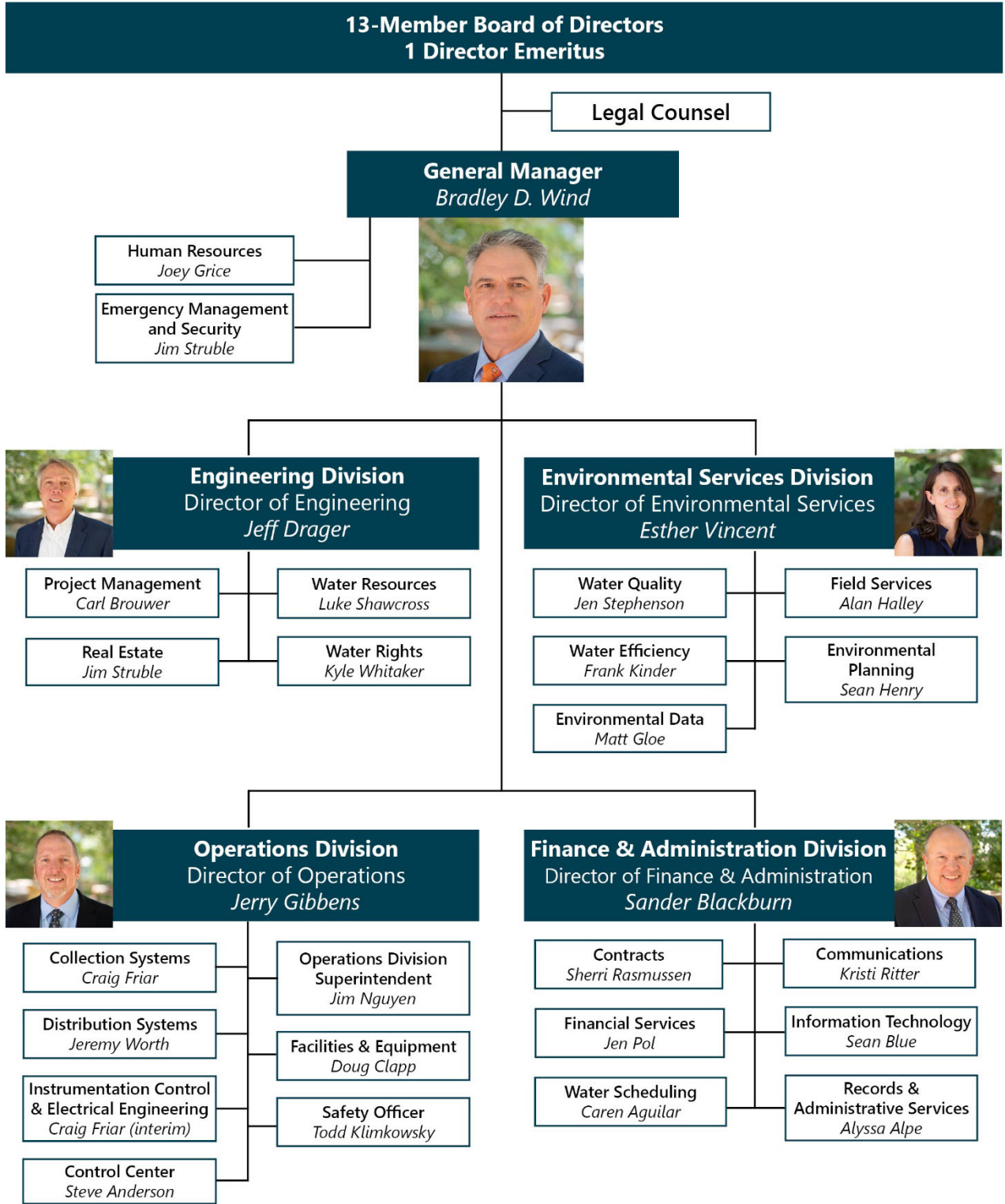
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors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

Presented to

Northern Colorado Water Conservancy District

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO



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, 2025 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, 2025 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.

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, 2025 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, 2025 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, 2025 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, 2025.

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.

To the Board of Directors
Northern Colorado Water Conservancy District

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.

Plante & Moran, PLLC

March 13, 2026



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, 2025. 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 38).
- 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 40).
- Statement of Cash Flows – reports Northern Water's cash flows from operating, noncapital financing, capital and related financing, and investing activities (page 41).
- 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 43). 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 75).
- 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 45).

Financial Analysis – Statement of Net Position¹

(condensed)

September 30,

	\$000s		
	2025	2024	Change
Assets			
Cash, cash equivalents and investments, unrestricted	\$ 182,316	\$ 141,795	\$ 40,521
Cash, cash equivalents and investments, restricted	9,222	11,696	(2,474)
Receivables	12,175	14,766	(2,591)
Other current/noncurrent assets	3,022	3,295	(273)
Related party receivable	8,410	18,967	(10,557)
Due from other funds	393	1,224	(831)
Interfund loan receivable	1,860	2,106	(246)
Capital assets, net of accumulated depreciation	482,346	471,225	11,121
Assets	<u>\$ 699,744</u>	<u>\$ 665,074</u>	<u>\$ 34,670</u>
Deferred outflows of resources related to Pension Plan			
	<u>\$ 1,743</u>	<u>\$ 3,110</u>	<u>\$ (1,367)</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 11,686	\$ 17,102	\$ 5,416
Unearned revenue	3,742	3,542	(200)
Other current liabilities	5,593	6,187	594
Long-term debt, net of current maturities	97,043	99,833	2,790
Interfund loan payable, net of current maturity	1,860	2,106	246
Net pension liability	2,863	4,185	1,322
Liabilities	<u>\$ 122,787</u>	<u>\$ 132,955</u>	<u>\$ 10,168</u>
Deferred inflows of resources related to Pension Plan			
	<u>\$ 638</u>	<u>\$ 1,702</u>	<u>\$ 1,064</u>
Net position, as restated			
Net investment in capital assets	\$ 381,133	\$ 372,253	\$ 8,880
Restricted net position			
Major repairs	2,258	2,114	144
Capital projects	6,380	5,989	391
Debt service	395	357	38
Restricted net position	9,033	8,460	573
Unrestricted net position	187,896	152,814	35,082
Net position	<u>\$ 578,062</u>	<u>\$ 533,527</u>	<u>\$ 44,535</u>

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

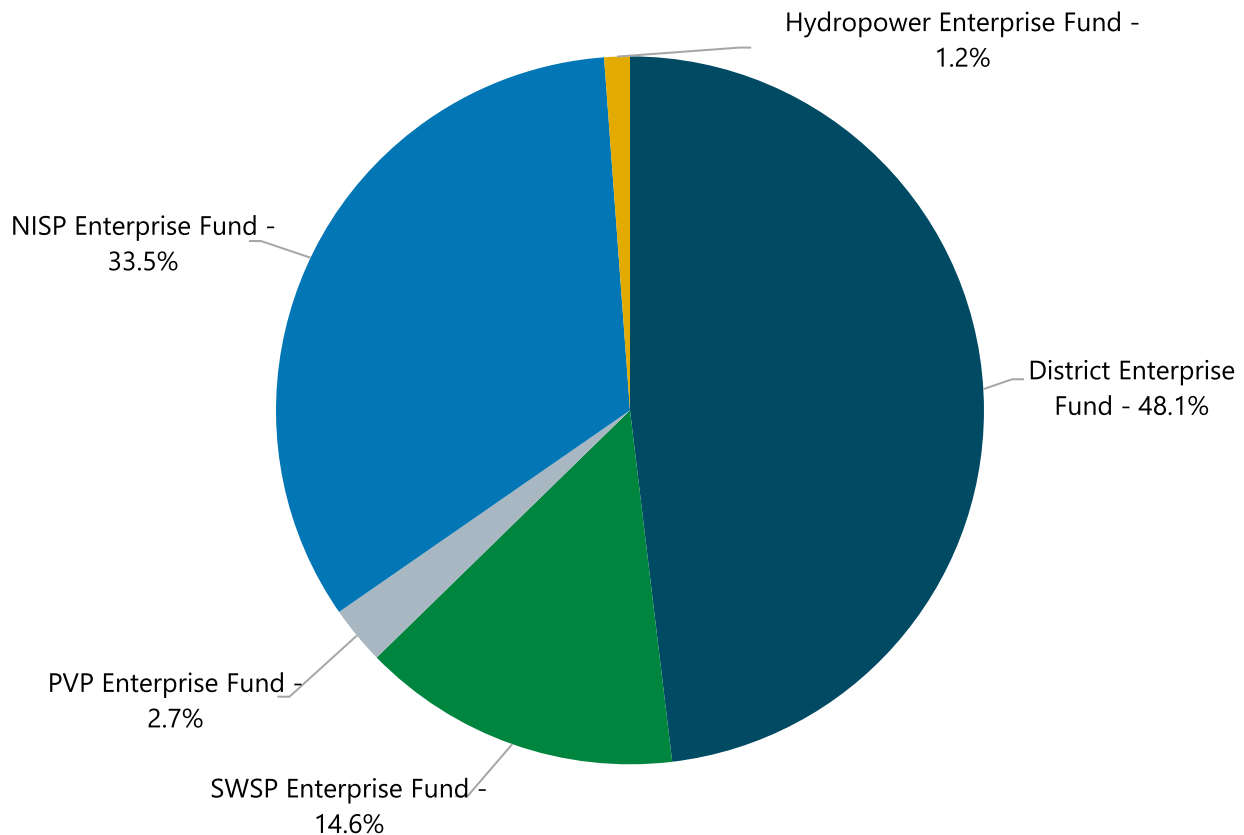
Financial Analysis – Changes in Net Position¹

September 30,

	\$000s		
	2025	2024	Change
Income before contributions	\$ 10,946	\$ 25,122	\$ (14,176)
Capital contributions	33,589	27,497	6,092
Changes in net position	44,535	52,619	(8,084)
Net position, beginning of year	533,527	480,908	52,619
Net position, end of year	\$ 578,062	\$ 533,527	\$ 44,535

	\$000s		
	2025	2024	Change
District Enterprise Fund	\$ 278,028	\$ 266,216	\$ 11,812
Southern Water Supply Project	84,386	86,282	(1,896)
Pleasant Valley Pipeline Project	15,382	16,077	(695)
Northern Integrated Supply Project	193,513	159,025	34,488
Northern Water Hydropower	6,753	5,927	826
Net position	\$ 578,062	\$ 533,527	\$ 44,535

Net Position by Enterprise Fund September 30, 2025



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

Financial Analysis – Changes in Net Position (continued)

For the District as a whole, unrestricted cash and investments increased by \$40.5 million, or 28.6 percent, due to overall positive cash flows arising from operating activities and noncapital financing activities, as well as proceeds from investment earnings. Related party receivables, which are amounts due from the Municipal Subdistrict, decreased by \$10.6 million, or 55.7 percent, due to the subdistrict reimbursing the District Enterprise Fund for amounts advanced in previous fiscal years. In addition, accounts payable and accrued liabilities decreased by \$5.4 million, or 31.7 percent, largely due to a \$5.0 million accrued liability related to a legal settlement that was paid in 2026. Contingent liabilities still exist related to this legal settlement. See footnote 19 on page 72 for more information.

District Enterprise Fund

The District Enterprise Fund had a net position of \$278.0 million at year end. Approximately 42.3 percent of this balance, \$117.6 million, reflected the District Enterprise Fund's net investment in capital assets. Unrestricted cash and investment balances, amounts due from the Municipal Subdistrict, trade receivables, less current liabilities, make up most of the remainder of the balance. Net position increased by \$11.8 million in 2025.

Southern Water Supply Project

The Southern Water Supply Project net investment in capital assets, totaling \$80.0 million, comprised the majority of its \$84.4 million net position at September 30, 2025. Net position decreased by \$1.9 million in 2025, largely due to depreciation on capital assets.

Pleasant Valley Pipeline Project

The net investment in capital assets, totaling \$15.1 million, for Pleasant Valley Pipeline Project fund comprises the majority of its \$15.4 million net position at September 30, 2025. Net position decreased by \$696,000 in 2025, mostly due to current year depreciation on capital assets.

Northern Integrated Supply Project

Net position for the Northern Integrated Supply Project increased \$34.5 million in 2025, reflecting an increase of \$17.1 million in net investment in capital assets along with a \$17.1 million increase in unrestricted net position. Net investment in capital assets increased due to \$18.7 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 \$6.8 million consisted primarily of its net investment in the hydropower plants (\$3.5 million). Net position increased by \$826,000, reflecting positive operating income.

Financial Analysis – Revenues¹

(condensed)

Years ended September 30,

Operating and nonoperating revenues were as follows:

	\$000s		
	2025	2024	Change
Operating revenues			
Assessments	\$ 17,715	\$ 16,819	\$ 896
Charges for services	8,963	8,191	772
Energy revenue	1,548	1,323	225
Other operating revenues	7,351	10,577	(3,226)
Operating revenues	35,577	36,910	(1,333)
Nonoperating revenues			
Property and specific ownership taxes	34,832	38,279	(3,447)
Intergovernmental grants	2,188	1,932	256
Earnings on investments	7,648	9,856	(2,208)
Other nonoperating revenues	533	1,488	(955)
Nonoperating revenues	45,201	51,555	(6,354)
Revenues	\$ 80,778	\$ 88,465	\$ (7,687)

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

	\$000s		
	2025	2024	Change
Assessments	\$ 13,773	\$ 13,607	\$ 166
Charges for services	8,963	8,191	772
Property and specific ownership taxes	34,832	38,279	(3,447)
Intergovernmental grant revenue	2,188	1,932	256
Earnings on investments	6,428	8,411	(1,983)
Other revenues	7,877	12,063	(4,186)
District Enterprise Fund revenues	\$ 74,061	\$ 82,483	\$ (8,422)

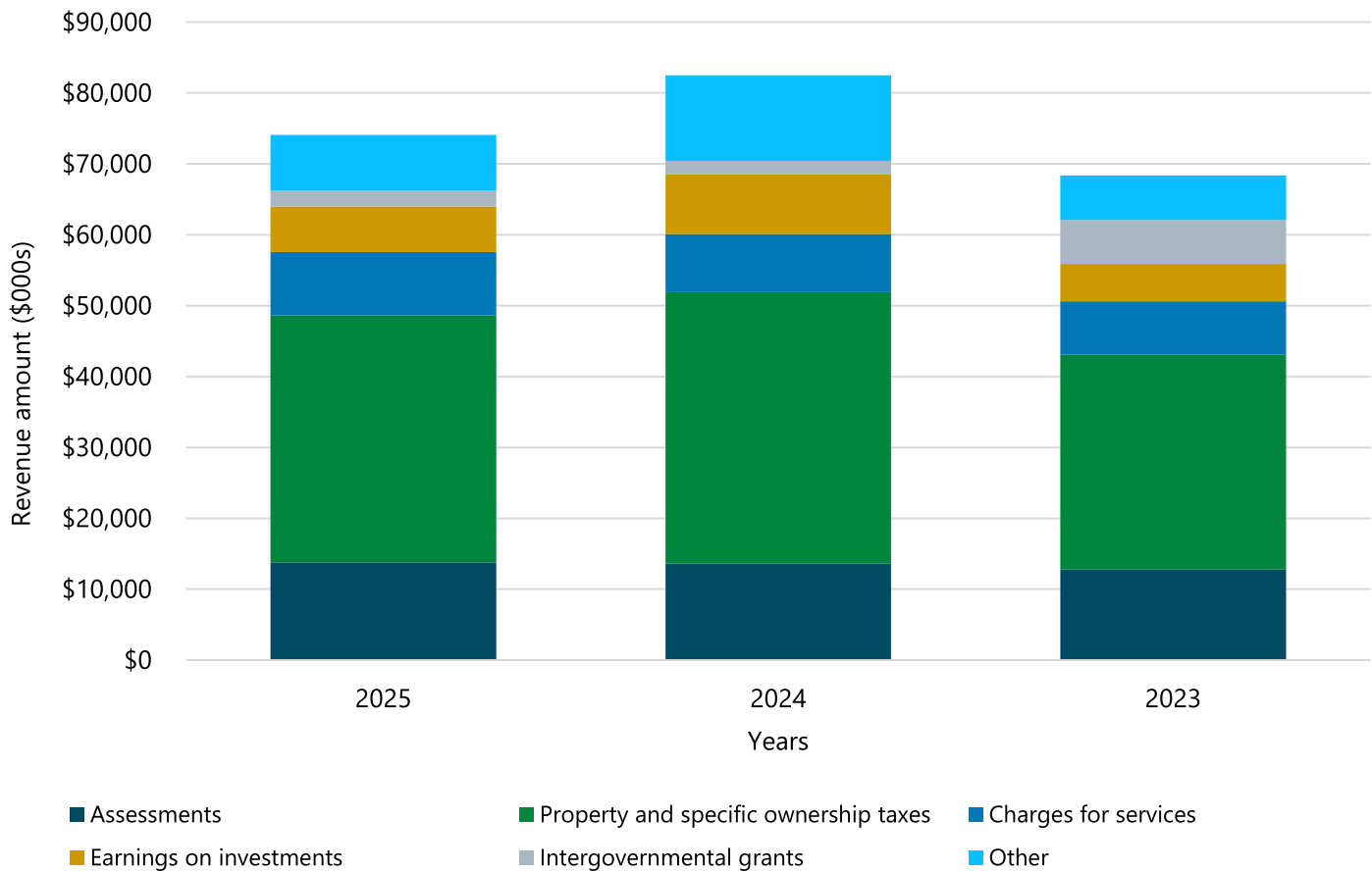
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

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 2025 open rate assessments increased 0.09 percent from \$53.60 to \$53.65 per acre-foot unit for municipal/industrial users and 2.4 percent from \$33.00 to \$33.80 for agricultural users. In addition, District Enterprise Fund assessments included approximately \$2.7 million and \$2.7 million, in 2025 and 2024, 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.

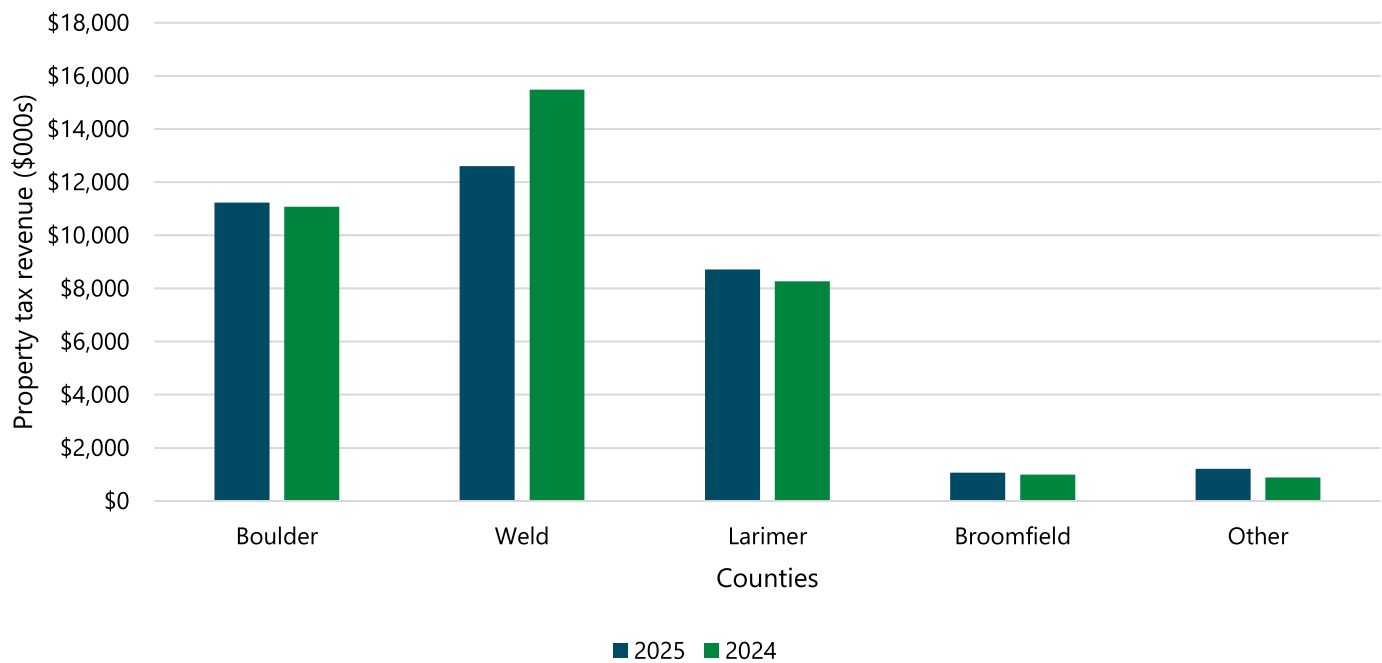
In 2025, nonoperating revenues included property taxes, intergovernmental grant revenue, earnings on investments and other nonoperating revenues.

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 decreased by \$3.4 million, or 9.0 percent, in 2025 compared to 2024 due to decreases in the assessed value of oil and natural gas properties.

In fiscal year 2025, grant revenue requested for reimbursement amounted to \$2.2 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 \$538,000 and Airborne Snow Observation (Reclamation) in the amount of \$209,000. In addition, Northern Water received approximately \$990,000 from the Colorado Water Conservation Board for fire recovery efforts. Grant revenue from sources other than federal or state grants was approximately \$211,000 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, decreased by \$2.2 million, or 22.4 percent, compared to prior year due to weaker investment markets.

Other Enterprise Funds

SWSP assessment revenue increased by \$862,000 over 2024. SWSP assessments are based on estimated operating costs and projects planned during the budget process. The increase in 2025 is due to an increase in the budgeted project costs.

PVP revenues also consisted of annual assessments from their respective participants and were generally consistent between 2025 and 2024. 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 2025 and 2024 by approximately \$224,000.

Financial Analysis – Expenses¹

(condensed)

Years ended September 30,

Operating and nonoperating expenses were as follows:

	\$000s		
	2025	2024	Change
Operating expenses			
Operations	\$ 17,228	\$ 14,720	\$ 2,508
Engineering	7,223	6,684	539
Environmental Services	7,072	6,355	717
Finance and Administration	20,903	19,385	1,518
Depreciation	11,620	10,288	1,332
Operating expenses	<u>64,046</u>	<u>57,432</u>	<u>6,614</u>
Nonoperating expenses			
Interest expense	3,246	3,317	(71)
Other nonoperating expenses	2,541	2,595	(54)
Nonoperating expenses	<u>5,787</u>	<u>5,912</u>	<u>(125)</u>
Expenses	<u>\$ 69,833</u>	<u>\$ 63,344</u>	<u>\$ 6,489</u>

Operating expenses for the District Enterprise Fund were as follows:

	\$000s		
	2025	2024	Change
Operations	\$ 15,717	\$ 13,269	\$ 2,448
Engineering	6,672	6,364	308
Environmental Services	7,069	6,353	716
Finance and Administration	19,773	18,925	848
Depreciation	7,387	6,072	1,315
District Enterprise Fund operating expenses	<u>\$ 56,618</u>	<u>\$ 50,983</u>	<u>\$ 5,635</u>

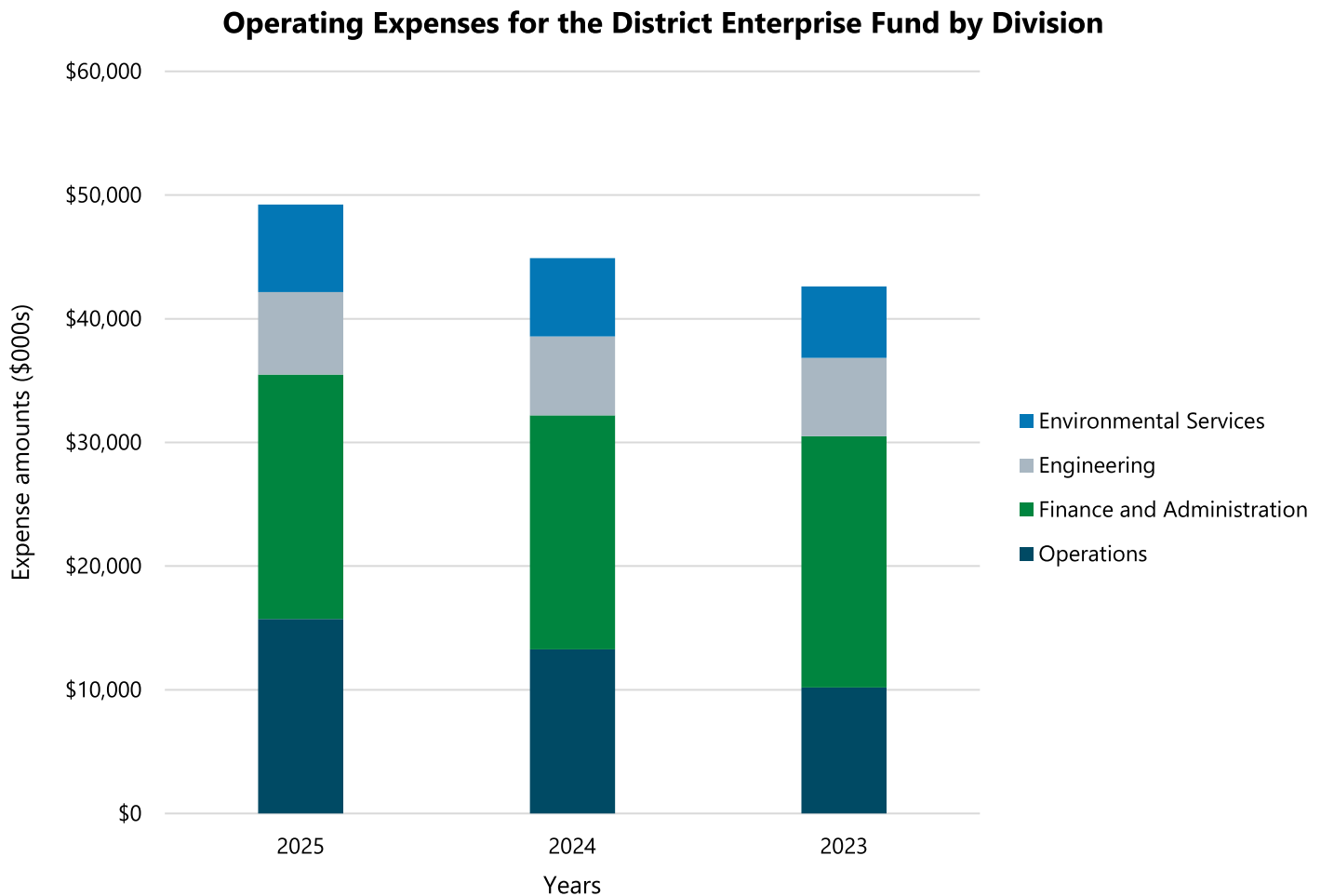
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

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 \$5.6 million from \$51.0 million in 2024 to \$56.6 million in 2025, or 11.1 percent. Finance and Administration and Operations Divisions incurred the majority of these costs at \$19.8 million and \$15.7 million, respectively. About \$2.0 million of the increase was attributable to labor costs (which increased due to salary adjustments and growing head count), with professional and other services rising about \$1.8 million, largely due to growing consulting, information technology and security costs. Finally, depreciation increased by \$1.3 million due to a full year of depreciation on the new campus project.

The increase of \$2.4 million in expenses for the Operations Division was primarily due to costs incurred related to the temporary repair of the Shadow Mountain Dam spillway, the Hansen Supply Canal Fiber project, the Horsetooth Reservoir Dam bulkhead test and St Vrain Supply Canal clay lining work, amongst other projects. In addition, other work that contributed to the increase are concrete maintenance work on canals, tunnels and at Lake Granby.

Operating expenses for SWSP increased to \$5.8 million from \$4.8 million, arising from higher indirect costs charged to SWSP by the District in 2025. There were no operating expenses for NISP because that enterprise fund is in the design and permitting phase. Operating expenses were consistent year-over-year for Hydropower. Hydropower nonoperating expenses consisted primarily of interest expense.

Financial Analysis – Capital Assets, Net¹

(condensed)

September 30,

	\$000s		
	2025	2024	Change
Construction in progress	\$ 152,275	\$ 138,793	\$ 13,482
Land, easements and water rights	116,506	116,132	374
Water pipelines and equipment	161,955	160,571	1,384
Hydropower plants	11,503	11,503	-
Operations equipment	14,687	13,006	1,681
Buildings and improvements	127,319	125,008	2,311
Computer and office equipment	15,464	12,717	2,747
Capital assets	599,709	577,730	21,979
Less accumulated depreciation	(117,363)	(106,505)	(10,858)
Capital assets, net of depreciation	\$ 482,346	\$ 471,225	\$ 11,121
District Enterprise Fund			
Construction in progress	\$ 1,729	\$ 6,203	\$ (4,474)
Land, easements and water rights	94,263	94,181	82
Operations equipment	6,136	5,588	548
Water pipeline and equipment	605	169	436
Buildings and improvements	103,365	105,766	(2,401)
Computer and office equipment	6,187	4,258	1,929
Capital assets, net of depreciation	212,285	216,165	(3,880)
Southern Water Supply Project			
Construction in progress	20	507	(487)
Land, easements and water rights	5,233	5,233	-
Operations equipment	101	69	32
Water pipeline and equipment	74,750	76,991	(2,241)
Capital assets, net of depreciation	80,104	82,800	(2,696)
Pleasant Valley Pipeline			
Construction in progress	13	13	-
Land, easements and water rights	934	934	-
Water pipeline and equipment	14,189	14,938	(749)
Capital assets, net of depreciation	15,136	15,885	(749)
Northern Integrated Pipeline Project			
Construction in progress	150,507	132,064	18,443
Land, easements and water rights	16,075	15,784	291
Capital assets, nondepreciable	166,582	147,848	18,734
Northern Water Hydropower			
Construction in progress	6	6	-
Hydropower plants	8,233	8,521	(288)
Capital assets, net of depreciation	8,239	8,527	(288)
Total capital assets, net of depreciation	\$ 482,346	\$ 471,225	\$ 11,121

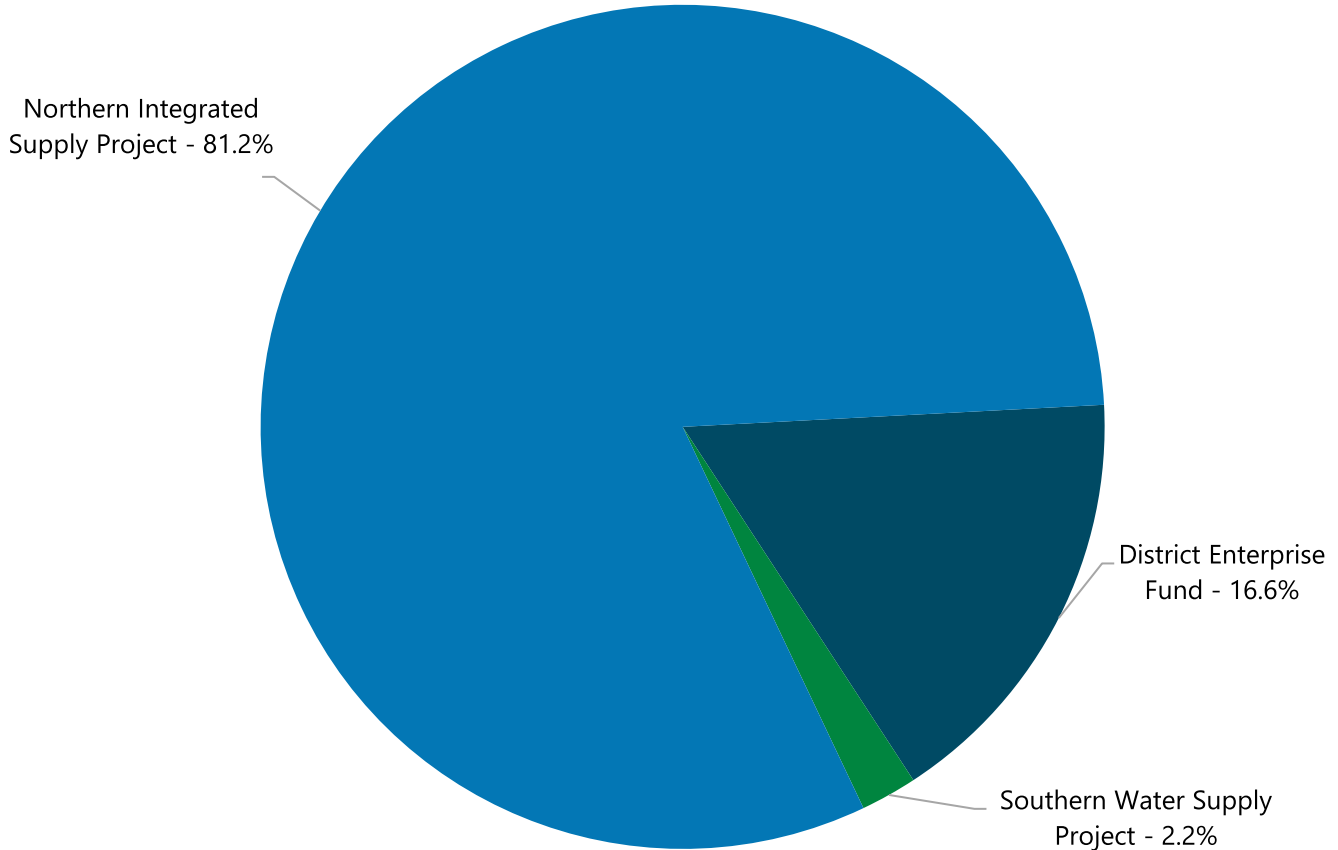
¹ Balances reflect all Northern Water's enterprise funds combined unless otherwise indicated.

Capital Assets, Net (continued)

(condensed)

September 30,

2025 Capital Additions



District Enterprise Fund

District capital assets, net of depreciation, decreased by approximately \$3.9 million, or 1.8 percent, from \$216.2 million in 2024 to \$212.3 million in 2025 primarily due to completing some minor wrap-up projects related to the Campus Development Project, vehicle acquisitions, and a fiber project, all offset by depreciation expense of about \$7.4 million.

Southern Water Supply Project

SWSP capital assets, net of depreciation, decreased by approximately \$2.7 million, or 3.3 percent, from \$82.8 million in 2024 to \$80.1 million in 2025. SWSP had approximately \$498,000 in capital asset additions, offset by approximately \$3.2 million in depreciation expense.

Northern Integrated Supply Project

NISP costs cumulative since inception of the project amounted to \$166.6 million at September 30, 2025. The \$34.6 million invested in 2025 included land acquisition costs, environmental 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		
	2025	2024	Change
District Enterprise Fund			
Certificates of Participation, Series 2021	\$ 56,738	\$ 58,340	\$ (1,602)
Certificates of Participation, Series 2022	35,397	36,057	(660)
Horsetooth Safety of Dams	2,224	2,409	(185)
District Enterprise Fund debt	<u>94,359</u>	<u>96,806</u>	<u>(2,447)</u>
Northern Water Hydropower			
Colorado Water Resources and Power Development Authority	792	896	(104)
Colorado Water Conservation Board Hydropower	<u>3,900</u>	<u>4,049</u>	<u>(149)</u>
District Enterprise and Northern Water Hydropower long-term debt	99,051	101,751	(2,700)
Less current maturities of long-term debt	<u>(2,008)</u>	<u>(1,918)</u>	<u>(90)</u>
Long-term debt, net of current maturities	<u>\$ 97,043</u>	<u>\$ 99,833</u>	<u>\$ (2,790)</u>
Interfund loan			
District Enterprise Fund/Hydropower interfund loan	\$ 2,106	\$ 2,346	\$ (240)
Less current maturities of long-term debt	<u>(245)</u>	<u>(241)</u>	<u>(4)</u>
Long-term debt, net of current maturities	<u>\$ 1,861</u>	<u>\$ 2,105</u>	<u>\$ (244)</u>

Financial Analysis – Debt Administration (continued)

(condensed)

September 30,

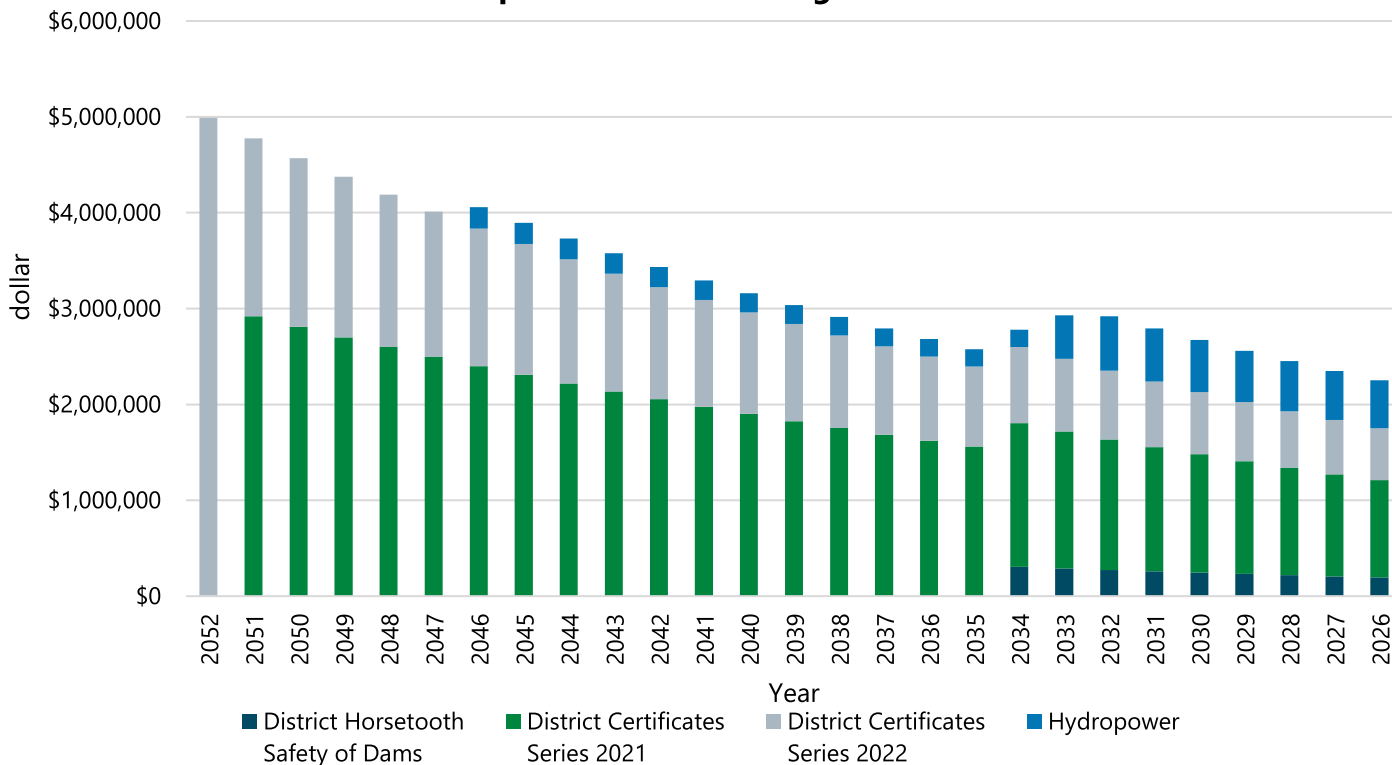
In 2021, Northern Water issued the 2021 Certificates of Participation (Certificates) to fund the initial phase of its Campus Development Project. The 2021 Certificates represent undivided proportionate interests in Base Rentals and other revenues under an annually renewable lease purchase agreement between 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 2023.

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.

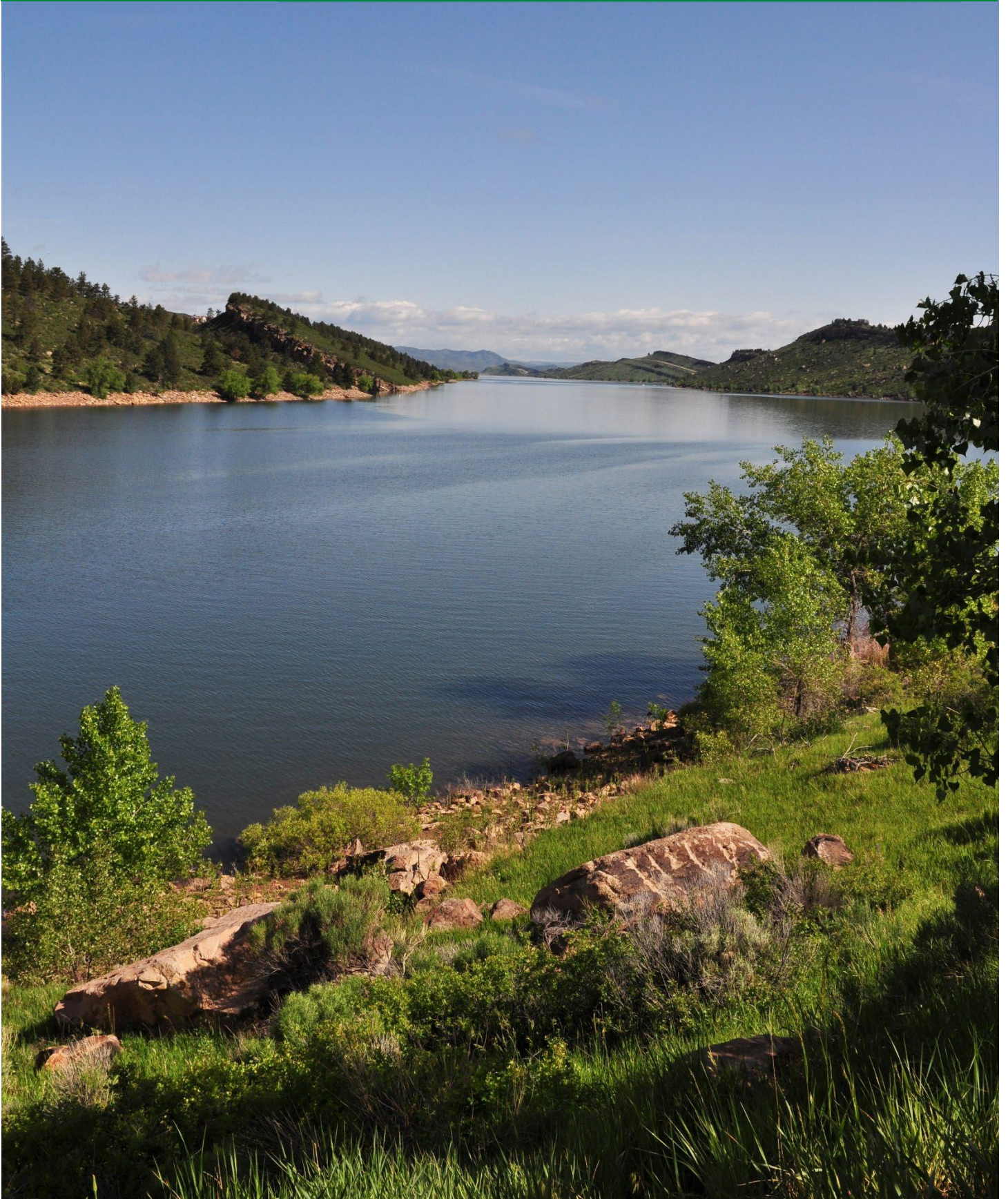
Northern Water and Hydropower continued to pay their regularly scheduled debt service payments on previously outstanding debt. Aside from routine payments, there was no significant debt activity in 2025. See additional information relating to long-term debt and the District Enterprise Fund/Hydropower 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.



Statement of Net Position – Proprietary Funds

September 30, 2025

	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)	\$59,608,787	\$ 4,460,556	\$ 247,654	\$ 22,521,930	\$ 4,394,172	\$91,233,099
Investments						
Unrestricted (Note 4)	91,082,599	-	-	-	-	91,082,599
Receivables (Note 5)	11,654,260	60,891	601	258,071	201,402	12,175,225
Related party receivable (Note 17)	8,409,873	-	-	-	-	8,409,873
Due from other funds (Note 6)	392,728	-	-	-	-	392,728
Advances	-	-	-	18,124	23,700	41,824
Other current assets (Note 7)	2,735,424	-	-	-	-	2,735,424
Current maturity of interfund loan (Note 13)	245,324	-	-	-	-	245,324
Current assets	174,128,995	4,521,447	248,255	22,798,125	4,619,274	206,316,096
Noncurrent assets						
Cash equivalents, restricted (Notes 3 and 8)	434,702	-	-	-	237,885	672,587
Investments, restricted (Notes 4 and 9)	1,918,745	-	-	6,097,190	533,834	8,549,769
Interfund loan receivable (Note 13)	1,860,287	-	-	-	-	1,860,287
Capital assets, net of accumulated depreciation (Note 10)	212,285,115	80,104,441	15,135,611	166,582,229	8,238,610	482,346,006
Noncurrent assets	216,498,849	80,104,441	15,135,611	172,679,419	9,010,329	493,428,649
Assets	\$390,627,844	\$ 84,625,888	\$15,383,866	\$195,477,544	\$ 13,629,603	\$699,744,745
DEFERRED						
OUTFLOWS OF RESOURCES RELATED TO PENSION PLAN						
(Notes 14 & 16)	\$ 1,742,861	\$ -	\$ -	\$ -	\$ -	\$ 1,742,861

See accompanying Notes to Financial Statements.

Statement of Net Position – Proprietary Funds (continued)

September 30, 2025

	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	\$ 9,587,638	\$ 196,963	\$ 13	\$ 1,642,024	\$ 69	\$ 11,426,707
Unearned revenue	3,718,645	23,764	-	-	-	3,742,409
Due to other funds (Note 6)	-	19,201	2,051	321,804	49,672	392,728
Interest payable	1,020,797	-	-	-	29,394	1,050,191
Compensated absences (Note 12)	1,895,946	-	-	-	-	1,895,946
Current maturities of long-term debt	1,750,541	-	-	-	257,758	2,008,299
Current maturity of interfund loan (Note 13)	-	-	-	-	245,324	245,324
Current liabilities	17,973,567	239,928	2,064	1,963,828	582,217	20,761,604
Noncurrent liabilities						
Accounts payable from non-current restricted assets	259,201	-	-	-	-	259,201
Long-term debt, net of current maturities (Note 13)	92,608,683	-	-	-	4,434,277	97,042,960
Interfund loan, net of current maturity (Note 13)	-	-	-	-	1,860,287	1,860,287
Net pension liability	2,863,441	-	-	-	-	2,863,441
Noncurrent liabilities	95,731,325	-	-	-	6,294,564	102,025,889
Liabilities	\$113,704,892	\$ 239,928	\$ 2,064	\$ 1,963,828	\$ 6,876,781	\$ 122,787,493
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION PLAN						
	\$ 638,092	\$ -	\$ -	\$ -	\$ -	\$ 638,092
NET POSITION						
Net investment in capital assets	\$117,556,305	\$ 79,951,865	\$15,135,612	\$ 164,942,556	\$ 3,546,575	\$ 381,132,913
Restricted net position						
Major repairs	2,257,833	-	-	-	-	2,257,833
Capital projects	-	282,798	-	6,097,190	-	6,379,988
Debt service	-	-	-	-	394,895	394,895
Restricted net position	2,257,833	282,798	-	6,097,190	394,895	9,032,716
Unrestricted net position (deficit)	158,213,583	4,151,297	246,190	22,473,970	2,811,352	187,896,392
Net position	\$278,027,721	\$ 84,385,960	\$15,381,802	\$ 193,513,716	\$ 6,752,822	\$578,062,021

See accompanying Notes to Financial Statements.

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

Year ended September 30, 2025

	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	\$13,772,740	\$ 3,803,600	\$ 138,730	\$ -	\$ -	\$ 17,715,070
Charges for services	8,963,228	-	-	-	-	8,963,228
Energy revenue	-	-	-	-	1,547,801	1,547,801
Other operating revenues	7,351,138	-	-	-	-	7,351,138
Operating revenues	30,087,106	3,803,600	138,730	-	1,547,801	35,577,237
Operating expenses						
Operations	15,717,419	1,244,718	28,076	-	237,943	17,228,156
Engineering	6,672,455	530,006	14,932	-	5,346	7,222,739
Environmental Services	7,069,130	2,524	-	-	334	7,071,988
Finance and Administration	19,773,347	825,618	49,124	-	255,277	20,903,366
Depreciation	7,387,302	3,194,546	749,286	-	288,604	11,619,738
Operating expenses	56,619,653	5,797,412	841,418	-	787,504	64,045,987
Operating income (loss)	(26,532,547)	(1,993,812)	(702,688)	-	760,297	(28,468,750)
Nonoperating revenues						
Property and specific ownership taxes	34,832,265	-	-	-	-	34,832,265
Intergovernmental grant revenue	2,188,070	-	-	-	-	2,188,070
Earnings (Loss) on investments	6,428,300	109,100	7,024	894,965	208,443	7,647,832
Other nonoperating revenues	526,120	-	-	6,344	-	532,464
Nonoperating revenues	43,974,755	109,100	7,024	901,309	208,443	45,200,631
Nonoperating expenses						
Interest expense, net of bond premium amortization	(3,103,577)	-	-	-	(142,436)	(3,246,013)
Other nonoperating expenses	(9,689)	(11,553)	-	(2,409)	-	(23,651)
Other nonoperating grant-related expenses	(2,517,422)	-	-	-	-	(2,517,422)
Nonoperating expenses	(5,630,688)	(11,553)	-	(2,409)	(142,436)	(5,787,086)
Nonoperating income (loss)	38,344,067	97,547	7,024	898,900	66,007	39,413,545
Income (loss) before contributions	11,811,520	(1,896,265)	(695,664)	898,900	826,304	10,944,795
Capital contributions						
Changes in net position	11,811,520	(1,896,265)	(695,664)	34,488,391	826,304	44,534,286
Net position beginning of year	266,216,201	86,282,225	16,077,466	159,025,325	5,926,518	533,527,735
Net position, end of year	\$278,027,721	\$84,385,960	\$15,381,802	\$193,513,716	\$ 6,752,822	\$578,062,021

See accompanying Notes to Financial Statements.

Statement of Cash Flows – Proprietary Funds

Year ended September 30, 2025

	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	\$ 33,943,460	\$ 3,766,474	\$ 138,815	\$ -	\$ 1,465,588	\$39,314,337
Receipts from other funds	-	1,069,937	11,537	-	135,540	1,217,014
Receipts from related parties	10,557,241	-	-	-	-	10,557,241
Payments to other funds	(1,616,632)	-	-	-	-	(1,616,632)
Payments to suppliers	(19,216,129)	(1,984,146)	(42,458)	-	(355,585)	(21,598,318)
Payments to employees	(29,156,762)	(933,694)	(49,676)	-	(143,083)	(30,283,215)
Net cash provided by (used in operating activities)	(5,488,822)	1,918,571	58,218	-	1,102,460	(2,409,573)
Cash flows from noncapital financing activities						
Property and specific ownership tax receipts	34,570,908	-	-	-	-	34,570,908
Intergovernmental grants	1,642,448	-	-	-	-	1,642,448
Grant funded noncapital payments	(2,165,516)	-	-	-	-	(2,165,516)
Other noncapital financing activities	469,750	(11,553)	-	3,934	-	462,131
Net cash provided by noncapital financing activities	34,517,590	(11,553)	-	3,934	-	34,509,971
Cash flows from capital and related financing activities						
Capital contributions	-	-	-	33,589,491	-	33,589,491
Acquisition and construction of capital assets (net of disposals)	(4,402,535)	(498,050)	-	(24,485,695)	-	(29,386,280)
Principal paid on capital debt and interfund loan	(1,664,909)	-	-	-	(493,218)	(2,158,127)
Interest paid on capital debt and interfund loan	(3,912,069)	-	-	-	(145,817)	(4,057,886)
Principal receipts from interfund loan	240,514	-	-	-	-	240,514
Interest received from interfund loan	59,577	-	-	-	-	59,577
Net cash provided by (used in capital and related financing activities)	(9,679,422)	(498,050)	-	9,103,796	(639,035)	(1,712,711)
Cash flows from investing activities						
Investment purchases	(60,207,776)	-	-	(267,885)	(23,454)	(60,499,115)
Proceeds from sale of investments	56,494,124	-	-	-	-	56,494,124
Proceeds from earnings on investments	6,868,594	109,100	7,024	894,965	208,443	8,088,126
Net cash provided (used) by investing activities	3,154,942	109,100	7,024	627,080	184,989	4,083,135
Net change in cash and cash equivalents	22,504,288	1,518,068	65,242	9,734,810	648,414	34,470,822
Cash and cash equivalents, beginning of year	37,539,201	2,942,488	182,412	12,787,120	3,983,643	57,434,864
Cash and cash equivalents, end of year	\$ 60,043,489	\$ 4,460,556	\$ 247,654	\$ 22,521,930	\$ 4,632,057	\$91,905,686

See accompanying Notes to Financial Statements.

Statement of Cash Flows – Proprietary Funds (continued)

Year ended September 30, 2025

	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)	\$ (26,532,547)	\$(1,993,812)	\$(702,688)	\$ -	\$ 760,297	\$(28,468,750)
Adjustments						
Depreciation	7,387,302	3,194,546	749,286	-	288,604	11,619,738
(Increase) decrease in current assets						
Receivables	3,660,144	(60,891)	85	-	(82,213)	3,517,125
Related party receivable	10,557,241	-	-	-	-	10,557,241
Due from other funds	(1,616,632)	1,050,736	2,051	-	85,868	(477,977)
Advances	-	-	-	-	290	290
Other current assets	252,002	12,399	-	-	1,231	265,632
Increase (decrease) in current liabilities						
Accounts payable and accrued liabilities	1,473,751	(327,372)	(2)	-	(1,289)	1,145,088
Due to other funds	-	19,201	9,486	-	49,672	78,359
Unearned revenue	177,018	23,764	-	-	-	200,782
Compensated absences	170,873	-	-	-	-	170,873
Increase (decrease) in Pension Plan-related items						
Net pension liability	(1,322,021)	-	-	-	-	(1,322,021)
Deferred outflows of resources	1,367,535	-	-	-	-	1,367,535
Deferred inflows of resources	(1,063,488)	-	-	-	-	(1,063,488)
Adjustments	21,043,725	3,912,383	760,906	-	342,163	26,059,177
Net cash provided (used) in operating activities	\$ (5,488,822)	\$ 1,918,571	\$ 58,218	\$ -	\$ 1,102,460	\$ (2,409,573)
Non-cash activities						
Amortization of bond premium	\$ 782,018	\$ -	\$ -	\$ -	\$ -	\$ 782,018
Change in value of investments	(417,200)	-	-	-	-	(417,200)
Change in capital additions in retainage	44,084	-	-	-	-	44,084
Change in capital assets in accounts payable	894,714	152,576	-	(6,027,951)	-	(4,980,661)
Cash flow from non-cash activities	\$ 1,303,616	\$ 152,576	\$ -	\$(6,027,951)	\$ -	\$ (4,571,759)

See accompanying Notes to Financial Statements.

Statement of Fiduciary Net Position – Fiduciary Fund Pension Trust Fund

December 31, 2024

	<u>Pension Plan</u>
ASSETS	
Cash and Cash equivalents	\$ 1,895,420
Investments	
Domestic equities	8,653,118
Mutual Funds	
Fixed income	8,652,378
International equities	4,905,573
Low correlated hedge	3,163,099
Floating rate corporate loans	1,604,099
Emerging markets equities	1,770,320
Investments	<u>28,748,587</u>
Assets	<u>30,644,007</u>
LIABILITIES	
Liabilities - Due to Northern Water	<u>300,987</u>
NET POSITION	
Net position restricted for pension	<u><u>\$ 30,343,020</u></u>

See accompanying Notes to Financial Statements.

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

Year ended December 31, 2024

	<u>Pension Plan</u>
Additions	
Employer contributions	\$ 1,216,912
Investment earnings	
Net increase in fair value of investments	1,962,511
Interest and dividends	707,937
Investment gains	2,670,448
Increase to Plan assets	3,887,360
Deductions	
Benefit payments	(1,346,037)
Increase in net position	2,541,323
Net position, beginning of year	27,801,697
Net position, end of year	\$ 30,343,020

See accompanying Notes to Financial Statements.

Notes to Financial Statements – September 30, 2025

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, 2025, with the exception of the Pleasant Valley Pipeline Project Enterprise Fund and the Hydropower Fund. Northern Water management has elected to report these funds as major funds.

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 \$200.0 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 \$250.0 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 48 days. The weighted average maturity of the term portfolios Series Dec 2025 and Series Dec 2026 are 38 days and 142 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, 2025, 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.

During the current year, the District adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the District fund has been calculated to comply with this new pronouncement. The financial statements for the year ended September 30, 2024, have not been restated due to the insignificant and immaterial impact to both the statement of net position and statement of revenue, expenses, and changes in net position.

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

Note 1 continued

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.

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 fund 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.

Note 2 continued

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 9, 2024, appointed Bradley Wind, Sander Blackburn, Gerald Gibbens, Myles Baker and Shawn Cyr as budget officers and directed them to prepare and submit the requisite budgets of the Subdistrict for fiscal year 2025. A notice was published, as required by law, in all the counties located wholly or partly within Subdistrict boundaries stating the annual budget was available for inspection by the public, including the date and time for public hearing. This year’s budget review process included a Board workshop on June 27, 2024.

Budget Schedule

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

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, 2025, Northern Water had the following cash and cash equivalents:

	Current	Noncurrent	Total Cash and
	Unrestricted	Restricted	Cash Equivalents
District Enterprise Fund			
Deposits	\$ 59,608,787	\$ -	\$ 59,608,787
Money Market Funds	-	434,702	434,702
District Enterprise fund	59,608,787	434,702	60,043,489
Southern Water Supply Project			
Money Market Funds	4,460,556	-	4,460,556
Pleasant Valley Pipeline Project			
Money Market Funds	247,654	-	247,654
Northern Integrated Supply Project			
Money Market Funds	22,521,930	-	22,521,930
Northern Water Hydropower			
Deposits	4,394,172	-	4,394,172
Money Market Funds	-	237,885	237,885
Northern Water Hydropower	4,394,172	237,885	4,632,057
Cash and cash equivalents	\$ 91,233,099	\$ 672,587	\$ 91,905,686

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, 2025, Northern Water had the following investments:

	Current		Noncurrent	Total
	Unrestricted	Restricted	Restricted	Investments
District Enterprise Fund				
U.S. Government Securities	\$ 54,878,612	\$ -	\$ 1,793,135	\$ 56,671,747
Federal Agency Collateralized Mortgage Obligations	10,579,638	-	-	10,579,638
Certificates of Deposit	2,150,924	-	-	2,150,924
Supranationals	1,591,768	-	-	1,591,768
Municipal Obligations	1,954,289	-	-	1,954,289
Local Government Investment Pools	4,525,336	-	125,610	4,650,946
Commercial Paper	2,463,419	-	-	2,463,419
Corporate Notes	12,938,613	-	-	12,938,613
District Enterprise Fund	91,082,599	-	1,918,745	93,001,344
Northern Integrated Supply Project				
Local Government Investment Pools	-	-	6,097,190	6,097,190
Northern Integrated Supply Project	-	-	6,097,190	6,097,190
Northern Water Hydropower				
Local Government Investment Pools	-	-	533,834	533,834
Northern Water Hydropower	-	-	533,834	533,834
Investments	\$ 91,082,599	\$ -	\$ 8,549,769	\$ 99,632,368

Note 4 continued

Investment balances at September 30, 2025, by level hierarchy were as follows:

	Level 1	Level 2	Fair Value
Investments by fair value level			
District Enterprise Fund			
U.S. Government Securities	\$ 56,671,747	\$ -	\$ 56,671,747
Federal Agency Collateralized Mortgage Obligations	-	10,579,638	10,579,638
Certificates of Deposit	-	2,150,924	2,150,924
Supranationals	-	1,591,768	1,591,768
Municipal Obligations	-	1,954,289	1,954,289
Commercial Paper	-	2,463,419	2,463,419
Corporate Notes	-	12,938,613	12,938,613
Investments	<u>\$ 56,671,747</u>	<u>\$ 31,678,651</u>	<u>\$ 88,350,398</u>
Investments by amortized cost			
District Enterprise Fund			
Colorado Statewide Investment Pool			<u>\$ 4,650,946</u>
Northern Integrated Supply Project			
Colorado Statewide Investment Pool			<u>6,097,190</u>
Northern Water Hydropower			
Colorado Statewide Investment Pool			<u>533,834</u>
Total Investments			<u>\$ 99,632,368</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, 2025, 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	\$ -	\$ 26,626,819	\$ 30,044,928	\$ 56,671,747
Federal Agency Collateralized Mortgage Obligations	2,878,399	5,891,363	1,809,876	10,579,638
Certificates of Deposit	2,150,924	-	-	2,150,924
Supranationals	-	1,591,768	-	1,591,768
Municipal Obligations	1,206,036	748,253	-	1,954,289
Local Government Investment Pools	4,650,946	-	-	4,650,946
Commercial Paper	2,463,419	-	-	2,463,419
Corporate Notes	550,927	6,904,616	5,483,070	12,938,613
District Enterprise Fund	13,900,651	41,762,819	37,337,874	93,001,344
Northern Integrated Supply Project				
Local Government Investment Pools	6,097,190	-	-	6,097,190
Northern Integrated Supply Project	6,097,190	-	-	6,097,190
Northern Water Hydropower				
Local Government Investment Pools	533,834	-	-	533,834
Northern Water Hydropower Investments	533,834	-	-	533,834
	<u>\$ 20,531,675</u>	<u>\$ 41,762,819</u>	<u>\$ 37,337,874</u>	<u>\$ 99,632,368</u>

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, 2025, 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, 2025, 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	\$ 56,671,747	56.9%
Federal Agency Collateralized Mortgage Obligations	AA+	10,579,638	10.6%
Certificates of Deposit	A-1	1,400,451	1.4%
Certificates of Deposit	A-1+	750,473	0.8%
Supranationals	AAA	1,591,768	1.6%
Municipal Obligations	Not Rated	348,684	0.3%
Municipal Obligations	AA	399,570	0.4%
Municipal Obligations	AA+	503,488	0.5%
Municipal Obligations	AAA	702,547	0.7%
Local Government Investment Pools	AAAm	11,281,970	11.3%
Commercial Paper	A-1	2,463,419	2.5%
Corporate Notes	AAA	611,877	0.6%
Corporate Notes	AA+	1,082,315	1.1%
Corporate Notes	AA	1,306,630	1.3%
Corporate Notes	AA-	6,552,389	6.6%
Corporate Notes	A+	2,096,212	2.1%
Corporate Notes	A	1,289,190	1.3%
Investments		<u>\$ 99,632,368</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, 2025, are summarized by major classification as follows:

	2025
Assessments	\$ 3,800,193
Property taxes receivable	948,704
Grant fund receivables	2,596,631
Interest receivable	815,095
Pension fund	68,645
Bureau of Reclamation	3,352,142
Other receivables	72,850
Receivables	<u>\$ 11,654,260</u>

In addition to the District receivables above, the total receivables also include the following: Southern Water Supply Project, Pleasant Valley Pipeline Project, Northern Integrated Supply Project and Hydropower receivable amounts of \$60,891, \$601, \$258,071 and \$201,402, respectively.

6 DUE TO/FROM OTHER FUNDS

Amounts due from the District Enterprise Fund to the other Northern Water enterprise funds at September 30, 2025, were as follows:

Due to District Enterprise Fund	2025
Southern Water Supply Project	\$ 19,201
Pleasant Valley Pipeline Project	2,051
Northern Integrated Supply Project	321,804
Hydropower	49,672
Due to District Enterprise Fund	<u>\$ 392,728</u>

Amounts due to the District Enterprise Fund represent payments made by the District Enterprise Fund on behalf of the other enterprise funds for charges for services, wages and benefits paid to employees, and vendor payments made on the Enterprise's behalf.

7 OTHER CURRENT ASSETS

Other current assets at September 30, 2025, included the following:

	2025
Inventory	\$ 408,832
Prepaid expenses	2,326,592
Other current assets	<u>\$ 2,735,424</u>

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, 2025, are detailed as follows:

	<u>2025</u>
Noncurrent Cash Equivalents, Restricted	
District Enterprise Fund	
Certificates of Participation, Series 2021, Costs of Issuance	\$ 58,811
Certificates of Participation, Series 2022, Costs of Issuance	36,803
Fund I Single Purpose (Reclamation)	133,250
Fund II Multipurpose (Reclamation)	183,573
Fund IV Contingency (Reclamation)	22,265
District Enterprise Fund	<u>434,702</u>
Northern Water Hydropower	
Colorado Water Conservation Board Debt Service	<u>237,885</u>
Northern Water Hydropower	<u>237,885</u>
Noncurrent cash equivalents and investments, restricted	<u>\$ 672,587</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, 2025, are detailed as follows:

Noncurrent Investments, Restricted	2025
District Enterprise Fund	
Fund IV Contingency (Reclamation)	\$ 116,110
Fund I Single Purpose (Reclamation)	344,290
Supplemental Major Repairs	361,454
Fund II Multipurpose (Reclamation)	497,756
Supplemental Major Repairs Joint	473,525
Northern Water Hydropower Facility Removal	125,610
District Enterprise Fund	1,918,745
Northern Integrated Supply Project	
Phase 1	6,097,190
Northern Integrated Supply Project	\$ 6,097,190
Northern Water Hydropower	
Colorado Water Resources and Power Development	
Authority Debt Service	157,009
Interfund Loan Payable Debt Service	376,825
Northern Water Hydropower	533,834
Noncurrent investments, restricted	\$ 8,549,769

District Enterprise Fund

- 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, 2025, was as follows:

	2024	Additions	Retirements/Other	2025
District Enterprise Fund				
Non-depreciable capital assets				
Construction in progress	\$ 6,202,735	\$ 2,039,938	\$ (6,513,233)	\$ 1,729,440
Land, easements and water rights	94,180,563	82,220	-	94,262,783
Non-depreciable Capital assets	100,383,298	2,122,158	(6,513,233)	95,992,223
Depreciable capital assets				
Buildings and improvements	125,008,314	2,631,671	(320,849)	127,319,136
Operations equipment	12,882,131	2,366,626	(730,094)	14,518,663
Water pipeline and equipment	179,679	442,538	-	622,217
Computer and office equipment	12,716,971	2,785,526	(38,505)	15,463,992
Depreciable Capital assets	150,787,095	8,226,361	(1,089,448)	157,924,008
Less accumulated depreciation				
Buildings and improvements	(19,241,990)	(4,780,444)	68,448	(23,953,986)
Operations equipment	(7,293,699)	(1,757,677)	669,224	(8,382,152)
Water pipeline and equipment	(11,115)	(6,488)	-	(17,603)
Computer and office equipment	(8,458,994)	(861,448)	43,067	(9,277,375)
Accumulated depreciation	(35,005,798)	(7,406,057)	780,739	(41,631,116)
District Enterprise Fund capital assets, net	\$ 216,164,595	\$ 2,942,462	\$ (6,821,942)	\$ 212,285,115
Southern Water Supply Project				
Non-depreciable capital assets				
Construction in progress	\$ 507,394	\$ 530,665	\$ (1,018,322)	\$ 19,737
Land and easements	5,232,983	-	-	5,232,983
Non-depreciable Capital assets	5,740,377	530,665	(1,018,322)	5,252,720
Depreciable capital assets				
Operations equipment	123,981	44,668	-	168,649
Water pipeline and equipment	130,581,383	941,039	-	131,522,422
Depreciable Capital assets	130,705,364	985,707	-	131,691,071
Less accumulated depreciation				
Operations equipment	(54,593)	(12,787)	-	(67,380)
Water pipeline and equipment	(53,590,211)	(3,181,759)	-	(56,771,970)
Accumulated depreciation	(53,644,804)	(3,194,546)	-	(56,839,350)
Southern Water Supply Project capital assets, net	\$ 82,800,937	\$ (1,678,174)	\$ (1,018,322)	\$ 80,104,441
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	947,143	-	-	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	(14,872,831)	(749,286)	-	(15,622,117)
Pleasant Valley Pipeline Project capital assets, net	\$ 15,884,897	\$ (749,286)	\$ -	\$ 15,135,611
Northern Integrated Supply Project				
Non-depreciable capital assets				
Construction in progress	132,063,569	18,443,271	-	150,506,840
Land, easements and water rights	15,783,872	291,517	-	16,075,389
Non-depreciable Capital assets	147,847,441	18,734,788	-	166,582,229
Northern Integrated Supply Project capital assets, net	\$ 147,847,441	\$ 18,734,788	\$ -	\$ 166,582,229

Note 10 continued

	2024	Additions	Retirements/Other	2025
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	(2,981,676)	(288,605)	-	(3,270,281)
Hydropower capital assets, net	\$ 8,527,215	\$ (288,605)	\$ -	\$ 8,238,610
Capital assets, net	\$ 471,225,085	\$ 18,961,185	\$ (7,840,264)	\$ 482,346,006

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:

	2025	2024
Absences accrued	\$ 1,905,233	\$ 1,609,681
Absences taken	(1,734,360)	(1,404,973)
Compensated absences, beginning of year	1,725,073	1,520,365
Compensated absences, end of year	\$ 1,895,946	\$ 1,725,073

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 from 2023 through 2052. 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 from 2022 through 2051. 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, 2025, was as follows:

	2024	Additions	Reductions	2025	Amounts Due Within One Year
District Enterprise Fund					
Certificates of Participation, Series 2021	\$ 49,130,000	\$ -	\$ (965,000)	\$ 48,165,000	\$ 1,015,000
Unamortized premium	9,209,994	-	(636,341)	8,573,653	-
Certificates of Participation, Series 2021	58,339,994	-	(1,601,341)	56,738,653	1,015,000
Certificates of Participation, Series 2022	33,100,000	-	(515,000)	32,585,000	540,000
Unamortized premium	2,957,340	-	(145,677)	2,811,663	-
Certificates of Participation, Series 2022	36,057,340	-	(660,677)	35,396,663	540,000
Contract payable to Reclamation					
Horsetooth Safety of Dams	2,408,817	-	(184,909)	2,223,908	195,541
District Enterprise Fund	96,806,151	-	(2,446,927)	94,359,224	1,750,541
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	896,005	-	(104,394)	791,611	106,481
Colorado Water Conservation Board	4,048,734	-	(148,310)	3,900,424	151,277
Northern Water Hydropower	4,944,739	-	(252,704)	4,692,035	257,758
Total long-term debt outstanding	101,750,890	-	(2,699,631)	99,051,259	\$ 2,008,299
Less current maturities of long-term debt	(1,917,613)	(90,686)	-	(2,008,299)	
Long-term debt, net of current maturities	\$ 99,833,277	\$ (90,686)	\$ (2,699,631)	\$ 97,042,960	

Interfund receivable/payable activity for the year ended September 30, 2025, was as follows:

	2024	Additions	Reductions	2025	Amounts Due Within One Year
Northern Water Hydropower Interfund					
Interfund loan receivable/payable	\$ 2,346,125	\$ -	\$ (240,514)	\$ 2,105,611	\$ 245,324
Less current maturities of interfund loan receivable/payable	(240,514)	(4,810)	-	(245,324)	
Interfund loan receivable/payable, net of current maturities	\$ 2,105,611	\$ (4,810)	\$ (240,514)	\$ 1,860,287	
District Enterprise Fund					
Net pension (asset)/liability	\$ 4,185,462	\$ -	\$ (1,322,021)	\$ 2,863,441	

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:

Years ending September 30,	District Enterprise Fund			
	Certificates of Participation, Series 2021		Certificates of Participation, Series 2022	
	Principal	Interest	Principal	Interest
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	1,235,000	1,804,800	650,000	1,560,262
2031 - 2035	7,145,000	8,049,250	3,790,000	7,278,563
2036 - 2040	8,785,000	6,407,200	4,840,000	6,230,062
2041 - 2045	10,695,000	4,502,800	6,175,000	4,885,675
2046 - 2050	13,010,000	2,186,000	7,970,000	3,094,875
2051 - 2052	2,920,000	116,800	6,845,000	621,338
Debt service	\$ 48,165,000	\$ 30,846,300	\$ 32,585,000	\$ 30,207,826

Years ending September 30,	District Enterprise Fund				
	Horsetooth Safety of Dams		Hydropower		
	Principal	Interest	Principal	Interest	Debt Service
2026	\$ 195,541	\$ 127,875	\$ 503,082	\$ 135,953	\$ 6,217,014
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	244,545	78,870	544,553	94,483	6,212,513
2031 - 2035	1,127,114	166,548	1,935,602	317,762	29,809,839
2036 - 2040	-	-	959,656	186,772	27,408,690
2041 - 2045	-	-	1,059,537	86,890	27,404,902
2046 - 2050	-	-	224,790	4,496	26,490,161
2051 - 2052	-	-	-	-	10,503,138
Debt service	\$ 2,223,908	\$ 686,832	\$ 6,797,646	\$ 1,173,035	\$ 152,685,547

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
2026	\$ 2,253,623	\$ 3,963,391	\$ 6,217,014
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	2,674,098	3,538,415	6,212,513
2031 - 2035	13,997,716	15,812,123	29,809,839
2036 - 2040	14,584,656	12,824,034	27,408,690
2041 - 2045	17,929,537	9,475,365	27,404,902
2046 - 2050	21,204,790	5,285,371	26,490,161
2051 - 2052	9,765,000	738,138	10,503,138
Debt service	<u>\$ 89,771,554</u>	<u>\$ 62,913,993</u>	<u>\$ 152,685,547</u>

13 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At September 30, 2025, Northern Water had deferred outflows and inflows of resources relating to the Pension Plan as follows:

	2025
Deferred Outflows	
Contributions subsequent to December 31, 2024, measurement date	\$ 945,361
Difference between expected and actual experience	287,482
Effect of assumption changes	-
Difference between projected and actual earnings on pension plan investments	510,018
Deferred Outflows	<u>\$ 1,742,861</u>
Deferred Inflows	
Investments gains/losses	\$ -
Effect of assumption changes	638,092
Deferred Inflows	<u>\$ 638,092</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, 2025, totaled \$1,598,588.

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, 2025. The Measurement Date, the date as of which the net pension asset was determined, was December 31, 2024. 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, 2025, 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, 2024, Northern Water contributions to the Pension Plan amounted to \$1,216,912, 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, 2024, Pension Plan assets were invested in a diversified portfolio as follows:

	<u>Concentration</u>
Domestic equities	28.2%
Fixed income	28.2%
International equities	16.0%
Low correlated hedge funds	10.3%
Corporate Loans	5.2%
Emerging markets	5.8%
Investments	93.8%
Cash	6.2%
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, 2024, the Pension Plan had the following investments:

	<u>December 31, 2024</u>	<u>Level 1</u>
Domestic equities	\$ 8,653,118	\$ 8,653,118
Fixed income	8,652,378	8,652,378
International equities	4,905,573	4,905,573
Low correlated hedge funds	301,038	301,038
Floating rate corporate loans	1,604,099	1,604,099
Emerging markets	1,770,320	1,770,320
Investments at fair value	25,886,526	<u>\$ 25,886,526</u>
Low correlated hedge funds measured at NAV		
Equity long/short hedge fund	1,397,952	
Multi-strategy hedge fund	1,464,109	
Investments	<u>\$ 28,748,587</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, 2024, and assume a 20-year time horizon.

	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Cash	3.0%	0.9%
US Core Fixed Income	31.0%	2.2%
Private Debt	5.0%	5.7%
US Large Caps	20.0%	3.5%
US Small & Mid Caps	8.0%	3.4%
International Equity (Developed)	17.0%	5.5%
Emerging Markets Equity	6.0%	5.9%
Hedge FOF Diversified	10.0%	2.1%

For the Pension Plan year ended December 31, 2024, the annual money-weighted rate of return was 9.6 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, 2024, 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, 2024	Weighted Average Maturity
Pimco	\$ 2,676,419	6.3 years
Metropolitan West	2,986,667	7.2 years
Dodge & Cox Income	2,989,292	9.7 years

Actuarial Methods and Assumptions

Total pension liability was determined by an actuarial valuation as of the December 31, 2024, 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, 2024, 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, 2024, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Balances, December 31, 2023	\$ 31,987,158	\$ 27,801,696	\$ 4,185,462
Changes for the year:			
Service cost	302,902	-	302,902
Interest on total pension liability	1,960,884	-	1,960,884
Effect of economic/demographic gains/losses	301,554	-	301,554
Effect of assumption changes	-	-	-
Benefit payments	(1,346,037)	(1,346,037)	-
Employer contributions	-	1,216,912	(1,216,912)
Investment gains or losses	-	2,670,449	(2,670,449)
Net changes	1,219,303	2,541,324	(1,322,021)
Balance, December 31, 2024	\$ 33,206,461	\$ 30,343,020	\$ 2,863,441
Fiduciary net position as a percentage of total pension liability		91.4%	
Covered payroll		\$2,808,867	
Net pension liability as a percentage of covered payroll		101.9%	

Sensitivity Analysis

The following presents the net pension liability as of December 31, 2024, 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	\$ 36,104,442	\$ 33,206,461	\$ 30,677,293
Fiduciary net position	30,343,020	30,343,020	30,343,020
Net pension (asset) liability	\$ 5,761,422	\$ 2,863,441	\$ 334,273

Note 15 continued

Pension Plan Deferred Inflows and Outflows of Resources

As of the December 31, 2024, 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	\$ -	\$ 287,481
Effect of assumption changes	(638,092)	-
Net difference between projected and actual earnings on investments	-	510,018
Northern Water contributions made subsequent to the December 31, 2023, measurement date	-	945,362
Deferred inflows and outflows of resources	<u>\$ (638,092)</u>	<u>\$ 1,742,861</u>

Deferred outflows of resources resulting from Northern Water contributions subsequent to the December 31, 2024, 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
2026	222,013
2027	798,492
2028	(670,961)
2029	(190,137)
2030	-
Thereafter	-
	<u>\$ 159,407</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, 2025, Northern Water recognized pension expense of \$180,957.

16 INTERGOVERNMENTAL GRANTS

Northern Water received awards from the Colorado Water Conservation Board (CWCB) under the Colorado Watershed Restoration Grant and Forest Restoration and Wildfire Risk Management Grant programs for \$13.5 million, and from the Bureau of Land Management (BLM) under the Forests and Woodlands Resource Management program for \$3.7 million. As of September 30, 2025, \$13.2 million in eligible costs had been incurred and recognized as intergovernmental revenue from CWCB, of which \$1,091,774 was recognized in fiscal year 2025. The BLM grant expired in June 2024 and so there were no additional revenues recognized in fiscal year 2025. The CWCB Colorado Watershed Restoration Grant expired in December 2024. The CWCB Forest Restoration and Wildfire Risk Management Grant expires in September 2026.

Additionally, Northern Water's Participating Agreement with the U.S. Forest Service for \$21,190,000 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 2025, \$537,655 in eligible costs had been recognized in federal revenue from the U.S. Forest Service. State sources reimbursed \$1,091,774 to the fire recovery efforts. Northern Water works with Reclamation in partnership with the Airborne Snow Observation and was reimbursed \$208,953.52 from Reclamation in fiscal year 2025. Along with other partners, Northern Water is a partner of the Kawuneeche Valley Ecosystem Restoration project and was reimbursed \$212,658 from federal, state and other sources in fiscal year 2025. Northern Water received \$120,529 from state and other sources in fiscal year 2025 for Source Water Protection and \$16,500 from the state of Colorado for reimbursement for an electric vehicle charger.

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, 2025, total charges to the Subdistrict from Northern Water totaled \$5,513,063. Of this amount, \$5,359,607 related to the Subdistrict's use of conveyance and storage of the C-BT Project, administration, operation, maintenance and replacement costs (\$3,229,800 for charges for services and \$2,129,807 for indirect costs), \$5,347 related to the Adams Tunnel conveyance charge and \$148,109 related to carriage costs (\$825,138 receivable, net with \$677,029 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 \$8,409,873 reported as related party receivable as of September 30, 2025, \$7,050,345 relates to the charges described above, and \$1,359,528 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, 2025.

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:

	2025	2024
Claims incurred	\$ 2,466,434	\$ 2,503,225
Claims paid	(2,503,281)	(2,389,253)
Adjustment to IBNR estimate	(36,847)	113,972
IBNR, beginning of year	396,119	282,147
IBNR, end of year	<u>\$ 359,272</u>	<u>\$ 396,119</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 (NISP) mitigation and enhancement, design, and preconstruction work of \$18.4 million as of September 30, 2025. The purchase order commitments had an original value of \$79,401,716 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.

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 \$100.0 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 \$5.0 million was paid by the NISP Enterprise on March 18, 2025, as required by the settlement agreement. A second \$5.0 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

Note 19 continued

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 remaining \$95.0 million 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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 302,902	\$ 397,460	\$ 494,918	\$ 591,506	\$ 673,664
Interest on total pension liability	1,960,884	1,761,697	1,856,809	2,095,261	2,305,359
Effect of economic/ demographic gains/losses	301,554	507,164	2,234,318	2,846,977	215,956
Effect of assumption changes	-	(2,765,068)	110,025	-	742,260
Benefit payments	(1,346,037)	(2,118,387)	(10,593,772)	(9,379,984)	(2,429,380)
Net change in pension liability	1,219,303	(2,217,134)	(5,897,702)	(3,846,240)	1,507,859
Total pension liability, beginning of year	31,987,158	34,204,292	40,101,994	43,948,234	42,440,373
Total pension liability, end of year	33,206,461	31,987,158	34,204,292	40,101,994	43,948,232
Fiduciary net position					
Employer contributions	1,216,912	1,208,710	1,184,771	1,472,880	2,367,405
Investment gains (losses)	2,670,449	3,693,958	(5,305,428)	2,886,670	6,720,560
Benefit payments	(1,346,037)	(2,118,387)	(10,593,772)	(9,379,984)	(2,429,380)
Change in fiduciary net position	2,541,324	2,784,281	(14,714,429)	(5,020,434)	6,658,585
Fiduciary net position, beginning of year	27,801,694	25,017,413	39,731,842	44,867,975	38,209,389
Fiduciary net position, end of year	30,343,018	27,801,694	25,017,413	39,847,541	44,867,974
Net pension (asset) liability, end of year	\$ 2,863,443	\$ 4,185,464	\$ 9,186,879	\$ 254,453	\$ (919,742)
Fiduciary net position as a percentage of pension liability	91.4%	86.9%	73.1%	99.4%	102.1%
Covered payroll	\$ 2,808,867	\$ 2,687,637	\$ 3,239,061	\$ 3,676,533	\$ 4,408,705
Net pension liability as a percentage of covered payroll	101.9%	155.7%	283.6%	(6.9%)	20.9%
Money-weighted rate of return	9.6%	15.2%	(13.9%)	7.0%	17.7%

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 744,039	\$ 750,237	\$ 593,304	\$ 629,104	\$ 767,076
Interest on total pension liability	2,357,210	2,412,496	2,481,636	2,533,835	2,479,704
Effect of economic/ demographic gains/losses	853,600	940,602	90,073	98,744	459,807
Effect of assumption changes	856,705	1,678,482	(529,054)	120,176	727,550
Benefit payments	(5,171,928)	(4,808,193)	(3,107,012)	(1,962,149)	(1,846,706)
Net change in pension liability	(360,374)	973,624	(471,053)	1,419,710	2,587,431
Total pension liability, beginning of year	42,800,747	41,827,123	42,298,176	40,878,466	38,291,035
Total pension liability, end of year	42,440,373	42,800,747	41,827,123	42,298,176	40,878,466
Fiduciary net position					
Employer contributions	2,089,663	2,533,926	2,612,183	3,315,464	1,511,622
Investment gains (losses)	5,854,474	(2,118,348)	4,636,518	1,611,802	(421,624)
Benefit payments	(5,171,928)	(4,808,193)	(3,107,012)	(1,962,149)	(1,846,706)
Change in fiduciary net position	2,772,209	(4,392,615)	4,141,689	2,965,117	(756,708)
Fiduciary net position, beginning of year	35,437,180	39,829,795	35,688,106	32,722,989	33,479,697
Fiduciary net position, end of year	38,209,389	35,437,180	39,829,795	35,688,106	32,722,989
Net pension (asset) liability, end of year	\$ 4,230,984	\$ 7,363,567	\$ 1,997,328	\$ 6,610,070	\$ 8,155,477
Fiduciary net position as a percentage of pension liability	90.0%	82.8%	95.2%	84.4%	80.0%
Covered payroll	\$ 4,626,308	\$ 4,946,272	\$ 5,752,756	\$ 6,150,893	\$ 6,212,513
Net pension liability as a percentage of covered payroll	91.5%	148.9%	34.7%	107.5%	131.3%
Money-weighted rate of return	17.5%	(5.6%)	13.2%	4.9%	(1.3%)

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
2016	\$ 1,632,209	\$ 1,511,622	\$ (120,587)	\$ 6,448,760	24.3%	(1.3%)
2017	1,607,405	3,315,464	1,708,059	5,866,981	53.9%	4.9%
2018	1,317,640	2,612,183	1,294,543	5,083,842	45.4%	13.2%
2019	1,120,983	2,533,926	1,412,943	4,713,289	51.2%	(5.6%)
2020	1,501,389	2,089,663	588,274	4,344,301	45.2%	17.5%
2021	1,483,961	2,367,405	883,444	3,859,144	53.7%	17.7%
2022	1,171,619	1,472,880	301,261	3,301,120	40.1%	6.9%
2023	1,163,112	1,184,771	21,659	2,807,677	36.6%	(13.9%)
2024	1,306,622	1,208,710	(97,912)	2,772,415	45.0%	15.2%
2025	947,783	1,216,912	269,129	2,916,664	41.7%	9.6%



Schedule of Revenues and Expenses, Budget to Actual

District Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended
	Budget (unaudited)	Actual	Variance	September 30, 2024 Actual
Operating revenue sources				
Water assessments	\$ 14,685,857	\$ 13,772,740	\$ (913,117)	\$ 13,606,791
Charges for services	9,382,044	8,963,228	(418,816)	8,190,556
Indirect Costs	2,542,018	3,967,505	1,425,487	4,050,667
Other operating revenues	2,721,934	3,383,633	661,699	6,526,531
Operating revenue sources	29,331,853	30,087,106	755,253	32,374,545
Operating expense uses	(50,633,389)	(48,997,826)	1,635,563	(47,505,853)
Operating revenue sources under expense uses	(21,301,536)	(18,910,720)	2,390,816	(15,131,308)
Nonoperating revenue sources				
Property and specific ownership taxes	39,360,902	34,832,265	(4,528,637)	38,279,424
Earnings on investments / change in value	4,332,962	6,428,300	2,095,338	8,410,842
Intergovernmental grants	7,488,954	2,188,070	(5,300,884)	1,931,751
Other nonoperating revenues	2,438,659	526,120	(1,912,539)	1,486,478
Interfund loan receivable receipts	352,676	240,514	(112,162)	287,437
Capital Contributions	-	-	-	20,122
Nonoperating revenue sources	53,974,153	44,215,269	(9,758,884)	50,416,054
Nonoperating expense uses				
Debt service	(5,576,978)	(5,550,504)	26,474	(5,573,428)
Initiatives and Studies	(8,853,605)	(2,527,111)	6,326,494	-
Capital	(10,307,400)	(3,835,286)	6,472,114	(24,138,305)
Reserve funding	(7,700,109)	(2,531,669)	5,168,440	(2,340,254)
Supplemental Pension Plan contribution	(234,525)	(234,525)	-	-
Nonoperating expense uses	(32,672,617)	(14,679,095)	17,993,522	(32,051,987)
Nonoperating revenue sources over expense uses	21,301,536	29,536,174	8,234,638	18,364,067
Revenue sources over (under) expense uses	\$ -	10,625,454	\$ 10,625,454	3,232,759
Adjustments to reconcile budgetary basis to GAAP basis				
Interfund loan receivable principal receipts		(240,514)		(287,437)
Debt service payments		5,550,504		5,573,428
Interest expense, net of bond premium amortization		(3,103,577)		(3,164,544)
Capital outlay		3,835,286		24,138,305
Reserve funding		2,531,669		2,340,254
Depreciation		(7,387,302)		(6,071,639)
Changes in net position		\$ 11,811,520		\$ 25,761,126

Schedule of Revenues and Expenses, Budget to Actual

Southern Water Supply Project Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended September 30, 2024
	Budget (unaudited)	Actual	Variance	Actual
Operating revenue sources				
Water assessments	\$ 4,165,531	\$ 3,803,600	\$ (361,931)	\$ 3,076,920
Operating revenue sources	4,165,531	3,803,600	(361,931)	3,076,920
Operating expense uses	(2,585,470)	(2,602,866)	(17,396)	(1,648,932)
Operating revenue sources over expense uses	1,580,061	1,200,734	(379,327)	1,427,988
Nonoperating revenue sources				
Earnings on investments	139,607	109,100	(30,507)	184,085
Nonoperating revenue sources	139,607	109,100	(30,507)	184,085
Nonoperating expense uses				
Capital expenditures	(1,538,248)	(498,050)	1,040,198	(667,081)
Contingency	(100,000)	(11,553)	88,447	-
Nonoperating expense uses	(1,638,248)	(509,603)	1,128,645	(667,081)
Nonoperating revenue sources under expense uses	(1,498,641)	(400,503)	1,098,138	(482,996)
Revenue sources over (under) expense uses	<u>\$ 81,420</u>	800,231	<u>\$ 718,811</u>	944,992
Adjustments to reconcile budgetary basis to GAAP basis				
Capital expenditures		498,050		667,081
Depreciation		(3,194,546)		(3,178,403)
Changes in net position		<u>\$ (1,896,265)</u>		<u>\$ (1,566,330)</u>

Schedule of Revenues and Expenses, Budget to Actual

Pleasant Valley Pipeline Project Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended
	Budget (unaudited)	Actual	Variance	September 30, 2024 Actual
Operating revenue sources				
Water assessments	\$ 140,352	\$ 138,730	\$ (1,622)	\$ 135,380
Operating revenue sources	140,352	138,730	(1,622)	135,380
Operating expense uses	(140,352)	(92,132)	48,220	(148,458)
Operating revenue sources over (under) expense uses	-	46,598	46,598	(13,078)
Nonoperating revenue sources				
Earnings on investments	6,000	7,024	1,024	11,061
Nonoperating revenue sources	6,000	7,024	1,024	11,061
Nonoperating expense uses				
Capital purchase and project expenditures	-	-	-	(12,173)
Nonoperating expense uses	-	-	-	(12,173)
Nonoperating revenue sources over (under) expense uses	6,000	7,024	1,024	(1,112)
Revenue sources over (under) expense uses	<u>\$ 6,000</u>	53,622	<u>\$ 47,622</u>	(14,190)
Adjustments to reconcile budgetary basis to GAAP basis				
Depreciation		(749,286)		(749,286)
Capital projects		-		12,173
Changes in net position		<u>\$ (695,664)</u>		<u>\$ (751,303)</u>

Schedule of Revenues and Expenses, Budget to Actual

Northern Integrated Supply Project Enterprise Fund

Non-GAAP Budgetary Basis

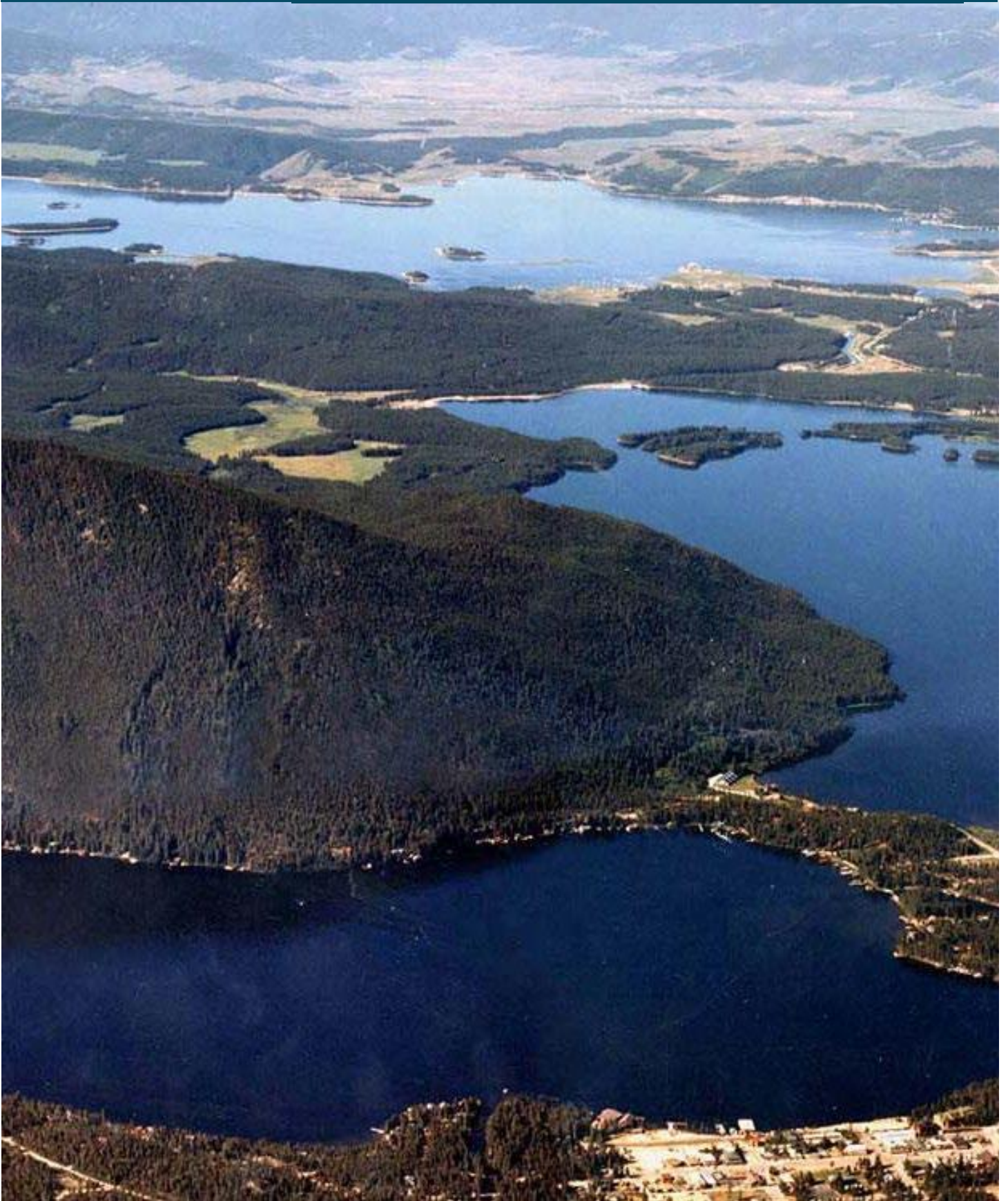
	Year ended September 30, 2025			Year ended September 30, 2024
	Budget (unaudited)	Actual	Variance	Actual
Nonoperating revenue sources				
Capital contributions	\$ 40,000,000	\$ 33,589,491	\$ (6,410,509)	\$ 27,476,893
Earnings on investments	675,000	894,965	219,965	1,022,885
Other nonoperating revenues	65,000	6,344	(58,656)	2,000
Nonoperating revenue sources	40,740,000	34,490,800	(6,249,200)	28,501,778
Nonoperating expense uses				
Capital purchase and project expenditures	(45,000,000)	(18,734,788)	26,265,212	(34,559,640)
Other nonoperating expenses	-	(2,409)	(2,409)	(537)
Nonoperating expense uses	(45,000,000)	(18,737,197)	26,262,803	(34,560,177)
Nonoperating revenue sources over (under) expense uses	<u>\$ (4,260,000)</u>	15,753,603	<u>\$ 20,013,603</u>	(6,058,399)
Adjustments to reconcile budgetary basis to GAAP basis				
Capital outlay		<u>18,734,788</u>		<u>34,559,640</u>
Changes in net position		<u>\$ 34,488,391</u>		<u>\$ 28,501,241</u>

Schedule of Revenues and Expenses, Budget to Actual

Northern Water Hydropower Enterprise Fund

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended
	Budget (unaudited)	Actual	Variance	September 30, 2024 Actual
Operating revenue sources				
Energy revenue	\$ 1,300,000	\$ 1,547,801	\$ 247,801	\$ 1,323,389
Operating expense uses	(542,679)	(498,900)	43,779	(435,041)
Operating revenue sources over expense uses	757,321	1,048,901	291,580	888,348
Nonoperating revenue sources				
Earnings on investments	190,813	208,443	17,630	227,235
Nonoperating revenue sources	190,813	208,443	17,630	227,235
Nonoperating expense uses				
Debt service				
Principal	(503,083)	(493,218)	9,865	(483,547)
Interest	(135,954)	(142,436)	(6,482)	(152,173)
Capital purchase and project expenditures	(14,800)	-	14,800	-
Contingency	(50,000)	-	50,000	-
Nonoperating expense uses	(703,837)	(635,654)	68,183	(635,720)
Nonoperating revenue sources under expense uses	(513,024)	(427,211)	85,813	(408,485)
Revenue sources over (under) expense uses	<u>\$ 244,297</u>	621,690	<u>\$ 377,393</u>	479,863
Adjustments to reconcile budgetary basis to GAAP basis				
Debt principal payments		493,218		483,547
Depreciation		(288,604)		(288,604)
Changes in net position		<u>\$ 826,304</u>		<u>\$ 674,806</u>



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.

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

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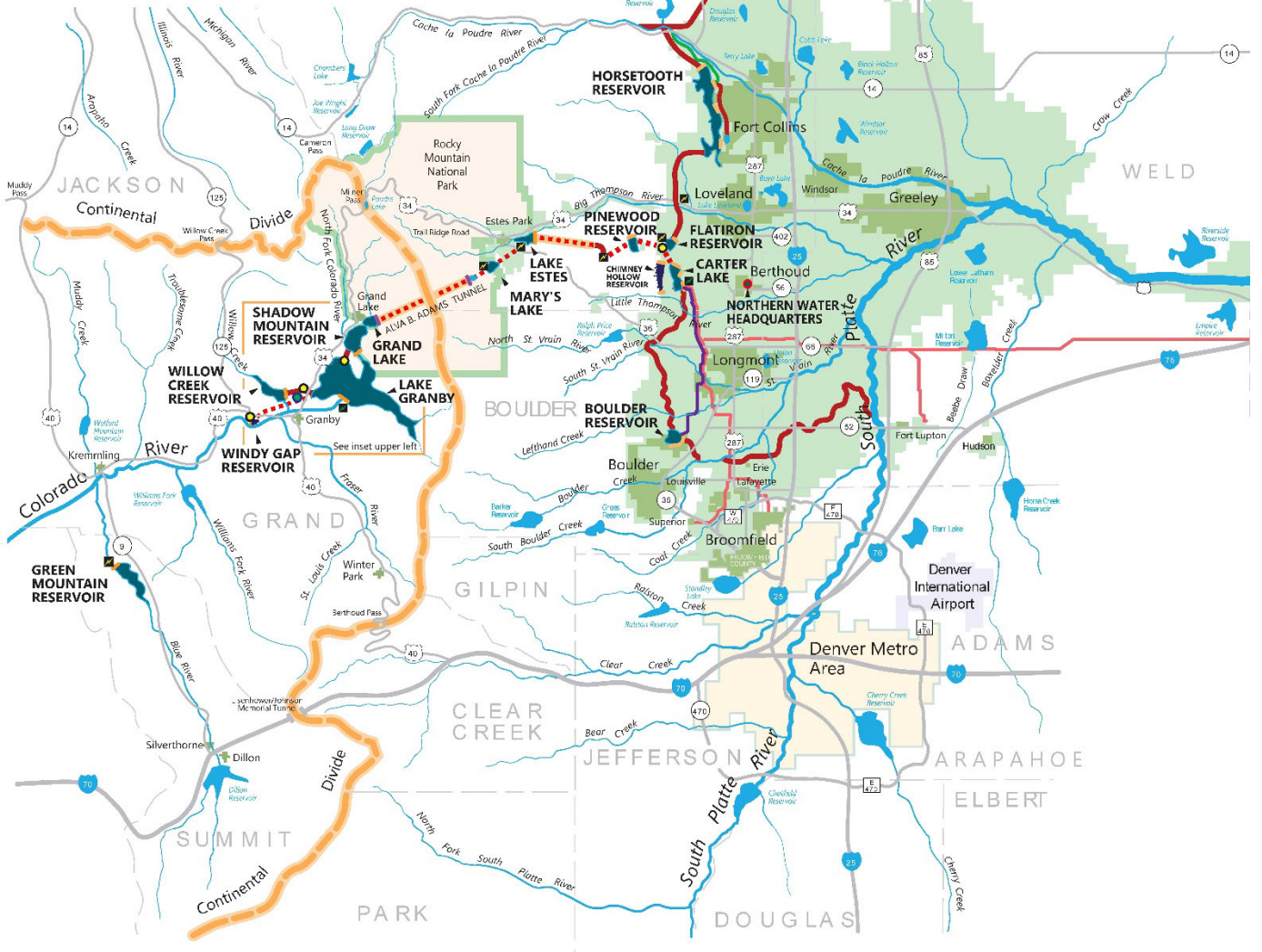
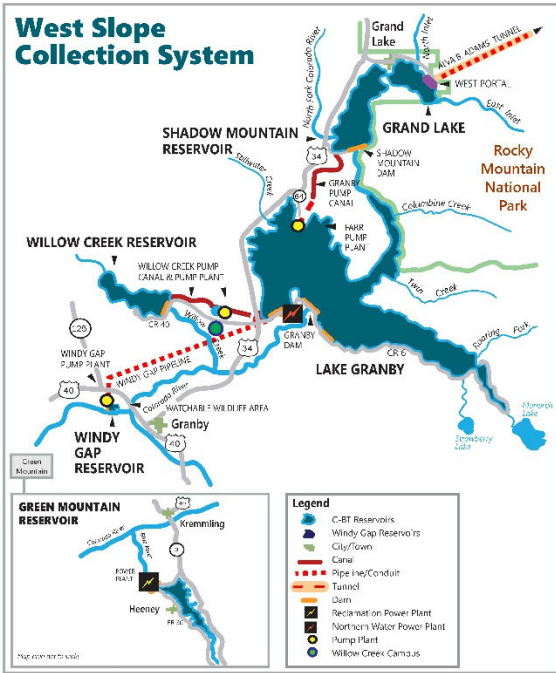
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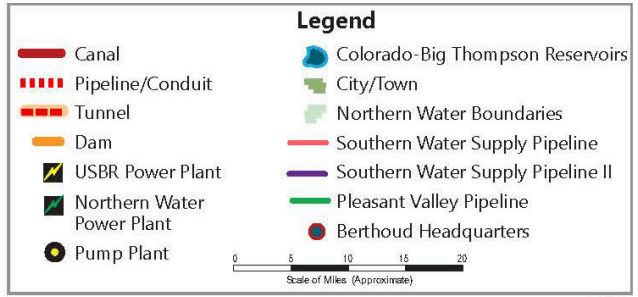
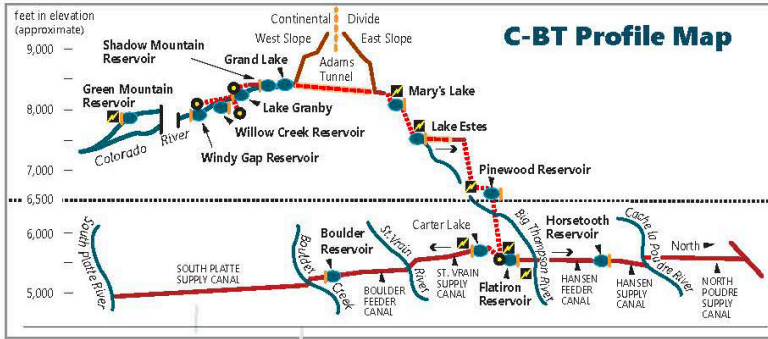
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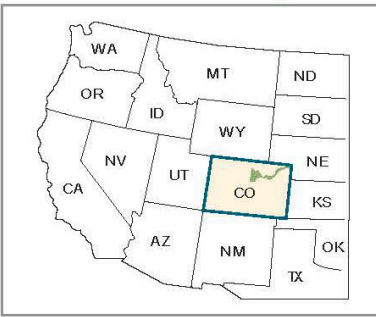
COLORADO-BIG THOMPSON PROJECT AND NORTHERN WATER BOUNDARIES



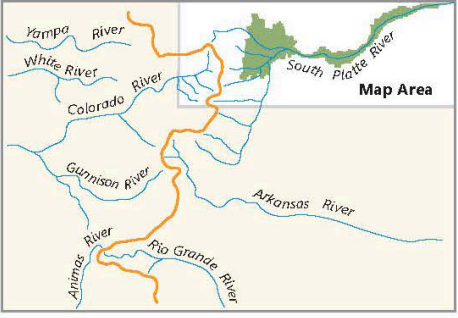
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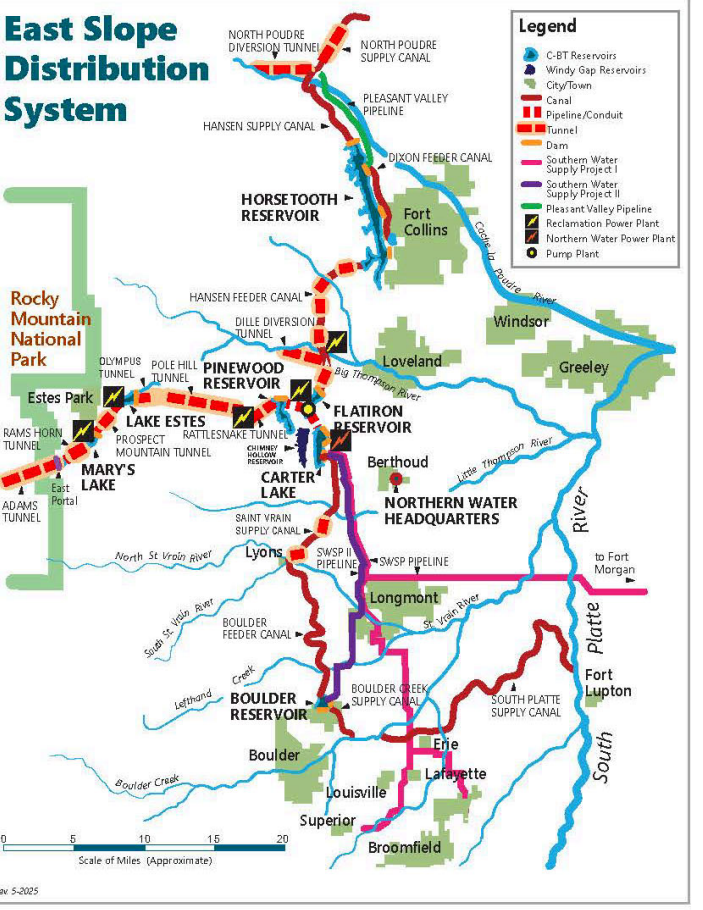
US Index Map



Colorado Index Map



East Slope Distribution System





Statement of Changes in Net Position¹ (2016 - 2025)

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
Revenues					
Operating revenues					
Assessments	\$ 17,715,070	\$ 16,819,091	\$ 16,891,915	\$ 11,516,690	\$ 13,978,731
Charges for services	8,963,228	8,190,556	7,489,601	7,552,240	7,276,338
Energy revenue	1,547,801	1,323,389	1,245,462	1,466,764	1,349,216
Other operating revenues	7,351,138	10,577,198	5,891,381	2,874,076	4,320,428
Operating revenues	35,577,237	36,910,234	31,518,359	23,409,770	26,924,713
Nonoperating revenues					
Property and specific ownership taxes	34,832,265	38,279,424	30,330,162	26,763,785	26,963,388
Earnings on investments	7,647,832	9,856,108	6,791,816	(1,632,894)	449,032
Intergovernmental grants	2,188,070	1,931,751	6,713,720	27,914,798	12,462,356
Other nonoperating revenues, net	532,464	1,488,478	394,982	862,988	3,644,883
Gain on disposition of assets	-	-	-	-	-
Nonoperating revenues	45,200,631	51,555,761	44,230,680	53,908,677	43,519,659
Revenues	80,777,868	88,465,995	75,749,039	77,318,447	70,444,372
Expenses					
Operating expenses					
Operations	17,228,156	14,719,885	11,626,904	12,235,108	17,421,047
Finance and Administration	20,903,366	19,384,827	21,771,876	8,990,876	6,297,145
Engineering	7,222,739	6,684,050	6,681,890	7,851,778	13,415,600
Environmental Services ²	7,071,988	6,354,841	5,768,687	5,140,981	11,349,679
Depreciation	11,619,738	10,287,932	7,400,840	6,759,053	6,563,873
Operating expenses	64,045,987	57,431,535	53,250,197	40,977,796	55,047,344
Nonoperating expenses					
Interest expense	3,246,013	3,316,717	3,383,051	2,210,315	503,440
Other nonoperating grant expenses	2,517,422	2,594,681	6,217,455	27,139,056	-
Bond issuance costs	-	-	-	331,440	386,052
Other nonoperating expenses	23,651	537	1,494	3,109,593	-
Intergovernmental subgrantee payments	-	-	-	-	-
Participant gain on use of facilities ³	-	-	-	-	-
Refund of contributed capital	-	-	-	-	-
Nonoperating expenses	5,787,086	5,911,935	9,602,000	32,790,404	889,492
Expenses	69,833,073	63,343,470	62,852,197	73,768,200	55,936,836
Income before contributions	10,944,795	25,122,525	12,896,842	3,550,247	14,507,536
Capital contributions	33,589,491	27,497,015	23,477,011	19,220,866	17,025,895
Changes in net position	44,534,286	52,619,540	36,373,853	22,771,113	31,533,431
Net position, beginning of year, as restated ⁴	533,527,735	480,908,195	444,534,342	421,763,229	390,229,798
Net position, end of year	\$578,062,021	\$533,527,735	\$480,908,195	\$444,534,342	\$421,763,229

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

² Established 2019. In previous years was included in Engineering.

³ Balance in 2018 is the result of SWSP Pipeline II facilities transactions.

⁴ Beginning net position restated for 2022, 2023 and 2024 due to an error correction.

Statement of Changes in Net Position¹ (2016 - 2025) (continued)

Years ended September 30

Unaudited

	2020	2019	2018	2017	2016
Revenues					
Operating revenues					
Assessments	\$ 13,496,094	\$ 12,512,455	\$ 12,239,150	\$ 11,496,339	\$ 10,113,724
Charges for services	7,961,981	6,593,167	6,307,644	5,783,834	4,701,786
Energy revenue	1,301,643	1,115,254	1,112,541	1,110,090	936,746
Other operating revenues	2,509,470	1,923,491	2,374,919	1,916,281	1,644,774
Operating revenues	25,269,188	22,144,367	22,034,254	20,306,544	17,397,030
Nonoperating revenues					
Property and specific ownership taxes	27,187,290	23,043,100	21,282,930	18,807,149	19,027,007
Earnings on investments	2,173,881	2,257,120	390,058	314,956	344,096
Intergovernmental grants	104,678	129,279	253,333	83,449	536,777
Other nonoperating revenues, net	356,265	2,153,900	1,941,115	390,855	262,128
Gain on disposition of assets	-	-	782,263	-	-
Nonoperating revenues	29,822,114	27,583,399	24,649,699	19,596,409	20,170,008
Revenues	55,091,302	49,727,766	46,683,953	39,902,953	37,567,038
Expenses					
Operating expenses					
Operations	13,955,318	12,324,327	14,117,940	13,223,118	12,736,200
Finance and Administration	4,645,341	12,417,554	6,755,097	6,806,674	6,289,010
Engineering	3,946,941	3,713,533	7,695,271	7,102,192	5,435,991
Environmental Services ²	12,286,840	3,656,229	-	-	-
Depreciation	5,554,090	4,767,424	4,563,619	4,384,339	4,169,073
Operating expenses	40,388,530	36,879,067	33,131,927	31,516,323	28,630,274
Nonoperating expenses					
Interest expense	237,870	411,575	476,068	530,614	475,720
Other nonoperating grant expenses	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Other nonoperating expenses	-	-	-	-	-
Intergovernmental subgrantee payments	-	-	118,398	113,800	454,589
Participant gain on use of facilities ³	-	-	782,263	-	-
Refund of contributed capital	-	-	371,803	-	59,672
Nonoperating expenses	237,870	411,575	1,748,532	644,414	989,981
Expenses	40,626,400	37,290,642	34,880,459	32,160,737	29,620,255
Income (loss) before contributions	14,464,902	12,437,124	11,803,494	7,742,216	7,946,783
Capital contributions	47,243,558	39,470,161	12,552,674	6,528,346	4,400,000
Changes in net position	61,708,460	51,907,285	24,356,168	14,270,562	12,346,783
Net position, beginning of year	328,521,338	276,614,053	252,257,885	237,987,323	225,640,540
Net position, end of year	\$390,229,798	\$328,521,338	\$276,614,053	\$252,257,885	\$237,987,323

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

² Established 2019. In previous years was included in Engineering.

³ Balance in 2018 is the result of SWSP Pipeline II facilities transactions.

Statement of Net Position by Component¹ (2016 - 2025)

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
Net Position					
Net investment in capital assets	\$ 381,132,913	\$ 372,252,812	\$ 334,633,475	\$ 305,412,241	\$ 285,218,526
Restricted net position					
Debt service	394,895	356,790	267,455	253,403	251,449
Major repairs	2,257,833	2,113,529	1,929,635	1,912,446	1,909,163
Capital projects	6,379,988	5,989,410	5,839,561	3,260,620	18,043,510
Unrestricted net position, as restated (2)	187,896,392	152,815,194	138,238,069	133,695,632	116,340,581
Net position	<u>\$ 578,062,021</u>	<u>\$ 533,527,735</u>	<u>\$ 480,908,195</u>	<u>\$ 444,534,342</u>	<u>\$ 421,763,229</u>

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

Statement of Net Position by Component¹ (2016 - 2025) (continued)

Years ended September 30

Unaudited

	2020	2019	2018	2017	2016
Net Position					
Net investment in capital assets	\$ 265,628,101	\$ 233,624,113	\$ 193,162,975	\$ 182,061,936	\$ 177,863,092
Restricted net position					
Debt service	228,413	202,653	174,967	149,684	126,010
Major repairs	2,295,393	2,106,516	1,970,697	2,007,139	1,993,343
Capital projects	22,947,964	3,285,800	2,420,068	2,786,161	1,959,697
Unrestricted net position	99,129,927	89,302,256	78,885,346	65,252,965	56,045,181
Net position	<u>\$ 390,229,798</u>	<u>\$328,521,338</u>	<u>\$ 276,614,053</u>	<u>\$ 252,257,885</u>	<u>\$ 237,987,323</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 ²	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
2025	2,896,468	139,263	267,342	153,800	114,970	3,571,843

¹ Northern Water costs incurred on join works related 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 (2016 - 2025)

District Enterprise Fund

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
Water Assessments					
Class A inclusions ¹	\$ -	\$ -	\$ -	\$ 2,800	\$ -
Class B municipal ²	5,953,565	5,878,933	5,585,710	2,197,453	5,335,633
Class C					
Domestic	2,987,821	2,969,252	2,791,304	2,652,161	2,556,864
Industrial	673,046	672,388	634,129	611,044	599,633
Irrigation	621,511	601,882	564,136	534,936	534,239
Multi-Purpose	13,144	18,248	12,890	12,421	14,101
Class D, irrigation	818,524	704,420	710,429	712,016	713,749
Regional Pool	(14,468)	51,962	17,500	-	-
Carryover	2,719,597	2,709,706	2,467,316	2,253,784	2,305,571
Water assessments	<u>\$ 13,772,740</u>	<u>\$ 13,606,791</u>	<u>\$ 12,783,414</u>	<u>\$ 8,976,615</u>	<u>\$ 12,059,790</u>
Ownership by Water Allotment Contract Class (acre-foot units)					
Class B, municipal	154,711	154,261	153,367	153,768	153,223
Class C					
Irrigation	56,495	56,630	56,725	56,710	56,980
Domestic/Industrial/ Multi-purpose	70,339	69,897	68,347	68,725	67,806
Class D irrigation	28,455	29,212	31,561	30,797	31,991
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	93,111	93,366	94,116	93,956	94,216
Open rate	216,889	216,634	215,884	216,044	215,784
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 (2016 - 2025)
(continued)

District Enterprise Fund
Years ended September 30
Unaudited

	2020	2019	2018	2017	2016
Water Assessments					
Class A inclusions ¹	\$ -	\$ -	\$ -	\$ -	\$ -
Class B Municipal	5,213,301	5,064,728	4,875,560	4,689,355	4,371,754
Class C					
Domestic	2,453,720	2,356,342	2,259,151	2,163,133	1,795,448
Industrial	583,326	567,019	532,861	524,355	440,908
Irrigation	516,872	496,287	478,708	464,719	343,280
Multi-Purpose	13,718	13,334	12,832	22,998	17,053
Class D, irrigation	711,851	714,012	691,788	660,774	506,851
Regional Pool	-	-	-	-	-
Carryover	2,087,361	2,084,736	2,056,639	1,817,185	1,545,158
Water assessments	<u>\$ 11,580,149</u>	<u>\$ 11,296,458</u>	<u>\$ 10,907,539</u>	<u>\$ 10,342,519</u>	<u>\$ 9,020,452</u>

Ownership by Water Allotment Contract Class (acre-foot units)

Class B, municipal	153,176	152,729	152,429	151,517	151,063
Class C					
Irrigation	57,057	57,063	56,754	56,490	56,615
Domestic/Industrial/					
Multi-purpose	67,119	66,532	66,006	65,894	64,587
Class D Irrigation	32,648	33,676	34,811	36,099	37,735
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	94,824	95,299	96,289	97,401	98,263
Open rate	215,176	214,701	213,711	212,599	211,737
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 (2016 and 2025)

District Enterprise Fund

Current year and nine years ago

Unaudited

Entity	2025		2016	
	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%	13,583	4.4%
Fort Collins-Loveland Water District	13,209	4.3%	12,490	4.0%
City of Longmont	12,713	4.1%	12,713	4.1%
City of Loveland	12,213	3.9%	12,178	3.9%
Little Thompson Water District	12,397	4.0%	9,907	3.2%
Xcel Energy (Public Service Company of Colorado)	10,007	3.2%	10,007	3.2%
Ten largest allottees by acre-foot units	176,897	57.1%	173,562	56.0%
Other allottees	133,103	42.9%	136,438	44.0%
Acre-foot units	310,000	100.0%	310,000	100.0%

Largest Water Allotment Contract Holders by Water Assessment (2016 and 2025)

District Enterprise Fund

Current year and nine years ago

Unaudited

Entity	2025			2016		
	Rank	Assessment	Percentage	Rank	Assessment	Percentage
Fort Collins-Loveland Water District	1	\$ 1,061,830	7.7%	3	\$ 448,391	4.4%
City and County of Broomfield	2	778,800	5.7%	1	568,578	5.6%
City of Fort Collins	3	706,809	5.1%	2	474,539	4.7%
Little Thompson Water District	4	662,676	4.8%	5	355,661	3.5%
Xcel Energy (Public Service Company of Colorado)	5	543,423	3.9%	4	359,251	3.6%
City of Boulder	6	502,514	3.6%	6	344,429	3.4%
City of Greeley	7	447,940	3.3%	7	311,329	3.1%
City of Longmont	8	434,060	3.2%	8	303,215	3.0%
Left Hand Water District	9	400,060	2.9%			
City of Loveland	10	398,195	2.9%	9	273,036	2.7%
Town of Erie				10	255,482	2.5%
Water Assessments for ten largest allottees		5,936,307	43.1%		3,693,911	36.5%
Other allottees		7,836,433	56.9%		6,419,813	63.5%
C-BT Project water assessments, Classes B, C and D		\$ 13,772,740	100.0%		\$10,113,724	100.0%

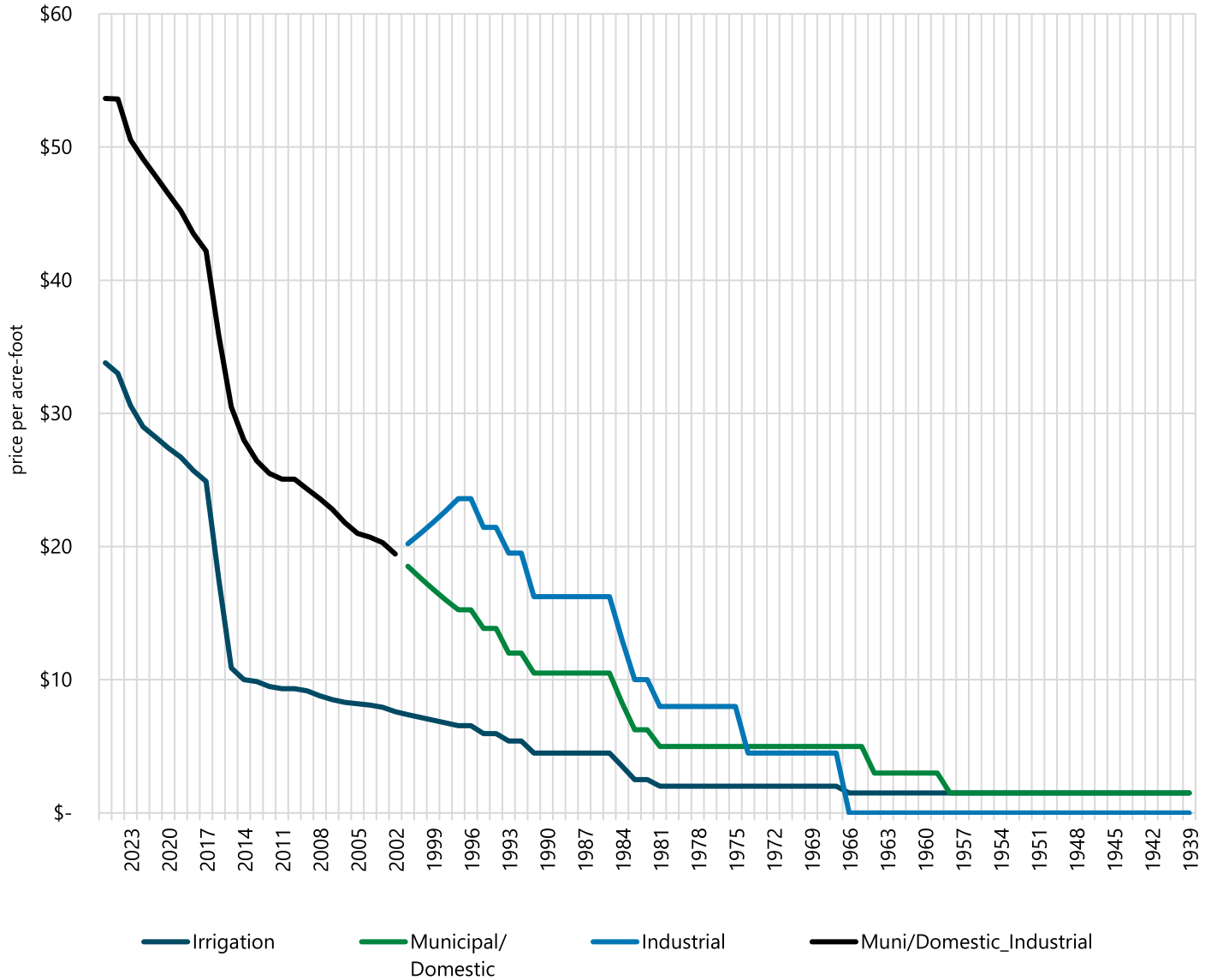
Open-Rate Water Assessment Charges¹ (Historical)

District Enterprise Fund

Years ended September 30

Unaudited

Open-Rate Assessments



2025 Open-Rate Water Assessments

	Per Acre-Foot Unit
Irrigation	\$33.80
Municipal/Domestic/Industrial	\$53.65

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.

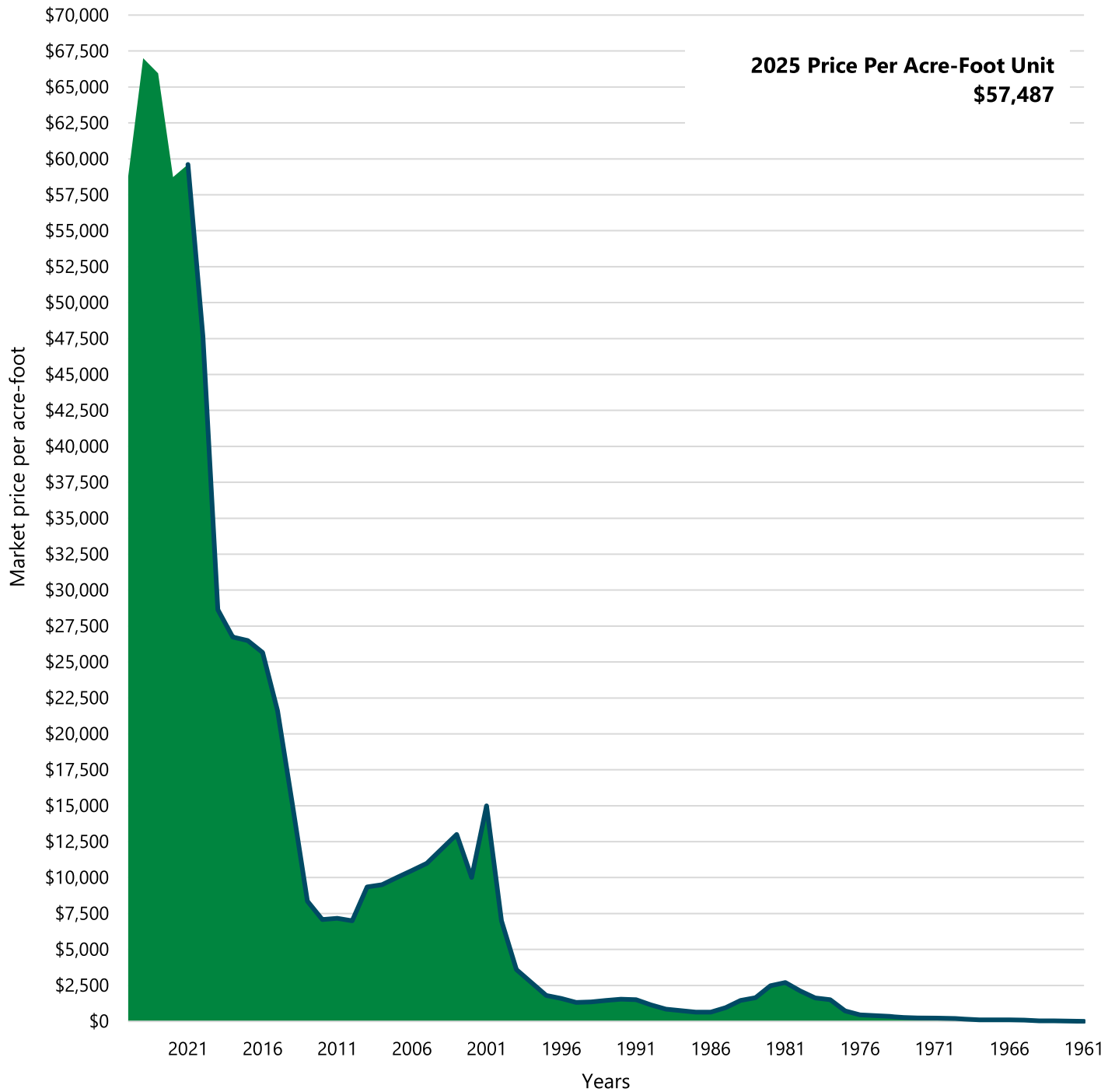
Market Prices Per Acre-Foot Unit¹ (Historical)

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 (2016 - 2025)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
CHARGES FOR SERVICES					
District Enterprise Fund					
Reclamation	\$ 2,706,012	\$ 2,778,637	\$ 2,316,876	\$ 2,343,480	\$ 2,396,404
Labor, overhead and supplies	6,257,217	5,411,919	5,172,725	5,208,760	4,879,934
Charges for services	<u>\$ 8,963,229</u>	<u>\$ 8,190,556</u>	<u>\$ 7,489,601</u>	<u>\$ 7,552,240</u>	<u>\$ 7,276,338</u>
ENERGY REVENUE AND OUTPUT					
Hydropower					
Trout	\$ 1,082,800	\$ 1,038,894	\$ 910,367	\$ 1,141,448	\$ 1,004,471
Granby	465,001	381,824	335,095	325,316	344,745
Hydropower	<u>\$ 1,547,801</u>	<u>\$ 1,420,718</u>	<u>\$ 1,245,462</u>	<u>\$ 1,466,764</u>	<u>\$ 1,349,216</u>
Hydropower(kWh)					
Trout	9,898,075	9,871,816	8,617,057	10,343,000	9,291,000
Granby	5,551,048	4,924,195	4,330,897	5,837,000	4,583,000
Hydropower	<u>15,449,123</u>	<u>14,796,011</u>	<u>12,947,954</u>	<u>16,180,000</u>	<u>13,874,000</u>

Charges for Services and Energy Revenue (2016 - 2025) (continued)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2020	2019	2018	2017	2016
CHARGES FOR SERVICES					
District Enterprise Fund					
Reclamation	\$ 3,313,886	\$ 2,721,725	\$ 2,736,656	\$ 2,796,752	\$ 2,162,973
Labor, overhead and supplies	4,648,095	3,871,442	3,570,988	2,987,082	2,538,813
Charges for services	<u>\$ 7,961,981</u>	<u>\$ 6,593,167</u>	<u>\$ 6,307,644</u>	<u>\$ 5,783,834</u>	<u>\$ 4,701,786</u>
ENERGY REVENUE AND OUTPUT					
Hydropower					
Trout	\$ 921,473	\$ 785,813	\$ 760,873	\$ 798,799	\$ 750,251
Granby	380,171	329,441	351,668	311,291	186,492
Hydropower	<u>\$ 1,301,644</u>	<u>\$ 1,115,254</u>	<u>\$ 1,112,541</u>	<u>\$ 1,110,090</u>	<u>\$ 936,743</u>
Hydropower(kWh)					
Trout	8,782,453	8,027,000	8,213,000	9,039,000	8,078,000
Granby	5,157,266	4,698,130	5,338,000	4,921,000	2,954,000
Hydropower	<u>13,939,719</u>	<u>12,725,130</u>	<u>13,551,000</u>	<u>13,960,000</u>	<u>11,032,000</u>

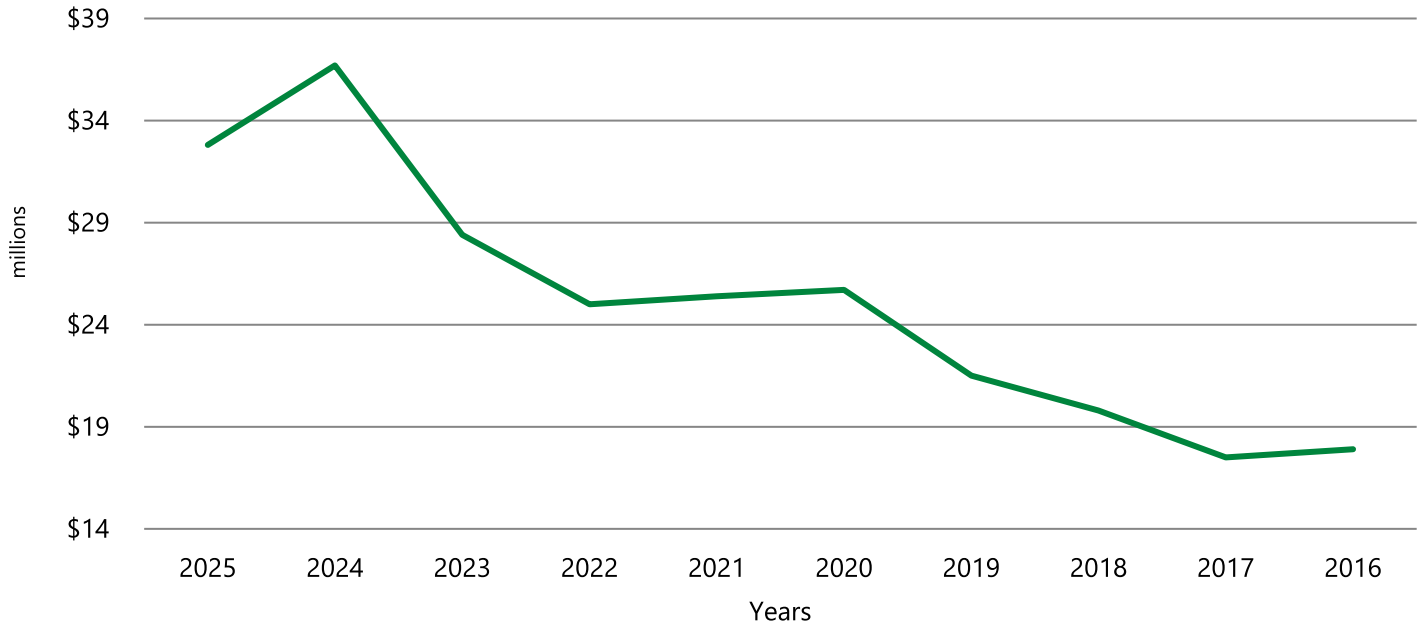
Property Tax Levies and Collections (2016 - 2025)

District Enterprise Fund

Years ended September 30

Unaudited

Property Tax Collections



Year	Tax Levy for Fiscal Year	Collections within the Fiscal Year		Collections in Subsequent Years ⁽¹⁾	Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	36,684,018	96.2%	309,165	36,993,183	97.0%
2025	32,850,301	32,811,355	99.9%	-	32,811,355	99.9%

Assessed and Estimated Actual Value of Taxable Properties (2016 - 2025)

District Enterprise Fund

Years ended September 30

Unaudited (thousands)

	2025	2024	2023	2022	2021
Assessed Value					
Residential	\$ 17,642,042	\$ 16,526,072	\$ 13,096,382	\$ 12,198,437	\$ 11,617,806
Commercial	9,874,876	9,100,947	7,570,458	6,936,809	6,943,335
Industrial	1,983,727	1,751,996	1,371,542	1,436,588	1,349,671
Agricultural	156,802	134,211	119,265	145,668	126,611
Oil/Gas Natural Resources	6,913,872	8,306,564	5,190,847	3,242,368	4,150,302
Other	(105,751)	453,415	1,047,824	1,155,297	1,134,432
Assessed value of properties ¹	<u>\$ 36,465,568</u>	<u>\$ 36,273,205</u>	<u>\$ 28,396,318</u>	<u>\$ 25,115,167</u>	<u>\$ 25,322,157</u>
Estimated actual taxable value ²	<u>\$ 286,542,403</u>	<u>\$ 275,707,532</u>	<u>\$217,285,812</u>	<u>\$197,787,144</u>	<u>\$207,146,522</u>
	12.7%	13.2%	13.1%	12.7%	12.2%

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.

Assessed and Estimated Actual Value of Taxable Properties (2016 - 2025) (continued)

District Enterprise Fund

Years ended September 30

Unaudited (thousands)

	2020	2019	2018	2017	2016
Assessed Value					
Residential	\$ 11,712,174	\$ 9,780,474	\$ 9,075,556	\$ 7,866,349	\$ 7,693,115
Commercial	7,176,022	6,007,635	5,520,450	4,790,744	4,776,337
Industrial	1,268,476	1,097,984	1,134,693	1,009,321	911,830
Agricultural	131,222	138,057	147,053	125,283	105,901
Oil/Gas Natural Resources	4,289,146	3,337,096	2,615,159	2,560,357	3,182,430
Other	1,152,692	1,210,156	1,379,118	1,293,412	1,279,792
Assessed value of properties ¹	<u>\$ 25,729,732</u>	<u>\$ 21,571,402</u>	<u>\$ 19,872,029</u>	<u>\$ 17,645,466</u>	<u>\$ 17,949,405</u>
Estimated actual taxable value ²	<u>\$195,474,271</u>	<u>\$163,528,648</u>	<u>\$151,243,740</u>	<u>\$132,544,573</u>	<u>\$132,013,690</u>
	13.2%	13.2%	13.1%	13.3%	13.6%

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.

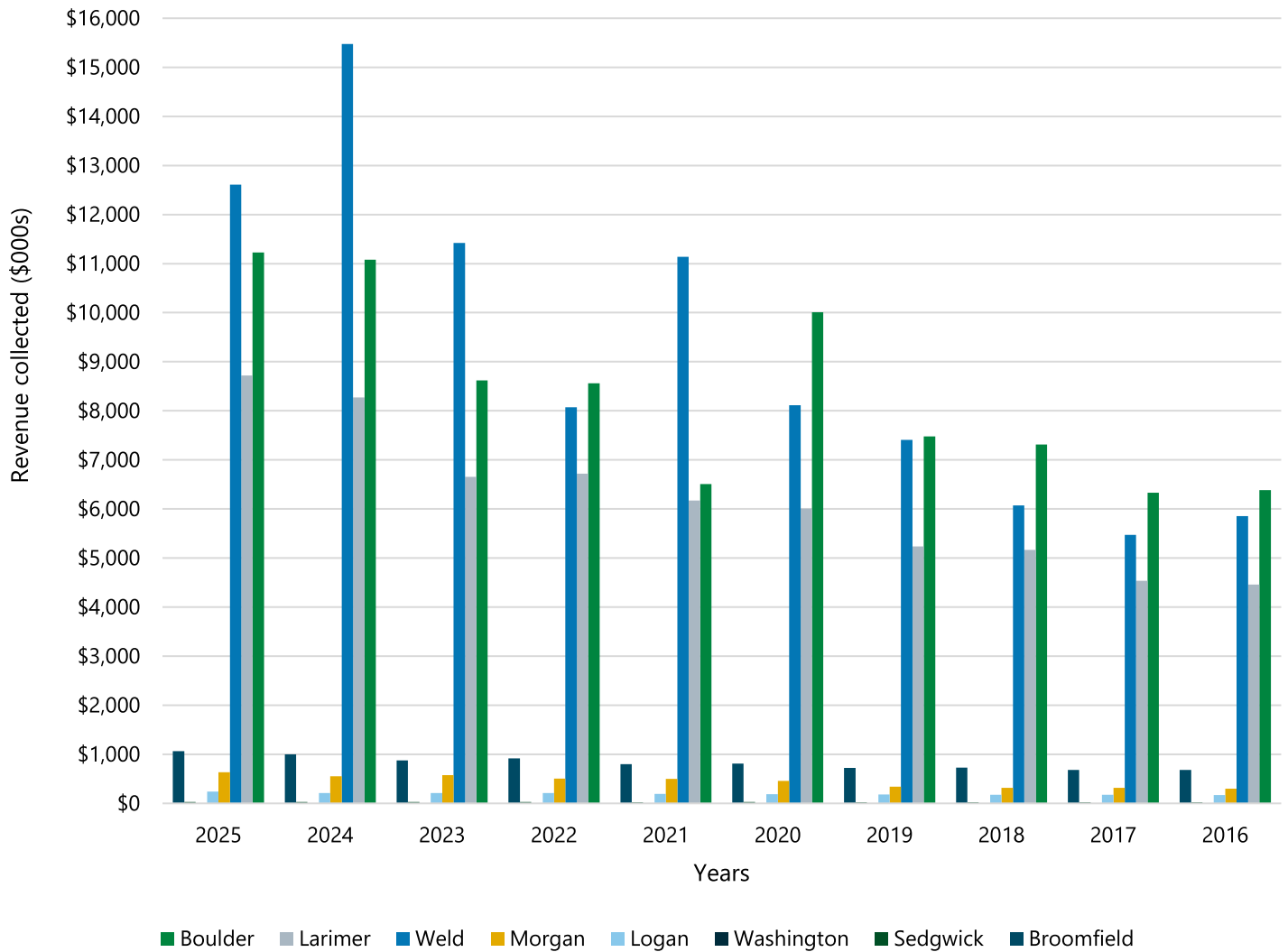
Property Tax Collections by County (2016 - 2025)

District Enterprise Fund

Years ended September 30

Unaudited

Property Tax Collection by County



Largest Corporate Taxpayers by Taxable Assessed Valuation (2016 and 2025)

District Enterprise Fund

Current year and nine years ago

Unaudited (thousands)

Taxpayer	2025 ¹			2016 ²		
	Rank	Taxable Assessed Valuation	Percent	Rank	Taxable Assessed Valuation	Percent
Noble Energy	1	\$ 2,400,310,220	6.3%	2	\$ 2,115,829,960	11.8%
PDC Energy, Inc.	2	2,296,789,060	6.0%			
Kerr-McGee Oil & Gas Onshore LP	3	1,963,846,044	5.1%	1	2,758,936,363	15.4%
Verdad Resources LLC	4	740,624,880	1.9%			
Extraction Oil & Gas	5	543,988,100	1.4%	8	186,796,300	1.0%
Bayswater Exploration and Production LLC	6	535,497,460	1.4%			
Public Service Company of Colorado (Xcel)	7	526,763,200	1.4%	6	402,220,400	2.2%
Civitas Resources Inc	8	520,891,470	1.4%			
Kerr McGee Gathering LLC	9	486,150,816	1.3%			
Crestone Peak Resources	10	352,927,150	0.9%			
Encana Oil & Gas (USA) Inc				3	639,256,280	3.6%
Bonanza Creek Energy				4	432,940,970	2.4%
Petroleum Development Corp				5	432,068,270	2.4%
DCP Midstream LP				7	202,790,600	1.1%
Bill Barret Corporation				9	164,266,450	0.9%
Whiting Oil and Gas				10	162,453,010	0.9%
Taxable assessed value of ten largest taxpayers		10,367,788,400	27.2%		7,497,558,603	41.8%
Taxable assessed value of other taxpayers		27,774,975,001	72.8%		10,451,846,397	58.2%
Taxable assessed value of all taxpayers		<u>\$ 38,142,763,401</u>	<u>100.0%</u>		<u>\$ 17,949,405,000</u>	<u>100.0%</u>

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 (2016 - 2025)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
District Enterprise Fund					
Certificates of Participation, Series 2021	\$ 48,165,000	\$ 49,130,000	\$ 50,060,000	\$ 50,955,000	\$ 52,050,000
Certificates of Participation, Series 2022	32,585,000	33,100,000	33,585,000	33,940,000	-
Certificates of Participation, Series 2012	-	-	-	-	-
Unamortized premium	11,385,316	12,167,334	12,963,460	13,857,774	11,241,545
Certificates of Participation Contracts Payable to Reclamation	92,135,316	94,397,334	96,608,460	98,752,774	63,291,545
Horsetooth Safety of Dams Pole Hill Canal	2,223,908	2,408,817	2,583,671	2,749,019	2,905,375
District Enterprise Fund	94,359,224	96,806,151	99,192,131	101,501,793	66,196,920
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	791,611	896,005	998,351	1,098,691	1,197,063
Colorado Water Conservation Board	3,900,424	4,048,734	4,194,138	4,336,689	4,476,446
Northern Water Hydropower	4,692,035	4,944,739	5,192,489	5,435,380	5,673,509
Total District Enterprise Fund and Northern Water Hydropower debt	\$ 99,051,259	\$ 101,750,890	\$ 104,384,620	\$ 106,937,173	\$ 71,870,429
District Enterprise Fund Outstanding Debt					
Per capita ²	\$ 84.99	\$ 90.04	\$ 93.19	\$ 96.55	\$ 63.79
Percentage of personal income ³	0.12%	0.12%	0.13%	0.17%	0.11%
District Enterprise Fund Contracts Payable to Reclamation					
Per capita ⁴	\$ 2.00	\$ 2.24	\$ 2.43	\$ 2.61	\$ 2.79

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 102 not significant.

² Computed by dividing total District Enterprise Fund debt by estimated population in Northern Water boundaries as shown on page 105.

³ Computed by dividing total District Enterprise Fund debt by total personal income as shown on page 105.

⁴ Computed by dividing District Enterprise Fund debt payable to Reclamation by estimated population in Northern Water boundaries as shown on page 105.

Statistics of Outstanding Debt by Type¹ (2016 - 2025) (continued)

District and Northern Water Hydropower Enterprise Funds

Years ended September 30

Unaudited

	2020	2019	2018	2017	2016
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
Unamortized premium	-	191,487	284,682	376,219	466,126
Certificates of Participation	-	2,611,487	3,854,682	5,046,219	6,206,126
Contracts Payable to Reclamation Horsetooth Safety of Dams	3,053,230	3,193,045	3,325,258	3,450,282	3,568,509
Pole Hill Canal	-	94,740	186,388	275,042	360,802
District Enterprise Fund	3,053,230	5,899,272	7,366,328	8,771,543	10,135,437
Northern Water Hydropower					
Colorado Water Resources and Power Development Authority	1,293,507	1,388,058	1,480,756	1,571,637	1,660,736
Colorado Water Conservation Board	4,613,462	4,747,792	4,879,488	5,008,601	5,135,183
Northern Water Hydropower	5,906,969	6,135,850	6,360,244	6,580,238	6,795,919
Total District Enterprise Fund and Northern Water Hydropower debt	\$ 8,960,199	\$ 12,035,122	\$ 13,726,572	\$ 15,351,781	\$ 16,931,356
District Enterprise Fund Outstanding Debt					
Per capita ²	\$ 2.99	\$ 6.00	\$ 7.00	\$ 9.00	\$ 11.00
Percentage of personal income ³	-	0.01%	0.01%	0.02%	0.02%
District Enterprise Fund Contacts Payable to Reclamation					
Per capita ⁴	\$ 2.99	\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00

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 102 not significant.

² Computed by dividing total District Enterprise Fund debt by estimated population in Northern Water boundaries as shown on page 105.

³ Computed by dividing total District Enterprise Fund debt by total personal income as shown on page 105.

⁴ Computed by dividing District Enterprise Fund debt payable to Reclamation by estimated population in Northern Water boundaries as shown on page 105.

DEMOGRAPHIC AND ECONOMIC INFORMATION



Northern Water Population and Economic Statistics¹ (2016 - 2025)

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021
Population in Northern Water Boundaries²	1,110,206	1,075,097	1,064,392	1,051,301	1,037,717
Per Capita Personal Income³					
Boulder County	\$ 100,242	\$ 98,553	\$ 89,593	\$ 83,173	\$ 79,698
Larimer County	71,359	67,849	67,849	64,258	60,219
Weld County	62,532	58,860	56,553	52,054	50,198
Personal Income (000s)³					
Boulder County	\$ 32,762,309	\$ 32,273,001	\$ 29,524,725	\$ 27,514,385	\$ 26,236,032
Larimer County	26,729,226	25,156,442	24,885,521	23,295,645	21,622,595
Weld County	21,100,000	17,300,000	21,000,000	12,700,000	15,300,000
Unemployment Rate³					
Boulder County	4.3%	2.9%	2.5%	4.4%	5.8%
Larimer County	3.9%	2.8%	2.9%	4.9%	6.3%
Weld County	4.7%	3.3%	3.0%	5.7%	7.2%

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 (2016 - 2025) (continued)

Years ended September 30

Unaudited

	2020	2019	2018	2017	2016
Population in Northern Water Boundaries²	1,020,792	1,000,013	982,678	959,455	922,233
Per Capita Personal Income³					
Boulder County	\$ 71,974	\$ 69,239	\$ 66,415	\$ 63,707	\$ 60,220
Larimer County	56,851	53,935	51,471	48,327	47,085
Weld County	46,172	44,080	42,701	42,787	27,047
Personal Income (000s)³					
Boulder County	\$ 23,625,957	\$ 23,932,182	\$ 21,939,604	\$ 20,924,309	\$ 20,412,704
Larimer County	20,290,065	18,905,188	17,704,788	16,360,187	15,671,771
Weld County	14,700,000	12,500,000	11,200,000	10,600,000	10,740,000
Unemployment Rate³					
Boulder County	2.0%	2.7%	2.6%	2.2%	2.9%
Larimer County	2.1%	2.7%	2.3%	2.8%	3.4%
Weld County	3.0%	2.7%	3.4%	3.8%	3.8%

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.

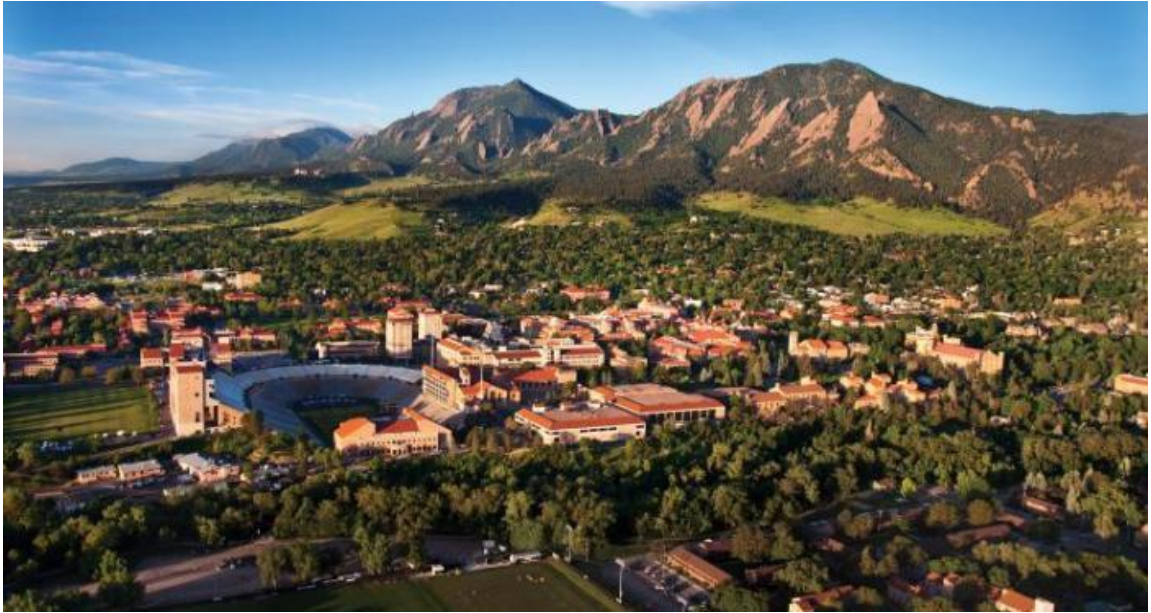
² Data calculated from ESRI Population Demographics that are developed from U.S. Census and other data sources.

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

Largest Employers by Principal Municipalities Served by Northern Water¹ (2016 and 2025)

Current year and nine years ago

Unaudited



City of Boulder^{1 2}

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
University of Colorado at Boulder	1	6,135	3.2%	1	7,964	3.8%
BAE Systems, Inc., Space & Mission Systems ³	2	5,000	2.6%	7	1,865	0.9%
St. Vrain Valley School District	3	4,500	2.3%	2	4,661	2.2%
Boulder Community Health ⁴	4	3,772	1.9%	9	1,796	0.9%
Boulder Valley School District	5	3,750	1.9%	3	4,381	2.1%
City of Boulder	6	2,359	1.2%	10	1,359	0.6%
Medtronic, Inc. ⁵	7	2,300	1.2%	8	1,800	0.9%
Boulder County	8	2,200	1.1%	5	1,957	0.9%
Google Boulder	9	1,500	0.8%	-	-	-
Intermountain Health ⁶	10	1,320	0.7%	6	1,900	0.9%
IBM	-	-	-	4	2,800	1.3%
Top ten principal employers		<u>32,836</u>	<u>16.9%</u>		<u>30,483</u>	<u>14.4%</u>

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 is taken from the December 31, 2024 City of Boulder Annual Comprehensive Financial Report.

³ Formerly Ball Aerospace.

⁴ Starting in 2024, employee numbers include Boulder Community Health - Foothills Hospital.

⁵ Formerly Covidien.

⁶ Formerly SCL Health Systems.

**Largest Employers by Principal Municipalities Served by Northern Water ¹ (2016 and 2025)
(continued)**

Current year and nine years ago

Unaudited



City of Fort Collins ¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Colorado State University	1	8,850	7.4%	1	6,400	8.6%
University Colorado Hospital Authority	2	5,900	5.0%	-	-	-
Poudre R-1 School District	3	4,600	3.9%	-	-	-
City of Fort Collins	4	2,550	2.1%	4	3,800	5.1%
Larimer County	5	2,550	2.1%	5	2,000	2.7%
Woodward	6	1,350	1.1%	8	1,700	2.3%
Broadcom (Avago)	7	1,050	0.9%	-	-	-
Tolmar Inc	8	750	0.6%	-	-	-
Front Range Community College	9	750	0.6%	-	-	-
Orthopaedic & Spine Center of the Rockies	10	700	0.6%	-	-	-
Poudre Valley Hospital	-	-	-	3	2,600	3.5%
Hewlett Packard	-	-	-	4	2,200	2.9%
Center Partners	-	-	-	7	820	1.1%
Agilent Technologies	-	-	-	8	800	1.1%
Anheuser Busch	-	-	-	9	700	0.9%
Advanced Energy Industries	-	-	-	10	600	0.8%
Top ten principal employers		29,050	24.3%		21,620	29.0%

¹ Data is taken from the December 31, 2024 City of Fort Collins Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2016 and 2025) (continued)

Current year and nine years ago

Unaudited



City and County of Broomfield¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Intermountain Health Care ²	1	1,050	2.4%	5	900	2.5%
City and County of Broomfield	2	975	2.3%	6	737	2.0%
BAE Systems ³	3	950	2.2%	9	680	1.9%
Oracle America	4	925	2.1%	2	2,000	5.6%
DanoneWave Foods ⁴	5	800	1.8%	-	-	-
Hunter Douglas Window Fashions Division	6	700	1.6%	4	920	2.6%
Vail Resorts	7	550	1.3%	8	680	1.9%
Crocs	8	525	1.2%	-	-	-
Children's Hospital	9	450	1.0%	-	-	-
Flatirons Dragados	10	425	1.0%	-	-	-
Level 3 Communications	-	-	-	1	2,400	6.7%
Urban Lending Solutions	-	-	-	3	930	2.6%
Staples Advantage	-	-	-	7	700	1.9%
TransFirst Holdings	-	-	-	10	660	1.8%
Top ten principal employers	-	7,350	16.9%	-	10,607	29.5%
Total employment	-	43,296	-	-	35,983	-

¹ Data is taken from the December 31, 2024 City and County of Broomfield Annual Comprehensive Financial Report.

² Formerly SCL Health Systems.

³ Formerly Ball Aerospace.

⁴ Formerly Whitewave foods.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2016 and 2025)
(continued)

Current year and nine years ago

Unaudited



City of Longmont¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
St. Vrain Valley Schools	1	5,848	10.1%	1	3,960	8.3%
City of Longmont	2	1,300	2.2%	6	818	1.7%
UCHealth Longs Peak Hospital	3	1,053	1.8%	-	-	-
Seagate Technology	4	800	1.4%	2	1,558	3.3%
The J.M. Smucker Company	5	620	1.1%	-	-	-
McLane Western	6	470	0.8%	9	432	0.9%
Intrado	7	434	0.8%	4	1,247	2.6%
Longmont United Hospital	8	430	0.7%	3	1,276	2.7%
Federal Aviation Administration	9	405	0.7%	8	448	0.9%
Wiland	10	266	0.5%	-	-	-
Circle Graphics	-	-	-	5	919	1.9%
DigitalGlobe	-	-	-	7	514	1.1%
Longmont Clinic	-	-	-	10	279	0.6%
Top ten principal employers		11,626	20.1%		11,451	24.0%

¹ Data taken from the December 31, 2024 City of Longmont Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2016 and 2025)
(continued)

Current year and nine years ago

Unaudited



City of Greeley¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
JBS USA & Affiliated Companies	1	5,141	9.2%	-	-	-
Banner Health Care/Northern Colorado Medical Center	2	4,558	8.1%	2	3,178	6.7%
Greeley/Evans School District 6	3	2,258	4.0%	3	2,320	4.9%
Weld County	4	1,823	3.3%	5	1,527	3.2%
University of Northern Colorado	5	1,221	2.2%	4	2,001	4.2%
City of Greeley	6	1,145	2.1%	7	1,268	2.7%
University Of Colorado Health Systems (All Weld)	7	1,030	1.8%	-	-	-
State Farm Insurance Companies	8	857	1.5%	6	1,193	2.5%
AIMS Community College	9	817	1.5%	9	609	1.3%
North Range Behavioral Health	10	560	1.0%	-	-	-
Colorado Premium Foods (K2D, LLC)	-	-	-	10	423	0.9%
Tele Tech	-	-	-	8	662	1.4%
JBS Swift & Company	-	-	-	1	3,885	8.2%
Top ten principal employers		19,410	34.7%		17,066	35.9%
Total employment		55,963			47,525	

¹ Data taken from the December 31, 2024 City of Greeley Annual Comprehensive Financial Report.

Largest Employers by Principal Municipalities Served by Northern Water¹ (2016 and 2025) (continued)

Current year and nine years ago

Unaudited



City of Loveland¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
Thompson School District R2-J	1	2,500	5.7%	1	3,615	8.3%
Medical Center of the Rockies	2	1,750	4.0%	2	1,329	3.0%
City of Loveland	3	1,400	3.2%	4	995	2.3%
Hach Company	4	900	2.0%	5	980	2.2%
Wal-Mart Distribution Center	4	900	2.0%	3	1,000	2.3%
Mckee Medical Center	6	750	1.7%	6	505	1.2%
University Colorado Hospital Authority -						
Specialty Care Medical Offices	7	700	1.6%	-	-	-
Simply Delicious LLC / Bobos	8	500	1.1%	-	-	-
Nutrien USA	9	400	0.9%	10	360	0.8%
Mears Group Inc.	9	400	0.9%	-	-	-
Woodward Governor	-	-	-	7	500	1.1%
Elevations Credit Union	-	-	-	8	380	0.9%
Miramount Lifestyle Fitness	-	-	-	9	370	0.8%
Top ten principal employers		10,200	23.1%		10,034	22.9%
Total employment		50,355			43,825	

¹ Data taken from the December 31, 2024 City of Loveland Annual Comprehensive Financial Report.

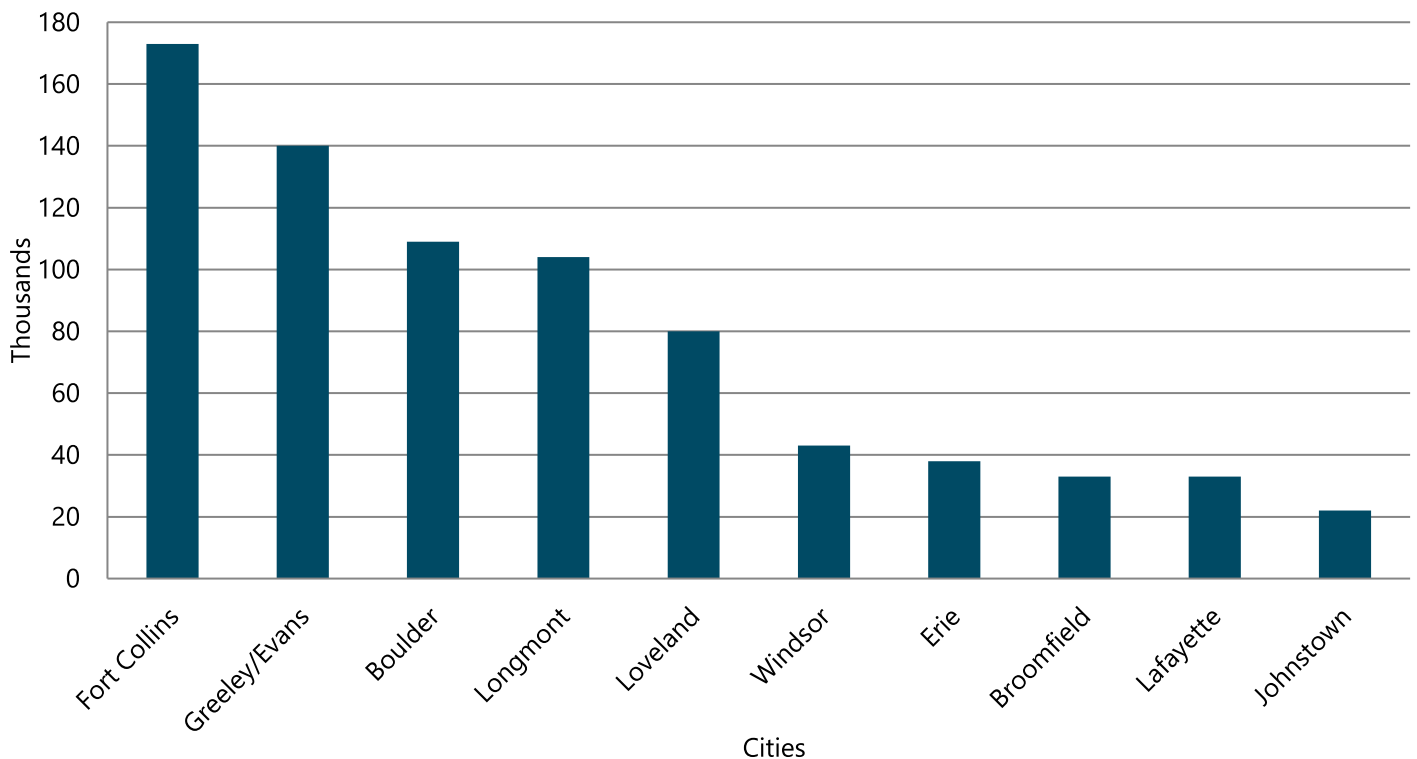
Population of Ten Largest Municipalities in Northern Water Boundaries (2016 and 2025)

Current year and nine years ago

Unaudited

Municipalities ¹	2025		2016	
	Population ²	Percentage	Population ³	Percentage
City of Fort Collins	173,039	15.6%	158,372	17.2%
Cities of Greeley/Evans	140,629	12.7%	122,886	13.3%
City of Boulder	109,191	9.8%	99,295	10.8%
City of Longmont	103,506	9.3%	92,247	10.0%
City of Loveland	79,815	7.2%	73,079	7.9%
Town of Windsor	43,371	3.9%	22,712	2.5%
Town of Erie	38,002	3.4%	18,109	2.0%
City and County of Broomfield	33,098	3.0%	29,129	3.2%
City of Lafayette	32,679	2.9%	26,697	2.9%
City of Johnstown	22,294	2.0%	-	-
City of Louisville	-	-	19,601	2.1%
Population of ten largest municipalities in Northern Water boundaries	775,624	69.9%	662,127	71.8%
Other municipalities and unincorporated areas	334,582	30.1%	260,106	28.2%
Estimated population within Northern Water boundaries	1,110,206	100.0%	922,233	100.0%

10 Largest Municipalities in Northern Water Boundaries



¹ Population data represent 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 2016 ACFR.

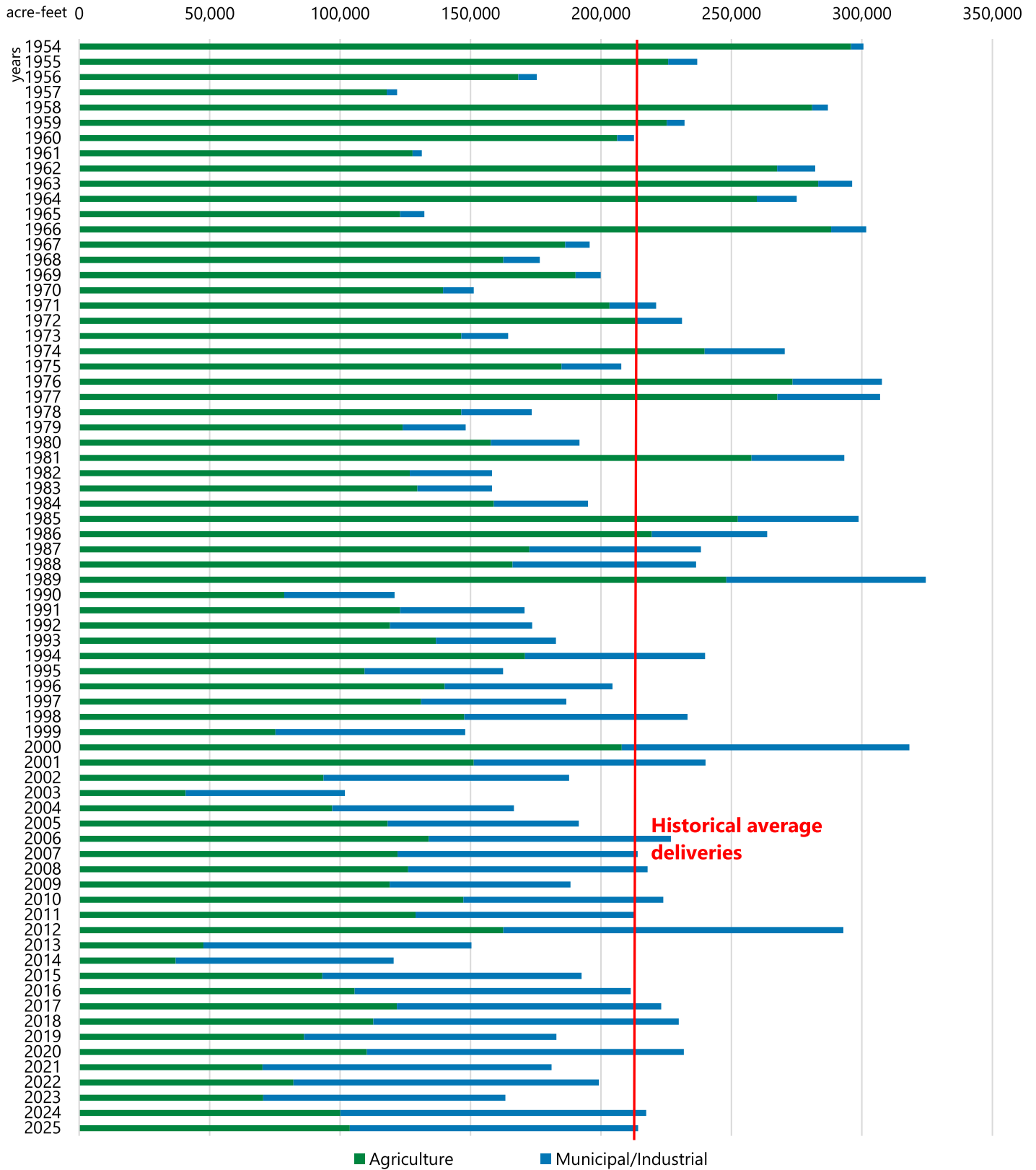


C-BT Project Water Deliveries¹ (Historical)

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 (2016 - 2025)

District Enterprise Fund

Years ended September 30

Unaudited

All measurements in acre-feet.

Year	Agricultural		Municipal/Industrial		Water Deliveries
	Deliveries	Percentage	Deliveries	Percentage	
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
2025	103,690	48.4%	110,515	51.6%	214,205
Historical average from 1954	156,352	74.0%	55,035	26.0%	211,348

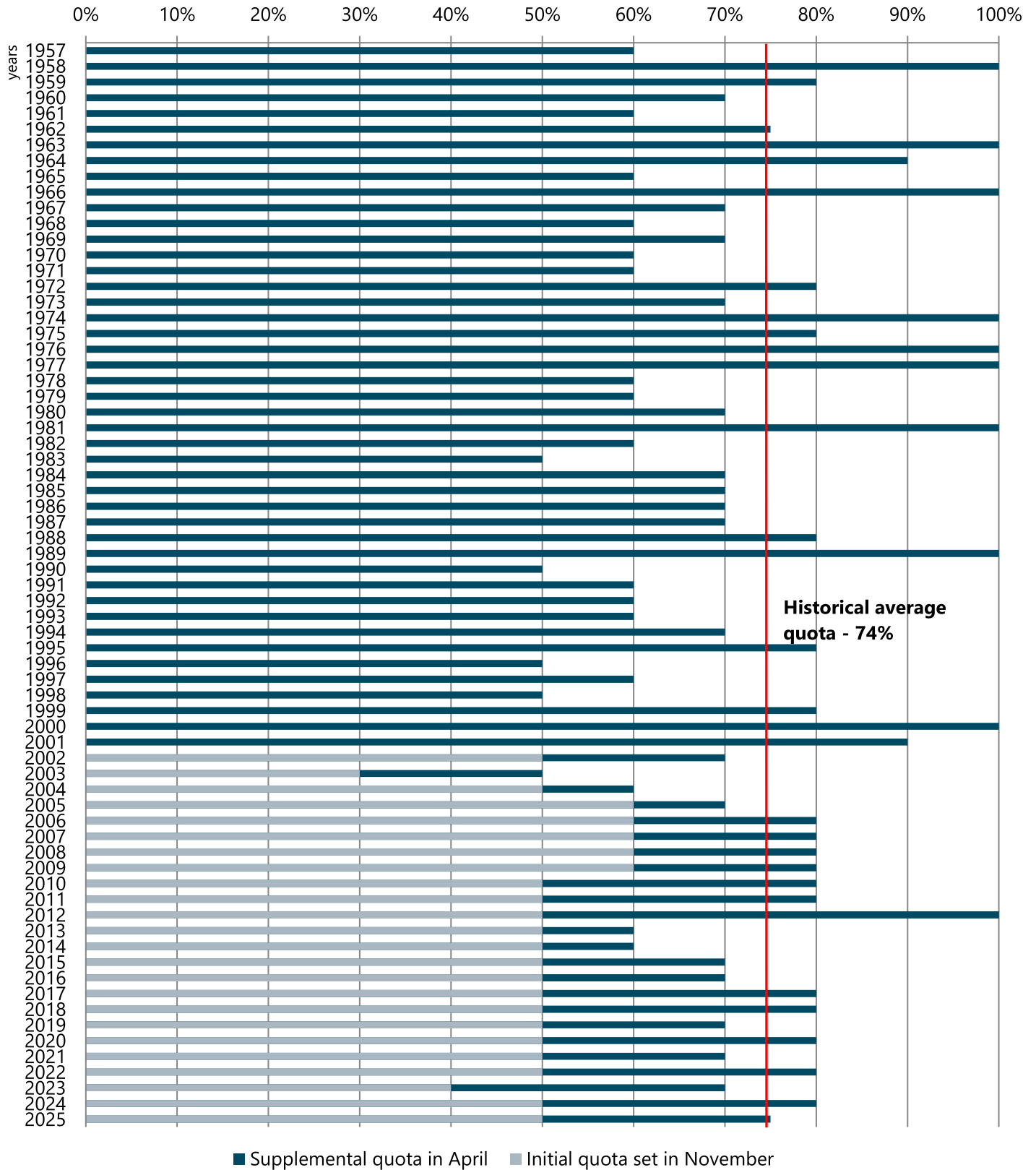
¹ Includes C-BT Project quota, carryover, non-charge, operations and Regional Pool water.

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 (2016 - 2025)

Years ended September 30

Unaudited

District Enterprise Fund	2025	2024	2023	2022	2021
Non-depreciable capital assets					
Land, easements and water rights	\$ 94,262,783	\$ 94,180,563	\$ 88,822,608	\$ 88,332,336	\$ 87,819,208
Construction in progress	1,729,440	6,202,735	28,638,291	66,049,710	19,282,569
Depreciable capital assets					
Buildings and improvements	127,319,136	125,008,314	86,633,697	23,558,603	23,298,526
Operations equipment	14,518,663	12,882,131	10,792,202	8,990,989	7,995,508
Water pipeline and equipment	622,217	179,679	179,679.00	90,778.00	-
Computer and office equipment	15,463,992	12,716,971	14,242,748	11,096,211	10,449,797
Capital assets	253,916,231	251,170,393	229,309,225	198,118,627	148,845,608
Less accumulated depreciation					
Buildings and improvements	(23,953,986)	(19,241,990)	(15,931,536)	(14,803,265)	(13,884,110)
Operations equipment	(8,382,152)	(7,293,699)	(6,670,975)	(6,181,298)	(5,369,881)
Water pipeline and equipment	(17,603)	(11,115)	-	-	-
Computer and office equipment	(9,277,375)	(8,458,994)	(9,283,437)	(8,365,028)	(7,446,919)
Accumulated depreciation	(41,631,116)	(35,005,798)	(31,885,948)	(29,349,591)	(26,700,910)
District Enterprise Fund capital assets, net	212,285,115	216,164,595	197,423,277	168,769,036	122,144,698
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	19,737	507,394	173,283	131,971	10,584,632
Depreciable capital assets					
Operations equipment	168,649	123,981	194,523	177,410	-
Water pipeline and equipment	131,522,422	130,581,383	130,079,664	129,629,299	119,007,737
Capital assets	136,943,791	136,445,741	135,680,453	135,171,663	134,825,352
Less accumulated depreciation					
Operations equipment	(67,380)	(54,593)	-	-	-
Water pipeline and equipment	(56,771,970)	(53,590,211)	(50,571,989)	(47,405,954)	(44,521,505)
Accumulated depreciation	(56,839,350)	(53,644,804)	(50,571,989)	(47,405,954)	(44,521,505)
Southern Water Supply Project capital assets, net	80,104,441	82,800,937	85,108,464	87,765,709	90,303,847
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	12,813	-	-	-
Depreciable capital assets					
Water pipeline and equipment	29,810,585	29,810,585	29,810,585	29,787,545	29,764,565
Capital assets	30,757,728	30,757,728	30,744,915	30,721,875	30,698,895
Less accumulated depreciation					
Water pipeline and equipment	(15,622,117)	(14,872,831)	(14,123,545)	(13,374,787)	(12,630,596)
Pleasant Valley Pipeline Project capital assets, net	15,135,611	15,884,897	16,621,370	17,347,088	18,068,299
Northern Integrated Supply Project					
Non-depreciable capital assets					
Land and easements	16,075,389	15,783,872	-	-	-
Construction in progress	150,506,840	132,063,569	113,287,802	87,457,346	69,503,327
Northern Integrated Supply Project capital assets, net	166,582,229	147,847,441	113,287,802	87,457,346	69,503,327
Northern Water Hydropower					
Non-depreciable capital asset					
Construction in progress	6,043	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	11,508,891	11,503,672
Less accumulated depreciation					
Hydropower plants	(3,270,281)	(2,981,676)	(2,693,072)	(2,404,468)	(2,115,864)
Northern Water Hydropower capital assets, net	8,238,610	8,527,215	8,815,819	9,104,423	9,387,808
Capital assets, net	\$ 482,346,006	\$ 471,225,085	\$ 421,256,732	\$ 370,443,602	\$ 309,407,979

Capital Assets by Northern Water Enterprise Fund (2016 - 2025) (continued)

Years ended September 30

Unaudited

District Enterprise Fund	2020	2019	2018	2017	2016
Non-depreciable capital assets					
Land, easements and water rights	\$ 87,363,568	\$ 84,541,864	\$ 84,252,380	\$ 81,911,417	\$ 81,996,315
Construction in progress	2,094,548	1,917,520	522,555	2,701,458	2,668,200
Depreciable capital assets					
Buildings and improvements	23,271,621	22,030,730	19,796,460	19,428,994	19,340,433
Operations equipment	6,784,510	6,343,738	5,476,107	5,472,775	5,370,649
Water pipeline and equipment	-	-	-	-	-
Computer and office equipment	10,264,276	9,358,085	9,698,287	10,055,588	9,382,832
Capital assets	129,778,523	124,191,937	119,745,789	119,570,232	118,758,429
Less accumulated depreciation					
Buildings and improvements	(13,013,770)	(12,152,680)	(11,380,960)	(10,622,714)	(9,865,172)
Operations equipment	(4,958,262)	(4,689,138)	(4,529,724)	(5,030,052)	(5,033,544)
Water pipeline and equipment	-	-	-	-	-
Computer and office equipment	(6,580,705)	(5,776,443)	(5,419,017)	(5,113,699)	(4,694,811)
Accumulated depreciation	(24,552,737)	(22,618,261)	(21,329,701)	(20,766,465)	(19,593,527)
District Enterprise Fund capital assets, net	105,225,786	101,573,676	98,416,088	98,803,767	99,164,902
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	8,842,041	38,796,165	8,999,194	3,857,236	2,189,374
Depreciable capital assets					
Operations equipment	-	-	-	-	-
Water pipeline and equipment	118,809,604	70,649,583	70,643,074	69,983,333	69,983,357
Capital assets	132,884,628	114,678,731	84,875,251	79,073,552	77,405,714
Less accumulated depreciation					
Operations equipment	-	-	-	-	-
Water pipeline and equipment	(41,628,039)	(39,452,542)	(37,777,246)	(36,117,443)	(34,461,533)
Accumulated depreciation	(41,628,039)	(39,452,542)	(37,777,246)	(36,117,443)	(34,461,533)
Southern Water Supply Project capital assets, net	91,256,589	75,226,189	47,098,005	42,956,109	42,944,181
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	29,764,565	29,732,205	29,732,205	29,732,205	29,732,205
Capital assets	30,698,895	30,666,535	30,666,535	30,666,535	30,666,535
Less accumulated depreciation					
Water pipeline and equipment	(11,886,482)	(11,149,576)	(10,406,271)	(9,662,966)	(8,919,661)
Pleasant Valley Pipeline Project capital assets, net	18,812,413	19,516,959	20,260,264	21,003,569	21,746,874
Northern Integrated Supply Project					
Non-depreciable capital asset					
Land and easements	-	-	-	-	-
Construction in progress	49,617,922	39,381,817	30,883,491	24,134,570	20,139,477
Northern Integrated Supply Project capital assets, net	49,617,922	39,381,817	30,883,491	24,134,570	20,139,477
Northern Water Hydropower					
Non-depreciable capital asset					
Construction in progress	-	-	-	-	-
Depreciable capital assets					
Hydropower plants	11,502,848	11,502,848	11,489,074	11,489,074	11,489,074
Capital assets	11,502,848	11,502,848	11,489,074	11,489,074	11,489,074
Less accumulated depreciation					
Hydropower plants	(1,827,259)	(1,540,032)	(1,252,804)	(965,578)	(678,352)
Northern Water Hydropower capital assets, net	9,675,589	9,962,816	10,236,270	10,523,496	10,810,722
Capital assets, net	\$ 274,588,299	\$ 245,661,457	\$ 206,894,118	\$ 197,421,511	\$ 194,806,156

Project Capacity Statistics by Northern Water Enterprise Fund

Year ended September 30, 2025

Unaudited

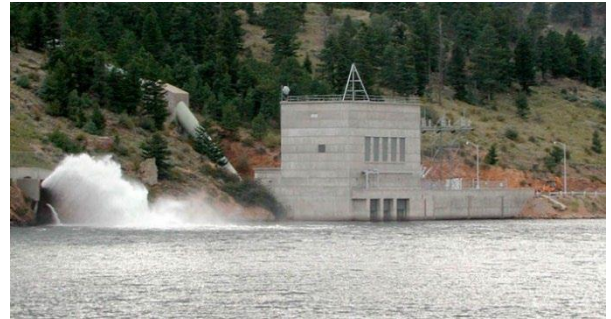
Northern Water

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, 2025

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)

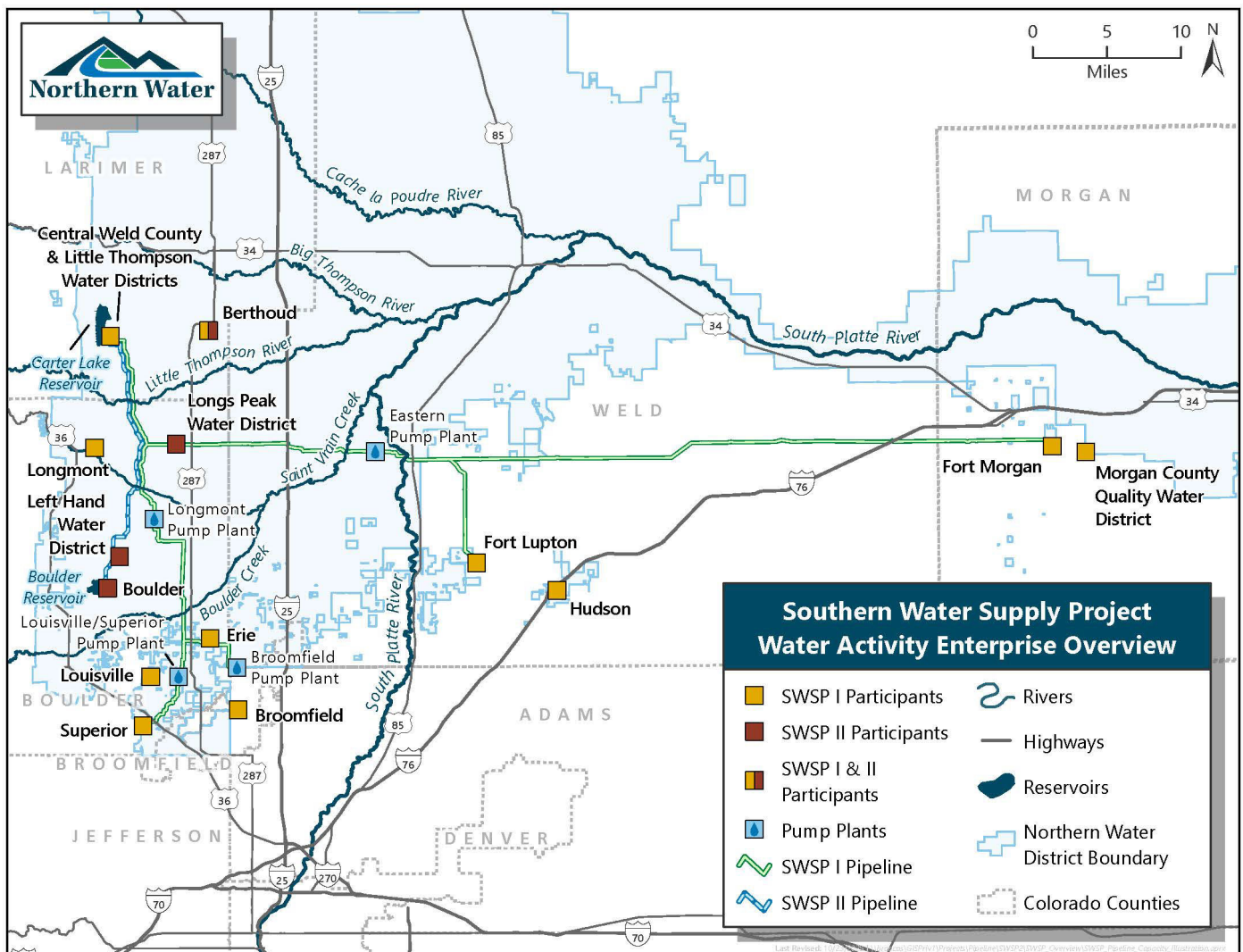
Southern Water Supply Project

Year ended September 30, 2025

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)

Northern Water Hydropower

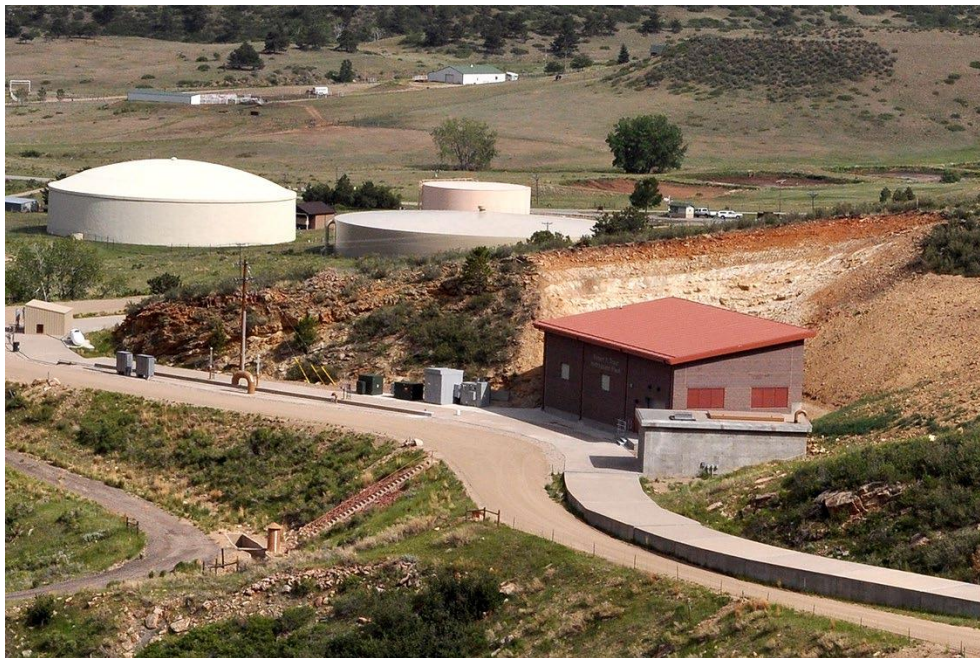
Year ended September 30, 2025

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 (2016 - 2025)

Years ended September 30

Unaudited

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Management	6	6	6	6	5	6	6	5	4	4
Human Resources ²	3	3	4	4	4	2	2	2	-	-
Policy Advisors	-	-	-	-	1	2	2	4	-	-
Operations Division										
Collection Systems	15	14	11	10	9	9	15	14	15	15
Control Center	9	7	6	6	6	6	-	-	-	-
Distribution Systems	19	19	18	21	17	19	17	15	16	19
Facilities and Equipment	16	15	14	12	12	13	10	11	10	9
Capital Improvements	-	-	-	-	-	-	1	2	-	-
Instrumentation Control and Electrical Engineering	6	7	7	7	7	6	4	5	5	5
Safety Officer	1	1	1	1	1	1	1	1	1	1
Operations Division	66	63	57	57	52	54	48	48	47	49
Engineering Division										
Project Management	11	11	10	12	11	10	8	7	7	5
Water Resources	5	5	5	4	5	5	3	7	5	5
Water Rights	4	4	4	3	3	3	-	-	-	-
Real Estate ³	5									
Emergency and Security	4	9	11	9	9	7	6	5	2	2
Engineering Division	29	29	30	28	28	25	17	19	14	12
Environmental Services Division										
Water Quality	7	7	6	8	7	8	6	6	5	4
Water Efficiency	6	5	5	4	5	4	4	4	6	6
Field Services	12	11	9	10	10	10	8	8	8	7
Environmental Planning	5	5	5	1	2	1	1	-	-	-
Environmental Data Management	2	2	2	1	1	1	-	-	-	-
Environmental Services Division	32	30	27	24	25	24	19	18	19	17
Finance and Administration Division										
Financial Services	13	13	11	9	10	7	8	6	6	6
Communications	9	8	7	7	7	7	7	5	7	6
Contracts	7	6	4	4	4	3	3	3	-	-
Cybersecurity & Governance ⁴	-	-	-	2	2	2	-	-	-	-
Information Technology	17	17	15	12	12	9	11	10	9	9
Water Scheduling	6	6	6	6	5	5	4	1	1	1
Records and Administrative Services	8	7	8	8	8	8	7	6	7	7
Finance and Administration Division	60	57	51	48	48	41	40	31	30	29
Full-time regular employees	196	188	175	167	163	154	134	127	114	111

¹ Statistics as of September 30, 2025.

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

³ In 2025, Real Estate split from Emergency and Security.

⁴ In 2023, the Cybersecurity and Governance merged with Information Technology.

GENERAL INFORMATION

Northern Water Organization and Contact Information

Year ended September 30, 2025

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, 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 Squire Patton Boggs 717 17th Street, Suite 1825 Denver, CO 80202 United States of America 303 830 1776

