



Municipal Subdistrict
Northern Colorado Water Conservancy District



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

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



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



Municipal Subdistrict

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INTRODUCTION





March 23, 2026

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

We are pleased to transmit the Annual Comprehensive Financial Report of the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict) for the fiscal year ended September 30, 2025. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the Subdistrict. All disclosures necessary to enable the reader to gain an understanding of the Subdistrict's financial activities have been included.

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

Plante & Moran, PLLC (Plante Moran), a certified public accounting and consulting firm, has issued unmodified opinions on the Subdistrict's financial statements as of and for the year ended September 30, 2025. The Plante Moran independent auditors' report is located on page 18 of the Financial Section of this report. State statute requires that an annual audit of the books of account, financial records and transactions of the Subdistrict be performed in accordance with generally accepted auditing standards by independent certified public accountants selected by the Subdistrict Board of Directors. Those requirements have been met.

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

Profile of the Subdistrict

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

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

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

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

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

The Subdistrict financial statements include the following:

Windy Gap Water Activity Enterprise Fund

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



Windy Gap Reservoir and the Colorado River Connectivity Channel on the right.

Windy Gap Firming Project Water Activity Enterprise Fund

The Windy Gap Firming Project constructed Chimney Hollow Reservoir from 2021 through 2025. This is the first reservoir to provide dedicated storage for the Windy Gap Project. The 12 Windy Gap Firming Project (WGFP) Participants will make use of this storage in Chimney Hollow Reservoir, which is located in southwest Larimer County. This project aligns with the Subdistrict's vision to ensure a secure water future for Northern Colorado. See major initiatives below.

LOCAL ECONOMY

The Colorado Economic & Revenue Forecast (Economic Outlook)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

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

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.



Homes through Municipal Subdistrict boundaries are subjected to assessed values.

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 coincidence with a sharp decline in immigration and artificial intelligence (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.

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 United States 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 fell to \$61.49 by 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 \$63.00 per barrel on average for drilling to be profitable, and around \$78.00 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 United States 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 12.0 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 5.0 percent in 2025, 4.1 percent in 2026 and 4.4 percent in 2027.
- Personal income growth in Colorado is 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.

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 over 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.

HIGHLIGHTS

Chimney Hollow Reservoir Project

Marking a major milestone, 2025 was the year construction wrapped up on Chimney Hollow Reservoir—the tallest new dam built in the United States in the past 25 years. In February, crews completed the spillway and received the final two valves on site. By April, the last quarry blast occurred, and all leakage testing on pipes and valves was successfully completed. In July, final testing wrapped up, the crusher was demobilized, and the main dam received its final asphalt layer. By August, the main dam was complete. Then, in late October, the Colorado Division of Water Resources Dam Safety Branch performed its final inspection of the structure. On December 19, 2025, the project reached substantial completion, marking a historic milestone for the project.



Construction of Chimney Hollow Reservoir was complete in late 2025.

Barnard Construction demonstrated an unwavering commitment to safety throughout four years of construction on Chimney Hollow. With over 3.4 million work hours logged, the project achieved an average Total Recordable Incident Rate (TRIR) of 1.4, significantly lower than the industry average of 2.6. Impressively, Barnard maintained a TRIR of less than 1.0 for the last two years, with no fatalities and only one lost-time injury during the entire project. These results reflect a culture where safety is not just a priority—it's a core value.

The work completed throughout the four years of construction stands as a testament to the perseverance and dedication of everyone involved, not only during construction, but also throughout the two decades of permitting and planning that made this project a reality.

Although initial plans called for water placement in the reservoir to begin in November, Municipal Subdistrict management and project participants are continuing water quality assessments near the site to address the presence of mineralized uranium identified earlier this year in the dam's embankment. The Municipal Subdistrict and the participants have decided to postpone the initial fill in order to gather more data to understand the water quality issue better and determine the best solution.

When the reservoir begins to fill, close monitoring and management will be essential, as the exposed rocks will come into direct contact with the water, leading to some uranium leaching. The leaching process is expected to decrease over time, although it is currently uncertain how long it will take. Staff and project participants are working diligently to collect data and explore operational strategies to address this temporary challenge. No water will be delivered from Chimney Hollow Reservoir until assessments are complete and a mitigation plan is developed to ensure a safe raw water supply.

Chimney Hollow Reservoir Project Funding

The Chimney Hollow Reservoir Project was funded by the issuance of the Series 2021 Senior Revenue Bonds and cash contributions from allottees. The bonds were issued in an original principal amount of \$169,705,000 with stated interest rates of either 4.0 percent or 5.0 percent. The bonds were sold at a premium to yield net proceeds of approximately \$218 million and a true interest cost of 2.96 percent. In addition, the Colorado Water Conservation Board provided a subordinated loan in the amount of \$90 million, which was amended in 2025 to \$154.5 million. See Notes 8 and 16 for more information.



Colorado River Connectivity Channel

In a May 2025 report following Colorado Parks and Wildlife’s first raft-based electrofishing survey of the Colorado River Connectivity Channel, CPW biologists noted “an increase in the native fish population numbers more quickly than anticipated.” The survey estimated roughly 848 brown trout and 221 rainbow trout over 6 inches within a one-mile stretch of the newly constructed channel, which was completed in 2024 to reconnect two segments of the Colorado River around Windy Gap Reservoir near Granby. Completed in 2024, the project reconnected the Colorado River around Windy Gap Reservoir dam to support the Windy Gap Firing Project mitigation and enhancement plan.

MAJOR ACTIVITIES AND INITIATIVES

Chimney Hollow Reservoir Project

Total project costs, including the reservoir, dam and appurtenances are expected to total \$675.0 million. Those costs include \$12.0 million in mitigation and enhancement measures, which includes work to improve aquatic habitat and flow conditions on the Colorado River and support of endangered species on the West and East Slopes. Substantially all the mitigation and enhancement costs required of WGFP were recognized in 2021, except for construction costs relating to the Colorado River Connectivity Channel, which completed construction in 2024, and an outstanding current liability to a third party.

Construction of the Chimney Hollow Reservoir Project was initially being financed in part with \$218.0 million in proceeds from the Senior Revenue Bonds, Series 2021 (Series 2021 Bonds) issued by WGFP, and a \$90.0 million subordinated loan from the Colorado Water Conservation Board (CWCB) reflecting the pooled interests of seven of the 12 WGFP allottees. In addition, funding includes just under \$300.0 million in up-front cash payments from the remaining five cash allottees. The seven allottees participating in the initial pooled financing consist of Platte River Power Authority, the cities of Greeley, Louisville, Fort Lupton and Lafayette, Superior Metropolitan District No. 1 and Little Thompson Water District. The five allottees cash funding their interests in the project consist of the City and County of Broomfield, the cities of Loveland, Longmont and Fort Lupton, and Central Weld County Water District. Bond proceeds funded a \$13.5 million debt service reserve account. Both bond proceeds and participant cash payments are held by a trustee and accessed by WGFP through the submission of monthly pay requests. To fully fund construction, WGFP raised an additional \$65.0 million in construction proceeds in 2025. Combined, Fort Lupton and Central Weld County Water District paid an additional \$1.0 million in cash for their portion, and WGFP increased the CWCB loan by \$64.0 million on behalf of the other 10 allottees. As of September 30, 2025, a total of \$90.0 million has been drawn on the CWCB loan. See Note 16 on page 45 for details.

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

Colorado River Connectivity Channel

The Subdistrict entered into an agreement to construct the Colorado River Connectivity Channel around the Windy Gap Reservoir dam, thereby reconnecting the Colorado River around the Windy Gap Reservoir dam. The channel will minimize the dam’s impact on the movement of aquatic species and the continuity of aquatic habitat in the river. Construction costs totaled \$25.5 million and were funded by a combination of resources, including funding from the Subdistrict and other stakeholders. Project partners include the Colorado Water Conservation Board, the National Resources Conservation Service through a subgrant with Trout Unlimited, the Colorado River Water Conservation District, Grand County (representing several separate interest groups) and Northern Water. The Colorado River Connectivity Channel meets certain WGFP agreements for mitigation and enhancement. The project was completed in late 2024.

FINANCIAL POLICIES

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

AWARDS AND ACKNOWLEDGEMENTS

Annual Comprehensive Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Subdistrict for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024. The Subdistrict has received this award every year since 1987. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report, the contents of which satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the September 30, 2025, Subdistrict ACFR continues to meet the Certificate of Achievement Program's requirements, and the Subdistrict will be submitting it to GFOA to determine its eligibility for another certification.

Annual Budget

The Subdistrict received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2024. To qualify for this award, the Subdistrict budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

Both the ACFR and Annual Budget are available at www.northernwater.org/financialreports.

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

Sincerely,

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

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

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

BOARD OF DIRECTORS AND OFFICERS

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

Current Board of Directors*



Bill Emslie
President
Larimer County
Aug. 20, 2010 – Sept. 28, 2029
✓



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



Steve Buckbee
Boulder County
Sept. 28, 2025 – Sept. 28, 2026
✿ ▶ ✓



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
✿ ◆ ✓



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



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



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

Municipal Subdistrict Officers:

Secretary Brad Wind, General Manager
Treasurer Gerald Gibbens, Director of Operations

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

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

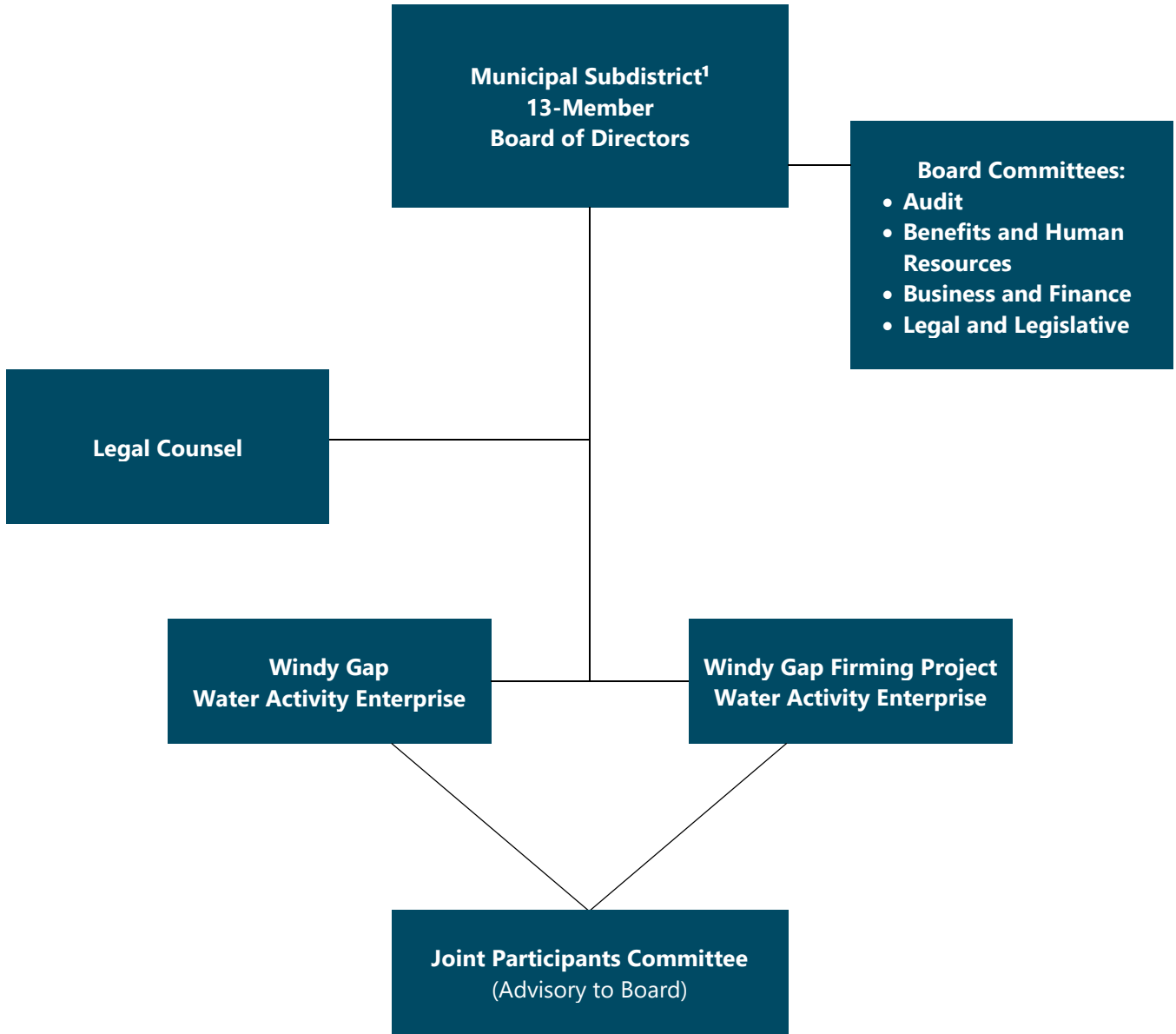
The Audit Committee meets semi-annually, or more often as necessary, to initiate and then conclude each year's annual financial audit process. The committee receives the auditor's findings and recommendations for changes to policy and procedures. The committee works closely with the independent auditors 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



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



Government Finance Officers Association

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

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO



Independent Auditor's Report

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

Opinions

We have audited the financial statements of each major fund of Municipal Subdistrict, Northern Colorado Water Conservancy District (the "Subdistrict") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Subdistrict's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Subdistrict as of September 30, 2025 and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Subdistrict and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Subdistrict's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Subdistrict's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Subdistrict's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended September 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Subdistrict's basic financial statements. The supplementary information, as identified in the table of contents, for the year ended September 30, 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
Municipal Subdistrict, 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

Management’s Discussion and Analysis presents a narrative overview of the financial activities of the Subdistrict for the fiscal year ended September 30, 2025. It should be read in conjunction with the additional information furnished in the transmittal letter on page 5 of this report.

Overview of the Financial Statements

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

The enterprise fund financial statements include the following:

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

Financial Analysis – Statement of Net Position¹

(condensed)

September 30,

	\$000s		
	2025	2024	Change
Assets			
Cash, cash equivalents and investments, unrestricted	\$ 48,851	\$ 50,045	\$ (1,194)
Cash equivalents and investments, restricted	27,796	104,336	(76,540)
Capital assets, net of accumulated depreciation	774,796	650,505	124,291
Other assets	1,818	5,195	(3,377)
Assets	853,261	810,081	43,180
Liabilities			
Current liabilities	59,096	73,321	(14,225)
Debt obligations and other noncurrent liability	290,849	288,998	1,851
Liabilities	349,945	362,319	(12,374)
Net Position			
Net investment in capital assets	440,620	394,216	46,404
Restricted net position			
Capital projects	1,158	15,205	(14,047)
Operations and maintenance	2,195	-	2,195
Debt service	24,443	21,694	2,749
Unrestricted net position	29,520	16,648	12,872
Net position	\$ 497,936	\$ 447,763	\$ 50,173

¹ Balances reflect both Subdistrict enterprise funds combined.

Financial Analysis – Revenues, Expenses and Changes in Net Position¹

(condensed)

Years ended September 30,

	\$000s		
	2025	2024	Change
Operating revenues			
Assessments	\$ 5,514	\$ 4,371	\$ 1,143
Other operating revenue	71	837	(766)
Operating revenues	5,585	5,208	377
Operating expenses			
Operations	(2,279)	(479)	(1,800)
Engineering	(107)	(301)	194
Environmental Services	(339)	(251)	(88)
Finance and Administration	(4,156)	(5,562)	1,406
Depreciation	(1,256)	(2,091)	835
Operating Expenses	(8,137)	(8,684)	547
Operating loss	(2,552)	(3,476)	924
Nonoperating revenues (expenses)			
Earnings on investments	4,807	12,298	(7,491)
Interest expense, net of premium amortization	(6,280)	(5,054)	(1,226)
Other	(22)	108	(130)
Nonoperating revenues (expenses)	(1,495)	7,352	(8,847)
Loss before contributions	(4,047)	3,876	(7,923)
Capital contributions			
Capital grants	1,899	7,159	(5,260)
Other capital contributions	52,321	134,520	(82,199)
Changes in net position	50,173	145,555	(95,382)
Net position, beginning of year	447,763	302,208	145,555
Net position, end of year	\$ 497,936	\$ 447,763	\$ 50,173

On a stand-alone basis, Windy Gap had a net position of \$55.1 million at September 30, 2025, which consisted of its net investment in capital assets of \$38.1 million and \$17.0 million of unrestricted net position. See the Statement of Net Position. Net position increased by \$648,000 over September 30, 2024, largely due to capital grants of \$1.9 million. Other significant variances included a decrease of \$1.8 million in accounts receivable due to collections on outstanding accounts receivable, a decrease in accounts payable and accrued liabilities of \$3.5 million due to the timing of certain payments, and an increase in related party payable of \$3.8 million due to amounts paid by Northern Water on the Subdistrict's behalf that are due to be repaid.

Net position for WGFP of \$442.8 million at September 30, 2025, primarily reflected its net investment in capital assets of \$402.5 million. See the Statement of Net Position. The net position increase was largely due to recognizing capital contributions from participants of \$52.3 million, of which \$34.9 million represents the recognition of contributions made by participants in previous years. The increase in capital assets of \$123.9 million, or 20.2 percent represents amounts expended to further the construction of the Chimney Hollow Reservoir dam. The reservoir construction project approached final completion during fiscal year 2025. The capital asset additions were paid for using cash and investments on hand at the beginning of fiscal year 2025, which decreased by \$76.4 million during 2025, along with capital contributions made during 2025, which were \$17.4 million, and draws totaling \$75.7 million on a subordinated loan from the CWCB. See the Debt Administration section below and Note 8 – Long Term Debt for additional details.

¹ Balances reflect both Subdistrict enterprise funds combined.

The increase in accounts payable and current liabilities of \$38.4 million or 1,381 percent was due to timing of certain payments related to the Chimney Hollow Reservoir construction project (a large amount of WGFP payables were also classified as noncurrent in the prior year and are now current as WGFP approaches completion and retainages are expected to be paid in 2026). Related party payables decreased by \$13.7 million as WGFP reimbursed the District for certain expenses paid by the District on behalf of WGFP in previous years. Other current liabilities consist of an amount due to the Grand Foundation that is required to be paid upon completion of the dam, which is expected in 2026. See the Debt Administration section below, as well as Note 9 for additional information.

Investment earnings decreased by \$7.5 million, or 60.9 percent, for Windy Gap Firming project compared to 2024 due to a reduction in invested amounts, as noted above. Interest expense increased by \$1.2 million, or 24.3 percent, due to accruing interest on the CWCB loan. Other Capital Contributions decreased by \$82.2 million, or 61.1 percent, as the remaining unearned contribution revenue was recognized in fiscal year 2025, as noted above.

Operations expenses increased by \$1.8 million, or 375.8 percent, primarily due to costs associated with pumping in 2025. No water was pumped in 2024. Finance and Administration expenses decreased by \$1.4 million, or 25.3 percent, primarily due to a decrease in carriage delivery expenses.

Capital Assets¹

(condensed)

September 30,

	\$000s		
	2025	2024	Change
Capital assets, net of depreciation			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	1,684	2,309	(625)
Construction in progress	770,595	645,679	124,916
Capital assets, net of depreciation	<u>\$ 774,796</u>	<u>\$ 650,505</u>	<u>\$ 124,291</u>

	\$000s		
	2025	2024	Change
Windy Gap			
Land and water rights	\$ 2,517	\$ 2,517	\$ -
Water diversion project, equipment and improvements	1,684	2,308	(624)
Construction in progress	34,047	33,025	1,022
Capital assets, net of depreciation	<u>\$ 38,248</u>	<u>\$ 37,850</u>	<u>\$ 398</u>
Windy Gap Firming Project			
Construction in progress	<u>\$ 736,548</u>	<u>\$ 612,654</u>	<u>\$ 123,894</u>

Overall capital assets for both Windy Gap and WGFP increased \$124.3 million from \$650.2 million in 2024 to \$774.8 million in 2025, reflecting an increase in construction in progress offset by current year depreciation of the Windy Gap water diversion project. The combined increase in construction in progress included costs relating to final completion costs for the Windy Gap's Colorado River Connectivity Channel of \$1.6 million (offset by \$632,000 in completed projects placed in service), WGFP's Chimney Hollow Reservoir Project construction costs of \$123.9 million, and approximately \$1.3 million of accumulated depreciation. See Note 7 for Capital Asset Activity and Note 14 for Intergovernmental Transactions.

¹ Balances reflect both Subdistrict enterprise funds combined.

Debt Administration¹

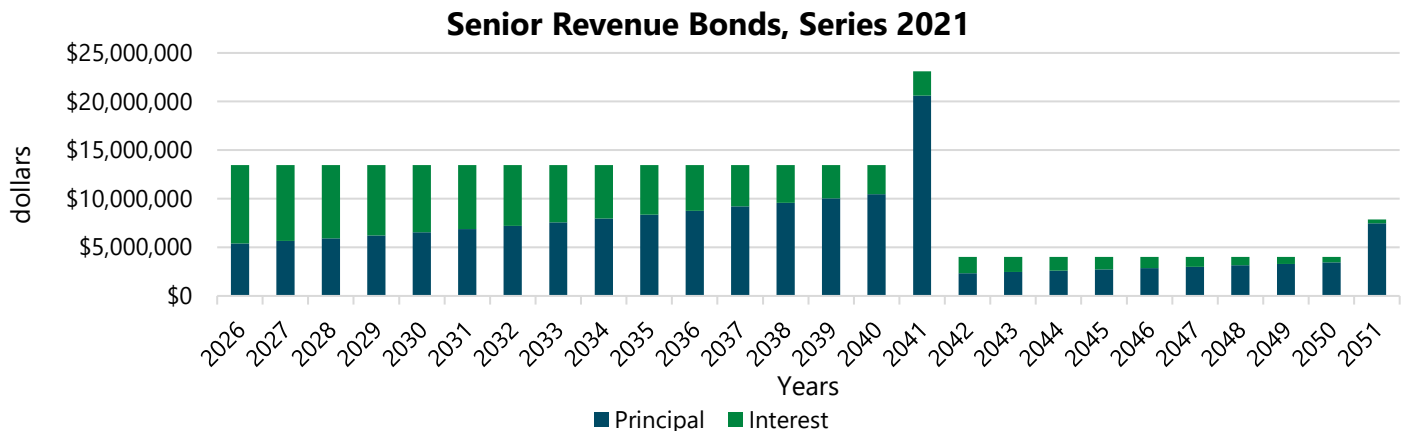
(condensed)

September 30,

	\$000s		
	2025	2024	Increase
Debt obligations			
Senior Revenue Bonds, Series 2021	\$ 205,988	\$ 209,045	\$ (3,057)
Colorado Water Conservation Board subordinated loan	90,241	14,539	75,702
Debt obligations	<u>\$ 296,229</u>	<u>\$ 223,584</u>	<u>\$ 72,645</u>

In 2021, WGFP issued the Series 2021 Bonds to partially fund the Chimney Hollow Reservoir Project. The bond offering was a pooled financing for seven of the 12 WGFP allottees. The bonds were issued in an original principal amount of \$169,705,000 and bear interest at either 4.0 percent or 5.0 percent. The bonds were issued at a premium of \$49 million. Some of the WGFP allottees elected to have a bond term of 20 years while the remainder elected a 30-year term. Bond proceeds of \$218.0 million, net of underwriter's discount, funded a construction fund account of \$204 million, a debt service reserve fund of \$13.5 million and a cost of issuance account of \$487,000. All bond proceeds are restricted and held in trust. Debt service payments are to be funded by annual participant assessments. The bond premium is amortized over the term of the bonds. All Series 2021 Bond funds have been expended as of September 30, 2025. Repayments begin in fiscal year 2026. In addition, as part of its mitigation and enhancement, WGFP entered into an agreement with a third party, the Grand Foundation, to pay \$15.0 million to be used to improve the habitat or water quality in areas impacted by the Subdistrict. Of the \$15.0 million, \$5.0 million was paid in 2021 and a subsequent \$5.0 million payment occurred in 2024 as the Chimney Hollow Reservoir Project dam construction reached its mid-point, with a final \$5.0 million payment to occur upon completion of the project (estimated to occur in 2026 and recorded as a current liability).

Finally, Windy Gap Firing Project entered into a \$90.0 million subordinated loan from the CWCB, with such funds to be used for the Chimney Hollow Reservoir Project construction. The 30-year loan is at 2.08 percent interest with a 1.0 percent origination fee included in the \$90.0 million total. On January 13, 2025, an amendment to the original CWCB subordinated loan was signed, increasing the subordinated loan amount by \$64.5 million. There were no other significant modifications made to the terms of the original loan agreement. Draws of \$90.2 million have been made on the loan as of September 30, 2025. Interest accrues throughout the draw period. See additional information relating to long-term debt and the Windy Gap Firing Project Enterprise Fund at Notes 8 and 9.

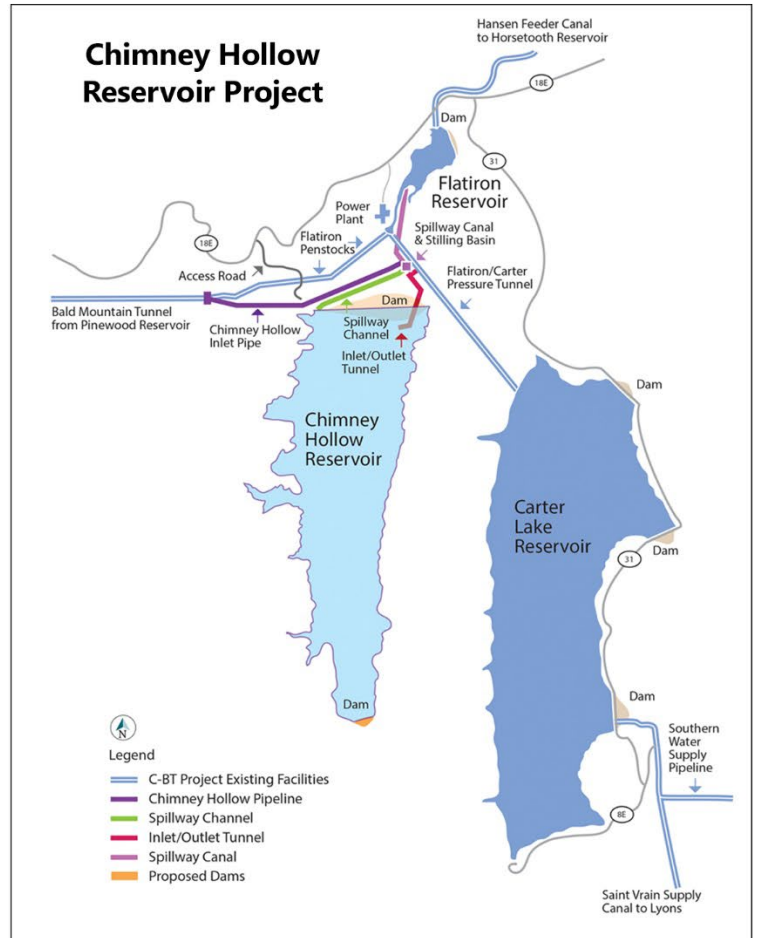
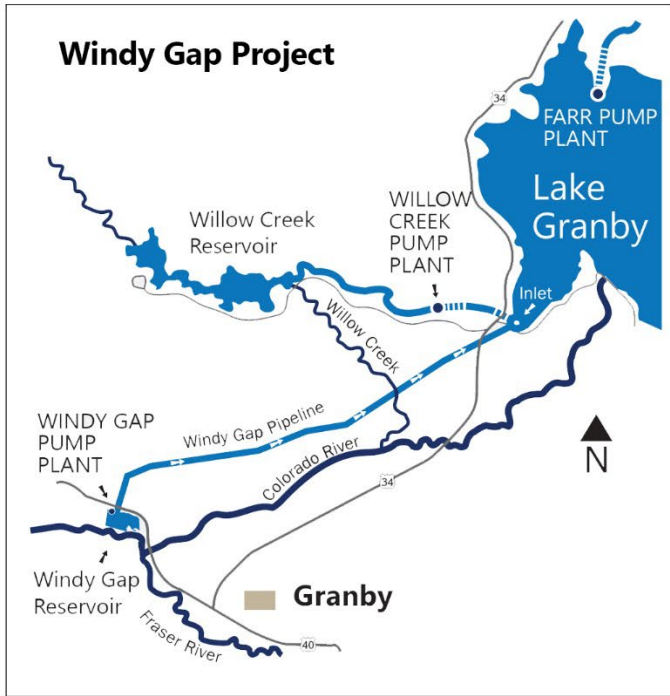
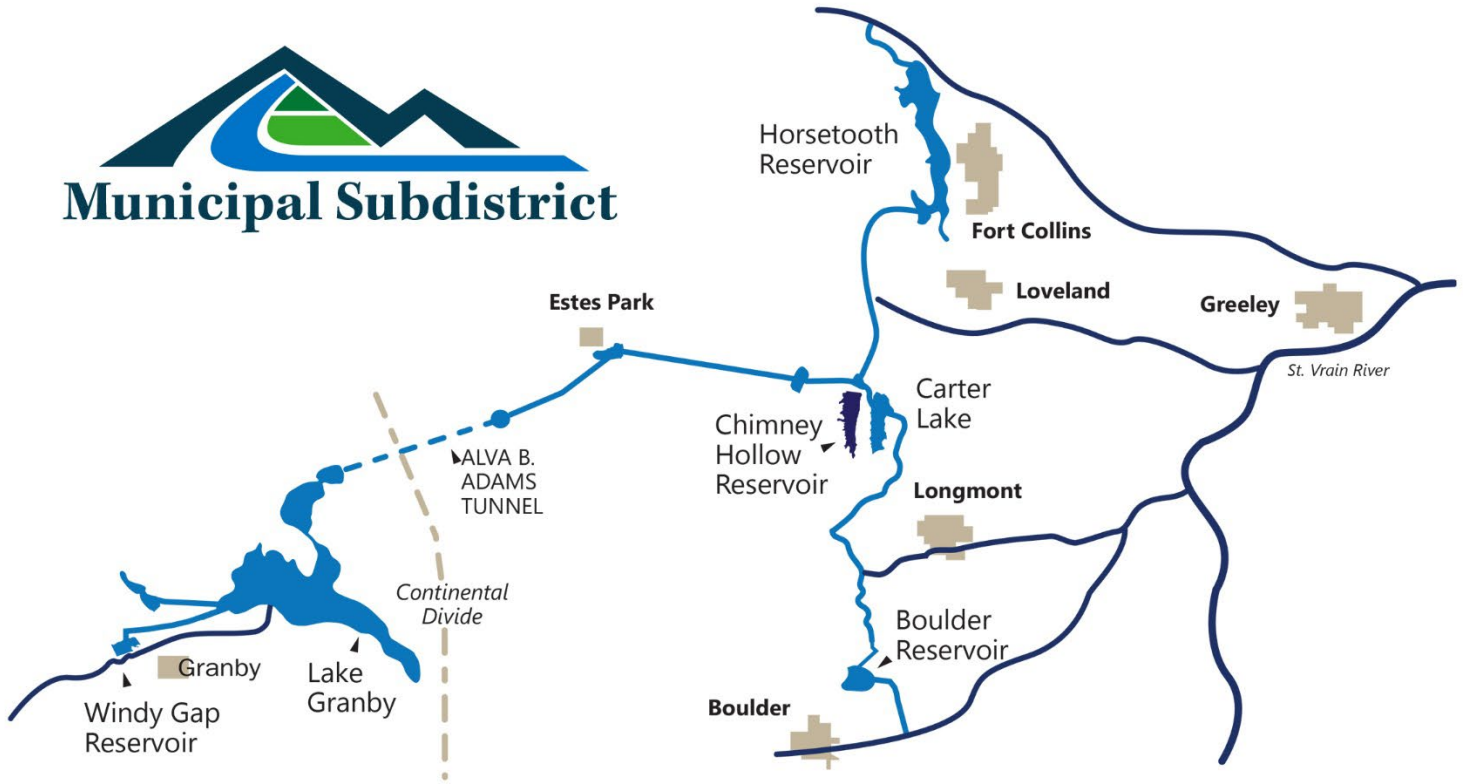


Financial Contact

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

¹ Balances reflect WGFP. Windy Gap had no debt outstanding at September 30, 2025.

Map of Windy Gap Project and the Chimney Hollow Reservoir Project





Statement of Net Position – Proprietary Funds

September 30, 2025

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
ASSETS			
Current assets			
Cash, unrestricted (Note 3)	\$ 10,672,618	\$ 21,215,636	\$ 31,888,254
Cash equivalents, restricted (Notes 3 and 5)	-	2,296,366	2,296,366
Investments, unrestricted (Note 4)	7,979,749	-	7,979,749
Receivables	295,371	780,514	1,075,885
Prepaid carriage cost	499,737	-	499,737
Other prepaids	7,094	50,000	57,094
Interest receivable	58,215	127,034	185,249
Water inventory	-	-	-
Current assets	19,512,784	24,469,550	43,982,334
Noncurrent assets			
Cash equivalents, restricted (Notes 3 and 5)	-	1,095,419	1,095,419
Investments, unrestricted (Note 4)	8,982,957	-	8,982,957
Investments, restricted (Notes 4 and 6)	-	24,404,411	24,404,411
Cash and investments, noncurrent	8,982,957	25,499,830	34,482,787
Capital assets	119,832,207	736,548,171	856,380,378
Less accumulated depreciation	(81,584,004)	-	(81,584,004)
Capital assets, net of accumulated depreciation (Note 7)	38,248,203	736,548,171	774,796,374
Noncurrent assets	47,231,160	762,048,001	809,279,161
Assets	\$ 66,743,944	\$ 786,517,551	\$ 853,261,495
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 459,931	\$ 41,139,676	\$ 41,599,607
Related party payable (Note 14)	7,050,345	\$ 1,359,528	8,409,873
Other current liabilities (Note 9)	-	5,000,000	5,000,000
Carriage costs payable	2,032,674	-	2,032,674
Current maturities of long-term debt	-	5,380,000	5,380,000
Unearned revenue	2,054,105	-	2,054,105
Current liabilities	11,597,055	52,879,204	64,476,259
Noncurrent liabilities			
Long-term debt, net of current maturities (Note 8)	\$ -	\$ 290,849,025	\$ 290,849,025
Noncurrent liabilities	-	290,849,025	290,849,025
Liabilities	\$ 11,597,055	\$ 343,728,229	\$ 355,325,284
NET POSITION			
Net investment in capital assets	\$ 38,136,782	\$ 402,483,339	\$ 440,620,121
Restricted net position			
Capital projects	-	1,157,901	1,157,901
Operations and maintenance	-	2,195,273	2,195,273
Debt service	-	24,443,023	24,443,023
Unrestricted net position (deficit)	17,010,107	12,509,786	29,519,893
Net position	\$ 55,146,889	\$ 442,789,322	\$ 497,936,211

See accompanying Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2025

	Business-type Activity Enterprise Funds		
	Windy Gap		Total
	Windy Gap	Firming Project	
Operating revenues			
Assessments	\$ 5,514,205	\$ -	\$ 5,514,205
Other operating revenue	71,325	-	71,325
Operating revenues	5,585,530	-	5,585,530
Operating expenses			
Operations	2,279,327	-	2,279,327
Engineering	106,835	-	106,835
Environmental services	339,473	-	339,473
Finance and Administration	4,155,049	-	4,155,049
Depreciation	1,256,462	-	1,256,462
Operating expenses	8,137,146	-	8,137,146
Operating loss	(2,551,616)	-	(2,551,616)
Nonoperating revenues and expenses			
Investment earnings (losses)	1,296,760	3,510,755	4,807,515
Interest expense, net of bond premium amortization	-	(6,280,391)	(6,280,391)
Nonoperating revenue other	4,225	11,650	15,875
Nonoperating expense other	-	(37,565)	(37,565)
Nonoperating revenues and expenses, net	1,300,985	(2,795,551)	(1,494,566)
Income (loss) before contributions	(1,250,631)	(2,795,551)	(4,046,182)
Capital contributions			
Capital grants	1,898,904	-	1,898,904
Other capital contributions	-	52,321,288	52,321,288
Increase in net position	648,273	49,525,737	50,174,010
Net position, beginning of year	54,498,616	393,263,585	447,762,201
Net position, end of year	\$ 55,146,889	\$ 442,789,322	\$ 497,936,211

See accompanying Notes to Financial Statements.

Statement of Cash Flows

Year ended September 30, 2025

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
Cash flows from operating activities			
Receipts from participants	\$ 3,902,001	\$ -	\$ 3,902,001
Payments to suppliers	(8,625,613)	-	(8,625,613)
Net cash used by operating activities	(4,723,612)	-	(4,723,612)
Cash flows from capital and related financing activities			
Capital contributions	-	18,484,755	18,484,755
Proceeds from debt issuance	-	75,702,909	75,702,909
Payments on other long-term liabilities	-	-	-
Interest payments on debt	-	(8,086,650)	(8,086,650)
Related party payments made, net of receipts	-	(13,725,868)	(13,725,868)
Intergovernmental grant proceeds	3,704,344	-	3,704,344
Acquisition and construction of capital assets	(1,653,966)	(152,247,671)	(153,901,637)
Net cash provided by capital and related financing activities	2,050,378	(79,872,525)	(77,822,147)
Cash flows from investing activities			
Investment purchases	(6,624,462)	(9,761,492)	(16,385,954)
Investment sales and net proceeds	5,787,759	62,833,059	68,620,818
Earnings (losses) on investments	1,296,760	3,080,006	4,376,766
Net cash provided (used) by investing activities	460,057	56,151,573	56,611,630
Net increase (decrease) in cash and cash equivalents	(2,213,177)	(23,720,952)	(25,934,129)
Cash and cash equivalents, beginning of year	12,885,795	48,328,373	61,214,168
Cash and cash equivalents, end of year	\$ 10,672,618	\$ 24,607,421	\$ 35,280,039
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (2,551,616)	\$ -	\$ (2,551,616)
Adjustments to reconcile operating income to net cash provided by operating activities			-
Depreciation	1,256,462	-	1,256,462
(Increase) decrease in current assets			
Water inventory	172,669	-	172,669
Prepaid carriage costs	368,371	-	368,371
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities	(3,069,842)	-	(3,069,842)
Related party payable	3,168,627	-	3,168,627
Carriage costs payable	(2,001,096)	-	(2,001,096)
Unused capacity payable	(383,658)	-	(383,658)
Unearned revenue	(1,683,529)	-	(1,683,529)
Adjustments	(2,171,996)	-	(2,171,996)
Net cash used by operating activities	\$ (4,723,612)	\$ -	\$ (4,723,612)
Non-cash activities			
Capital contributions revenue	\$ -	\$ 34,891,926	\$ 34,891,926
Capital additions included in payables	111,421	37,835,807	37,947,228
Bond premium amortization	-	3,057,442	3,057,442
Change in interest payable	-	1,251,184	1,251,184
Earnings (losses) on investments	-	430,749	430,749
Non-cash activities	\$ 111,421	\$ 77,467,108	\$ 77,578,529

See accompanying Notes to Financial Statements.

Notes to Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. Both Windy Gap and WGFP met these criteria as of September 30, 2025.

Assets, Liabilities and Net Position

Cash and Cash Equivalents, Unrestricted and Restricted

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

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

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

Investments, Unrestricted and Restricted

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

Note 1 continued

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

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

Certain investment balances are held in the Colorado Statewide Investment Pool (CSIP), a local government investment pool. The State Securities Commissioner administers and enforces State statutes governing the CSIP. The CSIP seeks to maintain a stable net asset value of \$1.00 per share. These balances are reported at amortized cost, which is not considered significantly different from fair value. There are no limitations or restrictions on withdrawals. As of September 30, 2025, the weighted average maturity of the liquid portfolios was 48 days. The weighted average maturity of the 2025 and 2026 term portfolios was 38 days and 142 days, respectively. CSIP had a Standard and Poor's rating of AAAM as of September 30, 2025.

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

Receivables

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

Water Inventory

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

Carriage Costs

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

Capital Assets

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

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

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

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

Leases

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

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

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

As of September 30, 2025, the Subdistrict has not identified any lease arrangements qualifying for recognition within the provisions of GASB 87 or GASB 96.

Accounts Payable and Accrued Liabilities

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

Related party payable

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

Unearned Revenue

Unearned revenue for Windy Gap consists of estimated carriage costs paid by participants over actual costs incurred that will be applied to future billings.

Note 1 continued

Net Position

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

Intergovernmental Grants

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

Operating Revenues and Expenses

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

2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Budgetary Data

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

The budget is presented to the Board for consideration and adoption in August to align it with the adoption of water assessments which are also approved. The Board, at its regular meeting on May 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 budget amounts between departments; however, any revisions that exceed the appropriated balances must be approved by the Subdistrict Board. Unused appropriations lapse at the end of each fiscal year. The overall objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Subdistrict Board.

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

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

3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents balance at September 30, 2025, were as follows:

Fund/Deposit Type	Current		Noncurrent		Cash and Cash Equivalents
	Unrestricted	Restricted	Unrestricted	Restricted	
Windy Gap					
Deposits	\$ 10,672,618	\$ -	\$ -	\$ -	\$ 10,672,618
Windy Gap	10,672,618	-	-	-	10,672,618
Windy Gap Firming Project					
Deposits	8,641,156	2,296,366	-	-	10,937,522
Money Market Funds	12,574,480	-	-	1,095,419	13,669,899
Windy Gap Firming Project	21,215,636	2,296,366	-	1,095,419	24,607,421
Cash and cash equivalents	\$ 31,888,254	\$ 2,296,366	\$ -	\$ 1,095,419	\$ 35,280,039

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

4 INVESTMENTS

Investment balances for the Subdistrict enterprise funds by investment type at September 30, 2025, were as follows:

Fund/Investment Type	Current		Noncurrent		Total Investments
	Unrestricted	Restricted	Unrestricted	Restricted	
Windy Gap					
U.S. Government Securities	\$ -	\$ -	\$ 5,567,826	\$ -	\$ 5,567,826
Federal Agency Securities	-	-	621,878	-	621,878
Federal Agency Collateralized Mortgage Obligations	-	-	1,526,689	-	1,526,689
Supranationals	-	-	717,342	-	717,342
Municipal Obligations	-	-	176,023	-	176,023
Local Government Investment Pool	7,979,749	-	108,223	-	8,087,972
Corporate Notes	-	-	264,976	-	264,976
Windy Gap	7,979,749	-	8,982,957	-	16,962,706
Windy Gap Firming Project					
U.S. Government Securities	-	-	-	13,875,802	13,875,802
Local Government Investment Pool	-	-	-	10,528,609	10,528,609
Windy Gap Firming Project Investments	-	-	-	24,404,411	24,404,411
	\$ 7,979,749	\$ -	\$ 8,982,957	\$ 24,404,411	\$ 41,367,117

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

	Level 1	Level 2	Fair Value
Investments by fair value level			
U.S. Government Securities	\$19,443,628	\$ -	\$ 19,443,628
Federal Agency Securities	-	621,878	621,878
Federal Agency Collateralized Mortgage Obligations	-	1,526,689	1,526,689
Supranationals	-	717,342	717,342
Municipal Obligations	-	176,023	176,023
Corporate Notes	-	264,976	264,976
Investments	\$19,443,628	\$ 3,306,908	\$ 22,750,536
Investments by amortized cost			
Colorado Statewide Investment Pool			18,616,581
Total Investments			\$ 41,367,117

Note 4 continued

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

Investment Type	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 (LGIP)	100%	100%	N/A	AAAm/AAAf
Money Market Funds ⁵	100%	100%	N/A	AAAm

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

¹ Rating required 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 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

At September 30, 2025, the Subdistrict had investments with the following ratings:

Investment Type	Rating	Investments	Percentage
U.S. Government Securities	See note	\$ 19,443,628	47.0%
Federal Agency Securities	AA+	621,878	1.5%
Federal Agency Collateralized Mortgage Obligations	AA+	1,526,689	3.7%
Supranationals	AAA	717,342	1.7%
Municipal Obligations	AA-	35,542	0.2%
Municipal Obligations	AA	75,357	0.2%
Municipal Obligations	AA+	19,742	0.0%
Municipal Obligations	AAA	25,070	0.1%
Municipal Obligations	NR	20,312	0.0%
Local Government Investment Pools (LGIP)	AAAm	18,616,581	45.0%
Corporate Notes	AA-	124,031	0.3%
Corporate Notes	AA	20,135	0.0%
Corporate Notes	AA+	120,810	0.3%
Investments		<u>\$ 41,367,117</u>	<u>100.0%</u>

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

Credit and Interest Rate Risk

Credit risk is generally considered to be the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Such risk is measured by the assignment of a rating by a nationally-recognized statistical rating organization. Concentration of credit risk derives from investments being concentrated with a single issuer. Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. At September 30, 2025, there were no investments greater than 5.0 percent of the portfolio with any one issuer.

At September 30, 2025, the Subdistrict had investments with the following maturities:

Investment Type	Investment Maturities					Investments
	1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	
U.S. Government Securities	\$ 1,769,803	\$ 7,198,069	\$ 7,780,795	\$ 1,266,281	\$ 1,428,680	\$ 19,443,628
Federal Agency Securities	-	83,863	81,495	290,834	165,686	621,878
Federal Agency Collateralized Mortgage Obligations	-	285,247	619,844	515,207	106,391	1,526,689
Supranationals	230,016	265,497	136,042	-	85,787	717,342
Municipal Obligations	64,710	25,070	55,854	-	30,389	176,023
Local Government Investment Pool	18,616,581	-	-	-	-	18,616,581
Corporate Notes	-	78,454	186,522	-	-	264,976
Investments	<u>\$ 20,681,110</u>	<u>\$ 7,936,200</u>	<u>\$ 8,860,552</u>	<u>\$ 2,072,322</u>	<u>\$ 1,816,933</u>	<u>\$ 41,367,117</u>

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

5 CASH EQUIVALENTS, RESTRICTED

Restricted cash equivalent balances have been classified as current and noncurrent consistent with the anticipated uses of the funds. Windy Gap had no restricted cash equivalents at September 30, 2025. WGFP restricted balances were as follows:

	<u>2025</u>
Current Cash Equivalents, Restricted	
Participant Capital Funds	\$ 1,157,901
Senior Revenue Bonds, Series 2021 Debt Service reserve	1,138,465
Current cash equivalents, restricted	<u>\$ 2,296,366</u>
Noncurrent Cash Equivalents, Restricted	
Operations and Maintenance Reserve	\$ 1,094,334
Senior Revenue Bonds, Series 2021 Debt Service reserve	1,085
Noncurrent cash equivalents, restricted	<u>\$ 1,095,419</u>

Senior Revenue Bonds, Series 2021, Debt Service Reserve is restricted for the payment of bond debt service requirements. The reserve is equal to the maximum annual debt service in any future year less any amounts anticipated to be released from the Debt Service Reserve Fund in such fiscal year.

- Operations and Maintenance Reserve is restricted for payment of operations and maintenance costs.
- Participant Capital Funds are restricted for payment of Chimney Hollow Reservoir Project construction costs. Any unused amounts are to be refunded to the participants once construction is complete.

6 INVESTMENTS, RESTRICTED

Restricted investments have been classified as current and noncurrent consistent with the anticipated uses of the funds. Windy Gap had no restricted investments at September 30, 2025. WGFP restricted balances were as follows:

	<u>2025</u>
Noncurrent Investments, Restricted	
Senior Revenue Bonds, Series 2021 Debt Service reserve	\$ 13,875,802
Senior Revenue Bonds, Series 2021 Liquidity Fund	9,427,669
Operations and Maintenance Reserve	1,100,940
Noncurrent investments, restricted	<u>\$ 24,404,411</u>

- Senior Revenue Bonds, Series 2021 Debt Service Reserve and Liquidity Fund are restricted for the payment of bond debt service requirements. The reserve is equal to the maximum annual debt service in any future year less any amounts anticipated to be released from the Debt Service Reserve Fund in such fiscal year.
- Operations and Maintenance Reserve is restricted for payment of operations and maintenance costs in excess of unrestricted funds on hand.

7 CAPITAL ASSETS

Capital asset activity for the Subdistrict enterprise funds for the year ended September 30, 2025, was as follows:

	2024	Additions	Retirements/ Other	2025
Windy Gap				
Capital assets				
Non-depreciable capital assets				
Construction in progress	\$ 33,025,371	\$ 1,654,219	\$ (632,271)	\$ 34,047,319
Land	2,046,198	-	-	2,046,198
Water rights	470,921	-	-	470,921
Depreciable capital assets				
Buildings, equipment and improvements	316,454	632,018	-	948,472
Water diversion project	82,319,297	-	-	82,319,297
Capital assets	118,178,241	2,286,237	(632,271)	119,832,207
Accumulated depreciation				
Buildings, equipment and improvements	(282,826)	(9,035)	-	(291,861)
Water diversion project	(80,044,717)	(1,247,426)	-	(81,292,143)
Accumulated depreciation	(80,327,543)	(1,256,461)	-	(81,584,004)
Capital assets, net	37,850,698	1,029,776	(632,271)	38,248,203
Windy Gap Firming Project				
Construction in progress	612,653,853	123,894,318	-	736,548,171
Capital assets, net of accumulated depreciation	\$ 650,504,551	\$ 124,924,094	\$ (632,271)	\$ 774,796,374

See outstanding commitments described in Note 15.

8 LONG-TERM DEBT

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

The bonds were issued with an original principal amount of \$169,705,000 and a premium of \$49,351,106. Annual principal payments on the bonds are due each July beginning in 2026. Some of the allottees elected to have a 20-year term. The other allottees chose a 30-year term. Interest is payable in semi-annual installments in January and July at either 4.0 percent or 5.0 percent beginning January 2022. Amortization of the related premium amounted to \$3,057,442 for the year ended September 30, 2025, and was credited against interest expense. The bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption under terms as described below.

	2024	Additions	Amortization	2025	Amounts Due Within One Year
Senior Revenue Bonds, Series 2021	\$ 169,705,000	\$ -	\$ -	\$ 169,705,000	\$ 5,380,000
Colorado Water Conservation Board Subordinated Loan	14,538,603	75,702,909	-	90,241,512	-
Unamortized premium	39,339,956	-	(3,057,443)	36,282,513	-
Long-term debt	<u>\$ 223,583,559</u>	<u>\$ 75,702,909</u>	<u>\$ (3,057,443)</u>	<u>\$ 296,229,025</u>	<u>\$ 5,380,000</u>

Annual debt service requirements to maturity are as follows:

Years ending September 30,	Principal	Interest	Annual Debt Service
2026	5,380,000	8,086,650	13,466,650
2027	5,655,000	7,817,650	13,472,650
2028	5,930,000	7,534,900	13,464,900
2029	6,230,000	7,238,400	13,468,400
2030	6,540,000	6,926,900	13,466,900
2031 - 2035	37,950,000	29,389,500	67,339,500
2036 - 2040	48,045,000	19,295,400	67,340,400
2041 - 2045	30,720,000	8,438,950	39,158,950
2046 - 2050	15,770,000	4,313,750	20,083,750
2051	7,485,000	374,250	7,859,250
Debt service	<u>\$ 169,705,000</u>	<u>\$ 99,416,350</u>	<u>\$ 269,121,350</u>

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

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

Note 8 continued

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

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

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

Redemption Date (July 15)	Amount
2047	\$ 2,995,000
2048	3,145,000
2049	3,305,000
2050	3,470,000
2051 [†]	7,485,000

(final maturity[†])

The bonds are special, limited obligations of WGFP payable solely from and secured solely by a pledge and assignment of revenues of WGFP derived from payments under allotment contracts with the pooled financing allottees. In accordance with the terms of the bond offering, a restricted debt service reserved reserve had been established. As of September 30, 2025, \$1,085 is remaining in the reserve account. All bond proceeds are held by a trustee for project costs.

Colorado Water Conservation Board Subordinated Loan

WGFP has a \$90.0 million subordinated loan from the Colorado Water Conservation Board, such funds to be used for the Chimney Hollow Reservoir Project construction. The 30-year loan is at 2.08 percent interest with a 1.0 percent origination fee included in the \$90.0 million total. On January 13, 2025, an amendment to the original loan contract was signed, increasing the subordinated loan amount by \$64.5 million. There were no other significant modifications to the terms of the original agreement.

Draws of \$90,241,512 have been made on the loan as of September 30, 2025. Interest is accrued during the drawdown period. When the drawdown period closes out, the 30-year repayment term will begin.

9 OTHER CURRENT LIABILITY

As part of its mitigation and enhancement efforts, WGFP entered into an agreement with a third party to pay \$15.0 million to be used for the design, construction and maintenance of projects to improve the aquatic and riparian habitat or water quality in areas impacted by the Windy Gap or WGFP projects. An initial payment of \$5.0 million was paid in August 2021. The second payment of \$5.0 million was paid on March 15, 2024, when Chimney Hollow Reservoir Project dam construction reached the midpoint. A final \$5.0 million payment will occur upon completion of the project, expected to be in 2026.

10 CAPITAL CONTRIBUTIONS

The WGFP allottees who did not participate in the pooled financing bond issuance contributed their share of the Chimney Hollow Reservoir Project costs in 2021 in cash, in accordance with the participant allotment contracts. The funding is recognized in the Statement of Revenues, Expenses and Changes in Net Position as capital contributions ratably as project costs are incurred. All amounts have been recognized as of September 30, 2025.

11 WINDY GAP PRINCIPAL PARTICIPANTS BASED ON ASSESSMENTS

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

Participant	2025
Platte River Power Authority	22.3%
City of Longmont	16.7%
City and County of Broomfield	11.7%
City of Greeley	10.2%
City of Loveland	8.3%

12 RISK MANAGEMENT

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

13 INTERGOVERNMENTAL GRANTS

To partially fund development of the Colorado River Connectivity Channel, the Subdistrict entered into subgrant agreements with Trout Unlimited, Colorado Water Conservation Board, Grand County and USDA's Natural Resources Conservation Service. Under the terms of the agreements, the Subdistrict was reimbursed for certain costs incurred for the project. In fiscal year 2025, \$2.2 million in eligible costs had been incurred and \$1.9 million was recognized as grant revenue, of which \$368,000 was from federal sources. These grants will be renewed and utilized throughout the construction period.

14 INTERGOVERNMENTAL TRANSACTIONS

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 payable, net with \$677,029 receivable). These revenues from Windy Gap to Northern Water provide compensation for prior water rights to the Windy Gap Participants. Northern Water also provides centralized cash receipts and disbursement functions for the Subdistrict, which are treated as reimbursements and impact solely the Statement of Net Position.

Of the \$8,409,873 reported as related party payable 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.

15 COMMITMENTS AND CONTINGENCIES

At September 30, 2025, the Windy Gap Firing Project had contract commitments for the design, construction management and construction for the Chimney Hollow Reservoir Project. The purchase order commitments had an original value of \$667.2 million; \$20.7 million remained outstanding at September 30, 2025.

The Windy Gap Project Enterprise Fund had contract commitments for the design, construction management and construction for the Colorado River Connectivity Project. The purchase order commitments had an original value of \$30.8 million; \$729,000 remained outstanding at September 30, 2025.

The Subdistrict has a perpetual commitment to provide water and water storage that can be used for environmental purposes. The commitment was valued at approximately \$40.0 million, representing management's best estimate given the future value of storage in the Chimney Hollow Reservoir Project and the value of water currently being delivered to other entities.

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

16 ENVIRONMENTAL REMEDIATION

The Subdistrict has identified elevated concentrations of dissolved uranium in water within the Chimney Hollow Reservoir footprint, attributable to naturally occurring minerals in the rock to construct the main embankment. Current modeling indicates uranium concentrations within the reservoir may exceed the water supply standard assigned to waters intended to be used as a public drinking water supply.

Management is evaluating the potential for uranium to move into water from the rock in the main embankment. Management has also begun evaluating multiple mitigation alternatives, should it be necessary, but has not determined a preferred alternative. Potential costs are not yet estimable.

As such, the Subdistrict has not recognized a liability because the obligation is not yet considered reasonably estimable; however, the Subdistrict may incur significant costs in future periods. Accordingly, this matter is disclosed as a contingency. Key uncertainties include:

- Uranium concentrations during and after full filling of the reservoir.
- The extent to which elevated uranium concentrations may affect groundwater quality and nearby wells.
- Selection and design specifications of a mitigation strategy.
- Regulatory requirements to implement mitigation.
- Timing and duration of required mitigation, if any.
- Cost variability due to the range of potential mitigation alternatives under consideration.

The Subdistrict will continue to monitor developments and update estimates as additional information becomes available.

SUPPLEMENTARY INFORMATION



Schedule of Revenues and Expenses, Budget to Actual

Windy Gap

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended September 30, 2024 Actual
	Budget (unaudited)	Actual	Variance	
Operating revenue sources				
Water assessments	\$ 6,490,412	\$ 5,514,205	\$ (976,207)	\$ 4,370,674
Other Operating Revenue	4,000	71,325	67,325	837,060
Operating revenue sources	6,494,412	5,585,530	(908,882)	5,207,734
Operating expense uses	(6,897,898)	(6,880,684)	17,214	(6,592,149)
Operating revenue sources over (under) expense uses	(403,486)	(1,295,154)	(891,668)	(1,384,415)
Nonoperating revenue sources				
Intergovernmental grants	1,650,000	1,898,904	248,904	7,158,977
Earnings on investments & Change in Value	893,772	1,296,760	402,988	1,245,642
Other nonoperating revenues	23,793	4,225	(19,568)	4,025
Nonoperating revenue sources	2,567,565	3,199,889	632,324	8,408,644
Nonoperating expense uses				
Capital purchases and project expenditures	(2,610,000)	(1,653,966)	956,034	(8,555,988)
Other nonoperating expenses	(250,000)	-	250,000	-
Contingency appropriation	-	-	-	-
Nonoperating expense uses	(2,860,000)	(1,653,966)	1,206,034	(8,555,988)
Nonoperating revenue sources over (under) expense uses	(292,435)	1,545,923	1,838,358	(147,344)
Revenue sources over (under) expenses uses	<u>\$ (695,921)</u>	<u>\$ 250,769</u>	<u>\$ 946,690</u>	<u>\$ (1,531,759)</u>
Adjustments to reconcile budgetary basis to GAAP basis				
Capital purchases and project costs		1,653,966		8,555,988
Depreciation		(1,256,462)		(2,091,400)
Changes in net position		<u>\$ 648,273</u>		<u>\$ 4,932,829</u>

Schedule of Revenues and Expenses, Budget to Actual

Windy Gap Firing Project

Non-GAAP Budgetary Basis

	Year ended September 30, 2025			Year ended September 30, 2024 Actual
	Budget (unaudited)	Actual	Variance	
Operating expense uses				
Operating expense uses	\$ (1,585,500)	\$ -	\$ 1,585,500	\$ -
Operating reserve payment	(2,000,000)	-	2,000,000	-
Liquidity fund reserve payment	(1,218,849)	-	1,218,849	-
Operating expense uses	(4,804,349)	-	4,804,349	
Nonoperating revenue sources				
Participant contributions	18,687,437	17,429,362	(1,258,075)	20,744,990
Earnings on investments and rental income	8,425,203	3,510,755	(4,914,448)	11,051,988
Contribution from the District	-	-	-	129,214
Capital contribution - Other	-	-	-	3,774
Other nonoperating revenues	30,000	11,650	(18,350)	30,000
Nonoperating revenue sources	27,142,640	20,951,767	(6,190,873)	31,959,966
Nonoperating expense uses				
Capital project expenditures	(131,987,438)	(123,894,318)	8,093,120	(234,634,963)
Settlement	(5,000,000)	-	5,000,000	-
Bond expenses	3,057,442	3,057,443	1	3,057,442
Debt Service	(8,086,650)	(8,086,650)	-	-
Contingency appropriation	(15,000,000)	-	15,000,000	-
Other nonoperating expenses	-	(37,565)	(37,565)	-
Nonoperating expense uses	(157,016,646)	(128,961,090)	28,055,556	(231,577,521)
Nonoperating revenue sources over (under) expense uses	(129,874,006)	(108,009,323)	21,864,683	(199,617,555)
Revenue sources over (under) expenses uses	\$ (134,678,355)	\$ (108,009,323)	\$ 26,669,032	\$ (199,617,555)
Adjustments to reconcile budgetary basis to GAAP basis				
Unearned revenue		34,891,926		113,741,133
Accrued interest expense		(9,337,834)		(8,111,888)
Debt service		8,086,650		
Capital project expenditures		123,894,318		234,610,028
Changes in net position		\$ 49,525,737		\$ 140,621,718

Schedule of Changes in Restricted Assets

Windy Gap Firming Project

Year ended September 30, 2025

Activity	Senior Revenue Bonds, Series 2021			
	Bond Proceeds Project Fund	Costs of Issuance Fund	Debt Service Reserve	Liquidity Fund
Cash and investment balances, beginning of year	\$ -	\$ -	\$ 7,438,313	\$ 8,048,936
Senior Revenue Bonds, Series 2021, bond proceeds	-	-	7,665,079	-
Transfer	-	-	(277,124)	1,001,479
Use of funds for construction project	-	-	-	-
Unrealized gains (losses) and interest income	-	-	(949,380)	377,254
Cash and investment balances, end of year	\$ -	\$ -	\$ 13,876,888	\$ 9,427,669

Activity	Participant Capital Funds	Revenue Account	Debt Service Fund	Operations and Maintenance Reserve
	Cash and investment balances, beginning of year	\$ 86,838,511	\$ -	\$ -
Transfer	(16,339,676)	-	8,674,597	-
Use of funds for construction project	(69,392,539)	-	(8,086,650)	-
Unrealized gains (losses) and interest income	51,605	-	550,517	184,622
Cash and investment balances, end of year	\$ 1,157,901	\$ -	\$ 1,138,464	\$ 2,195,274



STATISTICAL SECTION – INTRODUCTION AND CONTENTS

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

Maps

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

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Financial Trends

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

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Revenue Capacity

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

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Statement of Windy Gap and Windy Gap Firming Participant Units	59
Windy Gap Carriage, Energy, and Wheeling Charges (2016 - 2025).....	60

Debt Capacity

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

Statistics of Outstanding Debt by Type (2016 - 2025).....	63
Pledged Revenue Coverage.....	65

Demographic and Economic Information

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

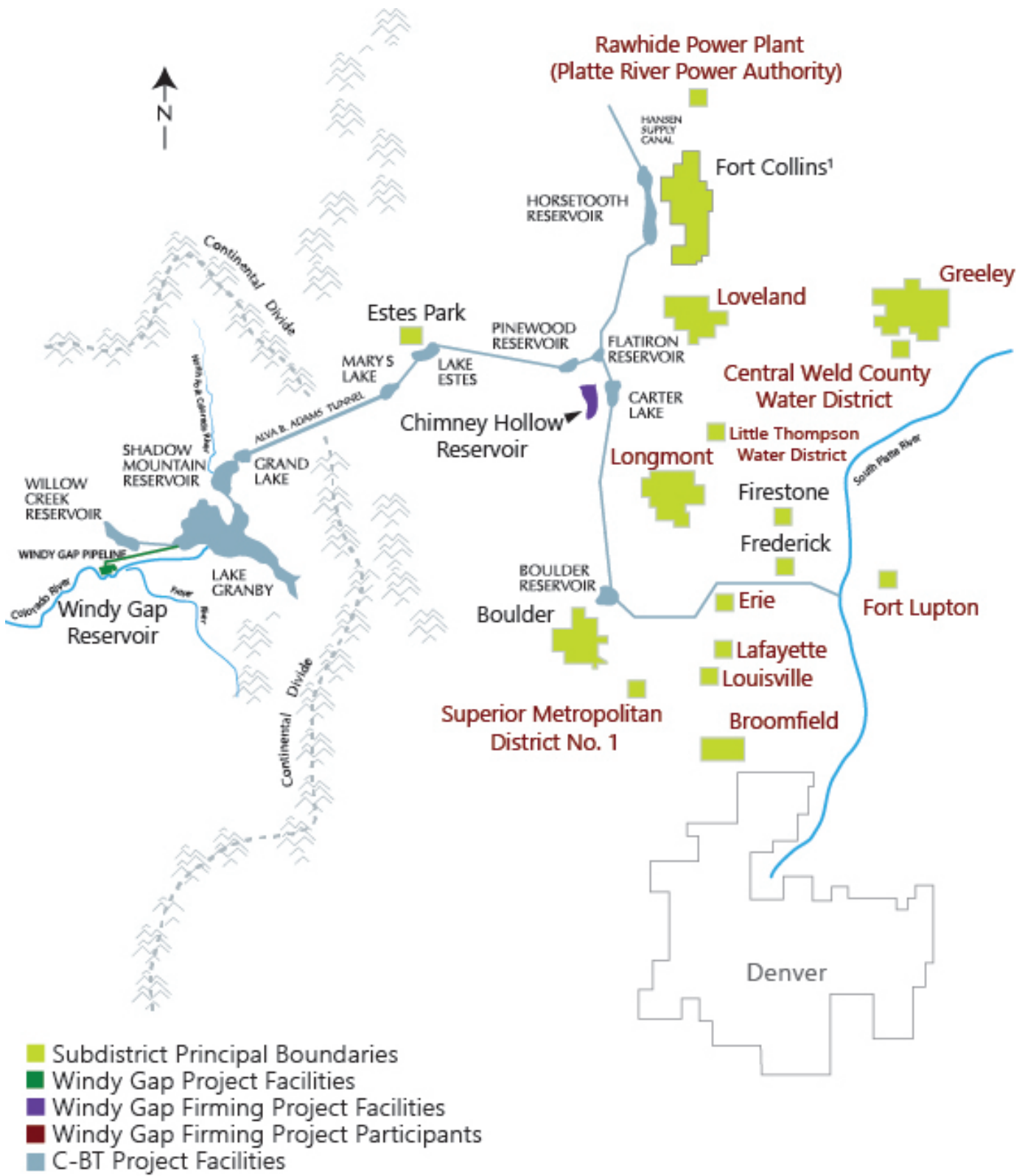
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Operating Information

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

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Windy Gap Project Water Pumped and Delivered (Historical)	77
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Windy Gap Firming Project	81

MAP OF SUBDISTRICT PARTICIPANTS



¹Fort Collins transferred its units to Platte River Power Authority



Statement of Revenues, Expenses and Changes in Net Position and Net Position by Component (2016 - 2025)¹

Years ended September 30,
Unaudited

	2025	2024	2023	2022	2021
Operating revenues					
Assessments	\$5,514,205	\$ 4,370,674	\$5,566,667	\$ 6,338,867	\$ 5,101,176
Other operating income	71,325	837,060	-	-	-
Operating revenue	<u>5,585,530</u>	<u>5,207,734</u>	<u>5,566,667</u>	<u>6,338,867</u>	<u>5,101,176</u>
Operating expenses					
Operations	2,279,327	478,743	246,392	5,582,391	3,919,301
Administration	4,155,049	5,561,512	4,403,560	776,824	672,661
Environmental Services ²	339,473	250,694	337,163	269,406	371,940
Engineering	106,835	301,200	65,353	79,554	467,422
Depreciation	1,256,462	2,091,400	2,091,400	2,088,475	2,088,395
Operating expenses	<u>8,137,146</u>	<u>8,683,549</u>	<u>7,143,868</u>	<u>8,796,650</u>	<u>7,519,719</u>
Operating loss	<u>(2,551,616)</u>	<u>(3,475,815)</u>	<u>(1,577,201)</u>	<u>(2,457,783)</u>	<u>(2,418,543)</u>
Nonoperating revenues (expenses)					
Earnings (loss) on investments	4,807,515	12,297,630	15,127,284	(8,684,958)	(375,232)
Bond issuance expenses	-	-	-	(3,485)	(1,602,260)
Interest expense	(6,280,391)	(5,054,446)	(5,017,442)	(4,983,380)	(476,693)
Loss on defeasance of water revenue bonds	-	-	-	-	-
Other nonoperating revenues	15,875	133,239	(12,088)	-	-
Other nonoperating expenses	(37,565)	(24,935)	352,304	(226,408)	6,227
Nonoperating revenues, net	<u>(1,494,566)</u>	<u>7,351,488</u>	<u>10,450,058</u>	<u>(13,898,231)</u>	<u>(2,447,958)</u>
Loss before contributions	<u>(4,046,182)</u>	<u>3,875,673</u>	<u>8,872,857</u>	<u>(16,356,014)</u>	<u>(4,866,501)</u>
Capital contributions					
Capital grants	1,898,904	7,158,977	12,673,557	5,309,517	2,822,153
Other capital contributions	52,321,288	134,519,897	94,853,408	69,372,986	20,413,724
Changes in net position	<u>\$50,174,010</u>	<u>\$145,554,547</u>	<u>\$116,399,822</u>	<u>\$58,326,489</u>	<u>\$18,369,376</u>
Net position					
Net investment in capital assets	\$440,620,121	\$394,215,991	\$256,829,651	\$168,263,443	\$92,844,039
Restricted net position					
Debt service	24,443,023	21,693,708	13,983,215	13,685,851	13,472,650
Operations and maintenance	2,195,273	-	-	-	-
Capital project	1,157,901	15,204,584	12,556,022	-	2,404,928
Unrestricted net position	<u>29,519,893</u>	<u>16,647,918</u>	<u>18,838,766</u>	<u>3,858,538</u>	<u>18,759,728</u>
Net position	<u>\$497,936,211</u>	<u>\$447,762,201</u>	<u>\$302,207,654</u>	<u>\$185,807,832</u>	<u>\$ 127,481,345</u>

¹ Amounts reflect the Subdistrict's two enterprise funds combined.

² Environmental Services Division created in 2018.

**Statement of Revenues, Expenses and Changes in Net Position
and Net Position by Component (2016 - 2025)¹ (continued)**

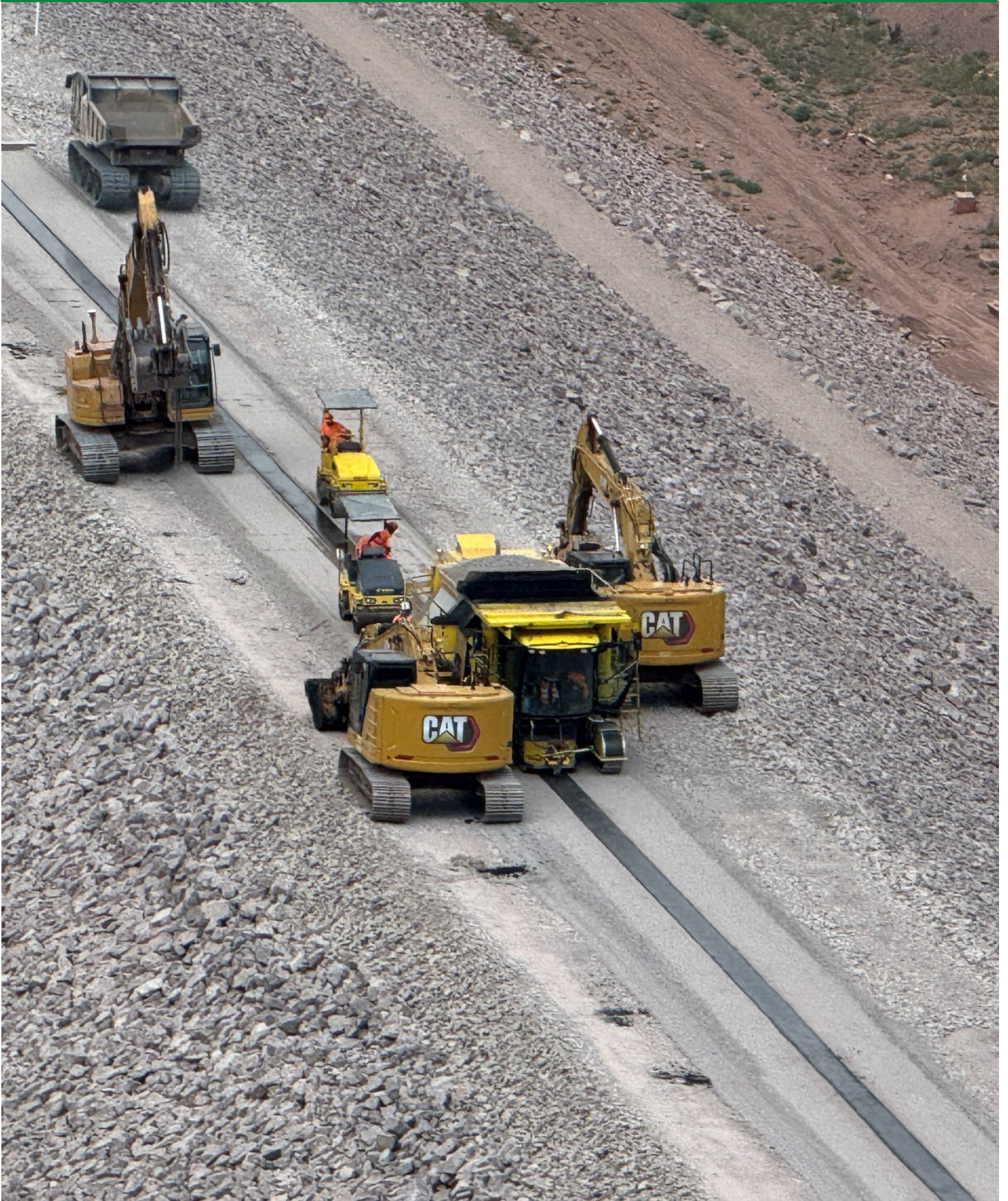
Years ended September 30,
Unaudited

	2020	2019	2018	2017 ²	2016
Operating revenues					
Assessments	\$3,687,686	\$3,407,426	\$3,615,652	\$2,959,905	\$12,873,962
Other operating income	-	6,286	29,785	-	-
Operating revenue	3,687,686	3,413,712	3,645,437	2,959,905	12,873,962
Operating expenses					
Operations	2,383,187	2,562,743	2,456,538	1,813,030	1,514,945
Administration	555,824	640,374	856,587	894,621	604,070
Environmental Services ³	322,443	295,559	-	-	-
Engineering	34,740	47,585	224,081	266,694	175,590
Depreciation	2,082,887	2,081,291	2,081,291	2,079,764	2,078,999
Operating expenses	5,379,081	5,627,552	5,618,497	5,054,109	4,373,604
Operating income/(loss)	(1,691,395)	(2,213,840)	(1,973,060)	(2,094,204)	8,500,358
Nonoperating revenues (expenses)					
Earnings on investments	634,152	672,708	120,867	129,556	166,206
Bond issuance expenses	-	-	-	-	-
Interest expense	-	-	-	-	(638,455)
Loss on defeasance of water revenue bonds	-	-	-	-	(864,629)
Other nonoperating revenues	-	20,097	44,957	73,820	342,442
Other nonoperating expenses	-	20,097	44,957	73,820	342,442
Nonoperating revenues, net	634,152	692,805	165,824	203,376	(994,436)
Income before contributions	(1,057,243)	(1,521,035)	(1,807,236)	(1,890,828)	7,505,922
Capital contributions					
Capital grants	141,863	-	-	-	-
Other capital contributions	12,315,993	10,386,309	9,181,914	10,534,897	14,103,950
Changes in net position	\$11,400,613	\$ 8,865,274	\$ 7,374,678	\$ 8,644,069	\$ 21,609,872
Net position					
Net investment in capital assets	\$80,935,339	\$73,556,919	\$64,860,852	\$53,771,856	41,892,903
Restricted net position					
Debt service	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Capital project	9,386,216	4,998,664	5,216,736	9,154,797	12,555,702
Unrestricted net position	18,790,414	19,155,773	18,768,494	18,544,751	18,378,730
Net position	\$109,111,969	\$97,711,356	\$88,846,082	\$81,471,404	\$72,827,335

¹ Amounts reflect the Subdistrict's two enterprise funds combined.

² In 2017 assessments were reduced due to the extinguishment of debt in 2016.

³ Environmental Services Division created in 2018.



Windy Gap Assessments by Participant (2016 - 2025)

Years ended September 30,

Unaudited

Participant	2025	2024	2023	2022	2021
Platte River Power Authority	\$ 971,765	\$ 1,050,490	\$ 1,180,922	\$ 977,263	\$ 900,434
City and County of Broomfield	1,180,023	1,135,650	1,291,236	1,232,209	894,274
City of Greeley	757,177	517,781	569,938	1,056,619	608,589
City of Longmont ⁽²⁾	345,961	45,862	731,679	933,657	450,276
City of Loveland	426,732	(219,006)	253,063	166,334	193,408
Town of Erie	343,531	412,151	460,278	441,474	138,289
Superior Metropolitan District No. 1	250,446	221,521	268,012	248,234	281,168
City of Fort Lupton	239,822	267,729	272,251	278,662	266,446
City of Boulder	206,440	163,462	196,124	190,720	167,813
Little Thompson Water District	198,849	222,176	82,379	188,462	105,667
City of Louisville	42,218	38,466	100,424	37,381	43,950
Town of Frederick	117,855	143,940	44,714	158,786	34,184
Central Weld County Water District	16,837	3,845	11,569	22,683	4,883
Town of Firestone	108,414	102,677	115,732	113,421	24,416
City of Dacono	81,552	28,492	61,594	113,865	97,900
Town of Berthoud	147,394	44,619	157,816	125,623	116,921
Town of Estes Park	28,679	24,873	33,231	31,899	31,523
City of Lafayette	50,512	12,501	34,538	68,061	14,650
Unearned revenue adjustment	-	153,445	(298,833)	(46,487)	726,386
Assessments	\$ 5,514,205	\$ 4,370,674	\$ 5,566,667	\$ 6,338,866	\$ 5,101,177

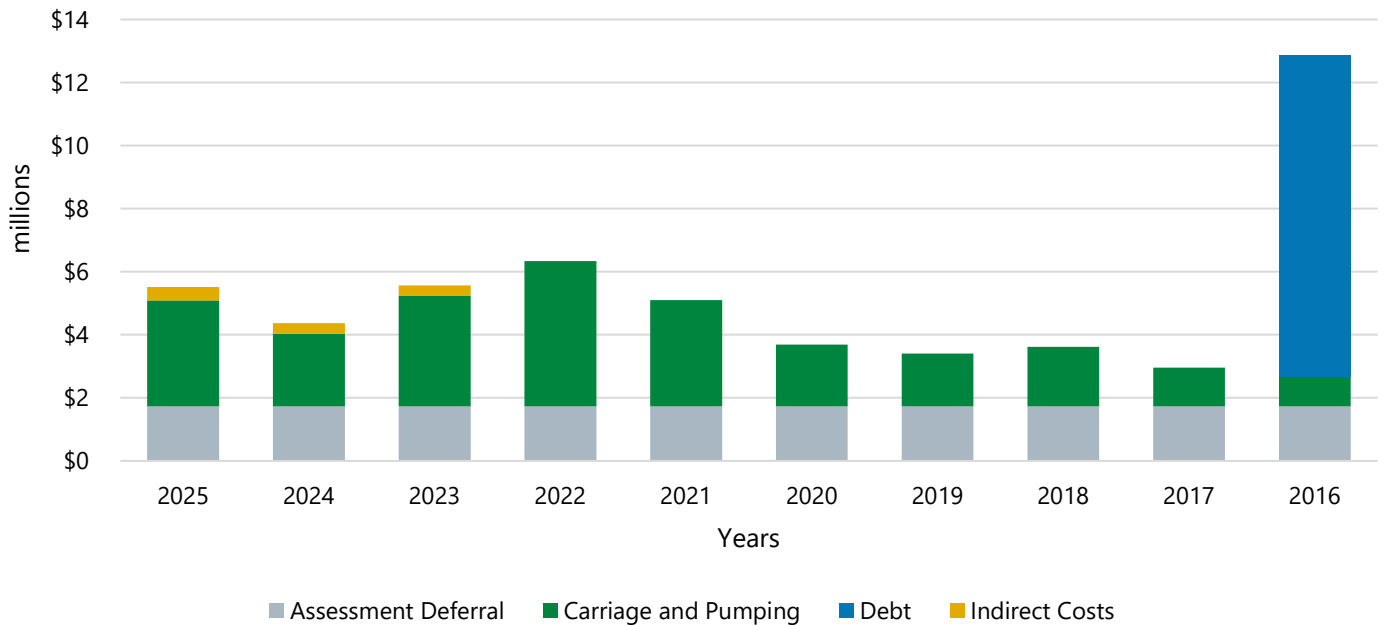
Windy Gap Assessments by Participants (2016 - 2025) (continued)

Years ended September 30,

Unaudited

Participant	2020	2019	2018	2017 ¹	2016
Platte River Power Authority	\$ 1,037,240	\$ 770,578	\$ 764,404	\$ 850,402	\$ 4,918,223
City and County of Broomfield	847,981	611,804	588,366	481,468	1,993,171
City of Greeley	667,594	544,381	489,463	302,637	1,628,167
City of Longmont ²	544,897	763,127	(3,661)	389,629	1,853,861
City of Loveland	353,209	159,181	184,120	153,881	953,243
Town of Erie	288,356	153,531	271,237	108,344	560,716
Superior Metropolitan District No. 1	230,679	174,855	164,589	142,135	542,502
City of Fort Lupton	227,138	211,485	147,221	35,136	120,724
City of Boulder	167,153	189,345	163,058	148,469	910,645
Little Thompson Water District	107,928	87,679	72,176	51,954	302,120
City of Louisville	91,619	64,969	27,668	22,732	143,911
Town of Frederick	61,831	95,869	-	-	-
Central Weld County Water District	44,763	10,887	9,039	12,130	39,239
Town of Firestone	44,163	68,478	-	-	-
City of Dacono	-	-	-	-	-
Town of Berthoud	37,705	41,087	-	-	-
Town of Estes Park	36,961	24,920	27,681	20,440	79,046
City of Lafayette	28,411	14,532	31,682	3,701	23,897
Unearned revenue adjustment	(1,129,942)	(579,282)	678,609	236,847	(1,195,503)
Assessments	\$ 3,687,686	\$3,407,426	\$ 3,615,652	\$ 2,959,905	\$ 12,873,962

Annual Assessments³



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

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

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

Statement of Windy Gap and Windy Gap Firing Participant Units

September 30

Unaudited

	2025		
	Units	Acre-Feet	Percentage
Windy Gap			
Platte River Power Authority	107	10,700	22.3%
City of Longmont	80	8,000	16.7%
City and County of Broomfield	56	5,600	11.7%
City of Greeley	49	4,900	10.2%
City of Loveland	40	4,000	8.3%
City of Boulder	37	3,700	7.7%
Town of Erie	20	2,000	4.2%
Little Thompson Water District	20	2,000	4.2%
Superior Metropolitan District No. 1	15	1,500	3.1%
City of Fort Lupton	13	1,300	2.7%
City of Louisville	9	900	1.9%
Town of Berthoud	10	1,000	2.1%
Town of Frederick	7	700	1.5%
Town of Dacono	5	500	1.0%
Town of Firestone	5	500	1.0%
Town of Estes Park	3	300	0.6%
City of Lafayette	3	300	0.6%
Central Weld County Water District	1	100	0.2%
Total	480	48,000	100.0%

	2025		
	Units	Acre-Feet	Percentage
Windy Gap Firing Project			
City and County of Broomfield	26,464	26,464	29.4%
Platte River Power Authority	16,000	16,000	17.8%
City of Loveland	10,000	10,000	11.1%
City of Greeley	9,189	9,189	10.2%
City of Longmont	7,500	7,500	8.3%
Town of Erie	6,000	6,000	6.7%
Little Thompson Water District	4,850	4,850	5.4%
Superior Metropolitan District No. 1	4,726	4,726	5.3%
City of Louisville	2,835	2,835	3.2%
City of Fort Lupton	1,190	1,190	1.3%
City of Lafayette	900	900	1.0%
Central Weld County Water District	346	346	0.4%
Total	90,000	90,000	100.0%

Windy Gap Carriage, Energy and Wheeling Charges (2016 - 2025)

Years ended September 30

Unaudited

(Cost per acre-foot)

Carriage charges ¹	2025	2024	2023	2022	2021
Reclamation ²					
6(b) Charge for in-lieu water ¹	\$ 37.82	\$ 37.15	\$ 36.50	\$ 35.86	\$ 35.23
6(c) ii Farr Pump Plant	2.73	2.60	2.45	2.45	2.42
6(c) iii Flatiron Pump Plant	6.16	6.33	5.30	5.22	5.22
6(e) Operations and maintenance	10.10	10.79	11.04	11.00	11.00
7(e) Service charge ¹	-	-	-	-	-
Reclamation carriage charges	56.81	56.87	55.29	54.53	53.87
Northern Water					
7(a) Adams tunnel conveyance	0.25	0.25	0.25	0.25	0.25
7(b)(d) Operations, maintenance and administrative costs	85.53	106.74	106.81	105.00	81.10
8(e) Service charge ¹	-	-	-	-	-
Northern Water carriage charges	85.78	106.99	107.06	105.25	81.35
Carriage charges	142.59	163.86	162.35	159.78	135.22
Energy and wheeling charges	43.81	-	-	-	-
Carriage, energy and wheeling charges	\$ 186.40	\$ 163.86	\$ 162.35	\$ 159.78	\$ 135.22
Water pumped (acre-feet) ³	30,042	-	-	40,172	15,435
Water delivered to participants (acre feet)	20,471	16,292	21,116	25,459	19,463
Adams Tunnel total conveyance (acre feet) ⁴	257,445	202,622	192,671	212,251	248,644

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

² Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).

³ No water pumped in certain years as a result of the lack of available storage capacity for Windy Gap Project water in the C-BT Project.

⁴ Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

Windy Gap Carriage, Energy and Wheeling Charges (2016 - 2025) (continued)

Years ended September 30

Unaudited

(Cost per acre-foot)

Carriage charges ¹	2020 ²	2019	2018	2017	2016
Reclamation ³					
6(b) Charge for in-lieu water	\$ 34.00	\$ -	\$ -	\$ -	\$ -
6(c) ii Farr Pump Plant	2.42	2.51	2.42	2.88	3.22
6(c) iii Flatiron Pump Plant	5.45	5.25	5.22	6.10	6.89
6(e) Operations and maintenance	10.16	9.17	11.00	9.18	7.12
7(e) Service charge ¹	-	2.85	2.85	2.85	2.85
Reclamation carriage charges	52.03	19.78	21.49	21.01	20.08
Northern Water					
7(a) Adams tunnel conveyance	0.25	0.25	0.25	0.25	0.25
7(b)(d) Operations, maintenance and administrative costs	104.62	75.83	81.22	70.32	63.22
8(e) Service charge ¹	-	2.85	2.85	2.85	2.85
Northern Water carriage charges	104.87	78.93	84.32	73.42	66.32
Carriage charges	156.90	98.71	105.81	94.43	86.40
Energy and wheeling charges	-	22.06	22.45	-	-
Carriage, energy and wheeling charges	\$ 156.90	\$ 120.77	\$ 128.26	\$ 94.43	\$ 86.40
Water pumped (acre-feet) ⁴	-	12,538	26,235	-	-
Water delivered to participants (acre feet)	12,739	13,842	16,135	13,049	11,294
Adams Tunnel total conveyance (acre feet) ⁵	211,451	289,294	236,479	240,304	243,543

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

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

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

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

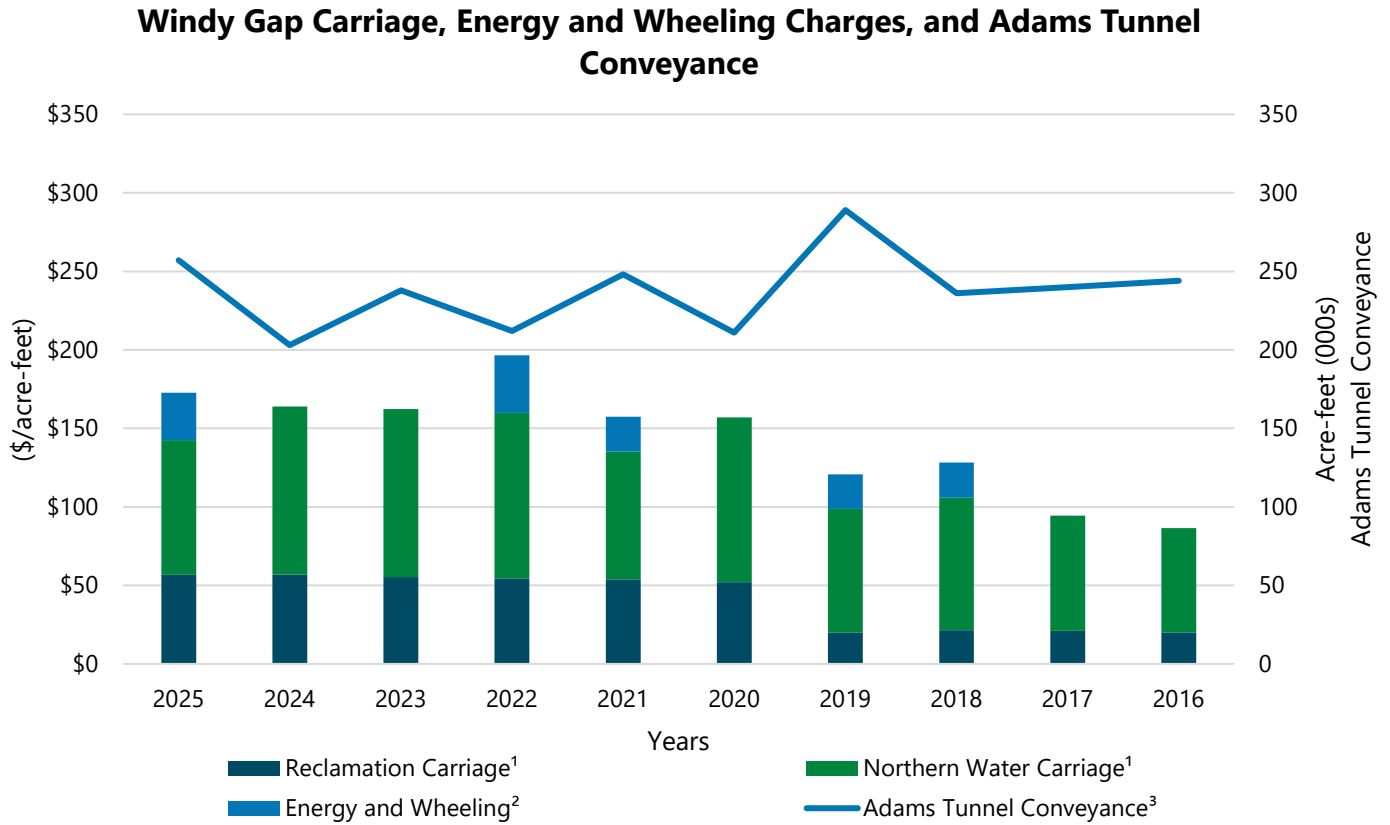
⁵ Conveyance include Windy Gap Project water and C-BT Project In-lieu water.

Windy Gap Carriage, Energy and Wheeling Charges (2016 - 2025) (continued)

September 30

Unaudited

(Cost per acre-foot)



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

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

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

Statistics of Outstanding Debt by Type (2016 - 2025)

Year ended September 30,

Unaudited

	2025	2024	2023	2022	2021
Windy Gap Firming Project					
Northern Water Hydropower					
Senior Revenue Bonds, Series 2021	\$ 169,705,000	\$ 169,705,000	\$ 169,705,000	\$ 169,705,000	\$ 169,705,000
Unamortized premium	36,282,513	39,339,956	42,397,399	45,454,841	48,781,669
Colorado Water Conservation Board	90,241,512	14,538,603	-	-	-
Total Windy Gap Firming Project debt	\$ 296,229,025	\$ 223,583,559	\$ 212,102,399	\$ 215,159,841	\$ 218,486,669

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

Year ended September 30,

Unaudited

	2020	2019	2018	2017	2016
Windy Gap Firing Project					
Senior Revenue Bonds, Series 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Unamortized premium	-	-	-	-	-
Colorado Water Conservation Board	-	-	-	-	-
Total Windy Gap Firing Project debt	\$ -	\$ -	\$ -	\$ -	\$ -

Pledged Revenue Coverage¹

Year ended September 30,

Unaudited

Windy Gap Firing Project Senior Revenue Bonds, Series 2021

	Capital contributions	Pledged to other purposes	Available for debt service	Debt Service		
				Principal	Interest	Coverage
2021	\$ 20,413,724	\$ 20,413,724	\$ -	\$ -	\$ -	-
2022	69,276,110	61,953,199	7,322,911	-	7,322,911	1.00
2023	94,853,408	86,766,758	8,086,650	-	8,086,650	1.00
2024	134,519,897	126,433,247	8,086,650	-	8,086,650	1.00
2025	52,321,288	44,234,638	8,086,650	-	8,086,650	1.00

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

DEMOGRAPHIC AND ECONOMIC INFORMATION



Population and Economic Statistics by Principal Cities Served by the Subdistrict (2016 - 2025)

Unaudited

	2025	2024	2023	2022	2021
City of Boulder ¹					
Estimated population	107,000	108,000	107,000	108,000	108,000
Unemployment rate	4.0%	3.3%	2.6%	3.5%	5.7%
School enrollment	27,063	27,184	27,607	27,946	28,699
Per capita income	N/A	\$100,242	\$98,553	\$89,593	\$79,650
Personal income (millions)	N/A	\$32,762	\$32,273	\$29,525	\$26,059
City and County of Broomfield ^{2 3}					
Estimated population	77,500	77,100	76,121	76,100	71,950
Unemployment rate	4.1%	3.0%	2.6%	4.8%	6.4%
School enrollment	12,839	13,900	13,405	12,024	12,100
Per capita income	\$94,078	\$90,026	\$73,678	\$70,870	\$72,775
Personal income (millions)	\$7,291	\$6,941	\$5,608	\$5,119	\$5,236
City of Greeley ⁴					
Estimated population	115,761	114,882	112,745	113,906	111,748
Unemployment rate	4.7%	3.3%	3.2%	3.8%	6.6%
School enrollment ⁵	20,057	22,664	22,373	22,694	22,219
Per capita income	\$62,532	\$63,450	\$58,860	\$56,592	\$54,612
Personal income (millions)	\$7,239	\$7,289	\$6,636	\$6,446	\$6,103
City of Longmont ⁶					
Estimated population	102,866	106,173	101,764	99,629	99,570
Unemployment rate	4.1%	2.8%	2.2%	6.9%	6.9%
School enrollment ⁷	32,414	32,506	32,639	32,406	31,312
Per capita income	\$83,635	\$98,553	\$89,593	\$79,649	\$61,157
Personal income (millions)	\$5,921	\$5,879	\$5,840	\$5,808	\$5,759
City of Loveland ⁸					
Estimated population	84,521	83,484	82,788	77,016	75,600
Unemployment rate	4.7%	3.3%	5.0%	6.4%	7.4%
School enrollment	15,039	15,039	15,212	15,291	14,965
Per capita income	\$82,592	\$81,898	\$73,907	\$56,836	\$55,884
Personal income (millions)	\$6,981	\$6,837	\$6,119	\$4,377	\$4,225
Estimated population in Subdistrict area ⁹					
	1,110,206	1,075,097	1,064,392	1,051,301	1,037,717

¹ Data taken from City of Boulder's December 31, 2024, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Boulder Valley School District June 30, 2025, Annual Comprehensive Financial Report, representing enrollment for the entire district.

² Data taken from City and County of Broomfield's December 31, 2024, Annual Comprehensive Financial Report.

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

⁴ Data taken from City of Greeley's December 31, 2024, Annual Comprehensive Financial Report.

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

⁶ Data taken from City of Longmont's December 31, 2024, Annual Comprehensive Financial Report.

⁷ Represents enrollment for the St. Vrain Valley School District as a whole.

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

⁹ Data from Northern Water's September 30, 2025, Annual Comprehensive Financial Report and represents the estimated population for Northern Water.

Population and Economic Statistics by Principal Cities Served by the Subdistrict (2016 - 2025)
(continued)

Unaudited

	2020	2019	2018	2017	2016
City of Boulder ¹					
Estimated population	107,000	107,000	108,000	107,000	105,000
Unemployment rate	2.4%	3.3%	3.0%	2.2%	2.8%
School enrollment	30,302	29,766	29,822	29,673	29,702
Per capita income	\$76,527	\$73,394	\$68,027	\$63,707	\$60,220
Personal income(millions)	\$24,962	\$23,932	\$21,940	\$20,528	\$19,233
City and County of Broomfield ^{2 3}					
Estimated population	70,762	69,591	68,182	66,449	64,780
Unemployment rate	2.4%	2.9%	2.5%	2.8%	3.3%
School enrollment	11,895	11,848	11,746	11,451	11,513
Per capita income	\$70,996	\$66,410	\$63,170	\$60,403	\$58,698
Personal income(millions)	\$5,003	\$4,622	\$4,307	\$4,014	\$3,802
City of Greeley ⁴					
Estimated population	110,263	107,457	104,557	103,037	101,048
Unemployment rate	4.2%	3.5%	2.8%	2.6%	3.5%
School enrollment ⁵	22,467	22,878	22,820	22,547	21,440
Per capita income	\$57,586	\$46,172	\$44,080	\$50,483	\$42,787
Personal income(millions)	\$6,349	\$4,961	\$4,609	\$5,202	\$4,324
City of Longmont ⁶					
Estimated population	97,530	96,192	94,777	93,933	92,852
Unemployment rate	3.2%	3.3%	2.6%	2.2%	2.6%
School enrollment ⁷	32,855	32,639	32,421	32,171	31,777
Per capita income	\$73,394	\$68,027	\$63,707	\$60,220	\$58,627
Personal income(millions)	\$7,158	\$6,544	\$6,038	\$5,657	\$5,443
City of Loveland ⁸					
Estimated population	75,441	74,719	73,987	73,349	72,155
Unemployment rate	2.3%	2.9%	2.5%	3.2%	3.8%
School enrollment	16,163	16,181	16,278	16,280	16,043
Per capita income	\$54,188	\$50,539	\$47,117	\$45,318	\$43,584
Personal income(millions)	\$4,088	\$3,776	\$3,486	\$3,324	\$3,145
Estimated population in Subdistrict area ⁹	1,020,792	1,000,013	982,678	959,455	922,233

¹ Data taken from City of Boulder's December 31, 2024, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Boulder Valley School District June 30, 2025, Annual Comprehensive Financial Report, representing enrollment for the entire district.

² Data taken from City and County of Broomfield's December 31, 2024, Annual Comprehensive Financial Report.

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

⁴ Data taken from City of Greeley's December 31, 2024, Annual Comprehensive Financial Report.

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

⁶ Data taken from City of Longmont's December 31, 2024, Annual Comprehensive Financial Report.

⁷ Represents enrollment for the St. Vrain Valley School District as a whole.

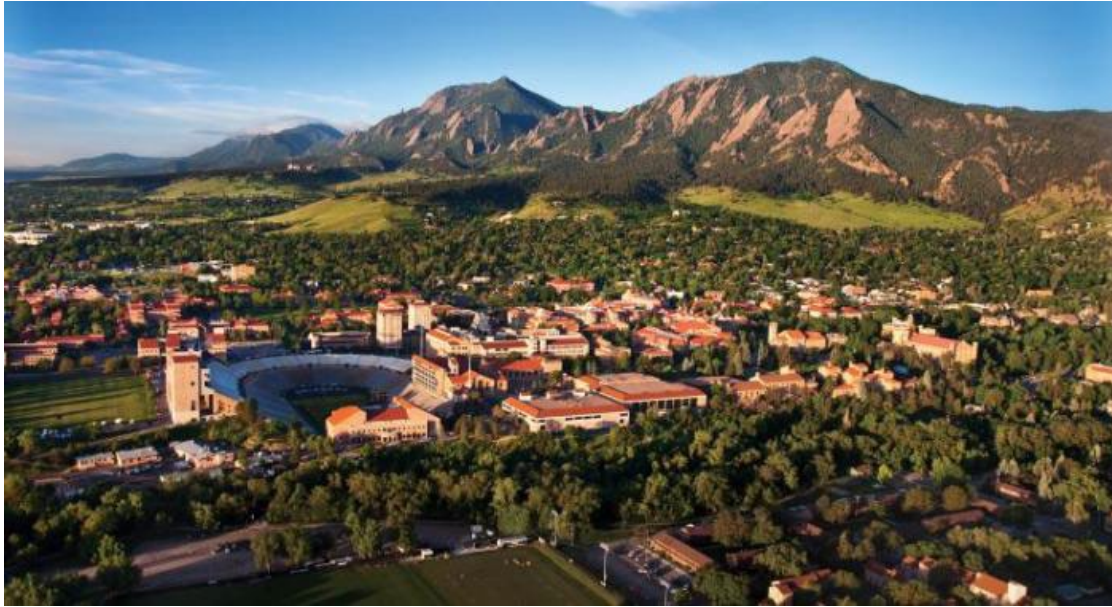
⁸ Data taken from City of Loveland's December 31, 2024, Annual Comprehensive Financial Report, except for school enrollment, which comes from the Thompson School District June 30, 2024, Annual Comprehensive Financial Report, representing enrollment for the entire district.

⁹ Data from Northern Water's September 30, 2025, Annual Comprehensive Financial Report and represents the estimated population for Northern Water.

Largest Employers by Principal Cities Served by the Subdistrict (2016 and 2025)¹

Years ended September 30,

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	2	5,000	2.6%	7	1,865	0.9%
St. Vrain Valley School District ³	3	4,500	2.3%	2	4,661	2.2%
Boulder Community Health	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.	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	10	1,320	0.7%	6	1,900	0.9%
IBM	-	-	-	4	2,800	1.3%
Top ten principal employers		32,836	16.9%		30,483	14.4%

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

Largest Employers by Principal Municipalities Served by the Subdistrict (2015 and 2024) (continued)¹

Years ended September 30,

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%	-	0,607	29.5%
Total employment	-	43,296	-	-	5,983	-

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

² Formerly SCL Health Care.

³ Formerly Ball Aerospace.

⁴ Formerly Whitewave foods.

Largest Employers by Principal Municipalities Served by the Subdistrict (2016 and 2025) (continued)¹

Years ended September 30,

Unaudited



City of Longmont¹

Employers	2025			2016		
	Rank	Number of Employees	Percentage of Employment	Rank	Number of Employees	Percentage of Employment
St. Vrain Valley School District ²	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 is taken from the December 31, 2024, City of Longmont Annual Comprehensive Financial Report.

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

Largest Employers by Principal Municipalities Served by the Subdistrict (2016 and 2025) (continued)¹

Years ended September 30,
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.

Largest Employers by Principal Municipalities Served by the Subdistrict (2016 and 2025) (continued)¹

Years ended September 30,
Unaudited



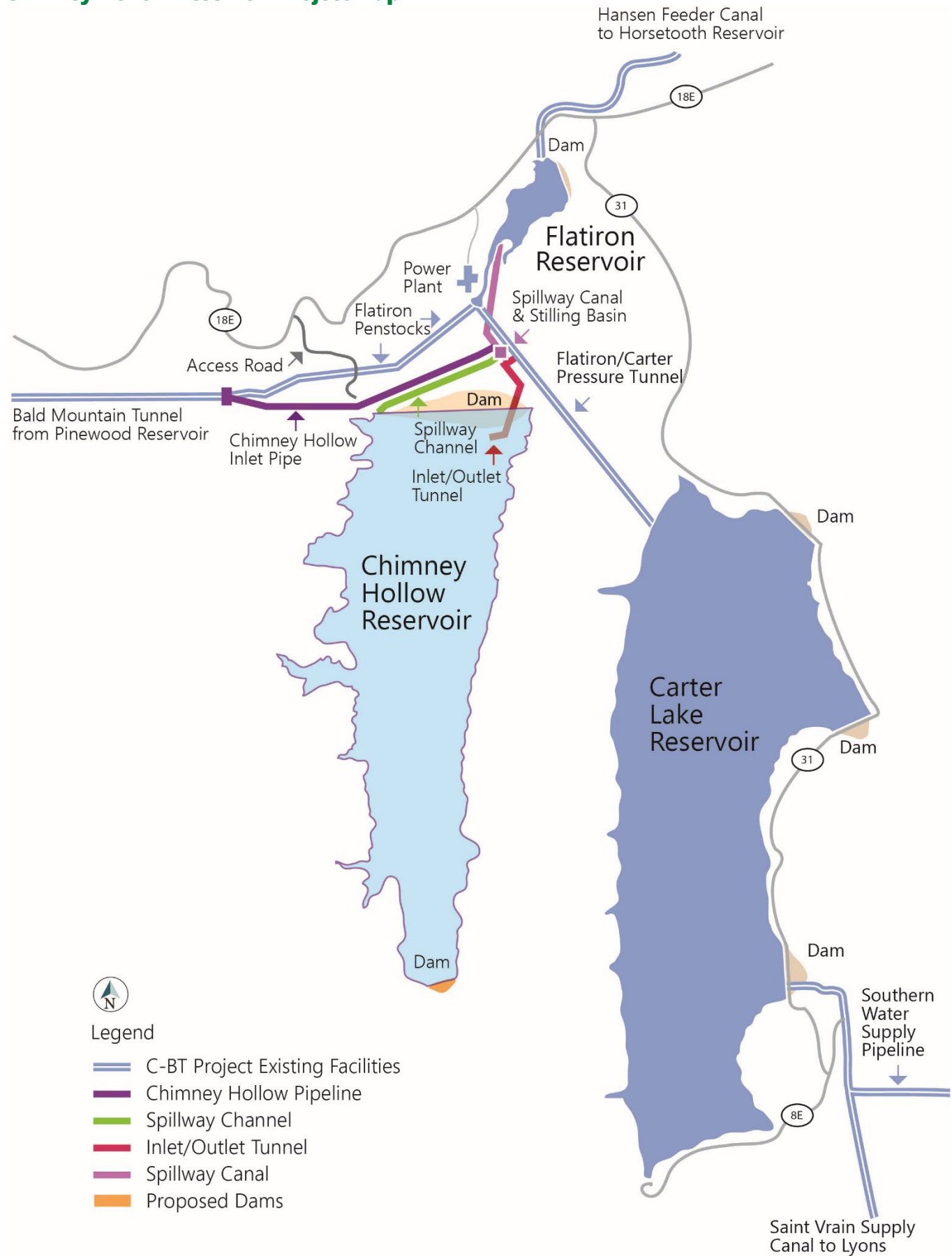
City of Greeley¹

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



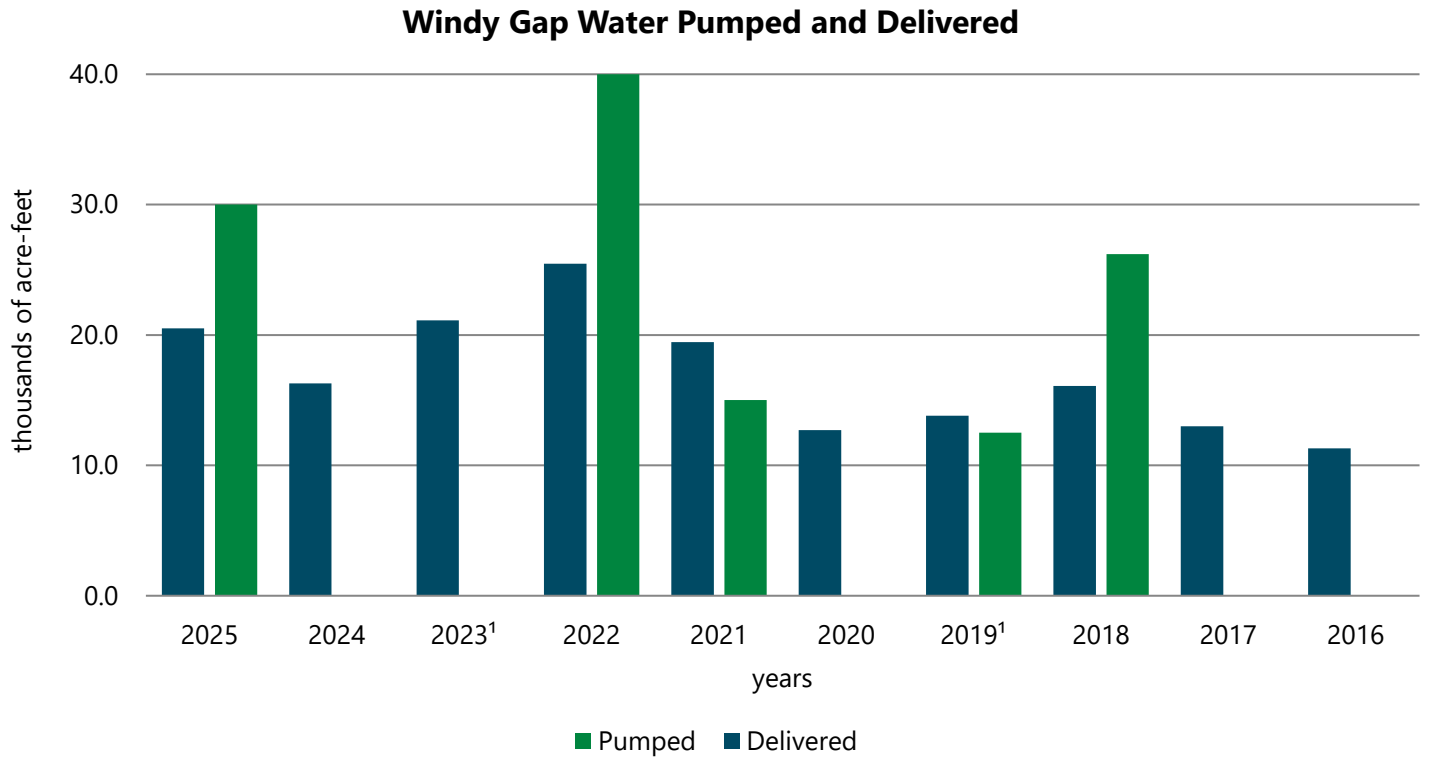
Chimney Hollow Reservoir Project Map



Windy Gap Project Water Pumped and Delivered

Years ended September 30,

Unaudited



¹ Years in which Windy Gap water spilled from Lake Granby.

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

Windy Gap Project Water Pumped and Delivered (2016 - 2025)

Years ended September 30,

Unaudited

Measurements in acre-feet

Year	Pumped	Deliverable ¹	Delivered ²	Losses ³	Spilled ⁴	Delivered In-lieu ⁵	Rented	Inventory
2016	-	-	(11,294)	-	-	11,294	-	-
2017	-	-	(13,049)	-	-	13,049	-	-
2018	26,236	24,924	(16,135)	(405)	-	947	-	9,331
2019	12,538	11,911	(13,843)	(615)	(11,789)	5,005	-	(9,331)
2020	-	-	(12,739)	-	-	12,739	-	-
2021	15,435	14,663	(11,545)	(162)	-	-	-	2,956
2022	40,172	38,163	(25,459)	(705)	-	11,860	-	23,859
2023	-	-	(21,016)	(964)	(4,336)	10,390	-	-
2024	-	-	(16,292)	-	-	16,292	-	-
2025	30,042	28,540	(20,471)	(576)	-	9,382	-	16,875

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

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

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

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

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

Subdistrict Capital Assets (2016 - 2025)

Years ended September 30,

Unaudited

	2025	2024	2023	2022	2021
Windy Gap					
Non-depreciable assets					
Construction in progress	\$ 34,047,319	\$ 33,025,371	\$ 23,810,292	\$ 10,903,678	\$ 4,662,837
Land	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
Water rights	470,921	470,921	470,921	470,921	470,921
Depreciable assets					
Buildings, equipment and improvements	948,472	316,454	403,197	403,197	379,159
Water diversion project	82,319,297	82,319,297	82,319,297	82,319,297	82,319,297
Capital assets	119,832,207	118,178,241	109,049,905	96,143,291	89,878,412
Less accumulated depreciation					
Buildings, equipment and improvements	(291,861)	(282,826)	(360,960)	(352,352)	(346,669)
Water diversion project	(81,292,143)	(80,044,717)	(77,961,924)	(75,879,133)	(73,796,340)
Accumulated depreciation	(81,584,004)	(80,327,543)	(78,322,884)	(76,231,485)	(74,143,009)
Capital assets, net	\$ 38,248,203	\$ 37,850,698	\$ 30,727,021	\$ 19,911,806	\$ 15,735,403
Windy Gap Firing Project					
Construction in progress	\$ 736,548,171	\$ 612,653,853	\$ 378,173,500	\$ 221,258,528	\$ 114,828,846

Subdistrict Capital Assets (2016 - 2025) (continued)

Years ended September 30,

Unaudited

	2020	2019	2018	2017	2016
Windy Gap					
Non-depreciable assets					
Construction in progress	\$ 2,229,111	\$ 581,057	\$ 155,883	\$ -	\$ -
Land	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
Water rights	470,921	470,921	470,921	470,921	470,921
Depreciable assets					
Buildings, equipment and improvements	476,964	452,551	464,428	499,569	793,558
Water diversion project	82,167,586	82,167,586	82,167,586	82,167,586	82,167,586
Capital assets	87,390,780	85,718,313	85,305,016	85,184,274	85,478,263
Less accumulated depreciation					
Buildings, equipment and improvements	(438,871)	(434,983)	(444,570)	(477,419)	(793,558)
Water diversion project	(71,713,547)	(69,634,548)	(67,555,549)	(65,476,550)	(63,397,551)
Accumulated depreciation	(72,152,418)	(70,069,531)	(68,000,119)	(65,953,969)	(64,191,109)
Capital assets, net	\$ 15,238,362	\$ 15,648,782	\$ 17,304,897	\$ 19,230,305	\$ 21,287,154
Windy Gap Firming Project					
Construction in progress	\$ 65,696,977	\$ 57,908,138	\$ 47,555,955	\$ 34,541,551	\$ 20,605,749

Windy Gap Reservoir, Dam, Pump Plant Capacity and Pipeline

September 20, 2025

Unaudited



Windy Gap Reservoir

- Capacity – 255 acre-feet¹

Windy Gap Dam

Embankment section

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

Spillway

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

Main bypass outlet works

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

Auxiliary outlet works

- Discharge capacity – 228 cubic feet per second

Windy Gap Pump Plant

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



Windy Gap – Lake Granby Pipeline

Pipeline

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

Surge Tank

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

Discharge capacity

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

¹ Reservoir capacity modified in 2023 after Colorado River Connectivity Channel construction.

Windy Gap Firming Project

September 20, 2025

Unaudited



Chimney Hollow Reservoir

- Capacity – 90,000 acre-feet

Chimney Hollow Dams

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

Chimney Hollow Spillway Channel

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

Chimney Hollow Conveyance

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

Construction of the Chimney Hollow Reservoir Project was complete in 2025.

GENERAL INFORMATION

Subdistrict Organizational and Contact Information

Year ended September 30, 2025

Unaudited

Authority	Water Conservancy Act
Date of Formation	July 6, 1970
Governing Body	The Subdistrict is governed by a 13-member Board of Directors, which is appointed by the presiding district court judges of four of the five judicial districts located wholly or partially within the Northern Colorado Water Conservancy District boundaries.
Organization	The Subdistrict is a public body political and corporate, a quasi-municipal entity and political subdivision of the State of Colorado.
Purpose	The Subdistrict was organized to acquire water; to obtain rights-of-way for certain water works; to provide for construction of water facilities; to incur contractual or bond indebtedness; to administer, operate and maintain physical works; and to conserve, control, allocate and distribute water supplies.
Number of Employees	There are no full-time employees of the Subdistrict. All administrative, engineering, environmental services and operating functions are provided through an agreement with Northern Water.
Offices	Northern Water 220 Water Avenue Berthoud, Colorado 80513 800-369-7246 Fax: 877-851-0018 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	Butler Snow, LLP 1700 Broadway, 41 st Floor New York, New York 10019 646-606-2996



Municipal Subdistrict