Municipal Subdistrict
Northern Colorado Water Conservancy District

2021
Annual Comprehensive Financial Report

For the Year Ended
September 30, 2021

Annual Comprehensive Financial Report

Year ended September 30, 2021

Municipal Subdistrict,
Northern Colorado Water Conservancy District

Berthoud, Colorado

Municipal Subdistrict

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

Municipal Subdistrict

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INTRODUCTION

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

Municipal Subdistrict
Northern Colorado Water Conservancy District
220 Water Avenue • Berthoud, Colorado 80513
800-369-7246 • www.northernwater.org

March 28, 2022

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, 2021. 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, 2021. The Plante Moran independent auditors' report is located on page 17 of the Financial Section of this report. State statutes require that an annual audit of the books of account, financial records and transactions of the Subdistrict be performed in accordance with generally accepted auditing standards by independent certified public accountants selected by the Subdistrict Board of Directors. Those requirements have been met.

Management's Discussion and Analysis (MD&A), located on page 19, 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 maintains third-party insurance coverage for its potential losses. The Subdistrict is not self-insured.

The Subdistrict was established to develop a water supply for participating Northern Colorado Front Range communities through the Windy Gap Project and, subsequently, the Windy Gap Firming Project. The number of Subdistrict participants,

or allottees, has grown from its original six participants to a total of 17 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 pumping plant and a pipeline to pump and transport diverted Windy Gap Project water to Lake Granby, a water storage feature of the C-BT Project on the West Slope. Windy Gap Project water is then conveyed from Lake Granby through the C-BT Project's Adams Tunnel for distribution to the Windy Gap participants along the Front Range. The project is operationally capable of delivering an average of 48,000 acre-feet of water annually. The Windy Gap Project has no dedicated storage; it relies on available capacity in the C-BT Project. When such C-BT Project storage is fully needed for C-BT Project water, Windy Gap Project water must either be delivered 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 Firming Project Water Activity Enterprise Fund

The Windy Gap Firming Project (WGFP) began construction of the Chimney Hollow Reservoir Project in 2021. This project aligns with the Subdistrict's vision to ensure a secure water future for Northern Colorado. See major initiatives below.

Local Economy

The Colorado Economic & Revenue Forecast, published in December 2021 by the Colorado Legislative Council Staff, provides an economic overview of the state of Colorado and includes analysis of two of the major regions within Subdistrict boundaries: the Metro Denver Region and the Northern Region. The Metro Denver Region includes Boulder and Broomfield counties. It has the largest share of the state's population and more than 60 percent of the state's workers. Leisure and hospitality are key economic sectors. The Northern Region consists of Larimer and Weld counties. Larimer County has a diverse economy that continues to outperform the state, fueled largely by population growth. Weld County economics are driven primarily by energy and agriculture.

Colorado has enjoyed more than a decade of strong economic growth, outpacing most other states in the nation in employment, personal income and growth. In coming years, the state is likely to evidence slower growth more on par with the nationwide average due to the ongoing effect of the COVID-19 pandemic. Headwinds to regional economic growth include supply chain disruptions, inflation concerns, a tight labor market and risks of future pandemic-related uncertainties.

Assessed Values
Data indicates that statewide taxable assessed property values increased 4.4 percent in Colorado in 2021. Residential property increased by 11.3 percent offset by a 1.6 percent decline in nonresidential values. In 2023, the next property value reassessment year, the forecast anticipates a 14.1 percent increase in assessed values, driven by residential housing supply constraints caused by increased costs for building materials and labor. Regionally, the Metro Denver three-year annual average assessed values are expected to increase 5.8 percent, while the Northern Region is expected to increase 7.2 percent, with strong home price appreciation in both Larimer and Weld counties.

Colorado's residential housing market remains a bright spot in the economy. Historically low mortgage rates have boosted demand and a shift to working at home during the pandemic had many buyers looking for bigger homes, often in suburban areas. In 2021, home prices increased 10.1 percent and 11.6 percent in Fort Collins and Greeley, respectively. Home prices are expected to moderate in 2022 as supply chain issues are resolved, homebuilding increases, and interest rates rise. Nonresidential construction is expected to grow at 5.1 percent in 2022 and 3.1 percent in 2023.

Labor
Labor markets are challenged by a shrinking job force. Retirements and resignations in Colorado have contributed to labor shortages with workers reevaluating their work-life balance. Employment is expected to slightly outpace national trends by growing at 3.4 percent in 2022. Colorado's unemployment rate is approximately 5.4 percent compared to 4.3 percent nationally. Wage and salary income growth is expected to continue at 5.7 percent and 5.2 percent in 2022 and 2023.

Energy
Weld County economic activity is driven largely by energy production and agriculture. Oil production declined throughout 2020 because of the collapse in demand for oil and gas from COVID-19 related shutdowns. However, production began to rebound in March 2021. The price of oil and gas has been on the rise in recent months and 2021 ended with demand exceeding production. However, 2021 production remained 19.4 percent below 2020 levels and natural gas was 5 percent below 2020 levels. Increased demand for oil and gas along with rising prices is expected to spur additional production.

Personal Income
Personal income serves as an aggregate measure of most sources of household and some business income. The federal policy response to the pandemic resulted in increases of 6.6 percent in Colorado in 2021. Personal income is expected to grow at 0.8 percent in Colorado in 2022, reaccelerating to over 4 percent in coming years. Larimer County's economy continues to expand with an average population growth of 2 percent per year. Colorado consumer activity is expected to improve in 2022; however pandemic conditions continue to pose a downside risk and source of uncertainty. Inflation fueled by supply chain issues is expected to be at 3.4 percent in 2022 in the Denver Metro Area. Colorado inflationary pressures are lower than the national average.

Agriculture
Conditions in Colorado's agriculture economy continue to improve, but the sector faces significant challenges. Farm income is expected to grow 23 percent in calendar year 2021, bolstered by strength in the commodity market, record-low farm loan interest rates and support from government programs. Corn prices reached an eight-year high with average prices up 62.9 percent compared with the same period last year. Demand continued to be a key driver in livestock markets from re-opening restaurant and hospitality industries. However, supply chain disruptions have dampened profits by increasing prices for farm inputs. Farm production expenses were forecasted to increase by 8.3 percent in 2021. In addition, redeveloping drought continues to plague farmers by depleting crop production in some areas, particularly in the eastern plains.

An aerial overview of construction on the Chimney Hollow Reservoir Project on September 30, 2021.

Highlights

Chimney Hollow Reservoir Project

In August 2021, construction began on the Chimney Hollow Reservoir Project, marking the culmination of 20 years of planning, permitting and preparation. The 90,000-acre-foot reservoir will constitute dedicated storage for Windy Gap Project water and supply a reliable 30,000 acre-feet of water each year for the WGFP participants. Total project costs are currently budgeted at $681 million. Construction is expected to be completed in 2025.

Rendering of Chimney Hollow Reservoir

Chimney Hollow Reservoir Project Funding

The Chimney Hollow Reservoir Project was funded by the issuance of the Series 2021 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 percent or 5 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.

Colorado River Connectivity Channel
In 2021 design work continued on the Colorado River Connectivity Channel, a project to reconnect the Colorado River around Windy Gap Reservoir dam and in support of the WGFP mitigation and enhancement plan. Construction is expected to cost approximately $24 million and is expected to begin in 2022. The project is being funded by a combination of stakeholders including CWCB, NRCS, Trout Unlimited and others. Project costs to date have been paid by the Subdistrict and grant funding.

Windy Gap Reservoir

Major Initiatives and Long-Term Financial Planning

Chimney Hollow Reservoir Project

The Chimney Hollow Reservoir Project will consist of a 350-foot-tall asphalt-core dam in the valley west of Carter Lake in southern Larimer County. The dam will establish the reservoir, the water storage component of the project. Total project costs, including the reservoir, dam and appurtenances are expected to total $681 million. Those costs include $43 million in mitigation and enhancement measures, which will work to improve aquatic habitat and flow conditions on the Colorado River and support endangered species on the West and East Slopes. Substantially all the mitigation and enhancement costs required of WGFP were recognized in 2021, with the exception of future construction costs relating to the Colorado River Connectivity Channel, which is in the design phase, and an outstanding noncurrent liability to a third party.

Construction of the Chimney Hollow Reservoir Project is being financed in part with $218 million in proceeds from the Senior Revenue Bonds, Series 2021 (Series 2021 Bonds) issued by WGFP, reflecting the pooled interests of seven of the twelve WGFP allottees. In addition, funding includes just under $300 million in up-front cash payments from the remaining five cash allottees. The seven allottees participating in the pooled financing consist of Platte River Power Authority, the cities of Greeley, Louisville, Fort Lupton and Lafayette, Superior Metropolitan District No. 1 and Little Thompson Water District. The five allottees cash funding their interests in the project consist of the City and County of Broomfield, the cities of Loveland, Longmont and Fort Lupton, and Central Weld County Water District. In addition, WGFP has a $90 million subordinated loan from the Colorado Water Conservation Board (CWCB) that is expected to be used towards the end of construction. Bond proceeds funded a $13.5 million debt service reserve account. Both bond proceeds and participant cash payments are held by a trustee and accessed by WGFP through the submission of monthly pay requests.

Construction of the cofferdam at the Chimney Hollow Reservoir Project underway in late 2021.

In accordance with the allotment contracts, the allottees will be assessed annually. For pooled financing allottees, this assessment includes annual debt service requirements and contributions to a Liquidity Fund. It is anticipated that the Liquidity Fund will be funded over the next three years.

Colorado River Connectivity Channel

Colorado River Connectivity Channel

The Subdistrict has entered into an agreement to construct a Colorado River Connectivity Channel around the Windy Gap Reservoir dam, thereby reconnecting the Colorado River originally disrupted by the Windy Gap Reservoir dam. The channel will minimize the dam's impact on the movement of aquatic species and the continuity of aquatic habitat in the river. Construction is expected to cost approximately $24 million and is being funded by a combination of resources including funding from the Subdistrict and other stakeholders. Project partners include the CWCB, the National Resources Conservation Service (NRCS) through a subgrant with Trout Unlimited, the Colorado River Water Conservation District and Grand County representing a number of separate interest groups. In 2021, final design and permitting efforts for the Colorado River Connectivity Channel continued. Construction is expected to begin in 2022. The Colorado River Connectivity Channel meets certain WGFP agreements for mitigation and enhancement.

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, 2020. 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, 2021, 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, 2020. To qualify for this award, the Subdistrict budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

The preparation of this ACFR would not have been possible without the efficient and dedicated service of Northern Water staff. In particular we would like to recognize the outstanding efforts of the Northern Water Financial Services Department personnel:

Kristyn Unrein, CGFM *Financial Services Department Manager*	Judy Skram, CPA *Financial Compliance Officer*	Bernice Rupp *Staff Accountant II*	Kathy Jo Price *Staff Accountant II*
Fahim Ghafoori, MBA/MS *Senior Financial Analyst*	Emma Kuntz *Staff Accountant I*	Myles Baker *Financial Analyst*	Shelley Robinson *Accounts Payable Clerk*

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,

Gerald A. Gibbens, P.E.
Treasurer
Municipal Subdistrict, Northern Colorado Water Conservancy District

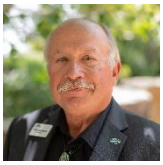
Bradley D. Wind, P.E.
General Manager
Municipal Subdistrict, Northern Colorado Water Conservancy District

BOARD OF DIRECTORS AND OFFICERS[1]

The 12-member Board is responsible for establishing policy and strategic direction. Directors from the eight counties within Subdistrict boundaries are appointed to four-year terms by district court judges. Three Board seats are up for appointment every year. When directors' terms expire, they continue to serve until the judge reappoints or replaces them. The Subdistrict Board officers are elected by the Board at its annual organizational meeting each October. The Board holds its public meetings twice a month.

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

Bill Emslie
Vice President
Finance and Benefits Committee Chair
Larimer County
Sept. 28, 2005 – Sept. 28, 2025
✸ ◆ ✔



Mike Applegate
Larimer County
Sept. 28, 1991 – Sept. 28, 2023
✸ ◆ ✔

Dale Trowbridge
Audit Committee Chair
Weld County
Aug. 15, 2014 – Sept. 28, 2023
✸ ◆ ✔

Jennifer Gimbel
Larimer County
July 15, 2019 – Sept. 28, 2024
✸ ✔

Sue Ellen Harrison
Legal and Legislative Committee Chair
Boulder County
Sept. 28, 2009 – Sept. 28, 2022
✔

Don Magnuson
Weld County
Sept. 28, 2004 - Sept. 28, 2024
✔

Gene Manuello
Logan County
Sept. 28, 2018 – Sept. 28, 2022
✔

Rob McClary
Sedgwick County
Sept. 28, 2011 – Sept. 28, 2023
✸ ◆ ✔

David Nettles
Weld County
Oct. 18, 2018 – Sept. 28, 2022
◆ ✔

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

Todd Williams
Boulder County
Sept. 28, 2017 – Sept. 28, 2025
✸ ◆ ✔

Subdistrict Officers:

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

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

Committees: Audit ✸ Finance and Benefits ◆ Legal and Legislative ✔

[1] *Effective October 1, 2021*

BOARD COMMITTEES

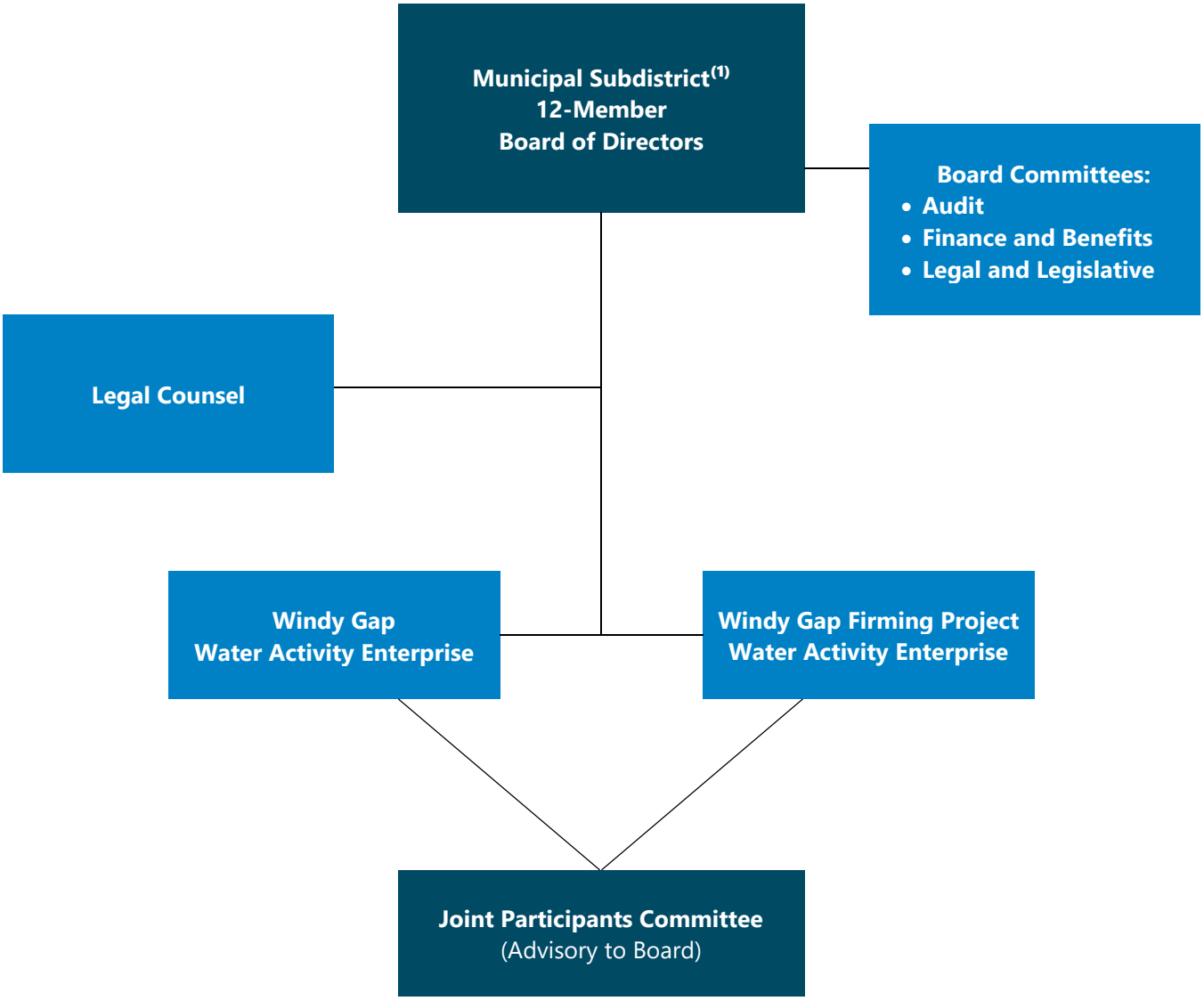
The Subdistrict has three standing committees tasked with the detailed study of specialized topics: the Audit Committee, the Finance and Benefits Committee, and the Legal and Legislative Committee. The chair of each committee reports on the committee's activities and, depending on the subject matter,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

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

The Finance and Benefits Committee meets on a regular basis with the Subdistrict financial advisors to review financial and investment policies and to discuss any other financial matters.

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

ORGANIZATIONAL CHART



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

CERTIFICATE OF ACHIEVEMENT

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Municipal Subdistrict, Northern Colorado Water Conservancy District

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Municipal Subdistrict, Northern Colorado Water Conservancy District (the "Subdistrict") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the Subdistrict's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Municipal Subdistrict, Northern Colorado Water Conservancy District as of September 30, 2021 and the 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.

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

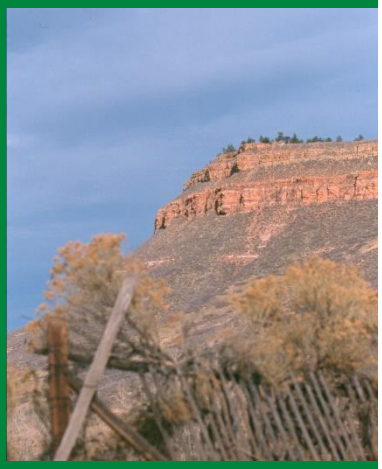
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal Subdistrict, Northern Colorado Water Conservancy District's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Plante & Moran, PLLC

March 28, 2022



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, 2021

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, 2021. It should be read in conjunction with the additional information furnished in the transmittal letter on page 5 of this report.

Overview of the Financial Statements

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

The enterprise fund financial statements include the following:

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

Financial Analysis – Statement of Net Position[1]

(condensed)
September 30,

	$000s		
	2021	**2020**	**Change**
Assets			
Cash, cash equivalents and investments, unrestricted	$ 32,071	$ 33,426	$ (1,355)
Cash equivalents and investments, restricted	503,280	-	503,280
Capital assets, net of accumulated depreciation	130,564	80,935	49,629
Other assets	1,232	3,040	(1,808)
Assets	667,147	117,401	549,746
Liabilities			
Current liabilities	311,179	8,289	302,890
Debt obligations and other noncurrent liability	228,487	-	228,487
Liabilities	539,666	8,289	531,377
Net Position			
Net investment in capital assets	92,844	80,935	11,909
Restricted net position			
Capital projects	2,405	9,386	(6,981)
Debt service	13,472	-	13,472
Unrestricted net position	18,760	18,791	(31)
Net position	$ 127,481	$ 109,112	$ 18,369

[1] *Balances reflect both Subdistrict enterprise funds combined.*

Financial Analysis – Revenues, Expenses and Changes in Net Position[1]

(condensed)
Years ended September 30,

	$000s		
	2021	**2020**	**Change**
Operating revenues			
Assessments	$ 5,101	$ 3,688	$ 1,413
Operating revenues	5,101	3,688	1,413
Operating expenses	(7,520)	(5,379)	(2,141)
Operating loss	(2,419)	(1,691)	(728)
Nonoperating revenues (expenses)			
Bond issuance expenses	(1,602)	-	(1,602)
Intergovernmental grant revenue	2,822	-	2,822
Earnings on investments	(375)	634	(1,009)
Interest expense, net of premium amortization	(477)	-	(477)
Other	6	142	(136)
Nonoperating revenues (expenses)	374	776	(402)
Loss before contributions	(2,045)	(915)	(1,130)
Capital contributions	20,414	12,316	8,098
Changes in net position	18,369	11,401	6,968
Net position, beginning of year	109,112	97,711	11,401
Net position, end of year	$ 127,481	$ 109,112	$ 18,369

On a stand-alone basis, Windy Gap had net position of $34 million at September 30, 2021, which consisted of its investment in capital assets of $15.7 million and unrestricted net position. See the Statement of Net Position. This net position was consistent with the $34 million in 2020.

Net position for WGFP of $93 million at September 30, 2021, primarily reflected its investment in the capital project, net of related debt of $77.1 million. Net position for WGFP increased $18 million from the $75 million at 2020 primarily reflecting participant project funding recognized as contributions in 2021.

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

[1] *Balances reflect both Subdistrict enterprise funds combined.*

Capital Assets[1]

(condensed)
September 30,

	$000s		
	2021	**2020**	**Change**
Capital assets, net of depreciation			
Land and water rights	$ 2,517	$ 2,517	$ -
Water diversion project, equipment and improvements	8,555	10,492	(1,937)
Construction in progress	119,492	67,926	51,566
Capital assets, net of depreciation	$ 130,564	$ 80,935	$ 49,629

Overall capital assets for both Windy Gap and WGFP increased $49.6 million from $81 million in 2020 to $130 million in 2021 reflecting an increase in construction in progress offset by current year depreciation of the Windy Gap water diversion project. The combined increase in construction in progress included costs relating to Windy Gap's Colorado River Connectivity Channel of $2.4 million and WGFP's Chimney Hollow Reservoir Project construction costs $49.6 million. Approximately $18 million of the $49.6 million current year costs consisted of mitigation and enhancement. See Note 15 Intergovernmental Transactions.

[1] *Balances reflect both Subdistrict enterprise funds combined.*

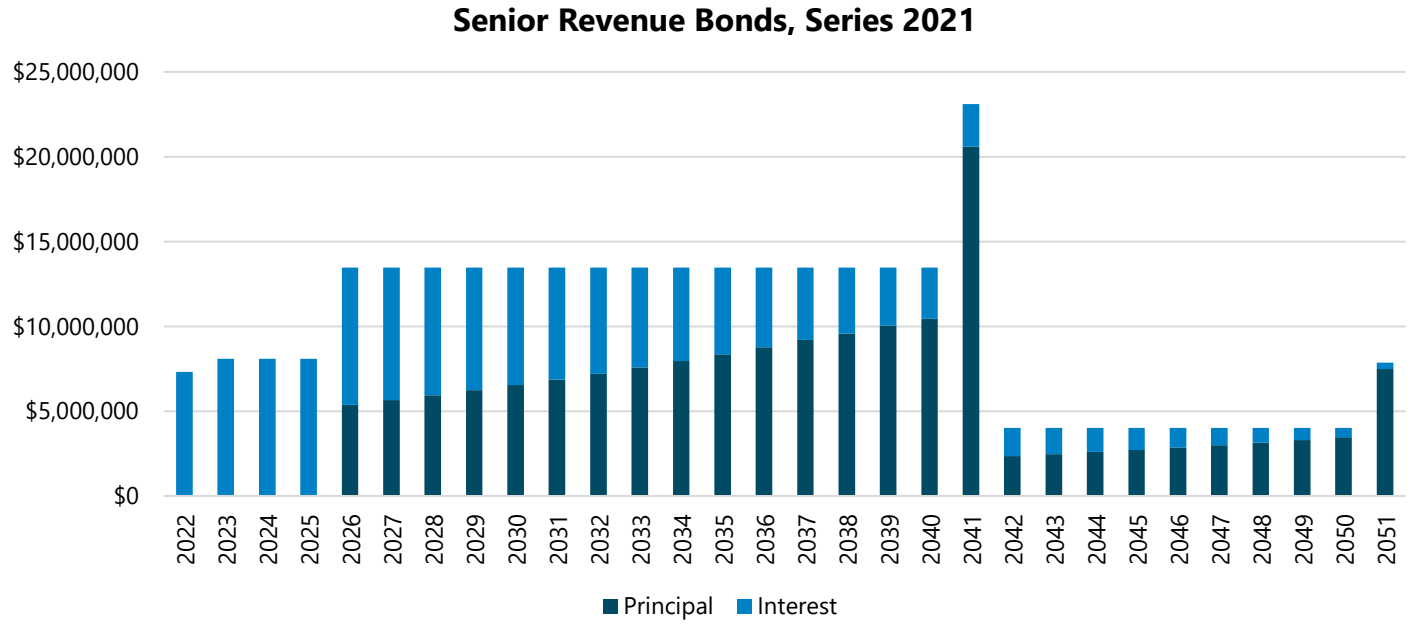
Debt Administration[1]

(condensed)
September 30,

	$000s		
	2021	2020	Increase
Debt obligations			
Senior Revenue Bonds, Series 2021	$ 218,487	$ -	$ 218,487
Other noncurrent liability	10,000	-	10,000
Debt obligations	$ 228,487	$ -	$ 228,487

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 percent or 5 percent. The bonds were issued at a premium of $49 million. Certain of the WGFP allottees elected to have a bond term of 20 years while the remainder elected a 30-year term. Bond proceeds of $218 million, net of underwriter's discount, funded a construction fund account of $204 million, a debt service reserve fund of $13.5 million and a costs of issuance account of $487,000. All bond proceeds are restricted and held in trust. Debt service payments are to be funded by annual participant assessments. The bond premium is amortized over the term of the bonds.

In addition, as part of its mitigation and enhancement, WGFP entered into an agreement with a third party to pay $15 million to be used to improve the habitat or water quality in areas impacted by the Subdistrict. Of the $15 million, $5 million was paid in 2021 with a subsequent $5 million payment to occur as the Chimney Hollow Reservoir Project dam construction reaches a mid-point and a final $5 million payment to occur upon completion of the project.

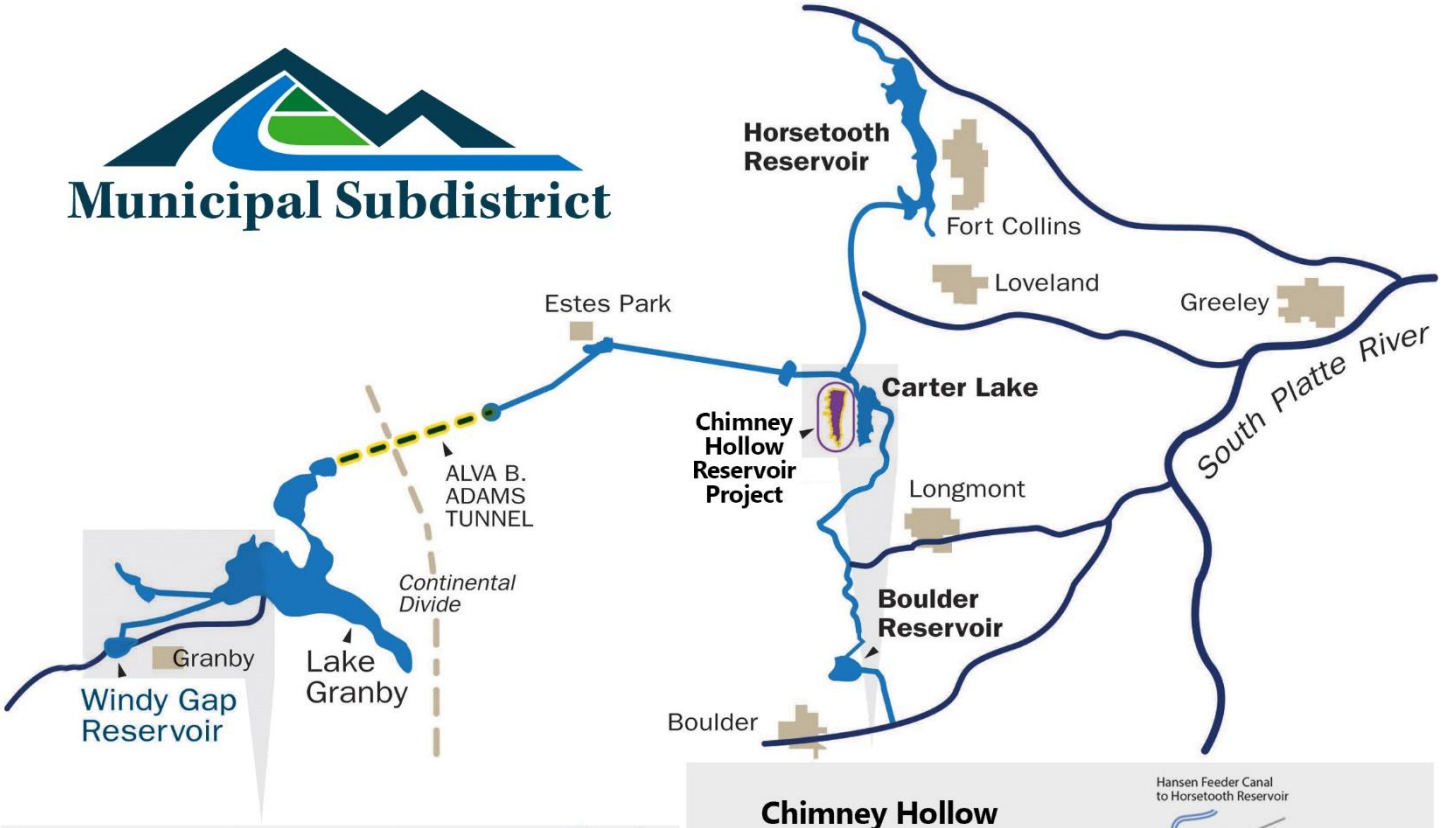


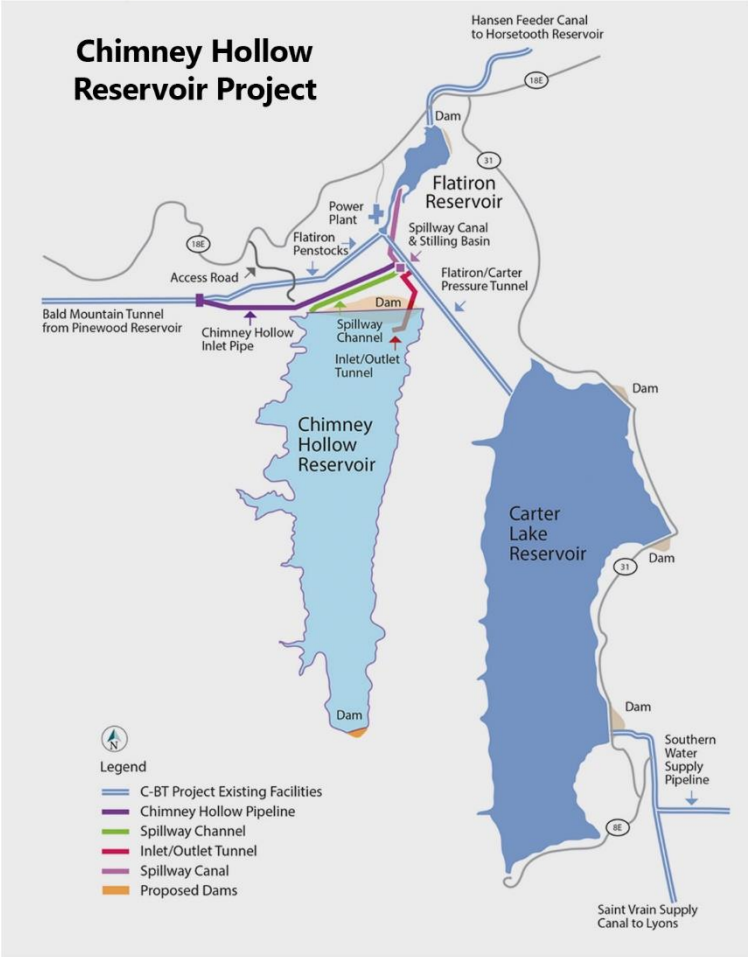
Financial Contact

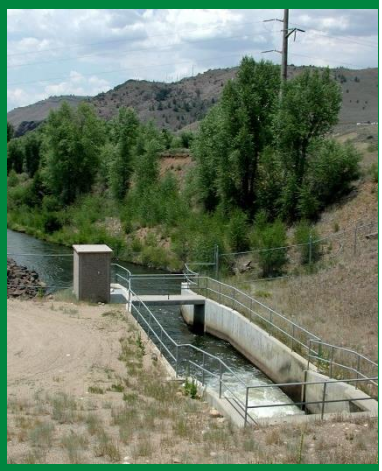
The Subdistrict's financial statements are designed to present users with a general overview of the Subdistrict's finances and to demonstrate the Subdistrict's accountability. If there are any questions about the report, or if additional financial information is needed, please contact the Financial Services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

[1] *Balances reflect WGFP. Windy Gap had no debt outstanding at September 30, 2021.*

Map of Windy Gap Project and the Chimney Hollow Reservoir Project







BASIC FINANCIAL STATEMENTS

Statement of Net Position – Proprietary Funds

September 30, 2021

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
ASSETS			
Current assets			
Cash, unrestricted	$ 17,031,349	$ 6,766,643	$ 23,797,992
Receivables	188,136	1,485	189,621
Interest receivable	27,786	873,210	900,996
Cash equivalents, restricted	-	62,684,218	62,684,218
Investments, restricted	-	162,618,869	162,618,869
Water inventory	65,400	-	65,400
Prepaid carriage costs	76,179	-	76,179
Current assets	17,388,850	232,944,425	250,333,275
Noncurrent assets			
Cash equivalents, unrestricted	25,325	-	25,325
Cash equivalents, restricted	-	13,472,650	13,472,650
Investments, unrestricted	8,247,071	-	8,247,071
Investments, restricted	-	264,504,498	264,504,498
Cash and investments, noncurrent	8,272,396	277,977,148	286,249,544
Capital assets	89,878,412	114,828,846	204,707,258
Less accumulated depreciation	(74,143,008)	-	(74,143,008)
Capital assets, net of accumulated depreciation	15,735,404	114,828,846	130,564,250
Noncurrent assets	24,007,800	392,805,994	416,813,794
Assets	$ 41,396,650	$ 625,750,419	$ 667,147,069
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (Note 14)	$ 4,958,510	$ 17,798,878	$ 22,757,388
Unearned revenue	1,943,008	286,478,659	288,421,667
Current liabilities	6,901,518	304,277,537	311,179,055
Noncurrent liabilities			
Senior Revenue Bonds, Series 2021	-	218,486,669	218,486,669
Other noncurrent liability (Note 10)	-	10,000,000	10,000,000
Noncurrent liabilities	-	228,486,669	228,486,669
Liabilities	$ 6,901,518	$ 532,764,206	$ 539,665,724
NET POSITION			
Net investment in capital assets	$ 15,735,404	$ 77,108,635	$ 92,844,039
Restricted net position	-		-
Capital projects	-	2,404,928	2,404,928
Debt service	-	13,472,650	13,472,650
Unrestricted net position (deficit)	18,759,728	-	18,759,728
Net position	$ 34,495,132	$ 92,986,213	$ 127,481,345

See accompanying Notes to Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2021

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
Operating revenues			
Assessments	$ 5,101,176	$ -	$ 5,101,176
Operating expenses			
Operations	3,919,301	-	3,919,301
Engineering	672,661	-	672,661
Environmental services	371,940	-	371,940
Administration	467,422	-	467,422
Depreciation	2,088,395	-	2,088,395
Operating expenses	7,519,719	-	7,519,719
Operating loss	(2,418,543)	-	(2,418,543)
Nonoperating revenues and expenses			
Bond issuance expenses	-	(1,602,260)	(1,602,260)
Intergovernmental grant revenue	2,822,153	-	2,822,153
Interest earnings (losses)	56,519	(431,751)	(375,232)
Interest expense, net of bond premium amortization	-	(476,693)	(476,693)
Nonoperating revenue other	6,227	-	6,227
Nonoperating revenues and expenses, net	2,884,899	(2,510,704)	374,195
Income (loss) before contributions	466,356	(2,510,704)	(2,044,348)
Capital contributions	-	20,413,724	20,413,724
Increase in net position	466,356	17,903,020	18,369,376
Net position, beginning of year	34,028,776	75,083,193	109,111,969
Net position, end of year	$ 34,495,132	$ 92,986,213	$ 127,481,345

See accompanying Notes to Financial Statements.

Statement of Cash Flows

Year ended September 30, 2021

	Business-type Activity Enterprise Funds		
	Windy Gap	Windy Gap Firming Project	Total
Cash flows from operating activities			
Receipts from participants	$ 4,594,824	$ -	$ 4,594,824
Payments to suppliers	(4,098,561)	-	(4,098,561)
Payments to employees	(1,390,373)	-	(1,390,373)
Net cash used by operating activities	(894,110)	-	(894,110)
Cash flows from capital and related financing activities			
Capital contributions	-	309,291,711	309,291,711
Proceeds from issuance of bonds	-	218,058,791	218,058,791
Bond issuance costs	-	(283,840)	(283,840)
Intergovernmental grant proceeds	2,785,759	-	2,785,759
Acquisition and construction of capital assets	(2,286,492)	(23,507,210)	(25,793,702)
Net cash provided by capital and related financing activities	499,267	503,559,452	504,058,719
Cash flows from investing activities			
Investment purchases	(6,673,013)	(427,689,133)	(434,362,146)
Proceeds from sale of investments	6,355,147	-	6,355,147
Earnings (losses) on investments	382,151	(739,197)	(357,046)
Net cash provided (used) by investing activities	64,285	(428,428,330)	(428,364,045)
Net increase (decrease) in cash and cash equivalents	(330,558)	75,131,122	74,800,564
Cash and cash equivalents, beginning of year	17,387,232	7,792,389	25,179,621
Cash and cash equivalents, end of year	$ 17,056,674	$ 82,923,511	$ 99,980,185
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	$ (2,418,543)	$ -	$ (2,418,543)
Adjustments to reconcile operating income to net			-
Depreciation	2,088,395	-	2,088,395
(Increase) decrease in current assets			
Receivables	(3,724,639)	-	(3,724,639)
Water inventory	(65,400)	-	(65,400)
Prepaid carriage costs	42,063	-	42,063
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities	3,909,500	-	3,909,500
Unearned revenue	(725,486)	-	(725,486)
Adjustments	1,524,433	-	1,524,433
Net cash used by operating activities	$ (894,110)	$ -	$ (894,110)
Non-cash activities			
Change in value of investments	$ 317,156	$ (565,766)	$ (248,610)
Acquisition and construction of capital assets	$ 298,945	$ 25,624,658	$ 25,923,603
Reconciliation of capital contributions			
Capital contributions	$ -	$ 20,413,724	$ 20,413,724
Plus unearned revenue	-	286,478,659	286,478,659
Plus decrease in capital contributions receivable	-	2,399,328	2,399,328
Cash flows from capital contributions	$ -	$ 309,291,711	$ 309,291,711

See accompanying 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 12-member Board of Directors, which is appointed by the presiding district court judges of four of the five judicial districts located wholly or partially within 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 at September 30, 2021.

Assets, Liabilities and Net Position

Cash and Cash Equivalents, Unrestricted and Restricted

Cash and cash equivalents are considered to be cash deposits and short-term investments with original maturities of three months or less from the date of acquisition. Certain cash balances are held in the Colorado Statewide Investment Pool (CSIP), a local government investment pool. The State Securities Commissioner administers and enforces State statutes governing the CSIP. The CSIP seeks to maintain a stable net asset value of $1.00 per share. Cash equivalents are reported at amortized cost, which is not considered significantly different from fair value. There are no limitations or restrictions on withdrawals. At September 30, 2021, the weighted average maturity of the liquid portfolios was 55 days. The weighted average maturity of the 2021 and 2022 term portfolios was 36 days and 92 days, respectively. CSIP had a Standard and Poors rating of AAAm at September 30, 2021.

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

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

Note 1 continued

Investments, Unrestricted and Restricted

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

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

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

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

Receivables

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

Water Inventory

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

Prepaid 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. Prepaid balances represent estimated advance payments made to Reclamation.

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 3 to 5 years, buildings and improvements over 10 to 25 years and the water diversion project over 40 years.

Accounts Payable and Accrued Liabilities
Accounts payable and accrued liabilities included amounts due to Northern Water. See further discussion at Note 15 Intergovernmental Transactions.

Unearned Revenue
Unearned revenue for Windy Gap consists of estimated carriage costs paid by participants over actual costs incurred. Unearned revenue for WGFP relates to participant cash contributions to fund the Chimney Hollow Reservoir Project. Capital contributions for construction are recognized ratably as project costs are incurred.

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

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 or not the participants take delivery of water. Operating expenses include operations, engineering, environmental services and administrative costs associated with providing untreated water and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. WGFP is not yet operational and, therefore, has no operating revenues or expenses.

2 IMPLEMENTATION OF GASB 98

The Subdistrict has implemented GASB 98 "The Annual Comprehensive Financial Report," adopting the term *Annual Comprehensive Financial Report* and its acronym *ACFR*.

3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Budgetary Data
The budget process is a year-long effort to align the Subdistrict's long-term mission and values with actionable items at a program level.

Task	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Key goals and objectives formulated									
Major budget assumptions identified									
Final budget recommendations made by division directors									
Budget officers appointed by the Subdistrict Board and budget reports prepared									
Budget delivered to the Subdistrict Board									
Public hearing held and budget adopted by the Subdistrict Board									
Budget filed with the Colorado State Division of Local Government									

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

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents balance at September 30, 2021, were as follows:

	Current		Noncurrent		Cash and Cash
Fund/Deposit Type	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Equivalents**
Windy Gap					
Deposits	$ 10,192,327	$ -	$ -	$ -	$ 10,192,327
LGIP/Money Market Funds	6,839,022	-	25,325	-	6,864,347
Windy Gap	17,031,349	-	25,325	-	17,056,674
Windy Gap Firming Project					
Deposits	6,766,643	-	-	-	6,766,643
LGIP/Money Market Funds	-	62,684,218	-	13,472,650	76,156,868
Windy Gap Firming Project	6,766,643	62,684,218	-	13,472,650	82,923,511
Cash and cash equivalents	$ 23,797,992	$ 62,684,218	$ 25,325	$ 13,472,650	$ 99,980,185

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

5 INVESTMENTS

Investment balances for the Subdistrict enterprise funds by investment type at September 30, 2021, were as follows:

	Current		Noncurrent		Total
Fund/Investment Type	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Investments**
Windy Gap					
U.S. Government Securities	$ -	$ -	$ 2,640,830	$ -	$ 2,640,830
Federal Agency Securities	-	-	1,191,539	-	1,191,539
Federal Agency Collateralized Mortgage Obligations	-	-	372,427	-	372,427
Negotiable Certificates of Deposit	-	-	506,078	-	506,078
Supranationals	-	-	1,547,476	-	1,547,476
Municipal Obligations	-	-	1,786,115	-	1,786,115
Corporate Notes	-	-	202,606	-	202,606
Windy Gap	-	-	8,247,071	-	8,247,071
Windy Gap Firming Project					
U.S. Government Securities	-	-	-	211,213,453	211,213,453
Negotiable Certificates of Deposit	-	105,056,277	-	-	105,056,277
Supranationals	-	-	-	50,234,679	50,234,679
Commercial Paper	-	57,562,592	-	-	57,562,592
Corporate Notes	-	-	-	3,056,366	3,056,366
Windy Gap Firming Project	-	162,618,869	-	264,504,498	427,123,367
Investments	$ -	$ 162,618,869	$ 8,247,071	$ 264,504,498	$ 435,370,438

Note 5 continued

Investment balances by level hierarchy at September 30, 2021, were as follows:

Investment Type	Level 1	Level 2	Fair Value
U.S. Government Securities	$ 213,854,283	$ -	$ 213,854,283
Federal Agency Securities	-	1,191,539	1,191,539
Federal Agency Collateralized Mortgage Obligations	-	372,427	372,427
Negotiable Certificates of Deposit	-	105,562,355	105,562,355
Supranationals	-	51,782,155	51,782,155
Municipal Obligations	-	1,786,115	1,786,115
Commercial Paper	-	57,562,592	57,562,592
Corporate Notes	-	3,258,972	3,258,972
Investments	$ 213,854,283	$ 221,516,155	$ 435,370,438

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 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 percent of the portfolio and no more than 5 percent of the portfolio may be invested with a single issuer with certain exceptions pursuant to the provisions of GASB 40 or to the extent the Subdistrict's investment policy is more restrictive.

[(1)] Rating is 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 is required.

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

[(4)] Must be 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 is required.

[(5)] Must be "no load" with constant net asset value per share of $1.00.

Note 5 continued

At September 30, 2021, the Subdistrict had investments with the following ratings:

Investment Type	Rating	Investments	Percentage
U.S. Government Securities	AA+	$ 213,854,283	49.2%
Federal Agency Securities	AA+	1,191,539	0.3%
Federal Agency Collateralized Mortgage Obligations	AA+	372,427	0.1%
Negotiable Certificates of Deposit	A-1	43,275,678	9.9%
Negotiable Certificates of Deposit	A-1+	62,209,575	14.3%
Negotiable Certificates of Deposit	AA-	77,102	0.0%
Supranationals	AAA	51,782,155	11.9%
Municipal Obligations	AA-	45,752	0.0%
Municipal Obligations	AA	578,760	0.1%
Municipal Obligations	AA+	323,483	0.1%
Municipal Obligations	AAA	327,309	0.1%
Municipal Obligations	Not rated	510,811	0.1%
Commercial Paper	A-1	42,629,306	9.8%
Commercial Paper	A-1+	14,933,286	3.4%
Corporate Notes	A+	143,492	0.0%
Corporate Notes	AA-	25,435	0.0%
Corporate Notes	AA	3,054,532	0.7%
Corporate Notes	AA+	35,513	0.0%
Investments		$ 435,370,438	100.0%

Rating	Investments	Percentage
AAA	$ 52,109,464	12.0%
AA+	215,777,245	49.7%
AA	3,633,292	0.8%
AA-	148,289	0.0%
A+	143,492	0.0%
A-1+	77,142,861	17.7%
A-1	85,904,984	19.7%
Not rated	510,811	0.1%
Investments	$ 435,370,438	100.0%

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, 2021, there were no investments greater than 5 percent of the portfolio with any one issuer.

Note 5 continued

At September 30, 2021, the Subdistrict had investments with the following maturities:

	Investment Maturities					
Investment Type	**1 year**	**1 - 2 years**	**2 - 3 years**	**3 - 4 years**	**4 - 5 years**	**Investments**
U.S. Government Securities	$ 46,593	$ 93,873,818	$ 83,659,073	$ 35,440,927	$ 833,872	$213,854,283
Federal Agency Securities	-	423,383	69,949	634,029	64,178	1,191,539
Federal Agency Collateralized Mortgage Obligations	114,146	40,242	102,472	115,567	-	372,427
Negotiable Certificates of Deposit	105,485,253	77,102	-	-	-	105,562,355
Supranationals	76,100	17,207,136	33,784,899	361,043	352,977	51,782,155
Commercial Paper	57,562,592	-	-	-	-	57,562,592
Municipal Obligations	76,101	274,183	679,371	651,912	104,548	1,786,115
Corporate Notes	204,441	3,054,531	-	-	-	3,258,972
Investments	$163,565,226	$114,950,395	$118,295,764	$ 37,203,478	$ 1,355,575	$435,370,438

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

6 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, 2021. WGFP restricted balances were as follows:

	2021
Current Cash Equivalents, Restricted	
Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	$ 25,197,057
Participant Capital Funds	37,284,008
Senior Revenue Bonds, Series 2021 Costs of Issuance Fund	203,153
Current cash equivalents, restricted	$ 62,684,218
Noncurrent Cash Equivalents, Restricted	
Senior Revenue Bonds, Series 2021 Debt Service Reserve	$ 13,472,650

- Senior Revenue Bonds, Series 2021, Bond Proceeds Project Fund and Participant Capital Funds are restricted for payment of Chimney Hollow Reservoir Project construction costs.
- Senior Revenue Bonds, Series 2021, Costs of Issuance Fund is restricted for payment of bond issuance costs.
- Senior Revenue Bonds, Series 2021, Debt Service Reserve is restricted for the payment of bond debt service requirements. The reserve is equal to the maximum annual debt service in any future year less any amounts anticipated to be released from the Debt Service Reserve Fund in such fiscal year.

7 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, 2021. WGFP restricted balances were as follows:

	2021
Current Investments, Restricted	
Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	$ 83,650,898
Participant Capital Funds	78,967,971
Current investments, restricted	$ 162,618,869
Noncurrent Investments, Restricted	
Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	$ 88,349,283
Participant Capital Funds	176,155,215
Noncurrent investments, restricted	$ 264,504,498

See Note 6 Cash Equivalents, Restricted for description of the purpose of restricted funds.

8 CAPITAL ASSETS

Capital asset activity for the Subdistrict enterprise funds for the year ended September 30, 2021, was as follows:

	2020	Additions	Retirements	2021
Windy Gap				
Capital assets				
Non-depreciable capital assets				
Construction in progress	$ 2,229,111	$ 2,433,726	$ -	$ 4,662,837
Land	2,046,198	-	-	2,046,198
Water rights	470,921	-	-	470,921
Depreciable capital assets				
Buildings, equipment and improvements	476,964	-	(97,805)	379,159
Water diversion project	82,167,586	151,711	-	82,319,297
Capital assets	87,390,780	2,585,437	(97,805)	89,878,412
Accumulated depreciation				
Buildings, equipment and improvements	(438,871)	(5,603)	97,805	(346,669)
Water diversion project	(71,713,547)	(2,082,792)	-	(73,796,339)
Accumulated depreciation	(72,152,418)	(2,088,395)	97,805	(74,143,008)
Capital assets, net	15,238,362	497,042	-	15,735,404
Windy Gap Firming Project				
Construction in progress	65,696,977	49,131,869	-	114,828,846
Capital assets, net of accumulated depreciation	$ 80,935,339	$ 49,628,911	$ -	$ 130,564,250

See outstanding commitments described in Note 16.

9 LONG-TERM DEBT

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

The bonds were issued with an original principal amount of $169,705,000 and a premium of $49,351,106. Annual principal payments on the bonds are due each July beginning in 2026. Some of the allottees elected to have a 20-year term. The other allottees chose a 30-year term. Interest is payable in semi-annual installments in January and July at either 4 percent or 5 percent beginning January 2022. Amortization of the related premium amounted to $569,437 for the year ended September 30, 2021, 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.

	2020	Additions	Amortization	2021	Amounts Due Within One Year
Senior Revenue Bonds, Series 2021	$ -	$ 169,705,000	$ -	$ 169,705,000	$ -
Unamortized premium	-	49,351,106	(569,437)	48,781,669	-
Long-term debt	$ -	$ 219,056,106	$ (569,437)	$ 218,486,669	$ -

Annual debt service requirements to maturity are as follows:

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

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

Note 9 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

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 reserve of $13,472,650 has been established. All bond proceeds are held by a trustee for project costs.

WGFP has a $90 million subordinated loan from the CWCB, such funds to be used for the Chimney Hollow Reservoir Project construction. The 30-year loan is at 2.08 percent interest with a 1 percent origination fee included in the $90 million total. No draws on the loan had been made as of September 30, 2021.

10 OTHER NONCURRENT LIABILITY

As part of its mitigation and enhancement efforts, WGFP entered into an agreement with a third party to pay $15 million to be used for the design, construction and maintenance of projects to improve the aquatic and riparian habitat or water quality in areas impacted by the Windy Gap or WGFP projects. An initial payment of $5 million was paid in August 2021. A subsequent $5 million payment will be paid when the Chimney Hollow Reservoir Project dam construction reaches a midpoint, expected to be in 2023, and a final $5 million payment to occur upon completion of the project, expected to be in 2025.

11 CAPITAL CONTRIBUTIONS

The WGFP allottees who did not participate in the pooled financing bond issuance contributed their share of the Chimney Hollow Reservoir Project costs in 2021 in cash, in accordance with the participant allotment contracts. The funding is recognized in the Statement of Revenues, Expenses and Changes in Net Position as capital contributions ratably as project costs are incurred. The remainder is reflected as unearned revenue. All project funds are held by a trustee for project construction costs and reflected as restricted cash and investments in the financial statements at September 30, 2021.

12 WINDY GAP PRINCIPAL PARTICIPANTS BASED ON ASSESSMENTS

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

Participant	2021
Platte River Power Authority	21%
City and County of Broomfield	20%
City of Greeley	14%
City of Longmont	10%
Superior Metropolitan District No. 1	6%
City of Fort Lupton	6%

Amounts above do not reflect the adjustment for unearned revenue.

13 RISK MANAGEMENT

The Subdistrict is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Subdistrict carries commercial insurance for these risks. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three fiscal years.

14 INTERGOVERNMENTAL GRANTS

To partially fund development of the Colorado River Connectivity Channel, the Subdistrict entered into subgrant agreements with Trout Unlimited and CWCB. Under the terms of the agreements, the Subdistrict was reimbursed for certain costs incurred for the project. In fiscal year 2021, $2,822,153 in eligible costs had been incurred and recognized as intergovernmental grant revenue. As of September 30, 2021, essentially all of the grants had been used.

15 INTERGOVERNMENTAL TRANSACTIONS

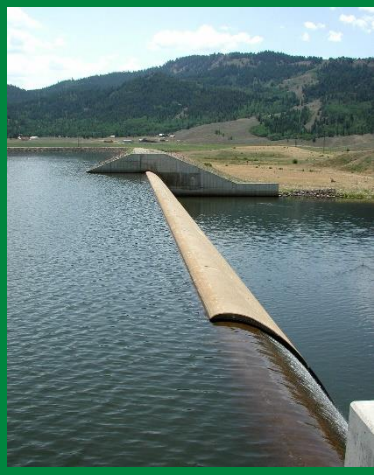
For the year ended September 30, 2021, total charges to the Subdistrict from Northern Water for operations, engineering, environmental and administrative services amounted to $3,802,829 including carriage costs of $2,145,482. Of this amount, a total of $2,105,299 was payable at year end and included in accounts payable on the accompanying financial statements. In addition, Northern Water provides centralized cash receipts and disbursement functions for the Subdistrict. At September 30, 2021, a payable to Northern Water of $2,266,650 as compensation for prior water rights was included in the WGFP financial statements. The cost was included in project costs by WGFP.

16 COMMITMENTS AND CONTINGENCIES

At September 30, 2021, WGFP 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 $580 million; $522 million remained outstanding at September 30, 2021.

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 million, representing management's best estimate given the future value of storage in the Chimney Hollow Reservoir Project and the value of water currently being delivered to other entities.

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



SUPPLEMENTARY INFORMATION

Schedule of Revenues and Expenses, Budget to Actual

Windy Gap

Non-GAAP Budgetary Basis

	Year ended September 30, 2021			
	Budget (unaudited)	**Actual**	**Variance**	**Year ended September 30, 2020 Actual**
Operating revenue sources				
Water assessments	$ 6,073,250	$ 5,101,176	$ (972,074)	$ 3,687,686
Operating revenue sources	6,073,250	5,101,176	(972,074)	3,687,686
Operating expense uses	(6,197,918)	(5,431,324)	766,594	(3,256,617)
Operating revenue sources over (under) expense uses	(124,668)	(330,148)	(205,480)	431,069
Nonoperating revenue sources				
Capital contributions	-	-	-	139,602
Intergovernmental grants	5,600,000	2,822,153	(2,777,847)	141,863
Earnings on investments	401,202	56,519	(344,683)	634,152
Other nonoperating revenues	125,950	6,227	(119,723)	-
Nonoperating revenue sources	6,127,152	2,884,899	(3,242,253)	915,617
Nonoperating expense uses				
Capital purchases and project expenditures	(6,594,000)	(2,585,437)	4,008,563	(1,712,044)
Other nonoperating expenses	(100,050)	-	-	-
Contingency appropriation	(250,000)	-	250,000	-
Nonoperating expense uses	(6,944,050)	(2,585,437)	4,258,563	(1,712,044)
Nonoperating revenue sources over (under) expense uses	(816,898)	299,462	1,016,310	(796,427)
Revenue sources over (under) expenses uses	$ (941,566)	(30,686)	$ 810,830	(365,358)
Adjustments to reconcile budgetary basis to GAAP basis				
Capital purchases and project costs under GAAP		2,585,437		1,672,467
Depreciation		(2,088,395)		(2,082,887)
Changes in net position		$ 466,356		$ (775,778)

Schedule of Revenues and Expenses, Budget to Actual

Windy Gap Firming Project

Non-GAAP Budgetary Basis

	Year ended September 30, 2021			
	Budget (unaudited)	**Actual**	**Variance**	**Year ended September 30, 2020 Actual**
Nonoperating revenue sources				
Participant contributions and bond proceeds	$ 586,000,000	$ 524,853,031	$ (61,146,969)	$ 12,000,000
Earnings on investments and rental income	60,000	(333,608)	(393,608)	176,391
Nonoperating revenue sources	586,060,000	524,519,423	(61,540,577)	12,176,391
Nonoperating expense uses				
Capital project expenditures	(170,197,386)	(49,131,869)	121,065,517	(7,788,839)
Bond issuance costs	-	(1,602,260)	(1,602,260)	-
Nonoperating expense uses	(170,197,386)	(50,734,129)	119,463,257	(7,788,839)
Nonoperating revenue sources over expense uses	$ 415,862,614	473,785,293	$ 57,922,680	4,387,552
Adjustments to reconcile budgetary basis to GAAP basis				
Unearned revenue		(286,478,659)		-
Bond proceeds		(218,058,791)		-
Accrued interest expense		(476,693)		-
Capital project expenditures under GAAP		49,131,869		7,788,839
Changes in net position		$ 17,903,020		$ 12,176,391

Schedule of Changes in Restricted Assets

Windy Gap Firming Project

Year ended September 30, 2021

Activity	Senior Revenue Bonds, Series 2021 Bond Proceeds Project Fund	Costs of Issuance Fund	Debt Service Reserve	Liquidity Fund[1]
Cash and investment balances, beginning of year	$ -	$ -	$ -	$ -
Senior Revenue Bonds, Series 2021, bond proceeds	204,099,151	486,990	13,472,650	-
Use of funds for construction project	(6,421,635)	-	-	-
Use of funds for costs of bond issuance	-	(283,837)	-	-
Unrealized gains (losses) and interest income[2]	(480,278)	-	-	-
Cash and investment balances, end of year	$ 197,197,238	$ 203,153	$ 13,472,650	$ -

Activity	Participant Capital Funds	Revenue Account[1]	Debt Service Fund[1]	Operations and Maintenance Reserve[1]
Cash and investment balances, beginning of year	$ -	$ -	$ -	$ -
Participant cash funding	299,794,040	-	-	-
Use of funds for construction project	(6,565,941)	-	-	-
Unrealized gains (losses) and interest income[2]	(820,905)	-	-	-
Cash and investment balances, end of year	$ 292,407,194	$ -	$ -	$ -

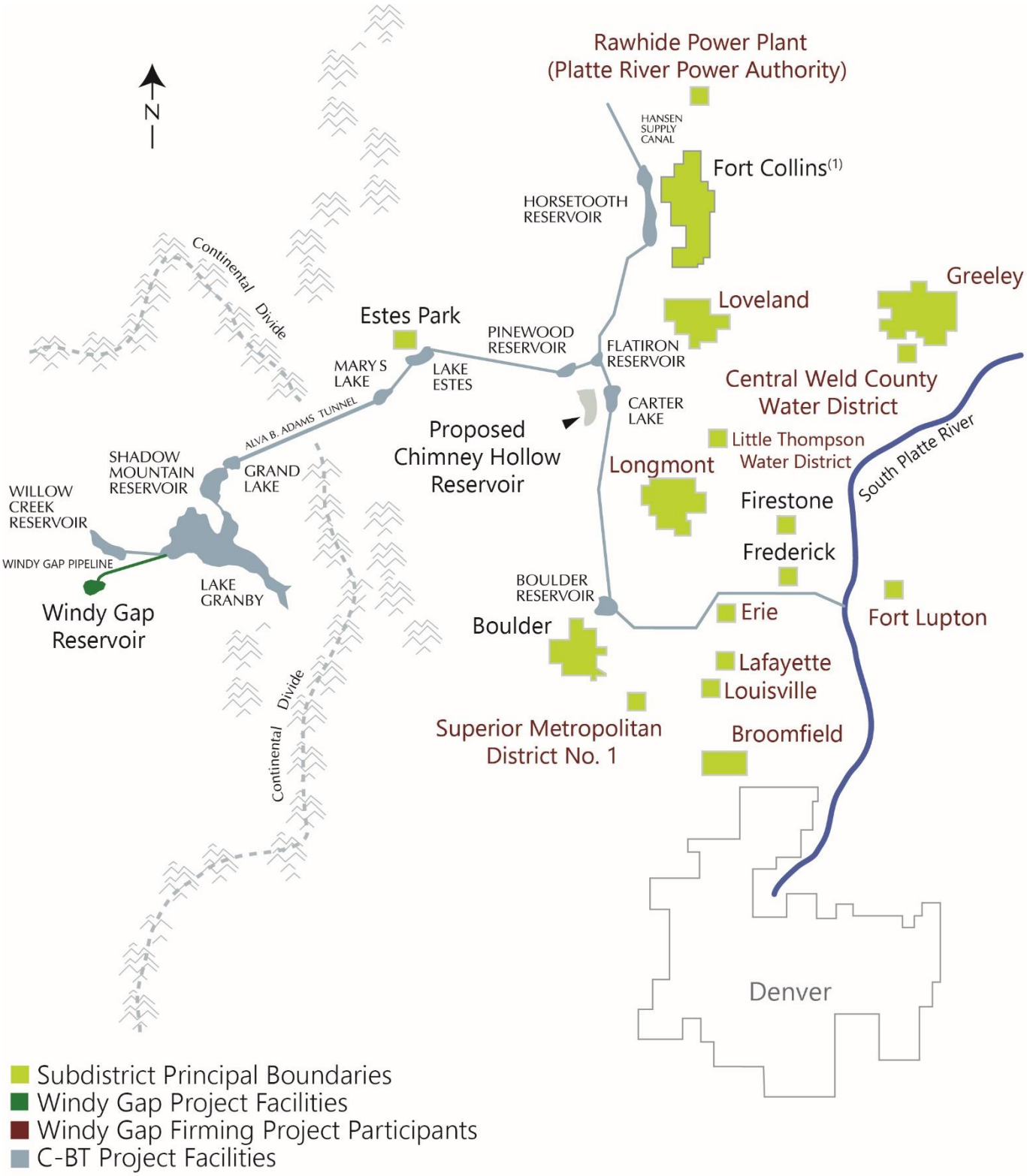
[1] No activity during the year ended September 30, 2021.

[2] It is anticipated that investments will be held until maturity and market value gains(losses) will not be realized.

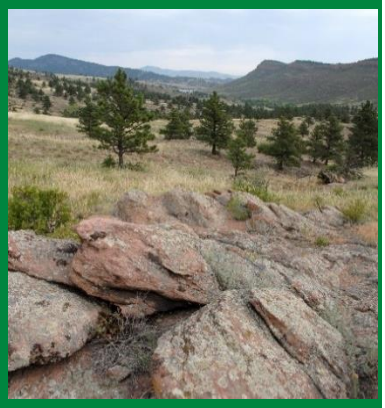
STATISTICS

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

MAP OF SUBDISTRICT PARTICIPANTS



(1)Fort Collins transferred its units to Platte River Power Authority



FINANCIAL TRENDS

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

Statement of Revenues, Expenses and Changes in Net Position and Net Position by Component (2012 - 2021) [1]

Years ended September 30,
Unaudited

	2021	2020	2019	2018	2017[2]
Operating revenues					
Assessments	$ 5,101,176	$ 3,687,686	$ 3,407,426	$ 3,615,652	$ 2,959,905
Other operating income	-	-	6,286	29,785	-
Operating revenue	5,101,176	3,687,686	3,413,712	3,645,437	2,959,905
Operating expenses					
Operations	3,919,301	2,383,187	2,562,743	2,456,538	1,813,030
Administration	672,661	555,824	640,374	856,587	894,621
Environmental Services[3]	371,940	322,443	295,559	-	-
Engineering	467,422	34,740	47,585	224,081	266,694
Depreciation	2,088,395	2,082,887	2,081,291	2,081,291	2,079,764
Operating expenses	7,519,719	5,379,081	5,627,552	5,618,497	5,054,109
Operating loss	(2,418,543)	(1,691,395)	(2,213,840)	(1,973,060)	(2,094,204)
Nonoperating revenues (expenses)					
Earnings (loss) on investments	(375,232)	634,152	672,708	120,867	129,556
Intergovernmental grants	2,822,153	141,863	-	-	-
Bond issuance expenses	(1,602,260)	-	-	-	-
Interest expense	(476,693)	-	-	-	-
Other nonoperating revenues, net	6,227	-	20,097	44,957	73,820
Nonoperating revenues, net	374,195	776,015	692,805	165,824	203,376
Loss before contributions	(2,044,348)	(915,380)	(1,521,035)	(1,807,236)	(1,890,828)
Capital contributions	20,413,724	12,315,993	10,386,309	9,181,914	10,534,897
Changes in net position	$ 18,369,376	$ 11,400,613	$ 8,865,274	$ 7,374,678	$ 8,644,069
Net position					
Investment in capital assets, net of related debt	$ 92,844,039	$ 80,935,339	$ 73,556,919	$ 64,860,852	$ 53,771,856
Restricted net position					
Debt service	13,472,650	-	-	-	-
Capital project	2,404,928	9,386,216	4,998,664	5,216,736	9,154,797
Unrestricted net position	18,759,728	18,790,414	19,155,773	18,768,494	18,544,751
Net position	$ 127,481,345	$ 109,111,969	$ 97,711,356	$ 88,846,082	$ 81,471,404

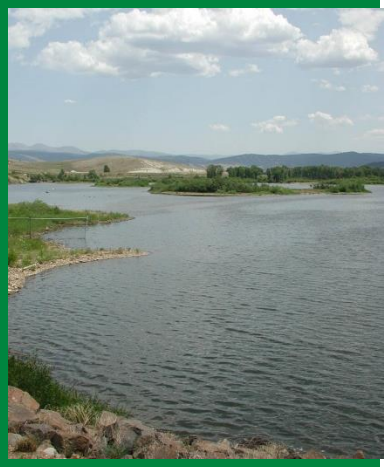
[1] *Amounts reflect the Subdistrict's two enterprise funds combined.*
[2] *In 2017 assessments were reduced due to the extinguishment of debt in 2016.*
[3] *Environmental Services established in 2019.*

Statement of Revenues, Expenses and Changes in Net Position and Net Position by Component (2012 - 2021)[1] (continued)

Years ended September 30,
Unaudited

	2016	2015	2014	2013	2012
Operating revenues					
Assessments	$ 12,873,962	$ 13,959,770	$ 13,524,172	$ 13,715,876	$ 13,292,546
Operating revenue	12,873,962	13,959,770	13,524,172	13,715,876	13,292,546
Operating expenses					
Operations	1,514,945	2,878,863	2,788,801	3,374,057	2,422,523
Administration	604,070	539,622	479,124	642,510	832,077
Engineering	175,590	117,402	160,445	223,415	166,293
Depreciation	2,078,999	2,078,999	2,078,999	2,060,125	2,041,474
Operating expenses	4,373,604	5,614,886	5,507,369	6,300,107	5,462,367
Operating income	17,247,566	19,574,656	19,031,541	20,015,983	18,754,913
Nonoperating revenues (expenses)					
Earnings on investments	166,206	180,024	124,093	117,006	62,237
Interest expense	(638,455)	(1,325,146)	(1,784,178)	(2,214,668)	(2,575,659)
Loss on defeasance of water revenue bonds	(864,629)	-	-	-	-
Other nonoperating revenues, net	342,442	55,695	44,107	275,177	19,704
Nonoperating revenues, net	(994,436)	(1,089,427)	(1,615,978)	(1,822,485)	(2,493,718)
Income before contributions	7,505,922	7,255,457	6,400,825	5,593,284	5,336,461
Capital contributions	14,103,950	1,469,333	2,336,001	-	1,999,998
Changes in net position	$ 21,609,872	$ 8,724,790	$ 8,736,826	$ 5,593,284	$ 7,336,459
Net position					
Investment in capital assets	$ 41,892,903	$ 29,565,993	$ 21,741,075	$ 13,873,621	$ 7,923,924
Restricted net position					
Debt service	-	12,616,627	12,289,137	12,013,764	12,022,534
Capital project	12,555,702	222,835	756,453	637,669	1,088,872
Unrestricted net position	18,378,730	8,812,008	7,706,008	7,230,793	7,734,372
Net position	$ 72,827,335	$ 51,217,463	$ 42,492,673	$ 33,755,847	$ 28,769,702

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



REVENUE CAPACITY

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

Windy Gap Assessments by Participant (2012 - 2021)

Years ended September 30,
Unaudited

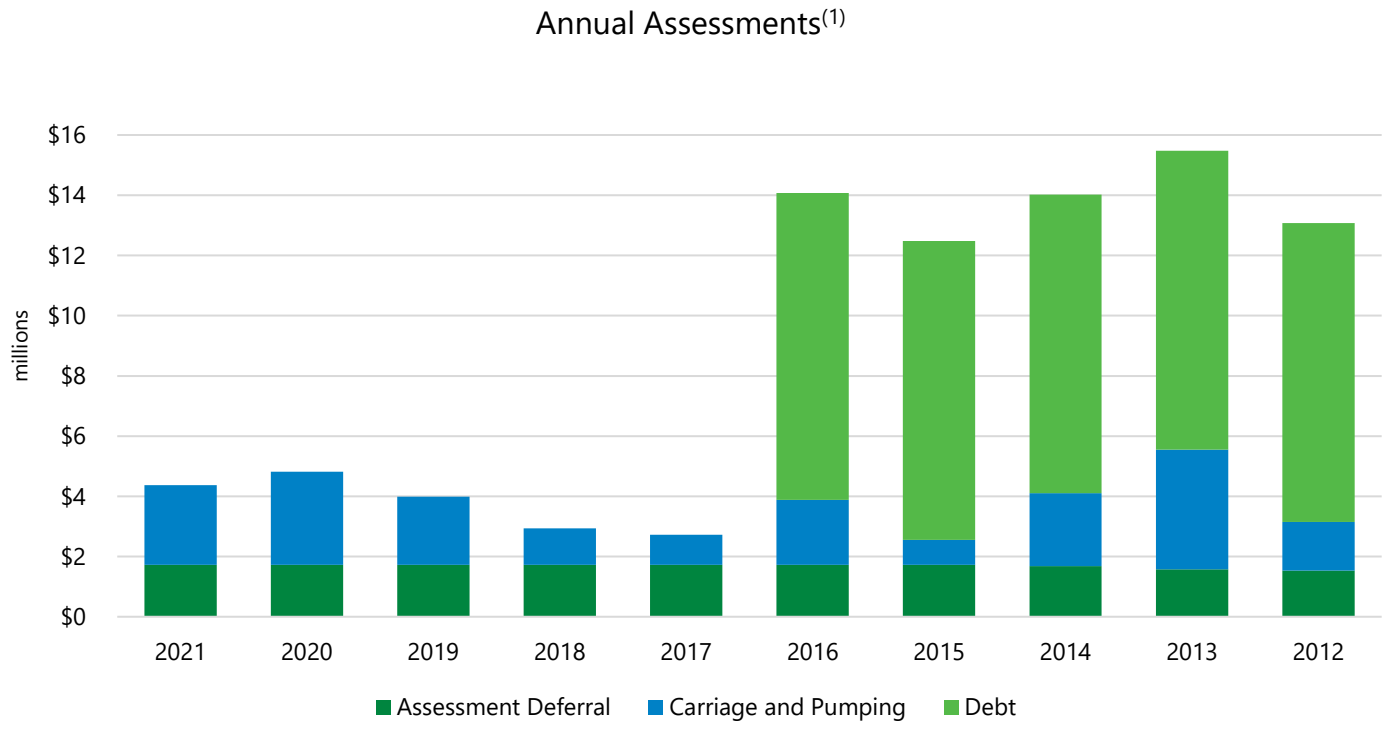
Participant	2021	2020	2019	2018	2017[1]
Plattte River Power Authority	$ 900,434	$ 1,037,240	$ 770,578	$ 764,404	$ 850,402
City and County of Broomfield	894,274	847,981	611,804	588,366	481,468
City of Greeley	608,589	667,594	544,381	489,463	302,637
City of Longmont[2]	450,276	544,897	763,127	(3,661)	389,629
City of Loveland	193,408	353,209	159,181	184,120	153,881
Town of Erie	138,289	288,356	153,531	271,237	108,344
Superior Metropolitan District No. 1	281,168	230,679	174,855	164,589	142,135
City of Fort Lupton	266,446	227,138	211,485	147,221	35,136
City of Boulder	167,813	167,153	189,345	163,058	148,469
Little Thompson Water District	105,667	107,928	87,679	72,176	51,954
City of Louisville	43,950	91,619	64,969	27,668	22,732
Town of Frederick	34,184	61,831	95,869	-	-
Central Weld County Water District	4,883	44,763	10,887	9,039	12,130
Town of Firestone	24,416	44,163	68,478	-	-
Town of Dacono	97,900	-	-	-	-
Town of Berthoud	116,921	37,705	41,087	-	-
Town of Estes Park	31,523	36,961	24,920	27,681	20,440
City of Lafayette	14,650	28,411	14,532	31,682	3,701
Unearned revenue adjustment	726,386	(1,129,942)	(579,282)	678,609	236,847
Assessments	$ 5,101,176	$ 3,687,686	$ 3,407,426	$ 3,615,652	$ 2,959,905

[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.

Windy Gap Assessments by Participants (2012 - 2021) (continued)

Years ended September 30,
Unaudited

Participant	2016	2015	2014	2013	2012
Plattte River Power Authority	$ 4,918,223	$ 4,604,577	$ 4,575,200	$ 4,869,952	$ 4,327,875
City and County of Broomfield	1,993,171	1,645,257	823,939	1,020,464	427,794
City of Greeley	1,628,167	1,360,400	2,083,128	2,181,730	1,887,647
City of Longmont	1,853,861	1,736,904	2,509,157	2,378,341	1,898,498
City of Loveland	953,243	931,557	1,018,408	1,061,399	963,042
Town of Erie	560,716	389,141	474,128	459,202	444,606
Superior Metropolitan District No. 1	542,502	501,778	480,735	531,523	513,991
City of Fort Lupton	120,724	121,213	85,046	110,623	86,295
City fo Boulder	910,645	956,179	1,693,008	1,972,529	2,251,034
Little Thompson Water District	302,120	-	-	-	-
City of Louisville	143,911	103,659	146,270	167,330	144,341
Town of Frederick	-	-	-	-	-
Central Weld County Water District	39,239	30,276	28,548	30,779	27,486
Town of Firestone	-	-	-	-	-
Town of Berthoud	-	-	-	-	-
Town of Estes Park	79,046	77,521	82,728	88,707	78,938
City of Lafayette	23,897	23,285	24,307	27,236	24,002
Unearned revenue adjustment	(1,195,503)	1,478,023	(500,430)	(1,183,939)	216,997
Assessments	$ 12,873,962	$ 13,959,770	$ 13,524,172	$ 13,715,876	$ 13,292,546



(1) 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 Firming Participant Units

September 30
Unaudited

	2021		
	Units	**Acre-Feet**	**Percentage**
Windy Gap			
Platte River Power Authority	110	11,000	22.9%
City of Longmont	80	8,000	16.7%
City and County of Broomfield	56	5,600	11.7%
City of Greeley	49	4,900	10.2%
City of Loveland	40	4,000	8.3%
City of Boulder	37	3,700	7.7%
Town of Erie	20	2,000	4.2%
Little Thompson Water District	19	1,900	4.0%
Superior Metropolitan District No. 1	15	1,500	3.1%
City of Fort Lupton	13	1,300	2.7%
City of Louisville	9	900	1.9%
Town of Berthoud	8	800	1.7%
Town of Frederick	7	700	1.5%
Town of Dacono	5	500	1.0%
Town of Firestone	5	500	1.0%
Town of Estes Park	3	300	0.6%
City of Lafayette	3	300	0.6%
Central Weld County Water District	1	100	0.2%
Total	480	48,000	100.0%

	2021		
	Units	**Acre-Feet**	**Percentage**
Windy Gap Firming 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 (2012 - 2021)

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

Carriage charges[1]	**2021**	**2020**[2]	**2019**	**2018**	**2017**
Reclamation[3]					
6(b) Charge for in-lieu water[1]	$ 35.23	$ 34.00	$ -	$ -	$ -
6(c) ii Farr Pumping Plant	2.51	2.42	2.51	2.42	2.88
6(c) iii Flatiron Pumping Plant	5.39	5.45	5.25	5.22	6.10
6(e) Operations and maintenance	8.54	10.16	9.17	11.00	9.18
7(e) Service charge[1]	-	-	2.85	2.85	2.85
Reclamation carriage charges	51.67	52.03	19.78	21.49	21.01
Northern Water					
7(a) Adams tunnel conveyance	0.26	0.26	0.26	0.26	0.26
7(b)(d) Operations, maintenance and administrative costs	110.18	104.62	75.83	81.22	70.32
8(e) Service charge[1]	-	-	2.85	2.85	2.85
Northern Water carriage charges	110.44	104.88	78.94	84.33	73.43
Carriage charges	162.11	156.91	98.72	105.82	94.44
Energy and wheeling charges[4]	22.44	-	22.06	22.45	-
Carriage, energy and wheeling charges	$ 184.55	$ 156.91	$ 120.78	$ 128.27	$ 94.44
Water pumped (acre-feet)[5]	15,435	-	12,538	26,235	-
Water delivered to participants (acre-feet)	11,663	12,739	13,842	16,135	13,049
Adams Tunnel total conveyance (acre-feet)[6]	248,644	211,451	289,294	236,479	240,304

[1] *References are to the appropriate sections in the 2014 Carriage Contract with Reclamation and Northern Water. The contract became effective in fiscal year 2020. Service charges under paragraphs 7(e) and 8(e) are no longer applicable. These charges were replaced by the 6(b) charge for in-lieu water.*

[2] *Implementation of the 2014 carriage contract in fiscal year 2020.*

[3] *Amounts prior to 2020 excluded a fixed annual carriage charge from Reclamation of $84,525. This charge no longer applies under the 2014 Carriage Contract.*

[4] *Energy and wheeling charges are for pumping Windy Gap Project water from the Windy Gap Reservoir to Lake Granby.*

[5] *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. In cases where no water was pumped but there were deliveries, the deliveries were of in-lieu water. In-lieu water is the delivery of C-BT Project water in-lieu of Windy Gap Project water. Repayment of the in-lieu obligation 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 C-BT Project water spillage.*

[6] *Conveyance included Windy Gap Project water and C-BT Project in-lieu water.*

Windy Gap Carriage, Energy and Wheeling Charges (2012 - 2021) (continued)

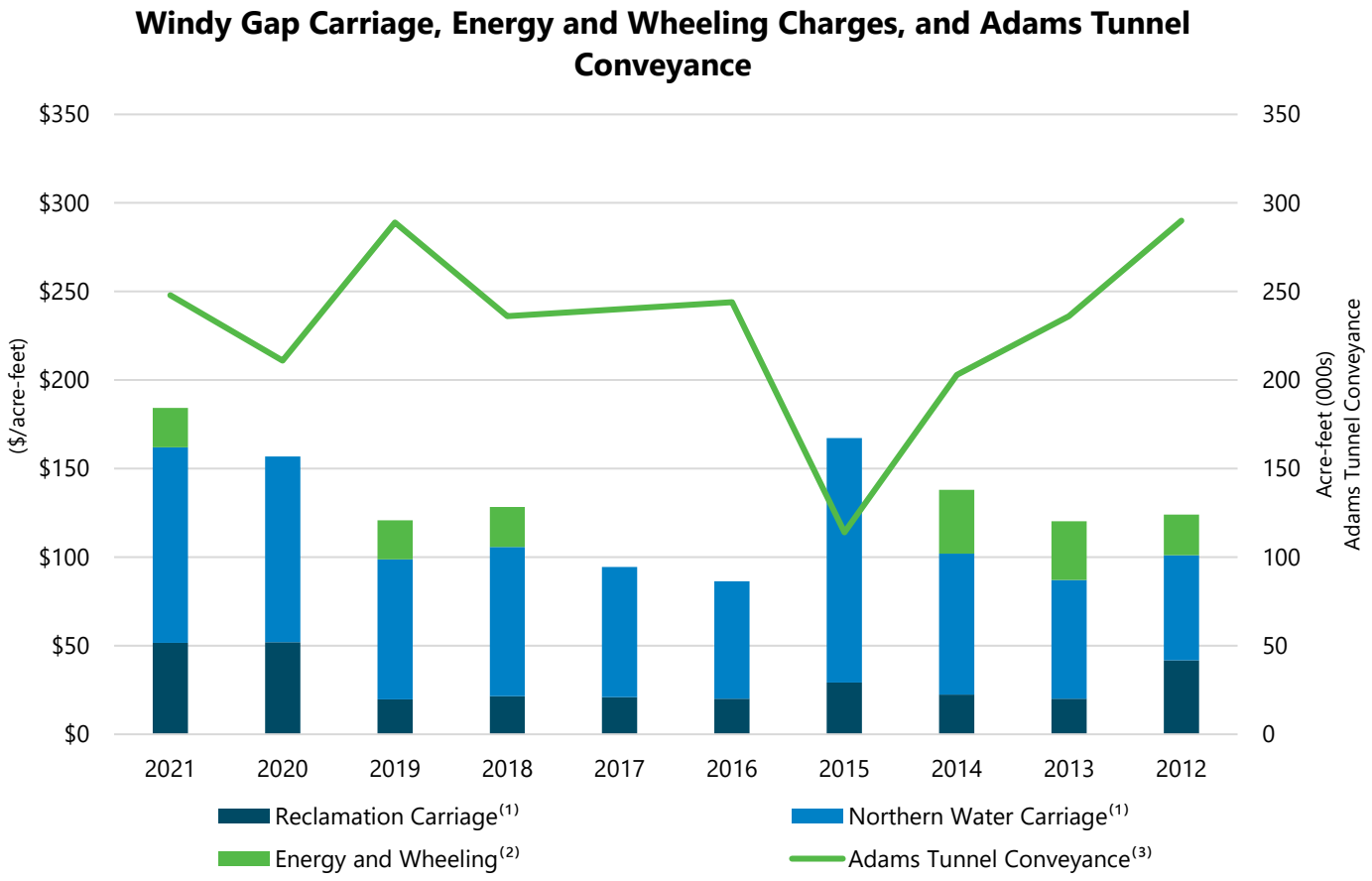
Years ended September 30
Unaudited
(Cost per acre-foot)

Carriage charges[1]	**2016**	**2015**[3]	**2014**	**2013**	**2012**[4]
Reclamation[2]					
6(c) ii Farr Pumping Plant	$ 3.22	$ 3.07	$ 3.53	$ 3.92	$ 3.29
6(c) iii Flatiron Pumping Plant	6.89	7.25	6.60	6.63	6.52
6(e) Operations and maintenance	7.12	16.05	9.34	9.60	29.04
7(e) Service charge	2.85	2.85	2.85	-	2.85
Reclamation carriage charges	20.08	29.22	22.32	20.15	41.70
Northern Water					
7(a) Adams tunnel conveyance	0.26	0.26	0.26	0.26	0.26
7(b)(d) Operations, maintenance and administrative costs	63.22	134.89	76.62	66.64	56.31
8(e) Service charge	2.85	2.85	2.85	-	2.85
Northern Water carriage charges	66.33	138.00	79.73	66.90	59.42
Carriage charges	86.41	167.22	102.05	87.05	101.12
Energy and wheeling charges[5]	-	-	35.99	33.30	22.93
Carriage, energy and wheeling charges	$ 86.41	$ 167.22	$ 138.04	$ 120.35	$ 124.05
Water pumped (acre-feet)[6]	-	-	-	45,061	5,145
Water delivered to participants (acre-feet)	11,294	13,964	12,627	19,536	16,774
Adams Tunnel total conveyance (acre-feet)[7]	243,543	113,856	203,467	236,268	289,890

[1] *References are to the appropriate section in the 2014 Carriage Contract with Reclamation and Northern Water, which became effective in fiscal year 2020.*
[2] *Amounts exclude a fixed annual carriage charge from Reclamation of $84,525.*
[3] *Carriage charges are calculated, in part, based on total water conveyed through the C-BT Project Adams Tunnel, which was at an abnormally low level in 2015.*
[4] *Increase in Reclamation operations and maintenance charges due to repair and extraordinary maintenance items (RAX).*
[5] *Energy and wheeling charges are for pumping Windy Gap Project water from the Windy Gap Reservoir to Lake Granby.*
[6] *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.*
[7] *Conveyance included Windy Gap Project water and C-BT Project in-lieu water.*

Windy Gap Carriage, Energy and Wheeling Charges (2012 - 2021) (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.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Population and Economic Statistics by Principal Cities Served by the Subdistrict (2012 - 2021) [1]

Unaudited

	2021[2]	2020	2019	2018	2017
City of Boulder					
Estimated population	N/A	108,000	107,000	108,000	107,000
Unemployment rate	N/A	2.0%	3.3%	3.0%	2.2%
School enrollment	N/A	30,302	29,766	29,822	29,673
Per capita income[3]	N/A	$ 76,527	$ 73,394	$ 68,027	$ 63,707
Personal income(000s)[3]	N/A	$ 24,962,000	$ 23,932,000	$ 21,940,000	$ 20,528,000
City and County of Broomfield[4]					
Estimated population	71,950	71,152	69,453	68,110	66,404
Unemployment rate	6.4%	2.5%	2.9%	2.5%	2.8%
School enrollment	12,100	11,950	11,848	11,746	11,451
Per capita income[3]	$ 72,775	$ 68,550	$ 66,410	$ 63,170	$ 60,403
Personal income(000s)[3]	$ 5,236,161	$ 4,850,000	$ 4,612,374	$ 4,302,509	$ 4,011,001
City of Greeley					
Estimated population	111,748	110,263	107,457	104,557	103,037
Unemployment rate	6.6%	4.2%	3.5%	2.8%	2.6%
School enrollment	22,219	22,467	22,878	22,820	22,547
Per capita income[3]	$ 54,612	$ 57,586	$ 46,172	$ 44,080	$ 50,483
Personal income(000s)[3]	$ 6,102,782	$ 6,349,605	$ 4,961,505	$ 4,608,873	$ 5,201,617
City of Longmont					
Estimated population	99,570	97,530	96,192	94,777	93,933
Unemployment rate	6.9%	3.2%	3.3%	2.6%	2.2%
School enrollment	31,312	32,855	32,639	32,421	32,171
Per capita income[3]	$ 61,157	$ 73,394	$ 68,027	$ 63,707	$ 60,220
Personal income(000s)[3]	$ 5,758,736	$ 7,158,117	$ 6,543,653	$ 6,037,958	$ 5,656,645
City of Loveland					
Estimated population	76,972	77,231	75,840	75,655	74,427
Unemployment rate	7.4%	2.3%	2.9%	2.5%	3.2%
School enrollment	15,000	13,794	14,032	14,186	14,287
Per capita income[3]	$ 55,884	$ 54,188	$ 50,539	$ 47,117	$ 45,318
Personal income(000s)[3]	$ 4,301,503	$ 4,184,993	$ 3,832,878	$ 3,564,637	$ 3,372,883
Estimated population in Subdistrict area[5]	1,037,717	1,020,792	1,000,013	982,678	959,455

[1] Data taken from the governments' most recent ACFRs unless otherwise indicated.
[2] N/A Certain data not yet available
[3] Data for the Metropolitan Statistical Area
[4] Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.
[5] Data from the Northern Water current year ACFR, which represents the estimated population for Northern Water.

Population and Economic Statistics by Principal Cities Served by the Subdistrict (2012 - 2021) (continued)[1]

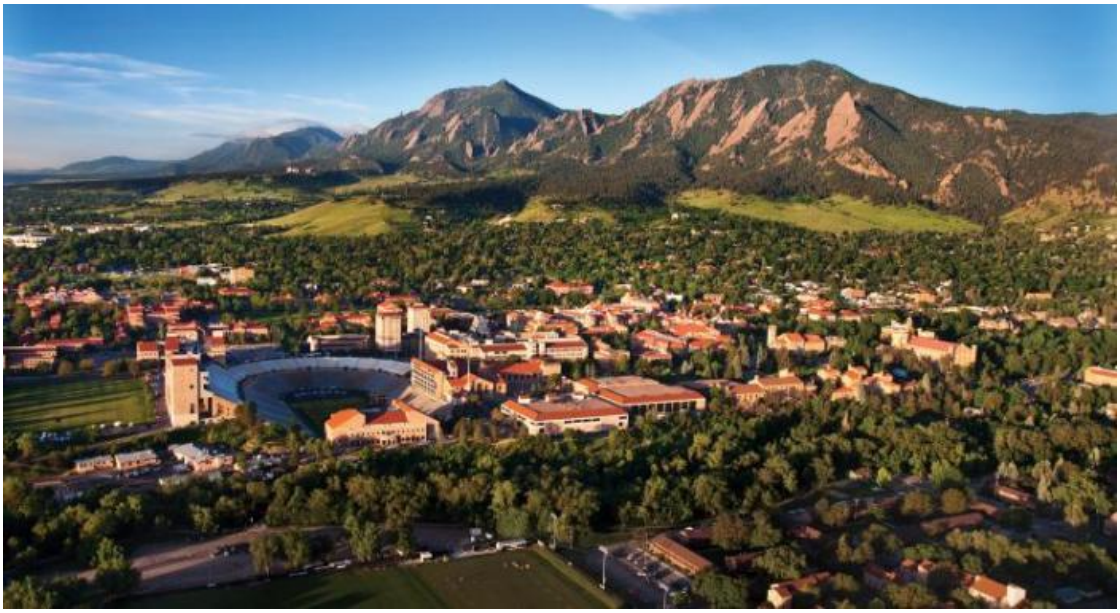
Unaudited

	2016	2015	2014	2013	2012
City of Boulder					
Estimated population	105,000	105,000	102,000	101,000	98,000
Unemployment rate	2.8%	3.2%	4.7%	5.6%	5.9%
School enrollment	29,702	29,398	28,959	28,538	28,317
Per capita income[2]	$ 60,220	$ 58,627	$ 54,968	$ 54,502	$ 51,893
Personal income (000s)[2]	$ 19,233,000	$ 18,370,000	$ 17,042,000	$ 16,639,000	$ 15,536,000
City and County of Broomfield[3]					
Estimated population	64,765	61,672	60,055	58,860	57,374
Unemployment rate	3.3%	4.2%	5.8%	6.6%	7.0%
School enrollment	11,513	11,335	10,949	10,501	10,454
Per capita income[2]	$ 58,698	$ 57,635	$ 55,035	$ 55,475	$ 56,320
Personal income (000s)[2]	$ 3,801,576	$ 3,554,466	$ 3,305,127	$ 3,441,838	$ 3,231,304
City of Greeley					
Estimated population	101,048	98,423	97,320	96,093	95,453
Unemployment rate	3.5%	4.0%	7.6%	8.7%	9.7%
School enrollment	21,440	21,183	19,821	19,840	19,762
Per capita income[2]	$ 42,787	$ 38,664	$ 33,393	$ 31,657	$ 29,986
Personal income (000s)[2]	$ 4,323,541	$ 3,805,427	$ 3,249,807	$ 3,042,016	$ 2,862,254
City of Longmont					
Estimated population	92,852	91,911	90,219	87,854	87,850
Unemployment rate	2.6%	3.1%	4.4%	5.5%	6.1%
School enrollment	31,777	31,076	30,195	29,382	28,109
Per capita income[2]	$ 58,627	$ 54,968	$ 53,772	$ 51,893	$ 50,697
Personal income (000s)[2]	$ 5,443,634	$ 5,052,164	$ 4,851,256	$ 4,559,008	$ 4,453,731
City of Loveland					
Estimated population	74,349	71,985	72,846	68,825	67,581
Unemployment rate	3.8%	4.8%	6.5%	7.7%	8.7%
School enrollment	14,107	14,267	14,269	14,163	14,104
Per capita income[2]	$ 43,584	$ 42,866	$ 41,311	$ 39,767	$ 37,844
Personal income (000s)[2]	$ 3,240,427	$ 3,085,709	$ 3,009,341	$ 2,736,964	$ 2,557,535
Estimated population in Subdistrict area[4]	922,233	893,145	878,100	859,913	858,565

[1] Data taken from the governments' most recent ACFRs unless otherwise indicated.
[2] Data for the Metropolitan Statistical Area.
[3] Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.
[4] Data from the Northern Water current year ACFR, which represents the estimated population for Northern Water.

Largest Employers by Principal Cities Served by the Subdistrict (2012 and 2021) [1]

Years ended September 30,
Unaudited



City of Boulder[2]

	2021			2012		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
University of Colorado at Boulder	1	9,473	5.4%	1	6,876	4.2%
Boulder Valley School District	2	4,500	2.5%	2	4,000	2.0%
Boulder Community Hospital	3	2,380	1.3%	6	2,300	1.0%
Boulder County	4	1,959	1.1%	10	1,848	1.0%
Ball Corporation	5	1,600	0.9%	8	2,017	1.0%
IBM Corporation	6	1,400	0.8%	3	3,400	2.0%
City of Boulder	7	1,351	0.7%	-	-	-
Google Boulder	8	1,350	0.7%	-	-	-
National Center for Atmospheric Research	9	1,187	0.7%	-	-	-
National Oceanic & Atmospheric Administration (NOAA)	10	867	0.5%	-	-	-
Oracle Corporation	-	-	-	4	3,300	2.0%
St. Vrain Valley School District[3]	-	-	-	5	3,238	1.0%
Level 3 Communications	-	-	-	7	2,262	1.0%
Covidien	-	-	-	9	1,860	5.2%
Top ten principal employers		26,067	14.6%		31,101	20.4%

[1] Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.

[2] The City of Boulder lists the largest employers in Boulder and Broomfield counties. Employment information specific to the City of Boulder is not available for the years presented. Effective 2017 Broomfield County, as an employer, has been excluded.

[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 (2012 and 2021) (continued)[1]

Years ended September 30,
Unaudited

City and County of Broomfield[2]

	2021			2012		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
CenturyLink (formerly Level 3 Communications)	1	1,850	4.8%	1	2,068	7.3%
Oracle America	2	1,620	4.2%	2	1,900	6.7%
SCL Health Care	3	1,530	4.0%	-	-	-
Hunter Douglas Window Fashions Division	4	980	2.5%	4	805	2.8%
City and County of Broomfield	5	795	2.1%	8	581	2.0%
Vail Resorts, Inc.	6	740	1.9%	10	430	1.5%
TSYS	7	580	1.5%	-	-	-
DanoneWave Foods (Formerly Whitewave Foods)	8	570	1.5%	9	450	1.6%
Broadcom Inc.	9	500	1.3%	-	-	-
Vmware	10	465	1.2%	-	-	-
Urban Lending Solutions	-	-	-	3	1,000	3.5%
Staples/Corporate Express	-	-	-	5	700	2.5%
Ball Corporation	-	-	-	6	648	2.3%
Sandoz, Inc. (Geneva Pharmaceuticals)	-	-	-	7	600	2.4%
Top ten principal employers		9,630	25.0%		9,182	32.6%
Total employment		38,500				

[1] Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.
[2] Data provided for the entire City and County of Broomfield, only a portion of which is within Subdistrict boundaries.

Largest Employers by Principal Municipalities Served by the Subdistrict (2012 and 2021) (continued)[1]

Years ended September 30,
Unaudited

City of Longmont

	2021			2012		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
St Vrain Valley School District[2]	1	3,543	6.5%	1	4,876	10.4%
City of Longmont	2	1,625	3.0%	4	814	1.7%
Seagate Technology	3	1,430	2.6%	3	1,160	2.5%
Intrado	4	755	1.4%	5	807	1.7%
Longmont United Hospital	5	671	1.2%	2	1,282	2.7%
UC Health Longs Peak Hospital	6	540	1.0%	-	-	-
McLane Western	7	460	0.8%	10	406	0.9%
Federal Aviation Administration	8	422	0.8%	8	566	1.2%
Circle Graphics, Inc.	9	400	0.7%	-	-	-
AveXis	10	354	0.6%	-	-	-
Amgen	-	-	-	6	678	1.4%
DigitalGlobe	-	-	-	7	650	1.4%
Crocs		-	- -	9	435	0.9%
Top ten principal employers		10,200	18.6%		11,674	24.8%

[1] Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.
[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 (2012 and 2021) (continued)[1]

Years ended September 30,
Unaudited

City of Loveland

	2021			2012		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
Thompson School District R2-J	1	2,455	5.9%	1	2,087	8.3%
Medical Center of the Rockies	2	1,621	3.1%	-	-	-
Wal-Mart Distribution Center	3	1,226	2.4%	2	989	2.8%
City of Loveland	4	841	1.6%	4	688	2.0%
Hach Company	5	800	1.5%	-	-	-
McKee Medical Center	6	577	1.1%	3	851	3.0%
Nutrein/Crop Production Services	7	525	1.0%	5	350	1.0%
LPR Construction	8	500	1.0%	-	-	-
Good Samaritan Society - Loveland	9	235	0.5%	-	-	-
The Eye Laser Center of Northern Colorado	10	200	0.4%	-	-	-
Pinnacle Agriculture Holdings LLC	10	200	0.4%	-	-	-
Abound Solar Energy	-	-	-	6	350	1.0%
Kroll Factual Data	-	-	-	7	299	0.9%
Columbine Health Systems	-	-	-	8	285	0.8%
Agilent Technologies	-	-	-	9	280	1.2%
The Group	-	-	-	10	278	0.8%
Top ten principal employers		9,180	18.9%		6,457	21.8%
Total employment		50,902			35,220	

[1] *Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.*

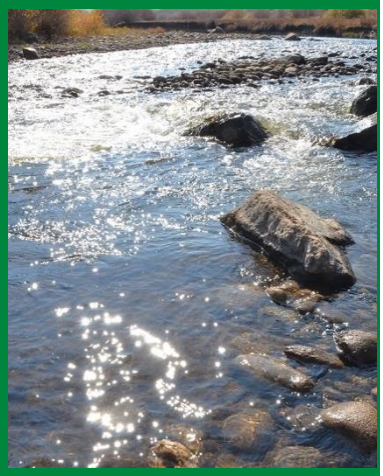
Largest Employers by Principal Municipalities Served by the Subdistrict (2012 and 2021) (continued)[1]

Years ended September 30,
Unaudited

City of Greeley

	2021			2012		
Employers	**Rank**	**Number of Employees**	**Percentage of Employment**	**Rank**	**Number of Employees**	**Percentage of Employment**
JBS Swift & Company	1	4,341	8.4%	1	4,192	5.4%
Banner Health Care (formerly Northern Colorado Medical Center)	2	3,710	7.2%	2	2,889	3.7%
Greeley/Evans School District Six	3	2,200	4.3%	3	2,189	2.8%
University of Northern Colorado	4	1,717	3.3%	-	-	-
Weld County	5	1,615	3.1%	5	1,383	1.8%
City of Greeley	6	1,100	2.1%	7	1,130	1.5%
University Of Colorado Health Systems (All Weld)	7	1,030	2.0%	-	-	-
State Farm Insurance Companies	8	948	1.8%	6	1,350	1.8%
Aims Community College	9	797	1.5%	9	874	1.3%
Colorado Premium Foods (K2D, LLC)	10	550	1.1%	-	-	-
U.S. Government	-	-	-	4	1,400	1.8%
Wal-Mart Supercenter	-	-	-	8	1,015	1.3%
StarTek, Inc.	-	-	-	10	702	0.9%
Top ten principal employers		18,008	34.8%		17,124	22.3%
Total employment		50,070			77,900	

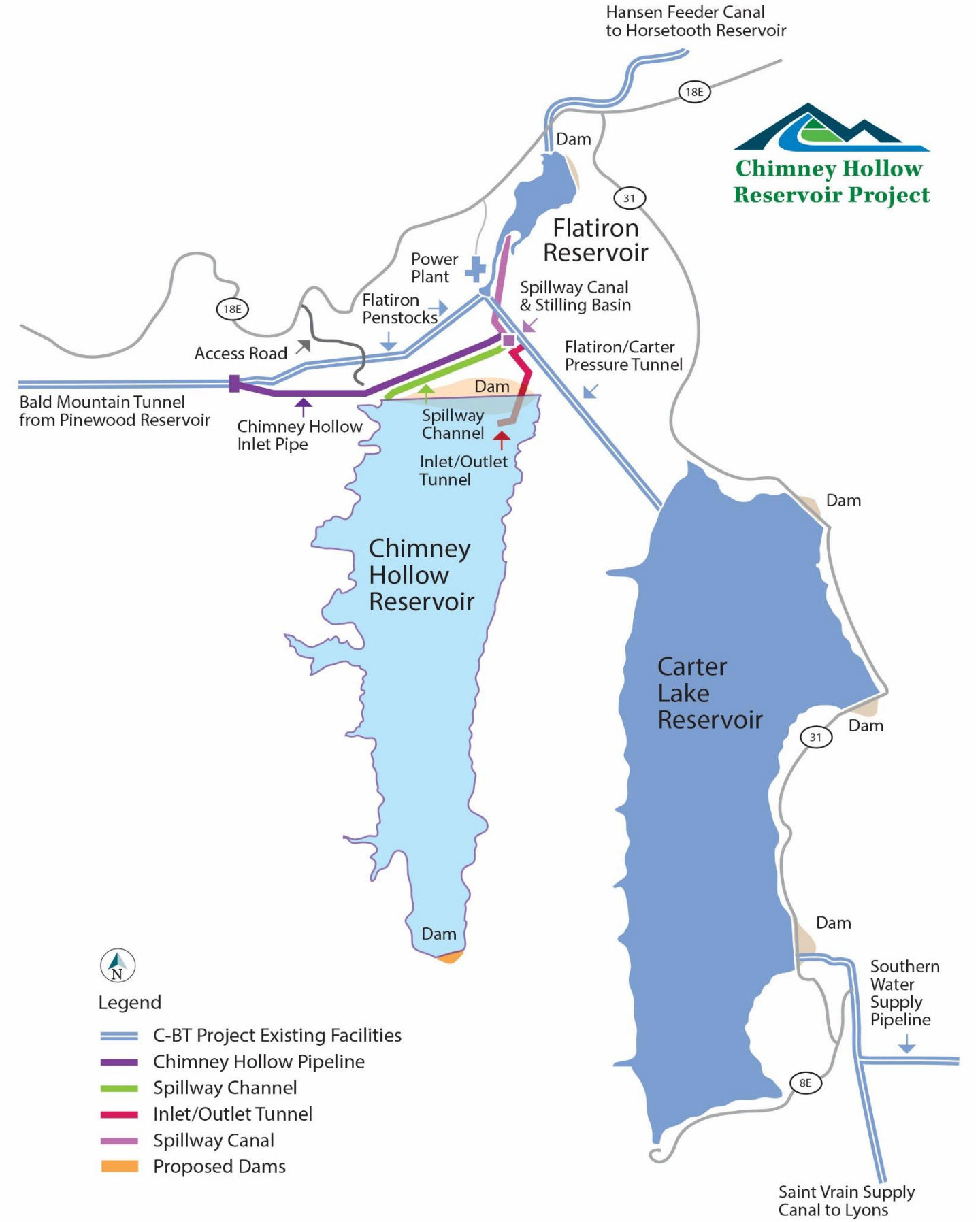
[1] *Data taken or calculated from the cities' most recent ACFRs unless otherwise indicated.*



OPERATING INFORMATION

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

Chimney Hollow Reservoir Project Map



Subdistrict Capital Assets (2012 - 2021)

Years ended September 30,
Unaudited

	2021	2020	2019	2018	2017
Windy Gap					
Non-depreciable assets					
Construction in progess	$ 4,662,837	$ 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	379,159	476,964	452,551	464,428	499,569
Water diversion project	82,319,297	82,167,586	82,167,586	82,167,586	82,167,586
Capital assets	89,878,412	87,390,780	85,718,313	85,305,016	85,184,274
Less accumulated depreciation					
Buildings, equipment and improvements	(346,670)	(438,871)	(434,983)	(444,570)	(477,419)
Water diversion project	(73,796,339)	(71,713,547)	(69,634,548)	(67,555,549)	(65,476,550)
Accumulated depreciation	(74,143,009)	(72,152,418)	(70,069,531)	(68,000,119)	(65,953,969)
Capital assets, net	$ 15,735,403	$ 15,238,362	$ 15,648,782	$ 17,304,897	$ 19,230,305
Windy Gap Firming Project					
Construction in progress	$ 114,828,846	$ 65,696,977	$ 57,908,138	$ 47,555,955	$ 34,541,551

Subdistrict Capital Assets (2012 - 2021) (continued)

Years ended September 30,
Unaudited

	2016	2015	2014	2013	2012
Windy Gap					
Non-depreciable assets					
Land	$ 2,046,198	$ 2,046,198	$ 2,046,198	$ 2,046,198	$ 2,062,566
Water rights[1]	470,921	470,921	470,921	470,921	-
Depreciable assets					
Buildings, equipment and improvements	793,558	825,707	825,707	825,707	155,574
Water diversion project	82,167,586	82,167,586	82,167,586	82,167,586	81,837,719
Capital assets	85,478,263	85,510,412	85,510,412	85,510,412	84,055,859
Less accumulated depreciation					
Buildings, equipment and improvements	(793,558)	(825,707)	(825,707)	(825,707)	(155,574)
Water diversion project	(63,397,551)	(61,318,552)	(59,239,553)	(57,160,554)	(55,770,562)
Accumulated depreciation	(64,191,109)	(62,144,259)	(60,065,260)	(57,986,261)	(55,926,136)
Capital assets, net	$ 21,287,154	$ 23,366,153	$ 25,445,152	$ 27,524,151	$ 28,129,723
Windy Gap Firming Project					
Construction in progress	$ 20,605,749	$ 19,162,666	$ 18,629,048	$ 17,610,297	$ 15,155,178

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

Windy Gap Reservoir, Dam, Pump Plant Capacity and Pipeline

September 20, 2021
Unaudited

Windy Gap Reservoir

- Capacity – 445 acre-feet

Windy Gap Dam

Embankment section

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

Spillway

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

Main bypass outlet works

- Discharge capacity – 133 cubic feet per second
- Length of 48-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

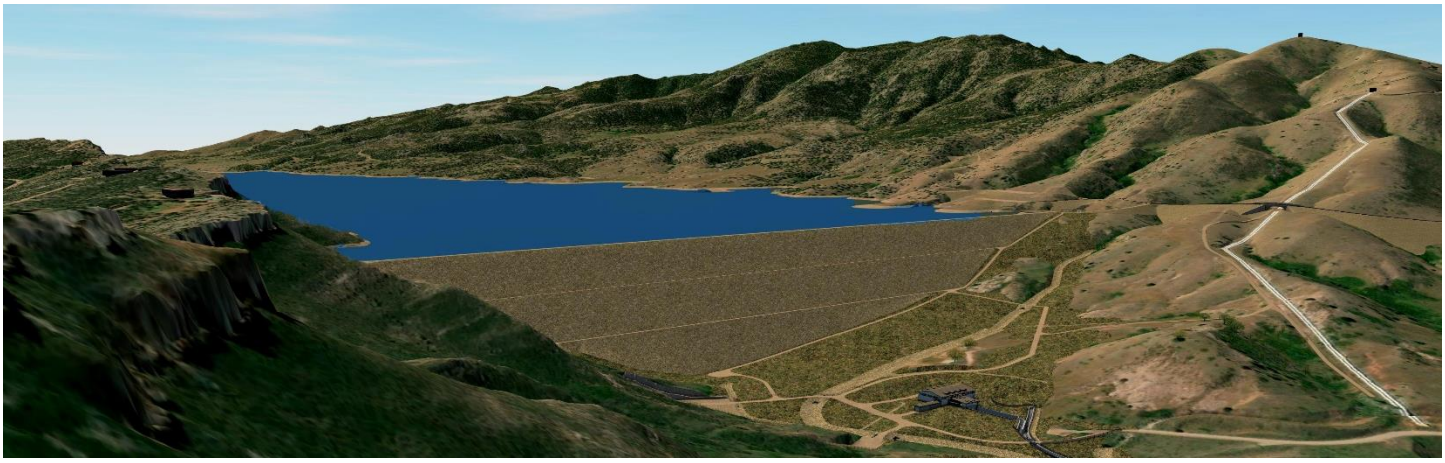
- Type – Dual 9-foot diameter pipes
- Tank length – 735 feet
- Vertical rise – 134 feet

Discharge capacity

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

Windy Gap Firming Project

September 20, 2021
Unaudited



Chimney Hollow Reservoir

- Capacity – 90,000 acre-feet

Chimney Hollow Dams

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

Chimney Hollow Spillway Channel

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

Chimney Hollow Conveyance

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

The Chimney Hollow Reservoir Project is expected to be operational in 2026.

Work on the main dam at Chimney Hollow Reservoir Project here and below.

GENERAL INFORMATION

Subdistrict Organizational and Contact Information

Year ended September 30, 2021
Unaudited

Authority	Water Conservancy Act
Date of Formation	July 6, 1970
Governing Body	The Subdistrict is governed by a 12-member Board of Directors, which is appointed by the presiding district court judges of four of the five judicial districts located wholly or partially within the Northern Colorado Water Conservancy District boundaries.
Organization	The Subdistrict is a public body political and corporate, a quasi-municipal entity and political subdivision of the State of Colorado.
Purpose	The Subdistrict was organized to acquire water; to obtain rights-of-way for certain water works; to provide for construction of water facilities; to incur contractual or bond indebtedness; to administer, operate and maintain physical works; and to conserve, control, allocate and distribute water supplies.
Number of Employees	There are no full-time employees of the Subdistrict. All administrative, engineering, 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 Montaño Freeman Sinor Thompson, P.C. 1120 Lincoln Street, Suite 1600 Denver, Colorado 80203-2141 303-861-1963
Bond Counsel	Butler Snow, LLP 1700 Broadway, 41st Floor New York, New York 10019 646-606-2996

Municipal Subdistrict