

COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

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COLUMBIA POWER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Statement of Management Responsibility

The consolidated financial statements of Columbia Power Corporation have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and fairly present Columbia Power Corporation's consolidated financial position, financial performance and cashflows. The integrity of the information presented in the consolidated financial statements, including estimates and judgments relating to matters not concluded by fiscal year end, is the responsibility of management.

Management is responsible for establishing and maintaining appropriate systems of internal control (which include policies and procedures) to provide reasonable assurance that Columbia Power Corporation's assets are safeguarded and that reliable financial records are maintained.

KPMG LLP has been appointed by the Board of Directors to audit the consolidated financial statements. KPMG LLP's report is attached, outlining the scope of their examination and providing their opinion on the consolidated financial statements.



Johnny Strilaeff
President & Chief Executive Officer, Columbia Basin Trust
Officer of Columbia Power Corporation



Myla Jillings, CPA, CMA
Controller, Columbia Basin Trust
Officer of Columbia Power Corporation

May 26, 2023



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INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of Columbia Power Corporation, and
To the Minister of Finance, Province of British Columbia*

Opinion

We have audited the consolidated financial statements of Columbia Power Corporation (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2023
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2023, and its consolidated results of financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Other Matter – Comparative Information

The financial statements for the year ended March 31, 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 24, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Kelowna, Canada

May 26, 2023


COLUMBIA POWER CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31
(in thousands)


	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	\$	75,047	\$ 71,564
Accounts receivable		689	135
Prepaid expenses		-	1
Total current assets		75,736	71,700
Non-current assets			
Investment in equity accounted joint arrangements	4, 5, 6	774,104	772,407
Other investments	7	45,858	39,511
Total non-current assets		819,962	811,918
TOTAL ASSETS	\$	895,698	\$ 883,618
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 6,229	\$ 6,139
Dividends payable		47,000	47,000
Total current liabilities		53,229	53,139
Non-current liabilities			
Loans and borrowings	9	304,544	303,627
Due to Waneta Expansion Power Corporation	10	326,137	330,158
Total non-current liabilities		630,681	633,785
Equity			
Share capital	11	-	-
Contributed surplus		26,065	26,065
Retained earnings		185,723	170,629
Total Equity		211,788	196,694
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$	895,698	\$ 883,618
Commitments	16		
Contingencies	17		
Subsequent event	19		

The accompanying notes are an integral part of the consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD



 Director



 Director

COLUMBIA POWER CORPORATION
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
For the year ended March 31
(in thousands)

	Notes	2023	2022
Revenue	12	\$ 3,667	\$ 3,550
Equity income	5	81,802	78,977
Other income		-	26
Depreciation expense		-	(6)
Other expenses	14	(5,715)	(5,435)
Results from operating activities		79,754	77,112
Finance income		3,128	1,514
Finance costs	13	(20,788)	(20,762)
Net finance costs		(17,660)	(19,248)
INCOME AND COMPREHENSIVE INCOME		\$ 62,094	\$ 57,864

The accompanying notes are an integral part of the consolidated financial statements.

COLUMBIA POWER CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended March 31
(in thousands)

	Notes	Contributed Surplus	Retained Earnings	Total Equity		
Balance at April 1, 2021	\$	26,065	\$	159,765	\$	185,830
Income and comprehensive income		-		57,864		57,864
Dividend to equity holders		-		(47,000)		(47,000)
Balance at March 31, 2022	\$	26,065	\$	170,629	\$	196,694
Balance at April 1, 2022	\$	26,065	\$	170,629	\$	196,694
Income and comprehensive income		-		62,094		62,094
Dividend to equity holders		-		(47,000)		(47,000)
Balance at March 31, 2023	\$	26,065	\$	185,723	\$	211,788

The accompanying notes are an integral part of the consolidated financial statements.

COLUMBIA POWER CORPORATION**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended March 31

(in thousands)

	Notes	2023	2022
Cash flows from operating activities			
Income and comprehensive income		\$ 62,094	\$ 57,864
Adjustments to reconcile cash flow from operations			
Depreciation expense		-	6
Gain on disposal of property, plant, and equipment		-	(26)
Finance income		(3,128)	(1,514)
Finance expense	13	20,788	20,762
Equity income		(81,802)	(78,978)
Net change in non-cash working capital balances			
Accounts receivable		(67)	103
Prepaid expenses		1	7
Accounts payable and accrued liabilities		90	(6)
Net cash used in operating activities		(2,024)	(1,782)
Cash flows from financing activities			
Interest paid		(20,246)	(20,240)
Dividends paid		(47,000)	(47,000)
Contributions to Waneta Expansion Power Corporation Sinking Fund		(3,404)	(3,270)
Net cash used in financing activities		(70,650)	(70,510)
Cash flows from investing activities			
Interest received		1,095	351
Dividends received	6	80,105	80,735
Investment in bond sinking fund	7	(5,043)	(5,043)
Net proceeds from disposal of property, plant and equipment		-	37
Net cash from investing activities		76,157	76,080
Increase in cash and cash equivalents		3,483	3,788
Cash and cash equivalents, beginning of year		71,564	67,776
Cash and cash equivalents, end of year		\$ 75,047	\$ 71,564

The accompanying notes are an integral part of the consolidated financial statements.

COLUMBIA POWER CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(Tabular amounts in thousands)

1. Reporting entity:

Columbia Power Corporation (Columbia Power) is a company incorporated in British Columbia, Canada. The address of Columbia Power's registered office is Suite #200, 445 – 13th Avenue, Castlegar, British Columbia. Columbia Power is wholly owned by the Province of British Columbia (the Province). As an agent for the Province, Columbia Power committed to entering into joint ventures to develop and operate hydroelectric power projects as set out in an Agreement signed in 1995 (the Agreement) between the Province and the Columbia Basin Trust (the Trust), also wholly owned by the Province.

The Agreement anticipated that several power projects would be undertaken through joint ventures between Columbia Power and subsidiaries of the Trust (the shareholders). The entities holding legal title to the power projects and their governance structures are described in note 5 – Description of equity accounted joint arrangements.

Columbia Power is appointed the manager of the joint ventures with the authority to manage the day-to-day activities of the joint ventures, subject to the direction of their boards and annual capital and operating budgets approved by their boards. Columbia Power's material transactions and agreements require the approval of the Province's Treasury Board.

2. Basis of preparation:

(a) Statement of compliance:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) which have been adopted by the Canadian Accounting Standards Board as Canadian generally accepted accounting principles for publicly accountable enterprises.

The accounting policies set out in note 3 – Significant accounting policies, have been applied in preparing the consolidated financial statements for the year ended March 31, 2023, and the comparative information presented in these consolidated financial statements for the year ended March 31, 2022. The consolidated financial statements were authorized for issue by the board of directors on May 26, 2023.

(b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is Columbia Power's functional currency.

(d) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(e) – Determination of fair values
- Note 3(a) – Investments in joint arrangements and in associates (equity accounted investees)
- Note 3(c) – Designation of financial instruments
- Note 3(d) – Leased assets

Information about significant assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(e) – Impairment
- Note 17 – Contingencies

(e) Determination of fair values:

Certain accounting policies and disclosures require the determination of fair value for financial assets and liabilities. The fair value of other investments (non-current), loans and borrowings and provisions are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value for other investments (current) is determined as the quoted market prices of those investments. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(f) Comparative figures:

Certain comparative figures have been reclassified to conform to current year's presentation.

COLUMBIA POWER CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(Tabular amounts in thousands)

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

(a) Basis of consolidation:

These consolidated financial statements and notes include Columbia Power's operations, account balances and operations of Columbia Power's interests in jointly controlled operations and investments in associates accounted for under the equity method.

(i) Investments in joint arrangements and associates (equity accounted investees):

Joint ventures are those joint arrangements over whose activities Columbia Power has joint control, established by contractual agreement (see note 5 – Description of equity accounted joint arrangements).

Joint ventures and investments in associates (equity accounted investees) are accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include Columbia Power's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of Columbia Power, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases.

(ii) Elimination of transactions with equity accounted investees:

Unrealized income and expenses arising from intra-company transactions with equity accounted investees are eliminated in preparing the consolidated financial statements to the extent that one of the parties has capitalized the unrealized income or expenses. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Columbia Power's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Transactions that do not involve the assets of the equity accounted investee are not eliminated.

(b) Foreign currency transactions:

Transactions in foreign currencies are translated to the functional currency of Columbia Power at exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the functional currency at the rate of exchange prevailing at the reporting date.

(c) Designation of financial instruments:

Financial instruments are classified as one of the following: amortized cost, fair value through other comprehensive income or fair value through profit or loss (FVTPL).

COLUMBIA POWER CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(Tabular amounts in thousands)

Columbia Power's instruments and their classifications are specified in the table below.

Financial Asset	Classification
Cash and cash equivalents	Amortized cost
Other investments	Amortized cost
Accounts receivable	Amortized cost

Financial Liability	Classification
Accounts payable and accrued liabilities	Amortized cost
Loans and borrowings	Amortized cost
Due to Waneta Expansion Power Corporation	Amortized cost

(i) Financial assets:

Columbia Power initially recognizes financial assets (including assets designated at fair value through profit or loss) on the trade date at which Columbia Power becomes a party to the contractual provisions of the instrument.

Columbia Power derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Columbia Power is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, Columbia Power has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Financial liabilities:

Columbia Power initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which Columbia Power becomes a party to the contractual provisions of the instrument. Columbia Power derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Transaction costs are amortized at the same rate as the repayment on the financial liability.

(iii) Fair value hierarchy:

Financial assets and liabilities are classified using a fair value hierarchy. The hierarchy prioritizes inputs used in valuation techniques to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities. The three levels of the hierarchy are as follows:

- Level 1 - values are quoted prices in active markets for identical assets and liabilities
- Level 2 - inputs (other than quoted prices included in level 1) that are observable for the asset or liability, either directly (as prices), or indirectly (as derived from prices)
- Level 3 - inputs that are not based on observable market data

(d) Leased assets:

Columbia Power identifies a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease is recognized as an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets. A lease asset is initially measured at cost, and is then depreciated over the lease term. A lease liability is initially measured at the present value of the unpaid lease payments.

(e) Impairment:

(i) Financial assets:

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to Columbia Power on terms that Columbia Power would not consider otherwise or indications that a debtor will enter bankruptcy. Management has determined there is no evidence indicating that Columbia Power's financial assets are impaired at March 31, 2023.

(ii) Non-financial assets:

The carrying amounts of Columbia Power's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If an indication exists, the asset's recoverable amount is estimated. Columbia Power management has determined that there are no indications of impairment of the carrying amounts of Columbia Power's non-financial assets at March 31, 2023.

(f) Revenue recognition:

(i) Cost recoveries:

Columbia Power as the manager of the joint ventures, charges amounts to each joint venture on a cost recovery basis for staff compensation, office space and project overhead. These recovery amounts are recognized in Revenue in the Consolidated Statement of Income and Comprehensive Income as the services are provided.

(g) Asset Management Services:

The Trust and Columbia Power implemented an Asset Management Services Agreement effective January 1, 2020, wherein

the Trust provides support to Columbia Power in all areas of facility operations for the jointly owned power assets including human resources, accounting, payroll, records management, information technology and other support functions. Columbia Power remains the appointed Manager of the four power assets under the Agreement. Staff are employed directly by the Trust and all employment benefits and related costs are paid by the Trust. There are no direct employees of Columbia Power. Amounts incurred by Columbia Power in connection with the Asset Management Services Agreement are expensed in administration and management expense.

(h) Finance income and finance costs:

Finance income is comprised of interest income on cash and cash equivalents, and changes in the fair value of financial assets at fair value through profit or loss. Finance costs are comprised of interest expense on loans and borrowings, the unwinding of the discount on provisions, bank fees and changes in the fair value of financial assets at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in income and comprehensive income.

(i) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

(j) Taxes:

As a Crown corporation Columbia Power is exempt from corporate income taxes.

(k) New standards and interpretations not yet adopted:

Annual improvements to existing standards and a new standard for insurance contracts issued by the International Accounting Standards Board (IASB) are not yet effective for the year ended March 31, 2023, and have not been applied in preparing these consolidated financial statements. As of the reporting date, Management is assessing any impacts of updates to standards and the new standards on Columbia Power's Consolidated Financial Statements.

4. Changes in joint ventures:

The Waneta Expansion; constructed to to operate the 340 MW Waneta Expansion adjacent to the Waneta Dam near Trail, British Columbia and a 10 kilometre transmission line from the power plant to BC Hydro's Selkirk substation, was previously owned by the Waneta Expansion Limited Partnership (WELP), of which Fortis Inc. held a 51% interest, Columbia Power a 32.5% interest, and the Trust a 16.5% interest. On April 17, 2019 Columbia Power and CBT Waneta Expansion Corporation (CBT Waneta) purchased Fortis Inc.'s 51% interest in WELP. The purchase agreement was completed through a series of transactions and amalgamations, which resulted in the creation of Waneta Expansion Power Corporation (WEPC) through a business combination to hold Columbia Power and CBT Waneta's interest (a 50/50 partnership).

The acquisition transaction was identified as a business combination with WEPC identified as the acquirer. A purchase price

COLUMBIA POWER CORPORATION
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March 31, 2023
(Tabular amounts in thousands)

allocation was performed to measure the fair value of identifiable assets acquired and liabilities assumed by WEPC at the acquisition date. Any residual value of the purchase consideration was allocated to goodwill (see note 5 – Description of equity accounted joint arrangements).

Each partner contributed their original equity interest in WELP as part of the business combination. A Fiscal Agency Loan (FAL) through the Province, funded the purchase of Fortis Inc.'s 51% interest (see note 9 – Loans and borrowings). Through an intercompany arrangement, the proportionate share of the FAL was allocated to each partner to create a 50/50 ownership structure. The terms of the long-term loan agreement mirror the terms of the long-term FAL. The table below shows the original ownership, the additional interest acquired and each owners share of the FAL at the date of incorporation April 17, 2019.

Partner	WELP Ownership	Additional Interest	WEPC Ownership	Allocation of Debt	Long-term Promissory Note
Columbia Power	32.5%	17.5%	50.0%	34.3%	341,014
CBT Waneta	16.5%	33.5%	50.0%	65.7%	652,798
	49.0%	51.0%	100.0%	100.0%	993,812

5. Description of equity accounted joint arrangements:

Columbia Power carries out its mandate to operate hydroelectric facilities through its interest in the following jointly controlled operations which were incorporated in British Columbia:

Jointly Owned Power Subsidiaries

- ***Arrow Lakes Power Corporation (ALPC)***

The purpose of ALPC is to operate the 185 megawatt (MW) Arrow Lakes Generating Station (ALGS) adjacent to the Hugh Keenleyside Dam at Castlegar, British Columbia and a 48 km transmission line from the power plant to British Columbia Hydro and Power Authority's (BC Hydro, a provincial Crown corporation) Selkirk substation. ALPC sells the entitlement energy and capacity from ALGS.

- ***Brilliant Expansion Power Corporation (BEPC)***

The purpose of BEPC is to operate the Brilliant Expansion Project (Brilliant Expansion), a 120 MW power generation facility adjacent to the Brilliant Dam at Castlegar, British Columbia. BEPC sells the entitlement energy and capacity generated from this facility.

- ***Brilliant Power Corporation (BPC)***

The purpose of BPC is to act as lessor of the Brilliant Dam and Generating Station (Brilliant Power Facility) and Brilliant Terminal Station (BTS) assets. The Brilliant Power Facility and BTS are currently leased to FortisBC Inc., a regulated utility operating in British Columbia, according to finance lease terms. The Brilliant Power Facility is located on the Kootenay River, 3 kilometres upstream of the confluence with the Columbia River.

COLUMBIA POWER CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023
 (Tabular amounts in thousands)

- **Waneta Expansion Power Corporation (WEPC)**

The purpose of WEPC is to operate the 340 MW Waneta Expansion (WAX) adjacent to the Waneta Dam near Trail, British Columbia and a 10 kilometre transmission line from the power plant to BC Hydro's Selkirk substation. WEPC sells the entitlement energy and capacity for WAX.

All four corporations are jointly owned on a 50/50 basis by Columbia Power and the Trust, through its wholly owned subsidiaries. The shareholders direct activities for each corporation through each corporation's board of directors with an equal number of directors appointed by each shareholder. All decisions of the boards of directors require the unanimous approval of the directors.

Revenues in ALPC, BEPC and WEPC, and finance income in BPC are determined by terms specified in long-term power purchase agreements. As such, these corporations have no significant exposure to commercial risk.

For BPC and ALPC, which have issued project bonds, Columbia Power's access to its investment is secondary to the bondholders' claims on the assets of BPC and ALPC.

6. Summary financial information for equity accounted joint arrangements:

Columbia Power's 50% share of profit in its equity accounted joint arrangements for the year was:

	2023	2022
ALPC	\$ 19,423	\$ 18,644
BEPC	9,904	9,694
BPC	15,227	14,215
WEPC*	37,248	36,424
	\$ 81,802	\$ 78,977

*This amount includes a consolidation adjustment at March 31, 2023 for \$5,863 thousand (2022 - \$5,863 thousand). In applying the equity basis of accounting to its interest in WEPC, Columbia Power makes annual adjustments for differences in the fair value for depreciation/amortization and any impairments. Columbia Power's original investment in WELP of 32.5% is accounted for on a cost basis with the additional 17.5% investment accounted for at fair value at acquisition. The annual consolidation adjustments will be applied until the end of the useful life of the acquired assets.

In 2023, Columbia Power received the following dividends from its 50% investment in equity accounted joint arrangements:

	2023	2022
ALPC	\$ 15,700	\$ 15,600
BEPC	11,680	11,600
BPC	7,500	7,905
WEPC	45,225	45,630
	\$ 80,105	\$ 80,735

The following supplemental information has not been adjusted for the percentage ownership held by Columbia Power (50% ownership in each joint arrangement):

COLUMBIA POWER CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(Tabular amounts in thousands)

	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Assets	Total Revenue	Total Expenses	Income
March 31, 2023										
ALPC	\$ 25,611	\$ 201,910	\$ 227,521	\$ 20,094	\$ 287,566	\$ 307,660	\$ (80,139)	\$ 73,248	\$ (34,403)	\$ 38,845
BEPC	9,460	194,424	203,884	1,377	-	1,377	202,507	34,526	(14,718)	19,808
BPC	24,813	350,666	375,479	18,192	34,831	53,023	322,456	50,057	(19,602)	30,455
WEPC*	40,893	2,800,040	2,840,933	9,760	980,465	990,225	1,850,708	134,208	(71,441)	62,767
	\$ 100,777	\$ 3,547,040	\$ 3,647,817	\$ 49,423	\$ 1,302,862	\$ 1,352,285	\$ 2,295,532	\$ 292,039	\$ (140,164)	\$ 151,875

	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Assets	Total Revenue	Total Expenses	Income
March 31, 2022										
ALPC	\$ 24,349	\$ 203,674	\$ 228,023	\$ 18,539	\$ 297,068	\$ 315,607	\$ (87,584)	\$ 70,961	\$ (33,675)	\$ 37,286
BEPC	9,200	198,050	207,250	1,191	-	1,191	206,059	33,358	(13,971)	19,387
BPC	25,585	345,841	371,426	17,461	46,964	64,425	307,001	47,488	(19,058)	28,430
WEPC*	39,530	2,830,162	2,869,692	9,743	981,558	991,301	1,878,391	131,491	(70,367)	61,124
	\$ 98,664	\$ 3,577,727	\$ 3,676,391	\$ 46,934	\$ 1,325,590	\$ 1,372,524	\$ 2,303,867	\$ 283,298	\$ (137,071)	\$ 146,227

*WEPC's assets and liabilities contain amounts due from the owners and due to the Province for a long-term debt arrangement to fund the acquisition of Fortis Inc.'s 51% ownership in WELP. Each owner purchased additional interest to form a 50/50 partnership between Columbia Power and the Trust (Columbia Power purchased 17.5%, the Trust purchased 33.5%). Columbia Power's share of the long-term debt is \$337,530 thousand (see note 10 – Due to Waneta Expansion Power Corporation).

The following table shows a reconciliation from net assets of equity accounted joint arrangements to the investment in equity accounted joint arrangements.

	ALPC	BEPC	BPC	WEPC	Total
Investment in equity accounted joint arrangements at March 31, 2021	\$ (46,875)	\$ 104,936	\$ 147,190	\$ 568,914	\$ 774,165
Dividends paid	(31,200)	(23,200)	(15,810)	(91,260)	(161,470)
Net income	37,286	19,387	28,430	61,124	146,227
Net assets of equity accounted joint arrangements at March 31, 2022	(87,584)	206,059	307,001	1,878,391	2,303,867
Columbia Power's share	50%	50%	50%	50%	
	(43,793)	103,030	153,500	939,196	1,151,933
<i>Less: elimination entry</i>	(39)	-	-	(379,487)	(379,526)
Investment in equity accounted joint arrangements at March 31, 2022	(43,832)	103,030	153,500	559,709	772,407
Dividends paid	(31,400)	(23,360)	(15,000)	(90,450)	(160,210)
Net income	38,845	19,808	30,455	62,767	151,875
Net assets of equity accounted joint arrangements at March 31, 2023	(80,139)	202,507	322,456	1,850,708	2,295,532
Columbia Power's share	50%	50%	50%	50%	
	(40,070)	101,254	161,228	925,354	1,147,766
<i>Less: elimination entry*</i>	(38)	-	-	(373,624)	(373,662)
Investment in equity accounted joint arrangements at March 31, 2023	\$ (40,108)	\$ 101,254	\$ 161,228	\$ 551,730	\$ 774,104

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* Elimination Entries

ALPC: Elimination of interest charged by Columbia Power to ALPC on funding provided by Columbia Power for the construction of the Arrow Lakes Generating Station and Transmission Line. The elimination of interest is being reversed at the average rate of depreciation on the Arrow Lakes Generating Station and Transmission Line assets of \$38 thousand for the year ending March 31, 2023 (2022 - \$39 thousand).

WEPC: In applying the equity basis of accounting to its interest in WEPC, Columbia Power makes annual adjustments for related party transactions where the underlying investment remains within the reporting entity. Columbia Power's original investment in WELP of 32.5% is accounted for on a cost basis, with the additional 17.5% investment accounted for at fair value at acquisition. The entire amount of the investment is recorded at fair value within WEPC. The fair value increment on the original investment, adjusted for annual amortization of related assets, is eliminated on consolidation.

ALPC negative equity

In fiscal 2012, ALPC issued \$350 million principal amount Series B bonds, due in April 2041. The proceeds of the Series B bond issue were used to pay for the \$45.6 million owing on ALPC's series A bond redemption, and the net proceeds of \$285.6 million were distributed by dividend to the owners, Columbia Power and CBT Arrow Lakes Corporation (CBT Arrow Lakes), for investment in the Waneta Expansion and future project development. The dividend to the owners created a deficit in ALPC of \$56.1 million. ALPC ended fiscal 2012 with a deficit of \$60.3 million after incurring net losses of \$4.2 million that year. Total cumulative dividends of \$272.9 million less cumulative net income of \$253 million since fiscal 2012 have increased the deficit in ALPC to \$80.1 million at the end of fiscal 2023.

As ALPC's negative equity position has been caused by the payment of dividends in excess of earnings rather than by net losses, Columbia Power continues to record its investment in ALPC (2023 – (\$40.1) million), (2022 – (\$43.8) million) as a long term asset included in the line item "Investment in equity accounted joint arrangements" on the Consolidated Statement of Financial Position. Columbia Power's future share of ALPC's net income will reduce the negative equity balance and Columbia Power's future share of dividends from ALPC will increase the negative equity balance. Contracts entered into for the delivery of electricity over the next 22 years are expected to generate sufficient revenue and cash flow to fund ongoing operations for the foreseeable future.

7. Other investments:

Other investments are comprised of a bond sinking fund held with the Province to provide for series A debenture retirement in June 2044 (see note 9 – Loans and borrowings). Columbia Power makes annual payments of \$5,043 thousand to the sinking fund (see note 16 – Commitments). The sinking fund is recorded at amortized cost.

8. Accounts payable and accrued liabilities:

		2023		2022
Accounts payable	\$	3,196	\$	3,106
Accrued interest		3,033		3,033
	\$	6,229	\$	6,139

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9. Loans and borrowings:

	2023		2022	
Non-current liabilities				
Series A debenture	\$	306,525	\$	305,668
Less: Financing costs		(1,981)		(2,041)
Total loans and borrowings	\$	304,544	\$	303,627

On April 14, 2014, Columbia Power issued a \$335 million Series A debenture to the Province that matures on June 18, 2044. Columbia Power is required to make semi-annual coupon payments of \$5,360 thousand and annual payments of \$5,043 thousand to a sinking fund for debt retirement (see note 16 – Commitments).

	Discount		Interest and Fees		Net Proceeds		Coupon rate		Effective rate		2023 Carrying Amount		2022 Carrying Amount	
Series A debenture	\$	35,312	\$	5,892	\$	300,667	3.2%	3.83%	\$	304,544	\$	303,627		

10. Due to Waneta Expansion Power Corporation:

The purchase of the additional interest in WELP was funded through a FAL with the Province. Each owner contributed their existing equity investment into the business combination, and funded the additional ownership acquired through the long-term loan agreement with WEPC (see note 4 - Changes in joint ventures). The structure of the additional interests acquired requires Columbia Power to make payments to WEPC in an amount approximately equal to 34% of the loans and borrowings held in WEPC. Columbia Power has recorded an amount Due to Waneta Expansion Power Corporation, this liability matches the terms of the FAL provided to WEPC through the Province.

Columbia Power makes contributions to WEPC annually to mirror the terms of the sinking fund arrangement with the Province for debt repayment in 2050. Columbia Power's share of the annual sinking fund contribution totaled \$3.4 million for the year ended March 31, 2023 (2022 - \$3.3 million). Future payments will mirror WEPC's scheduled sinking fund contributions to the Province under the terms of agreement (see note 16 – Commitments).

Columbia Power's share of the fixed semi-annual interest payments is \$4,739 thousand.

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The details of the long-term loan are as follows and mirror the terms of WEPC's long-term FAL:

	2023	2022
Non-current liabilities		
WEPC - Series A	\$ 183,369	\$ 183,663
Less: Financing costs	(991)	(1,016)
WEPC - Series B	155,062	155,192
Less: Financing costs	(1,005)	(1,029)
Contributions to WEPC sinking fund	(10,298)	(6,652)
	<u>\$ 326,137</u>	<u>\$ 330,158</u>

	Premium	Interest and Fees	Net Proceeds	Coupon rate	Effective rate	2023 Carrying Amount	2022 Carrying Amount
WEPC - Series A	\$ 12,933	\$ 2,529	\$ 184,857	2.95%	2.597%	\$ 182,378	\$ 182,647
WEPC - Series B	5,816	2,803	156,157	2.95%	2.764%	154,057	154,163
Contributions to WEPC sinking fund						(10,298)	(6,652)
						<u>\$ 326,137</u>	<u>\$ 330,158</u>

11. Share capital:

At March 31, 2023, and March 31, 2022, Columbia Power has 6 common shares authorized with no par value and issued for \$6.

12. Revenue:

Revenue for the year ended March 31, 2023 consists of costs recoveries of \$3,667 thousand (2022 - \$3,550 thousand) for Asset Management Services provided to the joint ventures (see note 3(g) - Significant accounting policies - Asset management services and note 18 – Related party transactions).

13. Finance costs:

	Notes	2023	2022
Interest on loans due to the Province	18(c)	\$ 11,579	\$ 11,545
Interest on loans due to WEPC	18(c)	9,103	9,113
Financing costs		102	100
Bank fees		4	4
		<u>\$ 20,788</u>	<u>\$ 20,762</u>

14. Other expenses:

	2023	2022
Administration and management	\$ 4,216	\$ 3,972
Grants in-lieu of property taxes	1,138	1,092
Community sponsorship	361	371
	<u>\$ 5,715</u>	<u>\$ 5,435</u>

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15. Financial instruments:

(a) Financial risk management:

Columbia Power is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Columbia Power's exposure to each of the above risks, Columbia Power's objectives, policies and processes for measuring and managing risk and Columbia Power's management of capital.

(b) Credit risk:

Credit risks refers to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial assets are neither overdue nor impaired, and Columbia Power does not consider itself to be significantly exposed to credit risk.

The percentage of accounts receivable balance older than 90 days as at March 31, 2023 is 0% (2022 - 0%).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
	Carrying amounts	
Cash and cash equivalents	\$ 75,047	\$ 71,564
Accounts receivable	689	135
Other investments	45,858	39,511
	\$ 121,594	\$ 111,210

(c) Liquidity risk:

Liquidity risk refers to the risk that Columbia Power will encounter difficulty in meeting obligations associated with financial liabilities. Columbia Power regularly monitors its cash flows and balances and maintains a cash surplus which can be utilized by the joint ventures of Columbia Power/the Trust for short-term financing. Under the terms of the FAL, Columbia Power is required to make annual sinking fund contributions for debt retirement. Columbia Power management does not believe that it will encounter difficulty in meeting its obligations associated with financial liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

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	Carrying Amount	Contractual cash flow	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
March 31, 2023							
Accounts payable and accrued liabilities	\$ 6,229	\$ 6,229	\$ 6,229	\$ -	\$ -	\$ -	\$ -
Loans and borrowings	304,544	227,447	2,327	5,360	10,720	32,160	176,880
Due to Waneta Expansion Power Corporation*	326,137	257,973	2,057	4,739	9,478	28,435	213,263
	<u>\$ 636,910</u>	<u>\$ 491,649</u>	<u>\$ 10,613</u>	<u>\$ 10,099</u>	<u>\$ 20,198</u>	<u>\$ 60,595</u>	<u>\$ 390,143</u>
March 31, 2022							
Accounts payable and accrued liabilities	\$ 6,139	\$ 6,139	\$ 6,139	\$ -	\$ -	\$ -	\$ -
Loans and borrowings*		238,167	2,327	5,360	10,720	32,160	187,600
Due to Waneta Expansion Power Corporation*		267,450	2,057	4,739	9,478	28,435	222,741
	<u>\$ 639,924</u>	<u>\$ 511,756</u>	<u>\$ 10,523</u>	<u>\$ 10,099</u>	<u>\$ 20,198</u>	<u>\$ 60,595</u>	<u>\$ 410,341</u>

*Note that cash flows do not reflect contributions to the sinking funds set up for debt retirement (see note 16 – Commitments).

(d) Market risks:

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: exchange rate risk, interest rate risk and price risk. Columbia Power does not use derivative products to manage these risks.

(i) Exchange rate risk:

Exchange rate risk refers to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Columbia Power realizes all significant revenues and expenses in Canadian dollars and is therefore not significantly exposed to currency fluctuations.

(ii) Interest rate risk:

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Columbia Power is exposed to changes in interest rates primarily through its Series A debt and related sinking fund investments. The coupon rate on the Series A debt is fixed, however, sinking fund investments are affected by interest rate changes. Columbia Power manages interest rate risk by monitoring sinking fund interest earnings, in partnership with the Province's Debt Management Branch for portfolio management.

Sensitivity analysis

An increase of 100 basis points in the interest rate will incite a \$41 million (2022 - \$47 million) decrease in the Series A debenture price, a decrease in interest rates of 100 basis points will incite a \$50 million increase (2022 - \$57 million) in the Series A debenture price.

(iii) Price risk:

Price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. None of Columbia Power's financial instruments values will change according to changes in market prices and therefore Columbia Power is not exposed to price risk.

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(e) Capital management:

Columbia Power's capital consists of shareholder's equity plus loans and borrowings less investments held in bond sinking funds.

Columbia Power's capital management objectives are to:

- Maintain a debt to equity ratio that is not lower than 70/30
- Target a long term capital structure with sufficient equity and working capital reserves to maintain commercial viability of Columbia Power and its equity accounted joint ventures

Columbia Power is in close communication with its shareholder to determine appropriate capital reserves and dividend payments in order to achieve management's objectives. Neither Columbia Power, nor any of its equity accounted investments, are subject to externally imposed capital requirements.

(f) Fair values:

The carrying values of financial instruments approximate fair value as at March 31, 2023, and March 31, 2022, due to their short term maturity except for other investments, loans and borrowings and due to WEPC. The fair value of other investments is provided by the Province's Debt Management Branch at March 31, 2023, and 2022. The fair value of loans and borrowings and provisions is calculated by discounting the future cash flows for the same or similar issues at the date of the consolidated statement of financial position, or by using available quoted market prices. The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

	2023		2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Assets carried at amortized cost				
Accounts receivable (Level 3)	\$ 689	\$ 689	\$ 135	\$ 135
Other investments - bond sinking fund (Level 1)	45,858	36,503	39,511	35,429
	\$ 46,547	\$ 37,192	\$ 39,646	\$ 35,564
Liabilities carried at amortized cost				
Accounts payable and accrued liabilities (Level 3)	\$ 6,229	\$ 6,229	\$ 6,139	\$ 6,139
Loans and borrowings (Level 2)	304,544	255,169	303,627	287,982
Due to Waneta Expansion Power Corporation (Level 2)	326,137	246,729	330,158	286,166
	\$ 636,910	\$ 508,127	\$ 639,924	\$ 580,287

Columbia Power holds a bond sinking fund with the Province's Debt Management Branch (DMB) for debt maturity. The amortized book value of the sinking fund at March 31, 2023, is \$45,858 thousand (2022 - \$39,511 thousand) which takes into account actual returns to the fund to date. DMB provided the sinking fund market value of \$36,503 thousand (2022 - \$35,429 thousand).

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Management has made the following assumptions in determining the fair value of the 2023 loans and borrowings:

- The discounted cash flow methodology is appropriate given that the amounts and timing of the cashflows are reasonably determinable
- Basing the interest rate used to discount estimated cash flows outstanding on the Series A and Due to Waneta Expansion Power Corporation loan debenture on the government yield curve at the reporting date plus an adequate credit spread is appropriate. At March 31, 2023, management selected interest rates of 4% (2022 - 3.4%) and 4% (2022 - 3.4%) respectively, based on the maturity dates.

16. Commitments:

Under the terms of the FAL with the Province, Columbia Power has committed to make annual sinking fund payments over the terms of the loan. Under the long-term loan arrangement with WEPC, Columbia Power is required to fund their proportionate share of WEPC's sinking fund payments over the term of WEPC's loan (see note 4 – Changes in joint ventures and subsidiaries). Payments required over the next five years and thereafter are as follows:

	Sinking Fund		Sinking Fund		Total
	Series A		WEPC		
2024	\$	5,043	\$	3,706	\$ 8,749
2025		5,043		3,921	8,964
2026		5,043		4,205	9,248
2027		5,043		4,542	9,585
2028		5,043		4,832	9,875
Thereafter		85,731		187,723	273,454
	\$	110,946	\$	208,929	\$ 319,875

17. Contingencies:

Columbia Power may become involved in claims and litigation in the normal course of operations. The Company is aware of one active claim; the outcome of which cannot be reasonably determined or estimated based on the current information available.

Columbia Power's operations are affected by federal, provincial and local government laws and regulations, and under agreements with its bondholders, ALPC and BPC agree to comply or cause compliance in all material respects with such laws and regulations as well as to maintain all material franchises. The impact, if any, of future legal or regulatory requirements cannot currently be estimated.

18. Related parties and related party transactions:

(a) Parent company:

Columbia Power is related through common ownership to its joint ventures with the Trust. Columbia Power is also related through indirect common ownership to all Province of British Columbia ministries, agencies, Crown corporations and public sector organizations that are included in the provincial government reporting entity.

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These consolidated financial statements include amounts receivable from, amounts payable to and transactions with BC Hydro; the Trust and its affiliates; the Province and the joint ventures. All related party transactions are at market rates, except for certain transactions with the joint ventures and Columbia Basin Trust, which are determined on a cost recovery basis. The joint ventures stated in notes 5 and 6 are related parties to Columbia Power. Details of transactions between Columbia Power and related parties which have not been eliminated are summarized in the following tables.

(b) Due to/from and purchases/sales to related parties:

Related party transactions and balances are summarized in the following table:

Statement of Financial Position	2023		2022	
Accounts receivable	\$	67	\$	-
Accounts payable and accrued liabilities	\$	5,708	\$	5,733
Statement of Income and Comprehensive Income	2023		2022	
Revenue	\$	3,667	\$	3,550
Expenses				
Administration and management	\$	3,913	\$	3,815
Community sponsorship		250		250
Total expenses	\$	4,163	\$	4,065

The total accounts payable and accrued liabilities for the year ended March 31, 2023, of \$5,708 thousand (2022 - \$5,733 thousand) consists primarily of accrued loan interest due to the Province of \$3,033 thousand (2022 - \$3,033 thousand) and to WEPC of \$2,675 thousand (2022 - \$2,675 thousand).

Amounts included in revenue for the year ended March 31, 2023, of \$3,667 thousand (2022 - \$3,550 thousand) include the management fees charged to each of Columbia Power's power subsidiaries.

Amounts included in expenses at March 31, 2023, of \$4,163 thousand (2022 - \$4,065 thousand) (see note 14 - Other expenses) consist primarily of management services paid to the Trust under the Asset Management Services Agreement and community sponsorships and director stipends paid to the Province. The management services are included in the administration and management expense and total \$3,900 thousand for the year ended March 31, 2023 (2022 - \$3,777 thousand). The amount includes staff compensation, office space and overhead costs which are billed to Columbia Power on a cost recovery basis and recovered by Columbia Power from each of its power subsidiaries.

(c) Loans from related party:

At March 31, 2023, and March 31, 2022, Columbia Power has a debenture outstanding payable to the Province. Details of these loans are provided in note 9 – Loans and borrowings. Annual contributions to a sinking fund are required for debt retirement with a contribution in fiscal 2023 of \$5,043 thousand (2022 - \$5,043 thousand).

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At March 31, 2023, and March 31, 2022, Columbia Power has a loan outstanding payable to WEPC. Details of this loan is provided in note 10 – Due to Waneta Expansion Power Corporation.

Total interest expense for the year ended March 31, 2023 associated with the loans from related parties of \$20,681 thousand (2022 - \$20,658 thousand) is included in the "Interest on loans and borrowings" line item in note 13 - Finance costs.

(d) Dividends:

During the year ended March 31, 2023, Columbia Power declared and accrued dividends payable of \$47 million to the Province (2022 – \$47 million).

(e) Key management compensation:

(i) Executive management compensation:

Executive management personnel and compensation is provided under the Asset Management Services Agreement. There are no employees of Columbia Power.

(ii) Board compensation:

The board has no remuneration agreements other than the director's fee and remuneration for participating in committee work, nor have any loans or pledges been granted to directors of the board or their family members. Total compensation to the board for the year ended March 31, 2023, as follows:

	2023	2022
Retainers	\$ 45	\$ 45
Meeting fees	6	6
	<u>\$ 51</u>	<u>\$ 51</u>

19. Subsequent event:

In April 2023, one of the two generating units at the Arrow Lakes Generating Station experienced an unexpected failure. Investigations into the failure and the development of corrective actions and repairs are ongoing. Equity income may be negatively impacted in the year ended March 31, 2024, and management is working closely with Arrow Lakes Power Corporation's insurance providers on policy coverage. An estimate on the duration and impact on revenues and income can not be reasonably determined at this time.