

Columbia Power & Water Systems

Enterprise Funds of the City of Columbia, Tennessee



Annual Comprehensive Financial Report

For Fiscal Years Ended June 30, 2022 and June 30, 2021



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Prepared by: CPWS Financial and Accounting Staff

Table of Contents

INTRODUCTORY SECTION

A Message from the President/CEO	1
Community Involvement	3
Letter of Transmittal	10
List of Board of Directors	16
List of Management	17

FINANCIAL SECTION

Report of Independent Certified Public Accountants	19
Management's Discussion and Analysis	22
Statements of Net Position	35
Statements of Revenues, Expenses, and Changes in Net Position	38
Statements of Cash Flows	39
Statements of Fiduciary Net Position	41
Statements of Changes in Fiduciary Net Position	42
Notes to Financial Statements	43

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the NOL and Related Ratios	67
Schedule of Employer Contributions	68
Schedule of Investment Returns	68

FINANCIAL SCHEDULES SECTION

Combining Schedule of Net Position – Power System	71
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Power System	74
Combining Schedule of Cash Flows – Power System	75
Combining Schedule of Operating Expenses – Power System	77
Schedule of Operating Expenses – Water System	79
Schedule of Changes in Long-Term Debt – Power System	81
Schedule of Changes in Long-Term Debt – Water System	82
Schedule of Debt Requirements – Power System	83
Schedule of Debt Requirements – Water System	83

STATISTICAL SECTION

Schedule of Net Position by Component – For the Last Ten Years	85
Schedule of Changes in Net Position – For the Last Ten Years	86
Schedule of Revenues by Source – For the Last Ten Years	87
Schedule of Operating Expenses – For the Last Ten Years	88
Schedule of Nonoperating Revenues and Expenses – For the Last Ten Years	89
Schedule of Primary Revenue by Payor Type – Current Year and Nine Years Ago	90
Schedule of Electric Operating Indicators – For the Last Ten Years	91
Schedule of Water Operating Indicators – For the Last Ten Years	92
Schedule of Electric Rates – For the Last Ten Years	93

Table of Contents (Continued)

STATISTICAL SECTION *(continued)*

Schedule of Broadband Rates and Customers – For the Last Ten Years.....	94
Schedule of Water Rates – For the Last Ten Years.....	95
Schedule of Revenue Bond Coverage – For the Last Ten Years.....	97
 Ratios of Outstanding Long-Term Debt by Type – For the Last Ten Years.....	 98
Demographic and Economic Statistics – For the Last Ten Years.....	99
Principal Employers – Current Year and Nine Years Ago.....	100
Number of Employees by Identifiable Activity – For the Last Ten Years.....	101
Schedule of Insurance Coverage.....	103

OTHER REPORT SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	105
Schedule of Prior Year Findings.....	107

A Message from the President/CEO



Looking back on fiscal year 2022, I think it can easily be described as an eventful year. While some events proved challenging, others were exciting. In either case, the net effect is a vibrant and prosperous community that people want to be part of. Columbia is a wonderful community made possible, in part, by the employees of CPWS.

The year began with the continuation of the COVID-19 pandemic and its related challenges. Over the course of the year, the pandemic began to recede, and many aspects of life returned to 'normal', albeit a 'new normal'. While the pandemic itself receded, the organic and pandemic fueled growth seemed to be as strong as ever. In terms of economic development, FY22 saw \$330,000,000 in new capital investment and 481 new jobs in Maury County. Residential development has over 14,000 new homes approved for construction with more requests coming every month. In FY2022, our Power system saw an addition of 1,135 new customers (3%), Water customers increased by 689 (2%) and Broadband saw 136 new customers added (1%).

Inflation and supply chain shortages have presented economic challenges to CPWS as well. The Consumer Price Index for FY22 peaked in June at 9.1%. We have seen lead times increase to a year or more and costs double on some materials. Supply chain challenges can be easily seen in water meter availability. For over 10 years now, CPWS has used remote meter reading technology to improve the cost and efficiency of meter reading. The flexible technology we use allows us to use water meters that communicate over a radio-based mesh network, cell signals, and drive by technology. Unfortunately, supply chain shortages are causing us to consider the use of manual read meters.

The summer of 2022 was concerning because of high temperatures and little rain. The drought-like conditions demonstrated the need for our Long-Term Water Supply Program and contributed to a peak water demand of 14.5 mgd in July. We also set a new peak on the power system of 171 MW. Although not affected by the weather, our Broadband System reached some significant milestones too. Broadband now has 1,235 1GB customers, 2,135 managed wi-fi routers and in May they reached the 7,000-customer mark.

Our residents have every reason to be proud of Columbia. New industries moving to town like Ultium and Fiberon are providing many jobs for our community. The Mulehouse opened in May of 2021 and has welcomed performers like Lee Brice, Cassandra Coleman, Craig Campbell, Henry Cho, Amy Grant, and Sawyer Brown just to name a few. Columbia was also used as a backdrop for the filming of Lifetime's "Steppin' Into The Holiday" and Paramount's "A New Kind of Christmas". It's no wonder why people from all over the country want to move to Maury County. Exciting events like these are possible because of our employees' commitment and dedication to providing and maintaining the critical infrastructure our community needs.

Too often, we only focus on the challenges at hand, but it is important to recognize the rewards of overcoming those challenges. CPWS continues to provide reliable service at a competitive price. Our financial position is strong and the value we provide our customers is excellent. Because of our hard work, we have a wonderful community to call home. I am honored and privileged to serve as President/CEO and proud to work with the men and women who make CPWS the great organization it is.

Sincerely,



Scott Dahlstrom
President/CEO

Community Involvement

Columbia Power & Water Systems continues to be recognized in the community for its long-term commitment and service to the citizens of Columbia, Tennessee – not only due to the services we deliver each day but also through the thousands of volunteer hours our employees spend to make our towns and county a better place to live and work.

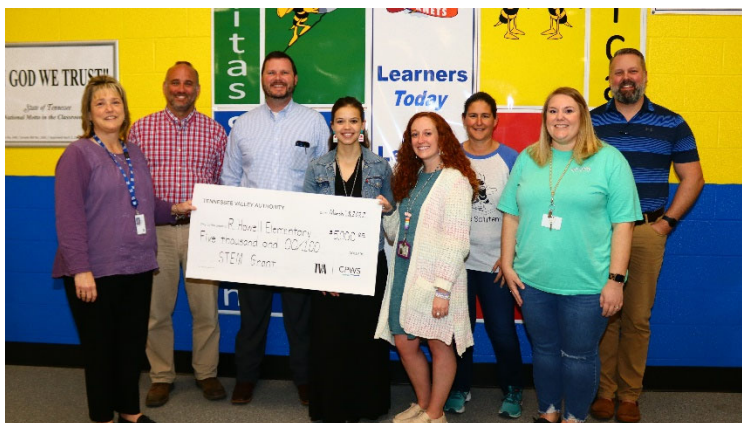
As CPWS focuses on consistent delivery of the community's critical services, we also desire to connect with the people we serve and better meet their needs. CPWS employees participate in a variety of community projects from membership in local service clubs, supporting their churches or children's schools to volunteer efforts with local non-profits. This past fiscal year, CPWS donated, raised, or provided in-kind support totaling over \$80,000 to the people of Maury County. Below is a snapshot of CPWS' volunteer and community efforts:

- Columbia State Community College – co-sponsor of the Pre-apprentice Lineworker Academy
- Boys and Girls Clubs of Maury County – Great Futures Gala
- Amuse'um Children's Museum – Co-sponsor interactive exhibit with TVA
- Columbia Firefighters Association – Annual donation and participation in yearly concert
- James K. Polk Home – Board participation
- Kiwanis Club's Annual Chili Cookoff and Sporting Clay Tournament
- Leadership Maury and Youth Leadership Maury Program – CPWS is an active sponsor, with several graduates of the Leadership Maury program on staff.
- Leadership Middle Tennessee – CPWS is an active sponsor, with several graduates on staff
- Maury County Chamber and Economic Alliance – CPWS is an active member and financial partner of Maury Alliance
- Maury County Public Schools – Career Days, safety demonstrations, Project Graduation 2022, and CHS Pride TV
- Rotary Club – Pancake Breakfast, Scholarship Concert, and Shoot For Our Stars
- The United Way of Maury County – Annual employee fund-raising drive to collect money for various local charities
- Youth Educational Foundation – Community partnership
- TVA Stem Grant



- The Salvation Army/Family Center – Ringing of the Bells
- Maury Regional Foundation – Mule Kick 5K sponsorship
- Maury County Fair – Friends of Fair Sponsorship
- Maury County Sheriff’s Rodeo – Sponsor
- Blood Assurance – Blood Mobile- employee donations twice a year
- Columbia American Little League – team sponsorship
- Spring Hill Chamber of Commerce – member
- The Family Center – Community Partnership Program donation
- The Well Outreach - Whole Hog Festival Sponsor













October 31, 2022

To the Honorable Mayor Chaz Molder,
Members of the City Council,
Board of Public Utilities,
CPWS customers and bondholders, and
the Citizens of Columbia, Tennessee:

On behalf of the Columbia Power and Water Systems (the “Systems” or “CPWS”), we are pleased to present the Annual Comprehensive Financial Report (“ACFR”) for the year ended June 30, 2022, as required by state statutes. State statutes require that all governmental units publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management’s representations concerning the finances of the Systems. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Systems. To provide a reasonable basis for making these representations, management of the Systems has established a comprehensive internal control structure which is designed to ensure that the assets of the Systems are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the Systems’ financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, this financial report is complete and reliable, and presented in a manner designed to fairly set forth the financial position, results of operations and changes in net position of the Systems.

An important item contained in this ACFR is the Management’s Discussion and Analysis (“MD&A”) that immediately follows the Independent Auditors’ Report. This analysis is designed to provide, in understandable terms, an overview of the Systems’ financial position.

Reporting Entity and Services Provided

CPWS offers electric, water, and broadband products and services to customers generally located in the City of Columbia and parts of Maury County, Tennessee. The Systems are comprised of two enterprise funds (Columbia Power System and Columbia Water System) of the City of Columbia, Tennessee, the primary government. The Broadband Division is operated as a separate division of the Columbia Power System. These activities are fully accounted for in this financial report. The funds and entities of CPWS, which are included in

these financial statements, are an integral part of the City's reporting entity. This report does not include the financial report of the primary government. Financial reports of the City of Columbia, Tennessee are available directly from the City.

The Systems are operated by the City of Columbia's Board of Public Utilities. The Board consists of five members which are appointed by the Mayor of the City of Columbia and ratified by the City Council. Board members generally serve staggered four-year terms, with one board member also being a representative of the City Council. The Board employs a full-time President/CEO, who is responsible for the day-to-day operations of the Systems.

Budget Adoption and Legal Compliance/Budgetary Results

The systems' budgeting process follows the policy of the Board of Public Utilities. The preliminary annual budget is presented to the Board of Public Utilities no later than the end of May. The Board expects to approve the final budget by June 30. The budget is prepared on a modified-cash basis where an expense is recognized when cash is disbursed and revenue is recognized when billed, not collected. The budget includes separate projections of revenues and expenses for each utility system. It also includes the cost of any shared services used together by the utilities.

Economic Conditions and Outlook

The Systems continue to see significant growth year to year. From fiscal year 2021 to 2022, the Power System experienced an increase of 1,135 customers, or 3%. The Water System increased customers by 689, or 2%. Our Broadband services had an increase of 136 customers, or 1%.

Inflationary pressures and long delivery times have impacted our cost of materials and supplies used in operations and our plant. Similarly, sustained increases in fuel prices have impacted the pass-through fuel costs associated with purchased power.

Major Initiatives

The Power System continues to experience tremendous growth, therefore, continues to increase plant capacity to serve this demand. Growth is occurring not only from our residential customers, but also our commercial customers. Work began and will continue into FY 2023 on a new industrial substation on GM property.

The Water System continued its engineering stage of Long-Term Water Supply plan. However, engineering slowed during FY2022 as the US Fish & Wildlife Service reviewed the impact of mussel species found within the Duck River. Pressures on treatment capacity due to growth continue to be addressed, with alternative engineering designs being formulated for the existing treatment plant and intake.

Long-term Financial Planning

The Board of Public Utilities has several capital improvement projects planned for the upcoming fiscal year 2023. It is the Board's intention to fund the capital expenditures within the budget through cash generated from

operations for Power and utilize low interest rate loans from the State Revolving Fund and Water Infrastructure Finance and Innovation Act (WIFIA) or through the issuance of bonds for the Water System projects.

Significant system improvements contemplated in the FY 2023 budget consist of the following:

- A new Industrial substation
- Expansion of the North Columbia substation
- Replacement of the repeater equipment used at our existing radio towers
- Electric vehicle research and development
- Continuation of system upgrades and improvements for the Power System
- Long-term water supply program
- Rehabilitation of water pump stations
- Periodic Annual Tank Inspections
- Miscellaneous water main improvements
- Continuation of upgrading the Broadband Division's equipment

Financial Information

Rates and Charges

CPWS operates as two enterprise funds of the City, and as such, funds its expenditures through its rates and charges. CPWS receives no income from City taxes. Annually, the Board of Public Utilities sets the rates and charges for each fund to provide for anticipated cash outlays for operating and capital expenses of the fund. Revenues of one fund are not used to subsidize the operations of another fund. Additional approval by the City Council is also required for water rates.

Debt Administration

Generally, CPWS issues revenue bonds to fund capital projects that cannot be funded out of cash reserves or operations. However, revenue and tax bonds were issued to construct the broadband network to obtain lower interest rates. For more detailed information on the Systems' long-term debt, please refer to note 7 of the financial statements.

Risk Management

The Systems' assets are protected through commercial insurance policies for workers' compensation, general liability, property and casualty, cyber-crime, employee dishonesty, and environmental damage.

Independent Audit

The Columbia Board of Public Utilities has an annual audit performed by independent certified public accountants. The certified public accounting firm of Alexander Thompson Arnold, PLLC was selected by the Board to perform this year's audit. The auditors have issued an unmodified opinion, which is the most favorable opinion that can be received as a result of the audit process. Their independent auditor's report on the financial statements has been included in the financial section of this report.

Awards – Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CPWS for its annual comprehensive financial report (ACFR) for the year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report involved the dedicated work of the entire Finance and Accounting staff, along with the cooperation of each department within CPWS. We express our sincere appreciation to the staff that assisted and contributed to its preparation. We also extend our appreciation to the staff of Alexander Thompson Arnold PLLC for their work, technical assistance, and guidance in the preparation of this report.

We would also like to thank the individual members of the Columbia Board of Public Utilities for their interest, support, and leadership in planning and conducting the financial operations of CPWS in a responsible and progressive manner.

Respectfully,

Michelle D. Herrman
Executive Vice President/CFO

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Government Finance Officers Association

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

Presented to

**Columbia Power and Water Systems
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Board of Public Utilities

CPWS operates under the Board of Public Utilities of the City of Columbia, Tennessee. There are five members of the Board, one of which must be a City Council member. Members of the Board are appointed by the Mayor and ratified by the City Council. The Board of Public Utilities of the City of Columbia, Tennessee for FY 2022:

Front Row, Left to Right:

- Christa Martin, ED.D, City Council Representative (2021-2022)
- Shauna Pounders, Board Member (2019-2023)

Back Row, Left to Right:

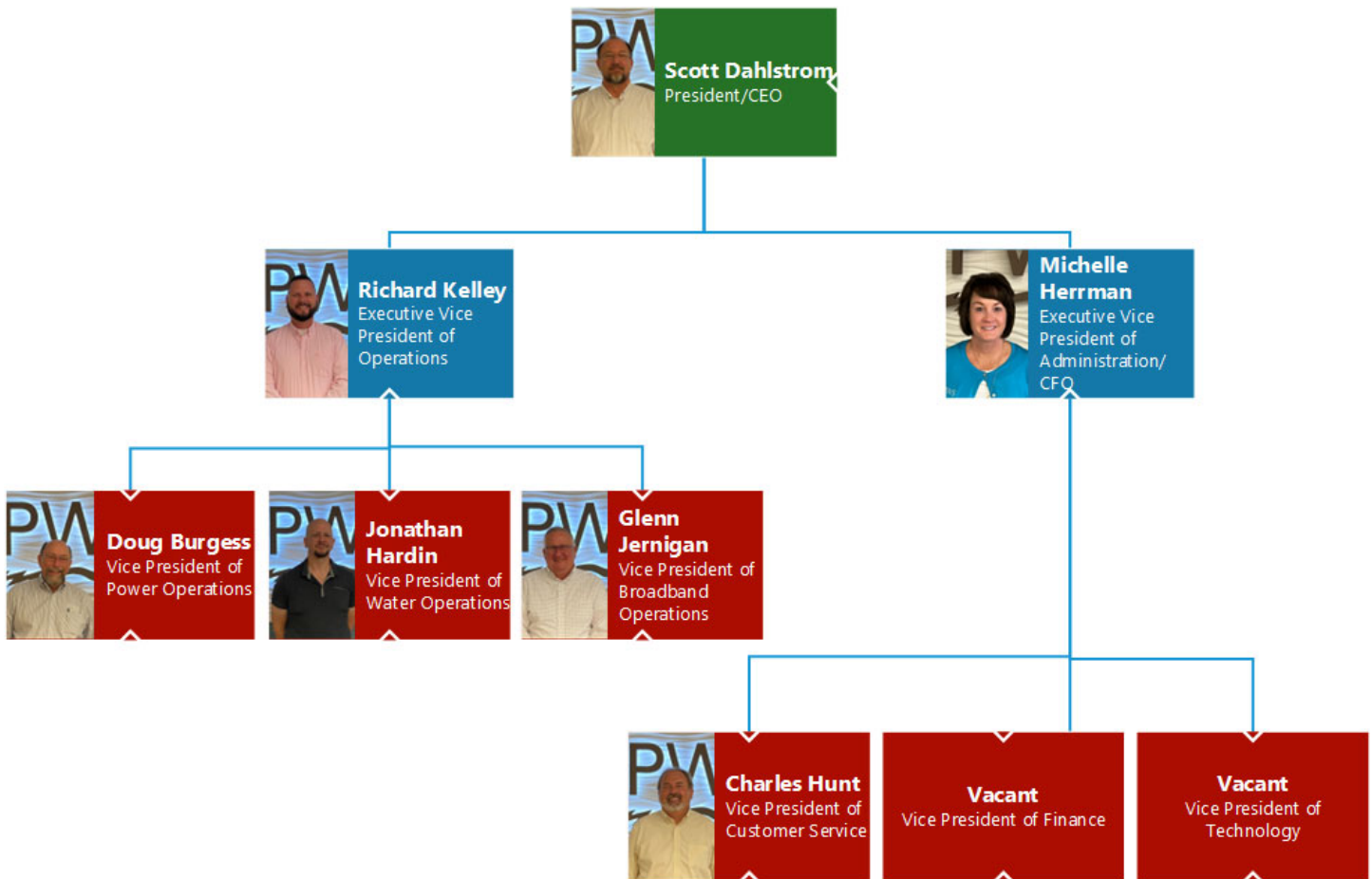
- Walker Vining, Vice Chairman (2020-2024)
- Trent Ogilvie, Board Member (2021-2025)
- Eddie Campbell, Chairman (2022-2026)

Not Pictured:

- Daniel Murphy, Board Counsel (at the will of the Board)



Management Team



As part of Columbia Power and Water Systems' strategic planning, the Board of Public Utilities and management work hard to adhere to CPWS' purpose, mission, vision, and values:

Purpose: Achieving life's possibilities together.

Mission: To provide exceptional service to our customers.

Vision: To improve the livability of our community by:

- Delivering customer-driven service
- Training and leveraging our skilled workforce
- Increasing responsible stewardship

Values:

- People
- Safety
- Excellence
- Integrity
- Collaboration
- Respect
- Initiative
- Stewardship

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Independent Auditor's Report

The Columbia Board of Public Utilities
Columbia Power & Water Systems
Columbia, Tennessee

Opinions

We have audited the accompanying financial statements of the business-type, each major fund and the aggregate remaining fund information of Columbia Power and Water Systems (the Systems), enterprise funds of the City of Columbia, Tennessee as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of Columbia Power and Water Systems, Tennessee, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Reporting Entity

As discussed in Note 1, the financial statements present only the Columbia Power & Water Systems and do not purport to, and do not, present fairly the financial position of City of Columbia, Tennessee, as of June 30, 2022 and 2021, the changes in its financial position or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The financial schedules section, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of

the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 financial schedules section, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Jackson, Tennessee
November 14, 2022

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

This discussion and analysis of the Columbia Power and Water Systems' financial performance provides an overview of the Systems' financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the financial statements, which follow this section.

REQUIRED FINANCIAL STATEMENTS

The Columbia Power and Water Systems (the "Systems" or "CPWS") are comprised of two separate operating systems – Columbia Power System and Columbia Water System. Both Systems are operated under the City of Columbia Board of Public Utilities. Where practical and cost effective, common functions are shared and each System pays a pro-rata share of those expenses. Each System supports its operations through its own revenues.

The financial statements of Columbia Power and Water Systems report information using accounting methods like those used by private sector companies. These statements offer financial information about the Systems' activities.

A fiduciary fund is used to account for resources held for the benefit of parties outside of the Systems. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Systems maintain one fiduciary fund used to report resources held related to the Systems' single employer post-employment benefits plan.

The Statements of Net Position include all the Systems' assets and liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position serve as one indicator of whether the respective financial positions of the Systems are improving or deteriorating.

All the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. These statements measure the success of the operations over the past year and can be used to analyze the results of the Systems' operations.

The Statements of Cash Flows report cash receipts, cash payments, and net changes in cash position resulting from operating, investing, and financing activities and provide answers to such questions as where cash came from, for what was cash used, and what was the change in cash balance during the reporting period.

The Statement of Fiduciary Net Position includes all accounting assets and liabilities of the plan and provides a picture of the fiduciary net position of the plan as of the end of the current fiscal year compared to the previous fiscal year. Assets less liabilities result in net position restricted for post-employment benefits held in trust at year end.

The Statement of Changes in Fiduciary Net Position reports all additions and deductions of the plan for the current fiscal year compared to the previous fiscal year. Additions consist of employer contributions and investment earnings. Deductions include benefits paid to plan participants and administrative expenses. Total additions minus total deductions provide the net increase in net position for the current fiscal year compared to the previous fiscal year. The increase in net position plus the beginning net position restricted for post-employment benefits results in the ending net position restricted for post-employment benefits for the current year compared to the prior year.

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS - POWER

Columbia Power System includes both an electric distribution system and a broadband telecommunications network. The broadband network is a separate division of the Power System providing cable TV, phone, internet services, and high-speed data transmission services.

The Statements of Net Position show an increase of \$14.08 million, or 12.9%, in Total Assets during fiscal year 2022, as compared to an increase of \$6.13 million, or 6.0%, in Total Assets during fiscal year 2021. Current Assets increased \$8.62 million or 21.3% during fiscal year 2022. The cost of Utility Plant, net of accumulated depreciation, increased \$5.04 million or 7.4% during the current year.

The following table summarized the Statements of Net Position for the last three fiscal years:

COLUMBIA POWER SYSTEM

STATEMENTS OF NET POSITION (in thousands)

	2022	June 30, 2021	2020
ASSETS			
CURRENT ASSETS	\$ 49,108	\$ 40,490	\$ 35,816
UTILITY PLANT	73,159	68,123	66,927
OTHER NONCURRENT ASSETS	867	439	175
TOTAL ASSETS	\$ 123,134	\$ 109,052	\$ 102,918
DEFERRED OUTFLOWS	\$ -	\$ 55	\$ 63
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 123,134	\$ 109,107	\$ 102,981
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
CURRENT LIABILITIES	\$ 22,542	\$ 14,986	\$ 14,645
LONG-TERM DEBT	3,889	4,848	5,617
OTHER NONCURRENT LIABILITIES	37	57	799
TOTAL LIABILITIES	\$ 26,468	\$ 19,891	\$ 21,061
DEFERRED INFLOWS	\$ 1,042	\$ 880	\$ 25
NET POSITION			
Net investment in capital assets	70,169	64,171	62,031
Restricted for debt service and OPEB asset	1,442	947	604
Unrestricted	24,013	23,218	19,260
TOTAL NET POSITION	95,624	88,336	81,895
TOTAL LIABILITIES, NET POSITION, AND DEFERRED INFLOWS	\$ 123,134	\$ 109,107	\$ 102,981

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Net position increased \$7.29 million or 8.3% in 2022 and increased \$6.44 million or 7.9% in 2021. The statement indicates that the largest portion of the System's net position represents its investment in capital assets, \$70.2 million or 73.4% of total net position. An additional \$684 thousand of net position is restricted for the debt service of the Broadband Division and \$758 thousand is restricted for Power's Net OPEB asset. Another significant portion of the System's net position is \$24.0 million in unrestricted net position, which may be used to meet ongoing obligations of the System. During the current fiscal year, the System's net investment in capital assets increased \$6.0 million or 9.3% while unrestricted net position increased \$809 thousand or 3.5%. The overall financial position of the System was stable during the fiscal year. Net position for the Broadband Division increased during the fiscal year due to competitive pricing and substantial cost elimination. The division's net position continues to climb from \$1.2 million in 2019 to \$2.0 million in 2020, \$3.6 million in 2021, and \$5.4 million in 2022.

The Statements of Revenues, Expenses, and Changes in Net Position indicate that Operating Revenue increased during the fiscal year from \$79.8 million in fiscal year 2021 to \$88.4 million in fiscal year 2022. This change equals a 10.7% increase from 2021 to 2022, compared to a 0.8% increase from 2020 to 2021. The 2022 change reflects an increase of \$6.7 million in electric sales revenues and an increase of \$365 thousand in broadband sales. Other revenues increased by \$1.5 million or 99.5% in 2022 as compared to a decrease of \$187 thousand or 12.6% in 2021.

Weather plays an important role in determining electric sales revenue. The impact of weather is calculated by comparing degree days from one year to the next. Degree days represent the difference between 65° and the average temperature each day. Temperatures above 65° are considered cooling degree days and temperatures below 65° are considered heating degree days. In fiscal year 2022, there were 4,943 degree days compared to 4,993 degree days in fiscal year 2021, which is a decrease of 1.00%. There was a 8.9% decrease in heating degree days and a 16.8% increase in cooling degree days.

In addition to weather, electric sales revenue is impacted by the cost of fuel used to produce the electric power provided by our wholesale power provider, TVA. Market conditions for fuel were highly volatile during 2022. The impacts from the return to normalcy after the COVID restrictions easing, the war on Ukraine and the severe weather event in Texas significantly impacted the cost of fuel. Out contract with TVA, requires a pass-through adder cost to be included on our customer bills, and remittance of those collected revenues to them.

Megawatt hours (MWh) sold increased 2.8% during the current year, from 666,862 MWh in fiscal year 2021 to 685,696 MWh in fiscal year 2022. The number of customers increased during the fiscal year from 32,367 in 2021 to 33,502 in 2022. This increase was primarily within the residential customer class at 4.1%.

Total Operating Expenses increased \$8.2 million, or 11.4% in fiscal year 2022 and decreased \$164 thousand, or 0.2% in fiscal year 2021. The fiscal year 2022 change reflects a increase of \$7.0 million, or 13.5%, in energy purchased because of increases in customers, weather variances, and increased fuel pass-through costs. The Power System purchases all its power from TVA under an all requirements contract. The contract requires at least twenty years' prior written notice for termination by either party. Furthermore, the Broadband Division had a increase of \$235 thousand in programming expenses due to increasing video subscriber counts.

Broadband revenues were \$8.8 million during the current fiscal year and broadband operating expenses were \$7.5 million, resulting in positive operating income of \$1.3 million for the broadband division. The number of broadband customers increased during the current year from 6,808 at June 30, 2021 to 6,944 at June 30, 2022, an increase of 2.0%. Residential growth within the Broadband footprint has increased the Broadband customer

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

base. This growth is primarily based internet services. The new growth trend is mirrored by other departments within CPWS.

Capital Contributions - Utility Plant are recorded in accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As a result, capital contributions received from developers, builders, etc. for electric system extensions are recorded as revenue. Capital contributions of \$554 thousand were received during the fiscal year as compared to \$64 thousand in fiscal year 2021.

Below are condensed Statements of Revenues, Expenses, and Changes in Net Position for the last three fiscal years:

COLUMBIA POWER SYSTEM

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)

	2022	2021	2020
REVENUES			
OPERATING REVENUES			
Energy sales	\$ 76,635	\$ 69,894	\$ 69,758
Broadband sales	8,814	8,457	8,119
Other	2,965	1,486	1,299
TOTAL OPERATING REVENUES	88,414	79,837	79,176
OPERATING EXPENSES			
Energy and programming purchased	\$ 62,101	\$ 55,338	56,455
Distribution expense	7,242	5,973	5,871
Other operating expense	10,693	10,550	9,699
TOTAL OPERATING EXPENSES	\$ 80,036	71,861	72,025
OPERATING INCOME	\$ 8,378	7,976	7,151
NONOPERATING REVENUES (EXPENSES)			
Interest and miscellaneous income	\$ 14	\$ 15	106
Interest and amortization expense	(49)	(72)	(81)
TOTAL NONOPERATING EXPENSES - NET	\$ (35)	(57)	25
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 8,343	\$ 7,919	\$ 7,176
Transfers out - payments in lieu of taxes	\$ (1,609)	\$ (1,542)	(1,383)
Capital contributions - utility plant	554	64	223
TOTAL TRANSFERS AND CONTRIBUTIONS	\$ (1,055)	\$ (1,478)	\$ (1,160)
INCREASE IN NET POSITION	\$ 7,288	\$ 6,441	6,016
NET POSITION - BEGINNING OF YEAR	88,336	81,895	75,879
NET POSITION - END OF YEAR	\$ 95,624	\$ 88,336	\$ 81,895

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

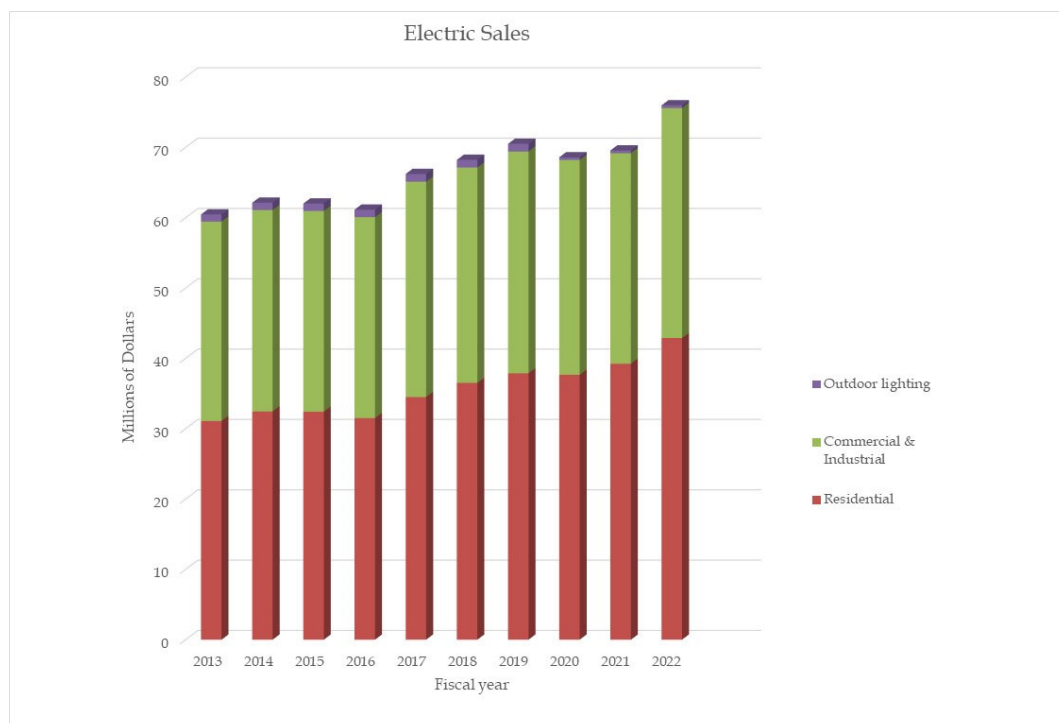
The Statements of Cash Flows indicate a net increase of \$5.7 million in cash and cash equivalents during fiscal year 2022 and \$3.8 million in 2021. Cash from operating activities for the fiscal year was \$15.7 million. Cash flows from capital and related financing activities of negative \$10.0 million included \$8.8 million used for capital additions and \$930 thousand used to pay debt principal payments. Cash flows from operating activities included cash used for payments in lieu of taxes of \$1.6 million.

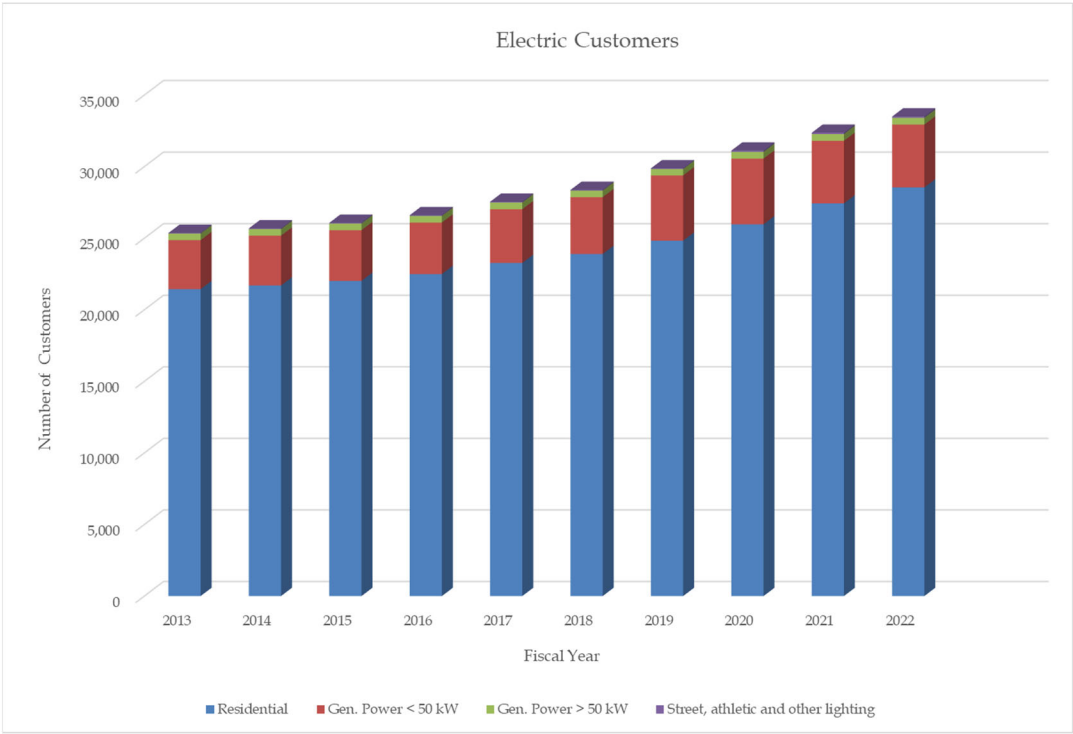
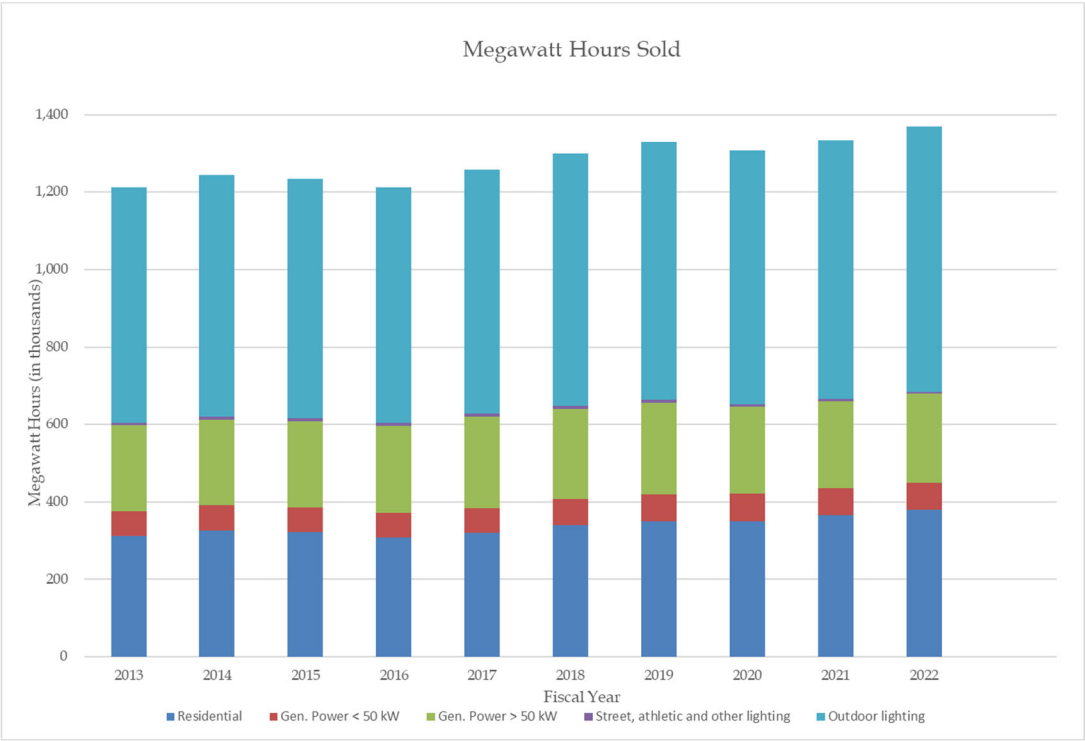
Below are condensed Statements of Cash Flows for the last three fiscal years:

COLUMBIA POWER SYSTEM
STATEMENTS OF CASH FLOWS (in thousands)

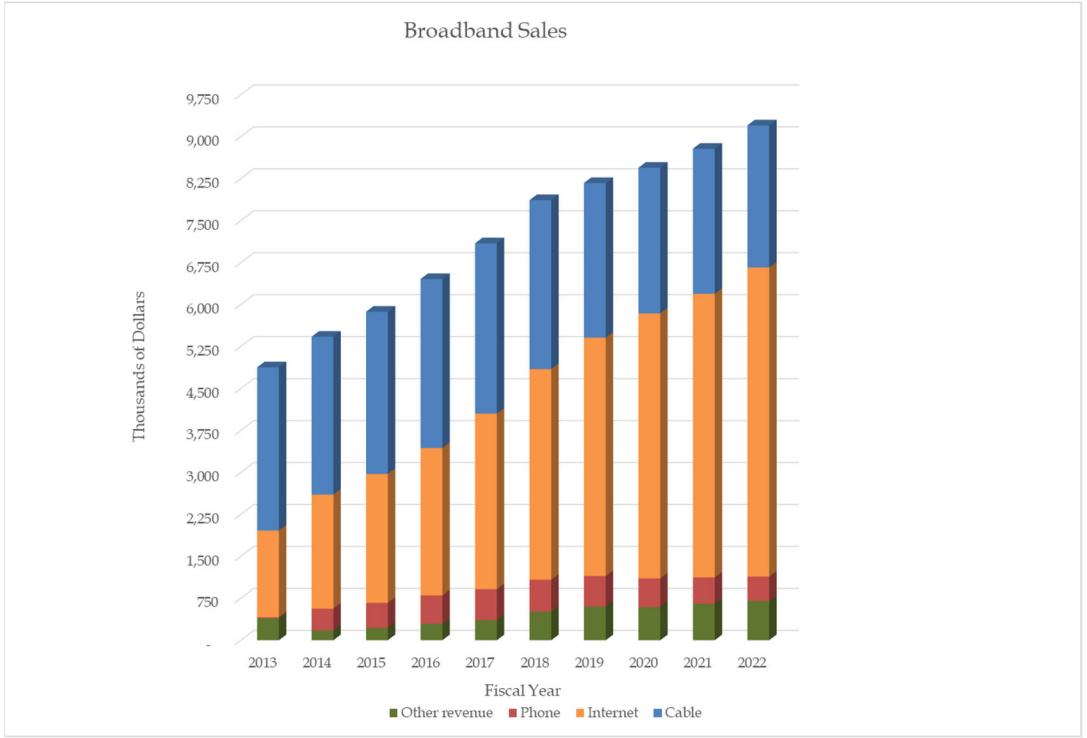
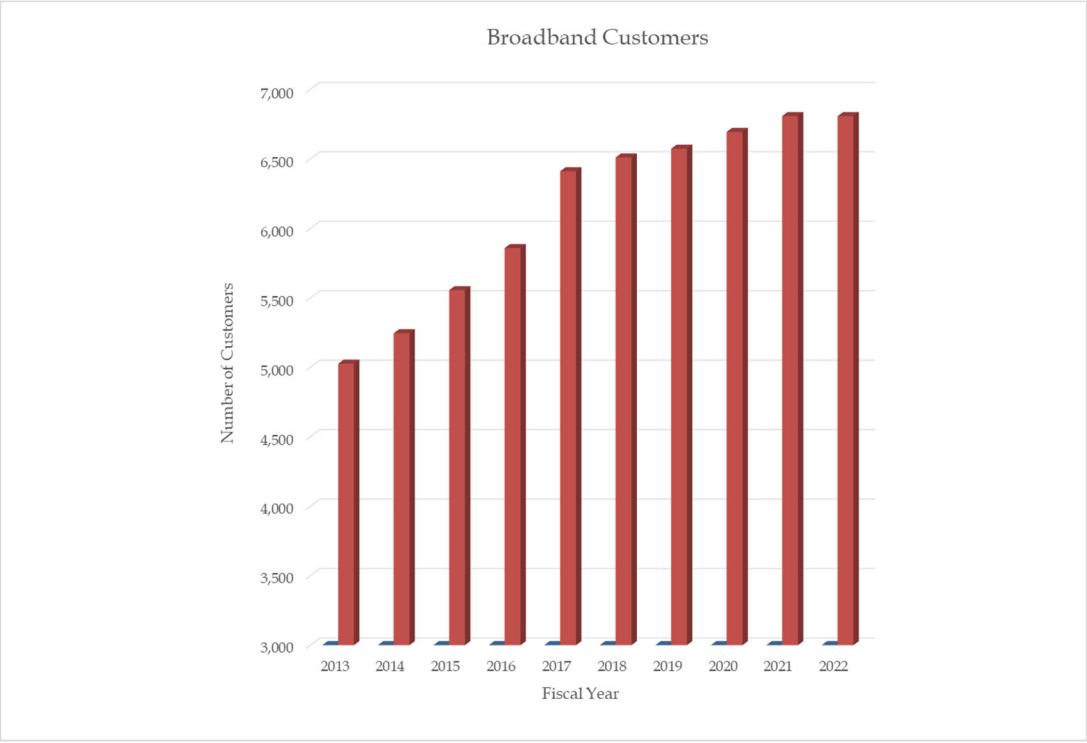
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 15,711	\$ 10,253	\$ 9,070
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(1)	(1)	(1)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(10,033)	(6,511)	(7,142)
CASH FLOWS FROM INVESTING ACTIVITIES	15	15	106
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,692	3,756	2,033
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	27,804	24,048	22,015
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 33,496	\$ 27,804	\$ 24,048

FINANCIAL HIGHLIGHTS – POWER SYSTEM





Broadband



COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS – WATER

The Statements of Net Position show an increase of \$2.7 million, or 3.0%, in Total Assets during fiscal year 2022, as compared to an increase of \$3.9 million, or 4.6%, in Total Assets during fiscal year 2021. Capital projects were funded from cash on hand in 2022, causing Current Assets to decrease by \$4.7 million. The cost of Utility Plant, net of accumulated depreciation, increased \$7.3 million during the current year.

Net position increased \$5.6 million or 7.6% in 2022 and increased \$4.4 million or 6.4% in 2021. The largest portion of the System's net position represents its investment in capital assets, \$74.4 million or 93.4% of total net position. Unrestricted net position, which may be used to meet the ongoing operations of the System, decreased \$4.8 million or 63.6%. Restricted net position decreased \$157 thousand during the fiscal year, partly due to Water's Net OPEB asset.

The following table summarizes the Statements of Net Position for the last three fiscal years:

COLUMBIA WATER SYSTEM
STATEMENTS OF NET POSITION (in thousands)

	2022	June 30, 2021	2020
ASSETS			
CURRENT ASSETS	\$ 9,324	\$ 14,056	\$ 19,162
UTILITY PLANT	82,085	74,806	65,943
OTHER NONCURRENT ASSETS	439	252	117
TOTAL ASSETS	\$ 91,848	\$ 89,114	\$ 85,222
DEFERRED OUTFLOWS	\$ -	\$ 27	\$ 34
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 91,848	\$ 89,141	\$ 85,256
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
CURRENT LIABILITIES	\$ 3,184	\$ 4,320	\$ 3,676
LONG-TERM DEBT	8,320	10,367	11,608
OTHER NONCURRENT LIABILITIES	-	-	383
TOTAL LIABILITIES	\$ 11,504	\$ 14,687	\$ 15,667
DEFERRED INFLOWS	\$ 713	\$ 433	\$ 13
NET POSITION			
Net investment in capital assets	\$ 74,391	\$ 63,848	\$ 53,740
Restricted	2,506	2,663	2,482
Unrestricted	2,734	7,510	13,354
TOTAL NET POSITION	\$ 79,631	\$ 74,021	\$ 69,576
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 91,848	\$ 89,141	\$ 85,256

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The Statements of Revenues, Expenses, and Changes in Net Position indicate that water sales increased \$1.0 million during fiscal year 2022 and increased \$519 thousand during fiscal year 2021. Operating expenses increased approximately \$697 thousand in 2022 and \$481 thousand in 2021, largely due to the increase in depreciation expense due to ongoing system upgrades. Interest income decreased \$5 thousand due to lower interest rates and lower cash balances during fiscal year 2022 when compared to fiscal year 2021. Cash has been used to fund capital projects in 2022.

COLUMBIA WATER SYSTEM

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)

	2022	2021	2020
REVENUES			
OPERATING REVENUES			
Water sales	\$ 13,648	\$ 12,643	\$ 12,124
Other revenue	1,053	989	950
TOTAL OPERATING REVENUES	14,701	13,632	13,074
OPERATING EXPENSES			
Production expense	2,810	2,650	2,581
Distribution expense	2,141	1,972	1,813
Other operating expenses	5,794	5,426	5,173
TOTAL OPERATING EXPENSES	10,745	10,048	9,567
OPERATING INCOME	3,956	3,584	3,507
NONOPERATING REVENUES (EXPENSES)			
Interest income	4	10	53
Interest and amortization expense	(345)	(484)	(531)
TOTAL NONOPERATING EXPENSES - NET	(341)	(474)	(478)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	3,615	3,110	3,029
Transfers out - payments in lieu of taxes	(142)	(145)	(140)
Capital contributions - utility plant	2,137	1,480	797
TOTAL TRANSFERS AND CONTRIBUTIONS	1,995	1,335	657
INCREASE IN NET POSITION	5,610	4,445	3,686
NET POSITION - BEGINNING OF YEAR	74,021	69,576	65,890
NET POSITION - END OF YEAR	\$ 79,631	\$ 74,021	\$ 69,576

Capital Contributions – Utility Plant is recorded in accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As a result, capital contributions of water plant deeded to the System by developers, builders, etc. for water system extensions are recorded as revenue. Capital contributions of \$2.1 million were received during the fiscal year.

COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

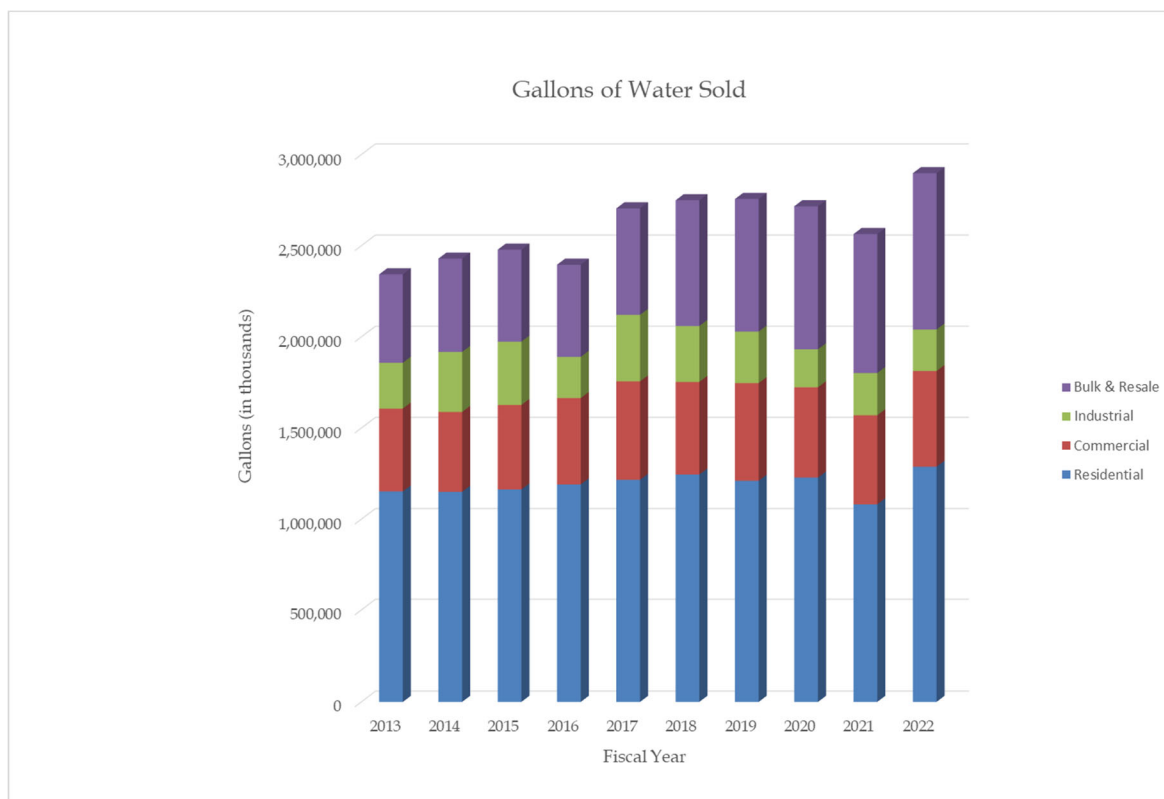
The Statements of Cash Flows indicate a net decrease of \$5.3 million in cash and cash equivalents during the fiscal year 2022 versus a net decrease of \$4.8 million in cash and cash equivalents during the fiscal year 2021. Cash provided from operating activities was \$5.9 million in 2022 compared to \$6.2 million in 2021. Cash flows from capital and related financing activities included \$7.6 million for additions to utility plant, and \$11.3 million for bond principal and interest. Cash flows from investing activities was \$5 thousand.

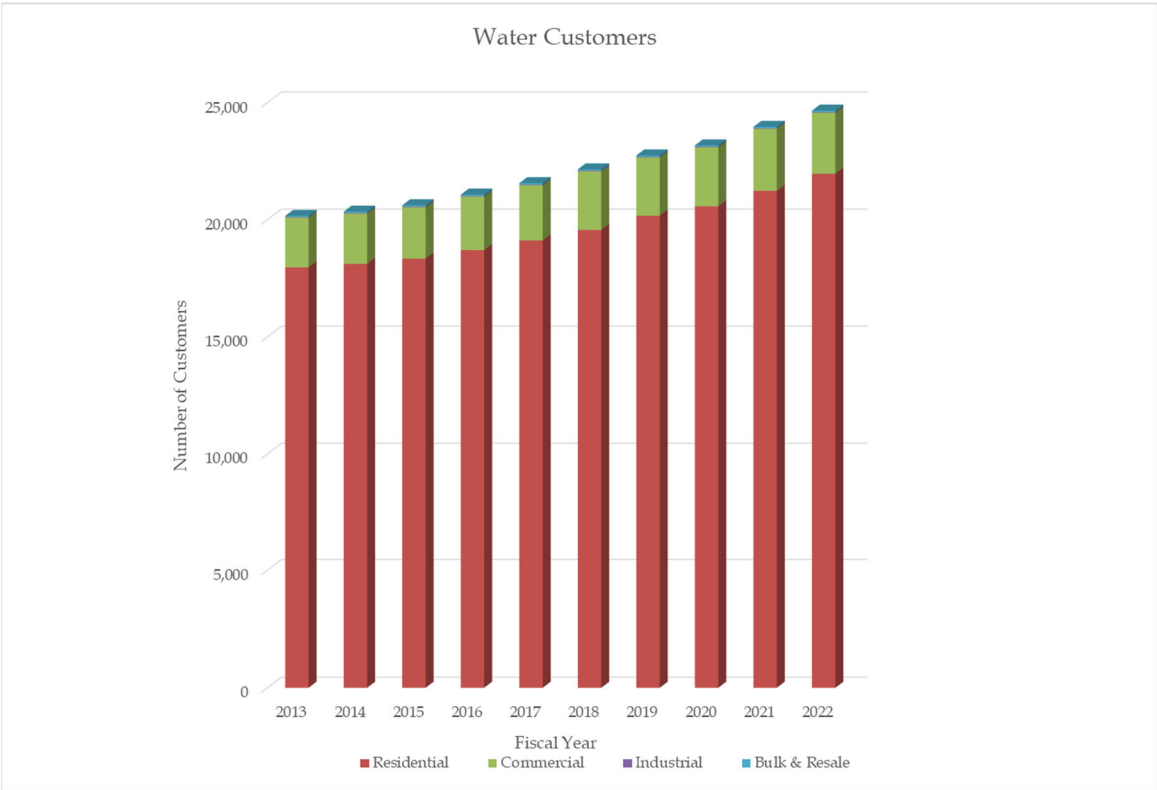
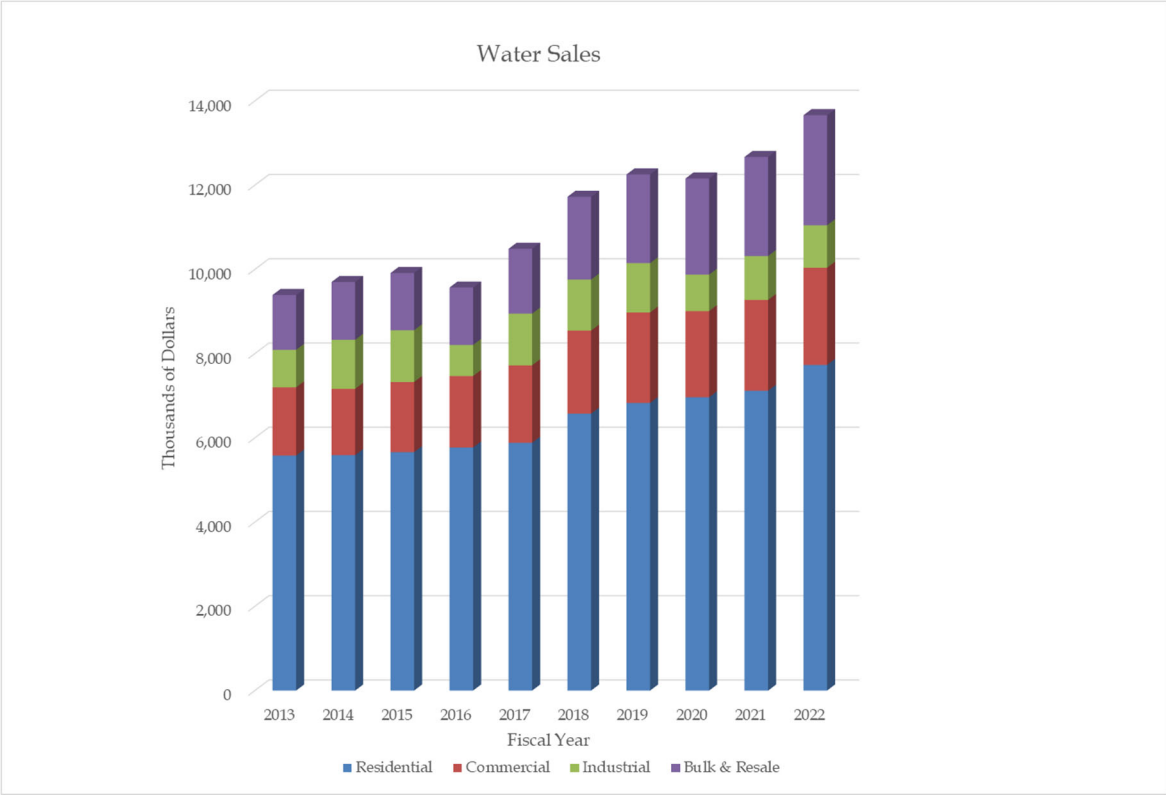
Below are condensed Statements of Cash Flows for the last three fiscal years:

COLUMBIA WATER SYSTEM
STATEMENTS OF CASH FLOWS (in thousands)

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 5,867	\$ 6,189	\$ 6,013
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(11,145)	(11,239)	(9,251)
CASH FLOWS FROM INVESTING ACTIVITIES	5	260	(387)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,273)	(4,790)	(3,625)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	10,024	14,814	18,439
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,751	\$ 10,024	\$ 14,814

FINANCIAL HIGHLIGHTS – WATER SYSTEM





COLUMBIA POWER AND WATER SYSTEMS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Columbia Power and Water Systems' net investment in capital assets as of June 30, 2022 was \$70.2 million in power system utility plant and \$74.4 million in water system utility plant (net of accumulated depreciation). The power system utility plant includes \$66.9 million in electric utility plant and \$6.3 million in broadband utility plant (net of accumulated depreciation). The increase in the Systems' capital assets during the current fiscal year was \$4.0 million in the power system and \$2.9 million in the water system, before accumulated depreciation. Additional information on the Systems' capital assets can be found in Note 4 of the financial statements.

Long-term debt. At the end of the current fiscal year, the Systems had total outstanding long-term debt of \$2.9 million in the power system and \$6.8 million in the water system. The long-term debt in the power system is composed primarily of Broadband Revenue and Tax Bonds outstanding of \$2.9 million. The water system long-term debt is composed primarily of Water Revenue Bonds outstanding of \$6.8 million. See Note 7 of the financial statements for additional information on the Systems' long-term debt.

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COLUMBIA POWER AND WATER SYSTEMS
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

ASSETS AND DEFERRED OUTFLOWS	Power		Water		Total Enterprise Funds	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets						
Cash and cash equivalents	\$ 28,486,758	\$ 22,993,218	\$ 4,140,309	\$ 8,676,453	\$ 32,627,067	\$ 31,669,671
Investments	2,000,187	2,000,000	-	-	2,000,187	2,000,000
Restricted cash, cash equivalents and investments:						
Cash and cash equivalents:						
Customer deposits	4,324,810	4,147,106	586,134	555,031	4,910,944	4,702,137
Debt service	684,134	663,247	24,161	792,003	708,295	1,455,250
Investments - debt service	-	-	1,759,617	1,759,617	1,759,617	1,759,617
Accounts receivable:						
Customers, less allowance for uncollectibles of \$125,230 and \$171,392 in Power for 2022 and 2021	6,682,042	5,412,483	-	-	6,682,042	5,412,483
Other	4,415,504	3,530,397	6,998	5,313	4,422,502	3,535,710
Inventories	2,121,475	1,674,670	458,745	419,474	2,580,220	2,094,144
Prepaid expenses	345,809	7,620	69,026	2,379	414,835	9,999
Due from other funds	47,609	61,524	2,279,359	1,845,258	2,326,968	1,906,782
Total current assets	49,108,328	40,490,265	9,324,349	14,055,528	58,432,677	54,545,793
Noncurrent Assets						
Utility Plant						
Plant in service	129,957,380	125,990,088	109,829,724	106,934,551	239,787,104	232,924,639
Less accumulated depreciation	(64,517,738)	(61,159,824)	(43,453,329)	(41,426,382)	(107,971,067)	(102,586,206)
	65,439,642	64,830,264	66,376,395	65,508,169	131,816,037	130,338,433
Construction in progress	7,718,868	3,292,947	15,708,416	9,298,083	23,427,284	12,591,030
Net utility plant	73,158,510	68,123,211	82,084,811	74,806,252	155,243,321	142,929,463
Other Assets						
Energy conservation loans receivable	34,674	55,272	-	-	34,674	55,272
Net OPEB asset	757,934	306,937	373,311	151,177	1,131,245	458,114
Accounts receivable - long-term	32,316	18,684	-	-	32,316	18,684
Unamortized bond issue expense	42,097	57,884	66,101	100,774	108,198	158,658
Total other assets	867,021	438,777	439,412	251,951	1,306,433	690,728
Total noncurrent assets	74,025,531	68,561,988	82,524,223	75,058,203	156,549,754	143,620,191
Total assets	123,133,859	109,052,253	91,848,572	89,113,731	214,982,431	198,165,984
Deferred Outflows of Resources						
Deferred outflows - OPEB subsequent contributions	-	55,090	-	27,134	-	82,224
Total deferred outflows of resources	-	55,090	-	27,134	-	82,224
Total assets and deferred outflows	\$ 123,133,859	\$ 109,107,343	\$ 91,848,572	\$ 89,140,865	\$ 214,982,431	\$ 198,248,208

LIABILITIES, NET POSITION AND DEFERRED INFLOWS	Power		Water		Total Enterprise Funds	
	2022	2021	2022	2021	2022	2021
Liabilities						
Current Liabilities						
Payable from unrestricted current assets:						
Accounts payable	\$ 6,923,936	\$ 5,549,852	\$ 480,892	\$ 571,467	\$ 7,404,828	\$ 6,121,319
Accrued liabilities	551,299	544,005	199,807	197,133	751,106	741,138
Current portion of compensated absences	206,527	221,976	83,438	100,642	289,965	322,618
Unearned revenue	6,989,418	1,419,337	1,008,100	862,350	7,997,518	2,281,687
Due to other funds	2,279,359	1,845,258	47,609	61,524	2,326,968	1,906,782
Due to the City of Columbia	317,056	306,259	754,083	666,970	1,071,139	973,229
Total payable from unrestricted current assets	17,267,595	9,886,687	2,573,929	2,460,086	19,841,524	12,346,773
Payable from restricted current assets:						
Customer deposits	4,324,810	4,147,106	586,134	555,031	4,910,944	4,702,137
Accrued bond interest	-	22,852	24,158	39,728	24,158	62,580
Current portion of long-term debt	950,000	930,000	-	1,265,000	950,000	2,195,000
Total payable from restricted current assets	5,274,810	5,099,958	610,292	1,859,759	5,885,102	6,959,717
Total current liabilities	22,542,405	14,986,645	3,184,221	4,319,845	25,726,626	19,306,490
Noncurrent Liabilities						
Long-Term Debt						
Compensated absences, less current portion above	1,849,692	1,825,486	626,089	673,621	2,475,781	2,499,107
Bonds payable, less current portion above	2,039,119	3,022,539	7,693,584	9,692,884	9,732,703	12,715,423
Total long-term debt	3,888,811	4,848,025	8,319,673	10,366,505	12,208,484	15,214,530
Other Noncurrent Liabilities						
TVA advances for conservation loans	36,553	57,492	-	-	36,553	57,492
Total other noncurrent liabilities	36,553	57,492	-	-	36,553	57,492
Total noncurrent liabilities	3,925,364	4,905,517	8,319,673	10,366,505	12,245,037	15,272,022
Total liabilities	26,467,769	19,892,162	11,503,894	14,686,350	37,971,663	34,578,512
Deferred Inflows of Resources						
Deferred inflows - related to OPEB	1,041,796	879,511	513,123	433,192	1,554,919	1,312,703
Deferred inflows - Gains on Bond Refunding	-	-	200,166	-	200,166	-
Total deferred inflows of resources	1,041,796	879,511	713,289	433,192	1,755,085	1,312,703
Net position						
Net investment in capital assets	70,169,391	64,170,672	74,391,227	63,848,368	144,560,618	128,019,040
Restricted for OPEB asset	757,934	306,937	-	-	757,934	306,937
Restricted for debt service	684,134	640,395	2,506,242	2,814,246	3,190,376	3,454,641
Unrestricted	24,012,835	23,217,666	2,733,920	7,358,709	26,746,755	30,576,375
Total net position	95,624,294	88,335,670	79,631,389	74,021,323	175,255,683	162,356,993
Total liabilities, deferred inflows and net position	\$ 123,133,859	\$ 109,107,343	\$ 91,848,572	\$ 89,140,865	\$ 214,982,431	\$ 198,248,208

The accompanying notes are an integral part of these financial statements.

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COLUMBIA POWER AND WATER SYSTEMS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Power		Water		Total Enterprise Funds	
	2022	2021	2022	2021	2022	2021
Operating Revenue						
Energy sales	\$ 76,635,420	\$ 69,893,813	\$ -	\$ -	\$ 76,635,420	\$ 69,893,813
Broadband sales	8,814,135	8,457,355	-	-	8,814,135	8,457,355
Water sales	-	-	13,647,881	12,643,322	13,647,881	12,643,322
Forfeited discounts	583,581	535,427	85,383	77,668	668,964	613,095
Rent from electric property	457,148	477,813	-	-	457,148	477,813
Tap fees	-	-	617,741	623,116	617,741	623,116
Miscellaneous revenue	1,924,290	472,760	349,677	288,328	2,273,967	761,088
Total operating revenue	88,414,574	79,837,168	14,700,682	13,632,433	103,115,256	93,469,601
Operating Expenses						
Energy purchased	58,796,696	51,799,195	-	-	58,796,696	51,799,195
Programming purchased	3,304,400	3,539,195	-	-	3,304,400	3,539,195
Production	-	-	2,810,334	2,650,421	2,810,334	2,650,421
Distribution	7,242,217	5,972,823	2,141,384	1,972,055	9,383,601	7,944,878
Customer accounts	1,568,083	1,399,715	985,486	1,003,442	2,553,569	2,403,157
Customer services	384,656	469,837	-	-	384,656	469,837
General and administrative	4,191,039	4,307,109	2,394,900	2,283,453	6,585,939	6,590,562
Depreciation	4,548,910	4,373,650	2,413,548	2,138,984	6,962,458	6,512,634
Total operating expenses	80,036,001	71,861,524	10,745,652	10,048,355	90,781,653	81,909,879
Operating Income	8,378,573	7,975,644	3,955,030	3,584,078	12,333,603	11,559,722
Nonoperating Revenues (Expenses)						
Interest income	14,919	14,707	4,844	9,596	19,763	24,303
Interest expense	(66,940)	(56,041)	(409,217)	(495,806)	(476,157)	(551,847)
Amortization of bond issue expense	17,632	(15,787)	64,166	11,852	81,798	(3,935)
Total nonoperating revenues (expenses)	(34,389)	(57,121)	(340,207)	(474,357)	(374,596)	(531,478)
Income before transfers and capital contributions	8,344,184	7,918,523	3,614,823	3,109,720	11,959,007	11,028,243
Transfers out - payments in lieu of taxes	(1,609,404)	(1,541,987)	(142,333)	(144,702)	(1,751,737)	(1,686,689)
Capital contributions - utility plant	553,844	63,644	2,137,576	1,479,986	2,691,420	1,543,630
Total transfers and capital contributions - net	(1,055,560)	(1,478,343)	1,995,243	1,335,284	939,683	(143,059)
Change in net position	7,288,624	6,440,180	5,610,066	4,445,004	12,898,690	10,885,184
Net position, beginning of year	88,335,670	81,895,490	74,021,322	69,576,318	162,356,992	151,471,808
Net position, end of year	\$ 95,624,294	\$ 88,335,670	\$ 79,631,388	\$ 74,021,322	\$ 175,255,682	\$ 162,356,992

The accompanying notes are an integral part of these financial statements.

COLUMBIA POWER AND WATER SYSTEMS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Power		Water		Total Enterprise Funds	
	2022	2021	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 89,942,139	\$ 78,013,287	\$ 13,302,218	\$ 12,784,655	\$ 103,244,357	\$ 90,797,942
Payments to suppliers and others	(69,931,886)	(64,230,991)	(4,024,448)	(3,547,404)	(73,956,334)	(67,778,395)
Payments to employees	(7,213,693)	(6,628,537)	(4,233,181)	(3,816,210)	(11,446,874)	(10,444,747)
Payments in lieu of taxes	(1,609,404)	(1,541,987)	(142,333)	(144,702)	(1,751,737)	(1,686,689)
Other receipts	4,523,972	4,641,411	964,794	912,112	5,488,766	5,553,523
Net cash provided by operating activities	15,711,128	10,253,183	5,867,050	6,188,451	21,578,178	16,441,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Collections on conservation loans	28,884	28,884	-	-	28,884	28,884
Payments on TVA advances for conservation loans	(29,751)	(29,751)	-	-	(29,751)	(29,751)
Net cash provided by (used in) noncapital financing activities	(867)	(867)	-	-	(867)	(867)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Net proceeds from issuance of debt	-	-	7,745,307	-	-	-
Debt principal payments	(930,000)	(910,000)	(10,640,000)	(1,215,000)	(11,570,000)	(2,125,000)
Interest paid	(72,496)	(94,890)	(695,553)	(501,771)	(768,049)	(596,661)
Additions to utility plant	(8,813,190)	(5,708,798)	(7,584,922)	(9,491,787)	(16,398,112)	(15,200,585)
Net (cost to remove) salvage on utility plant	(217,176)	202,266	30,391	(30,317)	(186,785)	171,949
Net cash provided by (used in) capital and related financing activities	(10,032,862)	(6,511,422)	(11,144,777)	(11,238,875)	(28,922,946)	(17,750,297)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on investments	14,919	14,707	4,844	9,596	19,763	24,303
Sale of investments	2,000,000	2,000,000	3,769,233	4,019,233	5,769,233	6,019,233
Purchase of investments	-	(2,000,000)	(3,769,233)	(3,769,233)	(3,769,233)	(5,769,233)
Net cash provided by (used in) investing activities	2,014,919	14,707	4,844	259,596	2,019,763	274,303
Net increase (decrease) in cash and cash equivalents	7,692,318	3,755,601	(5,272,883)	(4,790,828)	(5,325,872)	(1,035,227)
Cash and cash equivalents at beginning of year	27,803,571	24,047,970	10,023,487	14,814,315	37,827,058	38,862,285
Cash and cash equivalents at end of year	\$ 35,495,889	\$ 27,803,571	\$ 4,750,604	\$ 10,023,487	\$ 32,501,186	\$ 37,827,058

	Power		Water		Total Enterprise Funds	
	2022	2021	2022	2021	2022	2021
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 8,378,573	\$ 7,975,644	\$ 3,955,030	\$ 3,584,078	\$ 12,333,603	\$ 11,559,722
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization	4,582,330	4,373,649	2,413,548	2,138,984	6,995,878	6,512,633
Payments in lieu of taxes	(1,609,404)	(1,541,987)	(142,333)	(144,702)	(1,751,737)	(1,686,689)
(Increase) decrease in:						
Accounts receivable - customers	(1,269,559)	(418,353)	-	-	(1,269,559)	(418,353)
Accounts receivable - others	(898,739)	(221,138)	(1,685)	(1,815)	(900,424)	(222,953)
Intrafund receivable	(3,293,438)	(3,319,342)	-	-	(3,293,438)	(3,319,342)
Due from other funds	13,915	(8,053)	(434,101)	66,430	(420,186)	58,377
Inventories	(446,805)	(278,858)	(39,271)	3,259	(486,076)	(275,599)
Prepaid expenses	(789,186)	(300,199)	(288,781)	(153,556)	(1,077,967)	(453,755)
(Decrease) increase in:						
Accounts payable	1,374,084	101,927	(90,575)	88,246	1,283,509	190,173
Unearned revenue	5,570,081	39,648	145,750	480,650	5,715,831	520,298
Accrued liabilities	224,669	262,525	309,905	92,109	534,574	354,634
Compensated absences	(41,433)	189,409	(64,738)	60,076	(106,171)	249,485
Interfund payable	3,293,438	3,319,342	-	-	3,293,438	3,319,342
Due to other funds	434,101	(66,430)	(13,915)	8,053	420,186	(58,377)
Due to City of Columbia	10,797	8,305	87,113	(66,205)	97,910	(57,900)
Customer deposits	177,704	137,094	31,103	32,844	208,807	169,938
Total adjustments	7,332,555	2,277,539	1,912,020	2,604,373	9,244,575	4,881,912
Net cash provided by operating activities	\$ 15,711,128	\$ 10,253,183	\$ 5,867,050	\$ 6,188,451	\$ 21,578,178	\$ 16,441,634
Schedule of noncash financing and investing activities:						
Capital contributions - utility plant	\$ 553,844	\$ 63,644	\$ 2,137,576	\$ 1,479,986	\$ 2,691,420	\$ 1,543,630
Depreciation and amortization expense capitalized as part of costs to construct utility plant	\$ 234,045	\$ 209,359	\$ 82,980	\$ 63,101	\$ 317,025	\$ 272,460

The accompanying notes are an integral part of these financial statements.

**OPEB PLAN FOR EMPLOYEES OF
COLUMBIA POWER AND WATER SYSTEMS**
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
Cash	\$ 38,711	\$ 52,892
Investments		
Mutual funds - fixed income	2,214,580	2,324,484
Mutual funds - equities	1,433,996	1,886,728
Accrued income	7,131	5,141
Total investments	3,655,707	4,216,353
Net position available for benefits	\$ 3,694,418	\$ 4,269,245
LIABILITIES AND NET POSITION		
Liabilities	\$ -	\$ -
Net position restricted for OPEB benefits	\$ 3,694,418	\$ 4,269,245

The accompanying notes are an integral part of these financial statements.

**OPEB PLAN FOR EMPLOYEES OF
COLUMBIA POWER AND WATER SYSTEMS**
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Additions		
Contributions		
Employer	\$ -	\$ 82,224
Investment income		
Dividends	64,620	53,105
Net appreciation in the fair value of investments	(486,260)	581,057
Total additions	(421,640)	716,386
Deductions		
Benefit payments	132,147	130,991
Fees and expenses	21,040	19,241
Total deductions	153,187	150,232
Net increase in fiduciary net positions	(574,827)	566,154
Net position restricted for OPEB benefits, beginning of year	4,269,245	3,703,091
Net position restricted for OPEB benefits, end of year	\$ 3,694,418	\$ 4,269,245

The accompanying notes are an integral part of these financial statements.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Columbia Power and Water Systems ("the Systems") comprise two enterprise funds and a fiduciary fund of the City of Columbia, Tennessee, the primary government. Accordingly, the accompanying financial statements are included in the basic financial statements of the City. The Systems are operated by the Columbia Board of Public Utilities. The members of the Columbia Board of Public Utilities are appointed for varying terms by the Mayor of the City of Columbia, Tennessee. Each appointment requires the approval of the City Council.

The Columbia Power System ("the Power System") is a municipally-owned electric utility, created under the provisions of Chapter 32, Public Acts of Tennessee 1935 ("Municipal Electric Plant Law of 1935"). During fiscal year 2002, Columbia Power System established a Broadband Telecommunications Network division ("Broadband") pursuant to section 7-52-601, Tennessee Code Annotated. In accordance with T.C.A. 7-52-601 et seq, the Broadband Network is operated as a separate division of the Power System and the revenues of the Power System do not subsidize the operations of the Broadband Network.

The Columbia Water System ("the Water System") is a municipally-owned water utility, created under the provisions of Chapter 68 of the Public Acts of Tennessee of 1933.

Operation

The Power System provides electrical service to customers located generally within Maury County, Tennessee. The Broadband Division began providing communication services, including video programming, high-speed data and internet access to residents in the City of Columbia, Tennessee in May 2003. The Power System also provides billing and collection services for Columbia Water System, Columbia Sewer System, and Columbia Sanitation Department.

The Water System provides potable water directly to residential and commercial customers in the Columbia, Tennessee area. In addition, the System provides water for the Maury County Water System, City of Spring Hill, Tennessee and standby water for the City of Mt. Pleasant, Tennessee.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Systems' financial statements are reported using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for governmental proprietary and fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the System conform to applicable generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB). Operating revenues and expenses generally result from providing power, broadband, and water services in connection with the Systems' ongoing operations. Operating expenses include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund transactions

Due to other funds and due from other funds consist primarily of amounts billed by the Columbia Power System for water, sewer, and sanitation services. The Power System remits payment for water and sewer charges to the Water System as it collects from customers, and the Water System then remits payments to the Sewer System. The Power System remits the sanitation charges to the City of Columbia. An allowance for uncollectible accounts has been provided.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unbilled Revenues

Revenues are recorded when earned. Customers' meters are read and bills are prepared monthly based on billing cycles. CPWS estimates the amount of electric service rendered from the latest date of each meter-reading cycle to June 30 of each year and is accrued in other accounts receivable as unbilled revenues. The Water System has consistently followed the practice of not accruing unbilled revenues from the date of the most recent meter reading to the balance sheet date.

Cash equivalents and investments

Cash and cash equivalents include highly liquid investments that have an original maturity date when acquired of three months or less. The Systems' financial investments, which consist primarily of certificates of deposit, are reported at amortized cost, which is not materially different from fair value.

Statutes authorize the Systems to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federal chartered banks and savings and loan associations; (3) the Local Government Investment Pool of the State of Tennessee; and (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum fair value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

Restricted assets

Restricted cash includes funds limited by bond indentures or otherwise legally restricted for future construction projects, debt service requirements, and reserves. When both restricted and unrestricted resources are available for use, it is the Systems' policy to use restricted resources first, then unrestricted resources as they are needed.

Inventories

Inventories consist primarily of materials and supplies and are valued at weighted average cost.

Estimates

Estimates used in the preparation of financial statements are based on management's best judgments. The most significant estimates relate to the allowance for uncollectible accounts receivable, depreciation, employee benefit plan obligations, and unbilled electric revenues. These estimates may be adjusted as more current information becomes available.

Utility plant

Purchased additions to utility plant are reported at cost. The Systems also capitalize construction costs based on standard labor costs and the average cost of materials used. Costs of maintenance and repairs are charged to expense.

The capitalization threshold for all systems is \$1,500 and an estimated useful life of 1 year or longer. For Power plant, the general range of useful lives is 3 to 50 years and Water plant is 5 to 50 years.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When depreciable plant assets are retired, the cost is removed from the asset account and charged, along with the cost of removal less salvage value, to accumulated depreciation. Depreciation is determined on the straight-line basis, computed over the estimated useful lives of the assets.

Bond discount and issuance costs

Bond discounts and issuance costs are deferred and amortized over the term of the related bond issue using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Amortization of premium and discount is included in interest expense. The utility will continue to report bond costs as an asset and amortize those costs over the life of the bonds instead of expensing those costs in the current year in accordance with certain provision include in GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This option, as part of GASB 65, is available due to the above-mentioned costs being used for rate setting by the utility.

Interest capitalization

Interest expense incurred on applicable borrowings outstanding during the construction of plant and equipment is capitalized at an average rate as part of the cost of the asset financed and amortized on the same basis as related depreciation. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. In addition, the use of qualifying resources to pay for new construction rather than repay outstanding debt effectively represents recycling of the outstanding debt to finance new projects. Capitalized interest is calculated using the average accumulated expenditures during the capitalization period and the weighted average interest on outstanding borrowings, unless specific identification of borrowings and/or project expenditures is possible.

Compensated absences

The Systems' employees are granted paid time off (PTO) in varying amounts. In the event of resignation, an employee is paid for accumulated PTO. The liability for accumulated PTO pay is reported in long-term debt, with current portion recorded in current liabilities.

Unearned revenue

Unearned revenue consists of prepayments received from contractors for construction of utility plant to serve developments. Revenue is recognized when the construction is completed.

Net Position Flow Assumption

Sometimes the Systems will fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are applied. It is the Systems' policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Impact of Recently Issued Accounting Pronouncements

In June of 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87 Leases. This Statement improves accounting and financial reporting by state and local governments for leases and is effective for fiscal years beginning after June 15, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This implementation resulted in no impact on the current year or prior year financial statements.

Events Occurring After Reporting Date

The Systems have evaluated events and transactions that occurred between June 30, 2022, and November 14, 2022, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - ELECTRICAL POWER CONTRACT

The Power System has a contract to purchase all electrical power from the Tennessee Valley Authority ("TVA"). This contract requires at least twenty years prior written notice for termination by either party.

NOTE 3 - CASH AND INVESTMENTS

The Systems' had the following investments:

Power:

Fiscal Year	Investment Type	Amortized Cost	Weighted Average Maturity (Months)
2022			
2021	Certificates of deposit	\$ 2,000,000	16.22

Water:

Fiscal Year	Investment Type	Amortized Cost	Weighted Average Maturity (Months)
2022			
2021	Certificates of deposit	\$ 1,759,617	15.21

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. The Systems do not have a written deposit policy for custodial credit risk. All the Systems' deposits and investments were covered by federal depository insurance or by the bank collateral pool administered by the Treasurer of the State of Tennessee, at June 30, 2022 and 2021.

Investment-Fiduciary Fund

Investment policy. The OPEB plan's policy regarding the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk though the prudent diversification of the portfolio across a broad selection of distinct asset classes.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - CASH AND INVESTMENTS (continued)

The following is the asset allocation as of June 30, 2022 and 2021:

	2022		2021	
	Fair Value	Percentage of Total	Fair Value	Percentage of Total
Cash Equivalents	\$ 38,711	1.05%	\$ 52,892	1.24%
Equities	1,433,996	38.89%	1,886,728	44.25%
Fixed Income	2,214,580	60.06%	2,324,484	54.51%
Total	\$ 3,687,287	100.00%	\$ 4,264,104	100.00%

The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at June 30, 2022 and 2021:

	2022	2021
Dodge & Cox Income Fund #147	\$ 312,903	\$ 406,515
Federated Hermes Total Return Bond Fund	309,697	405,959
Federated Hermes Total Return Government Bond Fund	299,553	383,734
Vanguard GNMA Admiral Fund	344,504	380,674
Harbor Capital Appreciation Fund	-	185,358
Jpmorgan Short Duration Core Plus	212,158	N/A

For the year ended 2022 and 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB investment expense, was (10.27%) and 14.47% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2022:

	Fair Value Measurement Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities	\$ 2,214,580	\$ 2,214,580	\$ -	\$ -
Equity securities	1,433,996	1,433,996	-	-
Total investments measured at fair value	<u>\$ 3,648,576</u>	<u>\$ 3,648,576</u>	<u>\$ -</u>	<u>\$ -</u>

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

The Plan had the following recurring fair value measurements as of June 30, 2021:

	<u>Fair Value Measurement Using</u>			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
Debt securities	\$ 2,324,484	\$ 2,324,484	\$ -	\$ -
Equity securities	1,886,728	1,886,728	-	-
Total investments measured at fair value	<u>\$ 4,211,212</u>	<u>\$ 4,211,212</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value measurements that are using Level 1 inputs consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and terms and condition of bonds, and other factors.

NOTE 4 - UTILITY PLANT AND DEPRECIATION

Power System

Below is a schedule of changes in major classes of the electric and broadband plant for the year ended June 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 408,985	\$ -	\$ -	\$ 408,985
Construction work in progress	3,292,947	4,425,921	-	7,718,868
	3,701,932	4,425,921	-	8,127,853
Capital assets, being depreciated:				
Structures and improvements	24,173,828	1,518,184	-	25,692,012
Transmission and distribution plant	88,012,203	2,534,713	(944,517)	89,602,399
Machinery and equipment	13,395,072	1,122,261	(263,349)	14,253,984
	125,581,103	5,175,158	(1,207,866)	129,548,395
Less accumulated depreciation for:				
Structures and improvements	(14,130,094)	(771,123)	-	(14,901,217)
Transmission and distribution plant	(35,907,742)	(3,282,964)	1,208,091	(37,982,615)
Machinery and equipment	(11,121,988)	(728,869)	216,951	(11,633,906)
	(61,159,824)	(4,782,956)	1,425,042	(64,517,738)
Total capital assets, being depreciated, net	64,421,279	392,202	217,176	65,030,657
Power capital assets, net	\$ 68,123,211	\$ 4,818,123	\$ 217,176	\$ 73,158,510

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Below is a schedule of changes in major classes of the electric and broadband plant for the year ended June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 408,985	\$ -	\$ -	\$ 408,985
Construction work in progress	2,491,881	1,126,362	(325,296)	3,292,947
	2,900,866	1,126,362	(325,296)	3,701,932
Capital assets, being depreciated:				
Structures and improvements	24,058,596	115,232	-	24,173,828
Transmission and distribution plant	85,581,389	4,453,405	(2,022,591)	88,012,203
Machinery and equipment	13,361,223	612,098	(578,249)	13,395,072
	123,001,208	5,180,735	(2,600,840)	125,581,103
Less accumulated depreciation for:				
Structures and improvements	(13,337,971)	(792,123)	-	(14,130,094)
Transmission and distribution plant	(34,612,394)	(3,136,470)	1,841,122	(35,907,742)
Machinery and equipment	(11,025,025)	(654,415)	557,452	(11,121,988)
	(58,975,390)	(4,583,008)	2,398,574	(61,159,824)
Total capital assets, being depreciated, net	64,025,818	597,727	(202,266)	64,421,279
Power capital assets, net	\$ 66,926,684	\$ 1,724,089	\$ (527,562)	\$ 68,123,211

Depreciation expense amounted to \$4,782,956 in 2022 (\$4,583,008 in 2021), of which \$234,046 (\$209,359 in 2021) was depreciation on equipment used to construct utility plant and capitalized as part of total construction costs.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - UTILITY PLANT AND DEPRECIATION (continued)

Water System

Below is a schedule of changes in major classes of the water plant for the year ended June 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 2,364,399	\$ 40,026	\$ -	\$ 2,404,425
Construction work in progress	9,298,083	6,410,333	-	15,708,416
	11,662,482	6,450,359	-	18,112,841
Capital assets, being depreciated:				
Structures and improvements	42,027,773	416,438	(348,349)	42,095,862
Production and distribution plant	59,206,020	2,718,322	(30,302)	61,894,040
Machinery and equipment	3,336,359	220,359	(121,321)	3,435,397
	104,570,152	3,355,119	(499,972)	107,425,299
Less accumulated depreciation for:				
Structures and improvements	(12,850,647)	(947,000)	348,209	(13,449,438)
Production and distribution plant	(25,682,072)	(1,389,607)	11,165	(27,060,514)
Machinery and equipment	(2,893,663)	(159,923)	110,209	(2,943,377)
	(41,426,382)	(2,496,530)	469,583	(43,453,329)
Total capital assets, being depreciated, net	63,143,770	858,589	(30,389)	63,971,970
Water capital assets, net	\$ 74,806,252	\$ 7,308,948	\$ (30,389)	\$ 82,084,811

Below is a schedule of changes in major classes of the water plant for the year ended June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 2,364,399	\$ -	\$ -	\$ 2,364,399
Construction work in progress	9,423,283	-	(125,200)	9,298,083
	11,787,682	-	(125,200)	11,662,482
Capital assets, being depreciated:				
Structures and improvements	34,135,104	8,592,669	(700,000)	42,027,773
Production and distribution plant	56,976,019	2,340,037	(110,036)	59,206,020
Machinery and equipment	3,301,098	227,368	(192,107)	3,336,359
	94,412,221	11,160,074	(1,002,143)	104,570,152
Less accumulated depreciation for:				
Structures and improvements	(12,739,992)	(805,510)	694,855	(12,850,647)
Production and distribution plant	(24,563,573)	(1,264,319)	145,820	(25,682,072)
Machinery and equipment	(2,953,192)	(132,256)	191,785	(2,893,663)
	(40,256,757)	(2,202,085)	1,032,460	(41,426,382)
Total capital assets, being depreciated, net	54,155,464	8,957,989	30,317	63,143,770
Water capital assets, net	\$ 65,943,146	\$ 8,957,989	\$ (94,883)	\$ 74,806,252

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Depreciation expense amounted to \$2,496,530 in 2022 (\$2,202,085 in 2021), of which \$82,982 (\$63,101 in 2021) was depreciation on equipment used to construct utility plant and capitalized as part of total construction costs.

NOTE 5 - ENERGY CONSERVATION PROGRAMS

The Power System participated with TVA in its energy conservation loan program until 2015, when CPWS no longer accepted new loans. Under this program, eligible customers obtained low interest loans to finance energy conservation improvements to their homes, including the installation of a heat pump and insulation improvements. Advances from TVA are reported under other liabilities. Conservation loans receivable from customers under the program are reported under other assets. Advances are to be repaid from customer loan collections. Any uncollectible loans are the responsibility of TVA.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - INTERFUND TRANSACTIONS

The interfund receivables and payables consisted of the following at June 30:

Power System:	2022	2021
<hr/>		
Interfund Receivables		
Columbia Water System	\$ 47,609	\$ 61,524
<hr/>		
Interfund Payables		
Columbia Water System:		
Water - current billings	\$ 2,279,359	\$ 1,845,258
	2,279,359	1,845,258
City of Columbia - sanitation billings	317,056	306,259
	\$ 2,596,415	\$ 2,151,517
<hr/>		
Water System:	2022	2021
<hr/>		
Interfund Receivables		
Columbia Power System:		
Water billings - less allowance for uncollectibles of \$28,723 and \$38,041 at June 30, 2022 and 2021, respectively	\$ 2,279,359	\$ 1,845,258
	\$ 2,279,359	\$ 1,845,258
<hr/>		
Interfund Payables		
Columbia Water System	\$ 47,609	\$ 61,524
City of Columbia - sewer billings	754,083	666,970
	\$ 801,692	\$ 728,494
<hr/>		

In accordance with Tennessee Code Annotated 7-52-603(b), a short-term demand note was executed between the Broadband division and the Power division with a limit of \$2.5 million. This note was approved by TVA as required by the Power Contract between the City of Columbia and TVA. The note is interest-bearing at the highest earned interest rate of invested electric plant funds at that time and does require an annual principal payment. The balance of the loan as of June 30, 2022, is \$805,027.

The Electric Fund owes the Broadband Fund \$808,654 for the year ended June 30, 2022. This consists of revenue billed and provisions for collections of \$770,220 for the Broadband department less \$43,929 in payroll and benefits and \$(5,495) in office, building, and transportation expenses/reimbursements paid or received by the electric department.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - INTERFUND TRANSACTIONS (continued)

The Power System transferred \$1,247,288 to the City of Columbia and \$362,116 to other government entities in 2022 and \$1,171,815 to the City of Columbia and \$370,171 to other government entities in 2021 as a payment in lieu of tax. The Water System transferred \$142,333 in 2022 and \$144,702 in 2021 as a payment in lieu of taxes to the City of Columbia.

All transactions between the Power System and the Broadband division are eliminated for reporting purposes. For the purpose of the interfund transactions between the Systems and the City of Columbia refer to Note 1.

NOTE 7 - LONG-TERM DEBT

Power System

Changes in long-term debt for the Power System consisted of the following for the year ended June 30, 2022:

Power:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due within One Year
Broadband Revenue and Tax Refunding Bonds,					
Series 2014/2015; 1.790%	\$ 3,830,000	\$ -	\$ (930,000)	\$ 2,900,000	\$ 950,000
	3,830,000	-	(930,000)	2,900,000	950,000
Plus unamortized bond premium	122,539	-	(33,419)	89,120	
	3,952,539	-	(963,419)	2,989,120	
Compensated absences	2,047,462	397,195	(388,438)	2,056,219	206,527
	\$ 6,000,001	\$ 397,195	\$ (1,351,857)	\$ 5,045,339	\$ 1,156,527
Less current portion	(1,151,976)			(1,156,527)	
	\$ 4,848,025			\$ 3,888,812	

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (continued)

Changes in long-term debt for the Power System consisted of the following for the year ended June 30, 2021:

Power:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due within One Year
Broadband Revenue and Tax Refunding Bonds,					
Series 2014/2015; 1.790%	\$ 4,740,000	\$ -	\$ (910,000)	\$ 3,830,000	\$ 930,000
	4,740,000	-	(910,000)	3,830,000	930,000
Plus unamortized bond premium	155,958	-	(33,419)	122,539	
	4,895,958	-	(943,419)	3,952,539	
Compensated absences	1,858,053	577,847	(388,438)	2,047,462	221,976
	\$ 6,754,011	\$ 577,847	\$ (1,331,857)	\$ 6,000,001	\$ 1,151,976
Less current portion	(1,136,399)			(1,151,976)	
	<u>\$ 5,617,612</u>			<u>\$ 4,848,025</u>	

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 950,000	\$ 51,910	\$ 1,001,910
2024	965,000	34,905	999,905
2025	985,000	17,632	1,002,632
	<u>\$ 2,900,000</u>	<u>\$ 104,447</u>	<u>\$ 3,004,447</u>

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (continued)

Water System

Changes in long-term debt for the Water System consisted of the following for the year ended June 30, 2022:

Water:	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due within One Year
Revenue Bonds, Series 2021; 2.00% to 5.00%	\$ -	\$ 6,770,000	\$ -	\$ 6,770,000	\$ -
Revenue Bonds, Series 2006; 4.00%	2,345,000	-	(2,345,000)	-	-
Revenue Bonds, Series 2008; 4.00% to 5.125%	1,465,000	-	(1,465,000)	-	-
Revenue Bonds, Series 2012; 2.00% to 5.00%	6,830,000	-	(6,830,000)	-	-
	10,640,000	6,770,000	(10,640,000)	6,770,000	-
Plus unamortized bond premium	318,990	987,626	(371,364)	935,252	
Less unamortized bond discount	(1,106)	(12,321)	1,759	(11,668)	
	10,957,884	7,745,305	(11,009,605)	7,693,584	
Compensated absences	774,263	218,886	(283,622)	709,527	83,438
	\$ 11,732,147	\$ 7,964,191	\$ (11,293,227)	\$ 8,403,111	\$ 83,438
Less current portion	(1,365,642)			(83,438)	
	<u>\$ 10,366,505</u>			<u>\$ 8,319,673</u>	

Changes in long-term debt for the Water System consisted of the following for the year ended June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due within One Year
Revenue Bonds, Series 2006; 4.00%	\$ 2,685,000	\$ -	\$ (340,000)	\$ 2,345,000	\$ 355,000
Revenue Bonds, Series 2008; 4.00% to 5.125%	1,905,000	-	(440,000)	1,465,000	460,000
Revenue Bonds, Series 2012; 2.00% to 5.00%	7,265,000	-	(435,000)	6,830,000	450,000
	11,855,000	-	(1,215,000)	10,640,000	1,265,000
Plus unamortized bond premium	349,612	-	(30,622)	318,990	
Less unamortized bond discount	(1,563)	-	457	(1,106)	
	12,203,049	-	(1,245,165)	10,957,884	
Compensated absences	714,187	218,886	(158,810)	774,263	100,642
	\$ 12,917,236	\$ 218,886	\$ (1,403,975)	\$ 11,732,147	\$ 1,365,642
Less current portion	(1,309,924)			(1,365,642)	
	<u>\$ 11,607,312</u>			<u>\$ 10,366,505</u>	

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (continued)

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 289,900	\$ 289,900
2024	1,250,000	258,650	1,508,650
2025	780,000	207,900	987,900
2026	820,000	167,900	987,900
2027	860,000	125,900	985,900
2028-2032	2,510,000	251,200	2,761,200
2033	550,000	5,500	555,500
	<u>\$ 6,770,000</u>	<u>\$ 1,306,950</u>	<u>\$ 8,076,950</u>

On December 21, 2021, the Utility issued \$6,770,000 Water System Revenue Refunding Bonds, Series 2021 with an average coupon of 4.00%. The Utility issued the bonds to refund total debt service of \$9,375,000 of the outstanding series Water Revenue Bonds Series 2006, Water Revenue Bonds Series 2008, and the Water Revenue Bonds Series 2012 with a true interest rate cost 4.00%. The Utility used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2006, 2008, 2012 series bonds. As a result, that portion of 2006, 2008, 2012 series bonds are considered defeased, and the Utility has removed the liabilities from its accounts. The outstanding principal of the defeased bonds is \$9,375,000 at June 30, 2022.

The refunding reduced total debt service payments over the next 11 years by \$772,668. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$211,375.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$211,375. The difference is reported in deferred inflows of resources in the accompanying Statement of Net Position and is being charged to operations through fiscal year 2026 using the straight-line method. Unamortized deferred cost of the Series 2021 Bonds totaled \$200,166 as of June 30, 2022.

In accordance with the bond resolutions for the Power and Water Systems, all revenues received are to be used in the following priority:

- (a) For payment of current expenses.
- (b) For payment of principal and interest on the bonds.
- (c) Deposited in a "Debt Service Reserve Fund" until such fund equals the maximum annual principal and interest requirement on the bonds for any fiscal year during the bond term (excluding the Broadband revenue and tax refunding bonds).

Each bond resolution contains restrictive covenants and other requirements with which the Systems must comply. In management's opinion, the Systems have complied with all requirements of the bond resolutions.

NOTE 8 - RETIREMENT PLAN

All full-time and part-time employees who meet eligibility requirements and so elect can participate in the City of Columbia Board of Public Utilities 401(k) Retirement Plan, (the "Plan"), a single-employer contributory defined contribution plan. The City of Columbia Board of Public Utilities administers the plan and has the authority to establish and amend the plan document as necessary. Empower/Great West is the plan trustee. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – RETIREMENT PLAN (continued)

are eligible to participate at a minimum age of 21 years, following one year of service.

The Plan requires minimum employee and employer contributions of 4% and 8%, respectively, of the employee's base salary. Employees may elect to make additional contributions, which are not matched by the Systems. The Systems' contributions for each employee (together with interest earnings on such contributions) are allocated to the employee's account, 20% vested after 1 year and fully vested after 5 years of service. Forfeitures, resulting from employees who leave employment prior to being fully vested in the Plan, are used to reduce the Systems' current period contribution requirements. There were no forfeitures or outstanding liabilities related to employer contributions in the current year.

The Plan assets do not include any type of securities of the employer or any related parties.

Power:

		Covered	Employee	% of	Employer	% of
	Total Payroll	Payroll	Contributions	Covered Payroll	Contributions	Covered Payroll
2022	\$ 7,458,256	\$ 6,577,393	\$ 664,628	10.1%	\$ 526,191	8.0%
2021	\$ 7,163,062	\$ 6,472,865	\$ 657,564	10.2%	\$ 517,829	8.0%

Water:

		Covered	Employee	% of	Employer	% of
	Total Payroll	Payroll	Contributions	Covered Payroll	Contributions	Covered Payroll
2022	\$ 3,854,694	\$ 3,351,054	\$ 333,470	10.0%	\$ 268,084	8.0%
2021	\$ 3,460,183	\$ 3,125,190	\$ 309,660	9.9%	\$ 250,015	8.0%

NOTE 9 – RISK MANAGEMENT

The Systems maintain a self-insurance program to provide for claims incurred in connection with employee health, accident, and dental coverage. The Systems retain the risk of loss to a limit of \$50,000 per specific loss and 125% of expected claims. The Systems have commercial stop/loss insurance to cover claims beyond this liability.

Liabilities are reportable when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported and this amount is based on historical experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of claims liabilities during the past two fiscal years are as follows:

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

	Beginning Balance	Fiscal Year Claims and Changes in Estimates	Claim Payments	Ending Balance	Amount Due Within One Year
Power:					
2022	\$ 156,600	\$ 1,308,057	\$ (1,386,657)	\$ 78,000	\$ 78,000
2021	73,800	1,538,339	(1,455,539)	156,600	156,600
Water:					
2022	\$ 70,400	\$ 613,505	\$ (648,905)	\$ 35,000	\$ 35,000
2021	33,200	538,370	(501,170)	70,400	70,400

The Systems continue to carry commercial insurance for other risks of loss, including general liability, property and casualty, workers' compensation, employee dishonesty, and environmental. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – POST-EMPLOYMENT BENEFITS

During the year ended June 30, 2018, the Systems implemented the provisions of GASB Statement No. 75 titled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaced GASB Statement No. 45 - *Accounting and Financial Reporting for Employers for Post-Employment Benefits Other Than Pensions*. The provisions were applied prospectively with respect to the Systems' Other Post-Employment Benefits (OPEB) Plan. The total asset recognized during fiscal year 2022 totaled \$757,934 and \$373,311 for Power and Water, respectively. The deferred outflows recognized under these new requirements during fiscal year 2022 totaled \$0 and \$0 for Power and Water, respectively. The deferred inflows recognized during fiscal year 2022 totaled \$1,041,796 and \$513,123 for Power and Water, respectively. Net OPEB expense was \$(233,623) for Power and \$(115,068) for Water in 2022.

Plan Description

The Systems' OPEB Plan, CPWS Insurance Trust, is a single-employer defined benefit plan funded through an irrevocable trust that was established during the year ended June 30, 2009. Plan members are not required to contribute to the plan. The Plan is not required to issue a separate financial report.

The Systems' annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a thirty-year period beginning July 1, 2008. The current rate is calculated using a percent of annual covered payroll.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT BENEFITS (continued)

The Systems contributed 100 percent of the required contribution for the Plan year. A schedule of employer contributions for the last three years is listed below:

2022

System	Annual Required Contribution	Percentage Contributed
Power	\$0	100%
Water	<u>\$0</u>	100%
	\$0	

2021

System	Annual Required Contribution	Percentage Contributed
Power	\$55,090	100%
Water	<u>\$27,134</u>	100%
	\$82,224	

2020

System	Annual Required Contribution	Percentage Contributed
Power	\$63,034	100%
Water	<u>\$33,421</u>	100%
	\$96,455	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the Systems are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the Systems and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Systems and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date: June 30, 2021

Actuarial cost method: Entry age, normal method

Amortization method: Level dollar amount

Remaining amortization period: 20 years, (closed) beginning in 2017

The actuarial assumptions included 5.0 percent long-term investment rate of return. The healthcare cost trend rate assumptions include an ultimate rate of 6.75% over 3 years to 6.25% grading uniformly to 5.75% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

The ARC that resulted from the valuation ranges from \$82,224 to \$313,000, depending on the level of funding by the Systems. The over-funded accrued liability is estimated to be (\$1,131,245) for fiscal year 2022. The results of this valuation must be viewed as an estimate of the actual results that will occur in the future. In addition, certain assumptions have been made that will affect the results of the valuation.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT BENEFITS (continued)

Plan Membership as of June 30, 2021:

Number of Participants

Actives (with medical coverage)	4
Retirees (with medical coverage)	37
Disabled (with medical coverage)	-
Retiree Spouses (with medical coverage)	22
Total Participants	63

Benefits Provided

Eligibility is attained at age 55 with 30 years of service or attained at age 65. 100% of future eligible retirees are assumed to elect medical coverage upon retirement. It is assumed that these are the eligibility requirements for postemployment medical, life and disability benefits.

Spouses and beneficiaries are provided the same coverage as employees. A spouse is considered as having his or her own individual policy for the purposes of this plan.

Columbia Power & Water Systems provides a life insurance benefit to each eligible employee at retirement. The life insurance benefit is prorated by age as follows:

Age	Face Amount
69 or earlier	\$10,000
Between 70 & 74	\$6,500
75 or later	\$4,420

Investment policy

See Note 3 – Cash and Investments for the Fiduciary Fund disclosure that details the investments related to the OPEB trust at year-end on page 39.

Determination of Net OPEB Liability

The components of the Net OPEB Liability at June 30, 2022 were as follows:

Total OPEB Liability	\$ 3,138,000
Plan Fiduciary Net Position	(4,269,245)
Net OPEB (Asset) Liability	\$ (1,131,245)

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	136.05%
---	---------

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	0.00 percent, average, including inflation
Investment rate of return	5.0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	6.25 percent graded uniformly to 5.75 percent over 2 years, then following the Getzen model thereafter to an ultimate rate of 4.04 percent in 2075.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT BENEFITS (continued)

Mortality rates were based on the following:

Actives: PRI-2012 Generational Employee Headcount-weighted Mortality Tables (Total Dataset) with Pre and Post

Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2020 (male and female scales).

Retiree: PRI-2012 Generational Retiree Mortality Headcount-weighted Tables (Total Dataset) with Pre and Post Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2020 (male and female scales).

Beneficiaries: PRI-2012 Generational Contingent Survivor Headcount-weighted Mortality Tables (Total Dataset) with Pre and Post Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2020 (male and female scales).

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period ending June 30, 2021.

Discount rate

The discount rate used to measure the total OPEB liability was 5.0 percent. The projection of cash flows used to determine the discount rate assumed that the Systems' contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the Net OPEB (Asset) Liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1-percentage point higher than the assumed trend rate:

	1% Decrease 5.25% decreasing to 4.75% over 2 years and following the Getzen model thereafter	Current 6.25% decreasing to 5.75% over 2 years and following the Getzen model thereafter	1% Increase 7.25% decreasing to 6.75% over 2 years and following the Getzen model thereafter
Net OPEB (Asset) Liability			
June 30, 2022	\$ (1,402,564)	\$ (1,131,245)	\$ (813,056)
June 30, 2021	\$ (728,278)	\$ (458,114)	\$ (167,841)

Sensitivity of Net OPEB (Asset) Liability to Changes in the Discount Rate

The following represents the Net OPEB liability calculated using the stated discount rate, as well as what the Net OPEB Liability would be if were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT BENEFITS (continued)

Net OPEB (Asset) Liability	1% Decrease 4.00%	Current 5.00%	1% Increase 6.00%
June 30, 2022	\$ (806,146)	\$ (1,131,245)	\$ (1,405,432)
June 30, 2021	\$ (128,220)	\$ (458,114)	\$ (758,439)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2022, the Systems recognized OPEB expense of (\$348,691). The Systems reported deferred outflows of related to OPEB liability from the following sources:

	Deferred Inflows of Resources		Deferred Outflows of Resources	
	2022	2021	2022	2021
Differences between projected and actual earnings	\$ (967,679)	\$ (1,312,703)	\$ -	\$ -
Change of assumptions	(218,652)	-	-	-
Difference between expected and actual experience	(368,588)	-	-	-
Contributions subsequent to the measurement date of June 30, 2021	-	-	-	82,224
Total	<u>\$ (1,554,919)</u>	<u>\$ (1,312,703)</u>	<u>\$ -</u>	<u>\$ 82,224</u>

Contributions after the measurement date will be included as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the Systems' OPEB expense as follows:

Year ending June 30,	Amortized
2022	\$ (330,976)
2023	(331,150)
2024	(328,124)
2025	(327,406)
2026	(237,263)
Thereafter	-

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Net Pension/OPEB Liability (Asset) Changes

The following represents the changes in the Net OPEB (asset) liability for June 30, 2022 and 2021, respectively:

	2022	2021
Total OPEB Liability		
Service cost	\$ 3,502	\$ 5,181
Interest	155,874	226,091
Changes of benefit terms	-	-
Differences between expected and actual experience	(135,362)	(1,196,829)
Changes of assumptions	-	(306,114)
Benefits Payments/Refunds	(130,991)	(136,829)
Net Change in Total OPEB Liability	(106,977)	(1,408,500)
Total OPEB Liability - beginning	3,244,977	4,653,477
Total OPEB Liability - ending (a)	\$ 3,138,000	\$ 3,244,977
 Plan Fiduciary Net Position		
Contributions - employer	\$ 82,224	\$ 118,749
Net investment income	634,162	180,640
Benefit Payments/Refunds	(130,991)	(136,828)
Administrative expenses	(19,241)	(18,145)
Net Change in Plan Fiduciary Net Position	\$ 566,154	\$ 144,416
 Plan Fiduciary Net Position - beginning	3,703,091	3,558,675
Plan Fiduciary Net Position - ending (b)	\$ 4,269,245	\$ 3,703,091
Net OPEB (Asset) Liability - ending (a) - (b)	\$ (1,131,245)	\$ (458,114)
 Plan Fiduciary Net Position as a % of the Total OPEB Liability	136.0%	114.1%
Covered - employee payroll	\$ 440,525	\$ 440,525
 Net OPEB (Asset) Liability as a % of covered-employee payroll	-256.8%	-104.0%

COLUMBIA POWER AND WATER SYSTEMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – SEGMENT INFORMATION

CONDENSED STATEMENT OF NET POSITION

	ELECTRIC	BROADBAND
ASSETS		
Utility plant	\$ 66,891,272	\$ 6,267,238
Current assets	46,250,472	3,666,510
Other assets	1,629,951	42,097
TOTAL ASSETS	\$ 114,771,695	\$ 9,975,845
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 114,771,695	\$ 9,975,845
LIABILITIES		
Current liabilities	\$ 17,532,187	\$ 544,062
Current liabilities payable from restricted assets	4,253,329	1,021,481
Long-term debt	1,701,451	2,187,360
Other noncurrent liabilities	36,553	805,027
TOTAL LIABILITIES	\$ 23,523,520	\$ 4,557,930
DEFERRED INFLOWS	\$ 1,041,796	\$ -
NET POSITION		
Net investment in capital assets	\$ 66,891,272	\$ 3,263,908
Restricted for debt service	757,934	684,134
Unrestricted	22,557,173	1,469,873
TOTAL NET POSITION (DEFICIT)	\$ 90,206,379	\$ 5,417,915
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 114,771,695	\$ 9,975,845

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	ELECTRIC	BROADBAND
Operating revenues	\$ 79,631,979	\$ 9,287,866
Operating expenses	73,056,991	7,484,281
OPERATING INCOME	6,574,988	1,803,585
Nonoperating revenue (expense)	13,130	(47,519)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	6,588,118	1,756,066
Transfers out - payments in lieu of taxes	(1,609,404)	-
Capital contributions - utility plant	515,817	38,027
TRANSFERS AND CONTRIBUTIONS - (NET)	(1,093,587)	38,027
INCREASE IN NET POSITION	5,494,531	1,794,093
BEGINNING NET POSITION (DEFICIT)	84,711,848	3,623,822
ENDING NET POSITION (DEFICIT)	\$ 90,206,379	\$ 5,417,915

CONDENSED STATEMENT OF CASH FLOWS

	ELECTRIC	BROADBAND
Net cash provided by (used in) operating activities	\$ 13,181,000	\$ 2,530,128
Net cash provided by (used in) noncapital financing activities	(867)	-
Net cash provided by (used in) capital and related financing activities	(8,164,425)	(1,870,965)
Net cash provided by (used in) investing activities	16,812	448
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,032,520	659,611
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	26,155,962	1,647,609
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 31,188,482	\$ 2,307,220

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Required Supplementary Information

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF CHANGES IN THE NOL AND RELATED RATIOS
FOR THE LAST FOUR YEARS

	2022	2021	2020	2019	2018*
Total OPEB Liability					
Service cost	\$ 3,502	\$ 5,181	\$ 4,934	\$ 4,622	\$ 13,473
Interest	155,874	226,091	230,271	306,110	304,550
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(135,362)	(1,196,829)	(182,207)	(1,948,792)	(134,752)
Changes of assumptions	-	(306,114)	-	274,954	-
Benefits Payments/Refunds	(130,991)	(136,829)	(153,996)	(143,221)	(152,576)
Net Change in Total OPEB Liability	(106,977)	(1,408,500)	(100,998)	(1,506,327)	30,695
Total OPEB Liability - beginning	3,244,977	4,653,477	4,754,475	6,260,802	6,230,107
Total OPEB Liability - ending (a)	\$ 3,138,000	\$ 3,244,977	\$ 4,653,477	\$ 4,754,475	\$ 6,260,802
Plan Fiduciary Net Position					
Contributions - employer	\$ 82,224	\$ 118,749	\$ 256,693	\$ 267,517	\$ 312,711
Net investment income	634,162	180,640	181,813	153,299	201,936
Benefit Payments/Refunds	(130,991)	(136,828)	(153,996)	(143,221)	(152,576)
Administrative expenses	(19,241)	(18,145)	(17,328)	(15,832)	(12,918)
Net Change in Plan Fiduciary Net Position	\$ 566,154	\$ 144,416	\$ 267,182	\$ 261,763	\$ 349,153
Plan Fiduciary Net Position - beginning	3,703,091	3,558,675	3,291,493	3,029,730	2,680,577
Plan Fiduciary Net Position - ending (b)	\$ 4,269,245	\$ 3,703,091	\$ 3,558,675	\$ 3,291,493	\$ 3,029,730
Net OPEB (Asset) Liability - ending (a) - (b)	\$ (1,131,245)	\$ (458,114)	\$ 1,094,802	\$ 1,462,982	\$ 3,231,072
Plan Fiduciary Net Position as a % of the Total OPEB Liability	136.0%	114.1%	76.5%	69.2%	48.4%
Covered - employee payroll	\$ 440,525	\$ 440,525	\$ 512,807	\$ 512,807	\$ 1,007,268
Net OPEB (Asset) Liability as a % of covered-employee payroll	-256.8%	-104.0%	213.5%	285.3%	320.8%

*GASB Statement No. 74 was implemented as of June 30, 2018.

Information from 2012 - 2017 is not available and this schedule will be presented on a prospective basis.

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended	Valuation Date	Employer Contributions		Difference of Required to Actual Contributions	Covered-Employee Payroll	Percentage of Actual Contributions to Covered- Employee Payroll
		Required	Actual			
2022	6/30/2022	\$ 6,852	\$ 6,852	\$ -	\$ 440,525	1.6%
2021	6/30/2021	82,224	82,224	-	440,525	18.7%
2020	6/30/2019	96,455	118,749	(22,294)	440,525	27.0%
2019	6/30/2019	267,517	256,693	10,824	512,807	50.1%
2018	6/30/2017	267,517	267,517	-	512,807	52.2%
2017	6/30/2017	312,711	312,711	-	1,007,268	31.0%
2016	6/30/2015	394,216	394,216	-	1,007,268	39.1%
2015	6/30/2015	395,729	395,729	-	1,491,931	26.5%
2014	6/30/2013	582,093	582,093	-	1,491,931	39.0%
2013	6/30/2013	600,364	600,364	-	1,720,553	34.9%

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF INVESTMENT RETURNS
FOR THE LAST SEVEN YEARS

Year Ended	Annual money-weighted rate of return, net of investment expense
2022	-10.37%
2021	14.47%
2020	4.07%
2019	5.46%
2018	4.99%
2017	7.35%
2016	1.44%

*GASB Statement No. 74 was implemented as of June 30, 2017.

Information from 2012 - 2015 is not available and this schedule will be presented on a prospective basis.

See Independent Auditor's Report.

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Financial Schedules Section

COLUMBIA POWER AND WATER SYSTEMS

COMBINING SCHEDULE OF NET POSITION - POWER SYSTEM

JUNE 30, 2022

ASSETS AND DEFERRED OUTFLOWS

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED
Assets				
Current Assets				
Cash and cash equivalents	\$ 26,935,153	\$ 1,551,605	\$ -	\$ 28,486,758
Investments	2,000,187	-	-	2,000,187
Restricted cash, cash equivalents and investments:				
Cash and cash equivalents:				
Customer deposits	4,253,329	71,481	-	4,324,810
Debt service	-	684,134	-	684,134
Accounts receivable:				
Customers, less allowance for uncollectibles of \$156,483				
for Power at June 30, 2022	6,682,042	-	-	6,682,042
Other	4,415,504	-	-	4,415,504
Inventories	1,572,254	549,221	-	2,121,475
Prepaid expenses	305,960	39,849	-	345,809
Intrafund receivable	38,434	770,220	(808,654)	-
Due from other funds	47,609	-	-	47,609
Total current assets	46,250,472	3,666,510	(808,654)	49,108,328
Noncurrent Assets				
Utility Plant				
Cost of utility plant in service	108,156,166	21,801,214	-	129,957,380
Less accumulated depreciation	(48,497,919)	(16,019,819)	-	(64,517,738)
	59,658,247	5,781,395	-	65,439,642
Construction in progress	7,233,025	485,843	-	7,718,868
Net utility plant	66,891,272	6,267,238	-	73,158,510
Other Assets				
Energy conservation loans receivable	34,674	-	-	34,674
Intrafund receivable	805,027	-	(805,027)	-
Net OPEB asset	757,934	-	-	757,934
Accounts receivable - long-term	32,316	-	-	32,316
Unamortized bond issue expense	-	42,097	-	42,097
Total other assets	1,629,951	42,097	(805,027)	867,021
Total noncurrent assets	68,521,223	6,309,335	(805,027)	74,025,531
Total assets	\$ 114,771,695	\$ 9,975,845	\$ (1,613,681)	\$ 123,133,859

LIABILITIES, NET POSITION AND DEFERRED INFLOWS

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED
Liabilities				
Current Liabilities				
Payable from unrestricted current assets:				
Accounts payable	\$ 6,618,581	\$ 305,355	\$ -	\$ 6,923,936
Accrued liabilities	388,054	163,245	-	551,299
Current portion of compensated absences	188,591	17,936	-	206,527
Unearned revenue	6,970,326	19,092	-	6,989,418
Intrafund payable	770,220	38,434	(808,654)	-
Due to other funds	2,279,359	-	-	2,279,359
Due to the City of Columbia	317,056	-	-	317,056
Total payable from unrestricted current assets	17,532,187	544,062	(808,654)	17,267,595
Payable from restricted current assets:				
Customer deposits	4,253,329	71,481	-	4,324,810
Current portion of long-term debt	-	950,000	-	950,000
Total payable from restricted current assets	4,253,329	1,021,481	-	5,274,810
Total current liabilities	21,785,516	1,565,543	(808,654)	22,542,405
Noncurrent Liabilities				
Long-Term Debt				
Compensated absences, less current portion above	1,701,451	148,241	-	1,849,692
Bonds payable, less current portion above	-	2,039,119	-	2,039,119
Total long-term debt	1,701,451	2,187,360	-	3,888,811
Other Noncurrent Liabilities				
Intrafund payable	-	805,027	(805,027)	-
Net OPEB liability	-	-	-	-
TVA advances for conservation loans	36,553	-	-	36,553
Total other noncurrent liabilities	36,553	805,027	(805,027)	36,553
Total noncurrent liabilities	1,738,004	2,992,387	(805,027)	3,925,364
Total liabilities	23,523,520	4,557,930	(1,613,681)	26,467,769
Deferred Inflows of Resources				
Deferred inflows - OPEB investment gains	1,041,796	-	-	1,041,796
Total Deferred Inflows of Resources	1,041,796	-	-	1,041,796
Net position				
Net investment in capital assets	66,891,272	3,278,119	-	70,169,391
Restricted for OPEB asset	757,934	-	-	757,934
Restricted for debt service	-	684,134	-	684,134
Unrestricted	22,557,173	1,455,662	-	24,012,835
Total net position	90,206,379	5,417,915	-	95,624,294
Total liabilities, deferred inflows and net position	\$ 114,771,695	\$ 9,975,845	\$ (1,613,681)	\$ 123,133,859

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COLUMBIA POWER AND WATER SYSTEMS

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - POWER SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED
Operating Revenue				
Energy sales	\$ 76,635,420	\$ -	\$ -	\$ 76,635,420
Broadband sales	-	9,194,349	(380,214)	8,814,135
Forfeited discounts	499,690	83,891	-	583,581
Rent from electric property	548,851	-	(91,703)	457,148
Miscellaneous revenue	1,948,018	9,626	(33,354)	1,924,290
Total operating revenue	79,631,979	9,287,866	(505,271)	88,414,574
Operating Expenses				
Energy purchased	58,796,696	-	-	58,796,696
Programming and circuits purchased	-	3,304,400	-	3,304,400
Distribution	5,767,474	1,809,302	(334,559)	7,242,217
Customer accounts	1,465,642	250,185	(147,744)	1,568,083
Customer services	305,041	79,615	-	384,656
General and administrative	3,159,593	1,054,414	(22,968)	4,191,039
Depreciation	3,562,545	986,365	-	4,548,910
Total operating expenses	73,056,991	7,484,281	(505,271)	80,036,001
Operating Income	6,574,988	1,803,585	-	8,378,573
Nonoperating Revenues (Expenses)				
Interest income	16,999	448	(2,528)	14,919
Interest expense	(3,869)	(65,599)	2,528	(66,940)
Amortization of bond issue expense	-	17,632	-	17,632
Total nonoperating revenues (expenses) - net	13,130	(47,519)	-	(34,389)
Income before transfers and capital contributions	6,588,118	1,756,066	-	8,344,184
Transfers out - payments in lieu of taxes	(1,609,404)	-	-	(1,609,404)
Capital contributions - utility plant	515,817	38,027	-	553,844
Total transfers and capital contributions - net	(1,093,587)	38,027	-	(1,055,560)
Change in net position	5,494,531	1,794,093	-	7,288,624
Net position, beginning of year	84,711,848	3,623,822	-	88,335,670
Net position, end of year	\$ 90,206,379	\$ 5,417,915	\$ -	\$ 95,624,294

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
COMBINING SCHEDULE OF CASH FLOWS - POWER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 80,815,875	\$ 9,126,264	\$ -	\$ 89,942,139
Payments to suppliers and others	(61,811,088)	(5,286,641)	(2,834,157)	(69,931,886)
Payments to employees	(5,765,299)	(1,448,394)	-	(7,213,693)
Payments in lieu of taxes	(1,609,404)	-	-	(1,609,404)
Other receipts	1,550,916	138,899	2,834,157	4,523,972
Net cash provided by operating activities	13,181,000	2,530,128	-	15,711,128
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Collections on conservation loans	28,884	-	-	28,884
Payments on TVA advances for conservation loans	(29,751)	-	-	(29,751)
Net cash provided by (used in) noncapital financing activities	(867)	-	-	(867)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Debt principal payments	-	(930,000)	-	(930,000)
Interest paid	(3,869)	(71,155)	2,528	(72,496)
Additions to utility plant	(7,943,380)	(869,810)	-	(8,813,190)
Net (cost to remove) salvage on utility plant	(217,176)	-	-	(217,176)
Net cash provided by (used in) capital and related financing activities	(8,164,425)	(1,870,965)	2,528	(10,032,862)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	16,999	448	(2,528)	14,919
Sale of investments	2,000,000	-	-	2,000,000
Purchase of investments	(2,000,187)	-	-	(2,000,187)
Net cash provided by (used in) investing activities	16,812	448	(2,528)	14,732
Net increase (decrease) in cash and cash equivalents	5,032,520	659,611	-	5,692,131
Cash and cash equivalents at beginning of year	26,155,962	1,647,609	-	27,803,571
Cash and cash equivalents at end of year	\$ 31,188,482	\$ 2,307,220	\$ -	\$ 33,495,702

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED
Reconciliation of operating income (loss)				
to net cash provided by operating activities:				
Operating income (loss)	\$ 6,574,988	\$ 1,803,585	\$ -	\$ 8,378,573
Adjustments to reconcile operating income (loss)				
to net cash provided by operating activities:				
Depreciation and Amortization	3,562,545	1,019,785	-	4,582,330
Payments in lieu of taxes	(1,609,404)	-	-	(1,609,404)
(Increase) decrease in:				
Accounts receivable - customers	(1,269,559)	-	-	(1,269,559)
Accounts receivable - others	(905,905)	7,166	-	(898,739)
Intrafund receivable	72,180	(26,190)	(3,339,428)	(3,293,438)
Due from other funds	13,915	-	-	13,915
Inventories	(259,464)	(187,341)	-	(446,805)
Prepaid expenses	(749,337)	(39,849)	-	(789,186)
(Decrease) increase in:				
Accounts payable	1,350,579	23,505	-	1,374,084
Unearned revenue	5,554,063	16,018	-	5,570,081
Accrued liabilities	194,672	29,997	-	224,669
Compensated absences	(1,080)	(40,353)	-	(41,433)
Intrafund payable	26,190	(72,180)	3,339,428	3,293,438
Due to other funds	434,101	-	-	434,101
Due to City of Columbia	10,797	-	-	10,797
Customer deposits	181,719	(4,015)	-	177,704
Total adjustments	6,606,012	726,543	-	7,332,555
Net cash provided by operating activities	\$ 13,181,000	\$ 2,530,128	\$ -	\$ 15,711,128
Schedule of noncash financing and investing activities:				
Capital contributions - utility plant	\$ 515,817	\$ 38,027	\$ -	\$ 553,844
Depreciation and amortization expense capitalized as part of costs to construct utility plant	\$ 191,994	\$ 42,051	\$ -	\$ 234,045

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
COMBINING SCHEDULE OF OPERATING EXPENSES - POWER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022 (WITH COMBINED TOTALS FOR 2021)

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED 2022	COMBINED 2021
Distribution					
Operations					
Supervision and engineering	\$ 17,828	\$ -	\$ -	\$ 17,828	\$ 20,182
Station expense	124,724	102,371	-	227,095	228,008
Service on customers' premises	-	571,604	-	571,604	460,602
Overhead line expense	925,353	471,553	-	1,396,906	914,007
Underground line expense	194,278	-	-	194,278	189,485
Street and security lighting	13,771	-	-	13,771	157,774
Meter expense	454,049	-	-	454,049	381,873
Rent	161,515	97,219	(68,735)	189,999	184,363
Building and Transportation	849,575	391,199	(265,824)	974,950	1,091,884
	2,741,093	1,633,946	(334,559)	4,040,480	3,628,178
Maintenance					
Station equipment	119,216	-	-	119,216	116,911
Overhead lines	2,068,358	175,356	-	2,243,714	1,931,653
Underground lines	17,186	-	-	17,186	9,326
Line transformers	148,586	-	-	148,586	154,262
Street and security lighting	157,218	-	-	157,218	79,221
	2,510,564	175,356	-	2,685,920	2,291,373
Loss on disallowance of plant	515,817	-	-	515,817	53,272
Total distribution expense	\$ 5,767,474	\$ 1,809,302	\$ (334,559)	\$ 7,242,217	\$ 5,972,823
Customer accounts					
Supervision	\$ 163,261	\$ 37,378	\$ -	\$ 200,639	\$ 164,246
Meter services	444,485	-	(147,744)	296,741	242,678
Customer records and collection	857,896	212,807	-	1,070,703	992,791
Total customer accounts expense	\$ 1,465,642	\$ 250,185	\$ (147,744)	\$ 1,568,083	\$ 1,399,715
Customer service					
Customer assistance	\$ 67,538	\$ 46,865	\$ -	\$ 114,403	\$ 153,219
Sales expense	237,503	32,750	-	270,253	316,618
Total customer service expense	\$ 305,041	\$ 79,615	\$ -	\$ 384,656	\$ 469,837

	ELECTRIC	BROADBAND	ELIMINATIONS	COMBINED 2022	COMBINED 2021
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General and Administrative					
Salaries	\$ 586,470	\$ 161,626	\$ -	\$ 748,096	\$ 782,970
Advertising	-	818	-	818	369
Office supplies and expense	451,344	111,364	-	562,708	461,410
Outside services	453,918	124,508	-	578,426	465,239
Property insurance	55,587	9,138	-	64,725	69,689
Injuries and damages	151,368	26,852	-	178,220	122,363
Employee benefits	1,312,716	343,393	-	1,656,109	1,909,074
Maintenance	70,816	22,574	-	93,390	342,728
Rent	-	22,968	(22,968)	-	-
Taxes	-	226,147	-	226,147	67,030
Miscellaneous	77,374	5,026	-	82,400	86,237
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Total general and administrative expense	\$ 3,159,593	\$ 1,054,414	\$ (22,968)	\$ 4,191,039	\$ 4,307,109
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See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF OPERATING EXPENSES - WATER SYSTEM
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Production		
Pumping		
Purchased power	\$ 47,081	\$ 45,285
Labor	565,069	521,098
Supplies and expenses	888,183	813,631
Maintenance	35,708	48,873
	1,536,041	1,428,887
Purification		
Labor	480,006	441,323
Supplies and expenses	794,287	774,347
Maintenance	-	5,864
	1,274,293	1,221,534
Total production expense	\$ 2,810,334	\$ 2,650,421
Distribution		
Operations		
Supervision and engineering	\$ 33,620	\$ 24,133
Office expense	38,509	33,315
Operation of distribution lines	423,221	389,939
Removing and resetting meters	34,987	63,304
Service on customers' premises	98,922	2,581
New taps expense	626,091	629,216
	1,255,350	1,142,488
Maintenance		
Distribution lines	514,670	414,007
Services	255,779	252,065
Meters	32,116	96,570
Hydrants	58,224	27,963
Structures and improvements	25,245	38,962
	886,034	829,567
Total distribution expense	\$ 2,141,384	\$ 1,972,055

	2022	2021
Customer Accounts		
Supervision	\$ 114,185	\$ 115,825
Meter reading	323,214	326,487
Collection	669,338	627,224
Sewer department billing and accounting	(170,631)	(118,207)
Customer assistance	49,380	52,113
Total customer accounts expense	\$ 985,486	\$ 1,003,442
General and Administrative		
Salaries	\$ 490,040	\$ 386,778
Office supplies and expense	304,406	220,707
Outside services	235,500	356,820
Property insurance	57,618	61,022
Injuries and damages	89,695	65,319
Employee benefits	1,110,792	986,051
Miscellaneous	63,048	70,246
Maintenance	42,656	135,896
General advertising	1,145	614
Total general and administrative expense	\$ 2,394,900	\$ 2,283,453

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF CHANGES IN LONG-TERM DEBT - POWER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance	Due within One Year
Broadband Revenue and Tax Refunding Bonds, Series 2014/2015	\$ 9,100,000	1.79%	12/19/2014	3/1/2025	\$ 3,830,000	\$ -	\$ (930,000)	\$ 2,900,000	\$ 950,000
					3,830,000	-	(930,000)	2,900,000	950,000
Plus unamortized bond premium					122,539	-	(33,419)	89,120	
					3,952,539	-	(963,419)	2,989,120	
Compensated absences					2,047,462	397,195	(388,438)	2,056,219	206,527
					6,000,001	\$ 397,195	\$ (1,351,857)	\$ 5,045,339	\$ 1,156,527
Less current portion					(1,136,527)			(1,156,527)	
					<u>\$ 4,863,474</u>			<u>\$ 3,888,812</u>	

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF CHANGES IN LONG-TERM DEBT - WATER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due within One Year
Revenue Bonds, Series 2006	\$ 5,855,000	4.00%	6/1/2007	6/1/2027	\$ 2,345,000	\$ -	\$ (2,345,000)	\$ -	\$ -
Revenue Bonds, Series 2008	4,500,000	4.00 - 5.125%	6/1/2009	12/1/2023	1,465,000	-	(1,465,000)	-	-
Revenue Bonds, Series 2012	10,000,000	2.00% to 5.00%	6/1/2012	6/1/2033	6,830,000	-	(6,830,000)	-	-
Revenue Bonds, Series 2021	6,770,000	2.00% to 5.00%	12/7/2021	12/1/2032	-	6,770,000	-	6,770,000	-
					10,640,000	6,770,000	(10,640,000)	6,770,000	-
Plus unamortized bond premium					318,990	987,626	(371,364)	935,252	
Less unamortized bond discount					(1,106)	(12,321)	1,759	(11,668)	
					10,957,884	7,745,305	(11,009,605)	7,693,584	
Compensated absences					774,263	218,886	(283,622)	709,527	83,438
					11,732,147	\$ 7,964,191	\$ (11,293,227)	\$ 8,403,111	\$ 83,438
Less current portion					(1,365,642)			(83,438)	
					\$ 10,366,505			\$ 8,319,673	

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF DEBT REQUIREMENTS - POWER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

Bonds and Interest Payable During the Year Ending June 30,	1.79%			
	2014/15 Broadband Telecommunications			
	Network Revenue & Tax Refunding Bonds		Total Requirements	
	Principal	Interest	Principal	Interest
2023	950,000	51,910	\$ 950,000	\$ 51,910
2024	965,000	34,905	965,000	34,905
2025	985,000	17,632	985,000	17,632
	\$ 2,900,000	\$ 104,447	\$ 2,900,000	\$ 104,447

See Independent Auditor's Report.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF DEBT REQUIREMENTS - WATER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

Bonds and Interest Payable During the Year Ending June 30,	2.00% - 5.00%			
	2021 Waterworks System			
	Revenue Bonds		Total Requirements	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 289,900	\$ -	\$ 289,900
2024	1,250,000	258,650	1,250,000	258,650
2025	780,000	207,900	780,000	207,900
2026	820,000	167,900	820,000	167,900
2027	860,000	125,900	860,000	125,900
2028	455,000	93,025	455,000	93,025
2029	480,000	69,650	480,000	69,650
2030	505,000	45,025	505,000	45,025
2031	530,000	27,100	530,000	27,100
2032	540,000	16,400	540,000	16,400
2033	550,000	5,500	550,000	5,500
	\$ 6,770,000	\$ 1,306,950	\$ 6,770,000	\$ 1,306,950

See Independent Auditor's Report.

Statistical Section

The statistical section of Columbia Power and Water Systems' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Systems' overall financial health. There are five main categories of information provided, which are defined below:

- Financial Trends – These schedules contain trend information to help the reader understand how the Systems' financial performance and well-being have changed over time.
- Revenue Capacity – These schedules contain information to help the reader assess the Systems' most significant revenue sources.
- Debt Capacity – These schedules present information to help the reader assess the affordability of the Systems' current levels of outstanding debt and the Systems' ability to issue additional debt in the future.
- Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Systems' financial activities take place.
- Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the Systems' financial report relates to the services the Systems provides and the activities it performs.

Several of the following schedules provide information for more than one of the above categories.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF NET POSITION BY COMPONENT (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

Fiscal year	2022	2021	2020	2019	2018	2017*	2016	2015	2014	2013
Power System:										
Electric:										
Net Investment in Capital Assets	\$ 66,891,272	\$ 61,777,444	\$ 60,619,516	\$ 58,708,039	\$ 57,767,028	\$ 55,503,313	\$ 49,168,987	\$ 48,713,894	\$ 48,023,481	\$ 44,877,725
Restricted for OPEB Asset	757,934	306,937	-	-	-	-	912,509	904,223	891,285	882,743
Unrestricted	22,557,173	22,627,467	19,203,464	15,984,350	13,117,803	10,795,286	15,483,549	14,037,918	13,596,516	14,534,472
Total Electric net position	\$ 90,206,379	\$ 84,711,848	\$ 79,822,980	\$ 74,692,389	\$ 70,884,831	\$ 66,298,599	\$ 65,565,045	\$ 63,656,035	\$ 60,294,940	\$ 60,294,940
Broadband:										
Net Investment in Capital Assets	\$ 3,278,119	\$ 2,393,228	\$ 1,411,210	\$ 300,329	\$ (758,388)	\$ (1,354,541)	\$ (2,144,009)	\$ (2,833,924)	\$ (3,198,131)	\$ (3,596,426)
Restricted for Debt Service	684,134	640,395	604,167	565,758	509,740	451,842	383,941	307,233	239,290	232,150
Unrestricted	1,455,662	590,199	57,133	320,328	565,728	(183,872)	(341,240)	(493,208)	(912,467)	(870,245)
Total Broadband net position (deficit)	\$ 5,417,915	\$ 3,623,822	\$ 2,072,510	\$ 1,186,415	\$ 317,080	\$ (1,086,571)	\$ (2,101,308)	\$ (3,019,899)	\$ (3,871,308)	\$ (4,234,521)
Total Power System:										
Net Investment in Capital Assets	\$ 70,169,391	\$ 64,170,672	\$ 62,030,726	\$ 59,008,368	\$ 57,008,640	\$ 54,148,772	\$ 47,024,978	\$ 45,879,970	\$ 44,825,350	\$ 41,281,299
Restricted for OPEB Asset	757,934	306,937	-	-	-	-	-	-	-	-
Restricted for Debt Service	684,134	640,395	604,167	565,758	509,740	451,842	1,296,450	1,211,456	1,130,575	1,114,893
Unrestricted	24,012,835	23,217,666	19,260,597	16,304,678	13,683,531	10,611,414	15,142,309	13,544,710	12,684,049	13,664,227
Total Power System net position	\$ 95,624,294	\$ 88,335,670	\$ 81,895,490	\$ 75,878,804	\$ 71,201,911	\$ 65,212,028	\$ 63,463,737	\$ 60,636,136	\$ 58,639,974	\$ 56,060,419
Water System:										
Net Investment in Capital Assets	\$ 74,391,227	\$ 63,848,368	\$ 53,740,097	\$ 46,303,392	\$ 44,063,975	\$ 40,392,617	\$ 38,810,628	\$ 37,690,081	\$ 39,548,366	\$ 39,415,304
Restricted	2,506,242	2,663,069	2,482,520	2,456,394	2,430,568	2,404,749	2,382,363	2,389,257	2,368,251	2,352,828
Unrestricted	2,733,920	7,509,886	13,353,701	17,130,658	14,963,228	15,069,687	15,431,324	15,335,756	10,828,708	8,352,842
Total Water System net position	\$ 79,631,389	\$ 74,021,323	\$ 69,576,318	\$ 65,890,444	\$ 61,457,771	\$ 57,867,053	\$ 56,624,315	\$ 55,415,094	\$ 52,745,325	\$ 50,120,974

* Net Position for the Power and Water Company was restated for fiscal year 2017

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF CHANGES IN NET POSITION (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUES	OPERATING EXPENSES	OPERATING INCOME	TOTAL NONOPERATING REVENUES/(EXPENSES)	INCOME/(LOSS) BEFORE CAPITAL CONTRIBUTIONS	PAYMENTS IN LIEU OF TAXES***	CAPITAL CONTRIBUTIONS	CHANGE IN NET POSITION
Power System:								
Electric								
2022	\$ 79,631,979	\$ 73,056,991	\$ 6,574,988	\$ 13,130	\$ 6,588,118	\$ (1,609,404)	\$ 515,817	\$ 5,494,531
2021	71,434,190	65,070,837	6,363,353	14,230	6,377,583	(1,541,987)	53,272	4,888,868
2020	71,128,504	64,955,273	6,173,231	119,738	6,292,969	(1,383,293)	220,915	5,130,591
2019	71,033,928	67,063,579	3,970,349	1,167,117	5,137,466	(1,801,146)	471,238	3,807,558
2018	69,965,113	64,275,373	5,689,740	207,528	5,897,268	(1,611,977)	300,941	4,586,232
2017*	67,053,129	62,488,401	4,564,728	(471,374)	4,093,354	(1,570,097)	314,230	2,837,487
2016	62,383,386	58,852,042	3,531,344	(260,129)	3,271,215	(1,621,124)	258,919	1,909,010
2015	63,349,434	60,500,726	2,848,708	(270,133)	2,578,575	(1,617,577)	183,755	1,144,753
2014	63,344,330	59,510,764	3,833,566	(260,558)	3,573,008	(1,536,271)	179,605	2,216,342
2013	61,517,897	58,176,236	3,341,661	(311,207)	3,030,454	(1,513,482)	217,574	1,734,546
Broadband:								
2022	\$ 9,287,866	\$ 7,470,071	\$ 1,817,795	\$ (61,729)	\$ 1,756,066	\$ -	\$ 38,027	\$ 1,794,093
2021	8,921,453	730,162	1,612,291	(71,351)	1,540,940	-	10,372	1,551,312
2020	8,539,511	7,560,382	979,129	(94,897)	884,232	-	1,863	886,095
2019	8,586,138	7,595,524	990,614	(133,359)	857,255	-	12,080	869,335
2018	8,532,296	6,984,899	1,547,397	(143,746)	1,403,651	-	-	1,403,651
2017	7,758,917	6,728,787	1,030,130	(155,814)	874,316	-	140,421	1,014,737
2016	7,099,240	6,018,583	1,080,657	(167,790)	912,867	-	5,724	918,591
2015	6,544,200	5,282,500	1,261,700	(416,291)	845,409	-	6,000	851,409
2014	5,858,290	4,991,185	867,105	(505,527)	361,578	-	1,635	363,213
2013	5,304,576	4,522,779	781,797	(533,269)	248,528	-	8,326	256,854
Total Power System:								
2022	\$ 88,919,845	\$ 80,527,062	\$ 8,392,783	\$ (48,599)	\$ 8,344,184	\$ (1,609,404)	\$ 553,844	\$ 7,288,624
2021	80,355,643	65,800,999	7,975,644	(57,121)	7,918,523	(1,541,987)	63,644	6,440,180
2020	79,668,015	72,515,655	7,152,360	24,841	7,177,201	(1,383,293)	222,778	6,016,686
2019	79,620,066	74,659,103	4,960,963	1,033,758	5,994,721	(1,801,146)	483,318	4,676,893
2018	78,497,409	71,260,272	7,237,137	63,782	7,300,919	(1,611,977)	300,941	5,989,883
2017*	74,812,046	69,217,188	5,594,858	(627,188)	4,967,670	(1,570,097)	454,651	3,852,224
2016	69,482,626	64,870,625	4,612,001	(427,919)	4,184,082	(1,621,124)	264,643	2,827,601
2015	69,893,634	65,783,226	4,110,408	(686,424)	3,423,984	(1,617,577)	189,755	1,996,162
2014	69,202,620	64,501,949	4,700,671	(766,085)	3,934,586	(1,536,271)	181,240	2,579,555
2013	66,822,473	62,699,015	4,123,458	(844,476)	3,278,982	(1,513,482)	225,900	1,991,400
Water:								
2022	\$ 14,700,682	\$ 10,745,652	\$ 3,955,030	\$ (340,207)	\$ 3,614,823	\$ (142,333)	\$ 2,137,576	\$ 5,610,066
2021	13,632,433	10,048,355	3,584,078	(474,357)	3,109,721	(144,702)	1,479,986	4,445,005
2020	13,074,181	9,566,948	3,507,233	(477,757)	3,029,476	(140,175)	796,573	3,685,874
2019	13,238,872	9,413,561	3,825,311	42,441	3,867,752	(154,986)	719,907	4,432,673
2018	12,827,934	9,261,333	3,566,601	(551,116)	3,015,485	(161,613)	736,846	3,590,718
2017*	11,400,802	10,409,589	991,213	(635,247)	355,966	(153,912)	1,040,684	1,242,738
2016	10,172,069	8,310,864	1,861,205	(699,257)	1,161,948	(173,949)	221,222	1,209,221
2015	10,485,022	7,442,777	3,042,245	(324,732)	2,717,513	(171,086)	123,342	2,669,769
2014	10,294,575	7,319,637	2,974,938	(348,656)	2,626,282	(165,825)	163,892	2,624,349
2013	9,850,520	7,094,585	2,755,935	(389,681)	2,366,254	(138,100)	83,675	2,311,829

Note> Eliminations between the Power System and the Broadband System are not included within this schedule.

* Net Position for the Power and Water Systems were restated for fiscal year 2017.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF REVENUES BY SOURCE (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

Class of service	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Power System:										
Electric:										
Residential*	\$ 43,533,445	\$ 39,239,001	\$ 38,401,258	\$ 36,847,524	\$ 36,879,062	\$ 33,952,599	\$ 31,536,465	\$ 32,622,370	\$ 32,520,610	\$ 31,035,273
Commercial	8,764,243	8,070,858	8,371,236	8,469,747	7,952,690	7,688,306	7,225,340	7,276,140	7,365,051	7,207,496
Industrial	23,922,049	21,862,040	22,163,101	23,062,684	22,664,663	22,926,480	21,345,232	21,264,278	21,266,224	21,080,064
Street and athletic	221,868	470,434	567,567	705,645	707,976	700,120	681,497	671,633	655,125	638,323
Outdoor lighting	399,204	379,717	381,684	388,946	391,387	393,982	381,890	385,172	380,348	378,049
Other revenue	2,996,559	1,540,377	1,369,998	1,603,364	1,512,957	1,452,846	1,283,491	1,191,622	1,241,411	1,245,465
Less: Bad debt expense	(205,389)	(128,237)	(126,340)	(43,982)	(143,622)	(61,204)	(70,529)	(61,781)	(84,439)	(66,773)
Total Electric	\$ 79,631,979	\$ 71,434,190	\$ 71,128,504	\$ 71,033,928	\$ 69,965,113	\$ 67,053,129	\$ 62,383,386	\$ 63,349,434	\$ 63,344,330	\$ 61,517,897
Broadband:										
Residential - Cable	\$ 2,540,214	\$ 2,593,017	\$ 2,604,198	\$ 2,764,492	\$ 3,018,525	\$ 3,044,294	\$ 3,019,343	\$ 2,901,244	\$ 2,821,441	\$ 2,916,713
Residential - Internet	4,281,482	3,884,344	3,562,567	3,353,526	3,117,255	2,531,518	2,093,852	1,827,726	1,591,116	1,097,119
Commercial - Internet	1,243,284	1,185,254	1,174,050	636,816	648,354	606,386	541,893	476,496	448,386	452,364
Other sales and rentals	861,757	858,966	814,421	848,810	776,970	636,889	574,299	500,922	287,459	213,044
Sales promotions and credits	(162,374)	(208,593)	(221,215)	(244,525)	(264,950)	(276,502)	(280,554)	(277,655)	(311,218)	(24,692)
Other revenue	570,636	632,737	661,470	1,275,697	1,271,691	1,247,403	1,179,050	1,141,156	1,052,189	677,735
Less: Bad debt expense	(47,133)	(24,272)	(55,980)	(48,678)	(35,549)	(31,071)	(28,643)	(25,689)	(31,083)	(27,707)
Total Broadband	\$ 9,287,866	\$ 8,921,453	\$ 8,539,511	\$ 8,586,138	\$ 8,532,296	\$ 7,758,917	\$ 7,099,240	\$ 6,544,200	\$ 5,858,290	\$ 5,304,576
Total Power System:	\$ 88,919,845	\$ 80,355,643	\$ 79,668,015	\$ 79,620,066	\$ 78,497,409	\$ 74,812,046	\$ 69,482,626	\$ 69,893,634	\$ 69,202,620	\$ 66,822,473
Water System:										
Residential	\$ 7,732,170	\$ 7,119,927	\$ 6,963,977	\$ 6,828,894	\$ 6,576,926	\$ 5,882,998	\$ 5,772,514	\$ 5,661,954	\$ 5,590,073	\$ 5,581,360
Commercial	2,307,644	2,154,278	2,046,043	2,150,052	1,971,221	1,839,499	1,695,255	1,664,177	1,574,058	1,618,488
Industrial	1,007,564	1,043,341	867,121	1,170,884	1,210,666	1,227,644	738,503	1,229,140	1,164,401	890,145
Public and private fire protection	133,104	139,701	141,756	133,287	127,339	123,188	124,688	121,167	117,918	115,955
Sales for resale	2,470,913	2,206,521	2,136,785	1,963,380	1,834,789	1,409,414	1,233,655	1,229,234	1,248,902	1,184,755
Bulk and flat rates	10,875	6,549	3,284	7,998	3,699	7,047	4,376	8,157	5,496	1,812
Tap fees	617,741	623,116	571,959	714,745	862,016	663,650	386,491	288,967	299,200	190,367
Other revenue	435,060	365,996	377,667	303,451	264,784	264,958	237,238	301,979	313,602	286,987
Less: Bad debt expense	(14,389)	(26,996)	(34,411)	(33,819)	(23,506)	(17,596)	(20,651)	(19,753)	(19,075)	(19,349)
Total Water System:	\$ 14,700,682	\$ 13,632,433	\$ 13,074,181	\$ 13,238,872	\$ 12,827,934	\$ 11,400,802	\$ 10,172,069	\$ 10,485,022	\$ 10,294,575	\$ 9,850,520

Note> Eliminations between the Power System and the Broadband System are not included within this schedule.

* Includes unbilled revenue

Operating Expenses	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Power System:										
Electric:										
Energy purchased	\$ 58,796,696	\$ 51,799,195	\$ 52,834,876	\$ 55,163,629	\$ 53,574,375	\$ 51,742,277	\$ 48,443,340	\$ 49,939,550	\$ 49,528,358	\$ 47,684,258
Distribution	5,767,474	4,619,731	4,472,857	4,597,485	3,929,238	4,003,385	4,200,724	4,331,389	4,101,091	4,617,624
Customer accounts	1,465,642	1,355,394	1,169,438	1,017,309	1,024,822	1,001,205	846,413	845,365	741,645	857,730
Customer services	305,041	389,869	158,876	145,368	129,637	58,482	48,115	102,763	100,949	121,697
General and administrative	3,159,593	3,384,930	2,980,132	2,906,667	2,500,197	2,626,567	2,413,613	2,449,823	2,372,647	2,274,961
Depreciation	3,562,545	3,521,718	3,339,094	3,233,121	3,117,104	3,056,485	2,899,837	2,831,836	2,666,074	2,619,966
Total Electric	\$ 73,056,991	\$ 65,070,837	\$ 64,955,273	\$ 67,063,579	\$ 64,275,373	\$ 62,488,401	\$ 58,852,042	\$ 60,500,726	\$ 59,510,764	\$ 58,176,236
Broadband:										
Programming purchased	\$ 3,304,400	\$ 3,539,195	\$ 3,619,748	\$ 3,651,702	\$ 3,200,430	\$ 3,000,028	\$ 2,774,718	\$ 2,479,337	\$ 2,097,744	\$ 1,777,159
Distribution	1,809,302	1,695,995	1,726,529	1,615,084	1,879,888	1,876,027	1,632,137	1,364,090	1,409,657	1,155,361
Customer accounts	250,185	186,881	226,324	226,105	233,581	290,224	233,213	207,645	180,887	200,452
Customer services	79,615	79,968	102,657	72,731	63,042	95,294	50,862	54,416	64,243	64,238
General and administrative	1,054,414	955,191	952,468	950,768	667,519	663,706	589,039	506,155	528,281	656,064
Depreciation	986,365	851,932	932,656	1,079,134	940,439	803,508	738,614	670,857	710,373	669,505
Total Broadband	\$ 7,484,281	\$ 7,309,162	\$ 7,560,382	\$ 7,595,524	\$ 6,984,899	\$ 6,728,787	\$ 6,018,583	\$ 5,282,500	\$ 4,991,185	\$ 4,522,779
Total Power System:	\$ 80,541,272	\$ 72,379,999	\$ 72,515,655	\$ 74,659,103	\$ 71,260,272	\$ 69,217,188	\$ 64,870,625	\$ 65,783,226	\$ 64,501,949	\$ 62,699,015
Water System:										
Production	\$ 2,810,334	\$ 2,650,421	\$ 2,580,578	\$ 2,506,384	\$ 2,639,351	\$ 2,297,355	\$ 2,056,983	\$ 1,836,756	\$ 1,806,252	\$ 1,766,100
Distribution	2,141,384	1,972,055	1,813,471	2,051,509	1,789,720	1,682,351	1,687,993	1,229,167	1,260,111	1,323,688
Customer accounts	985,486	1,003,442	870,234	783,246	770,390	804,378	656,863	591,435	461,264	578,925
General and administrative	2,394,900	2,283,453	2,209,948	1,987,432	1,983,535	2,208,826	1,723,277	1,553,670	1,656,916	1,458,982
Depreciation	2,413,548	2,138,984	2,092,717	2,084,990	2,078,337	2,283,793	2,185,748	2,231,749	2,135,094	1,966,890
Total Water System:	\$ 10,745,652	\$ 10,048,355	\$ 9,566,948	\$ 9,413,561	\$ 9,261,333	\$ 9,276,703	\$ 8,310,864	\$ 7,442,777	\$ 7,319,637	\$ 7,094,585

Note> Eliminations between the Power System and the Broadband System are not included within this schedule.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

FISCAL YEAR	INTEREST EXPENSE	INTEREST/ MISCELLANEOUS REVENUE	AMORTIZATION EXPENSES	TOTAL NONOPERATING REVENUES/ (EXPENSES)
Power System:				
Electric:				
2022	\$ (3,869)	\$ 16,999	\$ -	\$ 13,130
2021	(2,679)	16,909	-	14,230
2020	(3,345)	123,083	-	119,738
2019	(3,324)	158,522	-	155,198
2018	(3,200)	96,188	(29,661)	63,327
2017	(483,882)	50,235	(37,727)	(471,374)
2016	(249,681)	28,827	(39,275)	(260,129)
2015	(261,997)	22,439	(30,575)	(270,133)
2014	(274,889)	27,506	(13,175)	(260,558)
2013	(313,794)	33,338	(30,751)	(311,207)
Broadband:				
2022	\$ (65,599)	\$ 448	\$ 17,632	\$ (47,519)
2021	(56,080)	516	(15,787)	(71,351)
2020	(80,934)	1,824	(15,787)	(94,897)
2019	(120,201)	2,628	(15,786)	(133,359)
2018	(130,247)	2,288	(15,787)	(143,746)
2017	(141,446)	1,419	(15,787)	(155,814)
2016	(152,809)	805	(15,786)	(167,790)
2015	(403,738)	596	(13,149)	(416,291)
2014	(495,789)	773	(10,511)	(505,527)
2013	(524,121)	1,363	(10,511)	(533,269)
Total Power System:				
2022	\$ (69,468)	\$ 17,447	\$ 17,632	\$ (34,389)
2021	(58,759)	17,425	(15,787)	(57,121)
2020	(84,279)	124,907	(15,787)	24,841
2019	(123,525)	161,150	(15,786)	21,839
2018	(133,447)	98,476	(45,448)	(80,419)
2017	(625,328)	51,654	(53,514)	(627,188)
2016	(402,490)	29,632	(55,061)	(427,919)
2015	(665,735)	23,035	(43,724)	(686,424)
2014	(770,678)	28,279	(23,686)	(766,085)
2013	(837,915)	34,701	(41,262)	(844,476)
Water System:				
2022	\$ (409,217)	\$ 4,844	\$ 64,166	\$ (340,207)
2021	(495,806)	9,596	11,853	(474,357)
2020	(586,688)	48,988	11,853	(525,847)
2019	(627,162)	42,560	(44,160)	(628,762)
2018	(665,110)	28,574	1,289	(635,247)
2017	(732,200)	21,090	11,853	(699,257)
2016	(355,145)	18,560	11,853	(324,732)
2015	(381,238)	20,729	11,853	(348,656)
2014	(428,282)	29,019	9,582	(389,681)
2013	(482,357)	32,110	(15,308)	(465,555)

Note> Eliminations between the Power System and the Broadband System are not included within this schedule.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF PRIMARY REVENUE BY PAYOR TYPE (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

Electric:

Customer Type	Fiscal Year 2022		Customer Type	Fiscal Year 2013	
	Gross Revenue	%		Gross Revenue	%
Residential	\$ 43,533,445	56%	Residential	\$ 31,035,273	50%
Commercial	8,764,243	11%	Commercial	7,207,496	12%
Industrial	23,922,049	31%	Industrial	21,080,064	35%
Street and athletic	221,868	0%	Street and athletic	638,323	1%
Outdoor Lighting	399,204	1%	Outdoor Lighting	378,049	1%
Total energy sales before bad debt expense	\$ 76,840,809	100%	Total energy sales before bad debt expense	\$ 60,339,205	100%

Water:

Customer Type	Fiscal Year 2022		Customer Type	Fiscal Year 2013	
	Gross Revenue	%		Gross Revenue	%
Residential	\$ 7,732,170	56%	Residential	\$ 5,581,360	58%
Commercial	2,307,644	17%	Commercial	1,618,488	17%
Industrial	1,007,564	7%	Industrial	890,145	10%
Public and private fire protection	133,104	1%	Public and private fire protection	115,955	1%
Sales for resale	2,470,913	18%	Sales for resale	1,184,755	13%
Bulk and flat rates	10,875	1%	Bulk and flat rates	1,812	1%
Total water sales before bad debt expense	\$ 13,662,270	100%	Total water sales before bad debt expense	\$ 9,392,515	100%

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF ELECTRIC OPERATING INDICATORS (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
PURCHASED POWER - (Megawatt Hours)										
Purchased from TVA	715,141	694,335	679,132	688,419	679,209	648,040	631,370	644,051	644,562	625,683
CONSUMPTION - (Megawatt Hours)										
Residential	378,805	365,398	350,395	349,160	339,384	319,155	308,015	322,819	326,092	312,490
Gen. Power < 50 kW	70,832	68,105	70,204	70,957	67,479	64,917	63,150	63,486	64,792	63,696
Gen. Power > 50 kW	230,432	224,932	225,790	235,141	232,915	235,567	225,555	221,771	222,185	221,632
Street and athletic and other	5,627	8,427	6,197	8,163	8,342	10,608	10,680	10,434	10,255	9,960
Internal use	-	-	2,708	2,728	2,748	1,430	1,454	1,572	1,517	1,391
Total consumption	685,696	666,862	655,294	666,149	650,868	631,677	608,854	620,082	624,841	609,169
Line losses and megawatt hours										
unaccounted for	29,445	27,473	23,838	22,270	28,341	16,363	22,516	23,969	19,721	16,514
Percentage of line losses and megawatt										
hours unaccounted for to purchased power	4.12%	3.96%	3.51%	3.23%	4.17%	2.52%	3.57%	3.72%	3.06%	2.64%
ACTIVE SERVICE (number of customers)										
Residential	28,549	27,433	25,970	24,830	23,897	23,270	22,496	22,015	21,699	21,443
Gen. Power < 50 kW	4,390	4,368	4,593	4,554	3,969	3,755	3,595	3,547	3,483	3,425
Gen. Power > 50 kW	472	474	468	448	459	470	466	461	455	455
Street, athletic and other lighting	91	92	93	48	49	49	49	49	49	43
Total number of customers	33,502	32,367	31,124	29,880	28,374	27,544	26,606	26,072	25,686	25,366
Outdoor lighting services	1,982	2,027	2,064	2,099	2,091	2,105	2,125	2,102	2,098	2,101
Additions to Electric Plant, excluding										
construction in progress	\$ 4,499,566	\$ 3,900,648	\$ 4,008,821	\$ 3,830,348	\$ 3,922,068	\$ 4,854,125	\$ 2,445,703	\$ 3,425,219	\$ 4,563,025	\$ 2,537,440
Net utility plant	\$ 66,891,272	\$ 61,777,444	\$ 60,619,516	\$ 58,708,039	\$ 57,767,028	\$ 55,503,313	\$ 54,282,224	\$ 54,126,218	\$ 53,640,998	\$ 50,760,952
Miles of distribution line	968.77	952.45	933.27	915.44	891.85	875.44	866.00	860.91	856.28	853.72
Additions to Depreciation ratio	1.26	1.11	1.20	1.18	1.26	1.59	0.84	1.21	1.71	0.97
Operating Expenses/Revenues*	87.27%	86.16%	86.63%	91.93%	87.41%	88.63%	89.69%	91.03%	89.74%	90.31%
Capitalized payroll	\$ 2,547,750	\$ 2,547,750	\$ 2,337,989	\$ 2,283,519	\$ 2,020,291	\$ 2,065,359	\$ 1,875,998	\$ 1,605,464	\$ 1,545,747	\$ 1,351,112
Total payroll expense	\$ 6,108,284	\$ 6,108,284	\$ 5,876,515	\$ 5,514,778	\$ 5,054,032	\$ 5,178,601	\$ 5,005,214	\$ 4,709,979	\$ 4,661,245	\$ 3,477,637
Cooling degree days**	1,788	1,531	1,776	1,865	1,720	2,433	2,004	1,772	1,804	1,762
Heating degree days**	3,155	3,462	3,283	3,402	3,556	2,437	2,787	3,763	3,932	3,532
Total degree days	4,943	4,993	5,059	5,267	5,276	4,870	4,791	5,535	5,736	5,294
% change from previous year	-1.00%	-1.30%	-3.95%	-0.17%	8.34%	1.65%	-13.44%	-3.50%	8.35%	9.81%

Note> Information is compiled from annual reports to the Tennessee Valley Authority.

* Does not include depreciation expense

**Source - AccuWeather.com. Daily high/low temperature data is entered into the LGC Utility Billing System - Weather Tracking

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF WATER OPERATING INDICATORS (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
PRODUCTION - (Thousands of gallons)										
Produced	3,625,603	3,683,464	3,235,542	3,104,855	3,173,933	3,234,048	2,950,018	2,933,983	2,810,195	2,709,291
CONSUMPTION - (Thousands of gallons)										
Residential	1,288,128	1,256,796	1,228,697	1,211,232	1,244,992	1,216,084	1,190,908	1,163,564	1,150,624	1,152,513
Commercial	524,871	526,778	495,013	535,162	507,951	540,254	473,599	463,060	437,765	454,484
Industrial	227,663	250,920	208,381	282,853	306,935	364,747	225,908	347,496	329,087	250,859
Bulk and resale	857,448	808,960	784,335	727,089	689,658	583,917	505,436	504,514	511,834	485,227
Fire protection and internal use	106,750	96,690	16,296	2,767	4,882	29,862	21,413	24,823	27,764	23,535
Total consumption	3,004,860	2,940,144	2,732,722	2,759,103	2,754,418	2,734,864	2,417,264	2,503,457	2,457,074	2,366,618
Gallons unaccounted for	620,743	743,320	502,820	345,752	419,515	499,184	532,754	430,526	353,121	342,673
Percentage of gallons unaccounted for to production	17.12%	20.18%	15.54%	11.14%	13.22%	15.44%	18.06%	14.67%	12.57%	12.65%
ACTIVE SERVICE (number of customers)										
Residential	21,958	21,229	20,567	20,166	19,560	19,111	18,699	18,335	18,111	17,960
Commercial	2,607	2,651	2,525	2,493	2,506	2,362	2,285	2,200	2,152	2,129
Industrial	26	26	25	24	24	24	25	25	25	26
Bulk and resale	62	54	51	57	56	59	58	53	50	43
Total number of customers	24,653	23,960	23,168	22,740	22,146	21,556	21,067	20,613	20,338	20,158
Fire protection services	657	665	689	674	558	526	515	508	488	476
Additions to Water plant, excluding construction in progress	\$ 3,395,145	\$ 10,157,931	\$ 670,450	\$ 1,001,022	\$ 5,002,369	\$ 2,217,013	\$ 2,403,112	\$ 708,978	\$ -	\$ 5,606,062
Net utility plant	\$ 82,084,811	\$ 74,806,252	\$ 65,943,146	\$ 59,701,606	\$ 58,617,354	\$ 56,061,161	\$ 55,559,337	\$ 55,478,955	\$ 56,413,879	\$ 54,530,556
Miles of water main	560	555	550	545	544	544	536	536	535	535
Additions to Depreciation ratio	1.41	4.75	0.32	0.48	2.41	0.97	1.10	0.32	-	2.85
Number of taps set	578	721	481	390	699	558	308	137	126	99
Average daily production (MGD)	9.93	10.09	8.86	8.51	8.70	8.86	8.08	8.04	7.70	7.42
Maximum daily production (MGD)	14.37	14.23	11.66	11.02	10.33	11.93	11.31	10.44	10.30	11.90
Operating Expenses/Revenues*	56.68%	58.02%	57.17%	56.66%	55.99%	61.34%	60.22%	49.70%	50.36%	52.06%
Total payroll expense	\$ 4,220,485	\$ 3,826,865	\$ 3,191,805	\$ 2,983,986	\$ 2,942,908	\$ 2,869,397	\$ 2,525,737	\$ 2,344,023	\$ 2,245,304	\$ 2,072,209
Annual precipitation (inches)**	55.02	62.70	64.81	56.74	51.16	49.08	47.88	53.57	48.66	39.34

Note> Information is compiled from internally generated statistical reports.

* Does not include depreciation expense

**Data from NOAA website - calendar year basis

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF ELECTRIC RATES (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022****	2021****	2020****	2019****	2018****	2017****	2016****	2015****	2014****	2013****
RESIDENTIAL RATE										
Customer charge per month	\$ 17.08	\$ 17.08	\$ 17.08	\$ 17.08	\$ 17.08	\$ 17.08	\$ 14.61	\$ 12.76	\$ 12.76	\$ 12.76
Energy charge per kWh per month	0.07805	0.09636	0.07805	0.07800	0.07109	0.07458	0.073	0.07022	0.06837	0.0668
GENERAL POWER RATE***										
PART A (DEMAND 0 - 5,000 kW)										
1. Up to 50 kW and/or 15,000 kWh										
Customer charge per month	\$ 20.42	\$ 20.42	\$ 20.42	\$ 20.42	\$ 20.42	\$ 20.42	\$ 20.42	\$ 18.65	\$ 18.65	\$ 18.65
Energy charge per kWh per month	0.89210	0.10729	0.08921	0.08916	0.08178	0.08515	0.0835	0.08237	0.08095	0.07927
2. From 51 kW to 1,000 kW and/or more than 15,000 kWh										
Customer charge per month	\$ 65.76	\$ 65.76	\$ 65.76	\$ 65.76	\$ 65.76	\$ 65.76	\$ 65.76	\$ 34.19	\$ 34.19	\$ 34.19
Demand charge:										
Next 50 kW per month*	\$ 14.10	\$ 14.10	\$ 14.10	\$ 14.09	\$ 13.80	\$ 13.55	\$ 13.30	\$ 13.30	\$ 13.02	\$ 12.76
Energy charge:										
First 15,000 kWh per month	0.09339	0.11147	0.09339	0.09337	0.08597	0.08932	0.08765	0.08577	0.08401	0.08233
Additional kWh per month	0.04488	0.06271	0.04488	0.04488	0.03934	0.04257	0.04171	0.03983	0.03896	0.03812
3. Demand greater than 1,000 kW										
Customer charge per month	\$ 314.22	\$ 314.22	\$ 314.22	\$ 314.22	\$ 314.22	\$ 314.22	\$ 314.22	\$ 130.54	\$ 130.54	\$ 130.54
Demand charge:										
First 1,000 kW per month*	\$ 13.66	\$ 13.66	\$ 13.66	\$ 17.65	\$ 13.36	\$ 13.11	\$ 12.86	\$ 12.84	\$ 12.84	\$ 12.58
Additional kW per month*	\$ 12.37	\$ 12.37	\$ 12.37	\$ 16.36	\$ 12.07	\$ 11.82	\$ 11.57	\$ 11.57	\$ 11.55	\$ 11.29
Energy charge:										
All kWh per month	0.04657	0.06440	0.04657	0.04656	0.04100	0.04419	0.0433	0.04284	0.04279	0.04188
PART B (DEMAND 5,001 - 15,000 kW)**										
Customer charge per month	N/A	N/A	N/A	N/A	N/A	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00
Demand charge:										
Per kW per month*	N/A	N/A	N/A	N/A	N/A	\$ 19.92	\$ 19.48	\$ 22.70	\$ 22.16	\$ 21.63
Energy charge:										
All kWh per month	N/A	N/A	N/A	N/A	N/A	0.03018	0.02949	0.0268	0.02614	0.02549
First 620 kWh per kW per month										
Additional kWh per month										
PART C (DEMAND 15,001 - 25,000 kW)**										
Customer charge per month	N/A	N/A	N/A	N/A	N/A	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00
Demand charge:										
Per kW per month*	N/A	N/A	N/A	N/A	N/A	\$ 19.41	\$ 18.87	\$ 22.19	\$ 21.65	\$ 21.12
Energy charge:										
All kWh per month	N/A	N/A	N/A	N/A	N/A	0.02958	0.02891	0.02693	0.02627	0.02562
First 620 kWh per kW per month										
Additional kWh per month										
PART D (DEMAND > 25,001 kW)**										
Customer charge per month	N/A	N/A	N/A	N/A	N/A	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00	\$ 1,850.00
Demand charge:										
Per kW per month*	N/A	N/A	N/A	N/A	N/A	\$ 19.30	\$ 18.86	\$ 25.84	\$ 25.20	\$ 24.58
Energy charge:										
Per kW per month	N/A	N/A	N/A	N/A	N/A	0.02723	0.02661	0.01949	0.01902	0.01856
OUTDOOR LIGHTING										
Street, Parks, and Athletic Fields										
Customer charge	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Each kWh	0.05112	0.06943	0.05119	0.05111	0.04164	0.04896	0.04818	0.04528	0.04348	0.04274
Plus investment charge										
Security Lighting										
Energy charge:										
All kWh	0.05119	0.06943	0.05119	0.05111	0.04164	0.04896	0.04818	0.04528	0.04348	0.04274

* Establishes minimum bill requirements

** Minimum bill or contract demand minimum is applicable, facilities rental, and reactive demand charges.

*** Seasonal customers add \$.0133 (1.33 cents) to first 15,000 kWh and \$4.00 per kW to billed demand charges.

**** Base rates shown. Rates will adjust monthly for TVA Fuel Cost Adjustment.

Note> Electric rates require approval by the Tennessee Valley Authority.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF BROADBAND RATES AND CUSTOMERS (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Standard Cable Rates:										
Analog										
Basic	\$ 26.00	\$ 26.00	\$ 24.00	\$ 24.00	\$ 24.00	\$ 23.50	\$ 23.50	\$ 23.50	\$ 23.50	\$ 22.00
Expanded Basic	79.00	79.00	49.00	49.00	49.00	41.50	41.50	36.50	36.50	58.00
Digital										
Digital Gateway	88.00	88.00	84.95	84.95	80.00	77.00	77.00	71.00	71.00	62.00
Digital Gateway Plus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	77.00	68.00
Premium Services	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	4.25 - 30.00	4.25 - 29.00
(price varies based on service selected)										
Internet*:										
Residential:										
PowerNet Basic/Budget Xpress	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 30.95
PowerNet 2.0/Xpress Net Level I	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35.95
PowerNet 3.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30.95	n/a
PowerNet 5.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35.95	n/a
PowerNet 6.0/Xpress Net Level II	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40.95
PowerNet 6.0/Xpress Net Level III	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	40.95
PowerNet 10.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48.50
PowerNet 14.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	58.95
PowerNet 20.0	n/a	n/a	n/a	n/a	n/a	n/a	41.00	41.00	41.00	n/a
PowerNet 25.0	n/a	n/a	n/a	n/a	n/a	41.00	n/a	n/a	48.50	70.95
PowerNet 35.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56.00	56.00	n/a
PowerNet 50.0	n/a	n/a	n/a	n/a	n/a	50.00	50.00	66.00	66.00	82.95
PowerNet 75.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	94.95
PowerNet 100.0	50.00	50.00	50.00	50.00	50.00	n/a	n/a	n/a	n/a	106.95
Commercial:										
PowerNet Business Basic/Limited Commercial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 39.95	\$ 39.95
PowerNet Business 4.0/Business Economy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	59.95
PowerNet Business 6.0/Business Deluxe Service	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	79.95
PowerNet Business 10.0/Business Elite Service	n/a	n/a	n/a	n/a	n/a	n/a	50.00	50.00	50.00	89.95
PowerNet Business 14.0/Business Corporate Service	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	99.95
PowerNet Business 25.0	n/a	n/a	n/a	n/a	n/a	70.00	70.00	70.00	70.00	129.95
PowerNet Business 50.0	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	159.99
PowerNet Business 75.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	179.99
PowerNet Business 100.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	199.95

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF WATER RATES (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022		2018-2021		2015-2017		2014	
	SCHEDULE A		SCHEDULE B		SCHEDULE A		SCHEDULE B	
	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
RESIDENTIAL RATE								
Customer charge (minimum bill)	\$ 11.75	\$ 17.25	\$ 10.50	\$ 15.50	\$ 9.50	\$ 14.00	\$ 9.50	\$ 14.00
Commodity charge (per 1,000 gallons)								
0 - 5,000 gallons	3.10	4.10	2.85	3.75	2.40	3.15	2.40	3.15
Over 5,000 gallons	3.60	4.70	3.15	4.10	2.70	3.50	2.70	3.50
Multi-Unit Charge	4.40	4.50	4.00	4.00	4.00	4.00	4.00	4.00
COMMERCIAL								
Customer charge (minimum bill)	\$ 16.25	\$ 22.00	\$ 14.50	\$ 20.00	\$ 13.00	\$ 18.00	\$ 13.00	\$ 18.00
Commodity charge (per 1,000 gallons)								
0 - 5,000 gallons	3.15	4.15	2.85	3.75	2.40	3.15	2.40	3.15
Over 5,000 gallons	3.50	4.55	3.15	4.10	2.70	3.50	2.70	3.50
Multi-Unit Charge	6.05	6.25	5.50	5.50	5.50	5.50	5.50	5.50
INDUSTRIAL								
Customer charge (minimum bill)	\$ 76.15	\$ 76.15	\$ 68.00	\$ 68.00	\$ 59.00	\$ 59.00	\$ 59.00	\$ 59.00
Commodity charge (per 1,000 gallons)								
0 - 5,000 gallons	3.15	4.15	2.85	3.75	2.40	3.15	2.40	3.15
5,001 - 50,000 gallons	3.50	4.55	3.15	4.10	2.70	3.50	2.70	3.50
SALES FOR RESALE								
Per 1,000 gallons	n/a	3.03	n/a	2.75	n/a	2.45	n/a	2.45
PRIVATE FIRE PROTECTION (UNMETERED)								
Customer charge (minimum bill)	\$ 7.66	\$ 7.66	\$ 7.66	\$ 7.66	\$ 7.66	\$ 7.66	\$ 7.66	\$ 7.66
Commodity charge (per sprinkler head)	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Fire hydrant	\$ 9.19	\$ 9.19	\$ 9.19	\$ 9.19	\$ 9.19	\$ 9.19	\$ 9.19	\$ 9.19
Connection charge	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF WATER RATES (UNAUDITED) - continued
FOR THE LAST TEN FISCAL YEARS

	2013			
	SCHEDULE A		SCHEDULE B	
	INSIDE CITY LIMITS		OUTSIDE CITY LIMITS	
RESIDENTIAL RATE				
Customer charge (minimum bill)	\$	9.50	\$	14.00
Commodity charge (per 1,000 gallons)				
0 - 5,000 gallons		2.40		3.15
5,001 - 50,000 gallons		2.70		3.50
Multi-Unit Charge		4.00		4.00
COMMERCIAL				
Customer charge (minimum bill)	\$	13.00	\$	18.00
Commodity charge (per 1,000 gallons)				
0 - 5,000 gallons		2.40		3.15
5,001 - 50,000 gallons		2.70		3.50
Multi-Unit Charge		5.50		5.50
INDUSTRIAL				
Customer charge (minimum bill)	\$	59.00	\$	59.00
Commodity charge (per 1,000 gallons)				
0 - 5,000 gallons		2.40		3.15
5,001 - 50,000 gallons		2.70		3.50
SALES FOR RESALE				
Per 1000 gallons		n/a		2.45
PRIVATE FIRE PROTECTION (UNMETERED)				
Customer charge (minimum bill)	\$	7.66	\$	7.66
Commodity charge (per sprinkler head)		0.06		0.06
Fire hydrant	\$	9.19	\$	9.19
Connection charge		Actual cost		Actual cost

Amortization charge: An additional charge of five cents (\$.05) per 1,000 gallons of water used is applicable to the above rates to defray the City of Columbia's share of the water supply benefits provided by the Tennessee Duck River Development Agency.

Note> Water rates require approval by ordinance of the City Council of Columbia.

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF REVENUE BOND COVERAGE (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

POWER:**

FISCAL YEAR	GROSS REVENUES	OPERATING EXPENSES*	NET REVENUE AVAILABLE FOR		DEBT SERVICE REQUIREMENTS			COVERAGE
			DEBT SERVICE		PRINCIPAL	INTEREST	TOTAL	
2022	\$ 88,429,493	\$ 75,487,091	\$ 12,942,402	\$	950,000	\$ 51,910	\$ 1,001,910	12.92 Times
2021	79,851,875	67,487,874	12,364,001		910,000	84,846	994,846	12.43
2020	79,282,759	67,752,459	11,530,300		900,000	100,956	1,000,956	11.52
2019	79,271,379	69,854,266	9,417,113		880,000	116,708	996,708	9.45
2018	78,111,043	66,731,496	11,379,547		865,000	132,192	997,192	11.41
2017	74,408,096	64,909,674	9,498,422		1,203,905	388,901	1,592,806	5.96
2016	69,058,081	60,781,902	8,276,179		1,140,000	414,147	1,554,147	5.33
2015	69,420,558	61,787,608	7,632,950		970,000	736,646	1,706,646	4.47
2014	68,732,856	60,631,566	8,101,290		940,000	771,953	1,711,953	4.73
2013	66,362,113	58,918,258	7,443,855		1,135,000	890,660	2,025,660	3.67

WATER:

FISCAL YEAR	GROSS REVENUES	OPERATING EXPENSES*	NET REVENUE AVAILABLE FOR		DEBT SERVICE REQUIREMENTS			COVERAGE
			DEBT SERVICE		PRINCIPAL	INTEREST	TOTAL	
2022	\$ 14,705,526	\$ 8,332,104	\$ 6,373,422	\$	-	\$ 289,900	\$ 289,900	21.98 Times
2021	13,642,029	7,909,371	5,732,658		1,215,000	501,056	1,716,056	3.34
2020	13,127,265	7,474,231	5,653,034		1,165,000	547,894	1,712,894	3.30
2019	13,287,860	7,328,571	5,959,289		1,125,000	591,656	1,716,656	3.47
2018	12,870,494	7,182,996	5,687,498		1,085,000	631,847	1,716,847	3.31
2017	11,429,376	6,992,910	4,436,466		1,050,000	669,838	1,719,838	2.58
2016	10,193,159	6,125,116	4,068,043		1,010,000	705,288	1,715,288	2.37
2015	10,503,582	5,211,028	5,292,554		975,000	737,488	1,712,488	3.09
2014	10,315,304	5,184,543	5,130,761		950,000	768,638	1,718,638	2.99
2013	9,879,539	5,127,695	4,751,844		1,245,000	870,191	2,115,191	2.25

* Does not include depreciation and amortization expense

** Combined Power and Broadband division

COLUMBIA POWER AND WATER SYSTEMS
RATIOS OF OUTSTANDING LONG-TERM DEBT BY TYPE (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

POWER:

FISCAL YEAR	REVENUE BONDS	PER CUSTOMER	AS A SHARE OF PERSONAL INCOME
2022	\$ -	\$ -	0.00%
2021	-	-	0.00%
2020	-	-	0.00%
2019	-	-	0.00%
2018	-	-	0.00%
2017	-	-	0.00%
2016	5,113,237	192.18	0.52%
2015	5,112,324	196.08	0.59%
2014	5,411,412	210.68	0.64%
2013	5,695,500	224.53	0.71%

BROADBAND:

FISCAL YEAR	REVENUE AND TAX BONDS	PER CUSTOMER	AS A SHARE OF PERSONAL INCOME
2022	\$ 2,002,537	\$ 288.38	0.65%
2021	3,004,447	441.31	1.00%
2020	4,895,958	867.34	2.03%
2019	5,829,377	886.87	2.15%
2018	6,892,479	1,058.75	2.77%
2017	7,666,293	1,308.69	3.45%
2016	8,528,288	1,455.84	3.97%
2015	8,497,351	1,529.68	4.57%
2014	9,230,039	1,759.78	5.31%
2013	9,912,828	1,972.31	6.26%

WATER:

FISCAL YEAR	REVENUE BONDS	PER CUSTOMER	AS A SHARE OF PERSONAL INCOME
2022	\$ 7,787,050	\$ 315.87	0.71%
2021	11,497,422	479.86	1.08%
2020	12,203,049	526.72	1.23%
2019	13,398,214	589.19	1.43%
2018	14,553,379	657.16	1.72%
2017	15,668,544	726.88	1.92%
2016	16,748,709	795.02	2.17%
2015	16,778,874	813.99	2.43%
2014	17,819,039	876.15	2.64%
2013	18,824,204	933.83	2.96%

Note:

The Systems' bond covenants stipulate that it may issue debt as long as certain conditions are met. The major criterion is that the net earnings must be at least 1.2 times the annual debt service requirement.

COLUMBIA POWER AND WATER SYSTEMS
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION ^A	PERSONAL INCOME ^B	PER CAPITA INCOME ^C	UNEMPLOYMENT RATE ^D
2022	103,930 ²	n/a	n/a	3.2%
2021	101,445 ²	n/a	n/a	5.1%
2020	99,019 ²	n/a	n/a	11.1%
2019	96,387 ¹	4,280,192	44,246	3.3%
2018	94,340 ¹	4,027,977	42,696	3.8%
2017	92,163 ¹	3,806,516	41,302	2.7%
2016	89,981 ¹	3,437,904	38,207	4.0%
2015	87,757 ¹	3,330,115	37,947	5.8%
2014	85,515 ¹	3,133,783	36,646	7.5%
2013	83,761 ¹	2,802,978	33,464	9.6%

Sources:

A¹ Based on Bureau of Economic Analysis - Columbia, TN Micropolitan, which is composed of Maury County, TN

A² Estimated based on 2% increase over previous year. Previous five years averaged approximately 2.42% increase.

B Computed using population multiplied by per capita income (shown in thousands)

C Source - U.S. Department of Commerce - Bureau of Economic Analysis (as of end of previous calendar year), rate reflected is for Maury County.

D Source - Tennessee Department of Labor and Workforce Development. Represents Maury County as a whole. Current year is estimated per the State of TN.

COLUMBIA POWER AND WATER SYSTEMS
PRINCIPAL EMPLOYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

Employer	2022		
	Number of Employees	Rank	Percentage of Total County Employment
GM Spring Hill Manufacturing	3,238	1	6.42%
Maury Regional Medical Center	1,725	2	3.42%
Maury County Public Schools	1,420	3	2.82%
Ryder Logistics	1,001	4	1.98%
Magna Seating	595	5	1.18%
Tennessee Farm Bureau	523	6	1.04%
Armada Nutrition	510	7	1.01%
IBEX Global	455	8	0.90%
Maury County Government	400	9	0.79%
City of Columbia	337	10	0.67%
	10,204		20.23%

Employer	2013		
	Number of Employees	Rank	Percentage of Total County Employment
Maury Regional Medical Center	2,135	1	6.55%
Maury County Public Schools	1,580	2	4.85%
Tennessee Farm Bureau	625	3	1.92%
Wal-Mart	500	4	1.53%
City of Columbia	373	5	1.14%
First Farmers & Merchants Bank	266	6	0.82%
Maury County Government	266	7	0.82%
NHC Healthcare	255	8	0.78%
Columbia State Community College	250	9	0.77%
The King's Daughters School	180	10	0.55%
	6,430		19.73%

The 2013 report includes only employers located within the city limits of Columbia, Tennessee.

Source: Maury Alliance - Chamber of Commerce and Economic Development Center
for City of Columbia, Tennessee

COLUMBIA POWER AND WATER SYSTEMS
NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY (UNAUDITED)
FOR THE LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
SHARED										
General Administration	5.5	5.5	5	4	4	3	4	4	4	5
Accounting	3	4	4	4	5	4	4	4	-	-
General Office	-	-	-	-	-	-	-	-	4	4
Customer Records	6	6	6	6	6	6	6	7	-	-
Billing and Collecting	-	-	-	-	-	-	-	-	12	11
Call Center	-	-	-	-	-	-	-	-	3	3
Customer Service	16	15	12	11	12	13	12	12	-	-
Information Systems	7.5	8	6	4	3	3	3	3	3	3
Meter Services	6	6	7	6	5	5	4	4	4	4
Purchasing and Stores	4	4	3	4	4	4	4	4	4	4
Maintenance	2	3	2	2	2	2	3	3	3	3
POWER										
Technical Services	7	7	7	7	7	7	6	6	6	5
Engineering	10	10	9	9	9	9	8	9	7	7
Power Distribution	29	31	30	31	31	31	33	31	31	32
POWER - BROADBAND										
Broadband Operations	14	10	12	12	11	10	8	9	8	7
WATER										
Water Distribution	19	20	20	15	14	16	16	15	12	12
Water Meter Shop	-	-	-	-	-	-	-	-	2	2
Water Production	14	14	13	12	13	14	13	11	10	10
TOTAL NUMBER OF EMPLOYEES	143	143	136	127	126	127	124	122	113	112

Note> Information is compiled from internally generated payroll reports.

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COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

<u>TYPE OF COVERAGE</u>	<u>BOTH SYSTEMS</u>
Property Insurance	122,000,000
Earthquake property damage	20,000,000
Flood property damage	20,000,000
First party pollution property damage	750,000
Extra expense coverage property damage	500,000
Dam	3,800,000
Boiler and machinery	50,000,000
Extra expense coverage property damage (boiler)	100,000
Accounts receivable, valuable papers and records	500,000
Cyber liability	2,000,000
Comprehensive liability:	
General liability (each occurrence/aggregate limit)	1,000,000/1,000,000
Public entity employee benefits liability	1,000,000
Automobile bodily injury	2,000,000
Automobile property damage	2,000,000
Uninsured motorist	100,000
Worker's compensation	Statutory
Directors and officers personal liability	3,000,000
Commercial umbrella liability policy (each occurrence/aggregate limit)	1,000,000/1,000,000
Crime	
Forgery or alteration coverage	500,000
Theft, disappearance & destruction coverage	500,000

All the coverage and liability limits described are shared. The limits of liability are the aggregate for both systems.

Other Report Section



**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With Government Auditing Standards**

The Columbia Board of Public Utilities
Columbia Power and Water Systems
Columbia Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Columbia Power and Water Systems (the Systems), an enterprise fund of the City of Columbia, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Systems' basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Systems' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Systems' internal control. Accordingly, we do not express an opinion on the effectiveness of the Systems' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Systems' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Alexander Thompson Arnold, PLLC".

Jackson, Tennessee
November 14, 2022

COLUMBIA POWER AND WATER SYSTEMS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS:

There were no prior year findings reported.