



Second Quarter Financial Report FY 2025

Statement of Net Position (unaudited)

As of December 31
(thousands)

	2024	2023
Current assets		
Cash & Equivalents	\$ 183,487	\$ 162,719
Operating Contingency Reserves	114,691	114,946
Accounts Receivable	70,528	72,908
Inventory	31,554	29,193
Other	52,671	49,622
Total Current Assets	<u>\$ 452,931</u>	<u>\$ 429,388</u>
Restricted assets		
Bond Funds	\$ 49,141	\$ 46,209
Other	21,760	301
Total Restricted Assets	<u>\$ 70,901</u>	<u>\$ 46,510</u>
Net Plant	\$ 2,568,402	\$ 2,432,566
Intangible Assets	<u>\$ 7,567</u>	<u>\$ 9,596</u>
Other Assets	<u>\$ 30,405</u>	<u>\$ 23,401</u>
Total Assets	\$ 3,130,206	\$ 2,941,461
Deferred Outflows of Resources	<u>\$ 44,570</u>	<u>\$ 67,825</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,174,776</u>	<u>\$ 3,009,286</u>
Current Liabilities		
Current Bonds Payable	\$ 46,035	\$ 46,240
Accounts Payable	92,113	85,441
Other	99,885	91,302
Total Current Liabilities	<u>\$ 238,033</u>	<u>\$ 222,983</u>
Other Liabilities	\$ 41,144	\$ 60,751
Long-term Debt	<u>\$ 1,289,202</u>	<u>\$ 1,225,985</u>
Total Liabilities	\$ 1,568,379	\$ 1,509,719
Deferred Inflows of Resources	<u>\$ 11,777</u>	<u>\$ 11,160</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,580,156</u>	<u>\$ 1,520,879</u>
Net position		
Net Investment in Capital Assets	\$ 1,262,232	\$ 1,170,620
Restricted for:		
Debt Service	31,645	31,342
Other	12	2
Unrestricted	300,731	286,443
Total Net Position	<u>\$ 1,594,620</u>	<u>\$ 1,488,407</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 3,174,776</u>	<u>\$ 3,009,286</u>



Statement of Revenues, Expenses, and Changes in Net Position
(unaudited)

	Three Months Ended December 31 (thousands)		Six Months Ended December 31 (thousands)	
	2024	2023	2024	2023
Operating Revenue	\$ 253,502	\$ 233,282	\$ 505,022	\$ 468,605
Less: Purchased Energy	(128,242)	(119,269)	(258,236)	(244,411)
Margin on Sales	\$ 125,260	\$ 114,013	\$ 246,786	\$ 224,194
Operating Expenses				
Operations & Maintenance	\$ 48,873	\$ 43,161	\$ 96,437	\$ 89,525
Depreciation & Amortization	26,067	24,376	52,095	48,463
Taxes & Equivalents	8,841	10,954	19,144	20,679
Total Operating Expenses	\$ 83,781	\$ 78,491	\$ 167,676	\$ 158,667
Operating Income	\$ 41,479	\$ 35,522	\$ 79,110	\$ 65,527
Other Revenue (Expenses)				
Interest Income	\$ 4,142	\$ 2,857	\$ 7,653	\$ 5,509
Interest Expense	(12,209)	(10,545)	(23,620)	(21,089)
Other (Net)	267	1,894	2,268	4,031
Total Other Expenses	(7,800)	(5,794)	(13,699)	(11,549)
Change in Net Position Before Capital Contributions	\$ 33,679	\$ 29,728	\$ 65,411	\$ 53,978
Capital Contributions	110	844	162	1,569
Change in Net Position	\$ 33,789	\$ 30,572	\$ 65,573	\$ 55,547

Statistical Highlights

	Three Months Ended December 31 (thousands)			Six Months Ended December 31 (thousands)		
	2024	2023	% Change	2024	2023	% Change
Electric Sales (MWh)	1,402	1,367	3%	3,219	3,112	3%
Gas Sales (Dth in 000s)	4,154	4,050	3%	5,969	5,823	3%
Water Sales (Mg)	2,074	2,095	-1%	4,920	4,866	1%
Wastewater Sales (Mg)	1,659	1,634	2%	3,724	3,706	-
Heating Degree Days	1,090	1,141	-4%	1,092	1,141	-4%
Cooling Degree Days	76	64	19%	1,214	1,141	6%
Avg Temperature	53.7	53.0	1%	65.4	64.8	1%

Mega Watt hour (MWh)
Dekatherm (Dth)
Million Gallon (Mg)

KUB Bond Ratings

	Moody's	Standard & Poor's
Electric	Aa2	AA-
Natural Gas	Aa2	AA
Water	Aa1	AAA
Wastewater	Aa2	AAA

KUB operates five separate enterprise funds. This presentation represents a consolidation of statements for the enterprise funds, as provided for under Governmental Accounting Standard 34.

These unaudited financial statements should be read in conjunction with the Notes to Financial Statements appearing in KUB's Annual Report for fiscal year 2024.



Second Quarter Financial Report Fiscal Year 2025

Management Financial Discussion

KUB's change in net position (net income) for the six months ended December 31, 2024, was \$65.6 million, representing an increase of \$10 million from the same period last year. The increase was due to an increase in margin on sales, a decrease in Taxes and Equivalents, and a higher level of investment income.

Margin on sales increased \$22.6 million or 10.1 percent for the fiscal year to date. Electric system margin increased \$11.7 million over the previous fiscal year, the combined result of a 3.4 percent increase in sales volumes and a three percent rate increase effective April 2024. Fiber system margin increased \$4.5 million. Natural gas system margin increased \$1.6 million, the combined result of a 2.5 percent increase in sales volumes and a three percent rate increase effective October 2024. Water system margin increased \$2.8 million, the combined result of a 1.1 percent increase in sales volumes and a five percent rate increase effective July 2024. Wastewater system margin increased \$3.4 million, the result of a four percent rate increase effective July 2024.

O&M expenses increased \$6.9 million, reflecting an increase in labor-related expenses, treatment expenses, and technology subscriptions. Depreciation and amortization expense increased \$3.6 million. Taxes and Equivalents decreased \$1.5 million.

Fiscal year to date interest expense increased \$2.5 million. Interest income for the fiscal year to date increased \$2.1 million compared to the prior year.

KUB's total bonds outstanding as of December 31, 2024, were \$1.2 billion, representing 43 percent of KUB's capital structure. This debt level represented an increase of \$64.8 million compared to the same period last year. KUB sold \$91 million in electric bonds and \$20 million in water bonds in July 2024 for the purpose of funding system capital expenditures.