



First Quarter Financial Report FY 2025

Statement of Net Position (unaudited)

As of September 30
(thousands)

	2024	2023
Current assets		
Cash & Equivalents	\$ 146,785	\$ 120,141
Operating Contingency Reserves	119,817	118,073
Accounts Receivable	67,406	72,939
Inventory	31,832	30,112
Other	41,761	42,799
Total Current Assets	<u>\$ 407,601</u>	<u>\$ 384,064</u>
Restricted assets		
Bond Fund	\$ 34,444	\$ 33,464
Other	72,072	302
Total Restricted Assets	<u>\$ 106,516</u>	<u>\$ 33,766</u>
Net Plant	\$ 2,537,841	\$ 2,386,208
Intangible Assets	<u>\$ 8,064</u>	<u>\$ 10,113</u>
Other Assets	<u>\$ 28,179</u>	<u>\$ 19,518</u>
Total Assets	\$ 3,088,201	\$ 2,833,669
Deferred Outflows of Resources	<u>\$ 44,254</u>	<u>\$ 67,784</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,132,455</u>	<u>\$ 2,901,453</u>
Current Liabilities		
Current Bonds Payable	\$ 46,035	\$ 45,990
Accounts Payable	97,190	94,797
Other	84,485	77,439
Total Current Liabilities	<u>\$ 227,710</u>	<u>\$ 218,226</u>
Other Liabilities	\$ 41,062	\$ 65,665
Long-term Debt	<u>\$ 1,290,796</u>	<u>\$ 1,148,319</u>
Total Liabilities	\$ 1,559,568	\$ 1,432,210
Deferred Inflows of Resources	<u>\$ 12,056</u>	<u>\$ 11,408</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,571,624</u>	<u>\$ 1,443,618</u>
Net position		
Net Investment in Capital Assets	\$ 1,280,368	\$ 1,201,382
Restricted for:		
Debt Service	20,136	19,844
Other	8	2
Unrestricted	260,319	236,607
Total Net Position	<u>\$ 1,560,831</u>	<u>\$ 1,457,835</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 3,132,455</u>	<u>\$ 2,901,453</u>



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

Three Months Ended
September 30
(thousands)

	2024	2023
Operating Revenue	\$ 251,520	\$ 235,323
Less: Purchased Energy	(129,994)	(125,142)
Margin on Sales	<u>\$ 121,526</u>	<u>\$ 110,181</u>
Operating Expenses		
Operations & Maintenance	\$ 47,564	\$ 46,364
Depreciation & Amortization	26,028	24,087
Taxes & Equivalents	10,303	9,725
Total Operating Expenses	<u>\$ 83,895</u>	<u>\$ 80,176</u>
Operating Income	\$ 37,631	\$ 30,005
Other Revenue (Expenses)		
Interest Income	\$ 3,511	\$ 2,652
Interest Expense	(11,411)	(10,544)
Other (Net)	2,001	2,137
Total Other Expenses	<u>(5,899)</u>	<u>(5,755)</u>
Change in Net Position Before Capital Contributions	\$ 31,732	\$ 24,250
Capital Contributions	52	725
Change in Net Position	<u>\$ 31,784</u>	<u>\$ 24,975</u>

Statistical Highlights

Three Months Ended
September 30
(thousands)

	2024	2023	% Change
Electric Sales (MWh in 000s)	1,817	1,745	4.1%
Natural Gas Sales (Dth in 000s)	1,815	1,774	2.3%
Water Sales (Mg)	2,846	2,771	2.7%
Wastewater Sales (Mg)	2,065	2,072	-0.3%
Heating Degree Days	2	-	-
Cooling Degree Days	1,138	1,077	5.7%
Avg Temperature	77.1	76.5	0.8%

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.



First Quarter Financial Report Fiscal Year 2025

Management Financial Discussion

KUB's change in net position (net income) for the three months ended September 30, 2024, was \$31.8 million, representing an increase of \$6.8 million over the same period last year.

Margin on sales increased \$11.3 million or 10.3 percent on a consolidated basis compared to last fiscal year. Electric sales margin increased \$5.3 million, the combined result of a 4.1 percent increase in sales volumes and additional revenue from the April 2024 rate increase. Fiber sales margin increased \$2.1 million. Gas sales margin increased \$0.2 million, the result of a 2.3 percent increase in sales volumes. Water margin increased \$1.8 million, due to a 2.7 percent increase in billed sales volumes and additional revenue from the July 2024 rate increase. Wastewater margin increased \$2 million, the net result of a 0.3 percent decrease in customer usage and additional revenue from the July 2024 rate increase.

O&M expenses fiscal year to date increased \$1.2 million, reflecting an increase in labor and labor-related expenses for the fiscal year to date. Depreciation and amortization expense increased \$1.9 million. Taxes and tax equivalents increased \$0.6 million compared to the prior year.

Interest income fiscal year to date increased \$0.9 million as interest rates remain high. Interest expense fiscal year to date increased \$0.9 million compared to the prior year.

KUB's total debt outstanding as of September 30, 2024, was \$1.2 billion, representing 44 percent of KUB's capital structure. This debt level represented an increase of \$139.8 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.