



## Second Quarter Financial Report FY 2024

### Statement of Net Position (unaudited)

As of December 31  
(thousands)

	2023	2022
<b>Current assets</b>		
Cash & Equivalents	\$ 162,719	\$ 142,278
Operating Contingency Reserves	114,946	108,134
Accounts Receivable	72,908	64,519
Inventory	29,193	25,709
Other	49,622	61,575
Total Current Assets	<u>\$ 429,388</u>	<u>\$ 402,215</u>
<b>Restricted assets</b>		
Bond Funds	\$ 46,209	\$ 44,152
Other	301	41,074
Total Restricted Assets	<u>\$ 46,510</u>	<u>\$ 85,226</u>
<b>Net Plant</b>	\$ 2,432,566	\$ 2,275,703
<b>Intangible Assets</b>	<u>\$ 9,596</u>	<u>\$ 3,480</u>
<b>Other Assets</b>	<u>\$ 23,401</u>	<u>\$ 86,258</u>
<b>Total Assets</b>	\$ 2,941,461	\$ 2,852,882
<b>Deferred Outflows of Resources</b>	<u>\$ 67,825</u>	<u>\$ 28,564</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 3,009,286</u>	<u>\$ 2,881,446</u>
<b>Current Liabilities</b>		
Current Bonds Payable	\$ 46,240	\$ 44,195
Accounts Payable	85,441	58,368
Other	84,341	91,190
Total Current Liabilities	<u>\$ 216,022</u>	<u>\$ 193,753</u>
<b>Other Liabilities</b>	\$ 67,712	\$ 36,808
<b>Long-term Debt</b>	<u>\$ 1,225,985</u>	<u>\$ 1,198,890</u>
<b>Total Liabilities</b>	\$ 1,509,719	\$ 1,429,451
<b>Deferred Inflows of Resources</b>	<u>\$ 11,160</u>	<u>\$ 45,567</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>\$ 1,520,879</u>	<u>\$ 1,475,018</u>
<b>Net position</b>		
Net Investment in Capital Assets	\$ 1,177,463	\$ 1,085,637
Restricted for:		
Debt Service	31,342	30,429
Other	2	2
Unrestricted	279,600	290,360
Total Net Position	<u>\$ 1,488,407</u>	<u>\$ 1,406,428</u>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 3,009,286</u>	<u>\$ 2,881,446</u>



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

	Three Months Ended December 31 (thousands)		Six Months Ended December 31 (thousands)	
	2023	2022	2023	2022
<b>Operating Revenue</b>	\$ 233,280	\$ 250,150	\$ 468,600	\$ 509,297
Less: Purchased Energy	(119,267)	(143,200)	(244,407)	(301,932)
Margin on Sales	\$ 114,013	\$ 106,950	\$ 224,193	\$ 207,365
<b>Operating Expenses</b>				
Operations & Maintenance	\$ 43,162	\$ 44,214	\$ 89,525	\$ 83,667
Depreciation & Amortization	24,376	23,406	48,463	46,414
Taxes & Equivalents	10,954	10,121	20,679	19,498
Total Operating Expenses	\$ 78,492	\$ 77,741	\$ 158,667	\$ 149,579
<b>Operating Income</b>	\$ 35,521	\$ 29,209	\$ 65,526	\$ 57,786
<b>Other Revenue (Expenses)</b>				
Interest Income	\$ 2,857	\$ 1,779	\$ 5,509	\$ 2,927
Interest Expense	(10,545)	(10,057)	(21,089)	(20,114)
Other (Net)	1,895	1,607	4,032	1,178
Total Other Expenses	(5,793)	(6,671)	(11,548)	(16,009)
<b>Change in Net Position Before Capital Contributions</b>	\$ 29,728	\$ 22,538	\$ 53,978	\$ 41,777
Capital Contributions	844	838	1,569	1,186
<b>Change in Net Position</b>	\$ 30,572	\$ 23,376	\$ 55,547	\$ 42,963

**Statistical Highlights**

	Three Months Ended December 31 (thousands)			Six Months Ended December 31 (thousands)		
	2023	2022	% Change	2023	2022	% Change
Electric Sales (MWh)	1,367	1,384	-1%	3,112	3,198	-3%
Gas Sales (Dth in 000s)	4,050	4,290	-6%	5,823	6,074	-4%
Water Sales (Mg)	2,095	2,058	2%	4,866	4,784	2%
Wastewater Sales (Mg)	1,634	1,488	10%	3,706	3,631	2%
Heating Degree Days	1,141	1,388	-18%	1,141	1,415	-19%
Cooling Degree Days	64	16	300%	1,141	1,102	4%
Avg Temperature	53.0	49.9	6%	64.8	63.0	3%

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	AA+

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 2023.



## Second Quarter Financial Report Fiscal Year 2024

### Management Financial Discussion

KUB's change in net position (net income) for the six months ended December 31, 2023, was \$55.5 million, representing an increase of \$12.6 million from the same period last year. The increase was due to an increase in margin on sales, a higher level of investment income, and capital contributions for new development.

Margin on sales increased \$16.8 million or 8.1 percent for the fiscal year to date. Electric system margin increased \$12 million over the previous fiscal year, the net result of a 2.7 percent decrease in sales volumes and a three percent rate increase that went into effect in April 2023. Natural gas system margin decreased \$0.7 million, the result of a 4.1 percent decrease in sales volumes. Water system margin increased \$2.1 million, the combined result of a 1.7 percent increase in sales volumes and a five percent rate increase effective July 2023. Wastewater system margin increased \$3 million, the combined result of a 2.6 percent increase in billed usage and a four percent rate increase effective July 2023. Fiber system margin increased \$2 million.

O&M expenses increased \$5.9 million reflecting an increase in employee labor-related expenses, along with an increase in contractor labor expenses for the fiscal year to date. Depreciation and amortization expense increased \$2.1 million. Taxes and Equivalents increased \$1.2 million.

Fiscal year to date interest expense increased \$0.9 million. Interest income for the fiscal year to date increased \$2.6 million due to an increase in market interest rates.

KUB's total bonds outstanding as of December 31, 2023, were \$1.2 billion, representing 44 percent of KUB's capital structure. This debt level represented an increase of \$30.8 million compared to the same period last year. KUB sold \$55 million in electric bonds and \$20 million in water bonds in November 2023 for the purpose of funding system capital expenditures.