



## Third Quarter Financial Report FY 2024

### Statement of Net Position

(unaudited)

As of March 31  
(thousands)

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>Current assets</b>  |                     |                     |
| Cash & Equivalents   | \$ 154,150          | \$ 203,965          |
| Operating Contingency Reserves                               | 115,783             | 109,373             |
| Accounts Receivable  | 77,919              | 58,992              |
| Inventory  | 28,044              | 27,162              |
| Other  | 37,576              | 44,591              |
| <b>Total Current Assets</b>                                  | <u>\$ 413,472</u>   | <u>\$ 444,083</u>   |
| <b>Restricted assets</b>                                     |                     |                     |
| Bond Fund  | \$ 43,248           | \$ 41,742           |
| Unused Bond Proceeds   | -                   | 16,698              |
| Other  | 1,124               | 302                 |
| <b>Total Restricted Assets</b>                               | <u>\$ 44,372</u>    | <u>\$ 58,742</u>    |
| <b>Net Plant</b>   | \$ 2,460,494        | \$ 2,304,479        |
| <b>Intangible Assets</b>                                     | <u>\$ 9,082</u>     | <u>\$ 3,239</u>     |
| <b>Other Assets</b>  | <u>\$ 19,921</u>    | <u>\$ 79,127</u>    |
| <b>Total Assets</b>  | \$ 2,947,341        | \$ 2,889,670        |
| <b>Deferred Outflows of Resources</b>                        | <u>\$ 67,865</u>    | <u>\$ 28,979</u>    |
| <b>Total Assets and Deferred Outflows of Resources</b>       | <u>\$ 3,015,206</u> | <u>\$ 2,918,649</u> |
| <b>Current Liabilities</b>                                   |                     |                     |
| Current Bonds Payable  | \$ 46,585           | \$ 44,375           |
| Accounts Payable   | 79,800              | 84,693              |
| Other  | 84,206              | 85,815              |
| <b>Total Current Liabilities</b>                             | <u>\$ 210,591</u>   | <u>\$ 214,883</u>   |
| <b>Other Liabilities</b>                                     | \$ 69,138           | \$ 44,011           |
| <b>Long-term Debt</b>  | <u>\$ 1,209,688</u> | <u>\$ 1,183,213</u> |
| <b>Total Liabilities</b>                                     | \$ 1,489,417        | \$ 1,442,107        |
| <b>Deferred Inflows of Resources</b>                         | <u>\$ 10,899</u>    | <u>\$ 45,406</u>    |
| <b>Total Liabilities and Deferred Inflows of Resources</b>   | <u>\$ 1,500,316</u> | <u>\$ 1,487,513</u> |
| <b>Net position</b>  |                     |                     |
| Net Investment in Capital Assets                             | \$ 1,220,179        | \$ 1,105,241        |
| Restricted for:  |                     |                     |
| Debt Service   | 28,744              | 27,542              |
| Other  | 2                   | 1                   |
| Unrestricted   | 265,965             | 298,352             |
| <b>Total Net Position</b>                                    | <u>\$ 1,514,890</u> | <u>\$ 1,431,136</u> |
| <b>Total Liabilities, Deferred Inflows, and Net Position</b> | <u>\$ 3,015,206</u> | <u>\$ 2,918,649</u> |



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

|  | Three Months Ended<br>March 31<br>(thousands) |            | Nine Months Ended<br>March 31<br>(thousands) |             |
|--|---|------------|--|-------------|
|  | 2024  | 2023       | 2024   | 2023        |
| <b>Operating Revenue</b>                                   | \$ 260,038                                    | \$ 257,970 | \$ 728,638                                   | \$ 767,267  |
| Less: Purchased Energy                                     | (137,305)                                     | (147,190)  | (381,712)                                    | (449,122)   |
| <b>Margin on Sales</b>                                     | \$ 122,733                                    | \$ 110,780 | \$ 346,926                                   | \$ 318,145  |
| <b>Operating Expenses</b>                                  |   |            |  |             |
| Operations & Maintenance                                   | \$ 54,986                                     | \$ 47,700  | \$ 144,511                                   | \$ 131,367  |
| Depreciation & Amortization                                | 24,615  | 23,173     | 73,078                                       | 69,587      |
| Taxes & Equivalents  | 10,325  | 9,801      | 31,004                                       | 29,299      |
| <b>Total Operating Expenses</b>                            | \$ 89,926                                     | \$ 80,674  | \$ 248,593                                   | \$ 230,253  |
| <b>Operating Income</b>                                    | \$ 32,807                                     | \$ 30,106  | \$ 98,333                                    | \$ 87,892   |
| <b>Other Revenue (Expenses)</b>                            |   |            |  |             |
| Interest Income  | \$ 3,611                                      | \$ 3,045   | \$ 9,120                                     | \$ 5,972    |
| Interest Expense   | (11,633)                                      | (11,169)   | (32,722)                                     | (31,283)    |
| Other (Net)  | 1,528   | 1,901      | 5,560  | 3,079       |
| <b>Total Other Expenses</b>                                | \$ (6,494)                                    | \$ (6,223) | \$ (18,042)                                  | \$ (22,232) |
| <b>Change in Net Position Before Capital Contributions</b> | \$ 26,313                                     | \$ 23,883  | \$ 80,291                                    | \$ 65,660   |
| Capital Contributions                                      | 170   | 824        | 1,739  | 2,010       |
| <b>Change in Net Position</b>                              | \$ 26,483                                     | \$ 24,707  | \$ 82,030                                    | \$ 67,670   |

**Statistical Highlights**

|                         | Three Months Ended<br>March 31 |       |          | Nine Months Ended<br>March 31 |        |          |
|-------------------------|--------------------------------|-------|----------|-------------------------------|--------|----------|
|                         | 2024                           | 2023  | % Change | 2024                          | 2023   | % Change |
| Electric Sales (MWh)    | 1,470                          | 1,407 | 4%       | 4,582                         | 4,605  | -        |
| Gas Sales (Dth in 000s) | 5,491                          | 5,089 | 8%       | 11,314                        | 11,163 | 1%       |
| Water Sales (Mg)        | 1,953                          | 1,917 | 2%       | 6,819                         | 6,701  | 2%       |
| Wastewater Sales (Mg)   | 1,640                          | 1,613 | 2%       | 5,346                         | 5,244  | 2%       |
| Heating Degree Days     | 1,681                          | 1,418 | 19%      | 2,822                         | 2,833  | -        |
| Cooling Degree Days     | 1                              | 22    | -95%     | 1,142                         | 1,124  | 2%       |
| Avg Temperature         | 46.3                           | 49.3  | -6%      | 58.6                          | 58.5   | -        |

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

**KUB Bond Ratings**

|            | Moody's | Standard & Poor's |
|------------|---------|-------------------|
| Electric   | Aa2     | AA-               |
| 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.



## Third Quarter Financial Report Fiscal Year 2024

### Management Financial Discussion

KUB's change in net position (net income) for the nine months ended March 31, 2024, was \$82 million, representing an increase of \$14.4 million from the same period last year. The change in net position by system includes \$36.7 million for electric, \$17.6 million for natural gas, \$12.9 million for water, and \$21.1 million for the wastewater system, while fiber posted a \$6.2 million start-up loss.

Margin on sales increased \$28.8 million or 9 percent on a consolidated basis compared to last fiscal year. Electric system sales margin increased \$18 million, the result of a three percent rate increase effective April 2023. Natural gas system sales margin increased \$1.1 million, the result of a 1.4 percent increase in sales volumes. Water system margin increased \$3.1 million, the combined result of a 1.8 percent increase in water sales volumes and a five percent rate increase effective July 2023. Wastewater system margin increased \$4.6 million, the combined result of a 2.4 percent increase in billed customer usage and a four percent rate increase effective July 2023. Fiber system margin increased \$3.6 million.

O&M expenses increased \$13.1 million reflecting increases in labor wages across the organization, technology subscriptions, safety and technical consultants, electric line contractors, and fiber marketing expenses for the fiscal year to date. Depreciation and amortization expense increased \$3.5 million. Taxes and Equivalents increased \$1.7 million compared to the prior year.

Interest expense fiscal year to date increased \$1.4 million compared to the prior year. Interest income fiscal year to date increased \$3.1 million due to an increase in market interest rates.

KUB's total debt outstanding as of March 31, 2024, was \$1.1 billion, representing 43 percent of KUB's capital structure. This debt level represented an increase of \$30.4 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.