First Quarter Financial Report FY 2026

Statement of Net Position *(unaudited)*	*As of September 30 (thousands)* 2025	2024
Current assets		
Cash & Equivalents	$ 159,264	$ 146,785
Operating Contingency Reserves	135,694	119,817
Accounts Receivable	74,628	67,406
Inventory	30,767	31,832
Other	46,819	41,761
Total Current Assets	$ 447,172	$ 407,601
Restricted assets		
Bond Fund	$ 35,450	$ 34,444
Other	1,812	72,072
Total Restricted Assets	$ 37,262	$ 106,516
Net Plant	$ 2,685,503	$ 2,537,841
Intangible Assets	$ 6,088	$ 8,064
Other Assets	$ 23,555	$ 28,179
Total Assets	$ 3,199,580	$ 3,088,201
Deferred Outflows of Resources	$ 29,999	$ 44,254
Total Assets and Deferred Outflows of Resources	$ 3,229,579	$ 3,132,455
Current Liabilities		
Current Bonds Payable	$ 48,760	$ 46,035
Accounts Payable	100,481	97,190
Other	85,334	84,485
Total Current Liabilities	$ 234,575	$ 227,710
Other Liabilities	$ 33,689	$ 41,062
Long-term Debt	$ 1,235,665	$ 1,290,796
Total Liabilities	$ 1,503,929	$ 1,559,568
Deferred Inflows of Resources	$ 13,388	$ 12,056
Total Liabilities and Deferred Inflows of Resources	$ 1,517,317	$ 1,571,624
Net position		
Net Investment in Capital Assets	$ 1,407,348	$ 1,280,368
Restricted for:		
Debt Service	21,005	20,136
Other	26	8
Unrestricted	283,883	260,319
Total Net Position	$ 1,712,262	$ 1,560,831
Total Liabilites, Deferred Inflows, and Net Position	$ 3,229,579	$ 3,132,455

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

	Three Months Ended September 30 (thousands) 2025	2024
Operating Revenue	$ 283,785	$ 251,520
Less: Purchased Energy	(143,499)	(129,994)
Margin on Sales	$ 140,286	$ 121,526
Operating Expenses		
Operations & Maintenance	$ 47,574	$ 47,564
Depreciation & Amortization	26,910	26,028
Taxes & Equivalents	9,559	10,303
Total Operating Expenses	$ 84,043	$ 83,895
Operating Income	$ 56,243	$ 37,631
Other Revenue (Expenses)		
Interest Income	$ 3,355	$ 3,511
Interest Expense	(11,732)	(11,411)
Other (Net)	826	2,001
Total Other Expenses	(7,551)	(5,899)
Change in Net Position Before Capital Contributions	$ 48,692	$ 31,732
Capital Contributions	2,094	52
Change in Net Position	$ 50,786	$ 31,784

Statistical Highlights

	Three Months Ended September 30 (thousands) **2025**	**2024**	**% Change**
Electric Sales (MWh in 000s)	1,842	1,817	1.4%
Natural Gas Sales (Dth in 000s)	1,850	1,815	1.9%
Water Sales (Mg)	2,813	2,846	-1.2%
Wastewater Sales (Mg)	2,070	2,065	0.2%
Heating Degree Days	-	2	-100.0%
Cooling Degree Days	1,125	1,138	-1.1%
Avg Temperature	76.9	77.1	-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	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 2025.

First Quarter Financial Report Fiscal Year 2026

Management Financial Discussion

KUB’s change in net position (net income) for the three months ended September 30, 2025, was $50.8 million, representing an increase of $19 million over the same period last year.

Margin on sales increased $18.8 million or 15.4 percent on a consolidated basis compared to last fiscal year. Electric sales margin increased $13.6 million, the combined result of a 1.4 percent increase in sales volumes and additional revenue from the April 2025 rate increase. Fiber sales margin increased $3.1 million. Gas sales margin increased $0.9 million, the result of a 1.9 percent increase in sales volumes. Water margin increased $1.1 million, the net result of 1.2 percent decrease in billed sales volumes and additional revenue from the July 2025 rate increase. Wastewater margin increased $0.8 million, the result of a 0.2 percent increase in customer usage and additional revenue from the July 2025 rate increase.

O&M expenses fiscal year to date were consistent with the prior year. Depreciation and amortization expense increased $0.9 million. Taxes and tax equivalents decreased $0.7 million compared to the prior year.

Interest income fiscal year to date decreased $0.2 million. Interest expense fiscal year to date increased $0.3 million compared to the prior year.

KUB's total debt outstanding as of September 30, 2025, was $1.2 billion, representing 40.8 percent of KUB's capital structure. This debt level represented a decrease of $46 million compared to the same period last year.