



electric
natural gas
water
wastewater

Your Source for Energy and Water Services.

First Quarter Financial Report FY 2022

Statement of Net Position

(unaudited)

As of September 30
(thousands)

	2021	2020
Current assets		
Cash & Equivalents	\$ 126,760	\$ 101,127
Operating Contingency Reserves	110,849	110,817
Accounts Receivable	55,907	62,355
Inventory	15,471	14,806
Other	40,205	33,272
Total Current Assets	<u>\$ 349,192</u>	<u>\$ 322,377</u>
Restricted assets		
Bond Fund	\$ 31,202	\$ 32,084
Other	2	2
Total Restricted Assets	<u>\$ 31,204</u>	<u>\$ 32,086</u>
Net Plant	\$ 2,192,689	\$ 2,153,113
Intangible Assets	<u>\$ 920</u>	<u>\$ -</u>
Other Assets	<u>\$ 65,931</u>	<u>\$ 37,103</u>
Total Assets	\$ 2,639,936	\$ 2,544,679
Deferred Outflows of Resources	<u>\$ 24,678</u>	<u>\$ 33,645</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,664,614</u>	<u>\$ 2,578,324</u>
Current Liabilities		
Current Bonds Payable	\$ 42,040	\$ 43,485
Accounts Payable	81,072	79,661
Other	65,988	60,631
Total Current Liabilities	<u>\$ 189,100</u>	<u>\$ 183,777</u>
Other Liabilities	\$ 24,458	\$ 32,548
Long-term Debt	<u>\$ 1,097,583</u>	<u>\$ 1,110,828</u>
Total Liabilities	\$ 1,311,141	\$ 1,327,153
Deferred Inflows of Resources	<u>\$ 48,763</u>	<u>\$ 20,568</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,359,904</u>	<u>\$ 1,347,721</u>
Net position		
Net Investment in Capital Assets	\$ 1,068,381	\$ 1,021,382
Restricted for:		
Debt Service	18,060	19,013
Other	2	2
Unrestricted	218,267	190,206
Total Net Position	<u>\$ 1,304,710</u>	<u>\$ 1,230,603</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 2,664,614</u>	<u>\$ 2,578,324</u>



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

	Three Months Ended September 30 (thousands)	
	2021	2020
Operating Revenue	\$ 212,231	\$ 199,582
Less: Purchased Energy	(119,862)	(109,355)
Margin on Sales	<u>\$ 92,369</u>	<u>\$ 90,227</u>
Operating Expenses		
Operations & Maintenance	\$ 32,823	\$ 31,628
Depreciation & Amortization	21,878	19,372
Taxes & Equivalents	9,410	9,107
Total Operating Expenses	<u>\$ 64,111</u>	<u>\$ 60,107</u>
Operating Income	\$ 28,258	\$ 30,120
Other Revenue (Expenses)		
Interest Income	\$ 168	\$ 340
Interest Expense	(9,947)	(10,146)
Other (Net)	586	154
Total Other Expenses	<u>(9,193)</u>	<u>(9,652)</u>
Change in Net Position Before Capital Contributions	\$ 19,065	\$ 20,468
Capital Contributions	-	16
Change in Net Position	<u>\$ 19,065</u>	<u>\$ 20,484</u>

Statistical Highlights

	Three Months Ended September 30 (thousands)		
	2021	2020	% Change
Electric Sales (MWh in 000s)	1,749	1,714	2.0%
Natural Gas Sales (Dth in 000s)	1,748	1,656	5.6%
Water Sales (Mg)	2,706	2,624	3.1%
Wastewater Sales (Mg)	2,005	1,963	2.1%
Heating Degree Days	15	30	-50.0%
Cooling Degree Days	1,068	1,131	-5.6%
Avg Temperature	76.1	76.7	-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	AA+

KUB operates four 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 2021.



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First Quarter Financial Report Fiscal Year 2022

Management Financial Discussion

The COVID-19 global pandemic continues to require KUB to remain operationally flexible. While some planned capital projects have been resumed, others are still on hold due to supply chain issues or contract labor constraints. Employee health and safety and accommodation of customers are priorities.

KUB's change in net position (net income) for the three months ended September 30, 2021, was \$19.1 million, representing a decrease of \$1.4 million over the same period last year.

Margin on sales increased \$2.1 million or 2.4 percent compared to last fiscal year. Sales margin increased due to growth in billed sales combined with additional revenue from the July 2021 water rate increase.

O&M expenses fiscal year to date increased \$1.2 million, reflecting higher labor-related expenses. Depreciation and amortization expense increased \$2.5 million. Taxes and tax equivalents increased \$0.3 million compared to the prior year.

Interest income fiscal year to date decreased \$0.2 million as interest rates continue near historically low levels. Interest expense fiscal year to date decreased \$0.2 million compared to the prior year due to less debt outstanding resulting from the prior year bond refunding.

KUB's total debt outstanding as of September 30, 2021, was \$1 billion, representing 44 percent of KUB's capital structure. This debt level represented a decrease of \$86.9 million compared to the same period last year.