



## Second Quarter Financial Report FY 2026

### Statement of Net Position (unaudited)

As of December 31  
(thousands)

	2025	2024
<b>Current assets</b>		
Cash & Equivalents	\$ 149,861	\$ 183,487
Operating Contingency Reserves	135,439	114,691
Accounts Receivable	75,925	70,528
Inventory	31,261	31,554
Other	60,586	52,671
Total Current Assets	<u>\$ 453,072</u>	<u>\$ 452,931</u>
<b>Restricted assets</b>		
Bond Funds	\$ 50,628	\$ 49,141
Other	1,748	21,760
Total Restricted Assets	<u>\$ 52,376</u>	<u>\$ 70,901</u>
<b>Net Plant</b>	\$ 2,719,422	\$ 2,568,402
<b>Intangible Assets</b>	<u>\$ 7,896</u>	<u>\$ 7,567</u>
<b>Other Assets</b>	<u>\$ 28,572</u>	<u>\$ 30,405</u>
<b>Total Assets</b>	\$ 3,261,338	\$ 3,130,206
<b>Deferred Outflows of Resources</b>	<u>\$ 30,386</u>	<u>\$ 44,570</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 3,291,724</u>	<u>\$ 3,174,776</u>
<b>Current Liabilities</b>		
Current Bonds Payable	\$ 48,760	\$ 46,035
Accounts Payable	95,479	92,113
Other	107,516	99,885
Total Current Liabilities	<u>\$ 251,755</u>	<u>\$ 238,033</u>
<b>Other Liabilities</b>	\$ 36,658	\$ 41,144
<b>Long-term Debt</b>	<u>\$ 1,234,073</u>	<u>\$ 1,289,202</u>
<b>Total Liabilities</b>	\$ 1,522,486	\$ 1,568,379
<b>Deferred Inflows of Resources</b>	<u>\$ 13,087</u>	<u>\$ 11,777</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>\$ 1,535,573</u>	<u>\$ 1,580,156</u>
<b>Net position</b>		
Net Investment in Capital Assets	\$ 1,440,678	\$ 1,262,232
Restricted for:		
Debt Service	33,195	31,645
Other	33	12
Unrestricted	282,245	300,731
Total Net Position	<u>\$ 1,756,151</u>	<u>\$ 1,594,620</u>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 3,291,724</u>	<u>\$ 3,174,776</u>



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

	Three Months Ended December 31 (thousands)		Six Months Ended December 31 (thousands)	
	2025	2024	2025	2024
<b>Operating Revenue</b>	\$ 283,594	\$ 253,502	\$ 565,518	\$ 505,022
Less: Purchased Energy	(144,294)	(128,242)	(286,913)	(258,236)
Margin on Sales	\$ 139,300	\$ 125,260	\$ 278,605	\$ 246,786
<b>Operating Expenses</b>				
Operations & Maintenance	\$ 52,755	\$ 48,873	\$ 99,348	\$ 96,437
Depreciation & Amortization	27,237	26,067	54,148	52,095
Taxes & Equivalents	11,116	8,841	20,674	19,144
Total Operating Expenses	\$ 91,108	\$ 83,781	\$ 174,170	\$ 167,676
<b>Operating Income</b>	\$ 48,192	\$ 41,479	\$ 104,435	\$ 79,110
<b>Other Revenue (Expenses)</b>				
Interest Income	\$ 3,210	\$ 4,142	\$ 6,565	\$ 7,653
Interest Expense	(11,730)	(12,209)	(23,463)	(23,620)
Other (Net)	755	267	1,582	2,268
Total Other Expenses	(7,765)	(7,800)	(15,316)	(13,699)
<b>Change in Net Position Before Capital Contributions</b>	\$ 40,427	\$ 33,679	\$ 89,119	\$ 65,411
Capital Contributions	3,462	110	5,555	162
<b>Change in Net Position</b>	\$ 43,889	\$ 33,789	\$ 94,674	\$ 65,573

**Statistical Highlights**

	Three Months Ended December 31 (thousands)			Six Months Ended December 31 (thousands)		
	2025	2024	% Change	2025	2024	% Change
Electric Sales (MWh)	1,420	1,402	1%	3,262	3,219	1%
Gas Sales (Dth in 000s)	4,454	4,154	7%	6,304	5,969	6%
Water Sales (Mg)	2,008	2,074	-3%	4,821	4,920	-2%
Wastewater Sales (Mg)	1,553	1,659	-6%	3,623	3,724	-3%
Heating Degree Days	1,224	1,081	13%	1,224	1,083	13%
Cooling Degree Days	49	76	-36%	1,174	1,214	-3%
Avg Temperature	51.9	53.7	-3%	64.4	65.4	-2%
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.



## Second Quarter Financial Report Fiscal Year 2026

### Management Financial Discussion

KUB's change in net position (net income) for the six months ended December 31, 2025, was \$94.7 million, representing an increase of \$29.1 million from the same period last year. The increase was due to an increase in margin on sales, and a higher level of capital contributions.

Margin on sales increased \$31.8 million or 12.9 percent for the fiscal year to date. Electric system margin increased \$19.2 million over the previous fiscal year, the combined result of a 1.3 percent increase in sales volumes and additional revenue from the April 2025 rate increase. Fiber system margin increased \$6.6 million. Natural gas system margin increased \$5.1 million, the result of a 5.6 percent increase in sales volumes. Water system margin increased \$2.1 million, the net result of a 2 percent decrease in sales volumes and additional revenue from the July 2025 rate increase. Wastewater system margin increased \$0.8 million, the result of additional revenue from the July 2025 rate increase.

O&M expenses increased \$2.9 million, reflecting an increase in labor-related expenses, and general contractor expenses. Depreciation and amortization expense increased \$2.1 million. Taxes and Equivalentents increased \$1.5 million.

Fiscal year to date interest expense decreased \$0.2 million. Interest income for the fiscal year to date decreased \$1.1 million compared to the prior year.

KUB's total bonds outstanding as of December 31, 2025, were \$1.2 billion, representing 40.1 percent of KUB's capital structure. This debt level represented a decrease of \$46 million compared to the same period last year.