



Third Quarter Financial Report FY 2026

Statement of Net Position

(unaudited)

As of March 31

(thousands)

	2026	2025
Current assets		
Cash & Equivalents	\$ 208,174	\$ 205,485
Operating Contingency Reserves	135,090	127,555
Accounts Receivable	88,671	81,583
Inventory	29,308	30,811
Other	43,171	36,665
Total Current Assets	<u>\$ 504,414</u>	<u>\$ 482,099</u>
Restricted assets		
Bond Fund	\$ 44,776	\$ 43,370
Unused Bond Proceeds	-	18
Other	1,665	1,900
Total Restricted Assets	<u>\$ 46,441</u>	<u>\$ 45,288</u>
Net Plant	<u>\$ 2,756,957</u>	<u>\$ 2,603,489</u>
Intangible Assets	<u>\$ 7,377</u>	<u>\$ 7,069</u>
Other Assets	<u>\$ 21,453</u>	<u>\$ 21,065</u>
Total Assets	<u>\$ 3,336,642</u>	<u>\$ 3,159,010</u>
Deferred Outflows of Resources	<u>\$ 30,850</u>	<u>\$ 44,885</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 3,367,492</u></u>	<u><u>\$ 3,203,895</u></u>
Current Liabilities		
Current Bonds Payable	\$ 49,310	\$ 46,640
Accounts Payable	99,520	98,778
Other	100,668	93,676
Total Current Liabilities	<u>\$ 249,498</u>	<u>\$ 239,094</u>
Other Liabilities	<u>\$ 37,644</u>	<u>\$ 42,374</u>
Long-term Debt	<u>\$ 1,262,908</u>	<u>\$ 1,272,262</u>
Total Liabilities	<u>\$ 1,550,050</u>	<u>\$ 1,553,730</u>
Deferred Inflows of Resources	<u>\$ 12,805</u>	<u>\$ 11,482</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 1,562,855</u></u>	<u><u>\$ 1,565,212</u></u>
Net position		
Net Investment in Capital Assets	\$ 1,448,437	\$ 1,292,783
Restricted for:		
Debt Service	30,086	28,464
Other	37	17
Unrestricted	326,077	317,419
Total Net Position	<u>\$ 1,804,637</u>	<u>\$ 1,638,683</u>
Total Liabilities, Deferred Inflows, and Net Position	<u><u>\$ 3,367,492</u></u>	<u><u>\$ 3,203,895</u></u>



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

	Three Months Ended March 31 (thousands)		Nine Months Ended March 31 (thousands)	
	2026	2025	2026	2025
Operating Revenue	\$ 315,276	\$ 296,404	\$ 880,794	\$ 801,426
Less: Purchased Energy	(166,584)	(159,688)	(453,497)	(417,924)
Margin on Sales	\$ 148,692	\$ 136,716	\$ 427,297	\$ 383,502
Operating Expenses				
Operations & Maintenance	\$ 57,718	\$ 49,202	\$ 157,066	\$ 145,639
Depreciation & Amortization	27,414	27,056	81,562	79,151
Taxes & Equivalents	10,350	9,595	31,024	28,739
Total Operating Expenses	\$ 95,482	\$ 85,853	\$ 269,652	\$ 253,529
Operating Income	\$ 53,210	\$ 50,863	\$ 157,645	\$ 129,973
Other Revenue (Expenses)				
Interest Income	\$ 3,382	\$ 3,965	\$ 9,947	\$ 11,618
Interest Expense	(11,976)	(12,158)	(35,439)	(35,778)
Other (Net)	595	1,080	2,177	3,348
Total Other Expenses	(7,999)	(7,113)	(23,315)	(20,812)
Change in Net Position Before Capital Contributions	\$ 45,211	\$ 43,750	\$ 134,330	\$ 109,161
Capital Contributions	3,275	312	8,830	474
Change in Net Position	\$ 48,486	\$ 44,062	\$ 143,160	\$ 109,635

Statistical Highlights

	Three Months Ended March 31 (thousands)			Nine Months Ended March 31 (thousands)		
	2026	2025	% Change	2026	2025	% Change
Electric Sales (MWh)	1,434	1,531	-6%	4,696	4,750	-1%
Gas Sales (Dth in 000s)	5,480	6,061	-10%	11,784	12,030	-2%
Water Sales (Mg)	1,936	1,965	-1%	6,757	6,885	-2%
Wastewater Sales (Mg)	1,563	1,605	-3%	5,186	5,329	-3%
Heating Degree Days	1,621	1,860	-13%	2,845	2,943	-3%
Cooling Degree Days	30	6	400%	1,204	1,220	-1%
Avg Temperature	47.1	44.2	7%	58.6	58.3	1%
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.



Third Quarter Financial Report Fiscal Year 2026

Management Financial Discussion

KUB's change in net position (net income) for the nine months ended March 31, 2026, was \$143.2 million, representing an increase of \$33.5 million from the same period last year. The increase was due to increased fiber sales, higher margins from rate increases and additional capital contributions.

Margin on sales increased \$43.8 million or 11.4 percent for the fiscal year to date. Electric system sales margin increased \$29.4 million over the previous fiscal year, the net result of a 1.1 percent decrease in sales volumes and additional revenue from the April 2025 rate increase. Fiber system margin increased \$9.8 million. Natural gas system margin increased \$4.2 million, the net result of a 2.1 percent decrease in sales volumes and additional revenue from the October 2025 rate increase. Water system margin increased \$3.1 million, the net result of a 1.9 percent decrease in sales volumes and additional revenue from the July 2025 rate increase. Wastewater system margin increased \$1 million, the net result of a 2.7 percent decrease in sales volumes and additional revenue from the July 2025 rate increase.

O&M expenses increased \$11.4 million, reflecting an increase in labor-related expenses and contractor expenses. Depreciation and amortization expense increased \$2.4 million. Taxes and Equivalents increased \$2.3 million.

Fiscal year to date interest expense decreased \$0.3 million. Interest income for the fiscal year to date decreased \$1.7 million compared to the prior year.

KUB's total bonds outstanding as of March 31, 2026, were \$1.2 billion, representing 40 percent of KUB's capital structure. This debt level represented a decrease of \$1.6 million compared to the same period last year.