**Valley Rural Utility Company**
**Consolidated Income Statement**
**12/31/2016**

| | DEC TOTAL | DEC BUDGET | YTD TOTAL | YTD BUDGET |
|---|---|---|---|---|
| INCOME AVAILABILITY | $ 6,996.00 | $ 7,282.00 | $ 86,170.00 | $ 87,384.00 |
| INCOME WATER | 38,773.74 | 42,695.00 | 495,474.51 | 512,340.00 |
| INCOME SEWER | 119,122.44 | 126,208.00 | 1,482,105.72 | 1,514,496.00 |
| **TOTAL INCOME** | **$164,892.18** | **$176,185.00** | **$2,063,750.23** | **$2,114,220.00** |

| | | | | | VARIANCE | % | Prediction for Year End |
|---|---|---|---|---|---|---|---|
| PAYROLL & TAXES | $ 37,785.80 | $ 37,010.00 | $ 320,987.50 | $ 319,104.00 | (1,883.50) | (0.59) | ON BUDGET |
| WATER PURCHASES | 14,203.69 | 11,700.00 | 183,713.35 | 170,400.00 | (13,313.35) | (7.81) | ON BUDGET |
| SEWER TREATMENT | 20,533.43 | 24,617.00 | 331,873.77 | 294,954.00 | (36,919.77) | (12.52) | OVER BUDGET |
| MAINT RELATED EXPENSE | 6,622.06 | 4,045.00 | 60,830.27 | 48,540.00 | (12,290.27) | (25.32) | ON BUDGET |
| CHEMICALS | - | 2,167.00 | 17,257.82 | 26,004.00 | 8,746.18 | 33.63 | ON BUDGET |
| CONTRACT SERVICES | 6,508.55 | 3,284.00 | 32,322.68 | 39,408.00 | 7,085.32 | 17.98 | UNDER BUDGET |
| OFFICE RELATED EXPENSE | 2,632.84 | 2,293.00 | 28,101.51 | 27,516.00 | (585.51) | (2.13) | ON BUDGET |
| UTILITIES | 9,337.78 | 9,224.00 | 113,587.94 | 110,688.00 | (2,899.94) | (2.62) | ON BUDGET |
| AUTO & EQUIPMENT EXPENSES | 12,865.23 | 2,730.00 | 45,941.88 | 32,760.00 | (13,181.88) | (40.24) | OVER BUDGET |
| INSURANCE | 7,392.17 | 10,737.00 | 118,375.25 | 116,012.00 | (2,363.25) | (2.04) | OVER BUDGET |
| DEPRECIATION EXPENSE | 34,620.00 | 34,203.00 | 415,023.00 | 410,436.00 | (4,587.00) | (1.12) | SLIGHTLY OVER BUDGET |
| INTEREST EXPENSE (1) | 39,592.82 | 35,834.00 | 482,447.14 | 430,008.00 | (52,439.14) | (12.19) | OVER BUDGET |
| BAD DEBT EXPENSE | - | 314.00 | - | 3,768.00 | 3,768.00 | 100.00 | ON BUDGET |
| MISCELLANEOUS EXPENSES | 693.73 | 787.00 | 7,066.65 | 9,444.00 | 2,377.35 | 25.17 | ON BUDGET |
| (GAIN) LOSS ON DISPOSING OF ASSETS | - | 167.00 | - | 2,004.00 | 2,004.00 | 100.00 | ON BUDGET |
| **TOTAL EXPENSES** | **$192,788.10** | **$179,112.00** | **$2,157,528.76** | **$2,041,046.00** | (116,482.76) | (5.71) | |

| | | | | |
|---|---|---|---|---|
| **NET INCOME (LOSS)** | **$ (27,895.92)** | **$ (2,927.00)** | **$ (93,778.53)** | **$73,174.00** |

(1) Interest Expense will be over budget all year if current trends continue. (Actual payment towards this loan has not changed.)