

RGC Resources, Inc. and Subsidiaries

Condensed Consolidated Statements of Income (Unaudited)

	Three months ended June 30,		Twelve months ended June 30,	
	2017	2016	2017	2016
Revenues	\$ 11,435,824	\$ 11,295,197	\$ 62,104,687	\$ 58,816,430
Cost of sales	4,801,422	4,982,857	29,384,461	27,708,013
Gross margin	6,634,402	6,312,340	32,720,226	31,108,417
Equity in earnings of MVP	111,626	40,562	346,710	95,945
Other operating expenses, net	5,314,933	4,898,141	21,211,306	20,322,849
Interest expense	472,300	396,304	1,816,022	1,591,940
Income before income taxes	958,795	1,058,457	10,039,608	9,289,573
Income tax expense	343,233	431,389	3,821,068	3,592,513
Net income	\$ 615,562	\$ 627,068	\$ 6,218,540	\$ 5,697,060
Net earnings per share of common stock:				
Basic	\$ 0.09	\$ 0.09	\$ 0.86	\$ 0.80
Diluted	\$ 0.08	\$ 0.09	\$ 0.86	\$ 0.80
Cash dividends per common share	\$ 0.1450	\$ 0.1350	\$ 0.5700	\$ 0.5333
Weighted average number of common shares outstanding:				
Basic	7,227,171	7,160,650	7,203,315	7,132,128
Diluted	7,273,840	7,172,712	7,231,321	7,138,514

Condensed Consolidated Balance Sheets
(Unaudited)

	June 30,	
	2017	2016
Assets		
Current assets	\$ 13,125,301	\$ 12,566,358
Total property, plant and equipment, net	144,967,023	127,872,827
Other assets		20,442,433
Total Assets	\$ 178,534,757	\$ 155,096,884
Liabilities and Stockholders' Equity		
Current liabilities	\$ 15,724,775	\$ 23,006,548
Long-term debt		53,084,509
Deferred credits and other liabilities		50,053,773
Total Liabilities	118,863,057	98,548,582
Stockholders' Equity		59,671,700
Total Liabilities and Stockholders' Equity	\$ 178,534,757	\$ 155,096,884