

PA American Water & Municipal Authority of the City of McKeesport
Pro-forma Income Statement for the 12 Months Ended December 31, 2015/2016
(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2016 (Audited)	Municipal Authority of the City of McKeesport Proforma	Proforma
Operating revenues	\$638,539	\$ 13,048	\$ 651,587
Operating expenses			
Operation and maintenance	\$200,233	\$ 6,867	\$ 207,100
Depreciation and amortization	\$102,742	\$ 2,369	\$ 105,111
General taxes and other	\$7,842	\$ -	\$ 7,842
Total Operating Expenses	\$310,817	\$ 9,236	\$ 320,053
Operating income	\$327,722	\$ 3,812	\$ 331,534
Other income/(expenses)			
Other income/(expense), net	(\$364)	(3,146)	\$ (3,510)
Interest expense, net	(66,594)	\$ -	\$ (66,594)
Total Other Expenses	(66,958)	\$ (3,146)	\$ (70,104)
Income before income taxes	\$260,764	\$666	\$ 261,430
Provision for income taxes	\$107,647	\$ 275	\$ 107,922
Net income	\$153,117	\$ 391	\$ 153,508