

MISSOURI-AMERICAN WATER COMPANY, INC.

Statement of Income for the Twelve Months Ended December 9, 2005
Per Books and As Adjusted Giving Effect to the Proposed Financing

	Per Books	Proposed Refinancing	As Adjusted
1 Operating Revenues	164,047,256	-	164,047,256
2			
3 Operating Expenses			
4 Operating and Maintenance Expenses	95,624,673		95,624,673
5 Depreciation and Amortization	14,748,903	-	14,748,903
6 Taxes on Operating Income			
7 Property & Payroll Taxes	12,477,559	-	12,477,559
8 State Income Taxes	9,036,544	12,791 (1)	9,049,335
9 Federal Income Taxes	881,115	81,395 (2)	962,510
10 Tax Savings Acquisition Adjustment	104,006		104,006
11 Total Operating Expenses	132,872,800	94,186	132,966,986
12			
13 Utility Operating Income	31,174,456	(94,186)	31,080,270
14			
15 Other Income:			
16 Allowance for Other Funds Used During Construction	655,729		655,729
17 Miscellaneous Other Income	2,004,363	-	2,004,363
18 Gain (Loss) on Sale of Property	561,999	-	561,999
19 Total Other Income	3,222,091	-	3,222,091
20 Total Income	34,396,547	(94,186)	34,302,361
21			
22 Other Deductions:			
23 Amortization of Utility Plant Acquisition Adjustments	100,129	-	100,129
24 Tax Savings Acquisition Adjustment	(104,006)		(104,006)
25 Miscellaneous Other Deductions	101,939	-	101,939
26 Taxes on Other Income and Deductions:			
27 General	-	-	-
28 State Income	154,269	-	154,269
29 Federal Income	863,905	-	863,905
30 Total Other Deductions	1,116,236	-	1,116,236
31 Income Before Interest Charges	33,280,311	(94,186)	33,186,125
32			
33 Interest Charges			
34 Interest on Long-Term Debt	16,502,092	(245,985) (3)	16,256,107
35 Amortization of Debt Expense	597,421	636 (4)	598,057
36 Interest on Bank Debt	1,224,374		1,224,374
37 Other Interest	5,018		5,018
38 Allowance for Borrowed Funds Used During Construction	(313,073)		(313,073)
39 Total Interest Charges	18,015,832	(245,349)	17,770,483
40			
41			
42 Net Income	15,264,479	151,163	15,415,642
43			
44 Dividends on Preferred Stock	-		-
45			
46 Net Income to Common Stock	15,264,479	151,163	15,415,642

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Narrative Description of Adjustments

1	(1) State Income Taxes		
2	Record state income tax effect at 6.25% on the proposed refinancing of tax exempt debt	\$	12,791
3			
4			
5	(2) Federal Income Taxes		
6	Record federal income tax effect at 35% on the proposed refinancing of tax exempt debt	\$	81,395
7			
8	(3) Interest on Long-Term Debt		
9	Annualize interest expense for Long-Term Debt outstanding after refinancing \$57,490,000	\$	(245,985)
10	of tax exempt debt		
11			
12			
13	(4) Amortization of Debt Expense		
14	Annualize amortization of debt expense for Long-Term Debt outstanding after refinancing \$57,490,000	\$	636
15	of tax exempt debt		
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