

AMERICAN WATER WORKS AND ELECTRIC COMPANY
Incorporated

T D 224
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50 BROAD STREET
NEW YORK



Earnings Statements for 12 Months
ended June 30th, 1936

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American Water Works Incorporated

CONSOLIDATED INCOME ACCOUNT OF COMPANY AND SUBSIDIARIES

Consolidated net income of the American Water Works and Electric Company, Incorporated, and subsidiaries for the year ended June 30, 1936, after all charges including reserves, was \$4,241,357. This is equivalent, after preferred dividends, to \$1.57 a share on the 1,941,945 average number of shares of common stock outstanding during the twelve months' period, after excluding 9,792 shares held in the system. For the year ended June 30, 1935, consolidated net income after similar charges amounted to \$2,713,401, which, after preferred dividends, was equivalent to 87 cents a share on the 1,741,008 shares of common stock which were then outstanding after excluding 9,880 shares held in the system.

	Month of June	1936*	1935
Gross earnings.....		\$4,302,120.46	\$3,840,234.67
Operating expenses, maintenance and taxes.....		2,215,891.45	1,967,869.22
Gross Income.....		\$2,086,229.01	\$1,872,365.45
	Year Ended June 30	1936*	1935
Gross earnings.....		\$49,567,376.53	\$46,674,829.11
Operating expenses, maintenance and taxes.....		25,598,853.05	24,561,973.61
Gross Income.....		\$23,968,523.48	\$22,112,855.50
Less:			
Interest, amortization of discount, etc., of subsidiaries.....		\$8,887,741.27	\$8,823,571.41
Preferred dividends of subsidiaries.....		5,714,439.99	5,713,331.97
		\$14,602,181.26	\$14,536,903.38
Balance		\$9,366,342.22	\$7,575,952.12
Interest, amortization of discount, etc., of American Water Works and Electric Company, Incorporated		1,312,907.56	1,505,084.01
Balance		\$8,053,434.66	\$6,070,868.11
Reserved for renewals, retirements and depletion		3,812,077.76	3,357,467.45
Net Income.....		\$4,241,356.90	\$2,713,400.66
Preferred Dividends		1,200,000.00	1,200,000.00
Balance for common stock and surplus		\$3,041,356.90	\$1,513,400.66

NOTE: In February and March, 1936, \$12,043,000 of Common Stock was issued into common stock of the Company resulting in an increase of the annual savings in fixed charges resulting from the statement for the year ended June 30, 1936, the per share on the basis of the average number of shares outstanding during the year, the actual number of shares outstanding at the end of the year.

*Earnings shown for the year 1936 are before deduction under the Revenue Act of 1936, as the amount of the net income for the year. All figures subject to audit insofar as they concern the year.

This interim statement is issued for informative purposes only and is not to be used for solicitation of an offering of securities.

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and Electric Company

INCOME ACCOUNT OF COMPANY ALONE

Net income of the American Water Works and Electric Company, Incorporated, for the year ended June 30, 1936, after all charges including reserves, was \$2,993,407. This is equivalent, after preferred dividends, to 92 cents a share on the 1,941,945 average number of shares of common stock outstanding during the twelve months' period, after excluding 9,792 shares held in the system. For the year ended June 30, 1935, net income after similar charges amounted to \$2,326,558, which, after preferred dividends, was equivalent to 65 cents a share on the 1,741,008 shares of common stock which were then outstanding, after excluding 9,880 shares held in the system.

The income of the Company alone, referred to above and shown below, includes only so much of the net income of subsidiary companies as has actually been declared out of such subsidiaries to the Company. The difference between the earnings of \$1.57 per share of common stock shown on the consolidated statement and the 92 cents per share shown above represents in general the earnings of the subsidiary companies which have not been declared out in dividends and which remain in the surplus accounts of such subsidiaries, available for dividends to the Company or for the corporate purposes of the subsidiaries as may be from time to time considered to be in the best interest of the respective companies.

	Year Ended June 30	1936*	1935
Income—dividends, interest, etc.		\$5,365,158.06	\$4,857,600.58
Expenses		1,049,837.53	987,594.83
Net Income.....		\$4,315,320.53	\$3,870,005.75
Interest, amortization of discount, etc.		1,321,913.88	1,543,448.15
Balance		\$2,993,406.65	\$2,326,557.60
Preferred Dividends		1,200,000.00	1,200,000.00
Balance for common stock		\$1,793,406.65	\$1,126,557.60

all Trust Bonds of the Company were converted of 602,150 shares outstanding. As the full amount conversion is not reflected in the above earnings earnings on the common stock have been computed during the period, namely, 1,941,945, rather than the old, namely, 2,343,158.

The Federal surtax on undistributed profits imposed surtax can not be finally determined until the end of an earnings for the year 1936.

only and not in connection with any sale or offer to buy any securities