

**THE RAYTOWN WATER COMPANY**  
**Rate Making Income Statement-Water**

Operating Revenues at Current Rates	
Tariffed Rate Revenues *	\$ 3,532,292
Other Operating Revenues *	\$ 385,406
<b>Total Operating Revenues</b>	<b>\$ 3,917,698</b>

\* See "Revenues - Current Rates" for Details

Account No.	Cost of Service	Amount
	<b>Item</b>	
602.000	Purchased Water	\$ 1,347,089
660.000	Operation Supervision & Engineering - T&D	\$ 77,117
662.100	Water Samples	\$ 4,532
663.000	Meter Testing	\$ 219
672.000	Maint. Of Towers / Tower Utilities	\$ 19,095
	Maint. Of Mains / Tools Purch-Rpr / Gen. Supp. / Maint. Of	
673.000	Valves / Line Locates	\$ 211,279
675.000	Maint. Of Services - T&D / Maint of Customer Meter Wells	\$ 34,670
676.000	Maint. Of Meters - T&D / Meter Tools / Equipment	\$ 1,242
677.000	Maint. Of Hydrants - T&D / Hydrant Accident Repairs	\$ 860
902.000	Meter Reading Cust Acct Expense / Uniforms	\$ 117,712
903.000	Customer Accounting / Customer Turn On-Off	\$ 276,839
904.000	Uncollectible Customer Account	\$ 21,270
907.000	Safety Meetings / Safety Equipment	\$ 29,509
920.000	Admin. & General Salaries / Collection Fees Due	\$ 202,633
	Office Supplies & Expenses / Utilities / Print / Postage /	
	Communication Exp / ROW Permits / Leased Off. Equip /	
921.000	Bank Fees	\$ 235,311
	Admin. Expenses Transferred - Credit / Capitalized Labor/	
922.000	Overhead	\$ (30,780)
	Outside Services Employed / Tower Maint. / Vehicle	
	Tracking Subscription / Line Locating / Equip. Maint.	
	Contract / Acct. Svcs / Computer Maint. / Mapping Svc.	
923.000	Bond Iss. Cost	\$ 278,061
924.000	Property Insurance	\$ 39,452
925.000	Injuries & Damages / Mgmt & Empl. Liability	\$ 20,432
926.000	Employee Pensions & Benefits / Emplr401k Contribution	\$ 339,073
928.000	Regulatory Commission Expense	\$ 30,407
930.100	Miscellaneous General Expense	\$ 1,862
930.200	Directors Fees and Expenses / Board Reports	\$ 16,089
930.300	Education Expense	\$ 5,302
930.400	Pre-Employment Drug Screening	\$ 2,916
932.000	Maint. Of General Plant	\$ 21,536
403.000	Depreciation Expense, Dep. Exp.	\$ 434,421
421.000	Amortization of CIAC	\$ (19,476)

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431.100 Interest on Customer Deposits	\$	9,499
431.200 Other Penalty / Interest Expense	\$	1,685
471.100 Sewer - Field Expense	\$	172
471.270 Trash Bag Expense	\$	2,841
408.100 Property Taxes	\$	151,239
408.000 Employer FICA / FUTA / SUTA	\$	63,610
<b>Sub-Total Operating Expenses</b>	<b>\$</b>	<b>3,947,718</b>
409.000 Current Income Taxes	\$	59,273
0.000 Deferred Income Taxes - Def. Inc. Tax	\$	46,539
9333.000 Amortization of Deferred ITC	\$	(2,404)
934.000 Amortization of 2018 Deferred Income Tax (TCJA)	\$	(38,993)
<b>Sub-Total Taxes</b>	<b>\$</b>	<b>64,415</b>
Interest on Long-Term Debt <sup>1</sup>	\$	4,942
Interest on Short-Term Debt <sup>2</sup>	\$	3,773
Return on Equity <sup>3</sup>	\$	379,426
<b>Sub-Total Long-Term Debt &amp; Return On Equity</b>	<b>\$</b>	<b>388,141</b>
<b>Total Cost of Service</b>	<b>\$</b>	<b>4,400,274</b>
<b>Overall Revenue Increase Needed</b>	<b>\$</b>	<b>482,576</b>

<sup>1</sup> Rate Base x Cost of Long-term Debt

<sup>2</sup> Rate Base x Cost of Short-Term Debt

<sup>3</sup> Rate Base x Cost of Equity (Mid-point)

Rate Base	\$	5,314,088
Cost of Long-Term Debt		0.093%
Cost of Short-Term Debt		0.071%
Cost of Equity		7.140%

**THE RAYTOWN WATER COMPANY**  
**Rate Making Income Statement-Water**

Operating Revenues at Current Rates	
Tariffed Rate Revenues *	\$ 3,884,609
Other Operating Revenues *	\$ 424,412
<b>Total Operating Revenues</b>	<b>\$ 4,309,019</b>

\* See "Revenues - Current Rates" for Details

Account No.	Cost of Service	Amount
	<b>Item</b>	
602.000	Purchased Water	\$ 1,396,830
660.000	Operation Supervision & Engineering - TDE	\$ 85,485
662.000	Transmission & Distribution Lines Expenses	\$ 48,616
663.000	Meter Expenses - TDE	\$ 536
672.000	Maint. of Dist. Reservoirs & Standpipes - TDE	\$ 29,512
673.000	Maint. of Transmission & Distribution Mains	\$ 490,641
675.000	Maint. of Services - TDE	\$ 4,584
676.000	Maint. of Meters - TDE	\$ 5,254
677.000	Maint. of Hydrants - TDE	\$ 1,318
902.000	Meter Reading Expenses - CAE	\$ 170,755
903.000	Customer Records & Collection Expenses	\$ 318,392
904.000	Uncollectible Amounts - CAE	\$ 19,648
907.000	Safety Meeting / Safety Equipment	\$ 63,686
920.000	Admin. & General Salaries	\$ 292,954
921.000	Office Supplies & Expenses	\$ 219,075
921.100	ROW Permits	\$ 39,125
922.000	Admin. Expenses Transferred - Credit	\$ (81,821)
923.000	Outside Services Employed	\$ 282,424
923.500	Main GIS Mapping	\$ (1,717)
924.000	Property Insurance	\$ 68,100
925.000	Injuries & Damages	\$ 26,814
926.000	Employee Pensions & Benefits	\$ 344,617
928.000	Regulatory Commission Expenses	\$ 45,475
930.210	Board Reports & Directives	\$ 4,494
930.200	Misc. General Expenses	\$ 29,667
930.300	R & D Expenses (Education)	\$ 13,685
930.400	Pre-Employment Drug Screening	\$ 1,960
932.000	Maint. of General Plant - AGE	\$ 37,014
403.000	Depreciation Expense, Dep. Exp.	\$ 599,613
0.000	Plastic Meters Depreciation Offset	\$ (29,288)
421.000	Amortization of CIAC	\$ (18,131)
431.100	Interest on Customer Deposits	\$ 14,794
431.200	Other Penalty / Interest Expense	\$ 938
471.270	Trash Bag Expense	\$ 3,862

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403.000	EIERA Issuance Costs	\$	7,662
408.100	Property Taxes	\$	144,427
408.000	Employer FICA/FUTA/SUTA	\$	80,063
	<b>Sub-Total Operating Expenses</b>	<b>\$</b>	<b>4,761,063</b>
0.000	Current Income Taxes	\$	(177,703)
0.000	Deferred Income Taxes - Def. Inc. Tax	\$	28,382
0.000	Additional Current Tax Required	\$	280,070
934.000	Amortization of 2018 Deferred Tax (TCJA)	\$	(29,939)
	<b>Sub-Total Taxes</b>	<b>\$</b>	<b>100,810</b>
	Interest on Long-Term Debt <sup>1</sup>	\$	130,220
	Interest on Preferred Stock <sup>2</sup>	\$	44,077
	Return on Equity <sup>3</sup>	\$	447,631
	<b>Sub-Total Long-Term Debt &amp; Return On Equity</b>	<b>\$</b>	<b>621,928</b>
	<b>Total Cost of Service</b>	<b>\$</b>	<b>5,483,801</b>
	<b>Overall Revenue Increase Needed</b>	<b>\$</b>	<b>1,174,782</b>

<sup>1</sup> Rate Base x Cost of Long-term Debt

<sup>2</sup> Rate Base x Cost of Preferred Stock

<sup>3</sup> Rate Base x Cost of Equity (Mid-point)

Rate Base	\$	9,144,649
Cost of Long-Term Debt		1.424%
Cost of Preferred Stock		0.482%
Cost of Equity		4.895%