SSC CPAs, P.A.

RURAL WATER DISTRICT NO. 3

DOUGLAS COUNTY, KANSAS

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025 AND 2024

Table of Contents

	Page Number
Independent Auditor's Report	1 – 2
Financial Statements:	
Statements of Net Position	3
Statements of Revenues, Expenses, and Change in Net Position	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 – 11
Supplemental information:	
Insurance Coverage (unaudited)	12 - 13
Customers Served (unaudited)	14

SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Directors
Rural Water District No. 3
Douglas County, Kansas

Opinion
We have audited the accompanying financial statements of Rural Water District No. 3, Douglas County, Kansas as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Rural Water District No. 3, Douglas County, Kansas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rural Water District No. 3, Douglas County, Kansas as of December 31, 2025 and 2024, and the changes in its net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rural Water District No. 3, Douglas County, Kansas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter
As discussed in Note 10 to the financial statements, the District has expended large amounts in legal fees related to the ongoing lawsuits resulting in a large decrease in unrestricted net assets as of December 31, 2025. Management's evaluation of the events and conditions and management's plans to mitigate those matters are also described in Note 10. Our opinion is not modified with respect to the matters.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rural Water District No. 3, Douglas County, Kansas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when

it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rural Water District No. 3, Douglas County, Kansas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rural Water District No. 3, Douglas County, Kansas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Rural Water District No. 3, Douglas County, Kansas' basic financial statements. The supplemental information on pages 13-15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 3, 2026

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF NET POSITION

December 31,	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,310,789	1,703,304
Certificates of deposit	2,341	102,254
Accounts receivable, net of allowance of $856,701 and $856,701, respectively	472,710	464,741
Prepaid expenses	220,044	206,149
Material inventory	159,493	159,493
Total current assets	2,165,377	2,635,941
Long-term assets		
Capital assets, net	6,975,970	7,242,589
Total long-term assets	6,975,970	7,242,589
Restricted assets		
Principal and interest account	298,287	317,334
KPWS loan reserve	136,412	136,412
Bond reserve account	673,451	650,387
Total restricted assets	1,108,150	1,104,133
TOTAL ASSETS	$ 10,249,497	$ 10,982,663
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	$ 91,548	$ 99,050
Accrued payroll and related liabilities	31,797	47,470
Current portion of long-term debt	565,899	554,505
Accrued interest	38,028	38,028
Total current liabilities	727,272	739,053
Long-term liabilities		
Long-term debt, less current maturities	2,733,797	3,299,696
Total liabilities	3,461,069	4,038,749
Net position		
Invested in capital assets, net of related debt		
Tri-District	1,942,854	2,020,567
Other	1,733,420	1,367,821
Restricted		
Tri-District	1,966,779	1,820,061
Debt service	1,070,122	1,066,105
Unrestricted	75,253	669,360
Total net position	6,788,428	6,943,914
TOTAL LIABILITIES AND NET POSITION	$ 10,249,497	$ 10,982,663

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

For the years ended December 31,	2025	2024
REVENUES		
Water sales	$ 2,820,991	$ 2,971,315
Fixed cost recovery	425,508	463,290
Other operating revenue	144,545	142,264
Total operating revenue	3,391,044	3,576,869
EXPENSES		
Water purchases	295,555	160,122
Salaries, benefits and payroll taxes	789,724	693,758
Chemicals and supplies	291,299	239,876
Meter reading	11,711	-
Repairs and maintenance	461,583	355,297
Professional and other services	651,261	197,028
Utilities	172,765	167,016
Insurance	103,720	114,746
Truck and mileage	51,608	52,832
Office supplies and rent	59,110	59,822
Director's fees	10,450	9,050
Dues and fees	18,909	15,223
Depreciation and amortization	770,990	767,163
Other	16,553	13,710
Total expenses	3,705,238	2,845,643
Operating income (loss)	(314,194)	731,226
Other income (expense)		
New meters	202,750	120,000
Interest income	52,087	46,959
Interest expense	(96,129)	(99,955)
Total other income (expense)	158,708	67,004
Change in net position	(155,486)	798,230
Net position, beginning of year	6,943,914	6,145,684
Net position, end of year	$ 6,788,428	$ 6,943,914

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 3,238,530	$ 3,197,328
Payments to suppliers for goods and services	(2,165,921)	(1,343,502)
Payments to employees from payroll	(805,397)	(677,946)
Other operating receipts	144,545	142,264
NET CASH PROVIDED BY OPERATING ACTIVITIES	411,757	1,318,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	52,574	46,959
Increase in debt reserve funds	(4,017)	(25,575)
Proceeds from certificates of deposits	99,427	(3,719)
NET CASH PROVIDED BY INVESTING ACTIVITIES	147,984	17,665
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long term capital debt	(554,505)	(538,142)
Interest paid on long term capital debt	(96,129)	(110,586)
Benefit units sold	202,750	120,000
Purchase of capital assets	(504,372)	(724,662)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(952,256)	(1,253,390)
Net increase (decrease) in cash and cash equivalents	(392,515)	82,419
Cash and cash equivalents, beginning of year	1,703,304	1,620,885
Cash and cash equivalents, end of year	$ 1,310,789	$ 1,703,304
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	$ (314,194)	$ 731,226
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	770,990	767,163
Decrease in operating assets:		
Accounts receivable, net	(7,969)	(237,277)
Prepaid expenses	(13,895)	(11,087)
Increase (decrease) in operating liabilities:		
Accounts payable	(7,502)	52,307
Accrued payroll and related liabilities	(15,673)	15,812
Net cash provided by operating activities	$ 411,757	$ 1,318,144

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

1. FINANCIAL REPORTING ENTITY

Rural Water District No. 3, Douglas County, Kansas (the District) was organized on January 11, 1965 by order of the Board of County Commissioners, Douglas County, Kansas. The District, is a Kansas quasi-municipality, pursuant to K.S.A. 82a-12 *et seq*. The District was organized to provide water for residents within the District and is exempt from federal and state income taxes.

In August 1979, the District executed an agreement with Rural Water District No. 5, Osage County, Kansas and Rural Water District No. 8, Shawnee County, Kansas to establish the Tri-District Committee (Tri-District) for purposes of constructing and managing an intake structure, pumping facilities, and a water treatment plant at Clinton Lake in Douglas County, Kansas for the treatment and distribution of water to each of the three districts. The title to all assets and the liability for all financing is in the name of Rural Water District No. 3, Douglas County, Kansas.

All water agreements entered into by and among the District, Rural Water District No. 5, Osage County, and Rural Water District No. 8, Shawnee County, Kansas have expired by mutual agreement of the three districts.

Management and district legal counsel have determined that the Tri-District Committee does not constitute a legal entity, and therefore, has no power to contract, sue or to be sued. The water right being utilized to take water from Clinton Lake, the plant site, and plant facilities are all presently in the name of the District. Similarly, all obligations for indebtedness are on the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
The financial statements of the District have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when they are incurred.

Cash and cash equivalents
The District considers all unrestricted cash and money market accounts to be cash or cash equivalents. Investments in certificates of deposit are recorded as certificates of deposit and are not included in cash or cash equivalents.

Restricted assets
Certain proceeds of the revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Accounts receivable
Accounts receivable arise from the sale of water and represent amounts not yet received. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for doubtful accounts. Allowances are estimated based management's determination of accounts that may be uncollectible due to age or other factors. The allowance for doubtful accounts was $856,701 at December 31, 2025 and 2024, which is comprised of two customers with past due amounts greater than one year. A suit has been filed by the District against these two customers as discussed in Note 9.

Inventory
Inventory consists of miscellaneous parts and is valued at the lower of cost or market. Cost is determined on a weighted average basis.

Capital assets

Capital assets are recorded at cost greater than or equal to $2,500. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets as follows:

Water systems	40 years
Furniture and equipment	5-10 years
Vehicles	5-10 years

The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

Net position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenue recognition

Operating revenues consist of those revenues that result from the ongoing principal operations of the District and are recognized when earned. Water sales to customers and other districts are the primary source of revenue. Revenues from line extensions and the sale of meters are deferred until the District has completed the line extensions and set the meters.

Compensated absences

The District accrues for the costs of compensated absences to the extent that the employee’s right to receive payment relates to service already rendered, payment is probable, and the amount can be reasonably estimated.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DEPOSITS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2025.

At December 31, 2025, the District's carrying amount of deposits was $2,421,280 and the bank balance was $2,472,165. Of the bank balance, $636,412 was covered by federal depository insurance and $1,835,753 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

4. CAPITAL ASSETS

Capital assets, together with activity for the years ended December 31, 2025 and 2024 consisted of the following:

	2024	Additions	Reductions	2025
Land	$ 235,573	$ 71,251	$ -	$ 306,824
Water system	14,194,804	653,229	-	14,848,033
Furniture and equipment	309,441	-	-	309,441
Tri-District water system	9,593,798	132,479	-	9,726,277
Vehicles	327,294	-	-	327,294
Construction in process	352,587	-	(352,587)	-
	25,013,497	856,959	(352,587)	25,517,869
Less: depreciation	(17,770,908)	(770,990)	-	(18,541,898)
Net capital assests	$ 7,242,589	$ 85,968	$ (352,587)	$ 6,975,970

	2023	Additions	Reductions	2024
Capital Assets:				
Land	$ 235,573	$ -	$ -	$ 235,573
Water system	13,939,622	255,182	-	14,194,804
Furniture and equipment	298,178	11,263	-	309,441
Tri-District water system	9,488,167	105,631	-	9,593,798
Vehicles	327,295	-	-	327,295
Construction in process	-	352,587	-	352,587
	24,288,835	724,662	-	25,013,497
Less: depreciation	(17,003,745)	(767,163)	-	(17,770,908)
Net capital assests	$ 7,285,090	$ (42,501)	$ -	$ 7,242,589

Depreciation expense for the years ended December 31, 2025 and 2024 was $770,990 and $767,163, respectively.

5. LONG-TERM DEBT

Long-term debt consists of Water System Revenue Bonds and a note payable to Kansas Department of Health and Environment, payable in semi-annual payments set to mature August 1, 2029 and August 1, 2040, respectively. The Water System Revenue Bonds are secured by utility revenues.

The following is a detailed listing of the District's long-term debt:

Debt Issue	Date Issued	Original Amount	Interest Rate
Revenue Bonds - WUSRB	5/16/2013	$7,525,000	2.90%
Note payable - KPWS	8/15/2018	$1,364,123	2.33%

The following is a summary of changes in long-term debt for the year ended December 31, 2025:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds - WUSRB	$ 2,715,000	$ -	$ 495,000	$ 2,220,000
Note payable - KPWS	1,139,201	-	59,505	1,079,696
Total	$ 3,854,201	$ -	$ 554,505	$ 3,299,696

The following is a summary of changes in long-term debt for the year ended December 31, 2024:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds - WUSRB	$ 3,195,000	$ -	$ 480,000	$ 2,715,000
Note payable - KPWS	1,197,343	-	58,142	1,139,201
Total	$ 4,392,343	$ -	$ 538,142	$ 3,854,201

The annual debt service requirements to maturity as of December 31, 2025 is as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 565,899	$ 56,565	$ 622,464
2027	582,327	42,795	625,122
2028	598,787	28,687	627,474
2029	725,282	30,719	756,001
2030	66,812	16,054	82,866
2031-2035	358,295	59,675	417,970
2036-2040	402,294	22,285	424,579
	$ 3,299,696	$ 256,780	$ 3,556,476

The District has certain loan covenants within the bond resolution requiring total revenue available for debt service, as defined in the bond agreement, of at least 110% of debt requirements for the revenue bond and 125% of debt requirements for the KDHE loan. These requirements were met for the years ended December 31, 2025 and 2024, respectively. Depreciation is removed from the operating expenses as per the bond agreement for the purposes of the covenant calculations. For 2025, legal expenses have also been excluded from the bond covenant calculation. The District last approved a rate increase effective February 1, 2024.

Interest expense on long-term debt totaled $96,129 and $99,955 for the years ended December 31, 2025 and 2024, respectively.

6. RETIREMENT PLAN

The District maintains a defined contribution plan covering all eligible employees. The District contributes seven percent of the employee's gross wages to the plan on a monthly basis. Employees are eligible for plan participation once they have reached 21 years of age and have been employed for more than one year. For the years ended December 31, 2025 and 2024, retirement plan expense was $38,247 and $27,440 respectively.

7. WATER PURCHASE CONTRACTS

Effective December 14, 2021, the District entered into a new twenty-year variable rate contract with the Kansas Water Office. The new contract allows for the District to withdraw a maximum of 650.0 million gallons of raw water each year. The price per one thousand gallons will be reviewed annually and changes to the rate will be set by July 15 with an effective rate of January 1 of the following year. The rate was set at $0.514 and $0.473 per one thousand gallons for the years ending December 31, 2025 and 2024, respectively.

8. CONCENTRATION OF CREDIT RISK

The District is engaged in the sale of water to customers located in an area around Douglas County, Kansas. The District grants credit to those customers and requires no collateral. Therefore, the maximum amount at risk is the carrying value. At December 31, 2025, two customers accounted for 41% of total net accounts receivable. In addition, two customers accounted for 30% of total revenue for the District at December 31, 2025.

9. LAWSUIT

In 2019, the District was named in a lawsuit claiming breach of contract by Osage Rural Water District No. 5 ("Osage 5") and Shawnee Rural Water District No. 8 ("Shawnee 8"). In 2021, a settlement agreement was entered into by the three districts and the lawsuit was dismissed.

In 2024, the District filed suit against Osage 5 and Shawnee 9 to resolve the water rights and claims by and among the three districts. Osage 5, Shawnee 8 and the Tri-District Water Authority have all filed counterclaims against the District in the 2024 suit. The District Court for Douglas County entered a Temporary Injunction which compels the District to continue to provide water service to Osage 5 and Shawnee 8 under terms which the District maintains is causing it to suffer a loss on such water sales.

The District appealed the District's Court's Order, but the Court of Appeals sustained the District Court's injunction. The District did not seek to have that decision reviewed. Because of the appeal, the District Court vacated its earlier orders as to when the trial would occur. In September 2025, the Court moved the trial from December 2025 to April 2026; but by way of a November 10, 2025 Order, then removed the trial completely from the Court's calendar. The matter now is set for a Status Conference in March 2026 for the District Court to set dates to decide pending motions and to conduct the trial. Additionally, the Court will determine whether the trial of the case will include questions for a jury to decide. Counsel believes that the case will not be tried until early in 2027.

The District and its attorneys are pressing to resolve the case through a mediated settlement process.

10. RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District joined together with other entities in the State to participate in Employers Mutual Insurance Corp. (EMC), a public entity risk pool currently operating as a common risk management and insurance program for the participating members.

The District pays an annual premium to EMC for its insurance coverage. The agreement to participate provides that EMC will be self-sustaining through member premiums. Additional premiums may be due if total claims for the pool are different than what has been anticipated by EMC management.

The District has experienced significant legal costs from the ongoing lawsuit noted in Note 9. Unrestricted net assets have decreased substantially and management has developed a plan to continue using savings and reserves until such time as rate increases are needed and/or borrowing money to pay legal costs.

11. RELATED PARTIES

During the year ended December 31, 2025, there were three employees related to two different board members. The contractor for the new shop project is a board member and related to an employee. Related party transactions were $97,019 and $40,000 for the year ended December 31, 2025 and 2024, respectively.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 3, 2026, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that would require recognition in the financial statements.

SUPPLEMENTAL INFORMATION

RURAL WATER DISTRICT NO. 3

INSURANCE COVERAGE (UNAUDITED)

Property Covered	Premium	Coverage	Expiration date
RURAL WATER DISTRICT NO.3			
Commercial property: (9A5-76-22-26)	$ 23,736	100% Coinsurance	6/2/2026
All locations		$ 10,000,498	
General liability: (9D5-76-22-26)	$ 5,256		6/2/2026
Aggregate Limit -			
General		$ 1,000,000	
Products/Completed operations		$ 1,000,000	
Each occurrence limit		$ 500,000	
Personal and advertising injury		$ 500,000	
Damage to premises rent (per premises)		$ 300,000	
Medical expense (per person)		$ 5,000	
Public Employee Dishonesty: (9F5-76-22-26)	$ 514		6/2/2026
Per loss		$ 450,000	
Commercial Inland Marine: (9M5-76-22-26)	$ 2,930		6/2/2026
Contractor Equipment		$ 100,000	
Scheduled property floater		$ 130,000	
Commercial Auto: (9E5-76-22-26)	$ 7,182		6/2/2026
Liability insurance (per loss)		$ 500,000	
Worker's compensation: (9H5-76-22-26)	$ 9,419		6/2/2026
Bodily injury by accident		$ 500,000	
Bodily injury by disease (per employee)		$ 500,000	
Bodily injury by disease (policy limit)		$ 500,000	
Directors' and Officers' Liability: (9K5-76-22-26)	$ 5,127	$ 1,000,000	6/2/2026
Cyber security: (BBC6131 - 26)	$ 1,127	$ 500,000	6/2/2026

RURAL WATER DISTRICT NO. 3

INSURANCE COVERAGE (UNAUDITED)

Property Covered	Premium	Coverage	Expiration date
TRI-DISTRICT			
Commercial property: (9A5-39-69-26)	$ 46,513	90% Coinsurance	4/10/2026
Building and personal property		$ 23,819,164	
Loss of income			
General liability: (9D5-39-69-26)	$ 3,179		4/10/2026
Aggregate Limit -			
General		$ 1,000,000	
Products/Completed operations		$ 1,000,000	
Personal and advertising injury		$ 500,000	
Damage to premises rent (per premises)		$ 300,000	
Medical expense (per person)		$ 5,000	
Inland Marine: (9C5-39-69-26)	$ 1,306		4/10/2026
Hardware		$ 10,000	
Programs, applications and media		$ 7,500	
Scheduled property floater		$ 80,644	
Commercial Auto: (9E5-39-69-26)	$ 4,325		4/10/2026
Liability insurance (per loss)		$ 500,000	

RURAL WATER DISTRICT NO. 3

CUSTOMERS SERVED (UNAUDITED)

DECEMBER 31, 2025

	Beginning of the year	End of the year
Number of meters	1,978	1,995
Estimated number of customers served	4,945	4,987