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, 2021 AND 2020

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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 financial statements of Rural Water District No. 3, Douglas County, Kansas as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompany 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, 2021 and 2020, and the changes in financial position and its cash flows 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.

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 12-14 are presented for purposes of additional analysis and are 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

February 24, 2022

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF NET POSITION

December 31,	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 910,728	$ 1,083,757
Certificates of deposit	96,322	93,290
Accounts receivable, net of allowance of $800,047 and $565,844, respectively	229,180	245,099
Prepaid expenses	175,271	61,008
Material inventory	213,089	315,255
Total current assets	1,624,590	1,798,409
Long-term assets		
Water rights, net	12,584	20,974
Capital assets, net	8,640,278	9,186,583
Total long-term assets	8,652,862	9,207,557
Restricted assets		
Principal and interest account	300,593	298,282
KPWS loan reserve	136,412	136,412
Bond reserve account	622,367	614,511
Total restricted assets	1,059,372	1,049,205
TOTAL ASSETS	$ 11,336,824	$ 12,055,171
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	$ 58,941	$ 68,677
Accrued payroll and related liabilities	15,602	7,642
Current portion of long-term debt	510,510	499,459
Accrued interest	59,009	51,300
Total current liabilities	644,062	627,078
Long-term liabilities		
Long-term debt, less current maturities	4,914,154	5,424,664
Total liabilities	5,558,216	6,051,742
Net position		
Invested in capital assets, net of related debt		
Tri-District	2,403,693	2,597,624
Other	811,921	664,836
Restricted		
Tri-District	335,446	292,491
Debt service	1,000,363	997,905
Unrestricted	1,227,185	1,450,573
Total net position	5,778,608	6,003,429
TOTAL LIABILITIES AND NET POSITION	$ 11,336,824	$ 12,055,171

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

For the years ended December 31,	2021	2020
REVENUES		
Water sales	$ 2,184,143	$ 2,446,432
Fixed cost recovery	330,684	279,229
Other revenue	22,799	29,021
Less: allowance for bad debt	(234,204)	(304,764)
Total operating revenue	2,303,422	2,449,918
EXPENSES		
Water purchases	37,522	73,875
Salaries, benefits and payroll taxes	484,679	483,238
Chemicals and supplies	311,846	155,374
Meter reading	8,395	11,672
Repairs and maintenance	310,588	507,928
Professional and other services	32,025	58,813
Utilities	203,332	151,729
Insurance	83,559	74,958
Truck and mileage	40,999	35,590
Office supplies and rent	44,710	43,350
Director's fees	10,400	9,950
Dues and fees	15,182	15,965
Depreciation and amortization	915,450	951,015
Other	4,445	26,544
Total expenses	2,503,132	2,600,001
Operating loss	(199,710)	(150,083)
Other revenues (expenses)		
New meters	121,173	121,518
Interest income	12,236	11,482
Interest expense	(158,345)	(129,676)
Grant revenue	-	355,091
Gain (loss) on capital assets	(175)	4,117
Total other income (expense)	(25,111)	362,532
CHANGE IN NET POSITION	(224,821)	212,449
Net position, beginning of year	6,003,429	5,790,980
Net position, end of year	$ 5,778,608	$ 6,003,429

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 2,296,367	$ 2,384,711
Payments to suppliers for goods and services	(1,124,836)	(1,224,776)
Payments to employees from payroll	(476,719)	(480,487)
Other operating receipts	22,799	29,021
NET CASH PROVIDED BY OPERATING ACTIVITIES	717,611	708,469
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	12,236	11,482
Increase in debt reserve funds	(10,167)	(14,950)
Net change in investments	(3,032)	(1,513)
NET CASH USED IN INVESTING ACTIVITIES	(963)	(4,981)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long term capital debt	(499,459)	(430,000)
Interest paid on long term capital debt	(150,636)	(134,513)
Loan proceeds	-	511,785
Benefit units sold	121,173	121,518
Proceeds from sale of capital assets	800	9,250
Grant proceeds	-	355,091
Purchase of capital assets	(361,555)	(711,342)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(889,677)	(278,211)
Net increase (decrease) in cash and cash equivalents	(173,029)	425,277
Cash and cash equivalents, beginning of year	1,083,757	658,480
Cash and cash equivalents, end of year	$ 910,728	$ 1,083,757
Reconciliation of operating income to net cash provided by operating activities		
Operating loss	$ (199,710)	$ (150,083)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	915,450	951,015
(Increase) decrease in operating assets:		
Accounts receivable	15,919	(36,186)
Inventory	102,166	(63,541)
Prepaid expenses	(114,263)	(6,222)
Increase (decrease) in operating liabilities:		
Accounts payable	(9,736)	10,735
Accrued payroll and related liabilities	7,785	2,751
Net cash provided by operating activities	$ 717,611	$ 708,469

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, a Kansas municipality, 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. As such, these financial statements reflect the combined operations of the District and the Tri-District.

The amended Tri-District agreement stipulates that Rural Water District No. 5, Osage County, Kansas is entitled to purchase 30 percent of the treated water for which it agreed to pay 30 percent of the costs of constructing and maintaining the facility, and that Rural Water District No. 8, Shawnee County, Kansas is entitled to purchase 35 percent on the same basis. Rural Water District No. 3, Douglas County, Kansas is entitled to the remaining 35 percent on the same basis.

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. However, the District would have a right of indemnification against the other two districts pursuant to the Tri-District Committee Agreements.

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 are stated at the unpaid balance. Uncollected water service receivables are recorded at year end. The District considers accounts receivable to be fully collectible; however, in the event accounts become uncollectible, they are charged to operations at the time that determination is made. At December 31, 2021 and 2020, the allowance for uncollectible accounts was $800,047 and $565,844, respectively. As discussed in Note 9, the District was involved in litigation with the two customers who make up the entire allowance for the uncollectible accounts balance.

Inventory
Inventory consists of miscellaneous parts and is recorded at historical cost.

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:

Office equipment	5-10 years
Plant and equipment	5-40 years

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

Net assets
Net assets comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net assets are classified in the following three components:

Invested in Capital Assets, Net of Related Debt - This component of net assets 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 assets component as the unspent proceeds.

Restricted - This component of net assets 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 assets consists of net assets 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. 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 extend 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.

At December 31, 2021, the District's carrying amount of deposits was $1,933,808 and the bank balance was $1,930,208. Of the bank balance, $500,000 was covered by federal depository insurance and $1,430,808 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, 2021 and 2020 consisted of the following:

	2020	Additions	Reductions	2021
Capital Assets:				
Land	$ 235,573	$ -	$ -	$ 235,573
Water system	13,660,076	1,333,782	(1,054,236)	13,939,622
Furniture and equipment	261,714	39,283	(17,693)	283,304
Tri-District water system	9,531,248	42,342	(226,392)	9,347,198
Vehicles	236,685	33,844	(3,200)	267,329
Construction in process	1,087,520	-	(1,087,520)	-
	25,012,816	1,449,251	(2,389,041)	24,073,026
Less: Depreciation	(15,826,233)	(907,060)	1,300,545	(15,432,748)
Net capital assets	$ 9,186,583	$ 542,191	$ (1,088,496)	$ 8,640,278

	2019	Additions	Reductions	2020
Capital Assets:				
Land	$ 227,786	$ 7,787	$ -	$ 235,573
Water system	13,660,076	-	-	13,660,076
Furniture and equipment	187,912	73,802	-	261,714
Tri-District water system	9,525,210	6,038	-	9,531,248
Vehicles	213,019	45,666	(22,000)	236,685
Construction in process	509,471	578,049	-	1,087,520
	24,323,474	711,342	(22,000)	25,012,816
Less: Depreciation	(14,900,475)	(942,625)	16,867	(15,826,233)
Net capital assets	$ 9,422,999	$ (231,283)	$ (5,133)	$ 9,186,583

Depreciation expense for the years ended December 31, 2021 and 2020 is $907,060 and $942,625, respectively.

5. LONG-TERM DEBT

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

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 - KPWSLF	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, 2021:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds – WUSRB	$ 4,560,000	$ -	$ 445,000	$ 4,115,000
KDHE Loan – KPWSLF	1,364,123	-	54,459	1,309,664
Total	$ 5,924,123	$ -	$ 499,459	$ 5,424,664

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds – WUSRB	$ 4,990,000	$ -	$ 430,000	$ 4,560,000
KDHE Loan – KPWSLF	795,473	568,650	-	1,364,123
Total	$ 5,785,473	$ 568,650	$ 430,000	$ 5,924,123

The annual debt service requirements to maturity as of December 31, 2021 is as follows:

Year Ending December 31,	Principal	Interest	Total
2022	$ 510,510	$ 112,604	$ 623,114
2023	521,811	100,055	621,866
2024	538,142	87,165	625,307
2025	554,505	92,193	646,698
2026	565,899	77,643	643,542
2027-2031	2,041,586	171,468	2,213,054
2032-2036	366,692	52,540	419,232
2037-2040	325,519	14,698	340,217
	$ 5,424,664	$ 708,366	$ 6,133,030

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. This requirement was met for the years ended December 31, 2021 and 2020, respectively. The District last approved a rate increase effective March 1, 2020.

Interest expense on long-term debt totaled $158,345 and $129,676 for the years ended December 31, 2021 and 2020 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, 2021 and 2020, retirement plan expense was $25,657 and $25,521 respectively.

7. WATER PURCHASE CONTRACTS

On December 13, 1979, the District entered into a water purchase contract with the Kansas Water Resource Board to withdraw water from Clinton Lake. The contract allows the District to withdraw a maximum of 720.0 million gallons of raw water each year.

Effective December 13, 1989, the price of water increased to $0.1753 per each one-thousand gallons withdrawn. However, the District's contract was negotiated under statutes that limited the charge to no less than $0.05 and no more than $0.10 per one-thousand gallons. Therefore, the adjusted rate for water under the contract will be $0.10 per one thousand gallons for the period December 13, 1989 through December 13, 2021.

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 for fiscal year 2022 was set at $0.454 per one thousand gallons.

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, 2021 two customers, Osage Rural Water District No. 5 and Shawnee Rural Water District No. 8, accounted for 85% of total accounts receivable.

9. LAWSUIT

In 2019, the District was named in a lawsuit claiming breach of contract by Osage Rural Water District No. 5 and Shawnee Rural Water District No. 8. During the current year, a settlement agreement was entered into by the three districts and the lawsuit has been dismissed. Under the terms of the agreement, the three Districts are working towards establishing the Tri-District as its own legal entity. The settlement did not result in the District paying any funds or incurring any direct financial obligations, nor did the District receive any direct payment as a result.

10. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The District has restated its previously issued 2020 financial statements to correct water revenue and bad debt expense. The effect on the previously reported financial statements for 2020 was a decrease to water revenue and bad debt expense for $267,698. The restatement did not have an effect on previously reported change in net position.

11. RISKS AND UNCERTAINTIES

During the year ended December 31, 2020, a pandemic was declared due to the outbreak of the COVID-19 coronavirus. As a result of significant disruptions in the U.S. economy due to the outbreak, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

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.

12. COMPLIANCE WITH KANSAS STATUTES

Management is aware of no statutory violations for the period covered by the audit.

13. COMMITMENTS

The District has contractual commitments at December 31, 2021, of approximately $75,000 related to capital improvements projects.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 24, 2022, 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: (9A5-76-22-21)	$ 16,864	100% Coinsurance	6/2/2022
All locations		6,363,927	
General liability: (9D5-76-22-21)	$ 3,522		6/2/2022
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	
Commercial Auto: (9E5-76-22-21)	$ 5,215		6/2/2022
Liability insurance (per loss)		500,000	
Worker's compensation: (9H5-76-22-21)	$ 8,589		6/2/2022
Bodily injury by accident		500,000	
Bodily injury by disease (per employee)		500,000	
Bodily injury by disease (policy limit)		500,000	
Public Employee Dishonesty: (9F5-76-22-21)	$ 649		6/2/2022
Per loss		450,000	
Directors' and Officers' Liability: (9K5-76-22-21)	$ 5,300	1,000,000	6/2/2022
Commercial Inland Marine: (9M5-76-22-21)	$ 2,099		6/2/2022
Contractor Equipment		25,000	
Scheduled property floater		90,000	

RURAL WATER DISTRICT NO. 3

INSURANCE COVERAGE (UNAUDITED)

Property Covered		Premium	Coverage	Expiration date
TRI-DISTRICT				
Commercial property: (9A5-39-69-21)	$	33,300	100% Coinsurance	4/10/2022
Building and personal property			15,345,975	
Loss of income				
General liability: (9D5-39-69-21)	$	2,705		4/10/2022
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: (9C5-39-69-21)	$	1,061		4/10/2022
Hardware			10,000	
Programs, applications and media			7,500	
Scheduled property floater			80,644	
Commercial Auto: (9E5-39-69-21)	$	3,681		4/10/2022
Liability insurance (per loss)			500,000	

RURAL WATER DISTRICT NO. 3

CUSTOMERS SERVED (UNAUDITED)

DECEMBER 31, 2021

	Beginning of the year	End of the year
Number of meters	1,940	1,955
Estimated number of customers served	4,850	4,880