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, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022, and the changes in financial 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.

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 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
February 19, 2024

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF NET POSITION

December 31,	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,620,885	$ 1,276,028
Certificates of deposit	98,535	96,675
Accounts receivable, net of allowance		
of $856,701 and $849,531, respectively	227,464	227,536
Prepaid expenses	195,062	182,414
Material inventory	159,493	213,089
Total current assets	2,301,439	1,995,742
Long-term assets		
Water rights, net	-	4,194
Capital assets, net	7,285,090	7,987,755
Total long-term assets	7,285,090	7,991,949
Restricted assets		
Principal and interest account	312,271	304,871
KPWS loan reserve	136,412	136,412
Bond reserve account	629,875	626,110
Total restricted assets	1,078,558	1,067,393
TOTAL ASSETS	$ 10,665,087	$ 11,055,084
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	$ 46,743	$ 23,836
Accrued payroll and related liabilities	31,658	21,240
Current portion of long-term debt	538,142	521,811
Accrued interest	48,659	53,890
Total current liabilities	665,202	620,777
Long-term liabilities		
Long-term debt, less current maturities	3,854,201	4,392,343
Total liabilities	4,519,403	5,013,120
Net position		
Invested in capital assets, net of related debt		
Tri-District	2,122,438	2,308,840
Other	770,309	764,761
Restricted		
Tri-District	1,143,681	715,139
Debt service	1,029,899	1,013,503
Unrestricted	1,079,357	1,239,721
Total net position	6,145,684	6,041,964
TOTAL LIABILITIES AND NET POSITION	$ 10,665,087	$ 11,055,084

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

For the years ended December 31,	2023	2022
REVENUES		
Water sales	$ 2,455,568	$ 2,314,587
Fixed cost recovery	350,450	335,075
Other operating revenue	147,212	32,776
Less: allowance for bad debt	(7,170)	(49,484)
Total operating revenue	2,946,060	2,632,954
EXPENSES		
Water purchases	169,035	156,583
Salaries, benefits and payroll taxes	660,856	461,194
Chemicals and supplies	349,760	343,654
Meter reading	27,433	12,149
Repairs and maintenance	411,150	167,659
Professional and other services	93,939	58,828
Utilities	206,230	191,836
Insurance	101,229	89,653
Truck and mileage	42,875	54,861
Office supplies and rent	58,619	40,037
Director's fees	8,425	14,625
Dues and fees	19,475	20,370
Depreciation and amortization	784,856	843,122
Other	15,800	4,891
Total expenses	2,949,682	2,459,462
Operating income	(3,622)	173,492
Other income (expenses)		
New meters	209,382	212,130
Interest income	17,337	5,212
Interest expense	(119,377)	(132,978)
Gain on capital assets	-	5,500
Total other income (expense)	107,342	89,864
CHANGE IN NET POSITION	103,720	263,356
Net position, beginning of year	6,041,964	5,778,608
Net position, end of year	$ 6,145,684	$ 6,041,964

RURAL WATER DISTRICT NO. 3, DOUGLAS COUNTY, KANSAS

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 2,798,920	$ 2,601,822
Payments to suppliers for goods and services	(1,440,115)	(1,197,394)
Payments to employees from payroll	(650,438)	(455,556)
Other operating receipts	147,212	32,776
NET CASH PROVIDED BY OPERATING ACTIVITIES	855,579	981,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	17,337	5,212
Increase in debt reserve funds	(11,165)	(8,021)
Net change in certificates of deposits	(1,860)	(353)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	4,312	(3,162)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on long term capital debt	(521,811)	(510,510)
Interest paid on long term capital debt	(124,608)	(138,097)
Benefit units sold	209,382	212,130
Purchase of capital assets	(77,997)	(176,709)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(515,034)	(613,186)
Net increase in cash and cash equivalents	344,857	365,300
Cash and cash equivalents, beginning of year	1,276,028	910,728
Cash and cash equivalents, end of year	$ 1,620,885	$ 1,276,028
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ (3,622)	$ 173,492
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	784,856	843,122
(Increase) decrease in operating assets:		
Accounts receivable, net	72	1,644
Inventory	53,596	-
Prepaid expenses	(12,648)	(7,143)
Increase (decrease) in operating liabilities:		
Accounts payable	22,907	(35,105)
Accrued payroll and related liabilities	10,418	5,638
Net cash provided by operating activities	$ 855,579	$ 981,648

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, 2023 and 2022, the allowance for uncollectible accounts was $856,701 and $849,531, 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 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 system	40 years
Furniture and equipment	5-10 years
Tri-District water system	40 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. 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, 2023.

At December 31, 2023, the District's carrying amount of deposits was $2,675,301 and the bank balance was $2,663,637. Of the bank balance, $500,000 was covered by federal depository insurance and $2,163,637 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, 2023 and 2022 consisted of the following:

	2022	Additions	Reductions	2023
Capital Assets:				
Land	$ 235,573	$ -	$ -	$ 235,573
Water system	13,939,622	-	-	13,939,622
Furniture and equipment	298,178	-	-	298,178
Tri-District water system	9,467,992	20,175	-	9,488,167
Vehicles	269,473	57,822	-	327,295
	24,210,838	77,997	-	24,288,835
Less: Depreciation	(16,223,083)	(780,662)	-	(17,003,745)
Net capital assests	$ 7,987,755	$ (702,665)	$ -	$ 7,285,090

	2021	Additions	Reductions	2022
Capital Assets:				
Land	$ 235,573	$ -	$ -	$ 235,573
Water system	13,939,622	-	-	13,939,622
Furniture and equipment	283,304	14,874	-	298,178
Tri-District water system	9,347,198	120,794	-	9,467,992
Vehicles	267,329	46,541	(44,397)	269,473
	24,073,026	182,209	(44,397)	24,210,838
Less: Depreciation	(15,432,748)	(834,732)	44,397	(16,223,083)
Net capital assests	$ 8,640,278	$ (652,523)	$ -	$ 7,987,755

Depreciation expense for the years ended December 31, 2023 and 2022 was $780,662 and $834,732, 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, 2023:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds - WUSRB	$ 3,660,000	$ -	$ 465,000	$ 3,195,000
Note payable - KPWS	1,254,154	-	56,811	1,197,343
Total	$ 4,914,154	$ -	$ 521,811	$ 4,392,343

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	Beginning Principal Balance	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
Revenue Bonds - WUSRB	$ 4,115,000	$ -	$ 455,000	$ 3,660,000
Note payable - KPWS	1,309,664	-	55,510	1,254,154
Total	$ 5,424,664	$ -	$ 510,510	$ 4,914,154

The annual debt service requirements to maturity as of December 31, 2023 is as follows:

Year ending December 31,	Principal	Interest	Total
2024	$ 538,142	$ 87,165	$ 625,307
2025	554,505	92,193	646,698
2026	565,899	77,643	643,542
2027	582,327	62,660	644,987
2028	598,787	47,312	646,099
2029-2033	1,002,073	86,825	1,088,898
2034-2038	384,080	37,763	421,843
2039-2040	166,530	4,146	170,676
	$ 4,392,343	$ 495,707	$ 4,888,050

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, 2023 and 2022, respectively. The District last approved a rate increase effective March 1, 2022.

Interest expense on long-term debt totaled $119,377 and $132,978 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, retirement plan expense was $30,228 and $20,743 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 was set at $0.473 and $0.454 per one thousand gallons for the year ending December 31, 2023 and 2022, 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, 2023 two customers, Osage Rural Water District No. 5 and Shawnee Rural Water District No. 8, accounted for 26% of total accounts receivable. In addition, three customers accounted for 43% of total revenue for the District at December 31, 2023.

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. 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.

11. RELATED PARTIES

During the year ended December 31, 2023, there was an employee related to a board member.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2024, 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: (9A5-76-22-24)	$ 23,465	100% Coinsurance	6/2/2024
All locations		$ 9,385,533	
General liability: (9D5-76-22-24)	$ 4,520		6/2/2024
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: (9F5-76-22-24)	$ 616		6/2/2024
Per loss		$ 450,000	
Commercial Inland Marine: (9M5-76-22-24)	$ 2,571		6/2/2024
Contractor Equipment		$ 25,000	
Scheduled property floater		$ 130,000	
Commercial Auto: (9E5-76-22-24)	$ 6,723		6/2/2024
Liability insurance (per loss)		$ 500,000	
Worker's compensation: (9H5-76-22-24)	$ 8,795		6/2/2024
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: (9K5-76-22-24)	$ 4,661	$ 1,000,000	6/2/2024

RURAL WATER DISTRICT NO. 3

INSURANCE COVERAGE (UNAUDITED)

Property Covered	Premium	Coverage	Expiration date
TRI-DISTRICT			
Commercial property: (9A5-39-69-24)	$ 42,883	90% Coinsurance	4/10/2024
Building and personal property		$ 17,942,799	
Loss of income			
General liability: (9D5-39-69-24)	$ 2,968		4/10/2024
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: (9C5-39-69-24)	$ 1,230		4/10/2024
Hardware		$ 10,000	
Programs, applications and media		$ 7,500	
Scheduled property floater		$ 80,644	
Commercial Auto: (9E5-39-69-24)	$ 4,196		4/10/2024
Liability insurance (per loss)		$ 500,000	

RURAL WATER DISTRICT NO. 3

CUSTOMERS SERVED (UNAUDITED)

DECEMBER 31, 2023

	Beginning of the year	End of the year
Number of meters	1,978	1,964
Estimated number of customers served	4,935	4,910