NOTICE

SPECIAL MEMBERS’ MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
utilizing video and telephone conferencing

Tuesday, December 22, 2020, 11 a.m. CT/10 a.m. MT

Per Governor Pete Ricketts Executive Order 20-36 (December 1, 2020)
CORONA VIRUS - PUBLIC MEETINGS REQUIREMENT LIMITED WAIVER
“All governing bodies may meet by videoconference or by telephone conferencing or by conferencing by other electronic communication so long as there is made available at such meeting access to members of the public and to members of the media.”
Effective December 1, 2020 through January 31, 2021

PLEASE TAKE NOTICE that on Tuesday, December 22, 2020, at 11 a.m. CT/10 a.m. MT, the League Association of Risk Management (LARM) will hold a Special Members’ Meeting utilizing video and telephone conferencing. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. On December 17, 2020, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted on LARM’s and the League of Nebraska Municipalities’ Facebook pages and their websites – larmpool.org and lonm.org/larm/.
AGENDA
SPECIAL MEMBERS’ MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
utilizing video and telephone conferencing
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Effective December 1, 2020 through January 31, 2021

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at www.larmpool.org for examination and copying.

Join the Meeting by Zoom via Computer, Smart Device or Telephone –
https://us02web.zoom.us/j/86859570749?pwd=KyttRUhJKzlwbi9VY1pRLzAwemFyZz09 or via phone 1-346-248-7799; the Meeting ID is 868 5957 0749, and the Passcode: 492526.

Officials of LARM members and members of the public may comment on agenda items or listen to the meeting.

1. Call meeting to order:
a. 11:00 a.m. CT/10:00 a.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.
b. Indicate that on December 17, 2020, notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also is posted on LARM’s and the League of Nebraska Municipalities’ Facebook pages and their websites – larmpool.org and lonm.org/larm/.
c. Inform the public about the location of the Open Meetings Act which is accessible to members of the public at www.larmpool.org along with at least one copy of all reproducible written material to be discussed at this meeting.

d. Pledge of Allegiance to the Flag of the United States of America.

e. Roll call.

f. Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items.

2. Consider a motion to approve the minutes of the October 22, 2020, “Virtual Annual Members’ Meeting of LARM.”

See pages 1-11

☐ Dave Bos, LARM Executive Director

☐ Lynn Rex, LARM Administrator

3. Consider a motion to accept a report by Lyndee Black, CPA, Thomas, Kunc and Black, LARM’s Auditor concerning LARM’s Annual Audited Financial Statement and Actuarial Opinion.

See pages 12-40

☐ Lyndee Black, CPA, Thomas, Kunc and Black, LLP

3. Consider a motion to adjourn.
The “Virtual” Annual Members’ Meeting of LARM was held by videoconference/Zoom on October 22, 2020 at 9:30 a.m. CT/8:30 a.m. MT at the 16 sites listed on the meeting notice in the following municipalities: Ainsworth, Beaver City, Chadron, Crete, Curtis, Gering, Gibbon, Hickman, Imperial, Nelson, Norfolk, North Platte, Oshkosh, Ralston, Syracuse and Wahoo. This meeting was held in conjunction with the 2020 “Virtual” Annual Conference of the League of Nebraska Municipalities.

On October 9, 2020, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board of Directors; notice of this meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also posted on LARM’s and the League of Nebraska Municipalities’ Facebook pages and their websites – larmpool.org and lonm.org/larm/.

(AGENDA ITEM #1) Call meeting to order. LARM Board Chair Doug Hanson, Mayor of Hickman, called the meeting to order at 9:32 a.m. CT. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying at the 16 sites listed on the meeting notice and at 1335 L Street, Lincoln, NE. Chair Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and asked others to do so at the 16 sites listed on the meeting notice.

After the Pledge of Allegiance to the Flag of the United States of America, each of the 16 sites listed below announced which officials from LARM members were present at his or her respective site.

Present (27):

City of Ainsworth, Lisa Schroedl
KBR Solid Waste, Lisa Schroedl

City of Beaver City, Teresa Youngquist
Village of Holbrook, Teresa Youngquist
Village of Hendley, Teresa Youngquist

City of Chadron, Greg Yanker

City of Crete, Jerry Wilcox

City of Curtis, Doug Schultz
City of Gering, Kathy Welfl  
Village of Morrill, Janine Schmidt  
Village of Henry and Henry VFD, Janine Schmidt  
Sheep Creek and Farmers RFD, Janine Schmidt  
City of Terrytown, Jeni Mattern  

City of Gibbon, Mayor Deb VanMatre  

City of Hickman, Silas Clark  

City of Imperial, Jo Leyland  

City of Nelson, Sandra Schendt  
Nelson RFD, Sandra Schendt  
Guide Rock RFD, Sandra Schendt  

City of Norfolk, Stacey Hansen  

City of North Platte, Mayor Dwight Livingston  

City of Oshkosh, LeAnn Brown  

City of Ralston, Rosie Russell  
SID #29 Sarpy County, Pam Buethe  
Village of Ansley, Lanette Doane  

City of Syracuse, Jessica Meyer  

City of Wahoo, Melissa Harrell  

Not present (146):  

Village of Alda  
Village of Allen  
Village of Anselmo  
City of Arapahoe  
Village of Arlington  
Village of Ashton  
City of Atkinson  
City of Auburn  
Auburn Board of Public Works  
Village of Bancroft  
City of Bassett  
City of Bayard  
Village of Beaver Crossing  
Village of Benedict  
City of Benkelman  
Village of Berwyn  

Village of Broadwater  
Village of Brock  
Village of Brownville  
Village of Brule  
Village of Burr  
Village of Butte  
Village of Callaway  
Village of Cedar Bluffs  
Village of Cedar Creek  
Central Rural Fire Protection District  

Village of Dannebrog  
City of David City  
Village of DeWeese  
City of Edgar  
Village of Edison  
Village of Elba  
Village of Elyria  
Village of Emerson  
Village of Eustis  
Fairfield Rural Fire Protection District  

Village of Chester  
City of Clarkson  
City of Clay Center  
City of Columbus  
Village of Comstock  
Village of Cook  
Village of Cotesfield  

City of Fremont  
City of Genoa  
Village of Glenvil  
Village of Guide Rock  
Village of Gurley  
Village of Haigler  
Village of Halsey
Alec Baillie of Loup Central Landfill and Tami Comte of David City attended the meeting by Zoom from locations not listed on the meeting notice so therefore could not vote on agenda items. The following also attended the meeting by Zoom: LARM Staff – Dave Bos, Elizabeth Becker, Diane Becker; Cline Williams – Andy Barry, Trent Sidders; and LARM’s Administrator – L. Lynn Rex.
(AGENDA ITEM #2) Consider approval of the Minutes of the “Annual Members’ Meeting” of the League Association of Risk Management (LARM) held on September 18, 2019. Teresa Youngquist of Beaver City moved, seconded by LeAnn Brown of Oshkosh to approve the Minutes of the “Annual Members’ Meeting” of the League Association of Risk Management (LARM) held on September 18, 2019. Chair Doug Hanson asked if there was any discussion; there was none.

Roll call vote (sites in boldface).

Ayes (22):

City of Beaver City, Village of Holbrook, Village of Hendley, City of Chadron, City of Crete, City of Curtis, City of Gering, Village of Morrill, Village of Henry and Henry VFD, Sheep Creek and Farmers RFD, City of Terrytown, City of Gibbon, City of Hickman, City of Imperial, City of Nelson, Nelson RFD, Guide Rock RFD, City of North Platte, City of Oshkosh, SID #29 Sarpy County, Village of Ansley, City of Wahoo

Nays (0)

Abstentions (5):

City of Ainsworth, KBR Solid Waste, City of Norfolk, City of Ralston, City of Syracuse

Officials representing the City of David City and Loup Central Landfill indicated they would have voted “yes” had they been at a site listed on the meeting notice and able to vote.

Not present (146):

Village of Alda
Village of Allen
Village of Anselmo
City of Arapahoe
Village of Arlington
Village of Ashton
City of Atkinson
City of Auburn
Auburn Board of Public Works
Village of Brownville
Village of Butte
Village of Callaway
Village of Cedar Bluffs
Village of Cedar Creek
Central Rural Fire Protection District
Village of Chester
Village of Elba
Village of Elyria
Village of Emerson
Village of Eustis
Fairfield Rural Fire Protection District
City of Fremont
City of Genoa
Village of Glenvil
Village of Guide Rock
Village of Gurley
Village of Haigler
Village of Halsey
City of Harvard & Harvard RFD
Village of Hazard
Village of Hemingford
City of Henderson
Village of Herman
| Village of Hershey | Village of Murray | SID #333 - Sarpy County |
| Village of Hoskins | City of Neligh | City of Sargent |
| Hoskins RFD | Village of Newcastle | Sargent RFD |
| Village of Howells | Village of North Loup | Village of Scotia |
| City of Humboldt | North Platte NRD | City of Scottsbluff |
| Humboldt Fire & RFD | Northeast Nebraska | Village of Shelton |
| City of Indianola, | Economic | Village of Shickley |
| Indianola RFD & | Development District | Village of Silver Creek |
| VFD | Northeast Nebraska | Solid Waste Agency of |
| Village of Inglewood | Solid Waste | Northwest Nebraska |
| Village of Jansen | Coalition | (SWANN) |
| Village of Johnstown | City of Oakland | Southwest Nebraska |
| Village of Julian | Village of Otoe | Solid Waste Agency |
| Village of Lawrence | Village of Oxford | Springbank Township |
| Village of Leigh | City of Pawnee City | Village of Stamford |
| Village of Lewellen | Village of Pilger | Village of Stapleton |
| Village of Litchfield | Village of Platte Center | Village of Sumner |
| Village of Lodgepole | City of Randolph | Village of Sutherland |
| City of Louisville | Village of Roca | Village of Table Rock |
| Loup City Landfill | City of St. Paul | Village of Taylor |
| Lower Platte North NRD | St. Paul Rural Fire | Village of Trenton |
| Lower Republican NRD | District | Village of Uehling |
| Madison County RTSD | | Village of Union |
| Village of Malcolm | SID #1 - Butler County | Village of Utica |
| Village of Malmo | SID #6 - Dodge County | City of Valentine |
| Village of Marquette | SID #7 - Platte County | Victoria Township |
| Village of Martinsburg | SID #23 - Sarpy County | Village of Walthill |
| Village of Mason City | SID #48 - Sarpy County | Village of Wausa |
| Village of Maxwell | SID #79 - Sarpy County | City of Waverly |
| Village of Meadow | SID #158 - Sarpy County | Village of Wilcox |
| Village of Merna | SID #237 - Sarpy County | Village of Winnebago |
| Village of Miller | County | Village of Wolbach |
| Village of Monroe | SID #299 - Sarpy | Village of Wood Lake |
| Village of Moorefield | County | City of Wymore |

**Motion carried:** 22 ayes, 0 nays, 5 abstentions and 146 not present
(AGENDA ITEM #3) Report of the Nominating Committee and Election of LARM Board of Directors.

a. Pursuant to Section 8.1.4.1 of LARM’s Interlocal Agreement, the Nominating Committee of the LARM Board met on Oct. 8, 2020, and nominated a slate of five candidates (listed below) to serve their second three-year term. The following officials were elected on March 21, 2018, to a three-year term which ends Dec. 31, 2020:

Doug Hanson, Mayor of the City of Hickman
Lanette Doane, Clerk/Treasurer of the Village of Ansley
*Don Groesser, Mayor of the City of Ralston
Melissa Harrell, Administrator/Treasurer of the City of Wahoo
Jo Leyland, Administrator/Clerk/Treasurer of the City of Imperial

* (On Oct. 6, 2020, the LARM Board of Directors accepted the recommendation made by LARM’s Administrator for Mayor Groesser to fill the vacancy created by the retirement of Jim Hawks, Former North Platte City Administrator, whose term of office expires on Dec. 31, 2020.)

b. Pursuant to Article I, Section 2.1 of LARM’s Bylaws and Section 8.1.4.1 of LARM’s Interlocal Agreement, additional nominations shall be requested from participating members at the meeting.

Chair Doug Hanson asked if there were any additional nominations from participating members; there were none. Sandra Schendt of the City of Nelson moved, seconded by Silas Clarke of the City of Hickman to elect the slate of nominees recommended by LARM’s Nominating Committee.
Roll call vote (sites in boldface).

Ayes (23):
City of Ainsworth, KBR Solid Waste, City of Beaver City, Village of Holbrook, Village of Hendley, City of Chadron, City of Crete, City of Curtis, City of Gering, Village of Morrill, Village of Henry and Henry VFD, Sheep Creek and Farmers RFD, City of Terrytown, City of Gibbon, City of Hickman, City of Nelson, Nelson RFD, Guide Rock RFD, City of North Platte, City of Oshkosh, City of Ralston, SID #29 Sarpy County, City of Syracuse

Nays (0)

Abstentions (4):
City of Imperial, City of Norfolk, Village of Ansley, City of Wahoo

Officials representing the City of David City and Loup Central Landfill indicated they would have voted “yes” had they been at a site listed on the meeting notice and able to vote.
Not Present (146):

Village of Alda
Village of Allen
Village of Anselmo
City of Arapahoe
Village of Arlington
Village of Ashton
City of Atkinson
City of Auburn
Auburn Board of Public Works
Village of Bancroft
City of Bassett
City of Bayard
Village of Beaver Crossing
Village of Benedict
City of Benkelman
Village of Berwyn
Village of Broadwater
Village of Brock
Village of Brownville
Village of Brule
Village of Burr
Village of Butte
Village of Callaway
Village of Cedar Bluffs
Village of Cedar Creek
Central Rural Fire Protection District
Village of Chester
City of Clarkson
City of Clay Center
City of Columbus
Village of Comstock
Village of Cook
Village of Cotesfield
Village of Dannebrog
Village of DeWeese
City of David City
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Village of Haigler
Village of Halsey
City of Harvard & Harvard RFD
Village of Hazard
Village of Hemingford
City of Henderson
Village of Herman
Village of Hershey
Village of Hoskins
Hoskins RFD
Village of Howells
City of Humboldt
Humboldt Fire & RFD
City of Indianola, Indianola RFD & VFD
Village of Inglewood
Village of Jansen
Village of Johnstown
Village of Julian
Village of Lawrence
Village of Leigh
Village of Lewellen
Village of Litchfield
Village of Lodgepole
City of Louisville
Loup City Landfill
Lower Platte North NRD
Lower Republican NRD
Madison County RTSD
Village of Malcolm
Village of Malmo
Village of Marquette
Village of Martinsburg
Village of Mason City
Village of Maxwell
Village of Meadow Grove
Village of Merna
Village of Miller
Village of Monroe
Village of Moorefield
Village of Mullen
Village of Murray
City of Neligh
Village of Newcastle
Village of North Loup
North Platte NRD
Northeast Nebraska Economic Development District
Northeast Nebraska Solid Waste Coalition
City of Oakland
Village of Otoe
Village of Oxford
City of Pawnee City
Village of Pilger
Village of Platte Center
City of Randolph
Village of Roca
City of St. Paul
St. Paul Rural Fire District
SID #1 - Butler County
SID #6 - Dodge County
SID #7 - Platte County
SID #23 - Sarpy County
SID #48 - Sarpy County
SID #79 - Sarpy County
SID#158 - Sarpy County
SID #237 - Sarpy County
SID #299 - Sarpy County
Motion carried: 23 ayes, 0 nays, 4 abstentions and 146 not present

(Agenda Item #4) Motion to adjourn. At 10:11 am, Lanette Doane of Village of Ansley moved, seconded by Jo Leyland of City of Imperial, to adjourn.

Roll call vote (sites in boldface).

Ayes (26):

City of Ainsworth, KBR Solid Waste, City of Beaver City, Village of Holbrook, Village of Hendley, City of Chadron, City of Crete, City of Curtis, City of Gering, Village of Morrill, Village of Henry and Henry VFD, Sheep Creek and Farmers RFD, City of Terrytown, City of Gibbon, City of Hickman, City of Imperial, City of Nelson, Nelson RFD, Guide Rock RFD, City of North Platte, City of Oshkosh, City of Ralston, SID #29 Sarpy County, Village of Ansley, City of Syracuse, City of Wahoo

Nays (0)

Abstentions (1):

City of Norfolk

Officials representing the City of David City and Loup Central Landfill indicated they would have voted "yes" had they been at a site listed on the meeting notice and able to vote.

Not present (146):

Village of Alda       City of Atkinson       City of Bayard
Village of Allen     City of Auburn       Village of Beaver
Village of Anselmo   Auburn Board of Public Crossing
City of Arapahoe     Works                        Village of Benedict
Village of Arlington Village of Bancroft City of Benkelman
Village of Ashton    City of Bassett       Village of Berwyn
Village of Broadwater
Village of Brock
Village of Brownville
Village of Brule
Village of Burr
Village of Butte
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Village of Cedar Bluffs
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City of Harvard & Harvard RFD
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City of Henderson
Village of Herman
Village of Hershey
Village of Hoskins
Hoskins RFD
Village of Howells
City of Humboldt
Humboldt Fire & RFD
City of Indianola, Indianola RFD & VFD
Village of Inglewood
Village of Jansen
Village of Johnstown
Village of Julian
Village of Lawrence
Village of Leigh
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Village of Litchfield
Village of Lodgepole
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Madison County RTSD
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Village of Malmo
Village of Marquette
Village of Martinsburg
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Village of Meadow Grove
Village of Merna
Village of Miller
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Village of Newcastle
Village of North Loup
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SID #48 - Sarpy County
SID #79 - Sarpy County
SID #158 - Sarpy County
SID #237 - Sarpy County
SID #299 - Sarpy County
SID #331 - Sarpy County
SID #333 - Sarpy County
City of Sargent
Sargent RFD
Village of Scotia
City of Scottsbluff
Village of Shelton
Village of Shickley
Village of Silver Creek
Solid Waste Agency of Northwest Nebraska (SWANN)
Southwest Nebraska Solid Waste Agency
Springbank Township
Village of Stamford
Village of Stapleton
Village of Sumner
Village of Sutherland
Village of Table Rock
Village of Taylor
Village of Trenton
Village of Uehling
Village of Union
Village of Utica
City of Valentine
Victoria Township
Motion carried: 26 ayes, 0 nays, 1 abstention and 146 not present.

Chair Doug Hanson thanked all the members for taking the time to participate in the “Virtual” Annual Members’ Meeting and vote on these important agenda items.

Approved on: ____________________________________________________

ATTEST:

____________________________________________________
Elizabeth Becker
Customer Service Representative
League Association of Risk Management

____________________________________________________
L. Lynn Rex
Ex-Officio, Non-Voting Board Member and Administrator of LARM
Executive Director of the League of Nebraska Municipalities
NOTICE
“VIRTUAL” ANNUAL MEMBERS’ MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
By Videoconference/Zoom
Thursday, Oct. 22, 2020, at 9:30 a.m. CT/8:30 a.m. MT

PLEASE TAKE NOTICE that the members of the League Association of Risk Management will hold a “Virtual” Annual Members’ Meeting to elect a Board of Directors. This meeting will take place on Thursday, Oct. 22, 2020, at 9:30 a.m. CT/8:30 a.m. MT. An agenda of subjects known at time is included with this notice, but the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. On Oct. 9, 2020, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board of Directors. Notice of this meeting with the agenda and other materials are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also are posted on LARM’s and the League of Nebraska Municipalities’ Facebook pages and their websites – larmpool.org and lonm.org/larm/.

This “Virtual” Annual Members’ Meeting will be held by Videoconference/Zoom. Meeting sites are listed below:

<table>
<thead>
<tr>
<th>City of Ainsworth</th>
<th>City of Gering</th>
<th>City of Nelson</th>
<th>City of Ralston</th>
</tr>
</thead>
<tbody>
<tr>
<td>606 E 4th Street</td>
<td>1025 P Street</td>
<td>580 S Main Street</td>
<td>5500 South 77th Street</td>
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<tr>
<td>Ainsworth, NE 69210</td>
<td>Gering, NE 69341</td>
<td>Nelson, NE 68961</td>
<td>Ralston, NE 68127</td>
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</table>

<table>
<thead>
<tr>
<th>City of Beaver City</th>
<th>City of Gibbon</th>
<th>City of Norfolk</th>
<th>City of Syracuse</th>
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</thead>
<tbody>
<tr>
<td>301 10th Street</td>
<td>715 Front Street</td>
<td>309 North 5th Street</td>
<td>Public Library</td>
</tr>
<tr>
<td>Beaver City, NE 68926</td>
<td>Gibbon, NE 68840</td>
<td>Norfolk, NE 68701</td>
<td>480 5th Street</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City of Chadron</th>
<th>City of Hickman</th>
<th>City of North Platte</th>
<th>City of Wahoo</th>
</tr>
</thead>
<tbody>
<tr>
<td>234 Main Street</td>
<td>115 Locust Street</td>
<td>211 West 3rd Street</td>
<td>Public Library</td>
</tr>
<tr>
<td>Chadron, NE 69337</td>
<td>Hickman, NE 68372</td>
<td>North Platte, NE 69101</td>
<td>637 N Maple Street</td>
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</table>

<table>
<thead>
<tr>
<th>City of Crete</th>
<th>City of Imperial</th>
<th>City of Oshkosh</th>
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</thead>
<tbody>
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<td>243 East 13th Street</td>
<td>740 Court Street</td>
<td>305 West 1st Street</td>
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<tr>
<td>Crete, NE 68333</td>
<td>Imperial, NE 69033</td>
<td>Oshkosh, NE 69154</td>
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</tbody>
</table>

City of Curtis
201 Garlick Avenue
Curtis, NE 69025
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Auditor's Report

Financial Statements - Statutory Basis

September 30, 2020 and 2019
ANNUAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2020
FOR
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Nebraska Company Code: 201675
Employer's ID Number: 47-0791192

Incorporated May 1, 1995 under the Laws of Nebraska

The offices and primary location of books and records are at
1335 "L" Street
Lincoln, Nebraska 68508

The mailing address is
1335 "L" Street
Lincoln, Nebraska, 68508

Telephone Number: 402-742-2600
Fax Number: 402-476-4089
Contact Person: L. Lynn Rex

Officers of the Association:
Chair: Doug Hanson
Vice-Chair: Lanette Doane
Secretary: L. Lynn Rex

Directors or Trustees:
LeAnn Brown
Pamela Buehne
Lanette Doane
Scott Getzschman
Don Groesser
Melissa Harrell
Tony Kaufman
Jo Leyland
Josh Moenning
Tom Ourada
Sandra Schendt
Douglas Schultz
Deb VanMatre
Teresa Youngquist
## LEAGUE ASSOCIATION OF RISK MANAGEMENT

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<td>5</td>
</tr>
<tr>
<td>Statements of Cash Flows – Statutory Basis</td>
<td>6</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>7 - 14</td>
</tr>
<tr>
<td><strong>Supplemental Information:</strong></td>
<td></td>
</tr>
<tr>
<td>Independent Accountant's Report on Supplemental Information</td>
<td>15</td>
</tr>
<tr>
<td>Reconciliation of Unpaid Claim Liabilities</td>
<td>16</td>
</tr>
<tr>
<td>Loss Development Information</td>
<td>17 - 18</td>
</tr>
</tbody>
</table>
Independent Auditor's Report

To the Board of Directors
League Association of Risk Management
Lincoln, Nebraska

We have audited the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets – statutory basis as of September 30, 2020 and 2019, and the related statutory statements of income, changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, these financial statements were prepared in conformity with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.
To the Board of Directors
League Association of Risk Management

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of League Association of Risk Management as of September 30, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the balance sheets-statutory basis and the related statutory statements of income, changes in surplus and cash flows of League Association of Risk Management as of September 30, 2020 and 2019, for the years then ended, in accordance with the basis of accounting described in Note 1.

Lincoln, Nebraska
December 11, 2020

[Signature]
LEAGUE ASSOCIATION OF RISK MANAGEMENT  
Balance Sheets - Statutory Basis  
September 30, 2020 and 2019

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>$ 873,504</td>
<td>1,904,907</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>5,248,706</td>
<td>1,850,421</td>
</tr>
<tr>
<td>Total cash</td>
<td>6,122,210</td>
<td>3,755,328</td>
</tr>
<tr>
<td>Long-term investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,251,105</td>
<td>10,598,391</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>10,232</td>
<td>62,439</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>9,463,267</td>
<td>8,173,816</td>
</tr>
<tr>
<td>Reinsurance recoverable on paid losses</td>
<td>27,181</td>
<td>60,325</td>
</tr>
<tr>
<td></td>
<td>1,899,306</td>
<td>848,229</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 24,773,301</td>
<td>23,498,528</td>
</tr>
</tbody>
</table>

### Liabilities and Surplus

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss reserves</td>
<td>$ 4,266,416</td>
<td>3,885,014</td>
</tr>
<tr>
<td>Loss adjustment expenses</td>
<td>1,937,233</td>
<td>1,864,393</td>
</tr>
<tr>
<td>Unearned premium</td>
<td>8,781,678</td>
<td>7,618,931</td>
</tr>
<tr>
<td>Taxes payable</td>
<td>89,761</td>
<td>88,050</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>293,143</td>
<td>137,581</td>
</tr>
<tr>
<td>Funds held under reinsurance treaties</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>15,393,231</td>
<td>13,628,969</td>
</tr>
<tr>
<td>Surplus</td>
<td>9,380,070</td>
<td>9,869,559</td>
</tr>
<tr>
<td>Total liabilities and surplus</td>
<td>$ 24,773,301</td>
<td>23,498,528</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and independent auditor's report.
# LEAGUE ASSOCIATION OF RISK MANAGEMENT

## Statements of Income - Statutory Basis

For the years ended September 30, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premiums earned, direct</td>
<td>$8,886,960</td>
<td>$8,328,448</td>
</tr>
<tr>
<td>Premiums earned, transferred by excess</td>
<td>(2,407,442)</td>
<td>(2,169,795)</td>
</tr>
<tr>
<td><strong>Net premiums</strong></td>
<td>6,479,518</td>
<td>6,158,653</td>
</tr>
<tr>
<td>Investment income</td>
<td>245,812</td>
<td>291,004</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>3,318</td>
<td>4,051</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>6,728,648</td>
<td>6,453,708</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses incurred, direct</td>
<td>6,353,220</td>
<td>5,826,494</td>
</tr>
<tr>
<td>Losses incurred, transferred by excess</td>
<td>(3,269,162)</td>
<td>(2,634,394)</td>
</tr>
<tr>
<td><strong>Net losses</strong></td>
<td>3,084,058</td>
<td>3,192,100</td>
</tr>
<tr>
<td>Loss expenses incurred</td>
<td>1,378,197</td>
<td>1,322,951</td>
</tr>
<tr>
<td>Other underwriting expenses incurred</td>
<td>2,755,882</td>
<td>3,030,036</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>7,218,137</td>
<td>7,545,087</td>
</tr>
<tr>
<td><strong>Net income/(loss) - statutory basis</strong></td>
<td>$(489,489)</td>
<td>$(1,091,379)</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and independent auditor's report.
LEAGUE ASSOCIATION OF RISK MANAGEMENT
Statements of Changes in Surplus - Statutory Basis
For the years ended September 30, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus, beginning of period</td>
<td>$ 9,869,559</td>
<td>10,960,938</td>
</tr>
<tr>
<td>Net income/(loss)- statutory basis</td>
<td>(489,489)</td>
<td>(1,091,379)</td>
</tr>
<tr>
<td>Unrealized capital gain</td>
<td>241,968</td>
<td>287,415</td>
</tr>
<tr>
<td>Change in non-admitted assets</td>
<td>(241,968)</td>
<td>(287,415)</td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus, end of period</td>
<td>$ 9,380,070</td>
<td>9,869,559</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and independent auditor’s report.
LEAGUE ASSOCIATION OF RISK MANAGEMENT  
Statements of Cash Flows - Statutory Basis  
For the years ended September 30, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums collected, net of excess insurance</td>
<td>$ 6,368,014</td>
<td>5,603,719</td>
</tr>
<tr>
<td>Loss and loss adjustment expenses paid</td>
<td>(5,069,090)</td>
<td>(2,529,190)</td>
</tr>
<tr>
<td>Underwriting expenses paid</td>
<td>(2,598,609)</td>
<td>(2,986,868)</td>
</tr>
<tr>
<td>Cash from underwriting</td>
<td>(1,299,685)</td>
<td>87,661</td>
</tr>
<tr>
<td>Investment income</td>
<td>520,924</td>
<td>577,432</td>
</tr>
<tr>
<td>Net cash from operations</td>
<td>(778,761)</td>
<td>665,093</td>
</tr>
<tr>
<td>Transfers in:</td>
<td>3,347,286</td>
<td>2,201,225</td>
</tr>
<tr>
<td>Other sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out:</td>
<td>(201,643)</td>
<td>(294,139)</td>
</tr>
<tr>
<td>Other applications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in cash and short-term investments</td>
<td>2,366,882</td>
<td>2,572,179</td>
</tr>
<tr>
<td>Cash and short-term investments, beginning of period</td>
<td>3,755,328</td>
<td>1,183,149</td>
</tr>
<tr>
<td>Cash and short-term investments, end of period</td>
<td>$ 6,122,210</td>
<td>3,755,328</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements and independent auditor's report.
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements
September 30, 2020 and 2019

(1) Summary of significant accounting policies:

(a) Nature of organization:

The League Association of Risk Management (the Pool) is a risk management pool created under the provisions of the Intergovernmental Risk Management Act and the Interlocal Cooperation Act of the State of Nebraska. The Pool was created for the purpose of Nebraska municipalities to act jointly to provide risk management services and insurance coverage in the form of group self-insurance or standard insurance, including any combination of group self-insurance and standard insurance, to protect members against losses arising from general liability, property damage, destruction or loss, errors and omissions liability, and workers' compensation liability. Any county, city, village, school district, public power district, rural fire district, or other political subdivision of the State of Nebraska, the State of Nebraska, the University of Nebraska, and any corporation whose primary function is to act as an instrumentality or agency of the State of Nebraska is eligible to participate as a member of the pool.

The Pool is financed through the annual and supplemental contributions paid by the participating entities, through income earned from the investment of the Pool's funds, and through any other monies, which may be lawfully received by the Pool and made part of the Pool's assets. The Pool provides group self-insurance coverage for automobile physical damage, comprehensive property - all risk, boiler and machinery, basic crime, general liability, automobile liability, law enforcement liability, public officials liability, employment practices liability, non-monetary relief defense expense, reimbursement of criminal defense expense, workers' compensation, employers' liability, cyber liability, and terrorism.

The Pool is operated by a Board of Directors consisting of elected and appointed officials or employees of the Pool members. The Board has the power to establish the coverage document, ensure that all claims covered by the document are paid, take all necessary precautions to safeguard the assets of the Pool, and make and enter into any and all contracts and agreements necessary to carry out any of the powers granted or duties imposed under the Pool formation agreement, the Pool's bylaws, or any applicable law or regulation.

(b) Basis of presentation:

For purposes of this statement, the Pool uses the statutory basis of accounting as prescribed by the Insurance Department of the State of Nebraska, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the statutory basis of accounting, certain fixed assets and prepaid expenses are not recognized on the balance sheet.

(c) Investment income:

Investment income consists primarily of interest and is recorded as earned.

(d) Contributions:

Contributions are earned over the terms of the related coverage document and reinsurance contracts. All coverage documents coincide with the fiscal year of the Pool. Unearned contribution reserves are established to cover the unexpired portion of contributions written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

(e) Unpaid loss and loss adjustment expenses:

Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed and any adjustments are reflected in the period determined.

See independent auditor's report.
LEAGUE ASSOCIATION OF RISK MANAGEMENT
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

(1) Summary of significant accounting policies: (Continued)
(f) Reinsurance:
   In the normal course of operation, the Pool seeks to reduce the loss that may arise from events
   that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of
   exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are
   estimated in a manner consistent with the reinsurance policy.

(g) Income taxes:
   The Pool is exempt under Section 115 of the Internal Revenue Code. Accordingly, no provision for
   income taxes is required and the Pool is not required to file any returns or reports with the Internal
   Revenue Service related to income taxes.

(h) Management estimates:
   Management uses estimates and assumptions in preparing financial statements. Those estimates
   and assumptions may affect the reported amounts of assets and liabilities, the disclosure of
   contingent assets and liabilities, and the reported revenues and expenses. Actual results could
   differ from those estimates.

(i) Risks and uncertainties:
   In March 2020, the United States declared a national emergency related to the rapidly spreading
   coronavirus (COVID-19) outbreak. The Pool invests in various securities as part of its ongoing
   operations and is exposed to economic and financial market risks. Events that result from the
   COVID-19 pandemic may have a material impact on the valuation of the Pool’s investments.
   Additionally, financial performance will depend on certain developments, including the duration and
   spread of the outbreak and its impact on the members. COVID-19 may have an effect on the
   financial position of the Pool.

(2) NLC Mutual Insurance Company:
   The Pool joined the NLC Mutual Insurance Company (NLC) as of October 1, 2002. NLC is a mutual
   insurance company, formed with the assistance of the National League of Cities in 1986.

   Each entity is charged a capitalization fee based on a percentage of premiums. The Pool contributed
   a total of $377,664, which is reflected on NLC’s financial statements as member surplus. In addition, NLC
   allocates a portion of their net income to the member surplus each year. As a mutual company, NLC
   returns earnings that are not needed to pay claims and the expenses of operations to the members in the
   form of dividends. NLC did not declare any dividends for the years ended September 30, 2020 and 2019.
   The total member surplus reflected on NLC’s financials for LARM were $2,267,029 (September 30, 2020)
   and $2,025,061 (September 30, 2019).

   The Nebraska Department of Insurance classifies this investment as non-admitted as it is not easily
   liquidated into cash.

(3) Cash on deposit and investments:
   Cash on deposit, which includes cash in checking accounts, certificates of deposit with original maturities of
   one year or less, and money market deposit accounts are carried at cost, which approximates market value.
   The Pool maintains its cash on deposit in financial institutions that are insured by the Federal Deposit
   Insurance Corporation (FDIC) up to $250,000.

   Long term investments are investments with original maturities of more than one year. Included in long term
   investments are certificates of deposit and governmental agency bonds. Certificates of deposit are carried
   at cost, which approximates market value. Statutory accounting principles require that bonds be reported
   at amortized cost.

See independent auditor’s report.
(3) Cash on deposit and investments: (Continued)

Statutes authorize the Pool to invest in bank certificates of deposit, repurchase agreements collateralized by U.S. government and government-guaranteed obligations, or U.S. agency and instrumentality obligations and mutual funds that invest in these investments.

For purposes of this footnote, the cost basis does not include checks issued and outstanding.

The Pool's cash and investment balances were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Insured or Direct U.S. Government</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At September 30, 2020</td>
<td>$250,000</td>
<td>693,436</td>
<td>943,436</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>5,248,706</td>
<td>-</td>
<td>5,248,706</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>7,248,332</td>
<td>2,773</td>
<td>7,251,105</td>
</tr>
<tr>
<td></td>
<td>$12,747,038</td>
<td>696,209</td>
<td>13,443,247</td>
</tr>
<tr>
<td>At September 30, 2019</td>
<td>$250,000</td>
<td>1,956,568</td>
<td>2,206,568</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1,850,421</td>
<td>-</td>
<td>1,850,421</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>10,597,228</td>
<td>1,163</td>
<td>10,598,391</td>
</tr>
<tr>
<td></td>
<td>$12,697,649</td>
<td>1,957,731</td>
<td>14,655,380</td>
</tr>
</tbody>
</table>

The Pool has adopted Statement of Statutory Accounting Principles (SSAP) No. 100, *Fair Value*. This standard defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Pool considers the primary or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The Pool classified its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. SSAP 100 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- **Level 1** – Quoted prices in active markets for *identical* assets or liabilities.
- **Level 2** – Inputs other than Level 1 that are observable, either directly or indirectly; such as quoted prices for *similar* assets or liabilities, quoted prices in markets that are not active; or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

See independent auditor’s report.
(3) Cash on deposit and investments: (Continued)
Following is a description of the valuation methodologies used for assets measured at fair value.

Bonds – Mortgage and Other Asset Backed Bonds: Valued based on Residential Mortgage Backed Securities modeling file provided by FINRA. The prepayment assumptions used for single class and multi-class mortgage backed/asset backed securities were obtained from broker/dealer survey values. These assumptions are consistent with the current interest rate and economic environment.

<table>
<thead>
<tr>
<th>September 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than 12 Months</td>
</tr>
<tr>
<td>Bonds:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>U.S. Governments</td>
</tr>
<tr>
<td>Special revenue and obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions</td>
</tr>
<tr>
<td>Industrial and miscellaneous unaffiliated</td>
</tr>
<tr>
<td>Total bonds</td>
</tr>
<tr>
<td>Total temporarily impaired securities</td>
</tr>
</tbody>
</table>

The amortized cost and estimated statutory fair value of bonds at September 30, 2020, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

<table>
<thead>
<tr>
<th>Amortized Cost</th>
<th>Estimated Statutory Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in one year or less</td>
<td>$5,248,708</td>
</tr>
<tr>
<td>Due after one year through five years</td>
<td>6,751,105</td>
</tr>
<tr>
<td>Due after five years through ten years</td>
<td>-</td>
</tr>
<tr>
<td>Due after ten years</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$11,999,811</td>
</tr>
</tbody>
</table>

See independent auditor’s report.
(3) Cash on deposit and investments: (Continued)

<table>
<thead>
<tr>
<th>Bonds:</th>
<th>Estimated Fair Value</th>
<th>Unrealized Losses</th>
<th>Estimated Fair Value</th>
<th>Unrealized Losses</th>
<th>Estimated Fair Value</th>
<th>Unrealized Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Governments</td>
<td>$3,594,989</td>
<td>-</td>
<td>1,070,964</td>
<td>48</td>
<td>4,665,953</td>
<td>48</td>
</tr>
<tr>
<td>Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions</td>
<td>-</td>
<td>-</td>
<td>7,493,640</td>
<td>18,968</td>
<td>7,493,640</td>
<td>18,968</td>
</tr>
<tr>
<td>Industrial and miscellaneous unaffiliated</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total bonds</strong></td>
<td>3,594,989</td>
<td>-</td>
<td>8,564,604</td>
<td>19,016</td>
<td>12,159,593</td>
<td>19,016</td>
</tr>
<tr>
<td><strong>Total temporarily impaired securities</strong></td>
<td>$3,594,989</td>
<td>-</td>
<td>8,564,604</td>
<td>19,016</td>
<td>12,159,593</td>
<td>19,016</td>
</tr>
</tbody>
</table>

The amortized cost and estimated statutory fair value of bonds at September 30, 2019, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

<table>
<thead>
<tr>
<th>Estimated Statutory Fair Value</th>
<th>Amortized Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in one year or less</td>
<td>$3,594,989</td>
</tr>
<tr>
<td>Due after one year through five years</td>
<td>6,298,135</td>
</tr>
<tr>
<td>Due after five years through ten years</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Due after ten years</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$12,159,593</td>
</tr>
</tbody>
</table>

The Pool regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the prospects of the issuers, including, but not limited to 1) the Pool’s intentions and ability to hold the investments; 2) the length of time and the magnitude of the unrealized loss; 3) the credit ratings of the issuers of the investments, and 4) other information specific to the issuer, the Pool has concluded that any declines in the fair values of the Pool’s investments in bonds at September 30, 2020 and 2019 are temporary and are presented on the following page.

See independent auditor’s report.
(3) Cash on deposit and investments: (Continued)
The cost, gross unrealized gains, gross unrealized losses and estimated fair values are as follows:

<table>
<thead>
<tr>
<th>September 30, 2020</th>
<th>Amortized Cost</th>
<th>Gross Unrealized Gains</th>
<th>Gross Unrealized Losses</th>
<th>Estimated Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligations of U.S. Government sponsored enterprises</td>
<td>$11,999,811</td>
<td>60,550</td>
<td>5,888</td>
<td>12,054,473</td>
</tr>
<tr>
<td>Total</td>
<td>$11,999,811</td>
<td>60,550</td>
<td>5,888</td>
<td>12,054,473</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September 30, 2019</th>
<th>Amortized Cost</th>
<th>Gross Unrealized Gains</th>
<th>Gross Unrealized Losses</th>
<th>Estimated Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligations of U.S. Government sponsored enterprises</td>
<td>$10,698,812</td>
<td>41,622</td>
<td>15,330</td>
<td>10,725,104</td>
</tr>
<tr>
<td>Total</td>
<td>$10,698,812</td>
<td>41,622</td>
<td>15,330</td>
<td>10,725,104</td>
</tr>
</tbody>
</table>

The statement value and estimated fair value of financial instruments at September 30, 2020 and 2019 are as follows:

<table>
<thead>
<tr>
<th>September 30, 2020</th>
<th>Statement Value</th>
<th>Estimated Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$11,999,811</td>
<td>12,054,473</td>
<td>-</td>
<td>12,054,473</td>
<td>-</td>
</tr>
<tr>
<td>Cash on deposit (including certificates of deposit)</td>
<td>1,373,504</td>
<td>1,376,277</td>
<td>873,504</td>
<td>502,773</td>
<td>-</td>
</tr>
<tr>
<td>Investment income due and accrued</td>
<td>27,181</td>
<td>27,181</td>
<td>27,181</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$13,400,496</td>
<td>13,457,931</td>
<td>900,685</td>
<td>12,557,246</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September 30, 2019</th>
<th>Statement Value</th>
<th>Estimated Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$10,698,812</td>
<td>10,725,104</td>
<td>-</td>
<td>10,725,104</td>
<td>-</td>
</tr>
<tr>
<td>Cash on deposit (including certificates of deposit)</td>
<td>3,654,907</td>
<td>3,655,154</td>
<td>1,904,907</td>
<td>1,750,247</td>
<td>-</td>
</tr>
<tr>
<td>Investment income due and accrued</td>
<td>60,325</td>
<td>60,325</td>
<td>60,325</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$14,414,044</td>
<td>14,440,583</td>
<td>1,965,232</td>
<td>12,475,351</td>
<td>-</td>
</tr>
</tbody>
</table>

See independent auditor's report.
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

(4) Related party transactions:
LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services through the period ended December 31, 2017.

The following is a summary of the transactions with the League:

Management and administrative services paid to the League of Nebraska Municipalities $ - 

The total amount of payables to the League of Nebraska Municipalities was $7,081 (September 30, 2020) and $10,353 (September 30, 2019).

(5) Reinsurance recoverables:
Amounts recoverable from reinsurers are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured coverage document. The Pool's management believes the recoverables are appropriately established. The Pool had reinsurance recoverable amounts from seven third-party reinsurers.

<table>
<thead>
<tr>
<th>Contributions:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$8,888,960</td>
<td>$8,328,448</td>
</tr>
<tr>
<td>Ceded</td>
<td>(2,407,442)</td>
<td>(2,169,795)</td>
</tr>
<tr>
<td>Net contributions earned</td>
<td>$6,479,518</td>
<td>$6,158,653</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Losses:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$6,353,220</td>
<td>$5,826,494</td>
</tr>
<tr>
<td>Ceded</td>
<td>(3,269,162)</td>
<td>(2,634,394)</td>
</tr>
<tr>
<td>Net losses incurred</td>
<td>$3,084,058</td>
<td>$3,192,100</td>
</tr>
</tbody>
</table>

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of $1,899,306 (September 30, 2020) and $848,229 (September 30, 2019).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of $5,688,649 (September 30, 2020) and $4,022,610 (September 30, 2019).

The Pool has entered into quota share, stop loss and per occurrence reinsurance agreements. As part of a reinsurance agreement, the Pool has withheld $25,000 from the balance payable to a reinsurer. At September 30, 2020 and 2019, the Pool had the funds withheld recorded as a liability.

The accompanying financial statements reflect the financial position and results of operations net of related reinsurance. To the extent that any reinsuring companies are unable to meet their obligations under the reinsurance agreements, the Pool would remain liable.

See independent auditor's report.
(6) Self-insured retention:
The Pool retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by the reinsurance contracts and excess insurance contracts.

The per-claim retention limit for the coverage was as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Limit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability, Auto Liability, Police, Errors and Omissions</td>
<td>$300,000 per occurrence</td>
<td>General Liability, Auto Liability, Police, Errors and Omissions</td>
</tr>
<tr>
<td>Public Official's Liability</td>
<td>$300,000 per occurrence</td>
<td>Public Official's Liability</td>
</tr>
<tr>
<td>Property, Auto Physical Damage</td>
<td>$150,000 per loss</td>
<td>Property, Auto Physical Damage</td>
</tr>
<tr>
<td>Wind and Hall Damage</td>
<td>$300,000 per occurrence</td>
<td>Wind and Hall Damage</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>$750,000 per location and loss</td>
<td>Workers' Compensation</td>
</tr>
<tr>
<td>Boiler and Machinery</td>
<td>$100,000 per occurrence</td>
<td>Boiler and Machinery</td>
</tr>
<tr>
<td>Cyber</td>
<td>$20,000 per occurrence</td>
<td>Cyber</td>
</tr>
<tr>
<td>Terrorism</td>
<td>$10,000 per occurrence</td>
<td>Terrorism</td>
</tr>
</tbody>
</table>

Prior to July 1, 2019 the Property, Auto Physical Damage per-claim retention limit was $100,000 and Wind and Hall Damage per-claim retention limit was $200,000.

(7) Retrospective assessments and credits:
Nine months following the close of the fiscal year and at annual intervals thereafter, the Pool may recalculate each member's retrospective premium or premium credit for the year.

No dividends were declared for the periods ended September 30, 2020 and 2019.

(8) Surplus:
Assets are reported under statutory accounting on an admitted assets basis. The non-admitted assets are excluded through a charge against surplus.

The portion of surplus represented or reduced by the following items are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable over 90 days past due</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Agents balances receivable over 90 days past due</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in NLC</td>
<td>2,287,029</td>
<td>2,025,061</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,287,029</strong></td>
<td><strong>2,025,061</strong></td>
</tr>
</tbody>
</table>

(9) Commitments and contingencies:
From time to time, the Pool is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have a material effect on the results of operations, liability, or financial position of the Pool.

(10) Financial statement presentation:
Amounts for September 30, 2019 have been restated in some instances to conform with current statement presentation.

(11) Subsequent events:
The Pool evaluated subsequent events through December 11, 2020. There were no subsequent events that require disclosure and/or adjustments.

See independent auditor's report.
SUPPLEMENTAL INFORMATION
Independent Auditor’s Report  
on Supplemental Information

To the Board of Directors  
League Association of Risk Management  
Lincoln, Nebraska

We have audited the basic statutory-basis financial statements of League Association of Risk Management as of and for the years ended September 30, 2020 and 2019 and our report thereon dated December 11, 2020, which contained an unmodified opinion on the basic statutory-basis financial statements prepared in conformity with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska. Our audit was performed for the purpose of forming an opinion on the basic statutory-basis financial statements taken as a whole. The reconciliation of unpaid claim liabilities and Schedule P information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information included in the schedules referred to above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic statutory-basis financial statements taken as a whole.

Lincoln, Nebraska  
December 11, 2020

Thomas, Kunc and Black, LLP
LEAGUE ASSOCIATION OF RISK MANAGEMENT  
Reconciliation of Unpaid Claim Liabilities  
For the years ended September 30, 2020 and 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid claims and claims adjustment expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>at beginning of period</td>
<td>$ 5,759,407</td>
<td>4,082,901</td>
</tr>
<tr>
<td>Incurred claims and claims adjustment expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for insured events of current policy year</td>
<td>3,209,110</td>
<td>4,265,659</td>
</tr>
<tr>
<td>Increase/(decrease) in provision in insured events of prior policy years</td>
<td>1,253,145</td>
<td>249,392</td>
</tr>
<tr>
<td>Total incurred claims and claims adjustment expenses</td>
<td>4,462,255</td>
<td>4,515,051</td>
</tr>
<tr>
<td>Payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims and claims adjustment expenses attributable to insured events of the current policy year</td>
<td>906,267</td>
<td>1,110,321</td>
</tr>
<tr>
<td>Claims and claims adjustment expenses attributable to insured events of prior policy years</td>
<td>3,111,746</td>
<td>1,728,224</td>
</tr>
<tr>
<td>Total payments</td>
<td>4,018,013</td>
<td>2,838,545</td>
</tr>
<tr>
<td>Total unpaid claims and claims adjustment expenses at end of period</td>
<td>$ 6,203,649</td>
<td>5,759,407</td>
</tr>
</tbody>
</table>

See independent auditor’s report on supplemental information.
The following tables illustrate how the Pool's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last twelve years. The rows of the tables are defined as follows:

1. Total of each fiscal year's earned contribution revenues and investment revenues.
2. Fiscal year's other operating costs of the Pool including overhead and claims expense not allocable to individual claims.
3. The Pool's fiscal year incurred losses and allocated loss adjustment expenses (both paid and accrued).
4. Cumulative amounts paid (net of reinsurance recoveries received) as of the end of successive years for each plan year.
5. Incurred losses, by plan year, increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. Comparison of the latest reestimated incurred losses amount to the amount originally established (Line 3) and examines whether the latest estimate of claims cost is greater or less than originally booked.

As data for individual plan years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature plan years. The columns of the tables show data for successive plan years.

See independent auditor's report on supplemental information.
LEAGUE ASSOCIATION OF RISK MANAGEMENT  
Loss Development Information (Continued)  
September 30, 2020

<table>
<thead>
<tr>
<th>1. Required contribution and investment revenues - fiscal year:</th>
<th>Fiscal and Plan Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written and earned</td>
<td>$ 8,886,960</td>
</tr>
<tr>
<td>Ceded</td>
<td>2,407,442</td>
</tr>
<tr>
<td>Net earned</td>
<td>6,479,518</td>
</tr>
<tr>
<td>Interest income</td>
<td>259,723</td>
</tr>
</tbody>
</table>

| 2. Unallocated expenses - fiscal year:                        |                            |          |
| Operating expenses                                           | 2,755,882                  | 3,030,036 | 3,049,925 | 2,551,999 |

| 3. Incurred losses and loss adjustment expenses - fiscal year:|                            |          |
| Incurred                                                    | 7,731,417                  | 7,149,445 | 5,553,950 | 1,595,503 |
| Ceded                                                       | 3,269,162                  | 2,634,394 | 1,867,399 | (210,709)  |
| Net incurred                                                | 4,462,255                  | 4,515,051 | 3,686,551 | 1,806,212 |

| 4. Cumulative amounts paid as of:                            |                            |          |
| End of plan year                                            | 906,266                    | 1,110,321 | 2,291,545 | 1,143,890 |
| One year later                                              | -                          | 2,789,578 | 3,122,284 | 1,778,779 |
| Two years later                                             | -                          | -         | 3,429,481 | 2,243,856 |
| Three years later                                           | -                          | -         | -         | 2,884,726 |
| Four years later                                            | -                          | -         | -         | -         |
| Five years later                                            | -                          | -         | -         | -         |
| Six years later                                             | -                          | -         | -         | -         |
| Seven years later                                           | -                          | -         | -         | -         |
| Eight years later                                           | -                          | -         | -         | -         |
| Nine years later                                            | -                          | -         | -         | -         |
| Ten years later                                             | -                          | -         | -         | -         |

| 5. Reestimated incurred losses and loss adjustment expenses:|                            |          |
| End of plan year                                            | 2,999,762                  | 4,265,659 | 3,900,160 | 2,639,834 |
| One year later                                              | -                          | 4,264,115 | 3,963,779 | 2,588,626 |
| Two years later                                             | -                          | -         | 3,880,697 | 2,673,308 |
| Three years later                                           | -                          | -         | -         | 3,235,014 |
| Four years later                                            | -                          | -         | -         | -         |
| Five years later                                            | -                          | -         | -         | -         |
| Six years later                                             | -                          | -         | -         | -         |
| Seven years later                                           | -                          | -         | -         | -         |
| Eight years later                                           | -                          | -         | -         | -         |
| Nine years later                                            | -                          | -         | -         | -         |
| Ten years later                                             | -                          | -         | -         | -         |

| 6. Increase (decrease) in estimated incurred losses and loss adjustment expenses from end of plan year | 2,999,762 | (1,544) | (19,463) | 595,180 |

See independent auditor’s report on supplemental information.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7,888,166</td>
<td>6,926,492</td>
<td>8,213,781</td>
<td>6,830,821</td>
<td>6,769,582</td>
<td>7,225,912</td>
<td>7,029,485</td>
<td>6,958,673</td>
<td></td>
</tr>
<tr>
<td>2,260,774</td>
<td>2,026,062</td>
<td>2,276,721</td>
<td>2,013,347</td>
<td>1,607,784</td>
<td>1,418,610</td>
<td>1,338,560</td>
<td>1,259,767</td>
<td></td>
</tr>
<tr>
<td>5,427,392</td>
<td>4,900,430</td>
<td>5,937,060</td>
<td>4,817,474</td>
<td>5,161,798</td>
<td>5,807,302</td>
<td>5,690,925</td>
<td>5,698,906</td>
<td></td>
</tr>
<tr>
<td>111,568</td>
<td>59,286</td>
<td>68,728</td>
<td>56,360</td>
<td>91,754</td>
<td>133,834</td>
<td>200,551</td>
<td>439,758</td>
<td></td>
</tr>
<tr>
<td>2,443,815</td>
<td>2,419,847</td>
<td>2,479,946</td>
<td>2,403,301</td>
<td>2,187,851</td>
<td>2,426,068</td>
<td>2,253,799</td>
<td>1,775,552</td>
<td></td>
</tr>
<tr>
<td>3,345,355</td>
<td>(74,061)</td>
<td>7,857,921</td>
<td>3,305,167</td>
<td>5,859,212</td>
<td>5,869,860</td>
<td>3,875,393</td>
<td>3,381,941</td>
<td></td>
</tr>
<tr>
<td>955,861</td>
<td>(156,580)</td>
<td>4,334,998</td>
<td>(882,880)</td>
<td>2,979,727</td>
<td>4,211,222</td>
<td>402,229</td>
<td>321,127</td>
<td></td>
</tr>
<tr>
<td>2,386,494</td>
<td>82,519</td>
<td>3,532,923</td>
<td>4,188,047</td>
<td>2,879,485</td>
<td>1,658,638</td>
<td>3,473,164</td>
<td>3,060,814</td>
<td></td>
</tr>
<tr>
<td>921,577</td>
<td>795,609</td>
<td>1,706,079</td>
<td>1,048,881</td>
<td>1,389,248</td>
<td>1,353,918</td>
<td>1,261,030</td>
<td>1,050,634</td>
<td></td>
</tr>
<tr>
<td>1,358,090</td>
<td>1,580,076</td>
<td>2,676,826</td>
<td>1,755,657</td>
<td>1,977,865</td>
<td>1,707,898</td>
<td>2,142,664</td>
<td>1,814,597</td>
<td></td>
</tr>
<tr>
<td>1,564,121</td>
<td>1,745,523</td>
<td>2,801,904</td>
<td>1,940,919</td>
<td>2,345,151</td>
<td>2,127,938</td>
<td>2,374,044</td>
<td>2,584,329</td>
<td></td>
</tr>
<tr>
<td>1,581,574</td>
<td>1,851,741</td>
<td>3,013,631</td>
<td>2,106,487</td>
<td>2,485,185</td>
<td>2,487,370</td>
<td>2,443,641</td>
<td>2,454,525</td>
<td></td>
</tr>
<tr>
<td>1,717,886</td>
<td>1,887,546</td>
<td>3,124,621</td>
<td>2,186,553</td>
<td>2,619,590</td>
<td>2,655,195</td>
<td>2,677,504</td>
<td>2,740,186</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>1,908,684</td>
<td>3,269,178</td>
<td>2,299,406</td>
<td>2,874,960</td>
<td>2,862,428</td>
<td>2,750,535</td>
<td>2,782,920</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>3,409,044</td>
<td>2,384,787</td>
<td>2,982,354</td>
<td>2,918,258</td>
<td>2,885,651</td>
<td>2,786,388</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,389,626</td>
<td>3,118,093</td>
<td>2,998,845</td>
<td>2,923,866</td>
<td>2,786,810</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,144,134</td>
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(350,931)  (466,128)  (1,055,108)  (1,071,805)  (280,603)  (481,131)  (468,005)  (345,126)
STATEMENT OF ACTUARIAL OPINION
for the League Association of Risk Management
as of 9/30/20

IDENTIFICATION

I, Elizabeth Long, Principal and Consulting Actuary, am associated with the firm, By the Numbers Actuarial Consulting, Inc. I am a Member of the American Academy of Actuaries and meet its qualification standards for issuing Statements of Actuarial Opinion included with Property and Casualty Annual Statements. I am an Associate of the Casualty Actuarial Society. I was appointed by the Board of Directors of the League Association of Risk Management on April 24, 2019 to render this opinion.

The loss and loss adjustment expense reserves are the responsibility of the Association's management. My responsibility is to express an opinion on those reserves based on my review.

SCOPE

I have examined the actuarial assumptions and methods used in determining the reserves listed in Exhibit A, as shown in the Financial Statement of the Association as prepared for filing with state regulatory officials, as of September 30, 2020 and reviewed information provided to me through October 15, 2020. The items in the scope, on which I am expressing an opinion, reflect the Loss Reserve Disclosure items in Exhibit B.

My examination of the loss and loss adjustment expense reserves was based upon data and related information prepared by the Association. In this regard, I relied on Mr. Mark Weaver of Sedgwick (Third Party Administrator of the Association) as to the accuracy and completeness of the data. I evaluated the data used directly in my analysis for reasonableness and consistency. My evaluation did not reveal any data points materially affecting my analysis that fell outside the range of reasonable possibilities. In performing this evaluation, I have assumed that the Association and its service providers used their best efforts to supply accurate and complete data and did not knowingly provide any inaccurate data. I also reconciled the paid loss and allocated loss adjustment expense amounts and estimated ultimate incurred loss amounts as of September 30, 2020 used in my analysis against the Financial Statements. In other respects, my examination included the use of such actuarial assumptions and methods and such tests of the calculations as I considered necessary.

My review was limited to items 1) through 6) in Exhibit A, and did not include an analysis of any income statement items or other balance sheet items. My opinion on the reserves is based upon the assumption that all reserves are backed by valid assets, which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.
Statement of Actuarial Opinion  
December 9, 2020  
Page Two  

OPINION  

In my opinion, the amounts carried in the balance sheet on account of the items identified above:  

A) Meet the requirements of the insurance laws of Nebraska.  
B) Are computed in accordance with accepted actuarial standards and principles; and  
C) Make a reasonable provision for all unpaid loss and loss expense obligations of the Association under the terms of its contracts and agreements.  

This opinion is made in accordance with the category “Determination of Reasonable Provision,” as contained in the 2019 Property and Casualty Annual Statement Instructions regarding Statements of Actuarial Opinion.  

RELEVANT COMMENTS  

Risk of Material Adverse Deviation  
The Association writes workers compensation, general liability, automobile liability, automobile physical damage, property, inland marine, boiler and machinery, wind/storm/vandalism, public officials E&O, and police professional liability in the State of Nebraska. I believe there is no significant risk of material adverse deviation. The absence of risk factors from this listing does not imply that any risk factors will not be identified in the future as having been a significant influence on the Association’s reserves.  

In making this determination, I have considered a material adverse deviation to be one in which the actual net outstanding losses and loss adjustment expenses exceed the total of A) and B) of Exhibit A, by an amount greater than 15% of the Association’s statutory surplus shown on the Balance Sheets of the Financial Statements (i.e. a reserve deviation greater than $1,407,011).  

My selection of the materiality standard (15% of statutory surplus) was driven by the historical variability in the estimated ultimate incurred losses. Other measures of materiality might be used for reserves that are being evaluated in a different context.  

With respect to the net reserves, the materiality of adverse deviation as it relates to the Association’s surplus will depend on the Association’s reinsurance protection. If the Association’s reinsurance protection does not respond to adverse reserve deviation, such deviation could materially affect the Association’s surplus.
Statement of Actuarial Opinion  
December 9, 2020  
Page Three

**Uncertainty**  
In evaluating whether the reserves make a reasonable provision for unpaid losses and loss expenses, it is necessary to project future loss and loss adjustment expense payments. It is certain that actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, my projections make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Association’s historical database or that are not yet quantifiable.

**Reinsurance**  
Based on discussions with Association management and its description of the Association’s ceded and assumed reinsurance, I am not aware of any reinsurance transaction that either has been or should have been accounted for as retroactive reinsurance or financial reinsurance (defined as contractual arrangements that do not include transfer of both timing and underwriting risk).

Reinsurance recoverable of $5,668,649 is in the 10/1/97-98, 10/1/99-00, 10/1/05-06, 10/1/06-07, 10/1/11-12, 10/1/13-14, 10/1/16-17, 10/1/17-18 and 10/1/18-19 policy periods. The reinsurers are Star Insurance Company for 10/1/97-98 and 10/1/99-00; Midwest Employers Casualty Company for 10/1/05-06, 10/1/06-07, 10/1/07-08, 10/1/11-12, and 10/1/17-18; Public Entity Property Insurance Program for 10/1/13-14; and JLT Re for 10/1/16-17, 10/1/17-18 and 10/1/18-19. The reinsurance that is in place has been collected to date and is believed to be collectable in the future.

**Methods and Assumptions**  
There have not been any significant changes in the actuarial methods from those employed last year. The data is grouped this year into three major categories; workers compensation, other liability, and property. The data is combined in order to increase the credibility of the data.

**IRIS Ratios**  
The company does not have any exceptional values to IRIS ratios 11, 12, or 13.

**Other Disclosures**  
**Asbestos and Environmental Exposure**  
I have reviewed the Association’s exposure to asbestos and environmental claims. In my opinion, there is a remote chance of material liability due to the fact that the Association’s policies have excluded coverage.

**Contractual Liability for Service Contracts**  
The Association has represented to me that it does not provide contractual liability for service contracts (vehicles, appliances, etc).

**Discounting**  
I evaluated the loss and loss adjustment expense reserves on both an undiscounted and discounted basis with regard to the time value of money. The amounts shown in Exhibit A are undiscounted with regard to the time value of money.
Extended Loss and Expense Reserves
I am not aware of any claims made extended loss and loss expense reserves.

Long Duration Contracts
The Association writes no contracts related to single or fixed premium contracts with coverage periods of thirteen months or greater that are non-cancelable and not subject to premium increase (excluding financial guaranty contracts, mortgage guaranty contracts, and surety contracts).

Pre-paid Loss Adjustment Expenses
The Association has represented to me that the reserve for unpaid loss adjustment expense was established based on the estimated amount to adjust all open and unreported claims, regardless of pre-payments made to third-party claims administrators.

Salvage and Subrogation
The data underlying my review, and the resulting estimates, are net of subrogation and salvage. The Association does not reduce reserves to reflect anticipated subrogation and salvage recoveries.

Underwriting Pools and Associations
Reserve exposure with respect to pools and associations is considered to be immaterial.

SUPPORTING DOCUMENTS AND USAGE
This is the second opinion I have rendered for the Association and the tenth opinion by By the Numbers Actuarial Consulting, Inc. An actuarial report and underlying work papers supporting the findings expressed in this Statement of Actuarial Opinion have been provided to the Association to be retained for a period of seven years at its administrative offices and available for regulatory examination.

This statement of opinion is solely for the use of, and only to be relied upon by, the Association and the various state departments with which it files its Annual Statement.

Sincerely,

[Signature]

Elizabeth Long, ACAS, MAAA
Principal and Consulting Actuary
By the Numbers Actuarial Consulting, Inc.
9 Forrest Blend Drive
Titusville, NJ 08560
(609) 474-0508
elong@bynac.com

By The Numbers Consulting, Inc.

December 9, 2020
### Exhibit A: SCOPE

**Loss Reserves:**

1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Col 1, Line 1)  
   **Amount** $4,266,416
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Col 1, Line 3)  
   **Amount** $1,937,233
3. Reserve for Unpaid Losses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 13 and 15, Line 12 * 1000)  
   **Amount** $9,072,002
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 17, 19 and 21, Line 12 * 1000)  
   **Amount** $2,800,296
5. The Page 3 write-in item reserves, "Retroactive Reinsurance Reserve Assumed"  
   **Amount** $0
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)  
   **Amount** $0

**Premium Reserves:**

7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts  
   **Amount** $0
8. Reserve for Net Unearned Premiums for Long Duration Contracts  
   **Amount** $0
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)  
   **Amount** $0
Exhibit B_DISCLOSURES

1. Name of the Appointed Actuary
   Long Elizabeth

2. The Appointed Actuary's Relationship to the Company
   E if an Employee of the Company or Group
   C if a Consultant
   A

3. The Appointed Actuary has the following designation
   (indicated by the letter code):
   F if a Fellow of the Casualty Actuarial Society (FCAS)
   A if an Associate of the Casualty Actuarial Society
   (ACAS)
   M if not a member of the Casualty Actuarial Society, but
   a Member of the American Academy of Actuaries
   (MAAA) approved by the Casualty Practice Council,
   as documented with the attached approval letter.
   O for Other

4. Type of Opinion, as identified in the OPINION paragraph.
   Enter R, I, E, Q, or N based upon the following:
   R if Reasonable
   I if Inadequate or Deficient Provision
   E if Excessive or Redundant Provision
   Q if Qualified. Use Q when part of the OPINION is
   Qualified.
   N if No Opinion

5. Materiality Standard expressed in US dollars (Used to
   Answer Question #2)
   Yes [ ] No [X] N/A [ ]

6. Are there significant risks that could result in Material Adverse Deviation?
   $ 1,407,011

7. Statutory Surplus (Liabilities, Col 1, Line 37)
   $ 9,380,070

8. Anticipated net salvage and subrogation included as a
   reduction to loss reserves as reported in Schedule P
   (should equal Part 1 Summary, Col 23, Line 12 * 1000)
   $ 0

9. Discount included as a reduction to loss reserves and loss
   expense reserves as reported in Schedule P
   9.1 Nontabular Discount (Notes, Line 32B20, Amounts 1, 2, 3 & 4),
   Electronic Filing Cols 1, 2, 3, & 4.
   $ 0

10. The net reserves for losses and expenses for the company’s
    share of voluntary and involuntary underwriting pools and
    associations’ unpaid losses and expenses that are included in
    reserves shown on the Liabilities, Surplus and Other Funds
    page. Losses and Loss Adjustment Expense lines.
    $ 0

11. The net reserves for losses and loss adjustment expenses that
    the company carries for the following liabilities included on
    the Liabilities, Surplus and Other Funds page. Losses and
    Loss Adjustment Expenses lines.*
    11.1 Asbestos, as disclosed in the Notes to Financial
         Statements (Notes, Line 33A03D, ending net
         asbestos reserves for current year) Electronic
         Filing Col S
         $ 0

    11.2 Environmental, as disclosed in the Notes to Financial
         Statements (Notes, Line 33D03D, ending
         net environmental reserves for current year),
         Electronic Filing Col S
         $ 0

12. The total claims made extended loss and expense reserve
    (Greater than or equal to Schedule P Interrogatories).
    12.1 Amount reported as loss reserves
    $ 0

13. The net reserves for the A&H Long Duration Contracts that the
    Company carries on the following lines on the Liabilities,
    Surplus and Other Funds page:
    13.1 Losses
    $ 0

    13.2 Loss Adjustment Expenses
    $ 0

    13.3 Unearned Premium
    $ 0

    13.4 Write-in (list separately, adding additional lines as
         needed, and identify (e.g., “Premium Deficiency
         Reserves”, “Contract Reserves other than Premium
         Deficiency Reserves” or “AG 51 Reserves”))
    $ 0

14. Other items on which the Appointed Actuary is providing
    relevant comment (list separately, adding additional lines as
    needed)
    $ 0

* The reserves disclosed in item 11 above, should exclude amounts relating to contracts
  specifically written to cover asbestos and environmental exposures. Contracts specifically
  written to cover these exposures include Environmental Impairment Liability (post 1985),
  Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's
  Environmental Liability, and Pollution and Remediation Legal Liability.