



NOTICE

**MEETING OF THE ANNUAL MEMBERS MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, September 22, 2021, 10:15 a.m. CT/9:15 a.m. MT**

PLEASE TAKE NOTICE that on **Wednesday, September 22, 2021, at 10:15 a.m. CT/9:15 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Annual Members meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. 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. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/89057406260?pwd=eEo0LzhoUGhLTWFNNHYveXhJQTR6QT09> or 1-346-248-7799. The Meeting ID is 890 5740 6260 and the passcode is 887398.

On September 17, 2021, 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 also is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.

AGENDA
ANNUAL MEMBERS' MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, September 22, 2021, 10:15 a.m. CT/ 9:15 a.m. MT
Cornhusker Marriott Hotel - Grand Ballroom B and C
333 South 13th Street, Lincoln NE

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 this meeting and at www.larmpool.org for examination and copying.

LARM and the League of Nebraska Municipalities will follow CDC guidelines and any other applicable health directives to protect conference delegates and comply with the law.

You may also join the meeting by Zoom via Computer, Smart Device or Telephone
<https://us06web.zoom.us/j/89057406260?pwd=eEo0LzhoUGhLTWFNNHYveXhJQTR6QT09> or 1-346-248-7799. The Meeting ID is 890 5740 6260 and the passcode is 887398.

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.** 10:15 a.m. CT/ 9:15 a.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board of Directors, will call the meeting to order.
- b.** Roll call of members present.
- c.** Indicate that on September 17, 2021, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. 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 with the following links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website – larmpool.org and Facebook page – www.facebook.com/larmne.
- d.** Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public and at www.larmpool.org along with at least one copy of all reproducible written material to be discussed at this meeting.
- e.** Pledge of Allegiance to the Flag of the United States of America
- 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. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

2. Consider a motion to approve the Minutes of the "Special Members Meeting" of the

League of Association of Risk Management (LARM) held on December 22, 2020.

Please see pages 1-10

3. Consider a motion to accept the recommendations of the Nominating Committee and elect the slate of nominees to the LARM Board of Directors.

Please see pages 11-12

a. Pursuant to Article I, Section 2 of LARM's Bylaws and Section 8.1.4.1 of LARM's Interlocal Agreement, the Nominating Committee of the LARM Board of Directors met on September 9, 2021, and nominated a slate of five candidates (listed below) to serve a three-year term. The first four officials listed below were elected on March 21, 2018, to a one-year term and then on September 19, 2018, to a three-year term which ends Dec. 31, 2021.

Tom Ourada, Administrator of the City of Crete

Sandra Schendt, Clerk/Treasurer of the City of Nelson

Deb VanMatre, Mayor of the City of Gibbon

Pamela Buethe, Board Member of the Sarpy County SID #29

***Connie Jo Beck**, Clerk of the City of St. Paul, is nominated to serve her first three-year term.

**(Pursuant to Article I, Section 1 of LARM's Bylaws and Section 8.1 of LARM's Interlocal Agreement, L. Lynn Rex, LARM's Administrator, will recommend Connie Jo Beck, Clerk of the City of St. Paul, to the LARM Board of Directors at its meeting on Sept. 22, 2021, to immediately fill the vacancy created by the resignation of Doug Schultz, Former Administrator/Clerk/Treasurer of the City of Curtis, whose term of office would have expired on Dec. 31, 2021.)*

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.

4. 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.

Please see pages 13-33

· Lyndee Black, CPA, Thomas, Kunc and Black

5. Consider a motion to adjourn.



**MINUTES
SPECIAL MEMBERS' MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
utilizing video and telephone conferencing
Thursday, December 22, 2020, 11:00 A.M. CT/10:00 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

A Special Members' meeting of the League Association of Risk Management (LARM) was held December 22, 2020, at 11:00 A.M. CT/10:00 A.M. MT via video and telephone conferencing.

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 was available for public inspection at 1335 L Street in Lincoln, Nebraska, and also was posted on the League of Nebraska Municipalities' website (lonm.org/larm); LARM's Facebook page (facebook.com/larmne); and LARM's website (larmpool.org).

(AGENDA ITEM #1) **Call to Order.** At 11:01 A.M. CT, **LARM Board Vice Chair Lanette Doane**, Clerk/Treasurer of the Village of Ansley, called the meeting to order. She 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 www.larmpool.org. The Open Meetings Act was accessible to members of the public at www.larmpool.org. Vice Chair Lanette Doane stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following LARM members present by video and telephone conferencing:

Present (14):

Village of Ansley, Lanette Doane

City of Columbus, Tammy Orender

City of Crete, Tom Ourada

City of Fremont, Mayor Joey Spellerberg

City of Gibbon, Mayor Deb VanMatre

Guide Rock RFD, Sandra Schendt

City of Nelson, Sandra Schendt

Nelson RFD, Sandra Schendt

Village of Henry, Janine Schmidt

Village of Morrill, Janine Schmidt

Sheep Creek RFPD, Janine Schmidt

City of Hickman, Mayor Doug Hanson

City of Oshkosh, LeAnn Brown

SID #29 Sarpy County, Pam Buethe

Not present (160):

City of Ainsworth

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

City of Beaver City

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 RFPD

City of Chadron

Village of Chester

City of Clarkson

City of Clay Center

Village of Comstock

Village of Cook

Village of Cotesfield

City of Curtis

Village of Dalton

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

City of Genoa

City of Gering

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 Hendley
 Village of Herman
 Village of Hershey
 Village of Holbrook
 Village of Hoskins
 Hoskins RFD
 Village of Howells
 City of Humboldt
 Humboldt Fire & RFD
 City of Imperial
 City of Indianola, Indianola RFD & VFD
 Village of Inglewood
 Village of Jansen
 Village of Johnstown
 Village of Julian
 KBR Solid Waste Committee
 Village of Lawrence
 Village of Leigh
 Village of Lewellen
 Village of Litchfield
 Village of Lodgepole
 City of Louisville
 Loup Central 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
 City of Norfolk
 Village of North Loup
 City of North Platte
 North Platte NRD
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 Northeast Nebraska Solid Waste Coalition
 City of Oakland
 Village of Otoe
 Village of Oxford
 City of Pawnee City
 Village of Pilger
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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
 City of Syracuse
 Village of Table Rock
 Village of Taylor
 City of Terrytown
 Village of Trenton
 Village of Uehling
 Village of Union
 Village of Utica
 City of Valentine
 Victoria Township
 City of Wahoo
 Village of Walthill
 Village of Wausa
 City of Waverly
 Village of Wilcox
 Village of Winnebago
 Village of Wolbach
 Village of Wood Lake
 City of Wymore

Other participants included: Cline Williams (representing LARM) - **Andy Barry and Trent Sidders**; Sedgwick (LARM's third party administrator) – **John Brockschmidt, Chris Cadwell and Mark Weaver**; LARM staff – **Dave Bos, Tracy Juranek, Diane Becker, Elizabeth Becker, Randy Peters and Fred Wiebelhaus**; Thomas, Kunc & Black, LLP – **Lyndee Black**; League of Nebraska (LONM) Municipality staff – **Shirley**

Riley; and LONM Executive Director, LARM Administrator and Ex-Officio LARM Non-Voting Board Member – **L. Lynn Rex.**

(AGENDA ITEM #2) **Consider a motion to approve the minutes of the October 22, 2020, “Virtual Annual Members’ Meeting of LARM.”** Sandra Schendt of the City of Nelson moved, seconded by LeAnn Brown of the City of Oshkosh to approve the minutes of the October 22, 2020, “Virtual Annual Members’ Meeting of LARM.” Mayor Doug Hanson resumed his role as Board Chair and asked if there was any other discussion; there was none.

Roll call vote.

Ayes (14):

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

Nays (0)

Abstentions (0)

Not present (160):

City of Ainsworth	Village of Brownville	Village of Edison
Village of Alda	Village of Brule	Village of Elba
Village of Allen	Village of Burr	Village of Elyria
Village of Anselmo	Village of Butte	Village of Emerson
City of Arapahoe	Village of Callaway	Village of Eustis
Village of Arlington	Village of Cedar Bluffs	Fairfield Rural Fire Protection District
Village of Ashton	Village of Cedar Creek	City of Genoa
City of Atkinson	Central RFPD	City of Gering
City of Auburn	City of Chadron	Village of Glenvil
Auburn Board of Public Works	Village of Chester	Village of Guide Rock
Village of Bancroft	City of Clarkson	Village of Gurley
City of Bassett	City of Clay Center	Village of Haigler
City of Bayard	Village of Comstock	Village of Halsey
City of Beaver City	Village of Cook	City of Harvard & Harvard RFD
Village of Beaver Crossing	Village of Cotesfield	Village of Hazard
Village of Benedict	City of Curtis	Village of Hemingford
City of Benkelman	Village of Dalton	City of Henderson
Village of Berwyn	Village of Dannebrog	Village of Hendley
Village of Broadwater	City of David City	Village of Herman
Village of Brock	Village of DeWeese	Village of Hershey
	City of Edgar	

Village of Holbrook
 Village of Hoskins
 Hoskins RFD
 Village of Howells
 City of Humboldt
 Humboldt Fire & RFD
 City of Imperial
 City of Indianola, Indianola RFD & VFD
 Village of Inglewood
 Village of Jansen
 Village of Johnstown
 Village of Julian
 KBR Solid Waste Committee
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 Village of Mason City
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Village of Mullen
 Village of Murray
 City of Neligh
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 Village of Stapleton
 Village of Sumner
 Village of Sutherland
 City of Syracuse
 Village of Table Rock
 Village of Taylor
 City of Terrytown
 Village of Trenton
 Village of Uehling
 Village of Union
 Village of Utica
 City of Valentine
 Victoria Township
 City of Wahoo
 Village of Walthill
 Village of Wausa
 City of Waverly
 Village of Wilcox
 Village of Winnebago
 Village of Wolbach
 Village of Wood Lake
 City of Wymore

Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.

(AGENDA ITEM #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.** Mayor Deb VanMatre of the City of Gibbon moved, seconded by Sandra Schendt of the City of Nelson 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. Chair Doug Hanson asked if there was any discussion; there was none.

Roll call vote.

Ayes (14):

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

Nays (0)

Abstentions (0)

Not present (160):

City of Ainsworth	Central RFPD	City of Harvard & Harvard RFD
Village of Alda	City of Chadron	Village of Hazard
Village of Allen	Village of Chester	Village of Hemingford
Village of Anselmo	City of Clarkson	City of Henderson
City of Arapahoe	City of Clay Center	Village of Hendley
Village of Arlington	Village of Comstock	Village of Herman
Village of Ashton	Village of Cook	Village of Hershey
City of Atkinson	Village of Cotesfield	Village of Holbrook
City of Auburn	City of Curtis	Village of Hoskins
Auburn Board of Public Works	Village of Dalton	Hoskins RFD
Village of Bancroft	Village of Dannebrog	Village of Howells
City of Bassett	City of David City	City of Humboldt
City of Bayard	Village of DeWeese	Humboldt Fire & RFD
City of Beaver City	City of Edgar	City of Imperial
Village of Beaver Crossing	Village of Edison	City of Indianola, Indianola RFD & VFD
Village of Benedict	Village of Elba	Village of Inglewood
City of Benkelman	Village of Elyria	Village of Jansen
Village of Berwyn	Village of Emerson	Village of Johnstown
Village of Broadwater	Village of Eustis	Village of Julian
Village of Brock	Fairfield Rural Fire Protection District	KBR Solid Waste Committee
Village of Brownville	City of Genoa	Village of Lawrence
Village of Brule	City of Gering	Village of Leigh
Village of Burr	Village of Glenvil	Village of Lewellen
Village of Butte	Village of Guide Rock	Village of Litchfield
Village of Callaway	Village of Gurley	Village of Lodgepole
Village of Cedar Bluffs	Village of Haigler	City of Louisville
Village of Cedar Creek	Village of Halsey	Loup Central Landfill

Lower Platte North NRD
 Lower Republican NRD
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 Village of Mullen
 Village of Murray
 City of Neligh
 Village of Newcastle
 City of Norfolk
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 Village of Otoe

Village of Oxford
 City of Pawnee City
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 City of Waverly
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 Village of Wolbach
 Village of Wood Lake
 City of Wymore

Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.

(AGENDA ITEM #4) **Consider a motion to adjourn.** At 11:29 A.M., Lanette Doane of the Village of Ansley moved, seconded by Tom Ourada of the City of Crete, to adjourn. Chair Doug Hanson asked if there was any discussion; there was none.

Roll call vote.

Ayes (14):

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

Nays (0)

Abstentions (0)

Not present (160):

City of Ainsworth	City of David City	Village of Leigh
Village of Alda	Village of DeWeese	Village of Lewellen
Village of Allen	City of Edgar	Village of Litchfield
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City of Arapahoe	Village of Elba	City of Louisville
Village of Arlington	Village of Elyria	Loup Central Landfill
Village of Ashton	Village of Emerson	Lower Platte North NRD
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Village of Benedict	Village of Halsey	Village of Meadow Grove
City of Benkelman	City of Harvard & Harvard RFD	Village of Merna
Village of Berwyn	Village of Hazard	Village of Miller
Village of Broadwater	Village of Hemingford	Village of Monroe
Village of Brock	City of Henderson	Village of Moorefield
Village of Brownville	Village of Hendley	Village of Mullen
Village of Brule	Village of Herman	Village of Murray
Village of Burr	Village of Hershey	City of Neligh
Village of Butte	Village of Holbrook	Village of Newcastle
Village of Callaway	Village of Hoskins	City of Norfolk
Village of Cedar Bluffs	Hoskins RFD	Village of North Loup
Village of Cedar Creek	Village of Howells	City of North Platte
Central RFPD	City of Humboldt	North Platte NRD
City of Chadron	Humboldt Fire & RFD	Northeast Nebraska Economic Development District
Village of Chester	City of Imperial	Northeast Nebraska Solid Waste Coalition
City of Clarkson	City of Indianola, Indianola RFD & VFD	City of Oakland
City of Clay Center	Village of Inglewood	Village of Otoe
Village of Comstock	Village of Jansen	Village of Oxford
Village of Cook	Village of Johnstown	City of Pawnee City
Village of Cotesfield	Village of Julian	Village of Pilger
City of Curtis	KBR Solid Waste Committee	Village of Platte Center
Village of Dalton	Village of Lawrence	City of Ralston

City of Randolph
Village of Roca
City of St. Paul
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Village of Taylor
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Village of Trenton
Village of Uehling
Village of Union
Village of Utica
City of Valentine
Victoria Township
City of Wahoo
Village of Walthill
Village of Wausa
City of Waverly
Village of Wilcox
Village of Winnebago
Village of Wolbach
Village of Wood Lake
City of Wymore

Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.

Approved on:

ATTEST:

Elizabeth Becker

*Customer Service Representative
League Association of Risk Management*

L. Lynn Rex

*LARM Administrator
Ex-Officio, Non-Voting, LARM Board Member and Administrator of LARM
Executive Director of the League of Nebraska Municipalities*



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MINUTES
Nominating Committee of the LARM Board
Telephone Conference Call Sept. 9, 2021; 9:30 a.m. CT

(Section 8.1.4.1 of the Interlocal Agreement provides: "A nominating committee shall recommend candidates for the Board to the members. The nominating committee shall consist of the chairperson of the Board, an individual from a participating member selected by the Board and the Administrator. Additional nominations shall be requested from participating members at the meeting.")

Nominating Committee Members Present on Conference Call:

Hickman Mayor Doug Hanson, Chair of the LARM Board

Ansley Clerk/Treasurer Lanette Doane, Vice Chair of the LARM Board

League Executive Director L. Lynn Rex, ex-officio member and Administrator of LARM pursuant to the Interlocal Agreement

Others Present on Conference Call:

Dave Bos, LARM Executive Director

Tracy Juranek, LARM Assistant Executive Director

Elizabeth Becker, LARM Customer Service Representative

The meeting was called to order at 9:30 a.m. CT to discuss nominations for the FY 21-22 LARM Board.

(AGENDA ITEM #1) Consider a motion to nominate the following officials (candidates) to a three-year term of office on the LARM Board of Directors to the participating members for election at LARM's Annual Members' Meeting on Sept. 22 at 10:15 a.m. CT. (Except for Connie Jo Beck, these officials were elected on March 21, 2018, to a one-year term and then on Sept. 19, 2018, to a three-year term which ends Dec. 31, 2021.)

- **Tom Ourada**, City Administrator of the City of Crete
- **Sandra Schendt**, Clerk/Treasurer of the City of Nelson
- **Deb VanMatre**, Mayor of the City of Gibbon
- **Pamela Buethe**, Board Member of the Sarpy County SID #29
- ***Connie Jo Beck, Clerk of the City of St. Paul**

**(Pursuant to Article I, Section 1 of LARM's Bylaws and Section 8.1 of LARM's Interlocal Agreement, L. Lynn Rex, LARM's Administrator, will recommend Connie Jo Beck, Clerk of the City of St. Paul, to the LARM Board of Directors at its meeting on Sept. 22, 2021, to immediately fill the vacancy created by the resignation of Doug Schultz, Former Administrator/Clerk/Treasurer of the City of Curtis, whose term of office would have expired on Dec. 31, 2021.)*

Lanette Doane moved, seconded by Mayor Doug Hanson to nominate the following officials to the participating members for election at LARM's Annual Members' Meeting on Sept. 22 at 10:15 a.m. CT, **Tom Ourada**, City Administrator of the City of Crete; **Sandra Schendt**, Clerk/Treasurer of the City of Nelson; **Deb VanMatre**, Mayor of the City of Gibbon; and **Pamela Buethe**, Board Member of the Sarpy

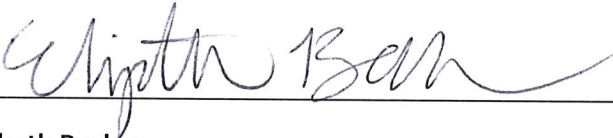
County SID #29; to another three-year term of office on the LARM Board of Directors (effective Jan. 1, 2022) as well as **Connie Jo Beck**, Clerk of the City of St. Paul, to a three-year term of office on the LARM Board of Directors (effective Jan. 1, 2022). **Roll Call Vote.** Ayes: Doane, Hanson and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

(AGENDA ITEM #2) Motion to adjourn.

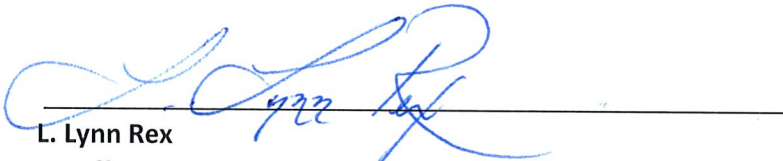
At 9:53 a.m. CT, Lanette Doane moved, seconded by Mayor Doug Hanson to adjourn at 9:53 a.m. CT. **Roll Call Vote.** Ayes: Doane, Hanson and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

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

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Accountant's Compilation Report

Financial Statements - Statutory Basis

June 30, 2021 and 2020

and

September 30, 2020

QUARTERLY STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2021
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 Buethe
Don Groesser
Melissa Harrell
Tony Kaufman
Jo Leyland
Josh Moenning
Tom Ourada
Sandra Schendt
Douglas Schultz
Deb VanMatre
Teresa Youngquist
Paul Lambert – Ex-officio

LEAGUE ASSOCIATION OF RISK MANAGEMENT

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Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report

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

June 30, 2021 and 2020 Financial Statements

Management is responsible for the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets - statutory basis as of June 30, 2021 and 2020 and the related statutory statements of revenues and expenses, changes in surplus, and cash flows for the periods then ended, and the related notes to the financial statements in the accompanying prescribed form in accordance with the Insurance Department of the State of Nebraska. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Insurance Department of the State of Nebraska and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

September 30, 2020 Financial Statements

The accompanying September 30, 2020 financial statements of League Association of Risk Management were audited by us, and we expressed an unqualified opinion on the statutory basis of accounting in our report dated December 11, 2020, but we have not performed any auditing procedures since that date.

Lincoln, Nebraska
August 16, 2021

Thomas, Kunc and Black, LLP

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Balance Sheets - Statutory Basis

June 30, 2021 and 2020 and September 30, 2020

	<u>Assets</u>		
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2020 (Audited)
Cash:			
Cash on deposit	\$ 1,542,721	1,207,690	873,504
Short-term investments	-	9,247,315	5,248,706
Total cash	<u>1,542,721</u>	<u>10,455,005</u>	<u>6,122,210</u>
Long-term investments	16,089,880	4,749,578	7,251,105
Accounts receivable	7,065	7,964	10,232
Premiums receivable	27,423	40,487	9,463,267
Interest receivable	19,106	28,565	27,181
Reinsurance recoverable on paid losses	<u>689,234</u>	<u>2,173,592</u>	<u>1,899,306</u>
Total assets	<u>\$ 18,375,429</u>	<u>17,455,191</u>	<u>24,773,301</u>
	<u>Liabilities and Surplus</u>		
Loss reserves	\$ 4,404,412	3,733,918	4,266,416
Loss adjustment expenses	1,787,460	1,873,118	1,937,233
Unearned premium	2,152,962	1,971,923	8,781,678
Taxes payable	75,163	67,525	89,761
Other liabilities	218,165	72,667	293,143
Funds held under reinsurance treaties	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total liabilities	<u>8,663,162</u>	<u>7,744,151</u>	<u>15,393,231</u>
Surplus	<u>9,712,267</u>	<u>9,711,040</u>	<u>9,380,070</u>
Total liabilities and surplus	<u>\$ 18,375,429</u>	<u>17,455,191</u>	<u>24,773,301</u>

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT.

Statements of Income - Statutory Basis

For the periods ended June 30, 2021 and 2020

and for the year ended September 30, 2020

	Nine Months Ended		Year Ended
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2020 (Audited)
Revenues:			
Premiums earned, direct	\$ 7,424,070	6,659,074	8,886,960
Premiums earned, transferred by excess	(1,972,438)	(1,762,278)	(2,407,442)
Net premiums	5,451,632	4,896,796	6,479,518
Investment income	50,967	222,134	245,812
Miscellaneous income	105,506	(861)	3,318
Total revenues	5,608,105	5,118,069	6,728,648
Expenses:			
Losses incurred, direct	2,218,964	6,147,704	6,353,220
Losses incurred, transferred by excess	81,434	(4,046,629)	(3,269,162)
Net losses	2,300,398	2,101,075	3,084,058
Loss expenses incurred	751,687	1,017,775	1,378,197
Other underwriting expenses incurred	2,223,823	2,157,738	2,755,882
Total expenses	5,275,908	5,276,588	7,218,137
Net income/(loss) - statutory basis	\$ 332,197	(158,519)	(489,489)

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Changes in Surplus - Statutory Basis

For the periods ended June 30, 2021 and 2020

and for the year ended September 30, 2020

	Nine Months Ended		Year Ended
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2020 (Audited)
Surplus, beginning of period	\$ 9,380,070	9,869,559	9,869,559
Net income/(loss)- statutory basis	332,197	(158,519)	(489,489)
Unrealized capital gain	-	-	241,968
Change in non-admitted assets	-	-	(241,968)
Dividends	-	-	-
Surplus, end of period	<u>\$ 9,712,267</u>	<u>9,711,040</u>	<u>9,380,070</u>

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Cash Flows - Statutory Basis

For the periods ended June 30, 2021 and 2020

and for the year ended September 30, 2020

	Nine Months Ended		Year Ended
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2020 (Audited)
Premiums collected, net of excess insurance	\$ 8,262,111	7,397,103	6,368,014
Loss and loss adjustment expenses paid	(1,853,790)	(4,596,584)	(5,069,090)
Underwriting expenses paid	(2,313,399)	(2,243,177)	(2,598,609)
Cash from underwriting	4,094,922	557,342	(1,299,685)
Investment income	59,042	253,894	520,924
Other income/(expense)	105,506	-	-
Net cash from operations	4,259,470	811,236	(778,761)
Transfers in:			
Other sources	-	5,888,441	3,347,286
Transfers out:			
Other applications	(8,838,959)	-	(201,643)
Net change in cash and short-term investments	(4,579,489)	6,699,677	2,366,882
Cash and short-term investments, beginning of period	6,122,210	3,755,328	3,755,328
Cash and short-term investments, end of period	\$ 1,542,721	10,455,005	6,122,210

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(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 accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(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 paid dividends of \$106,110 (June 30, 2021), \$0 (June 30, 2020) and \$0 (September 30, 2020). The total member surplus reflected on NLC's financials for LARM were \$2,267,029 (June 30, 2021), \$2,025,061 (June 30, 2020) and \$2,267,029 (September 30, 2020).

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 accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(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:

		Cost		
		Insured or Direct U.S. Government	Uninsured	Total
At	June 30, 2021			
	Cash on deposit	\$ 250,000	1,452,930	1,702,930
	Short-term investments	-	-	-
	Long-term investments	16,089,880	-	16,089,880
		<u>\$ 16,339,880</u>	<u>1,452,930</u>	<u>17,792,810</u>
At	June 30, 2020			
	Cash on deposit	\$ 250,000	1,109,963	1,359,963
	Short-term investments	9,247,315	-	9,247,315
	Long-term investments	4,744,383	5,195	4,749,578
		<u>\$ 14,241,698</u>	<u>1,115,158</u>	<u>15,356,856</u>
At	September 30, 2020			
	Cash on deposit	\$ 250,000	693,436	943,436
	Short-term investments	5,248,706	-	5,248,706
	Long-term investments	7,248,332	2,773	7,251,105
		<u>\$ 12,747,038</u>	<u>696,209</u>	<u>13,443,247</u>

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.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(3) Cash on deposit and investments: (Continued)

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.

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.

June 30, 2021						
		Less Than 12 Months		Greater Than 12 Months		Total
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value Unrealized Losses
Bonds:						
U.S. Governments	\$	-	-	1,537,670	2,056	1,537,670 2,056
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions		-	-	14,228,107	112,777	14,228,107 112,777
Industrial and miscellaneous unaffiliated		-	-	-	-	- -
Total bonds		-	-	15,765,777	114,833	15,765,777 114,833
Total temporarily impaired securities	\$	-	-	15,765,777	114,833	15,765,777 114,833

The amortized cost and estimated statutory fair value of bonds at June 30, 2021, 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.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ -	-
Due after one year through five years	12,841,716	12,809,367
Due after five years through ten years	2,998,577	2,956,410
Due after ten years	-	-
	\$ 15,840,293	15,765,777

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(3) Cash on deposit and investments: (Continued)

June 30, 2020						
	Less Than 12 Months		Greater Than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Bonds:						
U.S. Governments	\$ 5,997,850	51	809,325	-	6,807,175	51
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	1,508,678	-	3,513,462	242	5,022,140	242
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	7,506,528	51	4,322,787	242	11,829,315	293
Total temporarily impaired securities	\$ 7,506,528	51	4,322,787	242	11,829,315	293

The amortized cost and estimated statutory fair value of bonds at June 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.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ 7,497,315	7,506,528
Due after one year through five years	4,249,578	4,322,787
Due after five years through ten years	-	-
Due after ten years	-	-
	\$ 11,746,893	11,829,315

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(3) Cash on deposit and investments: (Continued)

		September 30, 2020				
		Less Than 12 Months		Greater Than 12 Months		Total
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value Unrealized Losses
Bonds:						
U.S. Governments	\$	4,499,155	2	806,048	-	5,305,203 2
Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions		753,780	-	5,995,490	5,886	6,749,270 5,886
Industrial and miscellaneous unaffiliated		-	-	-	-	- -
Total bonds		5,252,935	2	6,801,538	5,886	12,054,473 5,888
Total temporarily impaired securities	\$	5,252,935	2	6,801,538	5,886	12,054,473 5,888

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.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ 5,248,706	5,252,935
Due after one year through five years	6,751,105	6,801,538
Due after five years through ten years	-	-
Due after ten years	-	-
	\$ 11,999,811	12,054,473

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 June 30, 2021 and 2020 and September 30, 2020 are temporary and are presented on the following page.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(3) **Cash on deposit and investments: (Continued)**

The cost, gross unrealized gains, gross unrealized losses and estimated fair values are as follows:

June 30, 2021

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Obligations of U.S. Government sponsored enterprises	\$ 15,840,293	40,317	114,833	15,765,777
Total	<u>\$ 15,840,293</u>	<u>40,317</u>	<u>114,833</u>	<u>15,765,777</u>

June 30, 2020

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Obligations of U.S. Government sponsored enterprises	\$ 11,746,893	82,715	293	11,829,315
Total	<u>\$ 11,746,893</u>	<u>82,715</u>	<u>293</u>	<u>11,829,315</u>

September 30, 2020

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Obligations of U.S. Government sponsored enterprises	\$ 11,999,811	60,550	5,888	12,054,473
Total	<u>\$ 11,999,811</u>	<u>60,550</u>	<u>5,888</u>	<u>12,054,473</u>

The statement value and estimated fair value of financial instruments at June 30, 2021 and 2020 and September 30, 2020 are as follows:

		<u>June 30, 2021</u>			
	<u>Statement Value</u>	<u>Estimated Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:					
Bonds	\$ 15,840,380	15,765,777	-	15,765,777	-
Cash on deposit (including certificates of deposit)	1,792,221	2,041,991	1,542,221	499,770	-
Investment income due and accrued	19,106	19,106	19,106	-	-
Total	<u>\$ 17,651,707</u>	<u>17,826,874</u>	<u>1,561,327</u>	<u>16,265,547</u>	<u>-</u>

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(3) Cash on deposit and investments: (Continued)

		June 30, 2020			
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$ 11,746,893	11,829,315	-	11,829,315	-
Common stock	-	-			
Cash on deposit (including certificates of deposit)	3,457,690	3,462,883	1,712,730	1,750,153	-
Investment income due and accrued	28,565	28,565	28,565	-	-
Total	\$ 15,233,148	15,320,763	1,741,295	13,579,468	-

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

(4) Related party transactions:

LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services. The total amount paid to the League of Nebraska Municipalities was \$79,389 (June 30, 2021), \$154,052 (June 30, 2020), and \$180,995 (September 30, 2020). The total amount of payables to the League of Nebraska Municipalities was \$280 (June 30, 2021), \$12,914 (June 30, 2020), and \$7,081 (September 30, 2020).

(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.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(5) Reinsurance recoverables: (Continued)

	June 30, 2021	June 30, 2020	September 30, 2020
Contributions:			
Direct	\$ 7,424,070	6,659,074	8,886,960
Ceded	(1,972,438)	(1,762,278)	(2,407,442)
Net contributions earned	<u>\$ 5,451,632</u>	<u>4,896,796</u>	<u>6,479,518</u>
Losses:			
Direct	\$ 2,218,964	6,147,704	6,353,220
Ceded	81,434	(4,046,629)	(3,269,162)
Net losses incurred	<u>\$ 2,300,398</u>	<u>2,101,075</u>	<u>3,084,058</u>

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of \$689,234 (June 30, 2021), \$2,173,592 (June 30, 2020), and \$1,899,306 (September 30, 2020).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of \$4,897,376 (June 30, 2021), \$6,094,217 (June 30, 2020), and \$5,668,649 (September 30, 2020).

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 June 30, 2021 and 2020 and September 30, 2020, 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.

(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:

\$ 300,000	per occurrence	General Liability, Auto Liability, Police, Errors and Omissions
\$ 300,000	per occurrence	Public Official's Liability
\$ 100,000	per loss	Property, Auto Physical Damage
\$ 450,000	per occurrence	Wind and Hail Damage
\$ 750,000	per location and loss	Workers' Compensation
\$ 10,000	per occurrence	Boiler and Machinery
\$ 20,000	per occurrence	Cyber
\$ 10,000	per occurrence	Terrorism

From July 1, 2019 to July 1, 2020 the Property, Auto Physical Damage per-claim retention limit was \$200,000 and Wind and Hail Damage per-claim retention limit was \$300,000, plus a \$300,000 corridor deductible.

(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 June 30, 2021 and 2020.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

June 30, 2021 and 2020 (Unaudited) and September 30, 2020 (Audited)

(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:

	June 30, 2021	June 30, 2020	September 30, 2020
Non-admitted assets:			
Accounts receivable over 90 days past due	\$ -	-	-
Agents balances receivable over 90 days past due	-	-	-
Investment in NLC	2,267,029	2,025,061	2,267,029
	<u>\$ 2,267,029</u>	<u>2,025,061</u>	<u>2,267,029</u>

(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 June 30, 2020 and September 30, 2020 have been restated in some instances to conform with current statement presentation.

(11) Subsequent events:

The Pool evaluated subsequent events through August 16, 2021. There were no subsequent events that require disclosure and/or adjustments.

See independent accountant's compilation report.

SUPPLEMENTAL INFORMATION



Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report
on Supplemental Information

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

The June 30, 2021 and 2020 supplementary information contained in the Reconciliation of Unpaid Claims is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

The September 30, 2020 supplementary information contained in the Reconciliation of Unpaid Claim Liabilities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information was 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole based upon the statutory basis of accounting. We have not performed any auditing procedures on the supplementary information since December 11, 2020.

Lincoln, Nebraska
August 16, 2021

Thomas, Kunc and Black, LLP

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Reconciliation of Unpaid Claim Liabilities

For the periods ended June 30, 2021 and 2020

and the year ended September 30, 2020

	Nine Months Ended		Year Ended
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	September 30, 2020 (Audited)
Unpaid claims and claims adjustment expenses at beginning of period	\$ 6,203,649	5,759,407	5,759,407
Incurring claims and claims adjustment expenses:			
Provision for insured events of current policy year	2,797,500	2,190,000	3,209,110
Increase/(decrease) in provision in insured events of prior policy years	254,585	928,850	1,253,145
Total incurred claims and claims adjustment expenses	3,052,085	3,118,850	4,462,255
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	930,149	468,576	906,267
Claims and claims adjustment expenses attributable to insured events of prior policy years	2,133,713	2,802,645	3,111,746
Total payments	3,063,862	3,271,221	4,018,013
Total unpaid claims and claims adjustment expenses at end of period	\$ 6,191,872	5,607,036	6,203,649

See independent accountant's compilation report on supplemental information.