Midwest Public Risk
19400 East Valley View Parkway
Independence, MO 64055

June 29, 2026

Kansas Department of Administration
armunis@da.ks.gov

Office of Accounts and Reports:

Enclosed are the audited June 30, 2025 and 2024 financial statements and corresponding internal control communications for Midwest Public Risk of Kansas (statutory basis) and Midwest Public Risk for submission to the Kansas Department of Administration within one year of the fiscal year ended. The $300 filing fee will be submitted once instructions are sent for this fiscal year.

If you have any questions on the enclosures, please contact me at 816-292-7576.

Sincerely,



Don Cawby
Finance Director
Midwest Public Risk

MIDWEST PUBLIC RISK OF KANSAS, INC.

STATUTORY FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024



Midwest Public Risk of Kansas, Inc.
Table of Contents

Pages

Independent Auditors' Report....1-2

Statutory Financial Statements:

Statutory Statements of Admitted Assets, Liabilities, and Surplus 3

Statutory Statements of Revenues, Expenses, and Changes in Surplus....4

Statutory Statements of Cash Flows....5

Notes to Statutory Financial Statements....6-15

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Members
Midwest Public Risk of Kansas, Inc.:

Opinions

We have audited the accompanying financial statements of the Midwest Public Risk of Kansas, Inc. (MPR of Kansas), which comprise the statutory statements of admitted assets, liabilities, and surplus as of June 30, 2025 and 2024, and the related statutory statements of revenues, expenses and changes in surplus, and cash flows for the years then ended, and the related notes to the financial statements.

Unmodified 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 admitted assets, liabilities, and surplus of MPR of Kansas as of June 30, 2025 and 2024 and the results of its operations and its cash flows for the years then ended, in accordance with financial reporting provisions of the Insurance Department of the State of Kansas as described in Note 2.

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 section of our report, the financial statements referred to in the first paragraph do not present fairly the financial position of MPR of Kansas as of June 30, 2025 and 2024, or the results of its operations or its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MPR of Kansas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the regulatory basis of accounting and our adverse opinion on U.S. generally accepted accounting principles.

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

As described in Note 2, the financial statements are prepared by MPR of Kansas on the basis of the financial reporting provisions of the Insurance Department of the State of Kansas, which is a basis of accounting other than U.S. generally accepted accounting principles, to comply with the requirements of the Insurance Department of the State of Kansas. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Insurance Department of the State of Kansas, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MPR of Kansas' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Conner Ash P.C.

St. Louis, Missouri
October 23, 2025

Midwest Public Risk of Kansas, Inc.
Statutory Statements of Admitted Assets, Liabilities, and Surplus
As of June 30, 2025 and 2024

	2025	2024
ADMITTED ASSETS		
Cash and cash equivalents	$ 20,946,412	$ 19,064,419
Contributions due from members	22,232	5,834
Receivables from affiliates	49,704	-
Excess insurance recoverable on paid losses	288,224	231,786
Other assets	2,266	8,479
Total admitted assets	$ 21,308,838	$ 19,310,518
LIABILITIES AND SURPLUS		
LIABILITIES		
Claim reserves	$ 7,351,943	$ 8,183,241
Unallocated loss adjustment expense (ULAE) reserves	82,061	77,939
Accounts payable	92,223	75,811
Advanced contributions	9,372,610	7,599,703
Accrued contribution tax liability	53,369	43,058
Accrued payroll	30,466	30,384
Due to other MPR funds	-	2,622,500
Loss control/wellness credit program liability	247,334	237,669
Total current liabilities	17,230,006	18,870,305
SURPLUS		
Members' fund balance - unreserved	4,078,832	440,213
Total liabilities and surplus	$ 21,308,838	$ 19,310,518

See accompanying notes and independent auditors' report.

Midwest Public Risk of Kansas, Inc.
Statutory Statements of Revenues, Expenses, and Changes in Surplus
For the Years Ended June 30, 2025 and 2024

	2025	2024
Underwriting revenues:		
Contributions earned (net of excess insurance premiums of $3,901,426 and $3,710,867 for 2025 and 2024, respectively)	$ 10,459,191	$ 8,452,536
Underwriting expenses:		
Incurred losses, net of recoveries:		
Paid	7,001,291	6,889,745
Change in reserves	(826,323)	1,892,125
Other insurance premiums	14,303	13,958
Contribution taxes	107,187	95,979
Claims administration fees:		
Allocated loss adjustment expenses	374,104	366,774
Change in unallocated loss adjustment expenses	3,791	11,127
Loss prevention	17,262	17,179
General and administrative	1,030,698	811,121
Total underwriting expenses	7,722,313	10,098,008
Net underwriting income (loss)	2,736,878	(1,645,472)
Net investment income earned	509,680	410,549
Net realized capital gain	400,604	179,322
Net investment gain	910,284	589,871
Net gain (loss)	3,647,162	(1,055,601)
Change in non-admitted assets	(8,543)	(129,394)
Members' fund balance, beginning of year	440,213	1,625,208
Members' fund balance, end of year	$ 4,078,832	$ 440,213

See accompanying notes and independent auditors' report.

Midwest Public Risk of Kansas, Inc.
Statutory Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Contributions collected, net of excess insurance	$ 12,215,700	$ 11,375,946
Losses and loss adjustment expenses paid	(7,001,291)	(6,889,745)
Insurance premiums paid	(22,918)	(119,422)
Contribution taxes paid	(96,495)	(127,958)
Claims administration fees paid	(365,639)	(343,641)
Loss prevention expenses paid	(7,597)	(36,737)
General and administrative expenses paid	(724,297)	(362,464)
Payments for personnel expenses	(366,160)	(331,162)
Net cash provided by operating activities	3,631,303	3,164,817
Cash flows from non-capital financing activities:		
Advances from (to) related parties	(2,672,202)	667,034
Deposits and other liabilities	12,607	60,745
Net cash provided by (used in) non-capital financing activities	(2,659,595)	727,779
Cash flows from investing activities:		
Net investment income collected	509,680	410,549
Net effect of investment asset transfer to MPR of Missouri	400,605	179,323
Net cash provided by investing activities	910,285	589,872
Net change in cash and cash equivalents	1,881,993	4,482,468
Cash and cash equivalents, beginning of year	19,064,419	14,581,951
Cash and cash equivalents, end of year	$ 20,946,412	$ 19,064,419

See accompanying notes and independent auditors' report.

1. Reporting Entity

Midwest Public Risk of Kansas, Inc. was formed effective July 1, 2009, because of the reorganization of MARCIT, which was a self-insurance program started July 1, 1983, to provide various types of insurance products, including employee benefits (health and dental), workers' compensation, and property and liability coverages. The MARCIT Board of Directors approved the reorganization of MARCIT into two public entity risk coverage pools and one administrative corporation, collectively known as Midwest Public Risk (MPR). The three new entities formed were:

- Midwest Public Risk (MPR), an administrative corporation providing administrative services to the two state (Kansas and Missouri) coverage pools and owning/managing the MPR building.
- Midwest Public Risk of Missouri (MPR of Missouri), a public entity risk coverage pool providing all three lines of coverage to Missouri public entities.
- Midwest Public Risk of Kansas, Inc. (MPR of Kansas), a public entity risk coverage pool providing employee benefits and property and liability coverage to Kansas public entities.

Each of the three entities is governed by a Board of Directors. The MPR Board of Directors is made up of directors from MPR of Missouri and MPR of Kansas governing boards.

While the operations have been organized by state, all the entities share in each other's risk and share joint and severable liability. In addition, both MPR of Missouri and MPR of Kansas have entered into a management agreement with MPR to administer the day-to-day operations. Any profits or losses generated by MPR are ultimately distributed to the risk coverage pools on a proportionate basis.

MPR of Kansas provides employee benefits coverage to members located primarily in the eastern Kansas area and includes cities and counties. There were 8 members in MPR of Kansas' employee benefits program as of both June 30, 2025 and 2024. The MPR of Kansas' property and liability program had 48 and 46 members participating in June 30, 2025 and 2024, respectively. The members select the Board of Directors.

MPR of Kansas' general objectives are to provide a self-insured program for local governmental entities; to improve the loss prevention program, thereby reducing claims and accidents; to reduce costs through sound and equitable claims management practices; and to provide excess insurance at a discount based on volume and lower risk exposure.

The financial statements present only the financial position and results of MPR of Kansas and are not intended to present the financial position of MPR or MPR of Missouri and the results of their operations and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP).

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements of MPR of Kansas:

A. Basis of Presentation – Fund Accounting

MPR of Kansas operates as a single proprietary fund, more specifically as an enterprise fund. A proprietary fund is used to account for activities similar to those found in the private sector, where determination of net income is necessary or useful to sound financial administration. An enterprise fund is used because the services provided by MPR of Kansas' activities are provided to outside parties, the local governmental members of MPR of Kansas.

The accounts of MPR of Kansas are organized by claim year, each of which is accounted for separately because the composition of membership may change from year to year.

B. Statutory Accounting Principles

The accompanying financial statements have been prepared in conformity with the accounting practices prescribed or permitted by the Insurance Department of the State of Kansas, which vary, in some respects, from GAAP. MPR of Kansas has adopted the codification principles which provide a comprehensive basis of statutory accounting and reporting, which have been approved by the National Association of Insurance Commissioners (NAIC) and adopted by the Insurance Department of the State of Kansas, as described in the *Annual Statement Instructions* and the *Accounting Practices and Procedures Manual*. "Prescribed" statutory accounting practices include state laws, regulations, and general administrative rules, as well as a variety of publications of the NAIC. "Permitted" statutory accounting practices include all accounting practices that are not prescribed but are allowed by the domiciliary state insurance department. The most significant differences between prescribed and permitted statutory accounting practices and GAAP are as follows:

- Investments are valued on a basis prescribed by the NAIC. Under GAAP for governmental entities, investments are carried at fair market value and changes in fair market value are recognized in the operating statement. As MPR of Kansas, Inc. no longer holds investments, the balances under both methods for 2025 and 2024 were $0.

- Certain assets designated as "non-admitted assets" have been charged to fund balance. Under GAAP, those assets would have been reported at the lower of cost or net realizable value. MPR of Kansas' principal non-admitted assets are miscellaneous receivables, deposits, and prepaid expenses.

	2025	2024
Deposits	$ 144,108	$ 156,716
Prepaid expenses	258,538	237,387
Total non-admitted assets	$ 402,646	$ 394,103

- A comparison of the results of operations for the fiscal years ended June 30, 2025 and 2024, under the two different sets of accounting principles follows:

	For the Year Ended June 30, 2025		
	GAAP	NAIC	Difference
Net underwriting/operating income	$ 2,736,878	$ 2,736,878	$ -
Net investment revenue	509,680	509,680	-
Net realized capital gain	400,604	400,604	-
Change in non-admitted assets	-	(8,543)	8,543
Members' fund balance, beginning of year	834,316	440,213	394,103
Members' fund balance, end of year	$ 4,481,478	$ 4,078,832	$ 402,646

	For the Year Ended June 30, 2024		
	GAAP	NAIC	Difference
Net underwriting/operating loss	$ (1,645,472)	$ (1,645,472)	$ -
Net investment revenue	410,549	410,549	-
Net realized capital loss	179,322	179,322	-
Change in non-admitted assets	-	(129,394)	129,394
Members' fund balance, beginning of year	1,889,917	1,625,208	264,709
Members' fund balance, end of year	$ 834,316	$ 440,213	$ 394,103

C. Cash and Cash Equivalents

Interest-bearing deposit accounts are reported at cost plus accrued interest.

D. Excess Insurance Recoverable on Paid Losses

MPR of Kansas uses excess insurance agreements to reduce its exposure to large losses. Excess insurance permits recovery of a portion of losses from the excess insurer, although it does not discharge the primary liability of MPR of Kansas as direct insurer of the risks, and MPR of Kansas thus remains contingently liable for amounts which excess carriers might be unable to pay. The A.M. Best ratings for the excess insurance carriers of MPR of Kansas range from A+ to A relative to their financial size categorization. As of June 30, 2025 and 2024, MPR of Kansas' excess insurance recoverable on paid losses was $288,224 and $231,786, respectively.

E. Claim Reserves

The employee benefits coverage is provided on a modified "claims made" basis, wherein the claim must have been incurred when the employee had coverage with MPR and must be reported within 12 months following the date such claim was incurred. A claim incurred in one fiscal year (claim period) and reported in the following fiscal year (claim period) will be covered, provided the employee had coverage when the claim was incurred.

In general, property and liability coverage is provided on a "claims occurrence" basis, wherein claims are generally covered under the policy in effect when the injury occurred, regardless of the date reported. However, liability coverage for public officials, employment practices and some law enforcement is provided on a "claims made" basis, wherein the claim must have been incurred and reported when the member had coverage with MPR.

F. Unallocated Loss Adjustment Expenses

Should MPR of Kansas decide not to continue operations, the accrued unallocated loss adjustment expense of $82,061 and $77,939 would cover the future handling of unsettled claims as of June 30, 2025 and 2024, respectively.

G. Accrued Contribution Tax Liability

The accrued contribution tax liability is a tax assessed by the State of Kansas on contributions collected from MPR of Kansas' employee benefits and property and liability members. The total tax owed for the fiscal year is due and paid to the state by March 30th of the following fiscal year. The accrued contribution tax liability as of June 30, 2025 and 2024 was $53,369 and $43,058, respectively.

H. Unearned Contributions

Contributions for the employee benefits coverage are due the first of each month, whereas property and liability contributions are collected at the beginning of the fiscal year; however, sometimes members process and mail their payments prior to the due date. As of June 30, 2025 and 2024, MPR of Kansas had received early contributions payments of $9,372,610 and $7,599,703 for July 2025 and 2024, respectively.

I. Members' Fund Balance

Members' fund balance is maintained on a claim year basis. The membership of any given claim year can change depending upon the governmental entities participating in the MPR of Kansas employee benefits and property and liability programs. MPR of Kansas is an assessable pool, and members participating in a given claim year may be assessed additional contributions if expenses exceed revenues for such claim year. To the extent revenues exceed expenses in a given claim year after all, or nearly all, related claims have been settled, and the Board of Directors and members authorize and approve a full or partial distribution of the surplus for that claim year, members participating in such claim year are entitled to receive a refund of contributions. There were no additional assessments or refunds of contributions to the MPR of Kansas members for the years ended June 30, 2025 and 2024.

The total unreserved fund balances as of June 30, 2025 and 2024 were $4,078,832 and $440,213, respectively. Additionally, the portion of unassigned funds (surplus) less cumulative unrealized gains and losses at June 30, 2025 and 2024 was $3,962,198 and $323,579, respectively.

J. Contributions Earned

Employee benefits contributions are billed monthly and recognized as revenue in the month for which coverage is provided. Property and liability contributions are billed annually and recognized evenly over the fiscal year. The Board of Directors determines contributions on an annual fiscal year basis.

K. Incurred Losses and Recoveries

Incurred losses and recoveries represent claim expenses related to providing employee benefits and property and liability coverage. The incurred losses and recoveries include:

- Paid claims, net of recoveries
- Claim reserves, net of recoveries
- Loss adjustment expenses

L. Statutory Statements of Cash Flows

For purposes of the statutory statements of cash flows, cash and cash equivalents includes interest-bearing deposit accounts.

M. Federal Income Taxes

MPR of Kansas is not subject to federal income taxes under Section 115 of the Internal Revenue Code. Consequently, the financial statements do not contain a provision for taxes.

N. Acquisition Costs

MPR of Kansas incurs acquisition costs related to the acquisition of new or renewal contracts. MPR of Kansas' policy is to expense the costs as incurred.

O. Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

MPR of Kansas maintains various interest-bearing deposit accounts to handle cash receipts, disbursements, and idle cash balances for its funds. Deposits in financial institutions must be collateralized by securities pledged to MPR of Kansas by these same institutions. At June 30, 2025 and 2024, MPR of Kansas' bank balances were either fully insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with securities held by MPR of Kansas or by its agent in MPR of Kansas' name.

4. Reconciliation of Claim Reserves

An analysis of claim reserves during the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Claim reserves at beginning of year, net of recoveries	$ 8,174,762	$ 6,274,158
Incurred claims and claim adjustment expenses, net of recoveries:		
Provision for insured events of the current year	7,949,082	8,950,573
Adjustment to provision for insured events of prior years	(1,772,362)	(160,224)
Total incurred claims and claim adjustment expenses, net of recoveries	6,176,720	8,790,349
Payments, net of recoveries:		
Claims and claim adjustment expenses attributable to insured events of the current year	3,928,599	4,844,962
Claims and claim adjustment expenses attributable to insured events of prior years	3,072,692	2,044,783
Total payments, net of recoveries	7,001,291	6,889,745
Claim reserves at end of year, net of recoveries	$ 7,350,191	$ 8,174,762
Statements of Admitted Assets, Liabilities, and Surplus recap:		
Claim reserves	$ 7,351,943	$ 8,183,241
Deductible receivable	(1,752)	(8,479)
Claim reserves at end of year, net of recoveries	$ 7,350,191	$ 8,174,762

See independent auditors' report.

5. Self-Insured Retention and Excess Insurance

MPR is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, just like the members for which it provides coverage. MPR is insured through the very same programs it provides to its members.

MPR uses excess insurance agreements to reduce its exposure to large losses. Excess insurance permits recovery of a portion of losses from the excess insurers, although it does not discharge the primary liability of MPR as direct insurer of the risks.

MPR retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by purchased excess insurance. A brief description of each of the programs follows. The self-insured retention amounts and excess insurance limits are listed in item C following the descriptions.

A. Employee Benefits Fund

MPR of Kansas' health program uses both deductibles and co-payments to spread the cost of the program and offers members the choice of three indemnity plans and a consumer directed health plan. All plans utilize the Nationwide Open Access Network (OAP). Provided enrollees stay in the network, the plans vary in applicable copays and coinsurance combinations, ranging from in network coinsurance of 70% to 100%. Members can choose to offer coverage for retirees, as long as they meet the requirements.

The excess insurance covers only paid claims within the fiscal year and does not cover claims reported but not processed or incurred but not reported. Premiums for this excess insurance coverage were $139,046 and $110,352 for the years ended June 30, 2025 and 2024, respectively. Those amounts are shown as a reduction of contributions earned.

B. Property and Liability Fund

(1) Liability Coverage

MPR of Kansas' liability coverage offers general liability, public officials/employment practices liability, auto liability, and crime and fidelity coverage. These coverages are continually refined to incorporate the Kansas Tort Claims Act limits, and recent court decisions.

(2) Property Coverage

MPR of Kansas offers property coverage to protect members' buildings, contents, inland marine, and auto physical damage, in addition to flood and earthquake coverage.

Premiums for excess liability and property coverage were $3,762,380 and $3,600,515 for the years ended June 30, 2025 and 2024, respectively. Deductibles for the property and liability coverages range from $500 to $100,000.

C. Self-Insured Retention Amounts and Excess Insurance Limits

Following are the self-insured retention and excess insurance limits.

	2025	2024
Employee Benefits:		
Self-insured retention:		
Specific	$ 500,000	$ 500,000
Excess insurance limit:		
Specific	Unlimited	Unlimited
Liability (Note 2):		
Self-insured retention:		
Specific	$ 500,000	$ 500,000
Excess insurance limits:		
Specific (Note 1)	$ 500,000	$ 500,000
Aggregate (millions)	$ 25	$ 25
Property (Note 2):		
Self-insured retention:		
Specific	$ 500,000	$ 500,000
Excess insurance limits:		
Specific (millions)	$ 500	$ 500
Aggregate (millions)	$ 500	$ 500

Note 1: Liability limit is dictated by the Kansas Tort Claims Act, which limits the amount for any number of claims arising out of a single occurrence or accident.

Note 2: Other deductibles and sub-limits apply to various types of losses.

6. Service Provider Agreements

Administration, underwriting, and claims management services were provided by BusinesSolver. Additional services for the Employee Benefits Fund are provided by UMR, CVS, Delta Dental, and Vision Service Plan. Third party claims management services for the property and liability program were provided by Thomas McGee. The allocated loss adjustment expense for the years ended June 30, 2025 and 2024 was $374,104 and $366,774, respectively. The unallocated loss adjustment expense for the years ended June 30, 2025 and 2024 was $3,791 and $11,127, respectively.

7. Related Party Transactions

MPR of Kansas has a risk sharing agreement with MPR of Missouri so each entity can obtain a larger risk sharing base by the aggregation of their assets and liabilities, thereby obtaining greater economies of scale cost savings resulting from the common joint administration. To accomplish this goal, both MPR of Kansas and MPR of Missouri entered into a management agreement with MPR, whereby MPR manages and administers the Employee Benefits Fund and the Property and Liability Fund established by MPR of Kansas and MPR of Missouri on a day-to-day basis to achieve the objectives of the funds. Administrative functions include establishing and maintaining budgets, projections, studies, and analysis of the funds; establishing coverage documents in cooperation with the executive committee; distributing surplus or assessing deficiencies as determined by the executive committee and authorized by law; accepting and/or rejecting applications for membership; and hiring employees and retaining third party administrators. MPR does not receive a management fee for these services, but instead is reimbursed for the actual costs incurred in administering the pools. Costs are allocated to the pools based upon the type of fund (employee benefits, workers' compensation, and/or property and liability) for which the costs are incurred. Those costs associated with the funds are allocated to MPR of Kansas based on its percentage of contributions to the total combined employee benefits contributions and total combined property and liability contributions of both MPR of Missouri and MPR of Kansas.

8. Subsequent Events

MPR of Kansas has evaluated subsequent events through October 23, 2025, the date on which the financial statements were available to be issued.

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CONNER ASH P.C.
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and Business Consultants

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REPORT TO THOSE CHARGED WITH GOVERNANCE

Board of Directors
Midwest Public Risk of Kansas, Inc.
Independence, Missouri

We have audited the statutory financial statements of Midwest Public Risk of Kansas, Inc. ("MPR-KS") for the year ended June 30, 2025 and we will issue our report thereon dated October 23, 2025. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MPR-KS are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by MPR-KS during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of loss reserves is based on individual case estimates for reported claims and an actuarial valuation for incurred but unreported claims, including development of reported claims. We evaluated the methods, assumptions, and data used to develop the loss reserves in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

1. The disclosure of the risk sharing arrangement in Note 1 and Note 7 between MPR-KS and Midwest Public Risk of Missouri.
2. The disclosure of loss reserves and claims expense in Note 4 to the financial statements as described above.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to MPR-KS' financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as MPR-KS' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This communication is intended solely for the information and use of management, the Board of Directors, and others within MPR-KS, and is not intended to be, and should not be, used by anyone other than these specified parties.

Conner Ash P.C.

St. Louis, Missouri
October 23, 2025

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REPORT ON MATTERS RELATED TO INTERNAL CONTROL

Board of Directors and Management
Midwest Public Risk of Kansas, Inc.
Independence, Missouri

In planning and performing our audit of the statutory financial statements of Midwest Public Risk of Kansas, Inc. ("MPR-KS") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered MPR-KS' system of internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MPR-KS' internal control. Accordingly, we do not express an opinion on the effectiveness of MPR-KS' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of MPR-KS' financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, and others within MPR-KS, and is not intended to be, and should not be, used by anyone other than these specified parties.

Conner Ash P.C.

St. Louis, Missouri
October 23, 2025

MIDWEST PUBLIC RISK

COMBINED ANNUAL FINANCIAL REPORT

For the Years Ended June 30, 2025 and 2024

Member owned. Member focused.

Office Address:
19400 East Valley View Parkway
Independence, Missouri 64055

MIDWEST PUBLIC RISK

COMBINED ANNUAL FINANCIAL REPORT

For the Years Ended June 30, 2025 and 2024

President/CEO,
Michael J. Sindel

Office Address:

19400 East Valley View Parkway
Independence, Missouri 64055

Prepared by:

Accounting Analyst,
Tarrah Dyal, CPA

TABLE OF CONTENTS

Pages

Independent Auditors' Report....1-3
Management's Discussion and Analysis....4–14

Basic Financial Statements:

Combined Statements of Net Assets....15
Combined Statements of Revenues, Expenses, and Changes in Net Assets....16
Combined Statements of Cash Flows....17-18
Notes to Financial Statements....19-37

Required Supplementary Information:

Ten-Year Claims Development – General Information....38-39
Ten-Year Claims Development – Employee Benefits Fund....40
Ten-Year Claims Development – Workers' Compensation Fund....41-42
Ten-Year Claims Development – Property and Liability Fund....43-44
Reconciliation of Claim Reserves by Fund....45

Other Supplementary Information:

Combining Statement of Net Assets by Fund – June 30, 2025....46-47
Combining Statement of Net Assets by Fund – June 30, 2024....48-49
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Fund – June 30, 2025....50
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Fund – June 30, 2024....51
Combining Statement of Cash Flows by Fund – June 30, 2025....52-53
Combining Statement of Cash Flows by Fund – June 30, 2024....54-55
Combining Statement of Net Assets by Legal Entity – June 30, 2025....56-57
Combining Statement of Net Assets by Legal Entity – June 30, 2024....58-59
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Legal Entity – June 30, 2025....60
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Legal Entity – June 30, 2024....61

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Members
Midwest Public Risk:

Opinion

We have audited the basic combined financial statements of Midwest Public Risk, Midwest Public Risk of Missouri, and Midwest Public Risk of Kansas, Inc., collectively known as Midwest Public Risk (MPR), which comprise the combined statements of net assets as of June 30, 2025 and 2024, and the related combined statements revenues, expenses, and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MPR as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MPR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MPR's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Report on Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic combined financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

Report on Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the basic combined financial statements as a whole. The combining statements are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information 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 our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Conner Ash P.C.

St Louis, Missouri
October 23, 2025

This section of the combined annual financial report of Midwest Public Risk (MPR), and its affiliates, Midwest Public Risk of Missouri (MPR of Missouri) and Midwest Public Risk of Kansas, Inc. (MPR of Kansas), collectively referred to as MPR, presents a discussion and analysis of the financial performance for the year ended June 30, 2025. Please read it in conjunction with the basic financial statements and the required supplementary information. This report also contains other supplementary information in addition to the basic financial statements, which includes combining financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

MPR's basic financial statements are prepared based on accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of MPR is to cover employee benefit, workers' compensation, and property and liability claims for its governmental members. MPR operates in a manner similar to any other insurance company and uses a proprietary fund, more specifically an enterprise fund, to account for its activities.

Financial Statements

The basic financial statements are presented on the accrual basis of accounting. The three basic financial statements presented are as follows:

Statement of Net Assets – This statement presents information reflecting MPR's assets, liabilities, and net assets. Net assets represent the amount of total assets less total liabilities. The statement of net assets is categorized as to current and non-current assets and liabilities. For purposes of the basic financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or will be due within twelve months of the statement date.

Statement of Revenues, Expenses and Changes in Net Assets – This statement reflects MPR's operating revenues and expenses, as well as non-operating revenues and expenses, during the fiscal year. The major source of operating revenues is contribution income, with the major type of expense being employee benefit, workers' compensation, and property and liability claims. The change in net assets for an enterprise fund is similar to the net profit or loss for any other insurance company.

Statement of Cash Flows – The statement of cash flows is presented on the direct method of reporting which reflects cash flows from operating, financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning ten-year claims development and a reconciliation of claim reserves by fund.

Combining schedules that report financial activity by fund (Employee Benefits Fund, Workers' Compensation Fund, Property and Liability Fund, and MPR Management Fund) and legal entity (MPR of Missouri, MPR of Kansas, and MPR Management Fund) follow the required supplementary information.

FINANCIAL HIGHLIGHTS

Fiscal year 2024-2025 brought MPR modest increase in membership and mixed claims experience across all three funds. Once again, the organization's financial strength improved over the prior year and remains robust overall. For the fiscal year ended June 30, 2025, MPR's financial position, as measured by net assets, grew by 35%, or approximately $14M. While claims increased more than anticipated in both the Employee Benefits and Workers' Compensation Funds, the Property and Liability Fund experienced significantly stronger results. The improved financial position of the Property and Liability Fund is a testament to MPR's prudent management and ongoing fiscal discipline.

The tables on the following pages present the summarized financial position and results of operations for the fiscal years ended June 30, 2025 and 2024. The Dollar Change and Percent Change columns are positioned as favorable and (unfavorable) to the financial results. Additional details are available in the accompanying financial statements.

	June 30, 2025	June 30, 2024	Dollar Change	Percent Change
	(in Millions)			
Assets				
Cash	$ 31.7	$ 30.4	$ 1.3	4%
Investments	66.9	55.4	11.5	21%
Accounts receivable	2.8	3.0	(0.2)	(7%)
Capital assets	4.9	5.0	(0.1)	(2%)
Other assets	1.9	2.1	(0.2)	(10%)
Total assets	$ 108.2	$ 95.9	$ 12.3	13%
Liabilities				
Current liabilities:				
Claims and loss adjustment reserves	$ 22.5	$ 22.8	$ 0.3	1%
Other liabilities	23.1	22.3	(0.8)	(4%)
Non-current liabilities:				
Claim reserves	9.0	11.2	2.2	20%
Total liabilities	54.6	56.3	1.7	3%
Net Assets				
Invested in capital assets	4.9	5.0	(0.1)	(2%)
Unrestricted	48.7	34.6	14.1	41%
Total net assets	53.6	39.6	14.0	35%
Total liabilities and net assets	$ 108.2	$ 95.9	$ 12.3	13%

The most notable changes on the Statement of Net Assets, in addition to the increase in net assets previously discussed, occurred in the following categories:

- Both cash and investments experienced increases.
- Claims reserves decreased due to lower overall losses.

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
	(in Millions)			
Operating revenues:				
Contributions earned	$ 74.2	$ 67.5	$ 6.7	10%
Operating expenses:				
Losses and loss adjustment expenses	45.2	49.1	3.9	8%
Admin and claims processing expenses	19.9	18.4	(1.5)	(8%)
Total operating expenses	65.1	67.5	2.4	4%
Income from operations	9.1	-	9.1	100%
Non-operating revenues:				
Net investment revenue	4.9	3.0	1.9	63%
Total non-operating revenues	4.9	3.0	1.9	63%
Increase in net assets	14.0	3.0	11.0	367%
Net assets, beginning of year	39.6	36.6	3.0	8%
Net assets, end of year	$ 53.6	$ 39.6	$ 14.0	35%

Significant items include:

- Contributions increased $6.7M or 10% due to net increased membership and exposures in all three funds along with rate increases from year to year.
- Claims expense decreased this fiscal year with losses and loss adjustment expenses down 8% or $3.9M. Additionally, losses and loss adjustment expenses decreased significantly to $0.61 of each $1.00 collected in contributions compared to the $0.73 experienced in 2024. See the individual fund section for a more detailed analysis.

FINANCIAL ANALYSIS OF THE MPR FUND NET ASSETS

	June 30, 2025	June 30, 2024	Dollar Change	Percent Change
	(in Millions)			
Employee Benefits Fund	$ 26.4	$ 21.6	$ 4.8	22%
Workers' Compensation Fund	15.1	14.3	0.8	6%
Property and Liability Fund	12.5	4.2	8.3	198%
MPR Management Fund	4.0	3.9	0.1	3%
Consolidation/Elimination entries	(4.4)	(4.4)	-	0%
Total	$ 53.6	$ 39.6	$ 14.0	35%

MPR accounts are organized based on type of coverage and by claim year, each of which is accounted for separately because the composition of membership may change from year to year. As such, resources from one fund are not available to cover expenses in another fund (i.e. a surplus of net assets in the Workers' Compensation Fund cannot be used to cover a deficiency in the Employee Benefits Fund. The net asset balance and operating results for each type of coverage (fund) are discussed in the following individual fund sections.

Employee Benefits Fund

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
	(in Millions)			
Contributions earned	$ 42.6	$ 40.3	$ 2.3	6%
Losses & loss adjustment expenses	(34.1)	(32.3)	(1.8)	(6%)
Operating expenses	(5.4)	(4.9)	(0.5)	(10%)
Non-operating revenues	1.7	0.9	0.8	89%
Increase in net assets	4.8	4.0	0.8	20%
Net assets, beginning of year	21.6	17.6	4.0	23%
Net assets, end of year	$ 26.4	$ 21.6	$ 4.8	22%

The Employee Benefits Fund experienced a $4.8M increase in net assets in 2025 compared to a $4M increase in 2024. The higher increase in net assets is primarily a result of higher contributions and investment income. Claims experience remained flat as $0.80 of every $1.00 in contributions was utilized to pay claims in 2025 and in 2024. Additional items which contributed to these results include:

- The $2.3M increase in contributions for 2025 was primarily driven by net membership growth. There was no rate increase for 2025, marking the second consecutive year without a rate adjustment following 2024. During the year, the Fund experienced a net change of one member lost and one gained, while medical enrollment increased from approximately 2,900 to 3,300 participants. The program now includes 60 members, representing 36% of all MPR program members.
- Losses and loss adjustment expenses increased by $1.8M, or 6%, compared to the prior year. While the number of large claims exceeding $100,000 decreased from 52 to 44 (a 15% reduction), claim severity rose slightly, with the average large claim increasing from $222,000 to $225,000 (a 1% increase). In fiscal year 2025, two claims exceeded both the $500,000 self-retention limit and the additional $100,000 aggregate corridor before excess insurance coverage applied, compared to four such claims in fiscal year 2024. Utilization of medical plans in the Employee Benefits Fund remained stable at 91%, consistent with the prior year.

Workers' Compensation Fund

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
	(in Millions)			
Contributions earned	$ 5.3	$ 5.5	$ (0.2)	(4%)
Losses & loss adjustment expenses	(3.8)	(2.0)	(1.8)	(90%)
Operating expenses	(2.0)	(1.7)	(0.3)	(18%)
Non-operating revenues	1.3	0.8	0.5	63%
Increase in net assets	0.8	2.6	(1.8)	(69%)
Net assets, beginning of year	14.3	11.7	2.6	22%
Net assets, end of year	$ 15.1	$ 14.3	$ 0.8	6%

Net assets in the Workers' Compensation Fund increased $0.8M in 2025 compared to a $2.6M increase in the prior year. Other notable items include:

- Contributions in this program decreased by 4%. A 0% average rate increase was approved for 2025, marking a second year with no increase. The program netted one fewer member in 2025. The member count is now 58 versus 59 at the prior fiscal year-end, with an associated covered payroll of $162M in 2025 versus $153M in 2024 or an increase of 6%.
- Losses and loss adjustment expenses increased by $1.8M, with the loss ratio (losses as a percentage of contributions) rising from 36% in fiscal year 2024 to 72% in 2025. While prior claim years reflected $0.2M in favorable adjustments, the current claim year experienced a $4M million increase in losses and loss adjustment expenses due to adverse claim development. The number of initial claims reported increased from 151 in 2024 to 160 in 2025, a 6% rise. Claim frequency remained consistent with the prior year; however, severity increased notably, driven by two large claims. There were no claims exceeding $100,000 in 2024, compared to five in 2025, with an average cost of $274,000. The self-insured retention limit remained at $1.5M for all class codes in 2025, consistent with 2024. MPR again purchased a $750,000 buffer layer to reduce exposure. One claim exceeded the self-insured retention limit in 2025, compared to none in 2024.

Property and Liability Fund

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
	(in Millions)			
Contributions earned	$ 26.3	$ 21.7	$ 4.6	21%
Losses & loss adjustment expenses	(7.4)	(14.8)	7.4	50%
Operating expenses	(12.5)	(11.8)	(0.7)	(6%)
Non-operating revenues	1.9	1.3	0.6	46%
Increase (decrease) in net assets	8.3	(3.6)	11.9	331%
Net assets, beginning of year	4.2	7.8	(3.6)	(46%)
Net assets, end of year	$ 12.5	$ 4.2	$ 8.3	198%

The Property and Liability Fund posted an increase of $8.3M in net assets due to decreased claims experience. Other notable items include:

- Contribution revenues increased $4.6M or 21% from 2024; this was due to an average rate increase of 18.7% along with increased exposures in both programs. The member count is 107 and approximately 64% of all members participate in this program.
- Losses and loss adjustment expenses decreased $7.4M, which is a loss ratio of 28%, compared to 68% in 2024. The number of initial claims reported from year to year decreased 70% from 535 in 2024 to 161 in the current claim year. Of the reported occurrences over $100,000, frequency decreased from 11 claims in 2024 to 5 in 2025. The severity of large claims also decreased, from $221,000 in 2024 to $143,000 in 2025. In 2025, MPR property self-retention limits remained $1,000,000 for both states. Liability self-retention limits also remained at $1,000,000. MPR had no claims that exceeded the self-retention limits in 2025 and one (1) claim of this magnitude at this same time in 2024.

MPR Management Fund

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
	(in Millions)			
Rent income	$ 0.5	$ 0.5	$ -	0%
Operating expenses	(0.4)	(0.5)	0.1	20%
Increase in net assets	0.1	-	0.1	100%
Net assets, beginning of year	3.9	3.9	-	0%
Net assets, end of year	$ 4.0	$ 3.9	$ 0.1	3%

The MPR Management Fund experienced no material change to net assets this fiscal year. This fund is responsible for paying MPR campus-related expenses (both operating and capital improvements) and receiving "rent" from the other funds to pay for those building expenses. Revenues in excess of expenses (net assets) are set aside to fund the debt service payments on the $975K interfund loan used to fund the construction of the campus.

FUND NET ASSETS – NET RESERVE CAPITAL (NRC) TARGETS

MPR has a net reserve capital policy which consistently and uniformly establishes targets for desired minimum and maximum net asset balances for each of the funds, excluding the MPR Management Fund. Due to the overhaul of the AM Best Adequacy Model, this policy was revised in 2017 resulting in additional criteria to be used when calculating the target for each fund. For each of the three funds, the policy evaluates eight ratios to help identify the financial strength of each fund individually. The policy also considers other criteria including the financial history of the program, significant changes in membership and contributions, and industry and marketplace factors.

The following target ranges were calculated using the June 30, 2025 financial statements. The Board's strategy is to have fund net assets fall within these target ranges. If the fund net assets exceed the target range, then the Board will consider a distribution of contributions back to the members.

			2025		2024	
		Net Assets	Target Range		Target Range	
			(in Millions)			
Employee Benefits Fund	$	26.4	$	15-17	$	13-15
Workers' Compensation Fund	$	15.1	$	12-13	$	11-12
Property and Liability Fund	$	12.5	$	13-15	$	12-14

The chart above shows the Employee Benefits and Workers' Compensation Funds exceed their target ranges, while the Property and Liability Fund is below the target range. The Board of Directors will discuss options to get this program back within the target range. Due to outstanding and anticipated claims, members have not yet decided whether to approve a surplus distribution for the Employee Benefits and Workers' Compensation Funds.

ECONOMIC CONDITIONS IN THE MARKETPLACE

Economic conditions in 2025 continue to be a line by line discussion as they each carry their own successes and challenges. For our benefits program, we continue to hear that we should all expect increases in cost due to various factors including weight loss drugs and uncertainty in areas including ACA, Medicare and Medicaid coverages from the current political climate.

Worker's compensation remains relatively stable and the NCCI has seen rates decrease in recent years. These haven't always been reflected in MPR's rates because of some of the larger concentration of risks we see compared to a more traditional company such as a manufacturer. Areas such as first responders and public works can drive higher rates for public entities. However MPR is well equipped to absorb losses in these areas with the loss control procedures we have in place.

The property market has softened over the past 12 months after a tumultuous period of high losses and quickly increasing reinsurance rates. The market was able to correct itself in that short period of time and therefore additional capacity is returning but we continue to monitor major perils such as convective storms that dictate what the future will look like.

MPR is focusing more time on the various components that affect costs for liability lines. These include social inflation, nuclear verdicts, litigation financing and changes in regulatory and legal environments.

BASIC FINANCIAL STATEMENTS

The basic financial statements are those financial statements which comprise the minimum presentation of Midwest Public Risk's combined financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Midwest Public Risk
Combined Statements of Net Assets
As of June 30, 2025 and 2024

ASSETS	2025	2024
Current assets:		
Cash and cash equivalents	$ 31,694,560	$ 30,361,358
Investments - unrestricted	66,850,628	55,442,663
Accrued interest	433,915	330,448
Contributions due from members	1,216,644	1,317,020
Excess insurance recoverable - paid losses	1,171,387	1,373,758
Other assets	917,200	887,480
Total current assets	102,284,334	89,712,727
Non-current assets:		
Membership deposits	987,000	1,139,000
Capital assets, non-depreciable:		
Land and other non-depreciable assets	843,201	843,201
Capital assets, depreciable:		
Property and equipment, net of depreciation	4,050,012	4,161,567
Total non-current assets	5,880,213	6,143,768
Total assets	$ 108,164,547	$ 95,856,495
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Claim reserves	$ 21,829,085	$ 22,153,540
Reserve for ULAE	640,725	602,085
Accounts payable	1,125,122	986,296
Credit program liability	1,196,847	1,127,510
Unearned contributions	20,688,727	20,192,893
Total current liabilities	45,480,506	45,062,324
Non-current liabilities:		
Claim reserves	9,049,622	11,168,129
Total non-current liabilities	9,049,622	11,168,129
Total liabilities	54,530,128	56,230,453
NET ASSETS		
Invested in capital assets	4,893,213	5,004,768
Unrestricted	48,741,206	34,621,274
Total net assets	53,634,419	39,626,042
Total liabilities and net assets	$ 108,164,547	$ 95,856,495

The accompanying notes are an integral part of these financial statements.

Midwest Public Risk
Combined Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended June 30, 2025 and 2024

OPERATING REVENUES	2025	2024
Contributions earned	$ 74,200,028	$ 67,485,427
OPERATING EXPENSES		
Losses and loss adjustment expenses:		
Paid	47,684,561	45,676,447
Change in reserves	(2,442,962)	3,433,122
Excess insurance premiums	11,450,441	10,915,793
Other insurance premiums	152,893	151,977
Contribution taxes	272,754	253,686
Claims administration fees	2,704,625	2,594,579
Loss prevention	470,505	377,892
General and administrative	4,628,922	3,873,211
Depreciation	179,032	169,801
Total operating expenses	65,100,771	67,446,508
Income from operations	9,099,257	38,919
NON-OPERATING REVENUES		
Investment revenue	2,772,065	2,064,509
Net change in fair market value of investments	2,116,555	918,818
Other non-operating revenues	20,500	-
Total non-operating revenues	4,909,120	2,983,327
Increase in net assets	14,008,377	3,022,246
Net assets, beginning of year	39,626,042	36,603,796
Net assets, end of year	$ 53,634,419	$ 39,626,042

The accompanying notes are an integral part of these financial statements.

Midwest Public Risk
Combined Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Contributions collected	$ 74,763,956	$ 71,339,558
Losses and loss adjustment expenses paid	(47,464,598)	(45,626,789)
Insurance premiums paid	(11,608,079)	(11,275,941)
Contribution taxes paid	(260,180)	(285,163)
Claims administration fees paid	(2,555,405)	(2,510,278)
Loss prevention expenses paid	(401,169)	(333,468)
General and administrative expenses paid	(2,406,041)	(2,454,405)
Personnel expenses paid	(2,217,494)	(2,058,754)
Net cash provided by operating activities	7,850,990	6,794,760
Cash flows from non-capital financing activities:		
Deposits	152,000	646,000
Net cash provided by non-capital financing activities	152,000	646,000
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	20,500	-
Acquisition of capital assets	(67,477)	(14,892)
Net cash used in capital and related financing activities	(46,977)	(14,892)
Cash flows from investing activities:		
Proceeds from sales or maturities of investments	7,442,678	7,266,315
Purchase of investments	(16,641,286)	(10,087,192)
Interest received	2,575,797	1,975,010
Net cash used in investing activities	(6,622,811)	(845,867)
Net change in cash and cash equivalents	1,333,202	6,580,001
Cash and cash equivalents, beginning of year	30,361,358	23,781,357
Cash and cash equivalents, end of year	$ 31,694,560	$ 30,361,358

(Continued)

The accompanying notes are an integral part of these financial statements.

Midwest Public Risk
Combined Statements of Cash Flows, Continued
For the Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 9,099,257	$ 38,919
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	179,032	169,801
Effects of changes in:		
Contributions receivable	100,376	(245,656)
Excess insurance recoverable	202,371	30,761
Deductibles receivable	17,590	18,897
Other receivables	(1,812)	11,099
Prepaid expenses	(45,498)	(591,699)
Claim reserves	(2,442,962)	3,433,122
Unallocated loss adjustment expense reserve	38,640	119,655
Accounts payable	137,915	(284,098)
Accrued payroll	910	(10,379)
Credit programs liability	69,337	44,426
Unearned contributions	495,834	4,059,912
Total adjustments	(1,248,267)	6,755,841
Net cash provided by operating activities	$ 7,850,990	$ 6,794,760
Supplemental schedule of non-cash investing activities:		
Change in fair market value of investments	$ 2,116,555	$ 918,818

The accompanying notes are an integral part of these financial statements.

1. REPORTING ENTITY

Midwest Public Risk (MPR) and its affiliates, Midwest Public Risk of Missouri (MPR of Missouri) and Midwest Public Risk of Kansas, Inc. (MPR of Kansas), collectively referred to as MPR, was formed as a self-insurance program to cover employee benefits (health and dental), workers' compensation, and property and liability claims for its members. MPR is organized into the following two public entity risk coverage pools and one administrative:

- Midwest Public Risk (MPR), an administrative corporation providing administrative services to the state coverage pools and owning/managing the MPR campus.
- Midwest Public Risk of Missouri (MPR of Missouri), a public entity risk coverage pool providing all three lines of coverage to Missouri public entities.
- Midwest Public Risk of Kansas, Inc. (MPR of Kansas), a public entity risk coverage pool providing employee benefits and property and liability coverage to Kansas public entities.

Each of the three entities is governed by a Board of Directors. The MPR Board of Directors is comprised of directors from MPR of Missouri and MPR of Kansas governing boards.

While the operations have been organized by state, all the entities share in each other's risk and share joint and severable liability. In addition, both MPR of Missouri and MPR of Kansas have entered into a management agreement with MPR to administer the day-to-day operations. Any profits or losses generated by MPR are ultimately distributed to the risk coverage pools on a proportionate basis.

MPR began providing workers' compensation coverage in 1983 and employee benefits coverage and property and liability coverage in 1984. Members of MPR, located in Missouri and Kansas, include cities, counties, school districts, and other governmental entities. The members select the Board of Directors. At June 30, 2025, there were 107 members in the property and liability program, 58 members in the workers' compensation program, and 60 members in the employee benefits program, for a total and unduplicated count of 165 members.

MPR's general objectives are to provide a self-insured program for local governmental entities; to improve the loss prevention program, thereby reducing claims and accidents; to reduce costs through sound and equitable claims management practices; and to provide excess insurance at a discount based on volume and lower risk exposure. The accounting policies and financial reporting practices of MPR conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant accounting policies:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

MPR defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*. MPR has determined that no other outside entity meets the criteria. MPR's financial statements include the accounts of all MPR functions and activities.

B. Basis of Presentation – Fund Accounting

MPR operates as a proprietary fund, more specifically, as an enterprise fund. An enterprise fund is used because the services provided by MPR's activities are provided to outside parties, the local governmental members of MPR.

The accounts of MPR are organized based on the type of coverage and by claim years, each of which is accounted for separately because the composition of the membership may change from year to year. MPR is comprised of six enterprise funds: the Employee Benefits Fund (Missouri), the Employee Benefits Fund (Kansas), the Workers' Compensation Fund, the Property and Liability Fund (Missouri), the Property and Liability Fund (Kansas), and the MPR Management Fund. Each fund is considered a separate accounting entity, with self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

C. Measurement Focus and Basis of Accounting

MPR's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting wherein all assets and liabilities associated with the activity of providing insurance services are included within the fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

D. Cash and Cash Equivalents

Interest-bearing deposit accounts are reported at cost plus accrued interest.

E. Investments

MPR reports its investments at fair market value. Investment income, net of investment expense, and changes in the fair market value of investments are recognized as revenue in the Combined Statements of Revenues, Expenses, and Changes in Net Assets.

F. Excess Insurance Recoverable on Paid and Unpaid Losses

MPR uses excess insurance agreements to reduce its exposure to large losses. Excess insurance permits recovery of a portion of losses from the excess insurers, although it does not discharge the primary liability of MPR as direct insurer of the risks, and MPR remains contingently liable for amounts which excess insurance carriers might be unable to pay. The A.M. Best ratings for the excess insurance carriers of MPR range from A+ to A relative to their financial size categorization. As of June 30, 2025 and 2024, the excess insurance recoverable is shown below:

	2025	2024
	(in Millions)	
Excess insurance recoverable on paid losses:		
Employee Benefits Fund specific	$ 0.5	$ 1.0
Workers' Compensation Fund specific	0.1	-
Property and Liability Fund specific	0.6	0.4
Excess insurance recoverable on unpaid losses:		
Workers' Compensation Fund specific	4.3	3.1
Property and Liability Fund specific	1.6	3.0
Total excess insurance recoverable	$ 7.1	$ 7.5

G. Other Assets

Other assets consist of deductibles due from members, miscellaneous accounts receivable, and prepaid expenses.

H. Deposits

(1) Government Entities Mutual, Inc.

In 2002, the MPR Board of Directors approved MPR's membership in Government Entities Mutual, Inc. (GEM), a captive mutual insurance company. Payments from the Workers' Compensation and Property and Liability Funds totaling $500,000 were made to GEM as an initial surplus deposit. The terms of the membership agreement determine how and when a member may withdraw from the membership and/or receive funds from its surplus account. MPR's initial purchase of excess insurance through GEM was effective with the property and liability program's 2005 claim year.

(2) UMR

UMR was selected as the new benefits claims administrator beginning July 1, 2023. UMR required a deposit of $487,000, estimated to cover approximately five days of claims activity to be on hand on July 1, 2023. There was no change in 2025.

I. Capital Assets

Capital assets, excluding land and construction in progress, that exceed $5,000 are capitalized and recorded at cost. These capital assets are depreciated over their estimated useful lives using the straight-line depreciation method. MPR estimates the useful lives of depreciable capital assets as follows:

Buildings	40 years
Furniture, fixtures, and equipment	7 years
Vehicles	5 years
Computer hardware	3 years
Computer software	3 years

J. Claim Reserves

Claim reserves are based on estimates of the ultimate cost of settling reported claims, including related loss adjustment expenses. Estimated amounts of subrogation, excess insurance recoveries, and deductibles are deducted from the reserves. An additional estimate is added to claims reserves for claims incurred but not reported (IBNR), as well as future loss development on known claims.

Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in estimating claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using actuarial and statistical techniques to produce current estimates that reflect settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculations because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the fiscal year in which they are determined.

In general, the workers' compensation and property and liability coverages are provided on an "occurrence" basis. Coverage is triggered under the policy in effect when the injury occurred, regardless of the date reported. However, coverage for wrongful acts (including public officials' errors and omissions, employment practices liability, and sexual harassment) is provided on a "claims made" basis, wherein the claim must have been incurred and reported when the member had coverage with MPR. Liability coverage for law enforcement was changed from a "claims made" basis to an "occurrence" basis in 2014.

The employee benefits coverage is provided on a modified "claims made" basis, wherein the claim must have been incurred when the employee had coverage with MPR and must

be reported within 12 months following the date such claim was incurred. A claim incurred in one fiscal year (claim period) and reported in the following fiscal year (claim period) will be covered, provided the employee had coverage when the claim was incurred.

K. Reserve for Unallocated Loss Adjustment Expenses

This reserve recognizes the future cost of claims administration for all open and incurred but not reported claims and represents the cost that cannot be associated with specific claims but are related to claims paid or in the process of being settled. These expenses include salaries and other internal costs of the service agent's claim staff. The accrued estimate of $641,000 and $602,000 would cover the future handling of unsettled claims as of June 30, 2025 and 2024, respectively.

L. Unearned Contributions

Contributions are calculated in advance and recognized as revenue in the period for which coverage is provided. Contributions for workers' compensation and property and liability coverage are billed annually. Contributions for employee benefits coverage are billed monthly. Unearned contributions represent amounts paid by MPR members prior to the effective coverage date.

M. Loss Control/Wellness Programs

MPR provides its members with loss control and wellness program credits to implement programs that will reduce claims at their respective entities. The amount of the credit is based on each member's annual contributions. Most of the loss control and wellness credits are awarded at the beginning of the fiscal year and must be used within three years of receipt. To obtain the credits, the member must expend money on qualified loss reducing initiatives and is asked to submit proof of payment to MPR. For the years ended June 30, 2025 and 2024, members earned loss control and wellness credits in the amount of $194,000 and $180,000, respectively.

MPR also administers a Loss Control Recognition Program for the workers' compensation and property and liability programs. Unlike the reimbursement programs, the recognition program checks are issued after the end of the fiscal year to members who have met pre-established criteria. For the years ended June 30, 2025 and 2024, members were awarded $277,000 and $197,000, respectively.

N. Interfund Activity

In the process of aggregating data for the basic financial statements, some amounts representing interfund activity were eliminated or reclassified to minimize the overstatement of MPR's assets and liabilities. These transactions include, but are not limited to, the following: the loan for the MPR campus, the payment and receipt of principal and interest on the building loan, rent paid by each fund to the MPR Management Fund, the investment in the MPR Management Fund by the other funds, transfers of equity and capital assets to the MPR Management Fund, and other interfund receivables and payables arising from daily operations.

O. Net Assets

Net assets are maintained on a claim year basis. The membership of any given claim year can change depending upon the governmental entities participating in the MPR coverage pools. MPR is an assessable pool, and members participating in a given claim year may be assessed additional contributions if expenses exceed revenues for such claim year. To the extent that revenues exceed expenses in a given claim year after all, or nearly all, related claims have been settled, and the Board of Directors and members authorize and approve a full or partial distribution of the surplus for the claim year, members participating in such claim year will be entitled to receive a refund of contributions.

The $53,600,000 in net assets represents the cumulative net results of all claim years since inception. MPR reports net assets in the following components:

(1) Invested in Capital Assets

This consists of capital assets, net of accumulated depreciation that is attributable to the acquisition or construction of those assets.

(2) Restricted For Collateral

This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. There are no restricted net assets as of June 30, 2025 and 2024.

(3) Unrestricted

This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets." Items within this component are further categorized by designations. Designations are established by management to indicate tentative plans for financial resource utilization in a future period. The balance of net assets is undesignated. The following is a summary of the amount of unrestricted net assets, as designated by the Board of Directors:

	2025	2024
	(in Millions)	
Net assets designated for Capital Improvement Fund	$ 1.1	$ 1.0
Net assets designated for Net Reserve Capital Fund	32.2	21.7
Net assets designated for Catastrophic Claims Fund	4.0	4.0
Undesignated net assets	11.4	7.9
Total unrestricted net assets	$ 48.7	$ 34.6

P. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses include revenues and expenses directly associated with the provision of employee benefits, workers' compensation, and property and liability coverage to the members, as well as the operating revenues and expenses associated with the MPR campus management, accounted for in the MPR Management Fund.

Operating revenues include contribution income (and supplemental contribution assessments, if any) that are due from members for the coverage(s) they have requested. Operating expenses include losses and loss adjustment expenses (claims) incurred under the three coverages provided to the members. Also included are the claims and administration fees for processing and paying claims submitted by the members. Other operating expenses are excess insurance premiums, other insurance premiums, contribution taxes, loss prevention, general and administrative expenses, and depreciation.

(1) Contributions

Contributions are billed in advance and recognized as revenue over the period for which coverage is provided. Contributions are calculated using separate underwriting criteria for employee benefits, workers' compensation, and property and liability coverages.

(2) Losses and Loss Adjustment Expenses

Losses and loss adjustment expenses represent claims expenses for benefits under the employee benefits, workers' compensation, and property and liability coverages. The losses and loss adjustment expenses include:

- Paid claims, net of recoveries
- Claim reserves, net of anticipated recoveries
- Loss adjustment expenses

Q. Non-Operating Revenues and Expenses

Non-operating revenues and expenses include investment income (net of investment expenses), changes in fair market value of investments, refunds of contributions, and withdrawal penalty income. Refunds of contributions represent distributions of excess net assets to the members.

R. Statements of Cash Flows

For the purpose of the statements of cash flows, cash and cash equivalents includes interest-bearing deposit accounts.

S. Income Taxes

MPR is not subject to federal income taxes under Section 115 of the Internal Revenue Code. Consequently, the financial statements do not contain a provision for income taxes.

T. Acquisition Costs

MPR incurs acquisition costs related to the acquisition of new or renewal contracts. MPR's policy is to expense the costs as incurred.

U. Significant Accounting Pronouncements

There are no recent accounting pronouncements that have or will materially affect MPR.

V. Use of Estimates

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

W. Risks and Uncertainties

On occasion, MPR may enter structured settlements and purchase annuities to facilitate closing a claim. Should the annuity insurance carrier fail to perform under the terms of the annuity, MPR would then be liable to make payments under the structured settlement agreement. There were no such agreements in place as of June 30, 2025 and 2024.

X. Rounding

Amounts presented in the notes to financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

3. CASH AND INVESTMENTS

A. Deposits

MPR maintains various interest-bearing deposit accounts for its funds. MPR's accounts are required by state law to be secured by the deposit of collateral with MPR or the trustee institution. The value of the securities must equal MPR's cash not insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2025, with the exception of approximately $50,000 of uncollected funds, MPR's bank balances were fully secured by collateral held by MPR or by its agent in MPR's name. At June 30 2024, MPR's bank balances were fully secured with the exception of approximately $50,000. These funds were collected and thus insured, the following day.

B. Investments

On June 30, 2025 and 2024, MPR had the following investments:

(in Millions)	FMV at June 30, 2025	Investment Maturities: Less Than 1 Year	1 - 5 Years	6 - 10 Years	No Maturity (Note 2)	Credit Risk (Note 1)
Fixed-income securities:						
Corporate bonds	$ 21.6	$ 1.7	$ 8.0	$ 11.1	$ 0.8	A-
Municipal bonds	6.7	0.4	2.8	2.6	0.9	AA
U.S. Government bonds	5.9	0.2	1.7	4.0	-	AA+
Total bonds	34.2	2.3	12.5	17.7	1.7	
Mortgage-backed securities (Note 2)	23.8	0.9	6.1	5.1	11.7	AA+
Total fixed-income securities	58.0	3.2	18.6	22.8	13.4	
Equity exchange traded funds (ETFs)	8.9	-	-	-	8.9	not rated
Total investments	$ 66.9	$ 3.2	$ 18.6	$ 22.8	$ 22.3	

(in Millions)	FMV at June 30, 2024	Investment Maturities: Less Than 1 Year	1 - 5 Years	6 - 10 Years	No Maturity (Note 2)	Credit Risk (Note 1)
Fixed-income securities:						
Corporate bonds	$ 16.7	$ 1.0	$ 6.9	$ 8.6	$ 0.2	A-
Municipal bonds	5.1	0.1	2.5	1.9	0.6	AA+
U.S. Government bonds	6.1	0.8	1.6	3.7	-	AA+
Total bonds	27.9	1.9	11.0	14.2	0.8	
Mortgage-backed securities (Note 2)	20.2	1.3	4.3	4.2	10.4	AA+
Total fixed-income securities	48.1	3.2	15.3	18.4	11.2	
Equity exchange traded funds (ETFs)	7.3	-	-	-	7.3	not rated
Total investments	$ 55.4	$ 3.2	$ 15.3	$ 18.4	$ 18.5	

Note 1: Represents average credit rating.

Note 2: Mortgage-Backed securities (MBS) have varying effective maturities due to prepayments.

Fair market values of investments are generally based on quotes supported by an independent pricing service. MPR's articles of incorporation and bylaws contain no provision regarding deposits or the type of investments that may be purchased. Both the State of Missouri and the State of Kansas restrict the type of investments MPR may purchase. Permitted investments include: government and corporate obligations, stocks, real estate, and a variety of other securities and debt instruments, although many of the options are available only if certain specified criteria are satisfied.

MPR's investment policy contains an asset allocation policy that includes: short-term investments, U.S. Treasury obligations, U.S. Government direct agency obligations, collateralized and/or FDIC insured time and demand deposits, collateralized repurchase agreements, mortgage-backed, asset-backed, and commercial mortgage-backed securities, collateralized mortgage obligations, corporate bonds, commercial paper, bankers' acceptances, and municipal bonds. Additionally, the risk asset allocation policy limits the amount of the following investments: U.S. equities (large, mid, and small), international equity/debt, commodities, high-yield fixed-income securities, and cash equivalents.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair market value of investment securities, it is possible changes in risks in the near term could materially affect the amounts reported in the basic financial statements. MPR's formal investment policies are as follows:

(1) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. MPR's investments are subject to custodial risk because none are insured or registered by the financial institution acting as custodian, which holds the investments in the name of their trust department. Concentration of credit risk is the risk of loss attributed to the magnitude of MPR's investment in a single issuer. MPR minimizes credit risk by:

- Limiting investments to the types of securities listed in the investment policy and maintaining a standard of quality for those investments.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers engaged by MPR.
- Diversifying the portfolio by investing in different asset classes, sectors, security types, maturities, and issuers so that potential losses on individual securities will be minimized.

(2) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. MPR minimizes this risk by:

- Structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

- Investing operating funds primarily in shorter-term securities and limiting the average maturity of the portfolio in accordance with the investment policy.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025:

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025
Capital assets, non-depreciable:				
Land	$ 843,201	$ -	$ -	$ 843,201
Capital assets, depreciable:				
Buildings	6,124,446	-	-	6,124,446
Leasehold improvements	60,257	-	-	60,257
Furniture, fixtures, & equipment	359,745	25,220	-	384,965
Computer hardware	168,418	4,203	(10,773)	161,848
Software	125,359	-	(115,883)	9,476
Vehicles	104,678	38,054	(47,703)	95,029
Capital assets at historical cost	7,786,104	67,477	(174,359)	7,679,222
Less accumulated depreciation for:				
Buildings	(2,043,018)	(153,571)	-	(2,196,589)
Leasehold improvements	(15,507)	(1,694)	-	(17,201)
Furniture, fixtures, & equipment	(348,781)	(5,216)	-	(353,997)
Computer hardware	(152,048)	(11,582)	10,773	(152,857)
Software	(117,304)	(1,895)	115,883	(3,316)
Vehicles	(104,678)	(5,074)	47,703	(62,049)
Total accumulated depreciation	(2,781,336)	(179,032)	174,359	(2,786,009)
Capital assets, net of depreciation	$ 5,004,768	$ (111,555)	$ -	$ 4,893,213

Depreciation expense for the years ended June 30, 2025 and 2024 was approximately $179,000 and $170,000, respectively.

5. DEFINED CONTRIBUTION RETIREMENT PLAN

MPR provides retirement benefits for its employees through a defined contribution retirement plan (MPR Money Purchase Plan). MPR is the administrator and the sole participating employer of the plan, which includes 18 active participants as of June 30, 2025. The MPR Board of Directors has the authority to establish and amend the plan's provisions, including the contribution requirements.

MPR contracts with Alliance Benefit Group for investing and recordkeeping services. Employees are eligible to participate from their date of hire and are immediately vested. MPR contributes 10% of annual compensation to the plan. There are no employee contributions to the plan. The plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries, and therefore, are excluded from the accompanying financial statements.

Employer contributions in the money purchase plan totaled $157,000 and $135,000 for the years ended June 30, 2025 and 2024, respectively. The fair market value of the plan assets as of June 30, 2025 and 2024 was $1,893,000 and $1,565,000, respectively. For the years ended June 30, 2025 and 2024, total pension expense was $158,000 and $141,000, respectively.

6. DEFERRED COMPENSATION PLAN

MPR administers a deferred compensation plan on behalf of its employees. The plan was established in accordance with Internal Revenue Code Section 457. The plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries, and therefore, are excluded from the accompanying financial statements. The fair market value of the plan assets was $985,000 and $794,000 as of June 30, 2025 and 2024, respectively. Contribution payments to the plan were $11,000 and $10,000 for the years ended June 30, 2025 and 2024, respectively.

7. INTERFUND ACTIVITY

A. Interfund Assets/Liabilities

Individual interfund receivable and payable balances as of June 30, 2025 and 2024 are as follows:

Receivable Fund	Payable Fund	2025	2024
Property & Liability Fund (KS)	Property & Liability Fund (MO)	$ 1,104,000	$ -
Property & Liability Fund (MO)	Property & Liability Fund (KS)	-	1,638,000
Employee Benefits Fund (MO)	Employee Benefits Fund (KS)	1,054,000	984,000
Property & Liability Fund (MO)	MPR Management Fund	138,000	141,000
Workers' Compensation Fund	MPR Management Fund	80,000	82,000
Workers' Compensation Fund	Property & Liability Fund (MO)	36,000	7,000
MPR Management Fund	Employee Benefits Fund (MO)	10,000	13,000
MPR Management Fund	Property & Liability Fund (MO)	10,000	12,000
MPR Management Fund	Workers' Compensation Fund	10,000	12,000
	Total	$ 2,442,000	$ 2,889,000

All the interfund balances are expected to be repaid during the next fiscal year.

B. MPR Note

On January 1, 2010, the Employee Benefits and Property and Liability Funds loaned the MPR Management Fund $3,899,000 to fund construction of the new MPR campus. As of December 5, 2012 the remaining balance of the note held in the Employee Benefits Fund was transferred to the Property and Liability Fund. On June 8, 2017 $1,000,000 of the note balance was transferred from the Property and Liability Fund to the Workers' Compensation Fund. The interest rate on the note is 4%, with interest payable semi-annually on December 31st and June 30th. The loan requires principal payments of approximately $195,000 annually on June 30th over the 20-year life of the note. The note matures on June 30, 2031. Interest paid on the note for the years ended June 30, 2025 and 2024 was $47,000 and $55,000, respectively.

8. RISK MANAGEMENT

MPR is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, just like the members for which it provides coverage. MPR is insured through the very same programs it provides to its members.

MPR uses excess insurance agreements to reduce its exposure to large losses. Excess insurance permits recovery of a portion of losses from the excess insurers, although it does not discharge the primary liability of MPR as direct coverage provider of the risks.

MPR retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by purchased excess insurance. Brief descriptions of each of the programs follows. The self-insured retention amounts and excess insurance limits are listed in item D following the descriptions.

A. Employee Benefits Fund

MPR's health program uses both deductibles and co-payments to spread the cost of the program and offers members the choice of three plan options: In network Only plan, Open Access Plus Plan and a Consumer Directed health plan. All plans utilize the Nationwide Open Access Network (OAP). Provided enrollees stay in the network, the plans vary in applicable copays and coinsurance combinations, ranging from in network coinsurance of 70% to 100%. Members can choose to offer coverage for retirees, provided they meet the requirements.

The excess insurance covers only paid claims within the fiscal year and does not cover claims reported but not processed or incurred but not reported. Premiums for this excess insurance coverage were $1,488,000 and $1,166,000 for the years ended June 30, 2025 and 2024, respectively.

B. Workers' Compensation Fund

MPR's workers' compensation benefits are provided in accordance with the State of Missouri Workers' Compensation laws and the Missouri Department of Insurance regulations. Premiums for excess insurance coverage were $423,000 and $396,000 for the years ended June 30, 2025 and 2024, respectively. The workers' compensation coverage is not subject to a deductible. MPR retains a $1,500,000 letter of credit as required by statute in the state of Missouri and the Missouri Division of Workers' Compensation.

C. Property and Liability Fund

(1) Liability Coverage

MPR's liability coverage offers general liability, public officials/employment practices liability, auto liability, cyber liability, and crime and fidelity coverage. These coverages are continually refined to incorporate sovereign immunity limits in the State of Missouri, the Kansas Tort Claims Act limits, and recent court decisions.

(2) Property Coverage

MPR offers property coverage to protect members' buildings, contents, inland marine, auto physical damage, in addition to flood and earthquake coverage.

Premiums for excess liability and property coverage were $9,539,000 and $9,355,000 for the years ended June 30, 2025 and 2024, respectively. Deductibles for the property and liability coverages range from $500 to $1,000,000.

D. Self-Insured Retention Amounts and Excess Insurance Limits

	Fiscal Year 2025	Fiscal Year 2024
Employee Benefits:		
Self-insured retention - specific	$ 500,000	$ 500,000
Excess insurance limit - specific	Unlimited	Unlimited

	Claim Year				
	2021	**2022**	**2023**	**2024**	**2025**
Workers' Compensation (Note 3):					
Self-insured retention:					
Specific	$ 1,000,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Aggregate	10,221,614	10,640,914	10,655,970	11,471,516	11,780,016
Excess insurance limit:					
Specific	Statutory	Statutory	Statutory	Statutory	Statutory
Aggregate	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Liability (Note 3):					
Self-insured retention:					
Specific	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Excess insurance limits:					
Specific	Note 1	Note 1	Note 1	Note 1	Note 1
Aggregate	Note 2	Note 2	Note 2	Note 2	Note 2
Property (Note 4):					
Per occurrence deductible	$ 500,000	$ 500,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Aggregate deductible	N/A	N/A	N/A	N/A	N/A
Per occurrence limit (millions)	N/A	N/A	N/A	N/A	N/A
Total policy limit (millions)	500	500	500	500	500
Note 1: Sovereign immunity limits:	Jan. 1 to Dec. 31, 2021	Jan. 1 to Dec. 31, 2022	Jan. 1 to Dec. 31, 2023	Jan. 1 to Dec. 31, 2024	Jan. 1 to Dec. 31, 2025
Per person:	$ 441,130	$ 459,893	$ 488,755	$ 505,520	$ 517,306
Per occurrence:	2,940,868	3,065,952	3,258,368	3,370,137	3,448,710
Note 2: Commercial general liability policy annual aggregate (millions)	$ 25	$ 25	$ 25	$ 25	$ 25

Note 3: Refer to excess insurance policies for buffer layer and quota share agreements to reduce MPR's specific retention for workers' compensation and liability coverages.

Note 4: Other deductibles and sub-limits apply to various types of losses.

9. RECONCILIATION OF CLAIM RESERVES

An analysis of the change in claim reserves during fiscal years 2025 and 2024 is as follows:

	Fiscal Year 2025	Fiscal Year 2024
	(in Millions)	
Total claim reserves, beginning of fiscal year, net of recoveries	$ 33.3	$ 29.9
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fiscal year	50.2	48.8
Provision for insured events of prior fiscal years	(4.9)	0.3
Total incurred claims and claim adjustment expenses	45.3	49.1
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	34.0	33.9
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	13.7	11.8
Total payments	47.7	45.7
Total claim reserves, end of fiscal year, net of recoveries	$ 30.9	$ 33.3
Statement of net assets recap:		
Claim reserves - current	$ 21.8	$ 22.1
Claim reserves - non-current	15.0	17.3
Excess insurance recoverable on unpaid losses	(5.9)	(6.1)
Total claim reserves, end of fiscal year, net of recoveries	$ 30.9	$ 33.3

Claim reserves are based on estimates of the ultimate cost of settling both reported and unreported claims, including related adjustment expenses. Except for employee benefits claims, it often takes several years to settle and finally close a claim. The current and non-current portions of claim reserves are shown in the statement of net assets recap above. The current portion of the claim reserves liability is based upon the estimated amount that will be paid in the next fiscal year.

10. THIRD PARTY SERVICES

Third party services represent expenses incurred for claims administration and broker services. Third party administration and claims management services for the Property and Liability and Workers' Compensation Funds were performed by Thomas McGee. Similar services for the Employee Benefits Fund were provided by BusinesSolver. Additional services for the Employee Benefits Fund are provided by UMR, CVS, Delta Dental, and Vision Service Plan. The claims administration expense for the years ended June 30, 2025 and 2024 was $2,705,000 and $2,595,000, respectively, and includes unallocated loss adjustment expenses.

Two types of broker services are utilized by MPR. First, MPR pays brokers to place stop loss and excess insurance coverage for the various programs. These totaled $475,000 and $110,000 for years ending June 30, 2025 and 2024, respectively. MPR also pays commissions to brokers for placing members into the MPR programs. These broker services were provided by various agents and totaled $815,000 and $692,000 for the years ended June 30, 2025 and 2024, respectively.

11. SUBSEQUENT EVENTS

MPR evaluated subsequent events from June 30, 2025 through October 23, 2025, the date the combined financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

Midwest Public Risk
Ten-Year Claims Development – General Information
For the Ten-Year Period Ended June 30, 2025

The following tables illustrate how MPR's earned revenue (net of excess insurance) and investment income (net of investment expense) compare to related claims losses (net of losses assumed by excess insurance carriers) and other expenses assumed by MPR as of the end of each of the previous ten years for each fund. The rows of the tables are defined as follows:

1. **Contributions and Investment Revenue**
   This line shows the total of each claim year's gross earned contributions, supplemental contribution assessments, earned investment revenue (net of investment expense), amounts of ceded excess insurance premiums, and the net earned contributions (net of excess insurance) and investment revenue (net of investment expense).

2. **Unallocated Expenses**
   This line shows each claim year's other operating costs of the programs including taxes, administrative, loss control, and loss adjustment expenses not allocable to individual claims.

3. **Estimated Incurred Claims and Expenses**
   This line shows MPR's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurance carriers, and net incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered the coverage occurred (called the claim year).

4. **Net Paid (Cumulative)**
   This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each claim year.

5. **Re-estimated Ceded Claims and Expenses**
   This line shows the latest re-estimated amount of losses assumed by excess insurance carriers for each claim year.

6. **Re-estimated Incurred Claims and Expenses**
   This section of ten rows shows how each claim year's net incurred losses increased or decreased as of the end of successive years. (This annual re-estimation results from new information received on known losses, re-evaluation of existing information on known losses, and emergence of new losses not previously known.)

7. **Increase (Decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year**
   This line compares the latest re-estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate is greater or less than originally thought. As data for individual claim years matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature accident years.

8. **Number of Claims Reported**
   This line shows the total number of claims reported, including lost time claims, medical only claims, and fatalities. Incidents that had no incurred costs are excluded.

9. **Open Claims**
   This line shows the number of reported claims that are a liability for future claim payments.

   The columns of the tables show data for successive claim years.

Midwest Public Risk
Ten-Year Claims Development Information
Employee Benefits Fund

	As of June 30, 2025 (Note 1)									
	2016 Claim Year	2017 Claim Year	2018 Claim Year	2019 Claim Year	2020 Claim Year	2021 Claim Year	2022 Claim Year	2023 Claim Year	2024 Claim Year	2025 Claim Year
1. Contributions and investment revenue:										
Earned	$ 41,317,727	$ 43,200,891	$ 46,440,708	$ 48,786,012	$ 45,244,536	$ 35,436,556	$ 34,259,529	$ 37,659,559	$ 41,156,398	$ 44,357,754
Ceded*	(378,661)	(482,778)	(611,011)	(830,652)	(773,537)	(784,191)	(946,981)	(1,014,510)	(1,165,662)	(1,488,082)
Net earned	40,939,066	42,718,113	45,829,697	47,955,360	44,470,999	34,652,365	33,312,548	36,645,049	39,990,736	42,869,672
2. Unallocated expenses	$ 4,509,045	$ 4,871,511	$ 4,525,755	$ 3,914,391	$ 3,304,263	$ 3,148,186	$ 3,135,423	$ 3,376,222	$ 3,770,074	$ 3,982,591
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 36,632,471	$ 39,356,573	$ 49,077,347	$ 48,240,543	$ 33,427,660	$ 28,121,792	$ 28,724,271	$ 31,459,237	$ 32,355,121	$ 35,243,200
Ceded**	(1,086,835)	(539,549)	(1,688,964)	(1,062,239)	(708,172)	-	(534,954)	(1,367,934)	(1,202,669)	(454,134)
Net incurred	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	28,121,792	28,189,317	30,091,303	31,152,452	34,789,066 (Note 2)
4. Net paid (cumulative) as of (Note 1):										
June 30, 2016	$ 33,374,005									
June 30, 2017	35,545,636	$ 36,569,715								
June 30, 2018	35,545,636	38,817,024	$ 42,461,854							
June 30, 2019	35,545,636	38,817,024	47,388,383	$ 42,725,739						
June 30, 2020	35,545,636	38,817,024	47,388,383	47,178,304	$ 30,066,421					
June 30, 2021	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	$ 26,385,153				
June 30, 2022	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	28,121,792	$ 26,324,271			
June 30, 2023	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	28,121,792	29,722,373	$ 28,434,237		
June 30, 2024	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	28,121,792	29,722,373	31,423,516	$ 28,430,121	
June 30, 2025	35,545,636	38,817,024	47,388,383	47,178,304	32,719,488	28,121,792	29,722,373	31,423,516	31,182,500	$ 30,763,200

Note 1: The claim policy year is July 1 to June 30. MPR is liable only for claims incurred and reported within 90 days after the end of the policy year. Individual members are responsible for all unreported claims after the 90-day period. For members that continue MPR's employee benefits coverage, unreported claims at the end of one claim year are covered in the subsequent claim year. As a result, subsequent re-estimation of incurred claims and expenses on an annual basis is not applicable to this fund.

Note 2: Total estimated incurred claims and expenses equal $34,789,066 and include $30,763,200 of paid claims plus $4,480,000 claim reserves, less $454,134 excess reinsurance recoveries on paid losses.

* excess insurance premiums

** excess insurance recoveries

Midwest Public Risk
Ten-Year Claims Development Information
Workers' Compensation Fund

	As of June 30, 2025 (Note 1)									
	2016 Claim Year	2017 Claim Year	2018 Claim Year	2019 Claim Year	2020 Claim Year	2021 Claim Year	2022 Claim Year	2023 Claim Year	2024 Claim Year	2025 Claim Year
1. Contributions and investment revenue:										
Earned	$ 8,110,253	$ 11,340,143	$ 9,492,181	$ 13,506,781	$ 9,605,600	$ 5,448,771	$ 5,274,418	$ 5,670,914	$ 5,658,342	$ 5,491,326
Ceded - excess insurance premiums	(362,129)	(431,475)	(448,486)	(707,798)	(359,098)	(245,550)	(330,105)	(356,287)	(389,256)	(423,188)
Net earned	7,748,124	10,908,668	9,043,695	12,798,983	9,246,502	5,203,221	4,944,313	5,314,627	5,269,086	5,068,138
2. Unallocated expenses	$ 2,572,751	$ 2,770,246	$ 2,928,790	$ 3,032,904	$ 2,155,257	$ 1,602,818	$ 1,421,966	$ 1,355,911	$ 881,738	$ 952,282
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 5,618,490	$ 5,472,152	$ 5,940,651	$ 10,152,012	$ 4,325,824	$ 3,461,365	$ 3,200,000	$ 2,300,000	$ 2,160,000	$ 5,339,724
Ceded - excess insurance recoveries	-	-	-	(2,152,012)	-	-	-	-	-	(1,315,724)
Net incurred	5,618,490	5,472,152	5,940,651	8,000,000	4,325,824	3,461,365	3,200,000	2,300,000	2,160,000	4,024,000
4. Net paid (cumulative) as of (Note 1):										
June 30, 2016	$ 2,431,325									
June 30, 2017	4,107,718	$ 2,011,327								
June 30, 2018	4,961,251	3,518,707	$ 2,769,947							
June 30, 2019	5,266,702	4,038,515	4,649,163	$ 2,728,068						
June 30, 2020	5,766,223	4,168,120	5,908,901	5,044,833	$ 1,505,261					
June 30, 2021	5,874,513	4,287,380	6,656,128	5,516,340	2,695,446	$ 1,198,807				
June 30, 2022	5,934,813	4,296,065	6,805,098	5,786,557	3,107,993	2,172,913	$ 1,160,485			
June 30, 2023	5,961,447	4,281,074	6,858,470	6,062,856	3,237,959	2,380,967	1,773,117	$ 811,097		
June 30, 2024	5,961,559	4,282,479	6,942,707	6,679,554	3,281,184	2,558,600	2,090,697	1,651,580	$ 568,121	
June 30, 2025	5,961,559	4,282,479	6,945,961	6,909,958	3,280,565	2,745,697	2,295,695	1,920,492	1,149,289	$ 1,220,446
5. Re-estimated ceded losses - excess insurance recoveries										
June 30, 2025	$ -	$ -	$ (313,824)	$ (1,998,472)	$ -	$ -	$ -	$ -	$ -	$ (1,315,724)

(Continued)

Midwest Public Risk
Ten-Year Claims Development Information
Workers' Compensation Fund, Continued

	As of June 30, 2025 (Note 1)									
	2016 Claim Year	2017 Claim Year	2018 Claim Year	2019 Claim Year	2020 Claim Year	2021 Claim Year	2022 Claim Year	2023 Claim Year	2024 Claim Year	2025 Claim Year
6. Re-estimated net incurred claims and expense (Note 1):										
June 30, 2016	$ 5,618,490									
June 30, 2017	5,431,830	$ 5,472,152								
June 30, 2018	6,375,485	4,946,703	$ 5,940,651							
June 30, 2019	6,500,000	4,800,000	7,000,000	$ 8,000,000						
June 30, 2020	6,400,000	4,700,000	7,200,000	8,400,000	$ 4,325,824					
June 30, 2021	6,350,000	4,600,000	7,700,000	8,300,000	3,944,260	$ 3,461,365				
June 30, 2022	6,350,000	4,500,000	7,500,000	8,300,000	3,777,319	3,221,082	$ 3,200,000			
June 30, 2023	6,300,000	4,400,000	7,350,000	7,700,000	3,647,284	3,080,848	2,500,000	$ 2,300,000		
June 30, 2024	6,173,000	4,365,000	7,352,000	8,043,000	3,422,000	2,843,000	2,477,000	2,295,000	$ 2,160,000	
June 30, 2025	6,158,000	4,352,000	7,303,000	7,914,000	3,396,000	2,975,000	2,520,000	2,245,000	1,905,000	$ 4,024,000
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	$ 539,510	$ (1,120,152)	$ 1,362,349	$ (86,000)	$ (929,824)	$ (486,365)	$ (680,000)	$ (55,000)	$ (255,000)	$ -
8. Number of claims reported as of end of policy year (Note 2):										
June 30, 2016	478									
June 30, 2017	491	484								
June 30, 2018	494	483	469							
June 30, 2019	491	485	484	414						
June 30, 2020	491	485	486	424	273					
June 30, 2021	491	485	486	425	275	201				
June 30, 2022	494	485	485	426	276	195	186			
June 30, 2023	494	485	485	426	276	196	187	151		
June 30, 2024	492	485	485	426	276	196	186	151	151	
June 30, 2025	492	485	485	426	275	196	186	151	156	160
9. Number of open claims as of June 30, 2025	2	-	4	3	2	5	1	4	6	47

Note 1: Workers' Compensation coverage is provided on a claims occurrence basis. The claim (policy) year is July 1 to June 30.

Note 2: Number of claims reported have been restated from prior years to exclude events and claims with no monetary loss and to include open claims in total number of claims reported.

Midwest Public Risk
Ten-Year Claims Development Information
Property and Liability Fund

	As of June 30, 2025 (Note 1)									
	2016 Claim Year	2017 Claim Year	2018 Claim Year	2019 Claim Year	2020 Claim Year	2021 Claim Year	2022 Claim Year	2023 Claim Year	2024 Claim Year	2025 Claim Year
1. Contributions and investment revenue:										
Earned	$ 10,360,367	$ 12,145,324	$ 14,395,028	$ 17,034,932	$ 16,385,649	$ 15,765,161	$ 15,315,487	$ 17,881,431	$ 22,351,439	$ 27,456,208
Ceded - excess insurance premiums	(3,363,594)	(3,698,541)	(4,226,091)	(4,365,985)	(4,836,499)	(5,477,016)	(6,270,231)	(7,247,432)	(9,364,046)	(9,540,241)
Net earned	6,996,773	8,446,783	10,168,937	12,668,947	11,549,150	10,288,145	9,045,256	10,633,999	12,987,393	17,915,967
2. Unallocated expenses	$ 2,691,751	$ 3,215,894	$ 3,205,303	$ 3,223,593	$ 2,991,395	$ 2,066,983	$ 2,116,957	$ 2,350,738	$ 2,456,900	$ 3,011,325
3. Estimated incurred claims and expenses, end of policy year:										
Incurred	$ 5,244,813	$ 9,114,709	$ 5,883,294	$ 7,406,750	$ 7,944,336	$ 7,570,935	$ 9,212,000	$ 10,401,576	$ 15,206,000	$ 10,901,000
Ceded - excess insurance recoveries	-	(1,322,998)	-	(106,750)	(419,000)	(505,000)	(612,000)	(101,576)	(890,000)	-
Net incurred	5,244,813	7,791,711	5,883,294	7,300,000	7,525,336	7,065,935	8,600,000	10,300,000	14,316,000	10,901,000
4. Net paid (cumulative) as of (Note 1):										
June 30, 2016	$ 1,639,488									
June 30, 2017	2,710,091	$ 2,288,187								
June 30, 2018	4,200,698	3,798,056	$ 1,482,284							
June 30, 2019	5,191,004	5,488,125	2,545,039	$ 2,325,803						
June 30, 2020	5,669,434	6,722,212	3,584,241	4,967,440	$ 2,289,795					
June 30, 2021	5,816,177	7,001,404	4,604,686	6,128,648	3,850,316	$ 1,311,087				
June 30, 2022	6,184,512	7,329,218	4,756,779	6,913,458	5,139,468	4,806,455	$ 2,697,876			
June 30, 2023	6,243,761	7,703,709	5,349,324	7,296,671	7,284,512	5,846,551	4,153,241	$ 3,093,231		
June 30, 2024	6,487,772	7,767,031	5,533,159	7,397,725	8,354,709	6,706,811	5,751,466	5,347,679	$ 4,853,794	
June 30, 2025	6,493,091	7,794,255	5,657,016	8,020,648	9,101,644	7,282,822	6,685,072	6,641,853	9,331,285	$ 2,018,524

(Continued)

Midwest Public Risk
Ten-Year Claims Development Information
Property and Liability Fund, Continued

	As of June 30, 2025 (Note 1)									
	2016 Claim Year	2017 Claim Year	2018 Claim Year	2019 Claim Year	2020 Claim Year	2021 Claim Year	2022 Claim Year	2023 Claim Year	2024 Claim Year	2025 Claim Year
5. Re-estimated ceded losses - excess insurance recoveries										
June 30, 2025	$ (971,066)	$ (2,599,189)	$ (1,105,994)	$ (1,308,286)	$ (896,008)	$ (1,139,145)	$ (2,161,905)	$ (322,626)	$ (3,126,363)	$ -
6. Re-estimated net incurred claims and expense (Note 1):										
June 30, 2016	$ 5,244,813									
June 30, 2017	5,001,328	$ 7,791,711								
June 30, 2018	5,333,306	6,610,655	$ 5,883,294							
June 30, 2019	5,994,818	6,754,457	4,950,000	$ 7,300,000						
June 30, 2020	6,194,818	7,754,457	5,035,829	8,300,000	$ 7,525,336					
June 30, 2021	6,290,418	7,955,956	5,435,829	7,913,516	8,455,940	$ 7,065,935				
June 30, 2022	6,487,643	7,855,957	5,435,829	8,163,516	8,978,344	8,268,751	$ 8,600,000			
June 30, 2023	6,587,643	7,955,957	6,035,829	8,713,516	10,253,717	8,126,228	7,700,000	$ 10,300,000		
June 30, 2024	6,522,890	8,287,584	5,709,685	8,496,324	10,176,992	7,850,782	8,499,776	10,642,742	$ 14,316,000	
June 30, 2025	6,544,104	8,208,704	5,761,843	8,288,324	10,348,021	7,860,171	8,195,425	8,995,013	12,775,267	$ 10,901,000
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	$ 1,299,291	$ 416,993	$ (121,451)	$ 988,324	$ 2,822,685	$ 794,236	$ (404,575)	$ (1,304,987)	$ (1,540,733)	$ -
8. Number of claims reported as of end of policy year	370	462	390	430	392	322	282	340	616	328
9. Number of open claims as of June 30, 2025	2	3	5	5	6	8	10	22	114	167

Note 1: Claim years are from July 1 through June 30.

Note 2: The self-insured coverages include general liability, auto liability, auto physical damage, crime, errors and omissions, and property coverage. These coverages are provided on an occurrence basis for all coverages except public official coverage, which is on a claims-made basis.

Midwest Public Risk
Reconciliation of Claim Reserves by Fund
For the Years Ended June 30, 2025 and 2024

	Employee Benefits Fund		Workers' Compensation Fund		Property and Liability Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Total claims reserves, beginning of fiscal year, net of recoveries	$ 3,925,000	$ 3,025,000	$ 6,993,320	$ 7,970,762	$ 22,381,318	$ 18,851,857	$ 33,299,638	$ 29,847,619
Incurred claims and claim adjustment expenses:								
Provision for insured events of the current fiscal year	35,243,200	32,355,121	4,024,000	2,160,000	10,901,000	14,316,000	50,168,200	48,831,121
Provision for (adjustment to) insured events of prior fiscal years	(1,172,621)	(35,721)	(236,032)	(178,132)	(3,514,948)	514,331	(4,923,601)	300,478
Total incurred claims and claim adjustment expenses	34,070,579	32,319,400	3,787,968	1,981,868	7,386,052	14,830,331	45,244,599	49,131,599
Payments of claims and claim adjustment expenses:								
Attributable to insured events of the current fiscal year	30,763,200	28,430,121	1,220,446	568,121	2,018,524	4,853,794	34,002,170	33,852,036
Attributable to insured events of prior fiscal years	2,752,379	2,989,279	2,040,395	2,391,189	8,875,027	6,447,076	13,667,801	11,827,544
Total payments, net of recoveries	33,515,579	31,419,400	3,260,841	2,959,310	10,893,551	11,300,870	47,669,971	45,679,580
Total claims reserves, end of fiscal year, net of recoveries	$ 4,480,000	$ 3,925,000	$ 7,520,447	$ 6,993,320	$ 18,873,819	$ 22,381,318	$ 30,874,266	$ 33,299,638
Statement of net asset recap:								
Claim reserves - current	$ 4,480,000	$ 3,925,000	$ 6,450,528	$ 4,903,620	$ 10,898,557	$ 13,324,920	$ 21,829,085	$ 22,153,540
Claim reserves - non-current	-	-	5,384,600	5,193,200	9,567,700	12,092,800	14,952,300	17,286,000
Excess insurance recoverable - unpaid losses	-	-	(4,314,681)	(3,103,500)	(1,587,997)	(3,014,371)	(5,902,678)	(6,117,871)
Deductibles receivable	-	-	-	-	(4,441)	(22,031)	(4,441)	(22,031)
Total claims reserves, end of fiscal year, net of recoveries	$ 4,480,000	$ 3,925,000	$ 7,520,447	$ 6,993,320	$ 18,873,819	$ 22,381,318	$ 30,874,266	$ 33,299,638

OTHER SUPPLEMENTARY INFORMATION

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Midwest Public Risk
Combining Statement of Net Assets by Fund
As of June 30, 2025

ASSETS	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Current assets:							
Cash and cash equivalents	$ 5,765,824	$ 4,537,022	$ 21,102,665	$ 289,049	$ 31,694,560	$ -	$ 31,694,560
Investments - unrestricted	24,658,041	20,363,480	26,180,360	-	71,201,881	(4,351,253)	66,850,628
Accrued interest	164,153	106,583	163,179	-	433,915	-	433,915
Contributions due from members	943,834	272,810	-	-	1,216,644	-	1,216,644
Excess insurance recoverable - paid losses	454,349	93,910	623,128	-	1,171,387	-	1,171,387
Due from other funds	1,053,975	116,528	1,242,091	30,017	2,442,611	(2,442,611)	-
Other assets	36,540	228,074	652,586	-	917,200	-	917,200
Current note receivable - MPR campus	-	71,429	123,508	-	194,937	(194,937)	-
Total current assets	33,076,716	25,789,836	50,087,517	319,066	109,273,135	(6,988,801)	102,284,334
Non-current assets:							
Membership deposits	487,000	250,000	250,000	-	987,000	-	987,000
Non-current note receivable - MPR campus	-	285,716	494,038	-	779,754	(779,754)	-
Capital assets, non-depreciable:							
Land and other non-depreciable assets	-	-	-	843,201	843,201	-	843,201
Capital assets, depreciable:							
Property and equipment, net of depreciation	-	-	-	4,050,012	4,050,012	-	4,050,012
Total non-current assets	487,000	535,716	744,038	4,893,213	6,659,967	(779,754)	5,880,213
Total assets	$ 33,563,716	$ 26,325,552	$ 50,831,555	$ 5,212,279	$ 115,933,102	$ (7,768,555)	$ 108,164,547

(Continued)

Midwest Public Risk
Combining Statement of Net Assets by Fund, Continued
As of June 30, 2025

LIABILITIES AND NET ASSETS	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
LIABILITIES							
Current liabilities:							
Claim reserves	$ 4,480,000	$ 6,450,528	$ 10,898,557	$ -	$ 21,829,085	$ -	$ 21,829,085
Reserve for ULAE	480,395	66,080	94,250	-	640,725	-	640,725
Accounts payable	652,701	272,245	194,652	5,524	1,125,122	-	1,125,122
Due to other funds	1,064,180	9,905	1,150,066	218,460	2,442,611	(2,442,611)	-
Credit program liability	515,877	126,569	554,401	-	1,196,847	-	1,196,847
Unearned contributions	16,549	3,227,176	17,445,002	-	20,688,727	-	20,688,727
Current note payable - MPR campus	-	-	-	194,937	194,937	(194,937)	-
Total current liabilities	7,209,702	10,152,503	30,336,928	418,921	48,118,054	(2,637,548)	45,480,506
Non-current liabilities:							
Claim reserves	-	1,069,919	7,979,703	-	9,049,622	-	9,049,622
Non-current note payable - MPR campus	-	-	-	779,754	779,754	(779,754)	-
Total non-current liabilities	-	1,069,919	7,979,703	779,754	9,829,376	(779,754)	9,049,622
Total liabilities	7,209,702	11,222,422	38,316,631	1,198,675	57,947,430	(3,417,302)	54,530,128
NET ASSETS							
Net assets	26,354,014	15,103,130	12,514,924	4,013,604	57,985,672	(4,351,253)	53,634,419
Total liabilities and net assets	$ 33,563,716	$ 26,325,552	$ 50,831,555	$ 5,212,279	$ 115,933,102	$ (7,768,555)	$ 108,164,547

Midwest Public Risk
Combining Statement of Net Assets by Fund
As of June 30, 2024

ASSETS	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Current assets:							
Cash and cash equivalents	$ 5,870,901	$ 7,805,972	$ 16,420,602	$ 263,883	$ 30,361,358	$ -	$ 30,361,358
Investments - unrestricted	18,281,996	16,344,303	25,167,617	-	59,793,916	(4,351,253)	55,442,663
Accrued interest	107,793	74,188	148,467	-	330,448	-	330,448
Contributions due from members	999,636	317,384	-	-	1,317,020	-	1,317,020
Excess insurance recoverable - paid losses	993,958	22,065	357,735	-	1,373,758	-	1,373,758
Due from other funds	984,207	88,584	1,779,258	37,421	2,889,470	(2,889,470)	-
Other assets	33,290	223,565	630,604	21	887,480	-	887,480
Current note receivable - MPR campus	-	71,429	123,508	-	194,937	(194,937)	-
Total current assets	27,271,781	24,947,490	44,627,791	301,325	97,148,387	(7,435,660)	89,712,727
Non-current assets:							
Membership deposits	639,000	250,000	250,000	-	1,139,000	-	1,139,000
Non-current note receivable - MPR campus	-	357,144	617,547	-	974,691	(974,691)	-
Capital assets, non-depreciable:							
Land and other non-depreciable assets	-	-	-	843,201	843,201	-	843,201
Capital assets, depreciable:							
Property and equipment, net of depreciation	-	-	-	4,161,567	4,161,567	-	4,161,567
Total non-current assets	639,000	607,144	867,547	5,004,768	7,118,459	(974,691)	6,143,768
Total assets	$ 27,910,781	$ 25,554,634	$ 45,495,338	$ 5,306,093	$ 104,266,846	$ (8,410,351)	$ 95,856,495

(Continued)

Midwest Public Risk
Combining Statement of Net Assets by Fund, Continued
As of June 30, 2024

LIABILITIES AND NET ASSETS	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
LIABILITIES							
Current liabilities:							
Claim reserves	$ 3,925,000	$ 4,903,620	$ 13,324,920	$ -	$ 22,153,540	$ -	$ 22,153,540
Reserve for ULAE	447,000	62,535	92,550	-	602,085	-	602,085
Accounts payable	510,544	292,367	179,129	4,256	986,296	-	986,296
Due to other funds	996,919	12,349	1,657,715	222,487	2,889,470	(2,889,470)	-
Credit program liability	483,313	124,049	520,148	-	1,127,510	-	1,127,510
Unearned contributions	10,492	3,749,095	16,433,306	-	20,192,893	-	20,192,893
Current note payable - MPR campus	-	-	-	194,937	194,937	(194,937)	-
Total current liabilities	6,373,268	9,144,015	32,207,768	421,680	48,146,731	(3,084,407)	45,062,324
Non-current liabilities:							
Claim reserves	-	2,089,700	9,078,429	-	11,168,129	-	11,168,129
Non-current note payable - MPR campus	-	-	-	974,691	974,691	(974,691)	-
Total non-current liabilities	-	2,089,700	9,078,429	974,691	12,142,820	(974,691)	11,168,129
Total liabilities	6,373,268	11,233,715	41,286,197	1,396,371	60,289,551	(4,059,098)	56,230,453
NET ASSETS							
Net assets	21,537,513	14,320,919	4,209,141	3,909,722	43,977,295	(4,351,253)	39,626,042
Total liabilities and net assets	$ 27,910,781	$ 25,554,634	$ 45,495,338	$ 5,306,093	$ 104,266,846	$ (8,410,351)	$ 95,856,495

Midwest Public Risk
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Fund
For the Year Ended June 30, 2025

OPERATING REVENUES	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Contributions earned	$ 42,627,656	$ 5,261,168	$ 26,311,204	$ -	$ 74,200,028	$ -	$ 74,200,028
OPERATING EXPENSES (REVENUES)							
Losses and loss adjustment expenses:							
Paid	33,515,579	3,260,841	10,908,141	-	47,684,561	-	47,684,561
Change in reserves	555,000	527,127	(3,525,089)	-	(2,442,962)	-	(2,442,962)
Excess insurance premiums	1,488,082	423,188	9,539,171	-	11,450,441	-	11,450,441
Other insurance premiums	-	14,050	36,265	102,578	152,893	-	152,893
Contribution taxes	53,999	152,003	66,752	-	272,754	-	272,754
Claims administration fees	2,099,781	144,181	460,663	-	2,704,625	-	2,704,625
Loss prevention	193,587	55,117	221,801	-	470,505	-	470,505
General and administrative	1,448,613	989,262	2,044,720	146,327	4,628,922	-	4,628,922
Rent expense (revenue)	186,611	181,123	181,123	(548,857)	-	-	-
Interest expense (revenue)	-	(17,381)	(30,054)	47,435	-	-	-
Depreciation	-	-	-	179,032	179,032	-	179,032
Total operating expenses (revenues)	39,541,252	5,729,511	19,903,493	(73,485)	65,100,771	-	65,100,771
Income (loss) from operations	3,086,404	(468,343)	6,407,711	73,485	9,099,257	-	9,099,257
NON-OPERATING REVENUES							
Investment revenue	1,029,031	684,675	1,048,462	9,897	2,772,065	-	2,772,065
Net change in fair value of investments	701,066	565,879	849,610	-	2,116,555	-	2,116,555
Other non-operating revenue	-	-	-	20,500	20,500	-	20,500
Total non-operating revenues	1,730,097	1,250,554	1,898,072	30,397	4,909,120	-	4,909,120
Increase in net assets	4,816,501	782,211	8,305,783	103,882	14,008,377	-	14,008,377
Net assets, beginning of year	21,537,513	14,320,919	4,209,141	3,909,722	43,977,295	(4,351,253)	39,626,042
Net assets, end of year	$ 26,354,014	$ 15,103,130	$ 12,514,924	$ 4,013,604	$ 57,985,672	$ (4,351,253)	$ 53,634,419

Midwest Public Risk
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Fund
For the Year Ended June 30, 2024

OPERATING REVENUES	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Contributions earned	$ 40,241,948	$ 5,539,321	$ 21,704,158	$ -	$ 67,485,427	$ -	$ 67,485,427
OPERATING EXPENSES (REVENUES)							
Losses and loss adjustment expenses:							
Paid	31,419,400	2,959,310	11,297,737	-	45,676,447	-	45,676,447
Change in reserves	900,000	(977,442)	3,510,564	-	3,433,122	-	3,433,122
Excess insurance premiums	1,165,662	395,515	9,354,616	-	10,915,793	-	10,915,793
Other insurance premiums	-	14,073	36,265	101,639	151,977	-	151,977
Contribution taxes	51,642	146,093	55,951	-	253,686	-	253,686
Claims administration fees	1,980,071	119,692	494,816	-	2,594,579	-	2,594,579
Loss prevention	180,621	51,660	145,611	-	377,892	-	377,892
General and administrative	1,391,900	792,718	1,563,293	125,300	3,873,211	-	3,873,211
Rent expense (revenue)	165,840	160,963	160,964	(487,767)	-	-	-
Interest expense (revenue)	-	(20,333)	(35,159)	55,492	-	-	-
Depreciation	-	-	-	169,801	169,801	-	169,801
Total operating expenses (revenues)	37,255,136	3,642,249	26,584,658	(35,535)	67,446,508	-	67,446,508
Income (loss) from operations	2,986,812	1,897,072	(4,880,500)	35,535	38,919	-	38,919
NON-OPERATING REVENUES							
Investment revenue	662,311	493,946	903,759	4,493	2,064,509	-	2,064,509
Net change in fair value of investments	252,140	262,791	403,887	-	918,818	-	918,818
Other non-operating revenue	-	-	-	-	-	-	-
Total non-operating revenues	914,451	756,737	1,307,646	4,493	2,983,327	-	2,983,327
Increase (decrease) in net assets	3,901,263	2,653,809	(3,572,854)	40,028	3,022,246	-	3,022,246
Net assets, beginning of year	17,636,250	11,667,110	7,781,995	3,869,694	40,955,049	(4,351,253)	36,603,796
Net assets, end of year	$ 21,537,513	$ 14,320,919	$ 4,209,141	$ 3,909,722	$ 43,977,295	$ (4,351,253)	$ 39,626,042

Midwest Public Risk
Combining Statement of Cash Flows by Fund
For the Year Ended June 30, 2025

	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Cash flows from operating activities:							
Contributions collected	$ 42,689,515	$ 4,751,541	$ 27,322,900	$ -	$ 74,763,956	$ -	$ 74,763,956
Losses and loss adjustment expenses paid	(32,975,970)	(3,332,685)	(11,155,943)	-	(47,464,598)	-	(47,464,598)
Insurance premiums paid	(1,488,082)	(437,238)	(9,580,181)	(102,578)	(11,608,079)	-	(11,608,079)
Contribution taxes paid	(51,346)	(152,003)	(56,831)	-	(260,180)	-	(260,180)
Claims administration fees paid	(1,946,150)	(170,739)	(438,516)	-	(2,555,405)	-	(2,555,405)
Loss prevention expenses paid	(161,024)	(52,597)	(187,548)	-	(401,169)	-	(401,169)
General and administrative expenses paid	(705,022)	(557,241)	(1,503,539)	359,761	(2,406,041)	-	(2,406,041)
Personnel expenses paid	(916,690)	(588,399)	(712,405)	-	(2,217,494)	-	(2,217,494)
Net cash provided by (used in) operating activities	4,445,231	(539,361)	3,687,937	257,183	7,850,990	-	7,850,990
Cash flows from non-capital financing activities:							
Deposits	152,000	-	-	-	152,000	-	152,000
Net cash provided by non-capital financing activities	152,000	-	-	-	152,000	-	152,000
Cash flows from capital and related financing activities:							
Repayment of long-term debt	-	71,428	123,509	(194,937)	-	-	-
Proceeds from sale of capital assets	-	-	-	20,500	20,500	-	20,500
Acquisition of capital assets	-	-	-	(67,477)	(67,477)	-	(67,477)
Net cash provided by (used in) capital and related financing activities	-	71,428	123,509	(241,914)	(46,977)	-	(46,977)
Cash flows from investing activities:							
Proceeds from sales or maturities of investments	3,205,221	1,467,863	2,769,594	-	7,442,678	-	7,442,678
Purchase of investments	(8,826,385)	(4,907,417)	(2,907,484)	-	(16,641,286)	-	(16,641,286)
Interest received	918,856	638,537	1,008,507	9,897	2,575,797	-	2,575,797
Net cash provided by (used in) investing activities	(4,702,308)	(2,801,017)	870,617	9,897	(6,622,811)	-	(6,622,811)
Net change in cash and cash equivalents	(105,077)	(3,268,950)	4,682,063	25,166	1,333,202	-	1,333,202
Cash and cash equivalents, beginning of year	5,870,901	7,805,972	16,420,602	263,883	30,361,358	-	30,361,358
Cash and cash equivalents, end of year	$ 5,765,824	$ 4,537,022	$ 21,102,665	$ 289,049	$ 31,694,560	$ -	$ 31,694,560

(Continued)

Midwest Public Risk
Combining Statement of Cash Flows by Fund, Continued
For the Year Ended June 30, 2025

	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:							
Income (loss) from operations	$ 3,086,404	$ (468,343)	$ 6,407,711	$ 73,485	$ 9,099,257	$ -	$ 9,099,257
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:							
Depreciation expense	-	-	-	179,032	179,032	-	179,032
Effects of changes in:							
Contributions receivable	55,802	44,574	-	-	100,376	-	100,376
Excess insurance recoverable	539,609	(71,845)	(265,393)	-	202,371	-	202,371
Deductibles receivable	-	-	17,590	-	17,590	-	17,590
Due from other funds	(69,768)	(27,944)	537,167	7,404	446,859	(446,859)	-
Other receivables	-	(530)	(1,303)	21	(1,812)	-	(1,812)
Prepaid expenses	(3,250)	(3,979)	(38,269)	-	(45,498)	-	(45,498)
Claim reserves	555,000	527,127	(3,525,089)	-	(2,442,962)	-	(2,442,962)
ULAE reserve	33,395	3,545	1,700	-	38,640	-	38,640
Accounts payable	137,698	(18,633)	17,582	1,268	137,915	-	137,915
Accrued payroll	4,459	(1,490)	(2,059)	-	910	-	910
Due to other funds	67,261	(2,444)	(507,649)	(4,027)	(446,859)	446,859	-
Credit programs liability	32,564	2,520	34,253	-	69,337	-	69,337
Unearned contributions	6,057	(521,919)	1,011,696	-	495,834	-	495,834
Total adjustments	1,358,827	(71,018)	(2,719,774)	183,698	(1,248,267)	-	(1,248,267)
Net cash provided by (used in) operating activities	$ 4,445,231	$ (539,361)	$ 3,687,937	$ 257,183	$ 7,850,990	$ -	$ 7,850,990
Supplemental schedule of non-cash investing activities:							
Change in fair market value of investments	$ 701,066	$ 565,879	$ 849,610	$ -	$ 2,116,555	$ -	$ 2,116,555

Midwest Public Risk
Combining Statement of Cash Flows by Fund
For the Year Ended June 30, 2024

	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Cash flows from operating activities:							
Contributions collected	$ 40,071,289	$ 6,306,815	$ 24,961,454	$ -	$ 71,339,558	$ -	$ 71,339,558
Losses and loss adjustment expenses paid	(32,130,083)	(2,953,714)	(10,542,992)	-	(45,626,789)	-	(45,626,789)
Insurance premiums paid	(1,165,662)	(409,565)	(9,675,141)	(25,573)	(11,275,941)	-	(11,275,941)
Contribution taxes paid	(67,479)	(146,093)	(71,591)	-	(285,163)	-	(285,163)
Claims administration fees paid	(1,994,193)	(85,151)	(430,934)	-	(2,510,278)	-	(2,510,278)
Loss prevention expenses paid	(89,842)	(61,899)	(181,727)	-	(333,468)	-	(333,468)
General and administrative expenses paid	(704,425)	(549,777)	(1,504,123)	303,920	(2,454,405)	-	(2,454,405)
Personnel expenses paid	(858,355)	(548,819)	(651,580)	-	(2,058,754)	-	(2,058,754)
Net cash provided by operating activities	3,061,250	1,551,797	1,903,366	278,347	6,794,760	-	6,794,760
Cash flows from non-capital financing activities:							
Deposits	646,000	-	-	-	646,000	-	646,000
Net cash provided by non-capital financing activities	646,000	-	-	-	646,000	-	646,000
Cash flows from capital and related financing activities:							
Repayment of long-term debt	-	71,428	123,509	(194,937)	-	-	-
Acquisition of capital assets	-	-	-	(14,892)	(14,892)	-	(14,892)
Net cash provided by (used in) capital and related financing activities	-	71,428	123,509	(209,829)	(14,892)	-	(14,892)
Cash flows from investing activities:							
Proceeds from sales or maturities of investments	1,535,354	1,303,689	4,427,272	-	7,266,315	-	7,266,315
Purchase of investments	(3,920,339)	(2,437,593)	(3,729,260)	-	(10,087,192)	-	(10,087,192)
Interest received	604,317	483,072	883,128	4,493	1,975,010	-	1,975,010
Net cash provided by (used in) investing activities	(1,780,668)	(650,832)	1,581,140	4,493	(845,867)	-	(845,867)
Net change in cash and cash equivalents	1,926,582	972,393	3,608,015	73,011	6,580,001	-	6,580,001
Cash and cash equivalents, beginning of year	3,944,319	6,833,579	12,812,587	190,872	23,781,357	-	23,781,357
Cash and cash equivalents, end of year	$ 5,870,901	$ 7,805,972	$ 16,420,602	$ 263,883	$ 30,361,358	$ -	$ 30,361,358

(Continued)

Midwest Public Risk
Combining Statement of Cash Flows by Fund, Continued
For the Year Ended June 30, 2024

	Employee Benefits Fund	Workers' Compensation Fund	Property and Liability Fund	MPR Management Fund	Total	Eliminations	Combined
Reconciliation of income (loss) from operations to net cash provided by operating activities:							
Income (loss) from operations	$ 2,986,812	$ 1,897,072	$ (4,880,500)	$ 35,535	$ 38,919	$ -	$ 38,919
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:							
Depreciation expense	-	-	-	169,801	169,801	-	169,801
Effects of changes in:							
Contributions receivable	(93,004)	(152,652)	-	-	(245,656)	-	(245,656)
Excess insurance recoverable	(710,684)	5,596	735,849	-	30,761	-	30,761
Deductibles receivable	-	-	18,897	-	18,897	-	18,897
Due from other funds	107,271	31,606	(771,890)	3,264	(629,749)	629,749	-
Other receivables	9,457	(1,352)	3,000	(6)	11,099	-	11,099
Prepaid expenses	(20,015)	(157,709)	(490,041)	76,066	(591,699)	-	(591,699)
Claim reserves	900,000	(977,442)	3,510,564	-	3,433,122	-	3,433,122
ULAE reserve	115,910	3,345	400	-	119,655	-	119,655
Accounts payable	(148,670)	42,057	(174,986)	(2,499)	(284,098)	-	(284,098)
Accrued payroll	9,439	(7,679)	(12,139)	-	(10,379)	-	(10,379)
Due to other funds	(108,391)	(1,077)	743,031	(3,814)	629,749	(629,749)	-
Credit programs liability	90,779	(10,238)	(36,115)	-	44,426	-	44,426
Unearned contributions	(77,654)	880,270	3,257,296	-	4,059,912	-	4,059,912
Total adjustments	74,438	(345,275)	6,783,866	242,812	6,755,841	-	6,755,841
Net cash provided by operating activities	$ 3,061,250	$ 1,551,797	$ 1,903,366	$ 278,347	$ 6,794,760	$ -	$ 6,794,760
Supplemental schedule of non-cash investing activities:							
Change in fair market value of investments	$ 252,140	$ 262,791	$ 403,887	$ -	$ 918,818	$ -	$ 918,818

Midwest Public Risk
Combining Statement of Net Assets by Legal Entity
As of June 30, 2025

ASSETS	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
Current assets:						
Cash and cash equivalents	$ 10,459,099	$ 20,946,412	$ 289,049	$ 31,694,560	$ -	$ 31,694,560
Investments - unrestricted	71,201,881	-	-	71,201,881	(4,351,253)	66,850,628
Accrued interest	433,915	-	-	433,915	-	433,915
Contributions due from members	1,194,411	22,233	-	1,216,644	-	1,216,644
Excess insurance recoverable - paid losses	883,163	288,224	-	1,171,387	-	1,171,387
Due from other funds	1,308,915	1,103,679	30,017	2,442,611	(2,442,611)	-
Other assets	656,397	260,803	-	917,200	-	917,200
Current note receivable - MPR campus	194,937	-	-	194,937	(194,937)	-
Total current assets	86,332,718	22,621,351	319,066	109,273,135	(6,988,801)	102,284,334
Non-current assets:						
Membership deposits	842,892	144,108	-	987,000	-	987,000
Non-current note receivable - MPR campus	779,754	-	-	779,754	(779,754)	-
Capital assets, non-depreciable:						
Land and other non-depreciable assets	-	-	843,201	843,201	-	843,201
Capital assets, depreciable:						
Property and equipment, net of depreciation	-	-	4,050,012	4,050,012	-	4,050,012
Total non-current assets	1,622,646	144,108	4,893,213	6,659,967	(779,754)	5,880,213
Total assets	$ 87,955,364	$ 22,765,459	$ 5,212,279	$ 115,933,102	$ (7,768,555)	$ 108,164,547

(Continued)

Midwest Public Risk
Combining Statement of Net Assets by Legal Entity, Continued
As of June 30, 2025

LIABILITIES AND NET ASSETS	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
LIABILITIES						
Current liabilities:						
Claim reserves	$ 13,927,407	$ 7,901,678	$ -	$ 21,829,085	$ -	$ 21,829,085
Reserve for ULAE	558,664	82,061	-	640,725	-	640,725
Accounts payable	943,541	176,057	5,524	1,125,122	-	1,125,122
Due to other funds	1,170,177	1,053,974	218,460	2,442,611	(2,442,611)	-
Credit program liability	949,513	247,334	-	1,196,847	-	1,196,847
Unearned contributions	11,316,116	9,372,611	-	20,688,727	-	20,688,727
Current note payable - MPR campus	-	-	194,937	194,937	(194,937)	-
Total current liabilities	28,865,418	18,833,715	418,921	48,118,054	(2,637,548)	45,480,506
Non-current liabilities:						
Claim reserves	9,599,357	(549,735)	-	9,049,622	-	9,049,622
Non-current note payable - MPR campus	-	-	779,754	779,754	(779,754)	-
Total non-current liabilities	9,599,357	(549,735)	779,754	9,829,376	(779,754)	9,049,622
Total liabilities	38,464,775	18,283,980	1,198,675	57,947,430	(3,417,302)	54,530,128
NET ASSETS						
Net assets	49,490,589	4,481,479	4,013,604	57,985,672	(4,351,253)	53,634,419
Total liabilities and net assets	$ 87,955,364	$ 22,765,459	$ 5,212,279	$ 115,933,102	$ (7,768,555)	$ 108,164,547

Midwest Public Risk
Combining Statement of Net Assets by Legal Entity
As of June 30, 2024

ASSETS	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
Current assets:						
Cash and cash equivalents	$ 11,033,056	$ 19,064,419	$ 263,883	$ 30,361,358	$ -	$ 30,361,358
Investments - unrestricted	59,793,916	-	-	59,793,916	(4,351,253)	55,442,663
Accrued interest	330,448	-	-	330,448	-	330,448
Contributions due from members	1,311,186	5,834	-	1,317,020	-	1,317,020
Excess insurance recoverable - paid losses	1,141,972	231,786	-	1,373,758	-	1,373,758
Due from other funds	2,852,049	-	37,421	2,889,470	(2,889,470)	-
Other assets	641,593	245,866	21	887,480	-	887,480
Current note receivable - MPR campus	194,937	-	-	194,937	(194,937)	-
Total current assets	77,299,157	19,547,905	301,325	97,148,387	(7,435,660)	89,712,727
Non-current assets:						
Membership deposits	982,284	156,716	-	1,139,000	-	1,139,000
Non-current note receivable - MPR campus	974,691	-	-	974,691	(974,691)	-
Capital assets, non-depreciable:						
Land and other non-depreciable assets	-	-	843,201	843,201	-	843,201
Capital assets, depreciable:						
Property and equipment, net of depreciation	-	-	4,161,567	4,161,567	-	4,161,567
Total non-current assets	1,956,975	156,716	5,004,768	7,118,459	(974,691)	6,143,768
Total assets	$ 79,256,132	$ 19,704,621	$ 5,306,093	$ 104,266,846	$ (8,410,351)	$ 95,856,495

(Continued)

Midwest Public Risk
Combining Statement of Net Assets by Legal Entity, Continued
As of June 30, 2024

LIABILITIES AND NET ASSETS	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
LIABILITIES						
Current liabilities:						
Claim reserves	$ 12,988,512	$ 9,165,028	$ -	$ 22,153,540	$ -	$ 22,153,540
Reserve for ULAE	524,146	77,939	-	602,085	-	602,085
Accounts payable	832,787	149,253	4,256	986,296	-	986,296
Due to other funds	44,483	2,622,500	222,487	2,889,470	(2,889,470)	-
Credit program liability	889,841	237,669	-	1,127,510	-	1,127,510
Unearned contributions	12,593,190	7,599,703	-	20,192,893	-	20,192,893
Current note payable - MPR campus	-	-	194,937	194,937	(194,937)	-
Total current liabilities	27,872,959	19,852,092	421,680	48,146,731	(3,084,407)	45,062,324
Non-current liabilities:						
Claim reserves	12,149,916	(981,787)	-	11,168,129	-	11,168,129
Non-current note payable - MPR campus	-	-	974,691	974,691	(974,691)	-
Total non-current liabilities	12,149,916	(981,787)	974,691	12,142,820	(974,691)	11,168,129
Total liabilities	40,022,875	18,870,305	1,396,371	60,289,551	(4,059,098)	56,230,453
NET ASSETS						
Net assets	39,233,257	834,316	3,909,722	43,977,295	(4,351,253)	39,626,042
Total liabilities and net assets	$ 79,256,132	$ 19,704,621	$ 5,306,093	$ 104,266,846	$ (8,410,351)	$ 95,856,495

Midwest Public Risk
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Legal Entity
For the Year Ended June 30, 2025

OPERATING REVENUES	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
Contributions earned	$ 59,839,411	$ 14,360,617	$ -	$ 74,200,028	$ -	$ 74,200,028
OPERATING EXPENSES (REVENUES)						
Losses and loss adjustment expenses:						
Paid	40,678,294	7,006,267	-	47,684,561	-	47,684,561
Change in reserves	(1,611,664)	(831,298)	-	(2,442,962)	-	(2,442,962)
Excess insurance premiums	7,549,015	3,901,426	-	11,450,441	-	11,450,441
Other insurance premiums	36,012	14,303	102,578	152,893	-	152,893
Contribution taxes	165,567	107,187	-	272,754	-	272,754
Claims administration fees	2,326,730	377,895	-	2,704,625	-	2,704,625
Loss prevention	453,244	17,261	-	470,505	-	470,505
General and administrative	3,540,771	941,824	146,327	4,628,922	-	4,628,922
Rent expense (revenue)	459,983	88,874	(548,857)	-	-	-
Interest expense (revenue)	(47,435)	-	47,435	-	-	-
Depreciation	-	-	179,032	179,032	-	179,032
Total operating expenses (revenues)	53,550,517	11,623,739	(73,485)	65,100,771	-	65,100,771
Income (loss) from operations	6,288,894	2,736,878	73,485	9,099,257	-	9,099,257
NON-OPERATING REVENUES						
Investment revenue	2,252,488	509,680	9,897	2,772,065	-	2,772,065
Net change in fair value of investments	1,715,950	400,605	-	2,116,555	-	2,116,555
Other non-operating revenue	-	-	20,500	20,500	-	20,500
Total non-operating revenues	3,968,438	910,285	30,397	4,909,120	-	4,909,120
Increase in net assets	10,257,332	3,647,163	103,882	14,008,377	-	14,008,377
Net assets, beginning of year	39,233,257	834,316	3,909,722	43,977,295	(4,351,253)	39,626,042
Net assets, end of year	$ 49,490,589	$ 4,481,479	$ 4,013,604	$ 57,985,672	$ (4,351,253)	$ 53,634,419

Midwest Public Risk
Combining Statement of Revenues, Expenses, and Changes in Net Assets by Legal Entity
For the Year Ended June 30, 2024

OPERATING REVENUES	MPR of Missouri	MPR of Kansas	MPR Management Fund	Total	Eliminations	Combined
Contributions earned	$ 55,322,024	$ 12,163,403	$ -	$ 67,485,427	$ -	$ 67,485,427
OPERATING EXPENSES (REVENUES)						
Losses and loss adjustment expenses:						
Paid	38,790,249	6,886,198	-	45,676,447	-	45,676,447
Change in reserves	1,537,450	1,895,672	-	3,433,122	-	3,433,122
Excess insurance premiums	7,204,926	3,710,867	-	10,915,793	-	10,915,793
Other insurance premiums	36,380	13,958	101,639	151,977	-	151,977
Contribution taxes	157,707	95,979	-	253,686	-	253,686
Claims administration fees	2,216,678	377,901	-	2,594,579	-	2,594,579
Loss prevention	360,713	17,179	-	377,892	-	377,892
General and administrative	3,014,443	733,468	125,300	3,873,211	-	3,873,211
Rent expense (revenue)	410,114	77,653	(487,767)	-	-	-
Interest expense (revenue)	(55,492)	-	55,492	-	-	-
Depreciation	-	-	169,801	169,801	-	169,801
Total operating expenses (revenues)	53,673,168	13,808,875	(35,535)	67,446,508	-	67,446,508
Income (loss) from operations	1,648,856	(1,645,472)	35,535	38,919	-	38,919
NON-OPERATING REVENUES (EXPENSES)						
Investment revenue	1,649,467	410,549	4,493	2,064,509	-	2,064,509
Net change in fair value of investments	739,496	179,322	-	918,818	-	918,818
Other non-operating revenue	-	-	-	-	-	-
Total non-operating revenues	2,388,963	589,871	4,493	2,983,327	-	2,983,327
Increase (decrease) in net assets	4,037,819	(1,055,601)	40,028	3,022,246	-	3,022,246
Net assets, beginning of year	35,195,438	1,889,917	3,869,694	40,955,049	(4,351,253)	36,603,796
Net assets, end of year	$ 39,233,257	$ 834,316	$ 3,909,722	$ 43,977,295	$ (4,351,253)	$ 39,626,042

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REPORT TO THOSE CHARGED WITH GOVERNANCE

Board of Directors
Midwest Public Risk
Independence, Missouri

We have audited the combined financial statements of Midwest Public Risk, Midwest Public Risk of Missouri ("MPR-MO") and Midwest Public Risk of Kansas, Inc. ("MPR-KS"), collectively known as MPR, for the year ended June 30, 2025, and have issued our report thereon dated October 23, 2025. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MPR are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by MPR during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of loss reserves is based on individual case estimates for reported claims and an actuarial valuation for incurred but unreported claims, including development of reported claims. We evaluated the methods, assumptions, and data used to develop the loss reserves in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of loss reserves and claims expense in Note 9 to the financial statements as described above.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to MPR's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as MPR's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Ten-Year Claims Development, and Reconciliation of Claims Reserves by Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Statements of Net Assets by Fund and by Legal Entity, Revenues, Expenses, and Changes in Net Asset by Fund and by Legal Entity, and Cash Flows by Fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This communication is intended solely for the information and use of management, the Board of Directors, and others within MPR, and is not intended to be, and should not be, used by anyone other than these specified parties.

Conner Ash P.C.

St. Louis, Missouri
October 23, 2025

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REPORT ON MATTERS RELATED TO INTERNAL CONTROL

Board of Directors and Management
Midwest Public Risk
Independence, Missouri

In planning and performing our audit of the combined financial statements of Midwest Public Risk, Midwest Public Risk of Missouri ("MPR-MO"), and Midwest Public Risk of Kansas, Inc. ("MPR-KS"), collectively known as MPR, as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered MPR's system of internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MPR's internal control. Accordingly, we do not express an opinion on the effectiveness of MPR's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of MPR's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, and others within MPR, and is not intended to be, and should not be, used by anyone other than these specified parties.

Conner Ash P.C.

St. Louis, Missouri
October 23, 2025