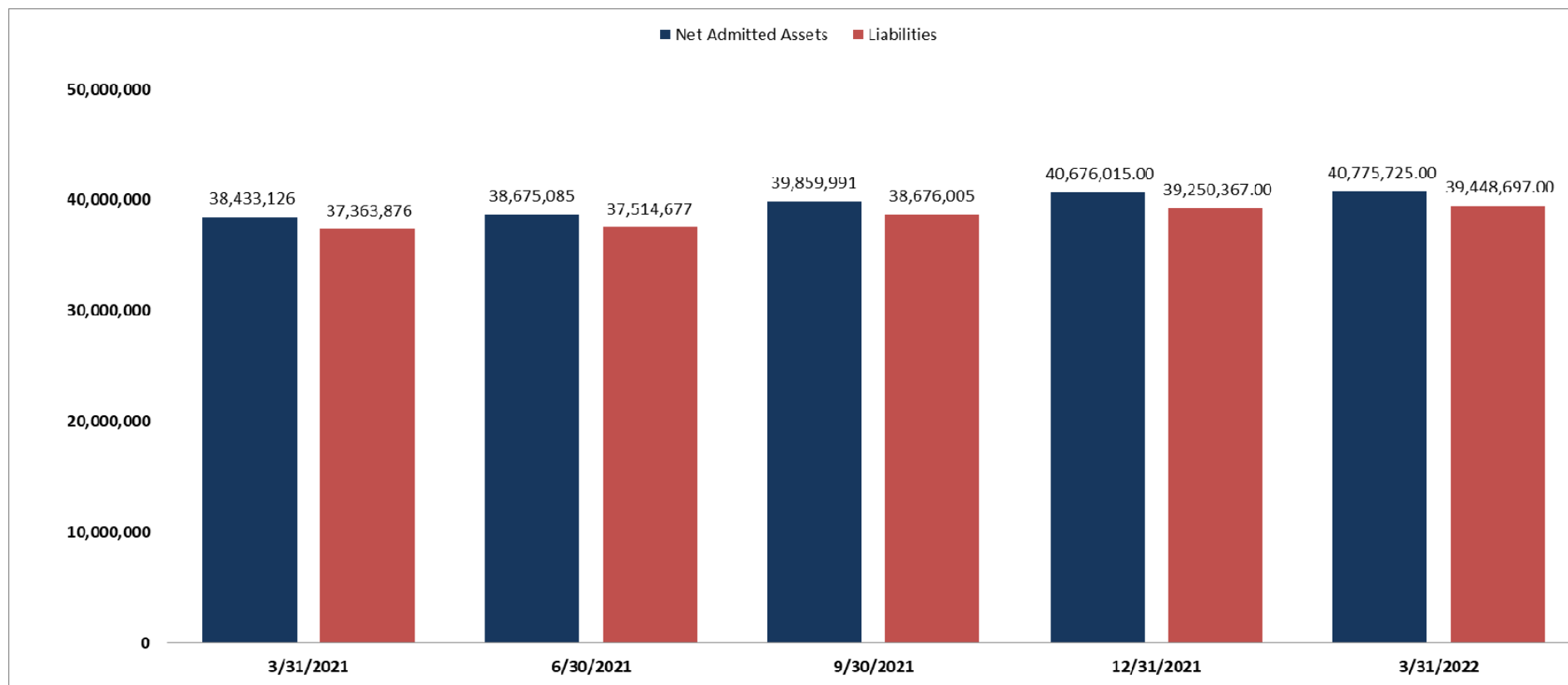




# 2022 1<sup>st</sup> Quarter Financial Statements

# Assets/Liabilities Trend Analysis



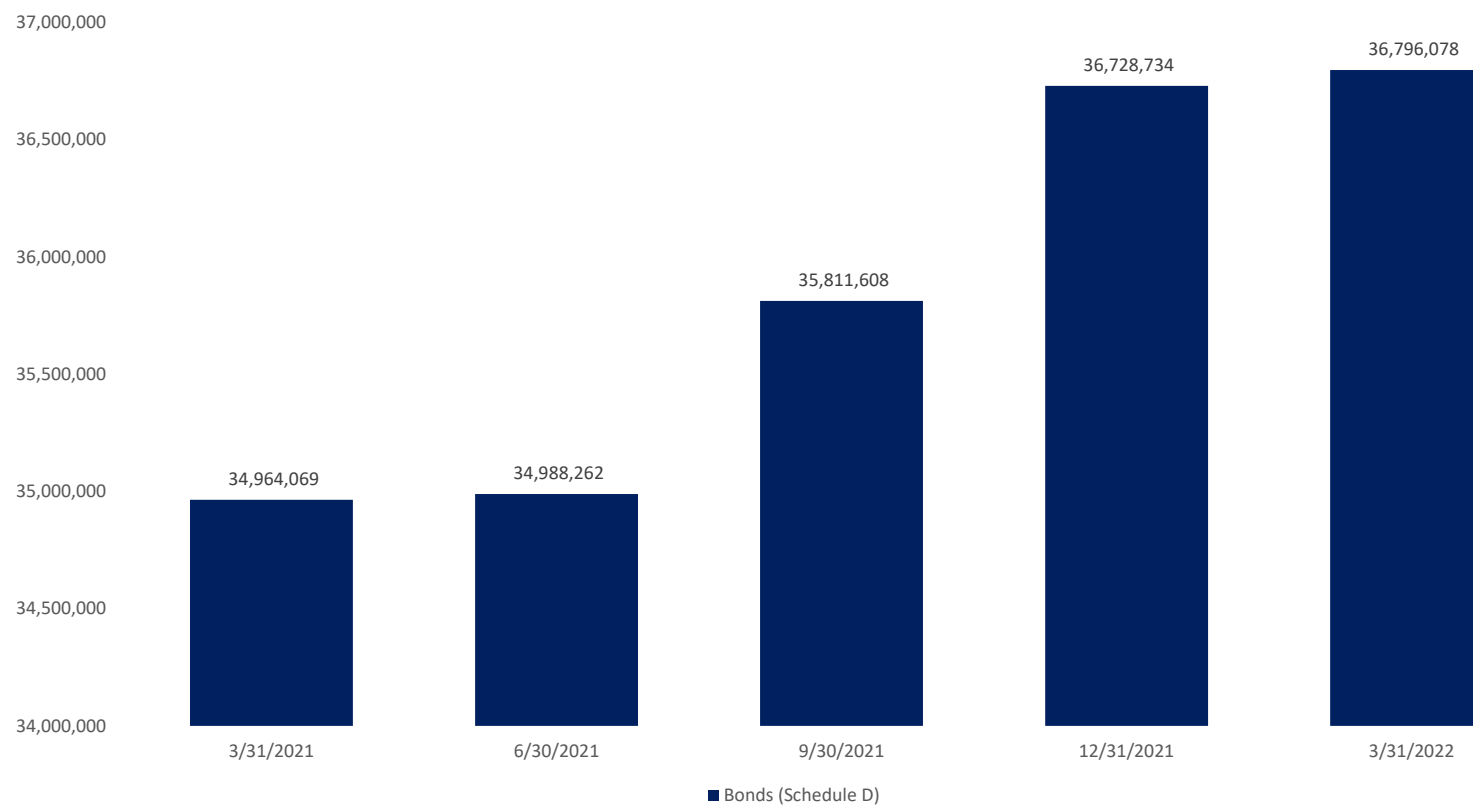
# Admitted Assets

Line	Asset Description	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
01	Bonds (Schedule D)	36,796,078	36,728,734	35,811,608	34,988,262	34,964,069
02.1	Preferred stocks (Schedule D)	-	-	100,000	100,000	100,000
02.2	Common stocks (Schedule D)	88,405	81,705	74,253	130,439	95,512
04.2	Properties held for the production of income (less \$... encumbrances)	-	-	-	-	397,778
04.3	Properties held for sale (less \$... encumbrances)	963,380	968,996	1,049,612	1,055,229	663,067
05	Cash	595,663	1,317,921	1,353,304	1,093,159	842,429
06	Contract loans	139,956	138,872	134,235	133,690	137,378
08	Other invested assets (Schedule BA)	412,097	428,039	433,265	398,628	398,556
12	Subtotals, cash and invested assets	38,995,579	39,664,267	38,956,278	37,899,407	37,598,789
14	Investment income due and accrued	549,122	519,739	545,348	499,649	538,835
15.1	Uncollected premiums and agents'	11,773	8,953	14,549	9,252	10,351
16.1	Amounts recoverable from reinsurers	1,039,943	330,868	108,394	32,634	-
20	Electronic data processing equipment	9,405	3,617	4,211	3,595	4,090
23	Related Party Receivables	122,674	93,138	90,598	80,154	85,154
25	Aggregate write-ins	47,229	55,432	140,613	150,394	195,907
26						
	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	40,775,725	40,676,014	39,859,991	38,675,085	38,237,219
28	Total (Lines 26 and 27)	40,775,725	40,676,014	39,859,991	38,675,085	38,433,126

## Aggregate Write-Ins

Line	Write In Description	Assets	Total	
			Nonadmitted	Admitted
2501	Nest 519 Loan	36,617	-	36,617
2502	Due from PFA District I	40,500	-	40,500
2503	Nest 36 Loan	32,987	-	32,987
2504	Nest 580 Loan	7,239	-	7,239
2505	Prepaid Expenses	41,980	41,980	-
Due from Polish Falcons				
2506	Heritage Foundation	56,714	56,714	-
2507	Nest 80 Relief Loan	5,670	-	5,670
2508	Nest 88 Relief Loan	5,056	-	5,056
2509	Nest 124 Loan	10,000	-	10,000
2510	Overfunded Pension	-	90,840	(90,840)
TOTALS		236,763	189,534	47,229

## Bond 5 Quarter Trend





# Q1 Investment Purchases

Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	NAIC Designation	Net Amount	Yield	Broker Name
01/21/22 01/25/22	678858-BL-4	OKLAHOMA G&E CO 5.850 06/01/40	100,000.00	132,250.00	877.50	1FE	133,127.50	3.46	RBC Capital Markets
01/21/22 01/25/22	020002-BA-8	ALLSTATE CORP 4.500 06/15/43	100,000.00	119,875.00	500.00	1FE	120,375.00	3.21	RBC Capital Markets
01/05/22 01/07/22	670346-AN-5	NUCOR CORP 5.200 08/01/43	100,000.00	131,553.00	2,253.33	1FE	133,806.33	3.14	Keybanc Capital Market
01/21/22 01/25/22	91324P-BQ-4	UNITEDHEALTH GROUP IN 5.950 02/15/41	100,000.00	139,000.00	2,644.44	1FE	141,644.44	3.16	RBC Capital Markets
01/27/22 01/31/22	464287-50-7	ISHARES-C S&P MC 1.204	20.00	5,199.80	0.00	NR	5,200.60	0.00	Raymond James
01/27/22 01/31/22	464287-80-4	ISHARES CORE S&P 0.774	50.00	5,287.50	0.00	L	5,289.50	0.00	Raymond James
02/10/22 02/14/22	291011-BB-9	EMERSON ELECTRIC CO 6.125 04/15/39	100,000.00	134,652.00	2,024.65	1FE	136,676.65	3.44	Stephens, Inc.
02/10/22 02/14/22	67021C-AF-4	NSTAR ELECTRIC CO 5.500 03/15/40	100,000.00	128,052.00	2,276.39	1FE	130,328.39	3.41	Raymond James
02/10/22 02/14/22	654106-AL-7	NIKE INC 3.250 03/27/40	100,000.00	100,788.00	1,236.81	1FE	102,024.81	3.19	Stephens, Inc.
02/10/22 02/14/22	872898-AD-3	TSMC ARIZONA 3.125 10/25/41	200,000.00	195,380.00	1,892.36	1FE	197,272.36	3.29	Stephens, Inc.
02/10/22 02/14/22	032654-AW-5	ANALOG DEVICES 2.800 10/01/41	100,000.00	93,000.00	1,003.33	1FE	94,003.33	3.29	Stephens, Inc.
02/10/22 02/14/22	437076-CC-4	HOME DEPOT INC 3.300 04/15/40	100,000.00	100,679.00	1,090.83	1FE	101,769.83	3.25	Stephens, Inc.
Grand Total			1,100,070.00	1,285,716.30	15,799.64		1,301,518.74		

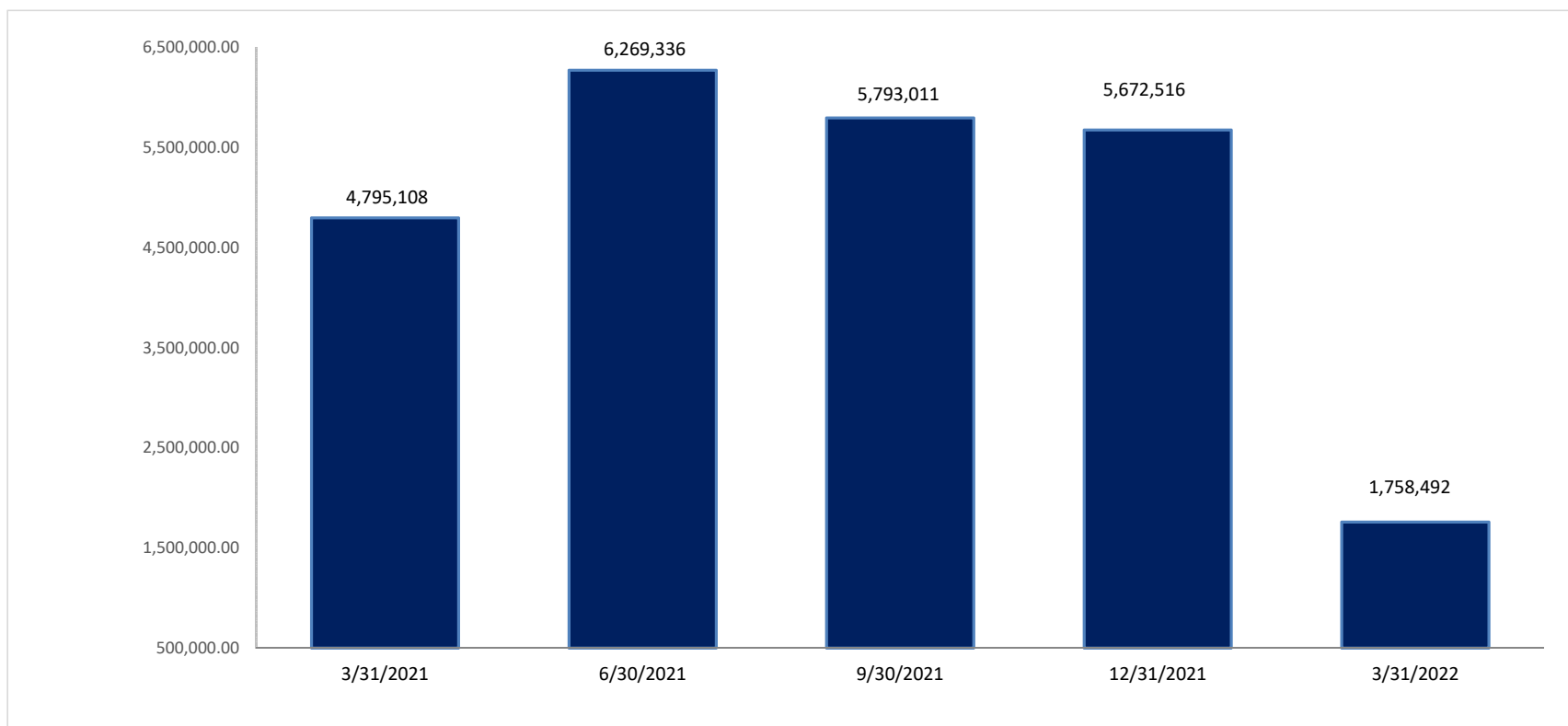




# Q1 Disposals

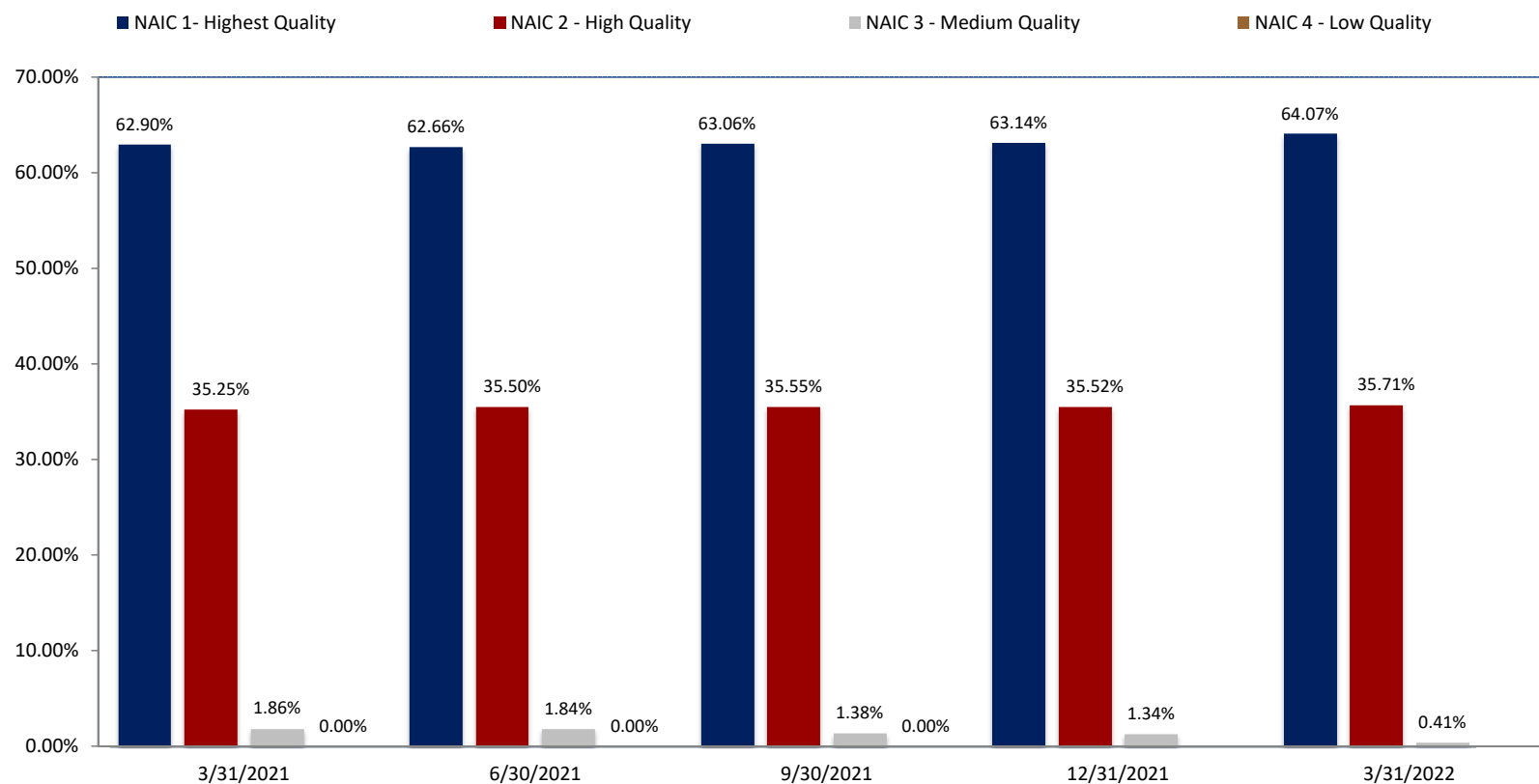
Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	Total Fees	Net Amount	Trans Type/Broker
01/15/22 01/15/22	448814-DX-8	HYDRO QUEBEC 8.400 01/15/22	(200,000.00)	200,000.00	0.00	0.00	200,000.00	Maturity
01/15/22 01/15/22	448814-DX-8	HYDRO QUEBEC 8.400 01/15/22	(200,000.00)	200,000.00	0.00	0.00	200,000.00	Maturity
01/24/22 01/24/22	26138E-AJ-8	DR PEPPER SNAPPLE GROUP 7.450 05/01/38	(100,000.00)	160,675.00	0.00	0.00	160,675.00	Call
03/01/22 03/01/22	220112-4M-5	CORPUS CHRISTI TX 3.939 03/01/32	(200,000.00)	200,000.00	0.00	0.00	200,000.00	Call
03/23/22 03/23/22	857524-AB-8	REPUBLIC OF POLAND SR UNSECURED 5.000 03/23/22	(200,000.00)	200,000.00	0.00	0.00	200,000.00	Maturity
03/28/22 03/29/22	375558-AS-2	GILEAD SCIENCES INC 5.650 12/01/41	(100,000.00)	118,780.00	1,851.95	0.00	120,631.95	Disposal Hilltop Securities
03/28/22 03/29/22	375558-AS-2	GILEAD SCIENCES INC 5.650 12/01/41	(100,000.00)	118,780.00	1,851.94	0.00	120,631.94	Disposal Hilltop Securities
Grand Total			(1,100,000.00)	1,198,235.00	3,703.89	0.00	1,201,938.89	

# Market Over Carrying Value





# Bond Grading 5Q Trend



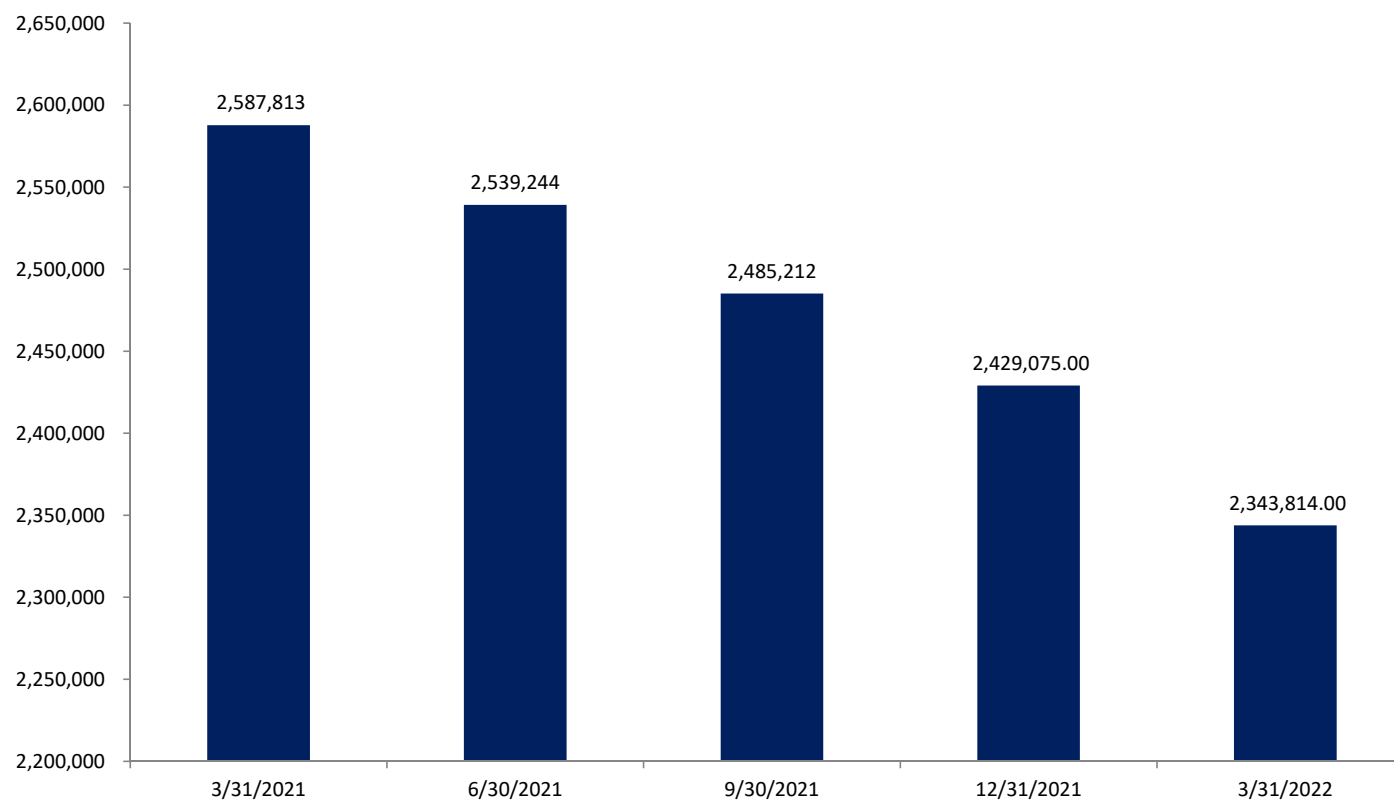
# Liabilities 5Q Comparison

Line#	Description	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
01	Aggregate reserves	32,931,560	32,503,770	31,997,259	31,277,171	30,923,232
02						
	Aggregate reserve for accident and health contracts	624,924	639,688	675,576	555	1,029
04.1	Contract Claims: Life	342,988	446,024	378,153	549,574	560,797
04.2	Accident and health	64,782	69,496	72,957	7,065	7,465
08	Advanced Premiums	6,654	6,238	7,149	5,117	4,799
09.3	Amounts payable on reinsurance	-	-	-	-	22,029
09.4	Interest maintenance reserve	2,343,814	2,429,075	2,485,212	2,539,244	2,587,813
10	Commissions due or accrued	3,975	19,312	5,084	16,435	7,219
12	General expenses due or accrued	18,739	64,668	19,763	50,275	47,362
17	Amounts withheld or retained by reporting entity as agent or trustee	2,590,172	2,597,925	2,581,195	2,599,121	2,585,057
22						
	Borrowed money \$... and interest thereon \$...	28,015	0	0	0	170,659
24.01	Asset valuation reserve	279,394	293,032	287,438	310,566	304,926
25	Aggregate write-ins for liabilities	213,680	181,139	166,219	150,132	141,489
28	Total liabilities (Lines 26 and 27)	39,448,697	39,250,367	38,676,005	37,505,255	37,363,876
35	Unassigned funds (surplus)	1,327,028	1,425,648	1,183,986	1,160,408	1,069,250
39	Liabilities and Surplus	40,775,725	40,676,015	39,859,991	38,665,663	38,433,126

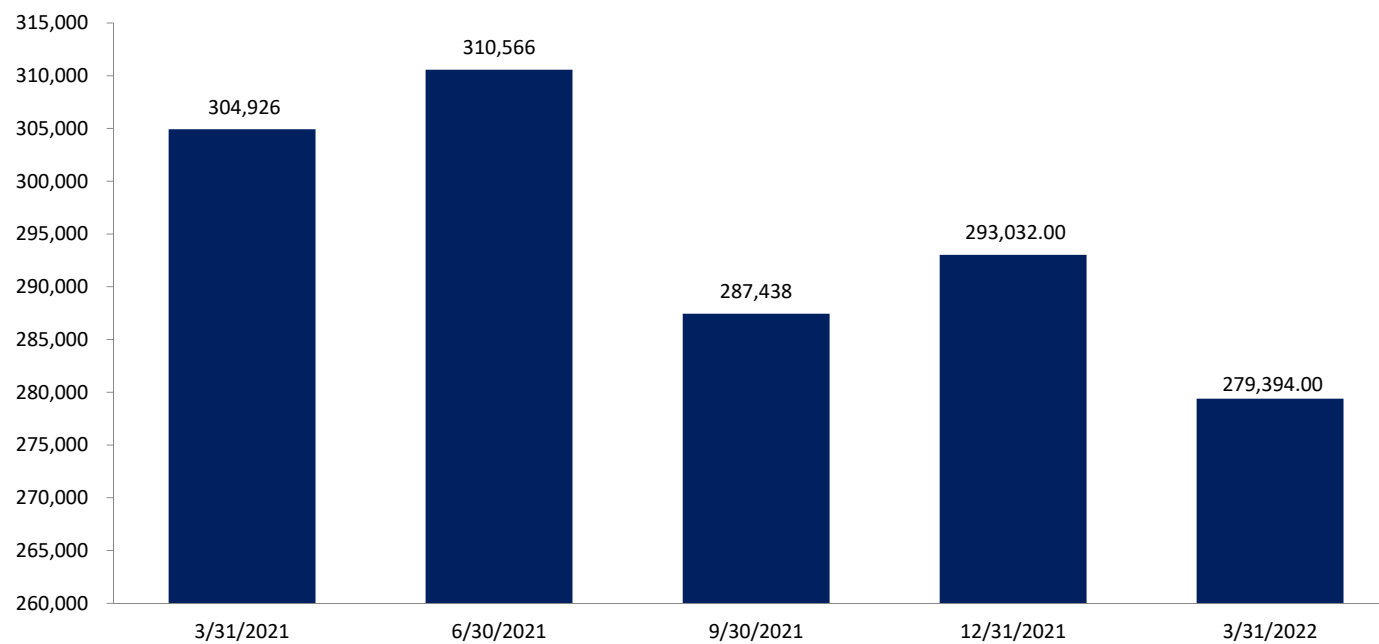
## Liability Write-Ins

Line#	Description	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
2501	Deferred Income	25,000				
2502	Minor Trust Fund	102,413	100,691	101,564	100,816	100,074
2503	Medicare Supplement Due to TPA	283	-	2,810	-	-
2504	Falconette Youth Reserve	13,094	20,969	19,895	16,666	17,406
2505	Nest Dues	1,473	1,443	1,174	16,537	9,662
2506	Credit Card Payable	5,490	12,382	5,622	2,381	2,193
2507	Security Deposits	10,198	1,000	1,500	500	500
2508	State Audit Fees	30,000	24,000	18,000	12,000	6,000
2509	Payroll Deductions	654	654	654	654	654
2510	Convention Reserve	25,075	20,000	15,000	10,000	5,000
	Totals Write Ins	213,680	181,139	166,219	159,554	141,489

## 5Q IMR Trend



## 5Q AVR Trend





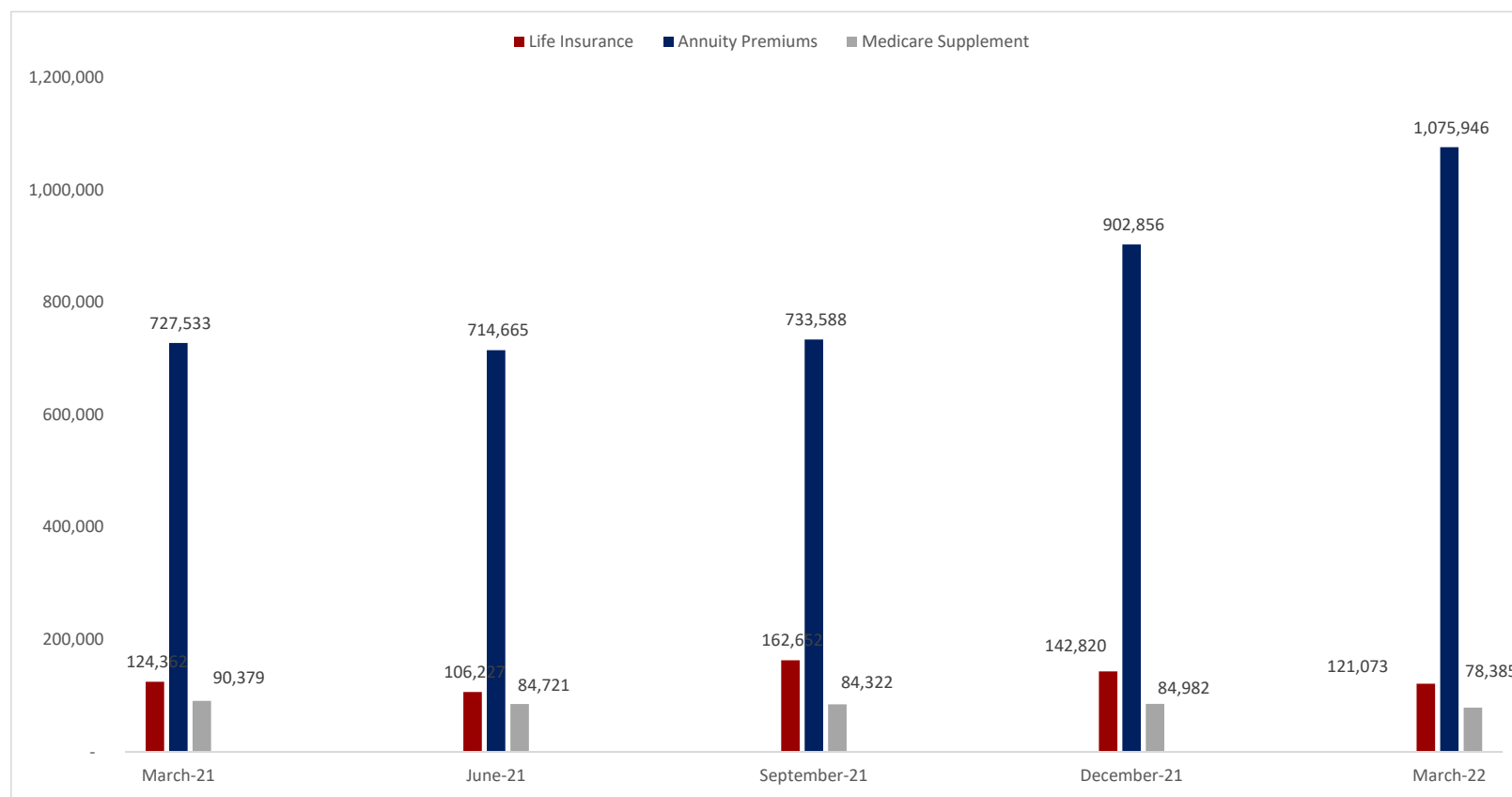
## Revenue 5Q Comparisons

	<b>Q1 2022</b>	<b>Q4 2021</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>
Premiums	934,835	955,104	802,337	548,578	508,679
Investment Income	472,847	396,221	522,647	403,272	410,783
Amortization of IMR	53,162	54,651	54,648	54,730	54,595
Expense Allowances RE	80,000	80,570	79,911	82,453	82,816
Reserve Adj RE	(813,192)	(140,631)	157,329	262,871	198,276
Misc Income	25,853	300,306	21,732	72,937	79,824
	<b>753,505</b>	<b>1,646,221</b>	<b>1,638,604</b>	<b>1,424,841</b>	<b>1,334,973</b>

Miscellaneous Income Detail	<b>Q1 2022</b>	<b>2021</b>
Pension Deposits	17,812	87,383
National Dues (Net of Expense)	2,702	71,482
Scholarship Revenue	2,355	31,073
Nest 725 Asset Remittance	-	278,000
Fraternal Benefit Dues	1,320	3,720
Miscellaneous Income	302	1,506
Loan Interest	1,362	1,635
	<b>25,853</b>	<b>474,799</b>

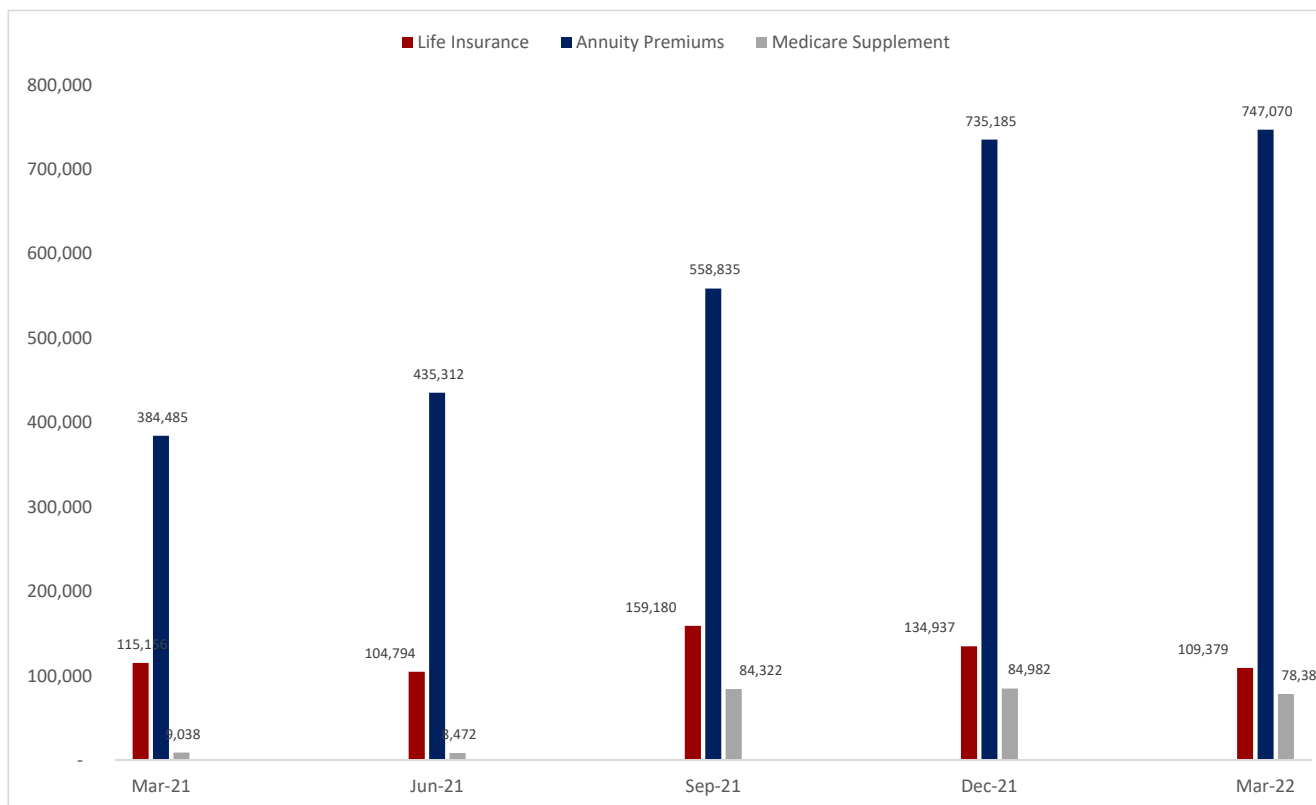
RESERVE ADJ RE DETAIL	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>YTD CHANGE</b>
GROSS ANNUITY RESERVES	45,464,760	45,902,769	(438,009)
HLIC RESERVE CREDIT	(32,179,336)	(32,992,528)	813,192
NET ANNUITY RESERVES	<b>13,285,424</b>	<b>12,910,241</b>	<b>375,183</b>

# 5Q Gross Premium Comparison





# 5Q Net Premium Comparison





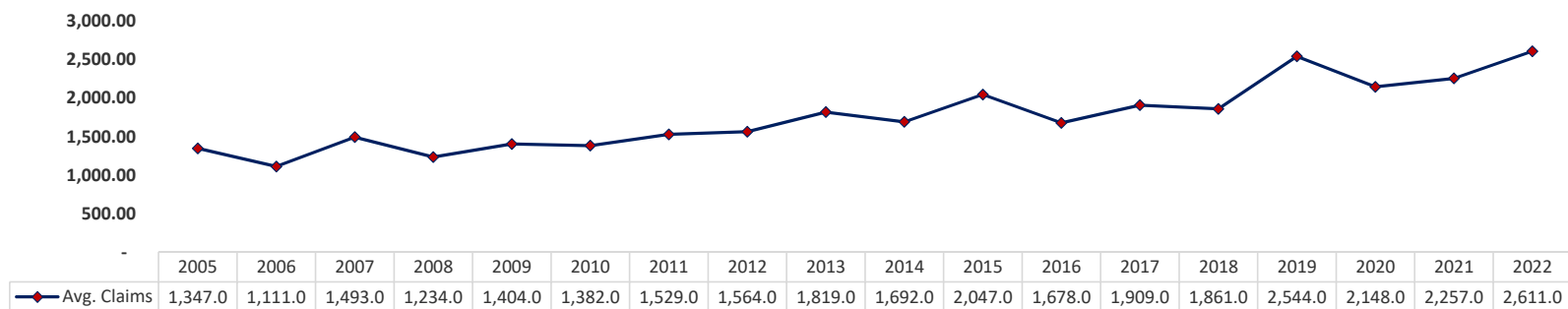
## 5Q Expense Comparison

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Death Claims	242,786	199,372	213,593	186,831	162,940
Surrenders/ Maturities	10,499	6,497	23,096	31,323	19,190
Annuity Claims	476,468	6,361	264,475	206,941	199,589
Medicare Supplement Claims	62,124	58,181	73,366	8,556	9,582
Increase in Reserves	(401,763)	586,282	618,940	616,410	601,415
General Insurance	349,702	399,953	306,333	346,617	335,267
Commissions	20,361	37,949	43,658	24,363	12,638
Other Expenses	46,676	44,033	58,719	30,549	49,559
	806,853	1,338,628	1,602,180	1,451,590	1,390,180

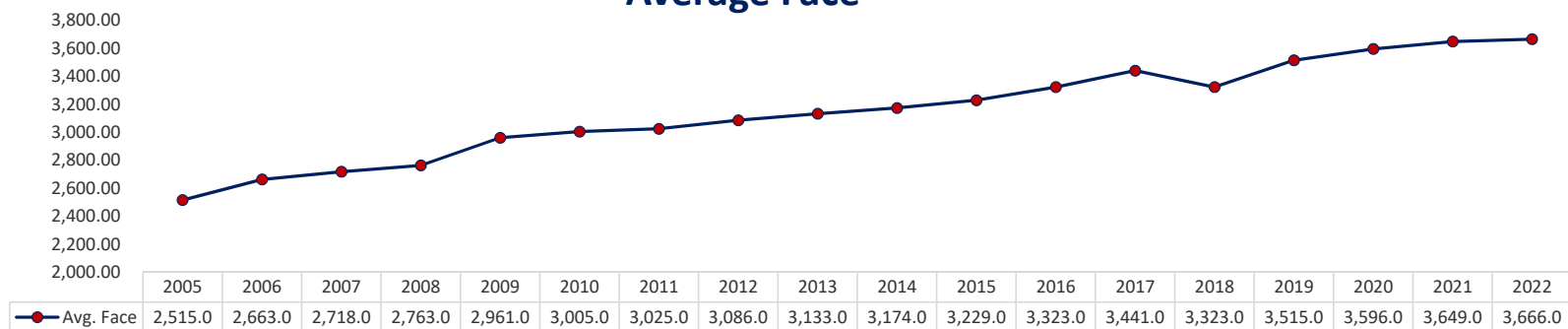
RESERVE ADJ RE DETAIL	3/31/2022	12/31/2020	YTD CHANGE
GROSS ANNUITY RESERVES	45,464,760	45,902,769	(438,009)
MED SUPP RESERVES	624,924	639,688	(14,764)
PENSION RESERVES	1,282,385	1,272,693	9,692
LIFE RESERVES	18,362,155	18,320,837	41,318
NET ANNUITY RESERVES	65,734,224	66,135,987	(401,763)

# Death Benefit Analysis

## Average Life Claims



## Average Face



# Unclaimed Property Escheat

Federal ID	Business Unit	Company	State	Report Year	Cash Reported
25-0734610	PFA	Polish Falcons of America	AZ	2021	\$2,289.50
25-0734610	PFA	Polish Falcons of America	CO	2021	\$249.99
25-0734610	PFA	Polish Falcons of America	CT	2021	\$7,011.83
25-0734610	PFA	Polish Falcons of America	DC	2021	\$1,358.00
25-0734610	PFA	Polish Falcons of America	FL	2021	\$3,792.83
25-0734610	PFA	Polish Falcons of America	IL	2021	\$11,748.38
25-0734610	PFA	Polish Falcons of America	IN	2021	\$2,334.50
25-0734610	PFA	Polish Falcons of America	MA	2021	\$3,709.00
25-0734610	PFA	Polish Falcons of America	MD	2021	\$142.00
25-0734610	PFA	Polish Falcons of America	NC	2021	\$620.00
25-0734610	PFA	Polish Falcons of America	NJ	2021	\$7,041.56
25-0734610	PFA	Polish Falcons of America	OH	2021	\$2,157.00
25-0734610	PFA	Polish Falcons of America	PA	2021	\$13,139.03
25-0734610	PFA	Polish Falcons of America	VA	2021	\$68.00
<b>Total</b>					<b>\$55,661.62</b>

# General Insurance/Frat Exp Detail

	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Variance</b>
Rent	13,430	12,593	837
Salaries and wages	143,378	145,829	(2,451)
Contributions for benefit plans for employees	36,447	47,030	(10,583)
Legal Fees & Expenses	5,153	1,422	3,731
Medical examination fees	207	1,241	(1,034)
Fees of public accountants and consulting actuaries	47,468	60,277	(12,809)
Traveling expenses	5,708	1,865	3,843
Advertising	2,292	2,069	223
Postage, express, telegraph and telephone	6,810	5,949	861
Printing and stationery	5,308	4,887	421
Rental of equipment	1,064	1,943	(879)
Cost or depreciation of EDP equipment and software	1,390	718	672
Bureau and association fees	3,450	3,800	(350)
Insurance, except on real estate	16,574	15,966	608
Collection and bank service charges	9,220	8,525	695
Sundry general expenses	602	1,026	(424)
Agency expense allowance	8,040	5,096	2,944
Official publication (Fraternal Benefit Societies Only)	10,339	9,921	418
Expenses of supreme lodge meetings (Fraternal Benefit Soc. Only)	5,003	5,476	(473)
Real Estate Expenses	302	-	302
Fraternal Activities	21,382	10,798	10,584
Data Processing and Consultants	22,782	16,553	6,229
Moving Expenses	-	-	-
Investment expenses not included elsewhere	22,107	21,579	528
Med Supp Expenses Ceded	-	(8,118)	8,118
Expenses allocated in reducing investment income	(38,754)	(41,178)	2,424
	<b>349,702</b>	<b>335,267</b>	<b>14,435</b>

## Med Supp Reserve Release

	2021	2022	2023	2024	2025
<b>ABA Projection</b>	144	120	99	83	69
<b>Based on 2021 Lapse Rate</b>	131	93	66	47	33

PFA will release gains in a very conservative manner based upon lapsed rate. PFA took the average between the best estimate and the unfavorable scenario to come to a very conservative \$140,000 gain to surplus over the life of the block. PFA divided this figure by policies as of 1/1/21 to calculate an average gain per lapsed policy. PFA will amortize \$805 per lapsed policy into income if it remains in front of the ABA projected lapse rate. PFA reserves the right to make any adjustments to this rationale if deemed necessary. As of 3/31/22 116 policies remain on the books; 15 lapses in Q1. If this current lapse rate progresses, PFA will be on track to recognize a significant portion of the funds being held back in reserve.



## Change in Surplus

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Realized Gain (Loss)	(153)	39,185	(1,232)	170,807	(520)
Net Income	(53,501)	346,778	35,192	144,058	(55,727)
Surplus Adj	(45,119)	(105,116)	(11,614)	(52,900)	(62,361)
Total Change in Surplus	(98,620)	241,662	23,578	91,158	(118,088)
Beginning Surplus	1,425,648	1,183,986	1,160,408	1,069,250	1,187,338
Ending Surplus	1,327,028	1,425,648	1,183,986	1,160,408	1,069,250

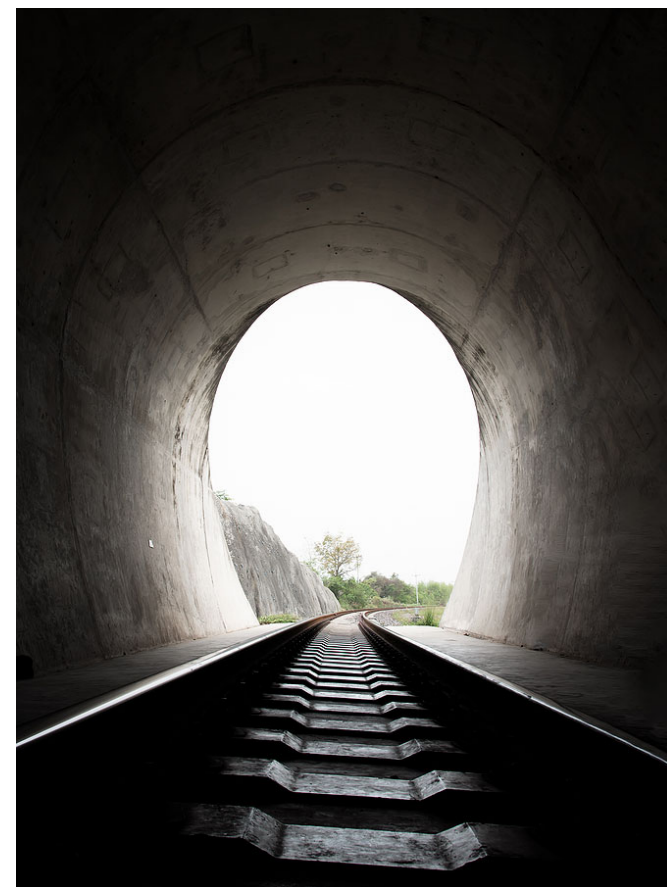
### YTD SURPLUS ADJUSTMENTS

Unrealized Gains	(19,810)
Change in Nonadmitted Assets	(14,198)
Change in AVR	13,638
Ceding Allowance Amortization	(24,749)
	(45,119)



## Q1 Summary & Looking Ahead

- Yet another quarter of treading water.
- PFA took a hard look at things and hired a new sales director in March
- Systems are being built, which will be discussed later today, to aid PFA in gaining the much needed distribution that has been lacking for quite some time.
- Corporate Bond Yields continue to uptick with the rampant movement of inflation and the feds attempt to control it with rate hikes. PFA should see spreads increase along with investment income. It is essential for PFA to stay nimble with interest rates to remain competitive during this volatile period.
- NJ properties were finally sold in April, which I will touch on a following slide.
- State applications for Texas, Minnesota & Missouri will be submitted in Q2 and hopefully will be approved to mirror the timing of PFA's scaling strategy.
- With the budget reductions and ability to focus time/resources on core business, there is a light at the end of the tunnel.





# Dunellen Sale Detail (4/7/22 Close)

Description	Amounts
Sales Price	\$ 325,000.00
Buyer Deposit	(25,000.00)
Transfer Taxes	(1,955.00)
Commission	(16,250.00)
Prorated Tax/Sewer	(303.33)
Cash Received	<u>\$ 281,491.67</u>
Carrying Value of Property as of 4/8/22	\$ 319,111.00
Sales Price (Net of Closing Expenses)	<u>\$ 306,491.67</u>
Realized Loss	<u>\$ (12,619.33)</u>
Annual Budget Savings:	
Annual Depreciation	\$ 3,667.00
Annual Insurance	\$ 5,208.00
Real Estate Taxes/Utilities	<u>\$ 11,900.00</u>
	\$ 20,775.00
Projected Additional Annual Investment Income	\$ 10,556.00
One Time AVR Relief	<u>\$ 27,061.00</u>





# Polanka Sale Detail (4/20/22)

Description	Amounts
Sales Price	\$ 925,000.00
Prorated Unpaid Taxes	(148.97)
Transfer Taxes	(8,855.00)
Nest 17 Contingent Payoff	(150,000.00)
Security Deposits/Prorated Rent	(3,668.48)
Cash Received	<u>\$ 762,327.55</u>
Carrying Value of Property as of 4/20/22	\$ 644,269.07
Sales Price (Net of Closing Expenses)	<u>\$ 765,996.03</u>
Realized Gain	<u>\$ 121,726.96</u>
Annual Budget Savings:	
Annual Depreciation	\$ 18,799.00
Annual Insurance	\$ 15,771.00
FCH LLC Savings	\$ 42,000.00
	\$ 76,570.00
Projected Additional Annual Investment Income	\$ 28,587.00
One Time AVR Relief	\$ 54,634.00



## Supplemental Info-COVID Deaths

	2020	2021	2022	Total
Total COVID Death Benefits Paid	40,424	139,057	90,250	269,731
Number of Deaths	13	44	13	70

# Projections

REVENUES		2022	2023	2024
1.	Net Premiums (All Business)	4,360,000	5,232,000	6,016,800
2.	Net Investment Income	1,910,000	1,980,000	2,178,000
3.	Amortization of IMR	212,647	196,938	167,182
4.	Expense Allowances	315,000	309,000	299,000
5.	Reserve Adj RE	(325,000)	(125,000)	(125,000)
4.	Miscellaneous Income	195,000	202,000	205,000
5.	Total (1+2+3+4)	<b>6,667,647</b>	<b>7,794,938</b>	<b>8,740,982</b>
BENEFITS				
6.	Death Benefits	772,000	840,000	925,000
7.	Matured Endowments	68,000	27,500	37,500
8.	Annuity Benefits	1,150,000	1,250,000	1,350,000
9.	Accident and Health Policy Benefits	260,000	248,000	242,000
10.	Surrender Benefits	71,000	82,500	95,000
12.	Interest on Contract Funds	33,000	34,000	35,000
13.	Commissions	145,000	194,500	222,000
14.	General Insurance	1,610,000	1,710,000	1,925,000
15.	Increase in Aggregate Reserves	2,388,000	2,985,000	3,432,750
17.	Other Expenses	175,000	195,000	205,000
18.	Total Expenses (sum6...17)	<b>6,672,000</b>	<b>7,566,500</b>	<b>8,469,250</b>
19.	Net Gain (Loss) from Operations	(4,353)	228,438	271,732
21.	Net Realized Capital Gains (Losses)	109,000		
23.	Net Income((19-20)+(21-22))	<b>104,647</b>	<b>228,438</b>	<b>271,732</b>
SURPLUS ADJUSTMENTS				
24.	Prior YE Surplus	1,425,648	1,478,295	1,566,733
25.	Net Income	104,647	228,438	271,732
27.	Other Increases (Decreases)	(52,000)	(140,000)	(150,000)
29.	YE Surplus	<b>1,478,295</b>	<b>1,566,733</b>	<b>1,688,465</b>
Projected RBC		336%	341%	347%





Thank You!