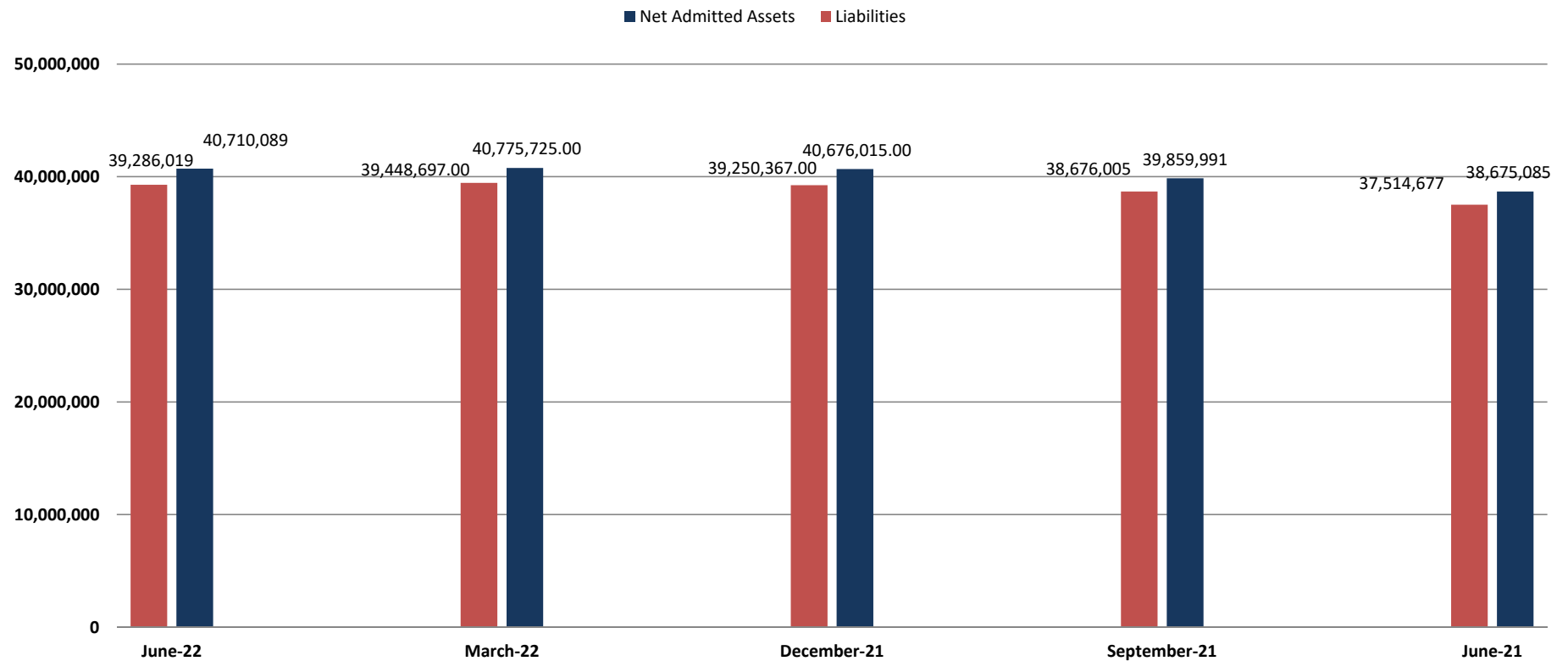




# 2022 2<sup>nd</sup> Quarter Financial Statements

# Assets/Liabilities Trend Analysis





# Admitted Assets

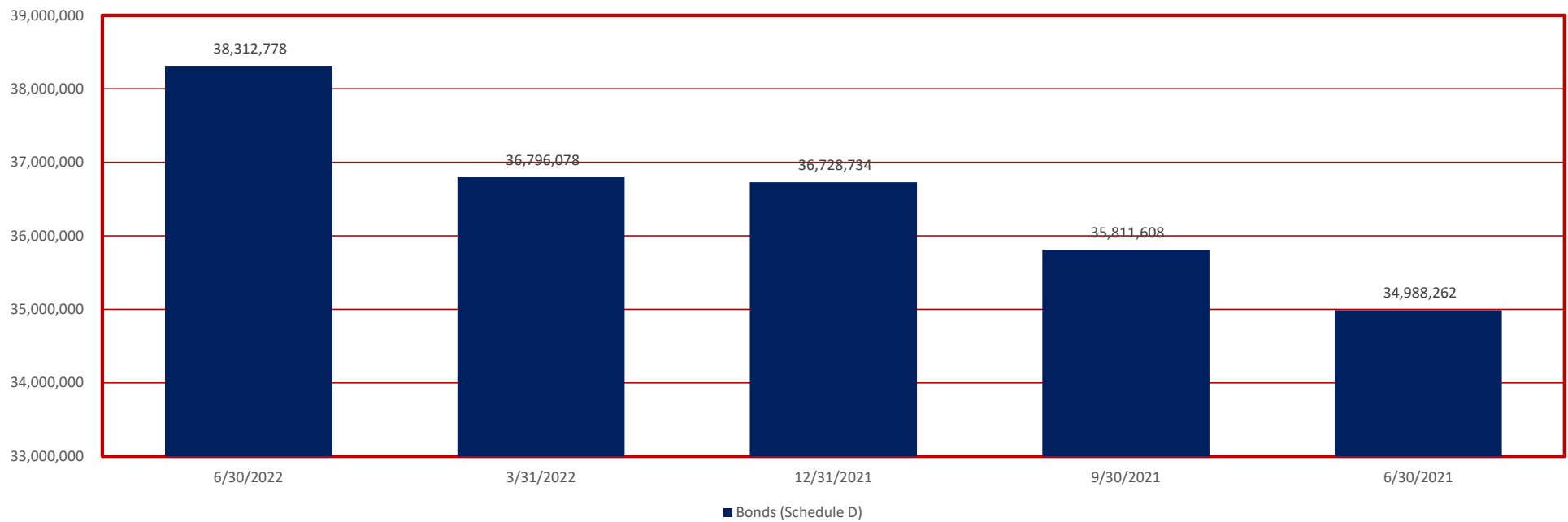
Line	Asset Description	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
01	Bonds (Schedule D)	38,312,778	36,796,078	36,728,734	35,811,608	34,988,262
02.1	Preferred stocks (Schedule D)	-	-	-	100,000	100,000
02.2	Common stocks (Schedule D)	92,251	88,405	81,705	74,253	130,439
04.2	Properties held for the production of income (less \$... encumbrances)	-	-	-	-	-
04.3	Properties held for sale (less \$... encumbrances)	-	963,380	968,996	1,049,612	1,055,229
05	Cash	958,068	595,663	1,317,921	1,353,304	1,093,159
06	Contract loans	141,392	139,956	138,872	134,235	133,690
08	Other invested assets (Schedule BA)	400,181	412,097	428,039	433,265	398,628
12	Subtotals, cash and invested assets	39,904,670	38,995,579	39,664,267	38,956,278	37,899,407
14	Investment income due and accrued	515,875	549,122	519,739	545,348	499,649
15.1	Uncollected premiums and agents'	15,821	11,773	8,953	14,549	9,252
16.1	Amounts recoverable from reinsurers	60,891	1,039,943	330,868	108,394	32,634
20	Electronic data processing equipment	23,943	9,405	3,617	4,211	3,595
23	Related Party Receivables	133,333	122,674	93,138	90,598	80,154
25	Aggregate write-ins	55,556	47,229	55,432	140,613	150,394
26	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	40,710,089	40,775,725	40,676,014	39,859,991	38,675,085
28	Total (Lines 26 and 27)	40,710,089	40,775,725	40,676,014	39,859,991	38,675,085



## Aggregate Write-Ins

Line	Write In Description	Assets	Nonadmitted	Total Admitted
2501	Nest 519 Loan	35,503	-	35,503
2502	Due from PFA District I	40,500	-	40,500
2503	Nest 36 Loan	30,832	-	30,832
2504	Nest 580 Loan	7,239	-	7,239
2505	Prepaid Expenses	54,402	54,402	-
	Due from Polish Falcons			
2506	Heritage Foundation	56,714	56,714	-
2507	Nest 80 Relief Loan	4,744	-	4,744
2508	Nest 88 Relief Loan	4,436	-	4,436
2509	Nest 124 Loan	10,000	-	10,000
	Miscellaneous			
2510	Receivables	13,142		13,142
2511	Overfunded Pension	-	90,840	(90,840)
	<b>TOTALS</b>	<b>257,512</b>	<b>201,956</b>	<b>55,556</b>

# Bond 5 Quarter Trend





# Q2 Investment Purchases

Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	NAIC Designation	Net Amount	Yield	Broker Name
04/26/22 04/28/22	87612E-AU-0	TARGET CORP 7.000 01/15/38	100,000.00	133,273.00	2,002.78	1FE	135,275.78	4.11	Raymond James
04/26/22 04/28/22	149123-BS-9	CATERPILLAR INC 5.200 05/27/41	100,000.00	114,429.00	2,181.11	1FE	116,610.11	4.10	Raymond James
04/26/22 04/28/22	79466L-AL-8	SALESFORCE.COM 2.900 07/15/51	100,000.00	81,009.00	829.72	1FE	81,838.72	4.01	Raymond James
04/26/22 04/28/22	115637-AP-5	BROWN-FORMAN CORP 4.500 07/15/45	100,000.00	102,250.00	1,287.50	1FE	103,537.50	4.34	RBC Capital Markets
04/26/22 04/28/22	773903-AJ-8	ROCKWELL AUTOMAT 4.200 03/01/49	100,000.00	100,125.00	665.00	1FE	100,790.00	4.19	RBC Capital Markets
04/26/22 04/28/22	886546-AD-2	TIFFANY & CO 4.900 10/01/44	100,000.00	111,250.00	367.50	1FE	111,617.50	4.12	RBC Capital Markets
04/26/22 04/28/22	89417E-AK-5	TRAVELERS COS 4.300 08/25/45	100,000.00	99,644.00	752.50	1FE	100,396.50	4.32	Raymond James
04/26/22 04/28/22	037833-DG-2	APPLE INC 3.750 11/13/47	100,000.00	97,000.00	1,718.75	1FE	98,718.75	3.94	Raymond James
04/26/22 04/28/22	97658W-AA-8	WISCONSIN ALUM 3.564 10/01/49	100,000.00	90,928.00	267.30	1FE	91,195.30	4.12	Raymond James
04/26/22 04/28/22	002824-BN-9	ABBOTT LABORATORIES 4.750 04/15/43	100,000.00	109,376.00	171.53	1FE	109,547.53	4.07	Raymond James
05/25/22 05/27/22	17275R-AD-4	CISCO SYSTEMS INC 5.900 02/15/39	100,000.00	118,990.00	1,671.67	1FE	120,661.67	4.30	Hilltop Securities
05/13/22 05/17/22	482480-AJ-9	KLA CORP 3.300 03/01/50	100,000.00	79,854.00	696.67	1FE	80,550.67	4.59	Raymond James
05/16/22 05/23/22	45866F-AW-4	INTERCONTINENT 4.600 03/15/33	100,000.00	100,551.00	0.00	1FE	100,551.00	4.54	Falcon Square
05/24/22 05/26/22	70450Y-AL-7	PAYPAL HOLDING 4.400 06/01/32	100,000.00	100,468.00	36.67	1FE	100,504.67	4.34	Keybank Capital Market
05/25/22 05/27/22	79585T-AR-4	SALVATION ARMY 4.428 09/01/38	100,000.00	95,875.00	1,057.80	1FE	96,932.80	4.80	RBC Capital Markets



## Q2 Investment Purchases (continued)

Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	NAIC Designation	Net Amount	Yield	Broker Name
05/13/22 05/17/22	464287-50-7	ISHARES-C S&P MC 1.204	30.00	7,302.90	0.00	NR	7,304.10	0.00	Raymond James
05/13/22 05/17/22	464287-80-4	ISHARES CORE S&P 0.774	40.00	3,910.40	0.00	L	3,912.00	0.00	Raymond James
05/13/22 05/17/22	464287-20-0	ISHARES-C S&P500 3.143	20.00	8,062.58	0.00	L	8,063.38	0.00	Raymond James
06/23/22 06/27/22	606822-BB-9	MITSUB UFJ FIN 4.286 07/26/38	100,000.00	94,876.00	1,797.74	1FE	96,673.74	4.74	Falcon Square
06/03/22 06/07/22	693475-BE-4	PNC FINANCIAL 4.626 06/06/33	100,000.00	99,600.00	12.85	1FE	99,612.85	4.67	Hilltop Securities
06/15/22 06/16/22	3133EN-YL-8	FED FARM CREDIT 4.990 06/08/37	100,000.00	99,500.00	110.89	1	99,610.89	5.04	Hilltop Securities
06/23/22 06/27/22	09857L-AR-9	BOOKING HLDS INC 4.625 04/13/30	100,000.00	100,580.00	950.69	1FE	101,530.69	4.54	Falcon Square
<b>Grand Total</b>			<b>1,900,090.00</b>	<b>1,948,853.88</b>	<b>16,578.67</b>		<b>1,965,436.15</b>		



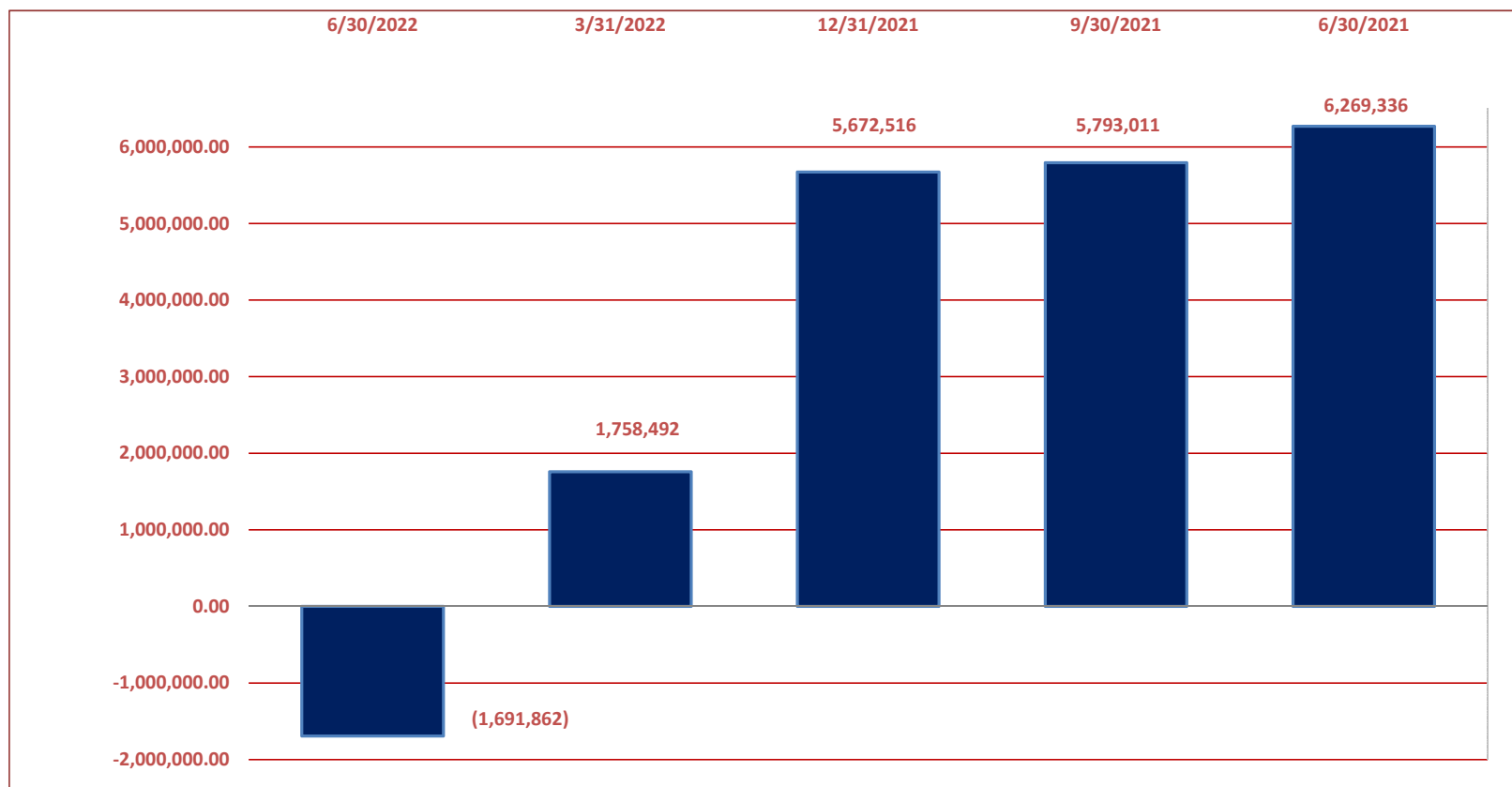
# Q2 Disposals

Trade/ Settle Date	CUSIP Number	Security Description	Quantity	Principal Amount	Accrued Pd/Rec	Total Fees	Net Amount	Trans Type/Broker
04/01/22	55617L-AN-2	MACY'S RETAIL HLDGS LLC	(150,000.00)	164,003.16	0.00	0.00	164,003.16	Call
04/01/22		6.650 07/15/24						
06/15/22	57586N-MX-6	MASSACHUSETTS ST HSG FIN AGY HSG B	(5,000.00)	5,000.00	0.00	0.00	5,000.00	Call
06/15/22		4.511 12/01/32						
06/22/22	500255-AN-4	KOHL'S CORP	(100,000.00)	88,790.00	2,650.00	0.00	91,440.00	Disposal
06/24/22		6.000 01/15/33						Raymond James
06/22/22	500255-AN-4	KOHL'S CORP	(100,000.00)	88,790.00	2,650.00	0.00	91,440.00	Disposal
06/24/22		6.000 01/15/33						Raymond James
<b>Grand Total</b>			<b>(355,000.00)</b>	<b>346,583.16</b>	<b>5,300.00</b>	<b>0.00</b>	<b>351,883.16</b>	



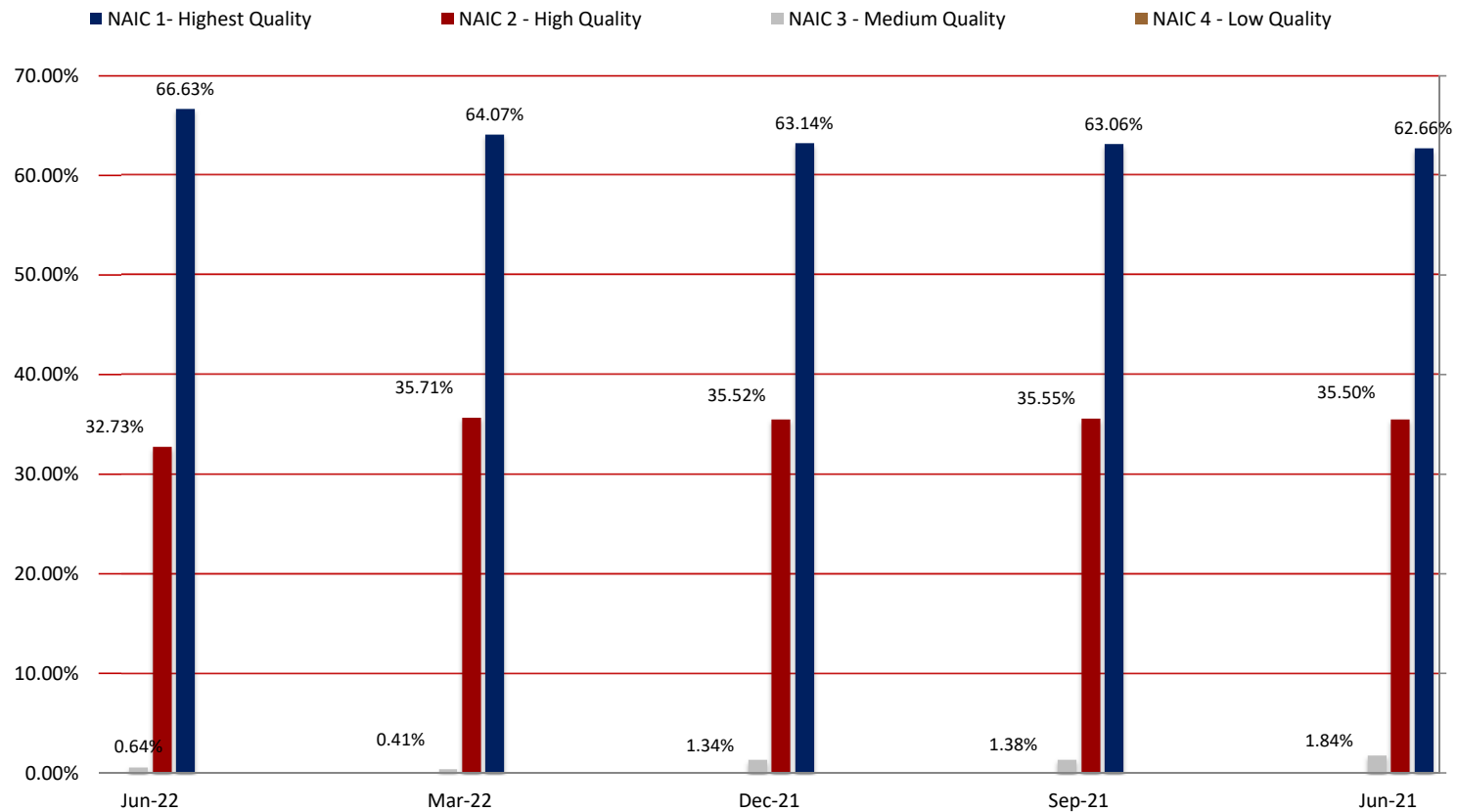


# Market Over Carrying Value





# Bond Grading 5Q Trend





## Liabilities 5Q Comparison

Line#	Description	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
01	Aggregate reserves	33,025,330	32,931,560	32,503,770	31,997,259	31,277,171
02	Aggregate reserve for accident and health contracts	625,943	624,924	639,688	675,576	555
04.1	Contract Claims: Life	282,522	342,988	446,024	378,153	549,574
04.2	Accident and health	59,178	64,782	69,496	72,957	7,065
08	Advanced Premiums	6,234	6,654	6,238	7,149	5,117
09.3	Amounts payable on reinsurance	-	-	-	-	-
09.4	Interest maintenance reserve	2,268,003	2,343,814	2,429,075	2,485,212	2,539,244
10	Commissions due or accrued	3,412	3,975	19,312	5,084	16,435
12	General expenses due or accrued	19,739	18,739	64,668	19,763	50,275
17	Amounts withheld or retained by reporting entity as agent or trustee	2,607,927	2,590,172	2,597,925	2,581,195	2,599,121
22	Borrowed money \$... and interest thereon \$...	-	28,015	-	-	-
24.01	Asset valuation reserve	226,330	279,394	293,032	287,438	310,566
25	Aggregate write-ins for liabilities	161,401	213,680	181,139	166,219	150,132
28	Total liabilities (Lines 26 and 27)	39,286,019	39,448,697	39,250,367	38,676,005	37,505,255
35	Unassigned funds (surplus)	1,424,070	1,327,028	1,425,648	1,183,986	1,160,408
39	Liabilities and Surplus	40,710,089	40,775,725	40,676,015	39,859,991	38,665,663

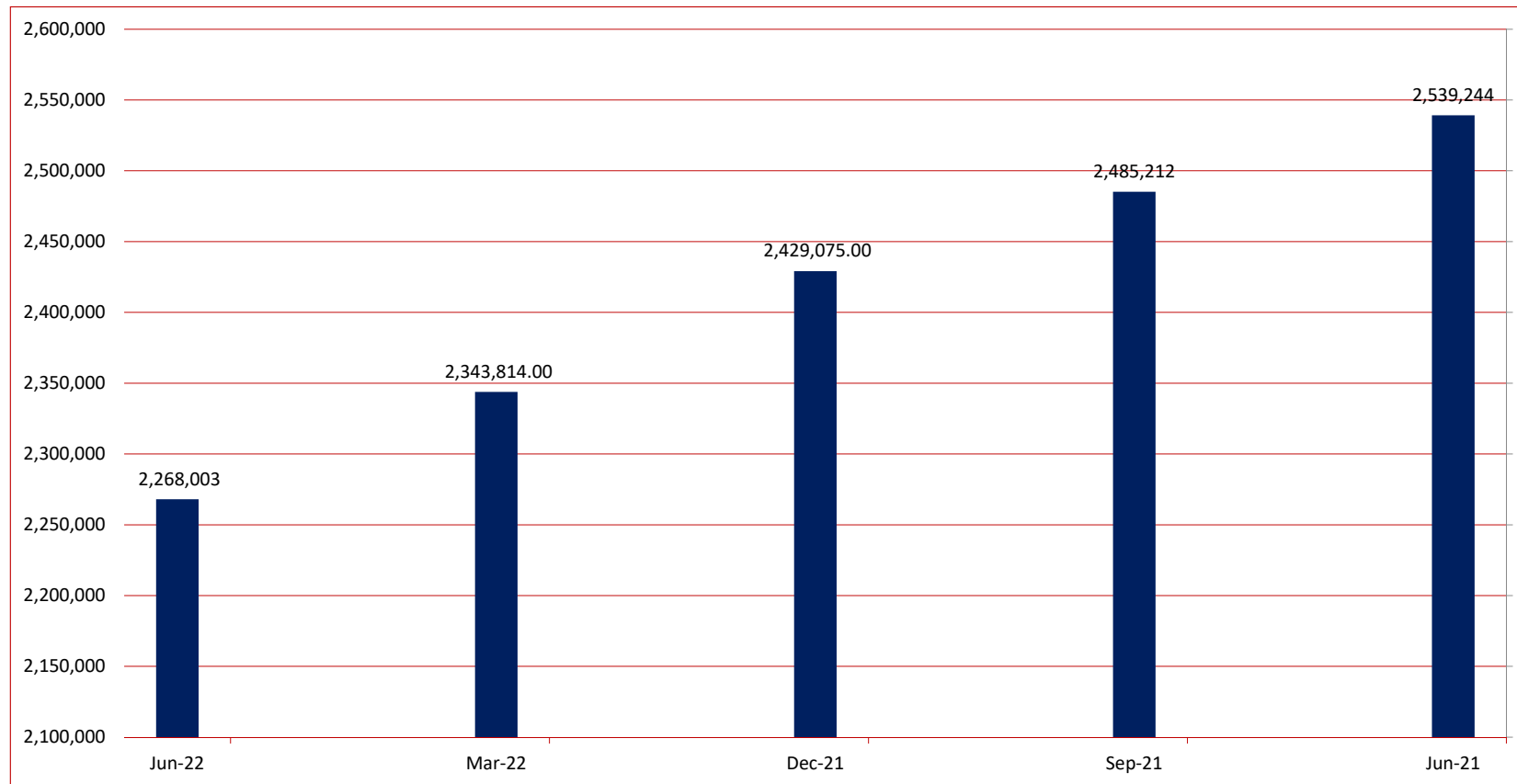


## Liability Write-Ins

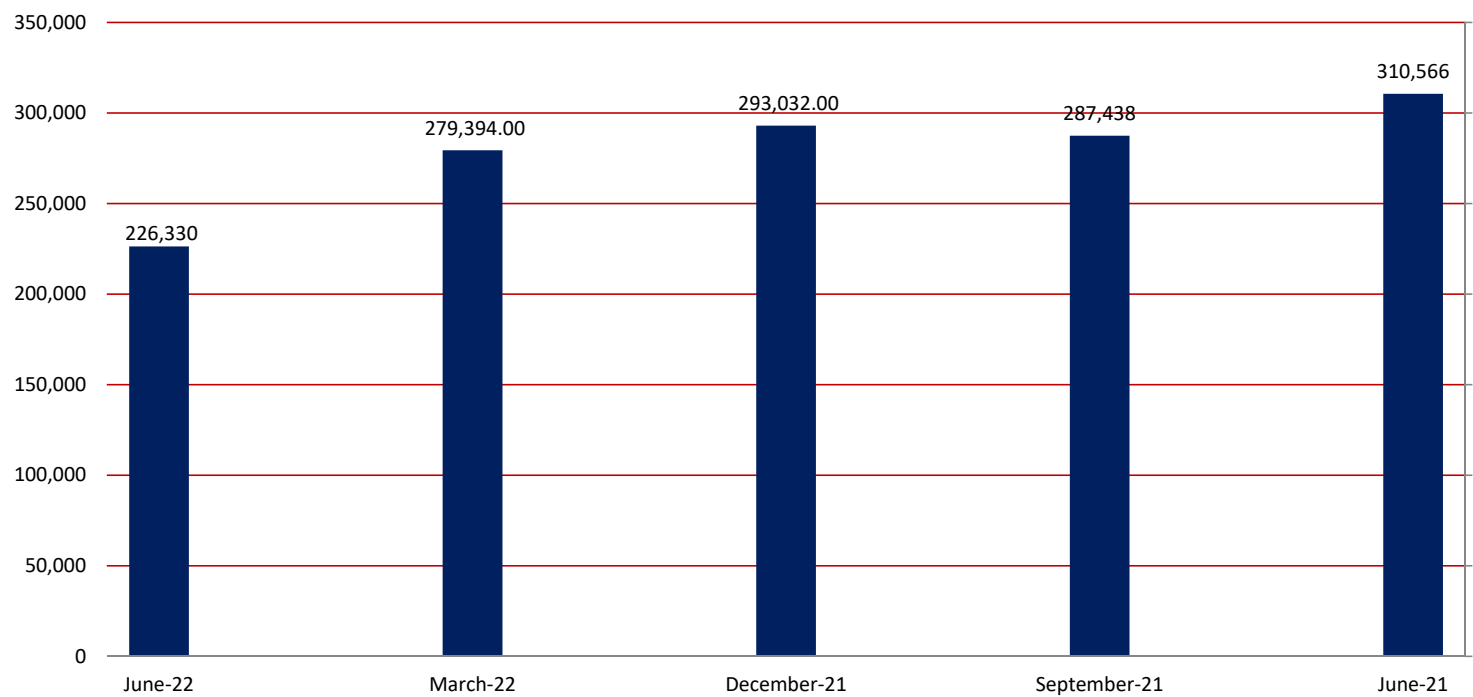
Line#	Description	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
2501	Deferred Income	-	25,000	-	-	-
2502	Minor Trust Fund	50,184	102,413	100,691	101,564	100,816
2503	Medicare Supplement Due to TPA	2,408	283	-	2,810	-
2504	Falconette Youth Reserve	14,887	13,094	20,969	19,895	16,666
2505	Nest Dues	14,540	1,473	1,443	1,174	16,537
2506	Credit Card Payable	7,729	5,490	12,382	5,622	2,381
2507	Security Deposits	8,465	10,198	1,000	1,500	500
2508	State Audit Fees	36,000	30,000	24,000	18,000	12,000
2509	Payroll Deductions	654	654	654	654	654
2510	Convention Reserve	26,534	25,075	20,000	15,000	10,000
	Totals Write Ins	161,401	213,680	181,139	166,219	159,554



# 5Q IMR Trend



## 5Q AVR Trend





# Q2-YTD Revenue Comparison

## REVENUE

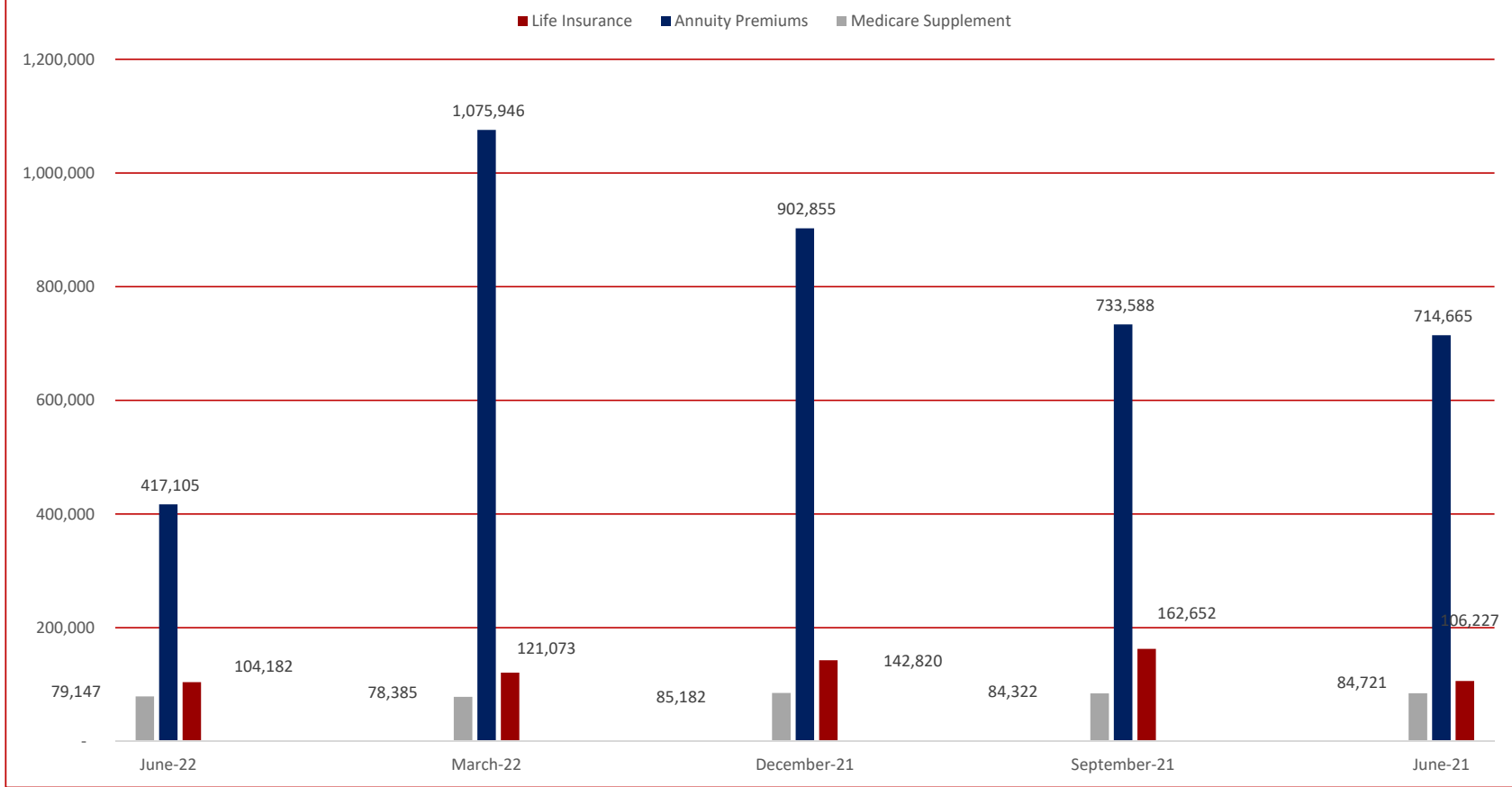
	Q2 2022	Q2 2021	% Variance	YTD 2022	YTD 2021	% Variance
Premiums	336,774	548,578	-63%	1,271,609	1,057,257	17%
Investment Income	428,158	403,272	6%	901,005	814,055	10%
Amortization of IMR	53,099	54,730	-3%	106,261	109,325	-3%
Expense Allowances RE	80,000	82,453	-3%	158,980	165,269	-4%
Reserve Adj RE	(110,000)	262,871	-339%	(923,192)	461,147	-150%
Misc Income	85,623	72,937	15%	111,476	152,761	-37%
	873,654	1,424,841	-63%	1,626,139	2,759,814	-70%

Miscellaneous Income Detail	YTD 2022	YTD 2021
Pension Deposits	35,624	60,000
National Dues (Net of Expense)	47,362	64,479
Scholarship Revenue	22,605	25,448
Fraternal Benefit Dues	2,760	2,700
Miscellaneous Income	3,125	134
	111,476	152,761

RESERVE ADJ RE DETAIL	6/30/2022	12/31/2021	YTD CHANGE
GROSS ANNUITY RESERVES	45,433,623	45,902,769	(469,146)
HLIC RESERVE CREDIT	(32,069,336)	(32,992,528)	923,192
NET ANNUITY RESERVES	13,364,287	12,910,241	454,046



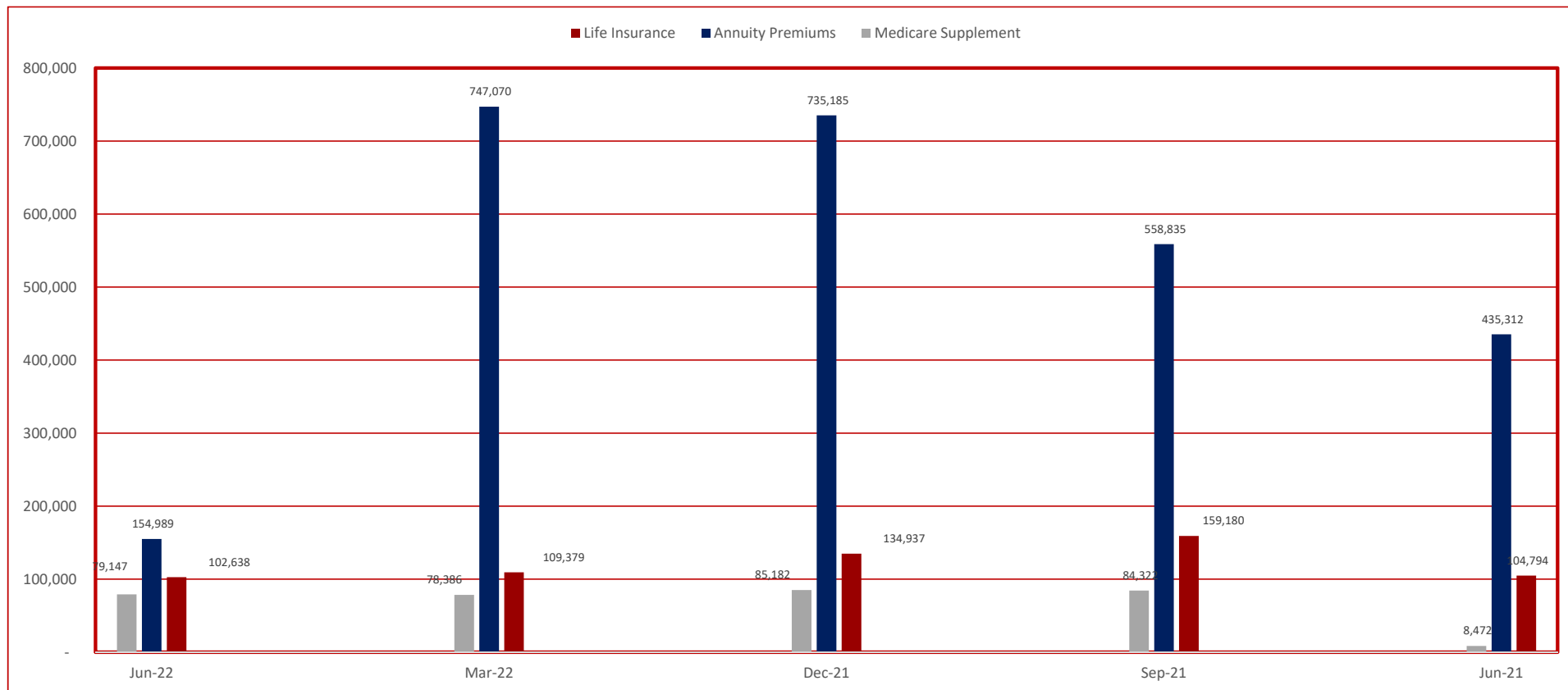
# 5Q Gross Premium Comparison







# 5Q Net Premium Comparison





## Q2-YTD Expense Comparison

<b>Expenses</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>% Variance</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>% Variance</b>
Death Claims	121,373	186,831	54%	364,159	349,771	-4%
Surrenders/ Maturities	68,767	31,323	-54%	79,266	50,513	-36%
Annuity Claims	220,620	206,941	-6%	697,088	406,530	-42%
Medicare Supplement Claims	73,136	8,556	-88%	135,260	18,138	-87%
Increase in Reserves	(22,639)	616,410	2823%	(424,402)	1,217,825	387%
General Insurance	368,686	346,617	-6%	718,388	681,884	-5%
Commissions	19,797	24,363	23%	40,158	37,001	-8%
Other Expenses	27,268	30,549	12%	73,944	80,108	8%
	<b>877,008</b>	<b>1,451,590</b>	<b>66%</b>	<b>1,683,861</b>	<b>2,841,770</b>	<b>69%</b>

RESERVE ADJ RE DETAIL	6/30/2022	12/31/2021	YTD CHANGE
GROSS ANNUITY RESERVES	45,433,623	45,902,769	(469,146)
MED SUPP RESERVES	685,122	709,184	(24,062)
PENSION RESERVES	1,292,077	1,272,693	19,384
LIFE RESERVES	18,370,259	18,320,837	49,422
NET ANNUITY RESERVES	65,781,081	66,205,483	(424,402)



# Supplemental Info-COVID Deaths

	2020	2021	2022	Total
Total COVID Death Benefits Paid	40,424	139,057	101,228	280,709
Number of Deaths	13	44	18	75



# Unclaimed Property Escheat

Federal ID	Business Unit	Company	Stat	Report Yea	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	MI	2022	\$8,445.60
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	TX	2021	\$8.33
25-0734610	PFA	Polish Falcons of America	VA	2021	\$68.00
<b>Total</b>					<b>\$64,115.55</b>



# General Insurance/Frat Exp Detail

General Insurance & Fraternal Expenses	YTD Q2 2022	YTD Q2 2021	Variance
Rent	29,904	25,233	4,671
Salaries and wages	341,280	322,268	19,012
Contributions for benefit plans for employees	73,322	94,342	(21,020)
Legal Fees & Expenses	6,153	3,430	2,723
Medical examination fees	1,740	2,195	(455)
Fees of public accountants and consulting actuaries	85,504	132,367	(46,863)
Traveling expenses	10,382	4,020	6,362
Advertising	4,456	2,920	1,536
Postage, express, telegraph and telephone	12,691	10,312	2,379
Printing and stationery	7,088	6,275	813
Rental of equipment	2,646	2,766	(120)
Cost or depreciation of EDP equipment and software	3,574	1,486	2,088
Bureau and association fees	7,461	7,370	91
Insurance, except on real estate	29,360	31,766	(2,406)
Collection and bank service charges	15,491	19,188	(3,697)
Sundry general expenses	1,158	1,056	102
Agency expense allowance	19,939	9,718	10,221
Official publication (Fraternal Benefit Societies Only)	23,700	15,778	7,922
Expenses of supreme lodge meetings (Fraternal Benefit Soc. Only)	5,003	10,476	(5,473)
Real Estate Expenses	52	-	52
Fraternal Activities	29,139	14,383	14,756
Data Processing and Consultants	42,538	33,871	8,667
Moving Expenses	4,000	6,783	(2,783)
Investment expenses not included elsewhere	42,046	42,297	(251)
Med Supp Expenses Ceded	-	(36,920)	36,920
Expenses allocated in reducing investment income	(80,064)	(81,496)	1,432
	<u>718,563</u>	<u>681,884</u>	<u>36,679</u>



# Med Supp Reserve Release

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>ABA Projection</b>	144	120	99	83	69
<b>Based on 2021 Lapse Rate</b>	131	101	72	51	36

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 6/30/22 115 policies remain on the books; 1 lapse in Q2 unfortunately. However, state increases went into place later in Q2, as such, we believe we will see lapses pick back up in Q3/Q4 and are still projecting to be right around 100 policies at year end; still significantly outpacing ABA projections.



## Change in Surplus

	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>% Variance</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>% Variance</b>
Realized Gain (Loss)	112,589	170,807	-52%	112,436	170,287	-51%
Net Income	58,716	144,058	-145%	54,714	88,331	-61%
Surplus Adj	38,326	(53,500)	240%	(56,292)	(115,261)	105%
Total Change in Surplus	97,042	90,558	7%	(1,578)	(26,930)	1607%
Beginning Surplus	1,327,028	1,069,850		1,425,648	1,187,338	
Ending Surplus	1,424,070	1,160,408		1,424,070	1,160,408	19%

YTD SURPLUS ADJUSTMENTS	<b>YTD 2022</b>	<b>YTD 2021</b>
Unrealized Gains	(47,238)	(13,732)
Change in Nonadmitted Assets	(26,257)	(37,599)
Change in AVR	66,702	(14,431)
Ceding Allowance Amortization	(49,499)	(49,499)
	<u>(56,292)</u>	<u>(115,261)</u>



# Realized Gains Refresher

## DUNELLEN

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 4/7/22	\$ 319,111.00
Sales Price (Net of Closing Expenses)	<u>\$ 306,491.67</u>
Realized Loss	<u>\$ (12,619.33)</u>

## POLANKA

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>





## Q2 Summary & Looking Ahead

- Yet another quarter of treading water.
- Polanka/Dunellen were both finally sold, providing short-term and long-term surplus relief
- Premiums are still suffering as system development is still the focus. We hope to see noticeable growth in life premiums in Q4 this year.
- iCover, our Eapp partner, leaves us with the potential to grow consistently quarter over quarter and also opens the door for Direct to Consumer sales.
- Corporate Bond Yields continue to uptick with the rampant movement of inflation and the feds attempt to control it with rate hikes. PFA continues to see spreads increase along with investment income.
- With everything that occurred in Q2, state applications have yet to be submitted. However, with an average turnaround of 90 days, we should still be in a good situation if applications are submitted in August.
- With added expenses to aid in growth and leveraging technology, another reinsurance deal is in consideration. If we deem the offers are lucrative enough for the Board's consideration upon actuary/investment advisor review, we will present as such.



# Projections

THE STRONG, FRIENDLY, FAMILY FRATERNAL

REVENUES	2022	2023	2024
Net Premiums (All Business)	3,420,000	4,104,000	4,719,600
Net Investment Income	1,910,000	1,980,000	2,178,000
Amortization of IMR	211,896	195,435	165,562
Expense Allowances	316,000	309,000	299,000
Reserve Adj RE	(525,000)	(225,000)	(225,000)
Miscellaneous Income	195,000	202,000	205,000
<b>Total (1+2+3+4)</b>	<b>5,527,896</b>	<b>6,565,435</b>	<b>7,342,162</b>
BENEFITS			
Death Benefits	725,000	790,000	875,000
Matured Endowments	68,000	27,500	37,500
Annuity Benefits	1,050,000	1,250,000	1,350,000
Accident and Health Policy Benefits	260,000	248,000	242,000
Surrender Benefits	52,000	62,500	95,000
Interest on Contract Funds	33,000	34,000	35,000
Commissions	107,000	271,000	222,000
General Insurance	1,485,000	1,575,000	1,690,000
Increase in Aggregate Reserves	1,595,000	1,914,000	2,335,080
Other Expenses	175,000	195,000	205,000
<b>Total Expenses (sum6...17)</b>	<b>5,550,000</b>	<b>6,367,000</b>	<b>7,086,580</b>
Net Gain (Loss) from Operations	(22,104)	198,435	255,582
Net Realized Capital Gains (Losses)	112,436		
<b>Net Income((19-20)+(21-22))</b>	<b>90,332</b>	<b>198,435</b>	<b>255,582</b>
SURPLUS ADJUSTMENTS			
Prior YE Surplus	1,425,648	1,425,980	1,499,415
Net Income	90,332	198,435	255,582
Other Increases (Decreases)	(90,000)	(125,000)	(135,000)
<b>YE Surplus</b>	<b>1,425,980</b>	<b>1,499,415</b>	<b>1,619,997</b>
<b>Projected RBC</b>	<b>325%</b>	<b>328%</b>	<b>333%</b>





Thank You!