

HOW SOUND IS THE FCSU?

From time to time, we receive inquiries as to the strength of our Jednota and how financially sound we are. This is understandable, especially in view of the recent financial troubles of some larger corporations. Following are some facts regarding our organization.

1. The Society was incorporated in 1890!
 - That means we have been in continuing successful operation for over 117 years.
 - How many businesses can make that boast?
2. Our assets now exceed \$203,600,000.
 - In just the last 5 years, assets have increased almost 17.4%. (2003-\$173,449,883)
3. Our financial position as of December 31, 2007 is as follows:
 - Bonds constitute 86.2% of the Society's assets, and have an average maturity of 12 years. The Society enjoys excellent bond quality, with 88.9% of the bonds in the two highest NAIC rating classes. Preferred Stock now makes up 5.5% of invested assets and Common Stock 0.5% in an effort to diversify the portfolio and increase investment return. Other assets consist of mortgages (1.1%); real estate (1.4%); and all others (5.3%). The Society's net investment rate of return was 6.4%, which mirrors the five-year average of 6.4%.
4. Surplus funds and other non-liability reserves total over \$19,276,000.
 - These funds are available in case of market downturn, or an unforeseen emergency.
5. The Society is regulated by the insurance department of the state of Ohio, as well, as the insurance departments in each state it is licensed.
 - The Insurance departments conduct regular examinations on a periodic basis and a regular examination was completed during 2005. No major problems were noted.
6. The Society is a member of the National Fraternal Congress of America (NFCA). The NFCA was founded in 1886 and is the recognized leader of the Fraternal Benefit System. Its member organizations work together to meet the challenges of a changing world. Member organizations must meet the NFCA's established Membership Standard and agree to follow the business principles and ethics as prescribed by the Congress.
7. The Organization files financial statements on a quarterly and annual basis using the prescribed industry forms and format.
 - The financial statements are filed and reviewed by each state in which the Society is licensed.
 - The Society has regular audits by its internal auditors.
 - The Society's external auditors annually audit the financial operations of the Society and submit the required certified report to the insurance department.

We point with pride to our long, sound service to our members and the public sector.
