

Report of the Examining Finance Committee

This year's information has been collected again by means of email, phone calls and TEAMS meeting.

The review was conducted in accordance with the scope, responsibility, and role this committee has been given. The review was performed focusing on the issues and concerns of the UCT membership. In accordance with the UCT standing policy for the EFC, all members have executed confidentiality agreements.

The 2022 financial statements reviewed were very limited this year as this committee only received 1(one) set of statements. The committee did not receive any information until April 2023. The committee was very limited in its ability to conduct and submit this report. A review of the final report of Milliman stated they present fairly the financial position of the Order using the statutory accounting practices required by the Ohio Department of Insurance (ODI), and the National Association of Insurance Commissioners (NAIC). Milliman felt it necessary to use a different methodology than had been previously used. This change in valuation basis was to strengthen reserves and to meet minimum standards. This resulted in a significant increase in reserves and a large decrease in UCT surplus of \$4,261,516. UCT's final surplus was \$1,463,442.

The annual audit process was again overseen by the UCT Audit Committee which met virtually throughout the year in order to assist the Board in providing the oversight necessary to maintain the integrity of the accounting, auditing, and reporting practices of the Order.

NET INCOME FROM NORMAL OPERATIONS WAS -\$622,446

We do have a surplus of \$1,463,442. The fraternal expenses for the year were up \$21,807.

Milliman again reviewed and audited UCT and according to their report everything appears to be in proper order with all reports filed as needed.

The audited financial reports for UCT Charities, Inc. were reviewed. The combined surplus of the fund stands at \$3,561,722 as of 12/31/2022 vs \$4,013,704 on 12/31/2021. Scholarships awarded by UCT Charities, Inc. for 2021 were 31 totaling \$24,805. An additional 3 full year scholarships totaling \$36,000 were paid out from the Heaston Scholarship Fund. The Ann Marshall Scholarship Program awarded 26 scholarships for a total of \$18,200. The Widows' and Orphans' Benefit distributed \$12,880 to 17 members for necessary expenses after the members death. The Fraternal Benevolent Benefit assisted 18 members with \$11,795 of benefits.

We wish to thank UCT President Ken Milliser for the opportunity to serve on this committee and to assist the membership in this way. We wish to thank Kevin Hecker (CEO) and Rick Redman (UCT Secretary-Treasurer) for their assistance in forwarding this information to us through countless emails.

Brian Ward, Ohio-Pennsylvania
Steve Freund, Iowa
David Michels, Wisconsin