

Caledonia Mutual Fire Insurance Company

STATUTORY FINANCIAL STATEMENTS

June 30, 2023 and December 31, 2022

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To the Board of Directors  
Caledonia Mutual Fire Insurance Company  
Portage, Wisconsin

Management is responsible for the accompanying financial statements of Caledonia Mutual Fire Insurance Company, which are comprised of the statutory balance sheets as of June 30, 2023, and December 31, 2022, and the related statements of income, in accordance with accounting principles prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin (the OCI). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statutory financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the statutory financial statements included in the accompanying prescribed form.

The financial statements are prepared in accordance with accounting practices prescribed or permitted by the OCI, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The prescribed or permitted form requires that provisions for unpaid losses, loss adjustment expense, and general insurance expenses be accrued, all reinsurance activity is recorded, and certain investments be carried at fair market value. Management has informed us that the Company has not made provisions for these accruals, certain reinsurance activities, or carried all required investments at fair market value. Management has not determined the effect of this departure on the financial statements.

Management has elected to omit substantially all the disclosures and the statements of changes in surplus and cash flows required by the statutory basis of accounting. If the omitted disclosures and the statements of changes in surplus and cash flows were included in the statutory financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Caledonia Mutual Fire Insurance Company.

*Strohm Ballweg, LLP*

Madison, Wisconsin  
August 24, 2023

**CALEDONIA MUTUAL FIRE INSURANCE COMPANY**

**STATUTORY BALANCE SHEETS**  
**June 30, 2023 and December 31, 2022**

	<u>6/30/2023</u>	<u>12/31/2022</u>
<b>ADMITTED ASSETS</b>		
Cash and Investments:		
Cash and invested cash	<b>375,693</b>	301,080
Stocks and mutual funds, at market value	<b>334,255</b>	334,461
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Cash and investments	<b>709,948</b>	635,541
Accrued investment income	<b>1,416</b>	1,415
Reinsurance recoverable on paid losses	<b>830</b>	831
Reinsurance commissions receivable	-	579
Other Current Assets	<b>98</b>	98
	<hr/>	<hr/>
Total admitted assets	<b>712,292</b>	638,464
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND SURPLUS</b>		
Liabilities:		
Unearned premium	<b>15,409</b>	15,409
Unpaid losses and loss adjustment expenses	<b>7,696</b>	7,696
Accounts Payable	<b>275</b>	416
	<hr/>	<hr/>
Total liabilities	<b>23,380</b>	23,521
Surplus	<b>688,912</b>	614,943
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Total liabilities and surplus	<b>712,292</b>	638,464
	<hr/> <hr/>	<hr/> <hr/>

**NOTE:** Certain items, including accruals and investment market values, are only updated at year-end. If all of these items were to be updated through June 30, the financial statements would materially change.

See accountant's compilation report

**CALEDONIA MUTUAL FIRE INSURANCE COMPANY**

**STATUTORY STATEMENT OF OPERATIONS**

**Six months ended June 30, 2023 and the year ended December 31, 2022**

	<b>6/30/2023</b>	<b>12/31/2022</b>
<b>UNDERWRITING OPERATIONS</b>		
Net premium earned:		
Direct premium earned	<b>112,126</b>	149,632
Reinsurance ceded	<b>(14,588)</b>	(128,478)
	<b>97,538</b>	21,154
Net losses incurred	<b>6,376</b>	27,221
Net loss adjustment expenses incurred	<b>3,230</b>	3,465
Operating expenses incurred:	<b>17,696</b>	18,987
Underwriting income (loss)	70,236	(28,519)
<b>INVESTMENT AND OTHER INCOME</b>		
Investment income earned	<b>3,678</b>	9,769
Realized capital gain (loss)	-	34,083
Other income	<b>55</b>	598
	<b>3,733</b>	44,450
Investment and other income	<b>3,733</b>	44,450
Net Income before policyholder dividends	<b>73,969</b>	15,931
Policyholder Refunds or Dividends	-	-
Net Income	<b>73,969</b>	15,931

**NOTE:** Certain items, including accruals and investment market values, are only updated at year-end. If all of these items were to be updated through June 30, the financial statements would materially change.

See accountant's compilation report

Caledonia Mutual Fire Insurance Company

TRANSACTION DETAIL BY ACCOUNT

January through June 2023

**Caledonia Mutual 2023**  
**Year End: December 31, 2023**  
**Balance sheet**  
**Account No: 1A To 2LE**

**BS**

<b>Account</b>	<b>Rep</b>
<b>1A Total Assets</b>	<b>712,292.64</b>
<b>1A.01 Current Assets</b>	<b>712,292.64</b>
<b>1A.01.001 Checking / Savings</b>	<b>375,693.66</b>
1010 Cash on Hand	0.00
1020 Cash in Checking	89,754.57
1100 Cash Deposited at Interest	285,939.09
<b>1A.01.002 Accounts Receivable</b>	<b>2,343.97</b>
1500 Accrued Investment Income	1,415.56
1700 Reins. Recoverable - Paid Loss	830.41
1710 Reins. Recoverable - Prem./Comm	0.00
1905 Fire Dues Recoverable	98.00
1906 Reinsurance Premium Recoverable	0.00
<b>1A.01.003 Other Current Assets</b>	<b>334,255.01</b>
1200 Bonds	19,887.02
1299 Bonds Unrealized Gain	0.00
1300 Stocks & Mutual Funds	193,156.40
1301 Market value adj. - Stocks	121,211.59
<b>1A.02 Fixed Assets</b>	<b>0.00</b>
1830 Furniture & Equipment	2,389.86
1835 Accum. Deprec. - Furn & Equip	(2,389.86)
1840 Computer Equipment	2,050.85
1845 Accum. Depreciation - Computer	(2,050.85)
1910 Other Assets	0.00
<b>2LE Total Liabilities &amp; Equity</b>	<b>(712,292.64)</b>
<b>2LE.01 Total Liabilities</b>	<b>(23,380.40)</b>
<b>2LE.01.001 Accounts Payable</b>	<b>(275.40)</b>
2300 Fire Dept. Dues Payable	0.00
2400 Reinsurance Payable	0.00
2500 Commission Payable	0.00
2810 P/R W/H FICA	0.00
2820 P/R W/H Federal	(275.40)
2840 Payroll Taxes Payable	0.00
<b>2LE.01.002 Other Current Liabilities</b>	<b>(23,105.00)</b>
2100 Net Unpaid Losses	(7,451.24)
2150 Unpaid Loss Adjustment Expenses	(245.00)
2200 Unearned Premiums	(15,408.76)
2900 Accounts Payable	0.00

**Caledonia Mutual 2023**  
**Year End: December 31, 2023**  
**Balance sheet**  
**Account No: 1A To 2LE**

**BS-1**

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<b>Account</b>	<b>Rep</b>
<b>2LE.02 Equity</b>	<b>(688,912.24)</b>
3000 Book Surplus - Beginning	(493,731.56)
3500 Unrealized gain/loss	(121,211.59)
NETINC Net (Income) Loss	(73,969.09)
	<hr/>
	<b>0.00</b>
	<hr/> <hr/>



**Caledonia Mutual 2023**  
**Year End: December 31, 2023**  
**Profit & Loss**  
**Account No: 3I To 4E**

PL

Account	Rep
<b>3I Income</b>	<b>(103,595.92)</b>
4400 Change in Net Unearned Premium	0.00
<b>3I.01 Direct Premium Earned</b>	<b>(112,125.75)</b>
4100 Premium Written - Fire	(56,660.19)
4110 Premium Written - E.C.	(40,568.14)
4111 Premium Written - E.B.	0.00
4130 Premium Written - Liability	(15,689.27)
4200 Return Premium - Fire	530.54
4210 Return Premium - E.C.	261.31
4211 Return Premium - E.B.	0.00
4230 Return Premium - Liability	0.00
<b>3I.02 Reinsurance Ceded</b>	<b>14,588.04</b>
4300 Reinsurance Ceded - 1st Surplus	(4,251.96)
4320 Reinsurance Ceded - Nonprp Pro	9,585.00
4340 Reinsurance Ceded - EB	0.00
4310A Reinsurance Ceded - Excess C	3,085.00
4310B Reinsurance Ceded - Excess D/E	6,170.00
<b>3I.03 Other Income</b>	<b>(6,058.21)</b>
<b>3I.03.001 Investment Income Earned</b>	<b>(6,003.21)</b>
8000 Interest Income - Banks	(572.42)
8100 Interest Income - Bonds	(375.00)
8200 Dividend Income - Stocks & MF	(5,055.79)
<b>3I.03.002</b>	<b>0.00</b>
8500 Realized Capital (Gains) Losses	0.00
<b>3I.03.003</b>	<b>(55.00)</b>
8600 Other Income	(55.00)
<b>4E Expenses</b>	<b>29,626.83</b>
<b>4E.01 Net Losses Incurred</b>	<b>6,375.71</b>
<b>4E.01.001 Reinsurance Recoveries</b>	<b>(28,952.55)</b>
5199 Salvage/ Subrogation Recoveries	0.00
5200 Reinsurance Recovery - Pro Rata	(28,952.55)
5205 Reinsurance Recovery - Boiler Machinery	0.00
5210 Reinsurance Recovery - Excess	0.00
5220 Reinsurance Recovery - Nonprop. Q.S.	0.00
5225 Reinsurance Recovery - Stop Loss	0.00
<b>4E.01.002 Direct Losses Incurred</b>	<b>35,328.26</b>
5100 Losses Paid - Fire Current	41,328.26

**Caledonia Mutual 2023**  
**Year End: December 31, 2023**  
**Profit & Loss**  
**Account No: 3I To 4E**

PL-1

Account	Rep
5105 Losses Paid - Fire Prior	0.00
5110 Losses Paid - E.C. Current	(6,000.00)
5111 Losses Paid - E.B. Current	0.00
5115 Losses Paid - E.C. Prior	0.00
5135 Losses Paid - Liability Prior	0.00
5300 Change in Net Unpaid Losses	0.00
<b>4E.02 Operating Expenses Incurred</b>	<b>23,251.12</b>
7100 Loss Adjustment Expenses	89.35
7150 Reinsurance LAE Recoveries	0.00
7250 Reinsurance Commission Income	795.55
<b>4E.02.001 Underwriting Expense</b>	<b>22,366.22</b>
7200 Agent Commissions	0.00
7300 Director - Meeting Fees	170.00
7330 Director - Meeting Expenses	0.00
7340 Director - D & O Insurance	3,407.24
7400 Personnel - Salaries & Wages	3,600.00
7430 Personnel - Co. P/R Taxes	0.00
7500 Real Estate - Rental	0.00
7600 Office - Telephone	240.00
7610 Office - Advertising	0.00
7620 Office - Supplies	503.15
7621 Office - Postage	355.68
7622 Office - Equipment & Maintenananc	0.00
7625 Bank Fees	678.18
7640 Office - Depreciation	0.00
7700 Other - Loss Prevention/Inspection	0.00
7720 Other - Trade Assoc. Dues	7,732.00
7740 Other - Accounting & Auditing	1,250.00
7760 Other - Fire Department Dues	0.00
7770 Other - Agent Licensing	0.00
7785 Other - Insurance	1,597.00
7790 Other - Seminars & Conventions	0.00
7795 Other - Policyholders Annual Mt	2,832.97
7800 Other - Miscellaneous	0.00
<b>4E.03 Policyholder Dividends</b>	<b>0.00</b>
9000 Policyholder Dividends	0.00
	<u><u>(73,969.09)</u></u>