

**Avatar Property & Casualty Insurance Company in Liquidation**  
**Statement of Affairs as of 6/30/22**

| <b>Assets</b>                                  | <b>Estimated<br/>Realizable Value</b> |
|--|---------------------------------------|
| Cash   | \$ 18,907,199                         |
| Accrued Interest Receivable                    | 56,730                                |
| Short-Term Investments                         | 6,348,451                             |
| Long-Term Investments                          | 23,527,596                            |
| Common Stocks                                  | 275,880                               |
| Premium Tax Receivable                         | 700,234                               |
| Other Receivables                              | 250,636                               |
| Other Assets                                   | <u>12,083</u>                         |
| <b>Total Assets</b>                            | <u><u>\$ 50,078,807</u></u>           |
| <br><b>Liabilities</b>                         |                                       |
| Accounts Payable                               | \$ 247,385                            |
| Class 1 Administrative Claims                  |                                       |
| Class 1 - Guaranty Association                 | 3,935,134                             |
| Class 2 Loss Claims                            |                                       |
| Class 2 - Guaranty Association                 | 36,672,176                            |
| Class 3 Unearned Premium Claims                |                                       |
| Class 3 - Guaranty Association                 | <u>27,408,073</u>                     |
| <b>Total Liabilities</b>                       | <u>\$ 68,262,768</u>                  |
| <br><b>Equity</b>                              |                                       |
| Excess (Deficiency) of Assets over Liabilities | <u>\$ (18,183,960)</u>                |
| <b>Total Liabilities and Equity</b>            | <u><u>\$ 50,078,807</u></u>           |

The accompanying notes and schedules are an integral part of these financial statements

**UNAUDITED**

**Avatar Property & Casualty Insurance Company in Liquidation**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through 6/30/22**

|  |                     |
|--|---------------------|
| Cash Receipts  |                     |
| Premium Collections  | \$ 1,869,273        |
| Other Collections/Recoveries                               | 423,003             |
| Receipts Before Investment Activities                      | \$ 2,292,275        |
|  |                     |
| Interest and Dividend Receipts                             | \$ 126,959          |
| Gain/(Loss) Short Term Investments                         | -                   |
| Gain/(Loss) Long Term Investments                          | -                   |
| Receipts from Investment Activities                        | \$ 126,959          |
| Total Cash Receipts  | \$ 2,419,235        |
|  |                     |
| Cash Disbursements & Distributions                         |                     |
| Professional Fees and Expenses                             | 867,750             |
| Salaries and Fringe Benefits                               | 12,330              |
| Employee Welfare   | 287                 |
| Travel Expenses  | 190                 |
| Admin Expenses   | 43,637              |
| Equipment and Furniture Expenses                           | 4,908               |
| Rent, Building and Equipment                               | 6,966               |
| Reinsurance Expenses                                       | 38,550              |
| Disbursements  | \$ 974,619          |
|  |                     |
| Distributions  |                     |
| Administrative Claims (Class 1)                            | -                   |
| Loss Claims (Class 2)                                      | -                   |
| Unearned Premium-Non-Assessable Policies Claims (Class 3)  | -                   |
| Unearned Premium-Assessable Policies Claims (Class 9)      | -                   |
| Total Distributed  | \$ -                |
|  |                     |
| Disbursements & Distributions Before Investment Activities | \$ 974,619          |
|  |                     |
| Financial Expenses   | 882                 |
| Disbursements for Investment Activities                    | 882                 |
| <b>Total Cash Disbursements &amp; Distributions</b>        | <b>\$ 975,501</b>   |
|  |                     |
| <b>Net Increase (Decrease) in Cash</b>                     | <b>\$ 1,443,734</b> |
|  |                     |
| <b>Beginning Cash Balance:</b>                             |                     |
| Beginning Cash   | 17,463,464          |
| Adjustments to Beginning Cash                              | -                   |
| <b>Adjusted Beginning Cash Balance</b>                     | <b>17,463,464</b>   |
| <b>Ending Cash Balance</b>                                 | <b>18,907,199</b>   |

The accompanying notes and schedules are an integral part of these financial statements

**UNAUDITED**

**Avatar Property & Casualty Insurance Company in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**From the Date of Liquidation through 6/30/2022**

| <b>Description</b>          | <b>Balance 3/14/22</b> | <b>Accrued</b> | <b>Received</b>  | <b>Balance 6/30/22</b> |
|-----------------------------|------------------------|----------------|------------------|------------------------|
| BNY Mellon Accrued Interest | 64,654                 | 133,642        | (151,890)        | 46,406                 |
| US Bank Accrued Interest    | 12,948                 | 27,991         | (30,615)         | 10,324                 |
| <b>Total</b>                | <b>77,602</b>          | <b>161,633</b> | <b>(182,505)</b> | <b>56,730</b>          |

**Avatar Property & Casualty Insurance Company in Liquidation**  
**Schedule of Short-Term Investments**  
**From the Date of Liquidation through 6/30/2022**

**BONDS & MONEY MARKET**

| <b>Description</b>                  | <b>Balance 3/14/21</b> | <b>Adustments/Deposits<br/>/Transfers</b> | <b>Interest</b> | <b>Distribution/Fees</b> | <b>Balance 6/30/22</b> |
|-------------------------------------|------------------------|---|-----------------|--------------------------|------------------------|
| US Bank Bond                        | 281,434                | (3,892)                                   | -               | -                        | 277,542                |
| BNY Mellon Bond                     | 204,675                | (48,927)                                  | (2,542)         | (1,192)                  | 152,015                |
| US Bank Money Market                | 920,413                | (872,544)                                 | -               | -                        | 47,869                 |
| BNY Mellon Money Market             | 3,195,195              | 2,675,830                                 | -               | -                        | 5,871,025              |
| <b>Total Short-Term Investments</b> | <b>4,601,717</b>       | <b>1,750,467</b>                          | <b>(2,542)</b>  | <b>(1,192)</b>           | <b>6,348,451</b>       |

**Avatar Property & Casualty Insurance Company in Liquidation**  
**Schedule of Long-Term Investments**  
**From the Date of Liquidation through 6/30/2022**

**BONDS**

| Description                 | Balance 3/14/21   | Adustments/Deposits/<br>ransfers | Interest         | Distribution/<br>Fees | Balance 6/30/22   |
|-----------------------------|-------------------|----------------------------------|------------------|-----------------------|-------------------|
| US Bank Bonds               | 4,013,867         | (905,650)                        | (30,615)         | (1,041,665)           | 2,035,937         |
| BNY Mellon Bonds            | 24,588,465        | (1,080,763)                      | (172,611)        | (1,843,432)           | 21,491,659        |
| Total Long-Term Investments | <u>28,602,332</u> | <u>(1,986,413)</u>               | <u>(203,226)</u> | <u>(2,885,097)</u>    | <u>23,527,596</u> |

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation  
Avatar Property & Casualty Insurance Company in Liquidation  
Notes to Financial Statements**

**Dated June 30, 2022**

1. **Estate Information.** Avatar Property & Casualty Insurance Company was a property and casualty organization domiciled in Florida that was placed in liquidation on March 14, 2022.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on a modified cash basis of accounting using a fiscal year of July 1, 2021 through June 30, 2022. Assets are stated at their estimated realizable values, while the liabilities are stated at their gross filed amounts and are periodically adjusted as evaluated, adjudicated and/or paid. The statements do **not** provide accruals for future administrative expenses to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Short Term Investments.** Short term investments are comprised of fixed income securities with maturities of one year or less and money market accounts.
5. **Long Term Investments.** Long term investments are comprised of government and corporate fixed income securities. Long term investments are stated at market values provided by the depository trust institutions in possession of the securities as of the balance sheet date.
6. **Common Stocks.** Common stocks are comprised of publicly traded securities and are stated at market value.
7. **Federal Priority.** The federal government has taken the position that pursuant to 31 U.S.C.A. 3713 a federal government claim must be paid first, when a debtor to the United States is insolvent. The federal government has also taken the position that it is not subject to state insurance liquidation claim's proceeding deadlines. To establish finality, shield itself from potential liability, and ultimately discharge the estate, the Receiver will request a federal release from the U.S. Department of Justice.
8. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does **not** take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.