

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2007 calendar year, or tax year beginning , 2007, and ending , 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

C Name of organization
Bartholomew County German Mutual Insurance Company
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
P.O. Box 156
 City or town, state or country, and ZIP + 4
Edinburgh, IN 46124-0156

D Employer identification number
35 0972055

E Telephone number
(812) 526-7726

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶

J Organization type (check only one) ▶ 501(c) (15) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally **not** more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **469,577**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶
M Check if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b			
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)	1e			
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3 Membership dues and assessments	3			326,297
	4 Interest on savings and temporary cash investments	4			67,865
	5 Dividends and interest from securities	5			
	6a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe ▶)	7				
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b Less: cost or other basis and sales expenses	8a	8b		
	c Gain or (loss) (attach schedule)	8c			
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
	10a Gross sales of inventory, less returns and allowances	10a			
	b Less: cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c				
11 Other revenue (from Part VII, line 103)	11			75,415	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			469,577	
Expenses	13 Program services (from line 44, column (B))				124,660
	14 Management and general (from line 44, column (C))				158,533
	15 Fundraising (from line 44, column (D))				0
	16 Payments to affiliates (attach schedule)				0
	17 Total expenses. Add lines 16 and 44, column (A)	17			283,193
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12				186,384
	19 Net assets or fund balances at beginning of year (from line 73, column (A))				1,103,360
	20 Other changes in net assets or fund balances (attach explanation)				31,448
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			1,321,192

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No 11282Y Form **990** (2007)

LINE 20. CHANGE IN AMOUNT FOR PENDING CLAIMS AND UNEARNED PREMIUM RESERVE

30

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24	124,660	124,660	
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	76,641		
25b	b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b			
25c	c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c			
26	Salaries and wages of employees not included on lines 25a, b, and c	26			
27	Pension plan contributions not included on lines 25a, b, and c	27			
28	Employee benefits not included on lines 25a – 27	28			
29	Payroll taxes	29	575		
30	Professional fundraising fees	30			
31	Accounting fees	31	2,084		
32	Legal fees	32	757		
33	Supplies	33	995		
34	Telephone	34	1,000		
35	Postage and shipping	35	276		
36	Occupancy	36	1,953		
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40	405		
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize):				
43a	a Reinsurance	43a	62,980		
43b	b Returned assessments	43b	2,299		
43c	c State taxes & fees	43c	4,255		
43d	d Annual meeting	43d	2,306		
43e	e Utilities	43e	2,000		
43f	f Bank charges	43f	7		
43g	g	43g			
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)–(D), carry these totals to lines 13–15)	44	283,193	124,660	158,533

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part IV Balance Sheets (See the instructions.)

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	84,097	45	52,622
	46 Savings and temporary cash investments	194,746	46	191,724
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b		47c
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges			53
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
	56 Investments—other (attach schedule) BONDS	1,017,484	56	1,238,365
	57a Land, buildings, and equipment: basis	57a		
b Less: accumulated depreciation (attach schedule)	57b		57c	
58 Other assets, including program-related investments (describe ►)			58	
59 Total assets (must equal line 74). Add lines 45 through 58	1,296,327	59	1,482,711	
Liabilities	60 Accounts payable and accrued expenses		60	
	61 Grants payable PENDING CLAIMS	70,071	61	31,000
	62 Deferred revenue UNEARNED PREMIUM RESERVE	122,896	62	130,519
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63
	64a Tax-exempt bond liabilities (attach schedule)			64a
	b Mortgages and other notes payable (attach schedule)			64b
	65 Other liabilities (describe ►)			65
66 Total liabilities. Add lines 60 through 65	192,967	66	161,519	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund	1,103,360	71	1,321,192
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	1,103,360	73	1,321,192	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,296,327	74	1,482,711	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a Total revenue, gains, and other support per audited financial statements		a
b Amounts included on line a but not on Part I, line 12:		
1 Net unrealized gains on investments	b1	
2 Donated services and use of facilities	b2	
3 Recoveries of prior year grants	b3	
4 Other (specify):	b4	
Add lines b1 through b4		b
c Subtract line b from line a		c
d Amounts included on Part I, line 12, but not on line a :		
1 Investment expenses not included on Part I, line 6b	d1	
2 Other (specify):	d2	
Add lines d1 and d2		d
e Total revenue (Part I, line 12). Add lines c and d		e

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a Total expenses and losses per audited financial statements		a
b Amounts included on line a but not on Part I, line 17:		
1 Donated services and use of facilities	b1	
2 Prior year adjustments reported on Part I, line 20	b2	
3 Losses reported on Part I, line 20	b3	
4 Other (specify):	b4	
Add lines b1 through b4		b
c Subtract line b from line a		c
d Amounts included on Part I, line 17, but not on line a :		
1 Investment expenses not included on Part I, line 6b	d1	
2 Other (specify):	d2	
Add lines d1 and d2		d
e Total expenses (Part I, line 17). Add lines c and d		e

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Lynn Glick 15120 E. Baseline Road Columbus, IN 47203	president 18 hrs./yr.	450		
Marshall Middendorf 2785 Lafayette Avenue Columbus, IN 47201	vice-president 15 hrs./yr.	300		
Carl Lienhoop 20434 E. 50 N. Hartsville, IN 47244	director 15 hrs./yr.	300		
Donald Schroer 4605 S. 150 W. Columbus, IN 47201	director 15 hrs./yr.	250		
Joseph Forster 5770 S. U.S. 31 Columbus, IN 47201	director 15 hrs./yr.	250		
Gregory Meyer 15210 S. 300 W. Columbus, IN	director 15 hrs./yr.	250		
Ray A. Burbrink 15909 N. 170 W. Edinburgh, IN 46124	secretary-treasurer 20 hrs./week	34742		
Constance Burbrink 15909 N. 170 W. Edinburgh, IN 46124	office secretary 30 hrs./wk	40099		

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		<input checked="" type="checkbox"/>
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b			
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.	88a	<input checked="" type="checkbox"/>
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	<input checked="" type="checkbox"/>
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶; section 4912 ▶; section 4955 ▶		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	<input checked="" type="checkbox"/>
90a	List the states with which a copy of this return is filed ▶		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	2
91a	The books are in care of ▶ Ray A. Burbrink Telephone no. ▶ (812) 526-7726 Located at ▶ 15909 N. 170 W. Edinburg, IN ZIP + 4 ▶ 46124-9130		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	<input checked="" type="checkbox"/>

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 If "Yes," enter the name of the foreign country ▶
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | **92** |

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Insurance premiums					326,297
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					8,106
96 Dividends and interest from securities					59,759
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a State tax refund					9,920
b Reinsurance recovered					65,495
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					469,577
105 Total (add line 104, columns (B), (D), and (E))					469,577

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a, 103a, 103b	Premium and interest income are required to build cash surplus in order to pay member's insured losses and to purchase reinsurance.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	✓

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

▶ Ray A. Burbrink Signature of officer | 5/14/08 Date

▶ Ray A. Burbrink Secretary - Treasurer Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed ▶ Preparer's SSN or PTIN (See Gen. Inst. X) _____

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ _____ EIN ▶ _____

**Bartholomew County German
Mutual Insurance Company
E.I.N. 35-0972055**

Line 20 Change in amount for pending claims and unearned premium reserve.

Line 56 Schedule of investments

Assets as of Dec. 31, 2007

Institution	Type	Maturity Date	Yield	Market Value	Book Value
MainSource	Checking	Current	0.00%	\$52,622.40	\$52,622.40
Hilliard-Lyons	Money Fund	Current	3.77%	\$83,014.10	\$83,014.10
Edw. Jones	Money Mkt.	Current	3.94%	\$5,709.54	\$5,709.54
Edward Jones	CD	4/20/2007	4.05%	\$0.00	\$0.00
Edward Jones	CD	11/5/2007	5.15%	\$0.00	\$0.00
Edward Jones	CD	4/25/2008	5.05%	\$25,996.21	\$26,000.00
Edward Jones	CD	8/7/2008	4.85%	\$26,999.95	\$27,000.00
Hilliard-Lyons	CD	2/25/2008	5.05%	\$50,000.00	\$50,000.00
Hilliard-Lyons	Bond	10/15/2023	6.10%	\$10,076.38	\$9,855.72
Hilliard-Lyons	Bond	8/15/2033	5.50%	\$94,757.90	\$100,000.00
Hilliard-Lyons	Bond	10/15/2033	5.25%	\$31,723.09	\$33,000.00
Hilliard-Lyons	Bond	5/25/2034	5.50%	\$77,420.54	\$81,111.25
Hilliard-Lyons	Bond	8/15/2034	5.50%	\$96,048.80	\$100,000.00
Hilliard-Lyons	Bond	10/15/2034	5.50%	\$94,115.60	\$100,433.78
Hilliard-Lyons	Bond	11/15/2034	5.50%	\$63,907.27	\$70,316.14
Hilliard-Lyons	Bond	1/25/2035	5.50%	\$88,190.70	\$100,449.06
Hilliard-Lyons	Bond	2/15/2035	6.00%	\$0.00	\$0.00
Hilliard-Lyons	Bond	4/15/2035	5.25%	\$89,900.70	\$100,000.00
Hilliard-Lyons	Bond	4/15/2035	6.00%	\$47,790.75	\$50,000.00
Hilliard-Lyons	Bond	6/25/2035	6.00%	\$71,280.97	\$75,000.00
Hilliard-Lyons	Bond	11/15/2035	6.00%	\$46,335.96	\$44,000.00
Hilliard-Lyons	Bond	12/25/2035	5.50%	\$52,895.76	\$56,540.55
Hilliard-Lyons	Bond	2/15/2036	6.00%	\$49,528.05	\$50,000.00
Hilliard-Lyons	Bond	3/20/2036	6.00%	\$46,987.24	\$48,633.98
Hilliard-Lyons	Bond	10/15/2036	5.75%	\$94,455.81	\$95,606.05
Hilliard-Lyons	Bond	2/15/2037	5.50%	\$98,296.30	\$100,000.00
Hilliard-Lyons	Bond	6/16/2037	6.00%	<u>\$24,140.47</u>	<u>\$23,418.44</u>
Total Assets				\$1,422,194.49	\$1,482,711.01

Checking Account	\$52,622.40
Certificates of deposit and Money Market accounts	\$191,723.64
Bonds	<u>\$1,238,364.97</u>
	\$1,482,711.01