See a Social Security Number? Say Something!
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Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning , 2014 , and ending , 20

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization Vernon Edda Mutual Fire Insurance Company

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 451 2nd Street SW

Room/suite

City or town, state or province, country, and ZIP or foreign postal code Blooming Prairie MN 55917

D Employer identification number **41-0592872**

E Telephone number (507) 583-4234

G Gross receipts $ 321,857

F Name and address of principal officer Doug Streightiff-President
64750 310th Street, Dexter MN 55026

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☐ 501(c)(3) ☑ 501(c)(15) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ▶ None

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1874

M State of legal domicile MN

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: The organization writes fire and additional lines insurance coverages and pays claims on covered policyholder losses per IRC Section 501(c)(15)		
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	7
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	1
	6	Total number of volunteers (estimate if necessary)	6	0
	7 a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)		0
9	Program service revenue (Part VIII, line 2g)	204,409	246,032
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	40,942	32,483
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue--add lines 8 through 11 (must equal Part VIII, column (A), line 12)	245,351	278,515
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	27,878	35,925
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	55,146	58,831
16 a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25)		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	76,918	58,070
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	159,942	152,826
19	Revenue less expenses Subtract line 18 from line 12	85,409	125,689

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,386,160	1,536,249
21	Total liabilities (Part X, line 26)	111,067	134,011
22	Net assets or fund balances Subtract line 21 from line 20	1,275,093	1,402,238

RECEIVED AUG 3 2015 OGDEN, UT

SCANNED AUG 31 2015

Part II Signature Block

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

Sign Here

▶ x Michelle Vigeland — Signature of officer — Date: x 8-3-15

▶ x Michelle Vigeland, Manager — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James R Williams, CPA	James R Williams	7/20/2015		P00737655

Firm's name ▶ Jim Barta CPA PA — Firm's EIN ▶ 20-1991134

Firm's address ▶ 401 Sherman St, PO Box 1879, N Mankato, MN 56002-1879 — Phone no (507) 625-4245

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission

The Company provides fire and additional lines insurance coverages to policyholders/members and pays claims on covered policyholder losses

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses $ 58,070 including grants of $ 0) (Revenue $ 278,515)

We have provided property insurance for our members per section 501(c)(15)

Number of Members. 285

Insurance in Force 163,899,252

4b (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ► 58,070

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		X
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If " Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes" then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		X
b	Did the organization report an amount for investments--other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments--program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	N/A	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	N/A	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	N/A	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	N/A	
25 a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a	N/A	
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b	N/A	
26	Did the organization report any amount on Part X, line 5, 6 or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, or IV, and V, line 1*	34		X
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1 a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	9		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable . . .	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	N/A	
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . .		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions) . . .				
3 a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	N/A	
4 a	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)?		4a		X
b	If "Yes," enter the name of the foreign country ► ---------- See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? .		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	N/A	
6 a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	N/A	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	N/A	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	N/A	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	N/A	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? .		7e	N/A	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f	N/A	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	N/A	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	N/A	
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8	N/A	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a	N/A	
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b	N/A	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12 a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a	N/A	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a	N/A	
	Note. See the instructions for additional information the organization must report on Schedule O				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		14b	N/A	

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1 a	Enter the number of voting members of the governing body at the end of the tax year 1a 7 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 7			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7 a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code)*

			Yes	No
10 a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	N/A	
11 a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12 a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13		X
14	Did the organization have a written document retention and destruction policy?	14		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16 a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	N/A	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, address, and telephone number of the person who possesses the organization's books and records ► Michelle Vigeland, 451 2nd Street SW, Blooming Prairie MN 55917

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Doug Streightiff-President	Part-Time	X		X				850		198
(2) Oliver Thoe-Vice-President	Part-Time	X		X				660		158
(3) Danny Linbo-Secretary	Part-Time	X		X				11,975		176
(4) Robert Senjem-Treasurer	Part-Time	X		X				660		330
(5) Jerome Nelson-Director	Part-Time	X						495		257
(6) Duane Klocke-Director	Part-Time	X						495		79
(7) Russell Skov-Director	Part-Time	X						440		172
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b **Sub-total** ►								0	0	0
c **Total from continuation sheets to Part VII, Section A** ►								15,575	0	1,370
d **Total (add lines 1b and 1c)** ►								15,575	0	1,370

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ►

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
None		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ►

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

			(A) Total Revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f ▶		0			
Program Service Revenue		**Business Code**				
	2a **Premium Income**	524126	246,032	246,032	0	0
	b		0			
	c		0			
	d		0			
	e		0			
	f All other program service revenue		0			
	g **Total.** Add lines 2a-2f ▶		246,032			
	3 Investment income (including dividends, interest, and other similar amounts) ▶		32,483	32,483	0	0
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less rental expenses					
	c Rental income or (loss)	0				
	d Net rental income or (loss) ▶		0	0	0	0
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	43,342				
	b Less cost or other basis and sales expenses	43,342				
	c Gain or (loss)	-				
	d Net gain or (loss) ▶		0	0	0	0
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events ▶		0			
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities ▶		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶		0			
	Miscellaneous Revenue	**Business Code**				
	11a		0			
	b		0			
	c		0			
	d All other revenue		0			
	e **Total.** Add lines 11a-11d ▶		0			
	12 **Total Revenue.** See instructions ▶		278,515	278,515	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21				
2	Grants and other assistance to domestic individuals See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16				
4	Benefits paid to or for members	35,925			
5	Compensation of current officers, directors, trustees, and key employees	16,945			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	37,750			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits	1,128			
10	Payroll taxes	3,008			
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,296			
c	Accounting	4,605			
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	125			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)				
12	Advertising and promotion	2,735			
13	Office expenses	10,201			
14	Information technology				
15	Royalties				
16	Occupancy	3,000			
17	Travel	2,657			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	4,232			
20	Interest	0			
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,744			
23	Insurance	4,642			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	State Taxes & Fees	3,562			
b	Commissions	(7,083)			
c	Adjusting and Inspecting	5,186			
d	Reinsurance Premium	14,817			
e	All other expenses Change in UEP	5,351			
25	**Total functional expenses.** Add lines 1 through 24e	152,826			
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ► ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash--non-interest-bearing	44,753	1	90,865
	2	Savings and temporary cash investments	435,201	2	439,390
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501 (c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D 10a -			
	b	Less accumulated depreciation 10b -	0	10c	0
	11	Investments--publicly traded securities	893,295	11	995,446
	12	Investments--other securities See Part IV, line 11		12	
	13	Investments--program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	12,911	15	10,548
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,386,160	16	1,536,249
Liabilities	17	Accounts payable and accrued expenses	9,389	17	29,652
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	101,678	25	104,359
	26	**Total liabilities.** Add lines 17 through 25	111,067	26	134,011
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☑ and *complete lines 30 through 34.*			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds	1,275,093	32	1,402,238
	33	Total net assets or fund balances	1,275,093	33	1,402,238
	34	Total liabilities and net assets/fund balances	1,386,160	34	1,536,249

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	278,515
2	Total expenses (must equal Part IX, column (A), line 25)	2	152,826
3	Revenue less expenses Subtract line 2 from line 1	3	125,689
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,275,093
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	1,456
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,402,238

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☐ Accrual ☑ Other Statutory If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		X
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		N/A
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		N/A

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization

Vernon Edda Mutual Fire Insurance Company

Employer identification number

41-0592872

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e g., recreation or education) ☐ Preservation of a historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ----------

4 Number of states where property subject to conservation easement is located ▶ ----------

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ----------

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ----------

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included in Form 990, Part VIII, line 1 ▶ $ ----------
(ii) Assets included in Form 990, Part X ▶ $ ----------

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included in Form 990, Part VIII, line 1 ▶ $ ----------
b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations (3a(i))		
(ii) related organizations (3a(ii))		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? (3b)		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10c.)* ▶				

Part VII Investments—Other Securities.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) **Unpaid Losses**	**16,000**
(3) **Unearned Premium**	**88,359**
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	**104,359**

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4, Part X, line 2; Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information *(continued)*

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information ▶ Attach to Form 990 or 990-EZ. ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*	2014 Open to Public Inspection

Name of the organization	Employer identification number
Vernon Edda Mutual Fire Insurance Company	41-0592872

Part VI:

Line 6: The Company has policyholders who are also the owners of the Company It is a mutual company

Line 7a The policyholders/owners elect the board members and officers

Line 11 The Company hires a CPA firm to complete the Form 990. When the firm is finished preparing the form, it is reviewed by Company management and staff before filing The form is then filed by Company management

Line 12c The Company requires disclosure of conflicts and potential conflicts annually

Line 15 a&b Compensation is determined by the number of meetings attended by the board member The board determines management and staff salaries based on experience and qualifications

Line 19 Financial and governing documents are available to the public upon request

Part VI:

Line 24e Change in Unearned Premium

Name of the organization: Vernon Edda Mutual Fire Insurance Company

Employer identification number: 41-0592872

Part XI:

Line 9 Other Changes in Net Assets or Fund Balances

The following assets (net of accumulated depreciation) are excluded from Part X as required by statutory accounting rules and Minnesota Statutue 67A due to non-admitted classification

Furniture, fixtures, computer equipment and automobiles	3,986
Prepaid operating expenses	0
Fire safety equipment	0
Uncollected premiums greater than 90 days past due	0
Other - General Agency	0
Total Non-Admitted Assets at the End of the Year	**3,986**
Total Non-Admitted Assets at the Beginning of the Year	5,442
Change in Non-Admitted Assets and Net Unrealized Losses	**1,456**

Part XII:

Line 1 As a regulated entity, the organization is required to report using statutory accounting rules as codified in Minnesota Statute 67A and as promulgated by the Department of Commerce of the State of Minnesota The most significant item of this statutory basis of accounting is the exclusion of "non-admitted assets" (as described above) from the reported assets

Vernon Edda Mutual Fire Insurance Company **41-0592872**

FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
MODIFICATION OF GROSS RECEIPTS PER IRS NOTICE 2006-42

December 31, 2014

The filing of this Form 990 has been prepared in accordance with guidance provided by IRS Notice 2006-42 (copy attached).

Gross Receipts as computed in accordance with the instructions to Form 990 (Page 1, Item G), has been modified pursuant to IRS Notice 2006-42 in determining the organizations status as exempt from corporate income taxes. The applicable computation of Gross Receipts is shown below:

Gross Receipts per Form 990, Page 1, Item G	321,857
Premium Refunds	0
Capital Losses	0
Modification per IRS Notice 2006-42:	
Form 990, Page 9, Line 7A,	(43,342)
Gross Receipts per IRS Notice 2006-42	278,515
(Amount meets the $600,000 limitation)	

Premium Income per Form 990, Page 1, Line 9	246,032		
Gross Receipts per IRS Notice 2006-42 From Above	278,515	=	88.3%
(Amount meets the more than 50% premium income test)			

Attachment to Form 990

Schedule 1

Vernon Edda Mutual Fire Insurance Company **EIN 41-0592872**

FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX

December 31, 2014

Internal Revenue Service Notice 2006-42

Part III - Administrative, Procedural, and Miscellaneous

Determination of Gross Receipts for Purposes of Section 501(c)(15)

Notice 2006-42

SECTION 1. PURPOSE

This notice provides guidance as to the meaning of "gross receipts" for purposes of § 501(c)(15)(A) of the Internal Revenue Code.

SECTION 2. BACKGROUND

Section 501(a) of the Code provides generally that an organization described in § 501(c) shall be exempt from federal income taxation. An insurance company (as defined in § 816(a)), other than a life insurance company, is described in § 501(c)(15), and is therefore exempt from income tax under § 501(a), if its gross receipts for the taxable year do not exceed $600,000 and more than 50 percent of those gross receipts consist of premiums. Section 501(c)(15)(A)(i). A non-life mutual insurance company not meeting the requirements of the previous sentence is nonetheless described in § 501(c)(15) if its gross receipts for the taxable year do not exceed $150,000 and more than 35 percent of those gross receipts consist of premiums. Section 501(c)(15)(A)(ii). Amounts received by all members of the insurance company's controlled group (as defined in section 501(c)(15)(C)) are taken into account for purposes of these tests.

Section 501(c)(15)(B).

The gross receipts and percentage of income from premium requirements described above were added to the Code in 2004 by § 206 of the Pension Funding Equity Act, Pub. L. No. 108-218 (the "Act"). The legislative history of the Act states that "it is intended that the provision not permit the use of small companies . . . to shelter investment income". H.R. Conf. Rep. 108-457, at 48 (2004).

Vernon Edda Mutual Fire Insurance Company **EIN 41-0592872**

FORM 990-RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
December 31, 2014

Internal Revenue Service Notice 2006-42

SECTION 3. DETERMINATION OF GROSS RECEIPTS

This notice advises taxpayers that the Service will include amounts received from the following sources during the taxable year in "gross receipts" for purposes of § 501(c)(15)(A):

A. Premiums (including deposits and assessments), without reduction for return premiums or premiums paid for reinsurance;

B. Items described in § 834(b) (gross investment income of a non-life insurance company); and

C. Other items that are properly included in the taxpayer's gross income under subchapter B of chapter 1, subtitle A, of the Code.

Thus, gross receipts include both tax-free interest and the gain (but not the entire amount realized) from the sale or exchange of capital assets, because those items are described in § 834(b). Gross receipts do not, however, include amounts other than premium income or gross investment income unless those amounts are otherwise included in gross income. Accordingly, the term gross receipts does not include contributions to capital excluded from gross income under § 118, or salvage or reinsurance recovered accounted for as offsets to losses incurred under § 832(b)(5)(A)(i).

SECTION 4. DRAFTING INFORMATION

The principal author of this notice is Sarah R. Katz of TE/GE Division, Exempt Organizations. For further information regarding this notice, contact Ms. Katz at (202) 283-8934 (not a toll-free call).

Annual Statement

For the Year Ended December 31, 2014

Of The Financial Condition and Affairs Of The

Vernon Edda Mutual Fire Insurance Company

(Corporate Name of Insurer)

Filed with the Minnesota Department of Commerce pursuant to Minnesota Statutes Chapter 67-A

Incorporated 06/01/1874 Commenced Business 06/01/1874 Date of Annual Meeting 3/4/2015

Main Administrative Office 451 2nd Street SW, Blooming Prairie MN 55917

Business Telephone (507) 583-4234
(Area Code) Telephone #

Fax Telephone (507) 583-4250
(Area Code) Telephone #

E-Mail Address mmvigeland@frontiernet.net

Officers

President	Doug Streightiff	Vice-President	Oliver Thoe
Secretary	Danny Linbo	Manager or Administrative Executive	Michelle Vigeland
Treasurer	Robert Senjem		

Directors

Name	(Street, City, State, Zip)	From (Mo /Yr)	To (Mo /Yr)
Doug Streightiff	64750 310th Street, Dexter MN 55026	Mar-12	Mar-15
Oliver Thoe	Box 42, Hayfield MN 55940	Mar-14	Mar-17
Danny Linbo	306 Willow Street SW, Sargeant MN 55973	Mar-13	Mar-16
Robert Senjem	25519 670th Street, Kasson MN 55944	Mar-13	Mar-16
Jerome Nelson	9317 80th Avenue SW, Stewartville MN 55976	Mar-13	Mar-16
Russell Skov	71769 50th Avenue, Hayfield MN 55940	Mar-12	Mar-15
Duane Klocke	73817 160th Avenue, Hayfield, MN 55940	Mar-14	Mar-17

State of Minnesota
County of Steele

Pursuant to the laws of Minnesota, and the rules and regulations amendatory thereto, the President, Secretary, and Treasurer or Chief Financial Officer of this Company, being duly sworn, each deposes and says that they are the above described officers of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon except as herein stated, and that this annual statement, together with the related exhibits, schedules, and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge, and belief, respectively

Subscribed and sworn to before me this
_____ day of _____

NOTARY PUBLIC **SEAL**

President

Secretary

Treasurer

Print name, business address, and telephone number of person who prepared this statement

James R Williams CPA, PO Box 1879, North Mankato MN 56002-1879 (507) 625-4245

Name *Address* *City, State, Zip Code* *(Area Code)Telephone #*

Firm Name and Address Jim Barta CPA 401 Sherman Street, PO Box 1879 North Mankato MN 56002-1879

1/28/2015

Signature of Person Preparing Statement / Date

Vernon Edda Mutual Fire Insurance Company

Admitted Assets

		1 Current Year	2 Prior Year
1	Cash in company's office Exh 9, Ln 1, Col 4	-	-
2	Cash deposited in checking account Exh 9, Ln 2, Col 4	90,865	44,753
3	Cash deposited at interest Exh 9, Ln 3, Col 4	601,270	435,201
4	Guarantee fund certificates Exh 9, Ln 4, Col 4	-	-
5	Bonds (at amortized cost) Exh 9, Ln 5, Col 4	832,067	325,602
6	Investment company shares Exh 9, Ln 6, Col 4	-	566,193
7	Common stock Exh 9, Ln 7, Col 4	1,500	1,500
8	Mortgage loans on real estate Exh 9, Ln 8, Col 4	-	-
9	Real Estate (cost less accumulated depreciation and encumbrances) Exh 9, Ln 9, Col 4	-	-
10	Agents' balances or uncollected premiums Exh 9, Ln 10, Col 4	2,714	6,095
11	Investment income due or accrued Exh 9, Ln 11, Col 4	7,833	6,815
12	Unpaid assessments receivable (under 90 days past due) Exh 9, Ln 12, Col 4	-	
13	Reinsurance recoverable on paid losses Exh 9, Ln 13, Col 4	-	-
14	Electronic data processing equipment-excluding software - (cost less accumulated depreciation) - Exh 9, Ln 14, Col 4	-	
15	Funds due from reinsurance (other than losses) Exh 9, Ln 15, Col 4	-	-
16	Federal tax refund receivable Exh 9, Ln 16, Col 4	-	-
17	Premium tax refund receivable Exh 9, Ln 17, Col 4	-	-
18	Accounts receivable	-	-
19			
20			
21			
22	Rounding		1
23	**Total Admitted Assets** *(Must agree with Pg 3, Ln 18)*	1,536,249	1,386,160

Liabilities and Policyholders' Surplus

		1 Current Year	2 Prior Year
1	Net losses unpaid - Exh 5	16,000	18,670
2	Net expenses unpaid - Exh 8	1,461	1,061
3	Unearned premiums - Exh 3	88,359	83,008
4	Borrowed money unpaid	-	-
5	Funds payable on reinsurance (other than losses)	1,278	1,105
6	Federal income taxes payable	-	-
7	Amounts withheld for the account of others	270	267
8	Accounts payable-agency	26,642	6,955
9	Prepaid Premiums	-	-
10	Rounding	1	1
11			
12			
13			
14			
15			
16	**Total Liabilities**	134,011	111,067
17	**Total Policyholders' Surplus**	1,402,238	1,275,093
18	Total liabilities and policyholders' surplus	1,536,249	1,386,160

Statement of Income

	Underwriting Income		1 Current Year	2 Prior Year
1	Net premiums earned - Exh 3, Col 9		225,864	164,976
2	Net assessments earned - Exh 4, Col 9		-	-
3	Total premiums and assessments (Ln 1 + Ln 2)		225,864	164,976
	Deductions			
4	Net losses incurred - Exh 5, Col 9		35,925	27,878
5	Operating expenses incurred - Exh 8, Ln 25, Col 4		96,609	92,506
6	Total losses and expenses (Ln 4 + Ln 5)		132,534	120,384
	Net Underwriting Gain (loss)(Ln 3 minus Ln 6)	(A)	93,330	44,592
	Investment Income			
7	Net investment income earned - Exh 1, Ln 10, Col 5		32,359	31,906
8	Net realized capital gains or (losses) - Exh 2, Ln 8, Col 3		-	8,911
9	Net Investment Gain or (loss) (Ln 7 + Ln 8)	(B)	32,359	40,817
	Other Income			
10				
11				
12				
13	Rounding		-	-
14	Total Other Income or (loss)	(C)	-	-
15	Net income (loss) before income taxes (A + B + C)		125,689	85,409
16	Federal income taxes incurred*		-	-
17	**Net Income** (to Ln 19)		125,689	85,409

**Federal income tax paid in the current year plus federal income tax payable (Pg 3, Ln 6, Col 1) minus federal income tax payable previous year (Pg 3, Ln 6, Col 2)*

Policyholders' Surplus Account

18	Policyholders' surplus, December 31, previous year		1,275,093	1,187,236
	Gains and (Losses) in Surplus			
19	Net income (from Ln 17)		125,689	85,409
20	Change in non-admitted assets Exh 10, Ln 18, Col 3		1,456	2,448
21	Net unrealized capital gains or losses Exh 2, Ln 8, Col 4		-	-
22				
23				
24				
25	Change in policyholders' surplus for the year		127,145	87,857
26	Policyholders' surplus, December 31, current year		1,402,238	1,275,093

Exhibit 1
Investment Income Earned

		1	2	3	4	5
		Received During Year Less Paid for Accrued on Purchases	Amortization(-) of Bond Premium or Accrual (+) of Bond Discount	Income Due and Accrued December 31 Current Year	Income Due and Accrued December 31 Prior Year	Investment Income Earned (Col 1 + or - Col 2 + Col 3 Less Col 4)
1	Cash on deposit Schedule B	4,235		1,852	1,828	4,259
2	Guarantee fund certificates Schedule C	-		-	-	-
3	Bonds Schedule D, Part 1 + Part 2	27,957	(726)	5,981	4,987	28,225
4	Investment company shares Schedule E, Part 1 + Part 2	-		-	-	-
5	Common stock Schedule F, Part 1 + Part 2	-		-	-	-
6	Mortgage loans Schedule G	-		-	-	-
7	Real estate Schedule H	-				-
8	Totals	32,192	(726)	7,833	6,815	32,484
				Exh 9, Ln 11, Col 2	*Pg 2, Ln 11, Col 2*	
9	Total investment expense incurred (Exh 8, Ln 31, Col. 4)					125
10	Net investment income earned (Ln. 8 minus Ln 9)					32,359
						Pg 4, Ln 7, Col 1

Exhibit 2

Capital Gains and Losses on Investments

	1	2	3	4
	Profit on Sales or Maturity	Losses on Sales or Maturity	Net Gain or Loss[-] (Col 1 minus Col 2)	Net Gain or Loss [-] From Change in or Difference Between Book Value or Admitted Assets
1 Bonds	-	-	-	-
2 Guarantee fund certificates			-	
3 Mortgage loans			-	
4 Real estate	-	-	-	
5 Investment company shares	-	-	-	-
6 Common stock	-	-	-	-
7 Other gains and losses - explain			-	
8 Totals	-	-	-	-
			Pg 4, Ln 8, Col 1	*Pg 4, Ln 21, Col 1*

PREMIUM AND LOSS EXHIBITS

Exhibit 3

Written and Earned Premiums

1	2	3	4	5	6	7	8	9
Line of Business	Direct Written Premiums	Reinsurance Assumed	Paid Dividends	Reinsurance Ceded	Net Written Premiums	Unearned Premiums Dec 31, Prior Year	Unearned Premiums Dec 31, Current Year	Premiums Earned (Col 6 + 7 - 8)
Fire & other lines	246,032			14,817	231,215	83,008	88,359	225,864
					-			-
					-			-
Assumed reins		-		-	-			-
Total all lines	246,032	-	-	14,817	231,215	83,008	88,359	225,864
						Pg 3, Ln 3, Col 2	*Pg 3, Ln 3, Col 1*	*Pg 4, Ln 1, Col 1*

Col 1 If no breakdown is made enter all under "Fire and other lines"
Col 2 Direct and written premiums include policy and survey fees minus return premiums Do not deduct agents' commissions - see instructions
Col 5 Include all reinsurance premiums paid plus or minus reinsurance adjustment-see instructions
Col 6 equals Col 2 plus Col 3 minus Col 4 minus Col 5
Col 8 See instructions-State pro-rata method used (50%, monthly, etc) Monthly
Col 9 equals Col 6 plus Col 7 minus Col 8

Exhibit 4

Assessment Income and Receivable

(Use only for post paid assessments or premiums)

1	2	3	4	5	6	7	8	9
Line of Business	Date When Assessment is Due	Rate	Amount of Base for Levied Assessment	Amount Levied (Col 3 Times Col 4)	Amount Received	Unpaid Balance Dec 31, Current Year	Unpaid Balance Dec 31, Prior Year	Net Assessment Income (Col 6 + 7 - 8)
				-				-
				-				-
				-				-
Total all lines			-	-	-	-	-	-
						Exh 9, Ln 12, Col 1		*Pg 4, Ln 2, Col 1*

Exhibit 5

Paid and Incurred Losses

1	2	3	4	5	6	7	8	9
Line of Business (type of loss)	Losses Paid Less Salvage and Subrogation	Losses Paid on Reinsurance Assumed	Reinsurance Recovered on Losses Paid	Reinsurance Recoverable on Losses Paid	Net Losses Paid (Col 2 + 3 minus (4+5))	Net Losses Unpaid Dec 31, Current Year	Net Losses Unpaid Dec 31, Prior Year	Losses Incurred (Col 6 + 7 - 8)
Fire & fire depart	1,500		-	-	1,500	-	-	1,500
Lightning	4,438				4,438	-	-	4,438
Other lines	32,657				32,657	16,000	18,670	29,987
Assumed reins		-			-	-	-	-
Total all lines	38,595	-	-	-	38,595	16,000	18,670	35,925
				Exh 9, Ln 13, Col 1		*Pg 3, Ln 1, Col 1*	*Pg 3, Ln 1, Col 2*	*Pg 4, Ln 4, Col 1*

Exhibit 6
Reinsurance Ceded

1	2	3	4	5	6	7	8	9	10
Name and Address of Reinsurer (assuming company)	Type of Contract	Number of Contract	Retention or Attachment Point	Reinsurer's Percent of Participation	Reinsurer's Maximum $ Limit	Reinsurance Recovered on Losses Paid	Reinsurance Recoverable on Losses Paid	Reinsurance Premium	Reinsurer's Unearned Premium
Grinnell Mutual Reinsurance Co.	Aggxs	05-029	91,171	100 000%	Unlimited	-	-	14,817	
I 80 at Highway 146									
PO Box 790									
Grinnell Iowa 50112-0790									
NAIC # 14117									
					Totals	-	-	14,817	-
					These totals agree with	*Exh 5 Col 4*	*Exh 5, Col 5*	*Exh 3, Col 5*	

Interrogatories

1 Amount of commission received from reinsurer on reinsurance ceded	-
2 (a) Largest single risk insured by your company that may be destroyed in a single occurrence*	634,500
(b) Amount reinsured	543,329
(c) Net at risk (a minus b)	91,171

Is this the total farmstead? (Y/N) No

** Any structure or structures and personal property that could be destroyed in a single event or incident by fire, lightning, etc*

Exhibit 7
Reinsurance Assumed

1	2	3	4	5	6	7	8	9	10	11	12
Name and Address of Reinsurer /Pool	Type of Contract and Form Number	Premiums Received	Premiums Receivable	Total Premiums Assumed	Premiums Unearned	Expenses Paid and Payable	Losses Paid	Losses Payable	Salvage and Subrogation Received and Receivable	Percent of Participation	Total Liability of Your Company
None				-							-
				-							-
				-							-
				-							-
	Totals	-	-	-	-	-	-	-	-		-
		Exh 3, Col 3	*Exh 9, Ln 15, Col 1*				*Exh 5, Col 3*	*Exh 5, Col 7*			

Exhibit 8
Expenses

	1	2	3	4	
Operating Expenses	Paid During Year	Unpaid Dec 31 Current Year	Unpaid Dec 31 Prior Year	Incurred Current Year Col 1+ 2 - 3	
1 Advertising	1,736	-	-	1,736	
2 Boards, bureaus and associations	2,668			2,668	
3 Commissions	29,822	325	535	29,612	
3a Less commissions on reinsurance	-			-	
3b Less commissions on general agency	(25,270)			(25,270)	
4 Contributions	-			-	
5 Conventions, meetings and education	4,232			4,232	
6 Directors fees	4,150			4,150	
7 Employee benefits	1,128			1,128	
8 Inspection and loss prevention	1,038			1,038	
9 Insurance and bonding	4,642			4,642	
10 Interest expense on borrowed money	-			-	
11 Legal and auditing	5,901			5,901	
12 Loss adjustment expense	3,828	320	-	4,148	
13 Office equipment and maintenance	338			338	
14 Payroll taxes	2,997	60	49	3,008	
15 Postage, telephone and exchange	1,754	61	57	1,758	
16 Printing and stationery	1,588	-	-	1,588	
17 Rent and lease expense	3,000			3,000	
18 Salaries	37,750			37,750	
19 State taxes and fees	3,566	416	420	3,562	
20 Travel and travel items	4,027			4,027	
21 Utilities	-	-	-	-	
22 Depreciation on furniture and fixtures	2,744			2,744	
23 Computer	3,570	279	-	3,849	
24 Scholarships	1,000			1,000	
25 Total - Operating Expenses	96,209	1,461	1,061	96,609	*
Investment Expenses					
26 Interest on real estate encumbrances	-			-	
27 Depreciation on real estate	-			-	
28 Property tax on real estate	-			-	
29 Miscellaneous real estate expenses	-			-	
30 Miscellaneous investment expenses	125			125	
31 Total Investment Expenses	125	-	-	125	**
32 Total Expenses	96,334	1,461	1,061	96,734	
	Pg 12, Exh 11, Ln 13	*Pg 3, Ln 2, Col 1*	*Pg 3, Ln 2, Col 2*		

** Total Operating Expenses Incurred Ln 25, Col 4 to Pg 4, Ln 5, Col 1*
*** Total Investment Expenses Incurred Ln 31, Col 4 to Exh 1, Ln 9, Col 5*

Exhibit 9
Analysis of Assets

		1	2	3	4
		Ledger Assets	Non-Ledger Assets	Assets Not Admitted	Net Admitted Assets (Col 1 + 2 - 3)
1	Cash in company's office	-			-
2	Cash deposited in checking accounts - Schedule A, Total, Col. 6	90,865			90,865
3	Cash deposited at interest - Schedule B, Total, Col. 8	601,270			601,270
4	Guarantee fund certificates - Schedule C, Total, Col. 7	-			-
5	Bonds (at amortized cost) - Schedule D-Part 1, Total, Col. 8	832,067			832,067
6	Investment company shares - Schedule E-Part 1, Total, Col. 5	-		-	-
7	Common stock - Schedule F-Part 1, Total, Col. 5	1,500		-	1,500
8	Mortgage loans on real estate - Schedule G, Total, Col. 5	-			-
9	Real estate (cost less accumulated depreciation and encumbrances) Schedule H-Part 1, Total, Col 7	-			-
10	**Agents' balances or uncollected premiums	2,714		-	2,714
11	Investment income due and accrued - Exh 1, Total, Col 3		7,833		7,833
12	**Unpaid assessments receivable - Exh 4, Total, Col 7	-			-
13	Reinsurance recoverable on losses paid - Exh 5, Total, Col 5	-			-
14	*Electronic data processing equipment (cost less depreciation)	-		-	-
15	Funds due from reinsurance (other than losses) - Exh 7, Total, Col 4	-			-
16	Federal tax refund receivable	-			-
17	Premium tax refund receivable	-			-
18	Furniture, fixtures and automobiles	3,986		3,986	-
19	Accounts receivable	-			-
20					-
21	Fire extinguishers			-	-
22	Fire alarms			-	-
23	Prepaid expenses	-		-	-
24	Totals	1,532,402	7,833	3,986	1,536,249
		Exh 11, Ln 24, Col 1			*Pg 2, Ln 23, Col 1*

* Computers and related equipment which exceeded $25,000 initial cost

** Agents' balances, uncollected premiums, and assessments over 90 days past due should be shown under Col 3, Assets Not Admitted

Exhibit 10
Analysis of Non-Admitted Assets

		1 December 31, Prior Year	2 December 31, Current year	3 Change for Year Col. 1 Less Col. 2
1	Deposits in suspended depositories, less estimated amounts recoverable			-
2	Agents' balances or uncollected premium/assessments over 90 days past due	233	-	233
3	Bills receivable, past due, taken for premium/assessments			-
4	Furniture, fixtures, and automobiles	5,209	3,986	1,223
5	Fire extinguishers		-	-
6	Fire alarms		-	-
7	Prepaid expenses	-	-	-
8	EDP equipment	-	-	-
9*	Agency			-
10				-
11				-
12	Investment company shares	-	-	-
13	Assurance partners bank stock		-	-
14	Bonds in default		-	-
15				-
16	Totals (including net unrealized gains and losses on invested assets)	5,442	3,986	1,456
		Exh 10, Col 2, Prior Year	*Exh 9, Col 3*	
17	Total of items in Col 3 relating to invested asset write-in items (To Exh. 2, Col. 4)			-
18	Non-admitted assets (Ln 16 minus Ln 17) (To Pg. 4, Ln. 20, Col. 1)			1,456

*Itemize all other non-admitted assets including unrealized gains and losses on invested assets

Exhibit 11
Reconciliation of Ledger Assets

Increase in Ledger Assets

1	Net written premiums-Exh 3, Col 6	231,215
2	Assessment income received-Exh 4, Col 6	-
3	From sale or maturity of ledger assets-Exh 2, Ln 8, Col 1	-
4	Investment income received-Exh 1, Ln 8, Col 1 and 2	31,466
5	Amounts withheld for the account of others	19,690
6	Borrowed money repaid [gross]	-
7	Funds payable on reinsurance	173
8	Federal taxes paid	-
9	Rounding	-
10		
11	Total (Items 1-10)	282,544

Decrease in Ledger Assets

12	Net losses paid-Exh 5, Col 6	38,595
13	Expense paid-Exh 8, Ln 32, Col 1	96,334
14	From sale or maturity of ledger assets-Exh 2, Ln 8, Col 2	-
15	Amounts withheld for account of others	-
16	Borrowed money [gross]	-
17	Funds payable on reinsurance	-
18	Federal taxes paid	-
19	Rounding	-
20		
21	Total (Items 12-20)	134,929

Reconciliation Between Years

22	Total ledger assets at December 31 of prior year (Exh 9, Ln 22, Col 1, Prior Year)	1,384,787
23	Increase or decrease in ledger assets during the year (Ln 11 minus Ln 21)	147,615
24	Total ledger assets at December 31 of current year (Exh 9, Ln 24, Col 1)	1,532,402

Schedule A
Cash Deposited in Checking Accounts

	1 Name of Financial Institution (followed by address)	2 Actual Balance on Bank Statement December 31	3 Deduct Checks Outstanding	4 Other Adjustment* Add	5 Other Adjustment* Deduct	6 Net Balance Per Books December 31
1	US Bank (Fire Company) Blooming Prairie, MN 55917-1324	69,904	4,854			65,050
2	US Bank (Agency) Blooming Prairie, MN 55917-1324	30,446	4,631			25,815
3						-
4						-
5						-
6						-
	Total					90,865

Exh 9, Ln 2, Col 1

*Please explain adjustments (If deposit, give date deposit was made) _____

1. Does the Company have excess private deposit insurance for balances exceeding FDIC limits? (Y/N) No
2. Does the Company have an overnight repurchase agreement with the depository that handles the company's primary accounts per Minnesota Statute 67A 231(l)? (Y/N) No

Schedule B
Cash Deposited at Interest

Showing all banks, trust companies, savings and loan associations, etc , in which deposits were maintained by the Company at any time during the year and the balances, if any, on December 31 of the current year

	1 Name of Financial Institution (followed by address)	2 Certificate or Acct #	3 *Type Account	4 Interest Rate	5 **Interest Payable	6 Date of Issue	7 Date of Maturity	8 Book Value December 31	9 Interest Amount Received During Year	10 Interest Amount Due and Accrued December 31
1	Citizens State Bank 216 1st Ave NE, PO Box 5, Hayfield, MN 55940-0005	31067	CD	1 300	CA	01/14/12	01/14/15	20,740	266	247
2	Citizens State Bank 216 1st Ave NE, PO Box 5, Hayfield, MN 55940-0005	31083	CD	1 100	CA	03/14/12	03/14/14	-	562	-
3	Eastwood Bank 109 South Mantorville Avenue, Kasson MN 55944	5430037203	CD	0.710	CA	08/15/13	01/16/16	63,191	445	170
4	Equity Bank - Claremont 208 W Front St, Claremont, MN 55924	86469	CD	0 700	CQ	12/28/13	12/28/15	41,342	288	2
5	Farmers State Bank of Elkton 105 Main Street, Elkton MN 55933	5000420	CD	0 900	CA	12/31/14	12/31/17	67,015	928	2
6	First Farmers & Merchants State Bank 106 W Main St , PO Box 157, Brownsdale MN 55918-0157	8613	CD	1 000	CA	02/01/13	02/01/18	66,467	658	610
7	First Farmers & Merchants State Bank 106 W Main St , PO Box 157, Brownsdale MN 55918-0157	8599	CD	1.250	CA	12/28/10	01/06/14	-	2	-
8	First Security Bank of Byron 316 Byron Avenue N, PO Box 128, Byron MN 55920-0128	58405	CD	0.850	CS	09/29/12	09/29/14	-	569	-
9	First Security Bank of Byron 316 Byron Avenue N, PO Box 128, Byron MN 55920-0128	59871	CD	1 200	CS	02/22/12	02/22/15	39,523	470	170
10	Citizens State Bank 216 1st Ave NE, PO Box 5, Hayfield, MN 55940-0005	21206	CD	1 200	CA	03/20/14	03/20/19	56,724	-	535
11	First Farmers & Merchants State Bank 106 W Main St , PO Box 157, Brownsdale MN 55918-0157	100298	CD	0 350	CA	01/06/14	01/06/16	17,789	-	61
12	First Security Bank of Byron 316 Byron Avenue N, PO Box 128, Byron MN 55920-0128	70061	CD	0.350	CS	10/06/14	10/06/15	66,599	-	55
13	Merrill Lynch Cash 315 Lake Street East, Suite 200, Wayzata MN 55391	5NP-02095	S	V	M	02/24/09	XXXXXXX	161,880	47	-
14								-	-	-
	Totals							601,270	4,235	1,852
								Exh 9, Ln 3, Col 1	*Exh 1, Ln 1, Col 1*	*Exh 1, Ln 1, Col 3*

* Type S=Savings, M=Money Market, CD=Certificate of Deposit

** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual

Does the Company have excess private deposit insurance for balances exceeding FDIC limit? (Y/N) No

Schedule C
Guarantee Fund Certificates

Showing all guarantee fund certificates owned by the Company at any time during the year and the balances, if any, on December 31 of the current year

	1	2	3	4	5	6	7	8	9
	Name of Issuing Financial Institution	Certificate #	Interest Rate	**Interest Payable	Date of Issue	Date of Maturity or Redemption	Book value December 31	Interest Amount Received During Year	Interest Amount Due and Accrued December 31
1	None								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
	Totals						-	-	-
							Exh 9, Ln 4, Col 1	*Exh 1, Ln 2, Col 1*	*Exh 1, Ln 2, Col 3*

** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual

Schedule D-Part 1
Showing all Bonds Owned December 31 of the Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Description (complete and accurate)	*Cusip # ID	** Type	Interest Rate	*** Interest Payable	Date of Purchase	Date of Maturity	Book Amortized Value	Par Value	Market Value	Actual Cost	**** Interest Amount Received	Interest Accrued Dec 31 Current Year	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year
1	Bank of America Corp 5 75% 12/1/17	060505DP6	C	5 750	S	10/06/11	12/01/17	48,782	50,000	55,245	48,782	2,875	240	346	-
2	Amentech Capital Funding 6 45%	030955AM0	C	6 450	S	04/13/05	01/15/18	5,174	5,000	5,608	5,155	323	149	-	50
3	Avon Prod Inc 4 6% 3/15/20	054303AX0	C	4 600	S	05/19/14	03/15/20	51,771	50,000	45,375	51,771	722	677	-	192
4	Goldman Sachs Grp Inc 4 25% 11/15/3	38141EJ26	C	4 250	M	11/05/12	11/15/30	125,000	125,000	121,524	125,000	5,313	236	-	-
5	Alcoa Inc 5 95% 2/1/37	013817AK7	C	5 950	S	01/25/13	02/01/37	71,474	70,000	71,509	71,474	4,165	1,735	-	39
6	Sunoco Logistics 4 9% 1/15/43	86765BAM1	C	4 950	S	01/25/13	01/15/43	71,113	70,000	67,078	71,113	3,465	1,598	-	22
7	GE Capital Bk 1 45% 10/3/17	36163BNQ1	CD	1 450	S	09/29/14	10/03/17	50,000	50,000	49,666	50,000	-	177	-	-
8	FICO Stnps Series 5	31771CNG6	G	7 475	CS	08/23/96	02/08/16	4,621	5,000	4,967	4,605	-	-	327	-
9	FHLMC CMO 2003 2695	31394L7G1	M	4 000	M	12/08/09	10/15/18	25,354	24,083	25,100	25,354	1,242	80	-	200
10	MASTR 2003-9 2A2	55265KP52	M	5 500	M	09/25/03	10/25/33	1,674	1,674	1,676	1,674	357	8	-	-
11	FHLMC 2768 PC 4% 3/15/2034	31394TAD7	M	4 000	M	06/08/10	03/15/34	15,083	15,629	15,998	15,083	686	52	25	-
12	CWALT 2005-73CB 1A2	12668AT70	M	6 250	M	03/30/06	01/25/36	29,350	26,822	26,083	30,350	1,841	140	-	110
13	GNMA 2010-43 QX 3% 2/20/39	38376YTG6	M	3 000	M	10/09/13	02/20/39	98,459	100,000	101,010	98,459	3,000	250	75	-
14	GNR 2011-5 JA 4%	38377TPZ8	M	4 000	M	01/27/11	09/20/40	6,339	6,339	6,389	6,339	548	21	2	-
15	FNR 2011-134 TC 3 5% 12/25/41	3136A2T86	M	3 500	M	05/30/14	12/25/41	47,525	50,000	49,957	47,525	962	146	150	-
16	GNMA 2013-47 LB 3% 1/20/42	38378JYA4	M	3 000	M	12/05/14	01/20/42	50,000	50,000	47,523	50,000	(38)	125	-	-
17	GNMA 2013-110 CD 3 5% 7/16/43	38378T3J7	M	3 500	M	07/29/13	07/16/43	56,454	55,454	56,380	56,454	2,366	162	-	344
18	FNMA 2014-68 YK 3% 11/25/44	3136ALRW3	M	3 000	M	12/19/14	11/25/44	73,894	73,894	73,495	73,894	(142)	185	-	694
19								-	-	-	-	-	-	-	-
20								-	-	-	-	-	-	-	-
	Totals							[illegible]832,067	[illegible]828,895	[illegible]824,583	[illegible]833,032	[illegible]27,685	[illegible]5,198	[illegible]925	[illegible]1,651
								Exh 9, Ln 5, Col 1				*Exh 1, Ln 3, Col 1*	*Exh 1, Ln 3, Col 3*	*Exh 1, Ln 3, Col 2*	*Exh 1, Ln 3, Col 2*

* CUSIP # obtained from broker

**Type C=Corporate, CD=Broker CD (i e Tradable CD's), G=Municipal, City, State or Federal Bond M=Mortgage Backed Bond

*** Payable M=Monthly, Q=Quarterly, S=Semi-Annual, A=Annual, CS=Compound Semi-Annual

**** Gross amount of interest received during year less amount paid for accrual

Schedule D- Part 2
Showing all Bonds Sold, Redeemed, or Otherwise Disposed of During the Year

	1	2	3	4	5	6	7	8	9	10	11	12
	Description (complete and accurate)	Cusip # ID	Name of Purchaser	Disposal Date	Consideration Received	Book Value at Disposal Date	Par Value	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit on Disposal	Loss on Disposal	Interest Received During Year
1	GNR 2012-116 AB 2 5%	38375C5J5	Merrill Lynch	05/20/14	43,342	43,342	43,342	-	-	-	-	272
2								-	-	-	-	-
3								-	-	-	-	-
4								-	-	-	-	-
5								-	-	-	-	-
6								-	-	-	-	-
7								-	-	-	-	-
8								-	-	-	-	-
9								-	-	-	-	-
10								-	-	-	-	-
11								-	-	-	-	-
12								-	-	-	-	-
13								-	-	-	-	-
14								-	-	-	-	-
15								-	-	-	-	-
16								-	-	-	-	-
17								-	-	-	-	-
18								-	-	-	-	-
19								-	-	-	-	-
20								-	-	-	-	-
	Totals				43,342	43,342	43,342	-	-	-	-	272
								Exh 1, Ln 3, Col 2	*Exh 1, Ln 3, Col 2*	*Exh 2, Ln 1, Col 1*	*Exh 2, Ln 1, Col 2*	*Exh 1, Ln 3, Col 1*

Schedule E-Part 1
Showing all Investment Company Shares Owned December 31 of the Current Year

	1	2	3	4	5	6	7	8	9	10
	Description (complete and accurate)	Cusip # ID	Number of Shares	Year First Acquired	*Actual Cost	Rate Per Share Used to Obtain Market Value	Market Value	Statement Value (lower of cost or market)	Dividends/ Amount Received During Year	Dividends/ Declared But Unpaid at December 31
1	Merrill Lynch - Shown on Page 14	990288946	0 00	02/24/09	-	1 00	-	-	-	-
2					-		-	-	-	-
3					-		-	-	-	-
4					-		-	-	-	-
5					-		-	-	-	-
6					-		-	-	-	-
7					-		-	-	-	-
8					-		-	-	-	-
9					-		-	-	-	-
10					-		-	-	-	-
11					-		-	-	-	-
12					-		-	-	-	-
13					-		-	-	-	-
14					-		-	-	-	-
15					-		-	-	-	-
16					-		-	-	-	-
17					-		-	-	-	-
18					-		-	-	-	-
19					-		-	-	-	-
20					-		-	-	-	-
	Totals				-		-	-	-	-
					Exh 9, Ln 6, Col 1			*Exh 9, Ln 6, Col 4*	*Exh 1, Ln 4, Col 1*	*Exh 1, Ln 4, Col 3*

* Investment company shares shall not exceed 20 percent of the Company's surplus

Schedule E-Part 2
Showing all Investment Company Shares Sold, Redeemed, or Otherwise Disposed of During the Year

	1	2	3	4	5	6	7	8	9	10
	Description (complete and accurate)	Cusip # ID	Name of Purchaser	Disposal Date	Number of Shares	Consideration Received	Actual Cost	Profit on Disposal	Loss on Disposal	Dividends Received During Year
1	None							-	-	-
2								-	-	-
3								-	-	-
4								-	-	-
5								-	-	-
6								-	-	-
7								-	-	-
8								-	-	-
9								-	-	-
10								-	-	-
11								-	-	-
12								-	-	-
13								-	-	-
14								-	-	-
15								-	-	-
16								-	-	-
17								-	-	-
18								-	-	-
19								-	-	-
20								-	-	-
	Totals					-	-	-	-	-
								Exh 2, Ln 5, Col 1	*Exh 2, Ln 5, Col 2*	*Exh 1, Ln 4, Col 1*

Schedule F-Part 1
Showing all Common Stock Owned December 31 of the Current Year

	1	2	3	4	5	6	7	8	9	10
	Description (complete and accurate)	Cusip # ID	Number of Shares	Year First Acquired	Actual Cost	Rate Per Share Used to Obtain Market Value	Market Value	Statement Value (lower of cost or market)	Dividends/Amount Received During Year	Dividends/Declared But Unpaid at December 31
1	Namico Stock Certificate # 553	62989*105	30	1988	1,500	276 35	8,291	1,500		
2							-	-		
3							-	-		
4							-	-		
5							-	-		
6							-	-		
7							-	-		
8							-	-		
9							-	-		
10							-	-		
11							-	-		
12							-	-		
13							-	-		
14							-	-		
15							-	-		
16							-	-		
17							-	-		
18							-	-		
19							-	-		
20							-	-		
	Totals				1,500		8,291	1,500		
					Exh 9, Ln 7, Col 1			*Exh 9, Ln 7, Col 4*	*Exh 1, Ln 5, Col 1*	*Exh 1, Ln 5, Col 3*

Schedule F-Part 2
Showing all Common Stock Sold, Redeemed, or Otherwise Disposed of During the Year

	1	2	3	4	5	6	7	8	9	10
	Description (complete and accurate)	Cusip # ID	Name of Purchaser	Disposal Date	Number of Shares	Consideration Received	Actual Cost	Profit on Disposal	Loss on Disposal	Dividends Received During Year
1	None							-	-	
2								-	-	
3								-	-	
4								-	-	
5								-	-	
6								-	-	
7								-	-	
8								-	-	
9								-	-	
10								-	-	
11								-	-	
12								-	-	
13								-	-	
14								-	-	
15								-	-	
16								-	-	
17								-	-	
18								-	-	
19								-	-	
20								-	-	
	Totals					-	-	-	-	-
								Exh 2, Ln 6, Col 1	*Exh 2, Ln 6, Col 2*	*Exh 1, Ln 5, Col 1*

Schedule G

Mortgage Loans Owned December 31 of the Current Year and all Mortgage Loans Made, Increased, Discharged, Reduced, or Disposed of During the Year

	1	2	3	4	5	6	7	8	9	10	11	12
	Mortgagor (followed by address of property)	Date Given	Date Due	Original Amount of Loan	Unpaid Balance Dec 31 Current Year	Interest Dates Due	Interest Rate	*Interest Amount Received	Interest Accrued Dec 31 Current Year	Value of Lands Mortgaged	Value of Buildings	Amount of Fire Insurance Held by Company on Building
1	None											
2												
3												
4												
5												
6												
7												
8												
9												
10												
	Totals			-	-			-	-	-	-	-
					Exh 9, Ln 8, Col 1			*Exh 1, Ln 6, Col 1*	*Exh 1, Ln 6, Col 3*			

*Gross amount of interest received during year less amount paid for accrual

Schedule H-Part 1
Real Estate Owned December 31 of the Current Year

	Description of Property (include location and year acquired)	1 Actual Cost	2 Amount of Encumbrances	3 Improvements to Home Office	4 Current year Depreciation	5 Accumulated Depreciation	6 Book Value Dec 31 Prior Year Col 7	7 Book Value Dec 31 Current Year (Col 1 - 2 + 3) - 5	8 Rental Income Received
1	None				-			-	
2								-	
3								-	
4								-	
5								-	
6								-	
7								-	
8								-	
9								-	
10								-	
	Totals	-	-	-	-	-	-	-	-
								Exh 9, Ln 9, Col 1	*Exh 1, Ln 7, Col 1*

Schedule H-Part 2
Real Estate Sold or Otherwise Disposed of During the Year

	1	2	3	4	5	6	7	8
	Description of Property (include location and year acquired)	Disposal Date	Name of Purchaser	Book Value at Date of Sale, Less Encumbrances	Amount Received	Profit on Sale	Loss on Sale	Gross Income
1	None					-	-	
2						-	-	
3						-	-	
4						-	-	
5						-	-	
6						-	-	
7						-	-	
8						-	-	
9						-	-	
	Totals			-	-	-	-	-
						Exh 2, Ln 4, Col 1	*Exh 2, Ln 4, Col 2*	*Exh 1, Ln 7, Col 1*

Management Ratios

		1	2	3	4	5	6
		Current Year	Prior Year	Next Prior Year	Next Prior Year	Next Prior Year	Next Prior Year
	Gross Written Premium Ratio						
1	Gross written premium (Exh 3, Col 2, plus 3)	246,032	204,409	162,409	160,182	149,106	140,524
	divided by policyholder's surplus (Pg 3, Ln 17)	1,402,238	1,275,093	1,187,236	1,144,554	1,052,824	989,796
	equals the gross written premium ratio of	17.5%	16.0%	13.7%	14.0%	14.2%	14.2%
	Net Written Premium Ratio						
2	Net written premiums (Exh 3, Col 6)	231,215	192,568	151,792	145,610	133,944	126,075
	divided by policyholder's surplus(Pg 3, Ln 17)	1,402,238	1,275,093	1,187,236	1,144,554	1,052,824	989,796
	equals the net written premium ratio of	16.5%	15.1%	12 8%	12 7%	12 7%	12 7%
	Gross Loss Ratio						
3	Gross losses paid (Exh 5, Col 2 plus 3)	38,595	21,808	29,319	13,509	8,381	31,242
	divided by gross written premiums (Exh 3, Col 2 plus 3)	246,032	204,409	162,409	160,182	149,106	140,524
	equals the gross loss ratio of	15 7%	10.7%	18.1%	8.4%	5.6%	22.2%
	Net Loss Ratio						
4	Net losses paid (Exh 5, Col 6)	38,595	21,808	29,319	13,509	8,381	31,242
	divided by net written premiums (Exh 3, Col 6)	231,215	192,568	151,792	145,610	133,944	126,075
	equals the net loss ratio of	16.7%	11.3%	19.3%	9.3%	6 3%	24 8%
	Operating Expense Ratio						
5	Operating expenses paid (Exh 8, Ln 25, Col 1)	96,209	91,944	89,831	83,255	87,335	100,922
	divided by gross written premiums (Exh 3, Col 2 plus 3)	246,032	204,409	162,409	160,182	149,106	140,524
	equals the operating expense ratio of	39 1%	45.0%	55.3%	52.0%	58.6%	71.8%
	Investment Yield						
6	Investment income earned (Exh 1, Ln 10, Col 5)	32,359	31,906	26,298	34,957	38,276	39,111
	divided by the sum of admitted assets (Pg 2, Ln 1 thru 9) Col 1	1,525,702	1,373,249	1,251,621	1,198,918	1,116,836	1,044,744
	equals the investment yield of	2.1%	2 3%	2.1%	2.9%	3.4%	3.7%
	Change in Surplus Ratio						
7	Stated surplus current year (Pg 3, Ln. 17, Col 1)	1,402,238	1,275,093	1,187,236	1,144,554	1,052,824	989,796
	less stated surplus prior year (Pg 3, Ln 17, Col 2)	1,275,093	1,187,236	1,144,553	1,052,824	989,795	951,500
	equals change in surplus current year (Pg 4, Ln 25, Col 1)	127,145	87,857	42,683	91,730	63,029	38,296
	divided by stated surplus prior year (from above)	1,275,093	1,187,236	1,144,553	1,052,824	989,795	951,500
	equals the change in surplus ratio of	10 0%	7.4%	3 7%	8 7%	6.4%	4.0%

General Interrogatories

1 (a) Have any amendments been made to the Company's Articles of Incorporation or Bylaws during the past year?		Yes
(b) If so, have all amendments been filed with the Commissioner of Commerce?		Yes
(c) What date were the amendments filed?	03/27/14	
2 (a) Does the company issue the Easy to Read Minnesota Standard Township Mutual Insurance Policy?		Yes
If NO, state type of policy issued	N/A	
(b) Are all policy forms which are used by the Company on file with the Commissioner of Commerce?		Yes
(c) Does your Company write a combination policy with any other company?		Yes
If YES, state names of companies and types of policies	North Star Mutual-Farmowners & Package Policies Grinnell Mutual Reinsurance Co -Farmowners & Package Policies Packaging companies cover the perils that the mutual cannot by statutes insure	
(d) Is this business done through a separate agency?		Yes
(e) Name the agency	Vernon Edda General Agency	
(f) Does your Company own the general agency?		Yes
3 Total number of counties in which the Company is authorized to do business?		9
List counties in alphabetical order	Dodge Fillmore Freeborn Goodhue Mower Olmsted Steele Waseca Winona	
4 Total number of Cities with a population of 25,000 or greater in which the Company is authorized to do business?		3
List the cities in alphabetical order	Austin Owatonna Rochester	
5 (a) How many members on the Board of Directors?		7
(b) How many Board of Director's meetings during the year?		12
(c) What is the average attendance?		6
6 Has Company established an annual policy for disclosure to its Board of any interest or affiliation on the part of its officers, directors, or responsible employees which is in conflict or likely to conflict with their official duties? (Y/N)		Yes
How is such disclosure made?	Written statements	
7 (a) Has any officer, director, or employee filed a loss claim with the Company during the year?		No
If so, give name, amount, and date paid	N/A	
(b) During the current year, did any officer, director, or employee receive directly or indirectly any compensation in addition to their regular compensation on account of any reinsurance transactions of the Company?		No
If YES, please explain	N/A	
8 (a) Are members notified in advance of the time and place of annual and special meetings?		Yes
Number of days advance notice given?		10
How are members notified?	Mail	
(b) Is the date of the annual meeting prescribed in the Articles of Incorporation or Bylaws?		Yes
Insurance policy?		No
Other?		No
Specify	N/A	
(c) Are members informed of vacancies on the Board of Directors?		Yes
How?	Mail	
(d) Are members informed of vacancies on the Board before nominations are closed?		Yes
If NO, when are they notified?	N/A	
(e) Number of policyholders attending the last annual meeting?		59
(f) Does the Company provide an annual financial report to the policyholders?		Yes
If YES, attach a copy		
(g) Has each member been given a copy of the Company's current Articles of Incorporation and Bylaws?		No
If YES, how?	N/A	
9 Are the funds of any other company intermingled with the funds of the Company? (ie checking account, etc)		No
If YES, Explain in detail	N/A	

General Interrogatories (continued)

10	Date of the last independent audit?	12/31/13
	Name of accounting firm	Jim Barta CPA, PA
	Address of firm	401 Sherman Street, PO Box 1879, Mankato, MN 56002-1879
	Name of individual in charge of audit	Jim Barta CPA
11	Are those with access to Company funds bonded?	Yes
	Secretary?	Yes
	Treasurer?	Yes
	Other employees?	Yes
	Amount?	25,000
	Name of security?	Western Surety
12	Is the Company a member of a state association?	Yes
	If YES, state the name	Minnesota Association of Farm Mutual Insurance Companies (MAFMIC)
	Is the Company a member of a national association?	Yes
	If YES, state the name	National Association of Mutual Insurance Companies (NAMIC)
13	Are all applications and records stored in a fire retardant safe/files in the home office?	Yes
	If NO, how are they safeguarded?	N/A
	Do you keep a duplicate set of important Company records stored off premises?	Yes
14	(a) For what terms are policies written?	3 years
	(b) Premium payment installments	
	Annual?	Yes
	Semi-Annual?	Yes
	Quarterly?	Yes
	Other?	N/A
15	Does the Company have a written inspection program?	No
	If YES, who inspects the properties?	Manager as needed
	How often?	New policies are inspected by the manager as needed
16	By whom are losses adjusted?	Manager and Grinnell adjusters
17	Does the Company carry liability (E&O/D&O) insurance on its directors?	Yes
	Officers?	Yes
	Employees?	Yes
	Name of insurer?	NAMICO
18	(a) Has any officer or director of the Company received any commission, fee, or other thing of value in connection with any investment or loan made by the Company during the year of this statement?	No
	If YES, give the particulars	N/A
	(b) Has the Company made any personal loan to any director, officer, agent, or employee?	No
	If YES, give the particulars	N/A
19	Have any dividends been declared during the year?	No
	If YES, give basis for the distribution	N/A
20	Any newly appointed agents during this year?	Yes
	If YES, list names and addresses	Jed DeWitz, 61673 150th Ave, Claremont, MN 55924
	Are all agents licensed?	Yes
	If NOT, explain	N/A
21	How are agents compensated?	Commissions
	Commission rate or rates	12%
22	Does the Company have a written disaster recovery plan?	Yes
23	Does the Company have a written investment policy?	Yes
24	Are the agents that collect premium from policyholders required to be bonded?	No
	If YES, is evidence provided to the company on an annual basis?	N/A

General Interrogatories (continued)

25	Homeowners direct written premium	$ 26,585
	Homeowners direct losses paid	$ 13,127
	Homeowners direct loss ratio	49%
26	Cities With Population > 25,000 direct written premium	$ 2,818
	Cities With Population > 25,000 direct losses paid	$ -
	Cities With Population > 25,000 direct loss ratio	0%

Number of Policyholders / Insurance in Force

1	December 31 of Prior year	Number of policyholders 277	Insurance in Force	152,078,457
2	Net addition or deduction for the year	Number of policyholders 8	Insurance in Force	11,820,795
3	December 31 of Current year	Number of policyholders 285	Insurance in Force	163,899,252

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors and Policyholders
Vernon Edda Mutual Fire Insurance Company
Blooming Prairie, Minnesota

I have compiled the statutory statements of admitted assets, liabilities, and policyholders' surplus of Vernon Edda Mutual Fire Insurance Company as of December 31, 2014 and 2013, and the related statutory statements of income for the years then ended, included in the accompanying prescribed form. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Commerce Department of the State of Minnesota.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Commerce Department of the State of Minnesota and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The 2013 financial statements were compiled by me from financial statements that I previously audited, as indicated in my unqualified report dated October 16, 2014

The supplementary information contained in Exhibits 1 through 11, Schedules A through H, Management Ratios, General Interrogatories, and the Supplemental Compensation and Expense Exhibit are presented for purposes of additional analysis and are not a required part of the basic financial statements The supplementary information has been compiled from information that is the representation of management I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information

These financial statements and Exhibits 1 through 11, Schedules A through H, Management Ratios, General Interrogatories and the Supplemental Compensation and Expense Exhibit are presented in accordance with the requirements of the Commerce Department of the State of Minnesota, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences

Jim Barta
Certified Public Accountant

January 28, 2015