

BRUNING STATE BANK

www.bruningbank.com



Bruning • 402-353-2555 or 1-800-403-5889

Hebron • 402-768-7473 or 1-800-405-6167

Bank of Broken Bow • 308-872-2757 or 1-877-872-2757

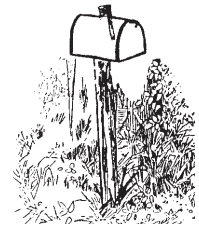
A Branch of Bruning State Bank • Broken Bow, NE

Holdrege • 308-995-3880 or 1-877-995-3880

"YOUR COUNTRY BANK"

April/May 2011

Vol. 28 No. 2



Friendship...

Maybe it's because of my age or due to the fact that I don't have enough to do, but I tend to reflect on things that have happened in the past.

We may hate to admit it, but my age group has been truly blessed. But all of us reflect on the highs and lows of life, and spend too much time thinking and worrying about the lows.

I was born in 1926 and have experienced many good things, including family. But besides family, friends seem to be one of the good things my generation has to reflect on.

Don't get me wrong; I'm not saying my generation has a monopoly on friendship. Every generation has their own friends. But I am hopeful that my generation could set an example how important this friendship is as you pass through life. Everyone needs someone as a sounding board to bounce ideas off on and share your happiness and troubles with, and who better than a friend?

I hope I'm wrong, but it sometimes seems to me that good times and prosperity don't yield or expand friendship. Can it be that the feeling of independence from being able "to make it on our own" causes us not to build friendships, or keeps us from trying to develop more friendships?

Looking back at the tough years in Agriculture, I think a lot of friendships were built out of necessity. Harvesting together, butchering, hauling hay – all of these activities gave opportunities to bring everyone in the family as well as friends and neighbors together.

Here's my point: kids saw how important friends were to Dad and Mom, so they continued the trend. They learned not to carry a grudge and develop their own friendships.

Here is the thought I read that inspired my topic for this issue: "All the wealth in the world cannot buy a friend or pay you for the loss of one."
---Latin Proverb

*Your friend,
Banker Frank*

Frank L. Bruning – Chairman of the Board

Pivots-Yours, Mine, Ours...

Many landlords and their renters have had the conversation of who should own the pivot on an irrigated farm. With a majority of the pivots put up in the 70s now showing their age and outlasting their usefulness, there may be only a few options for the old pivot: 1) trade it in or 2) tear it down and sell for scrap or used parts. One of my customers said it costs \$2,500 to remove an old pivot with no trade value. There are scrap dealers to take it for no fee, or share in the copper wire or steel scrap price, but there isn't enough spare land to just dismantle and move them to the pivot corners to decay.

One issue in buying a new pivot on a rented farm is who should buy it. The landlord may not want to spend \$60 -70,000 for a new pivot, or \$90,000 on a swing-arm pivot, with several years profits. What about renting a pivot for about 10% of the purchase price per year? (e.g. \$60,000 pivot might be \$6,000 per year rent, including service and repair.)

Some tenants purchase the pivots in return for longer term leases with lower cash or crop share rent. It seems fair that with more financial burden for insurance, taxes, repairs, maintenance, etc., for whoever owns the pivot, the additional cost should be offset through the rental arrangement. The question is what value should be used for ownership? The ownership and maintenance figures we use here in the Bank for our calculations on a 135 acre pivot range from \$25 to \$50 per acre.

The same ideas for the power unit may apply. When the tenant owns the engine and/or generator, another value should be considered for rent adjustments. Some landlords supply the pivot and power unit, others supply only the pivot. As these items age, good communication must occur between the people involved. Discuss who now owns what. If something must be replaced, decide who will buy it and how the rent will be affected. A longer lease may be fairer to the tenant who buys the equipment. If he finances a pivot for seven years, the lease could match that period or include the tenant's "right of last refusal" to buy the farm if it is to be sold including his power unit or pivot.

Conversation geared to keep that landlord/tenant relationship open and transparent helps both parties understand the value of the equipment and appropriate lease adjustments. Landowners and tenants: discuss it jointly and visit with your banker, pivot dealer, and family on the best arrangement.

Fred D. Bruning – President

"Look for your choices, pick the best one, then go with it." - Pat Riley

Ten Things NOT to Do With Your Tax Refund...

With the 2010 income tax filing deadline approaching, I thought I would share the top ten things not to do with your tax refund. This list was composed by Stacy Johnson, who writes for MSN Money's partner site, Money Talks News.

Ms. Johnson states, "The Internal Revenue Service estimates the average American's refund for tax year 2010 will be about \$3,000, slightly higher than the previous year." Listed below are Ms. Johnson's ten rather not so smart things to do with your tax refund.

1. Spending it rather than investing it. Getting a lump sum of cash is a great time to invest in a tax-advantaged vehicle like an IRA or other account that will allow your earnings to grow tax-deferred. Saving might not be as much fun as shopping, but think about this: If you invest a \$3,000 refund every year and earn 5% annually on it, in 20 years you'll end up with an extra \$94,500. That means retiring three years earlier if you can live on \$31,500 a year. Doesn't that sound like fun?

2. Not paying down debt. Every dollar you pay in interest makes your credit card company or other lender richer. Every dollar of debt you pay off makes you richer. While there's no guarantee that you can earn 5% if you invest your tax refund, here's a sure thing: If you're paying 15% interest on a credit card, paying it off is the same thing as saving 15%, tax-free and risk-free.

3. Not using it to generate a tax credit for next year. Can't stand the thought of not going shopping? Then buy something that will improve your home and generate a tax credit at the same time. Example? A solar water heater might set you back \$3,000 to \$5,000, but it will save you about 20% on your electric bill every month for years to come and get you a tax credit next year equaling 30% of the cost. If you spend \$4,000 on a solar water heater, next year's tax bill will be \$1,200 lower.

4. Failing to create a memory. Take \$3,000, deposit it in your checking account, and then gradually use it in dribs and drabs. When it's over, what do you have? Nothing. If you're determined to blow your tax refund, at least buy a memory with it. Go white-water rafting on the Snake River. Check out our National Parks. Do anything except letting your windfall slowly blow away.

5. Loaning it to someone. If you've been bragging about the giant check you've got coming, you've got only yourself to blame: Now your friends, relatives, or kids are looking for a loan. Before it's too late, start telling everyone you made a math error, and rather than getting \$3,000 back, you actually owe \$3,000.

6. Not doing something to improve yourself. Maybe it's time to take that class that will prepare you for a better job, or get that computer or software that might help you make some money on the side. Or even buy a new suit that might get you noticed at work. There's something you can do that will pay dividends. Now's the time to do it.

7. Using it to create more debt. Using your tax refund as a down payment on a car or other type of loan – especially the kind used to purchase a depreciating asset – should top the list of dumb things to do, especially if it's unnecessary. Buy a used car, or travel to a destination you have always wanted to go.

8. Failing to prevent future big refunds. I know it feels good to

get checks in the mail, but big tax refunds are really more defeat than victory. Money you get as a refund is money that you've lent interest-free to Uncle Sam all year. If you're consistently over-withholding, visit the IRS W-4 calculator and see if you should adjust your W-4 at work so you'll have less withheld from each paycheck throughout the year. On the other hand, if you're more capable of doing something productive with an annual lump sum versus a slightly larger monthly income, don't change a thing.

9. Going to the mall. For some reason, when we get a check from Uncle Sam, some of us act like we won the lottery. This isn't "found money" – it's your money. If you didn't need new clothes before you got your refund, you probably don't need any now.

10. Using it to sustain an unsustainable lifestyle. If you're one of the millions of Americans who pays a fee to get a refund anticipation loan because you need the money instantly, that's a sign you're in over your head. Do some reading on refund loans and resolve to never again pay a tax preparer to get your refund. Then, do what you can to reverse the dire financial situation that's making an instant refund necessary.

If all this sage advice has you chomping at the bit, you can check on your refund by going to the "Where's My Refund" page of the IRS website or by calling the IRS Refund Hotline at (800) 829-1954. If you mailed your return, wait at least three weeks before checking; if you filed electronically, allow 72 hours. If you use the automated telephone system, you'll need your Social Security number, filing status and the amount of the refund shown on your return.

I hope you take a little time to give these items some consideration before deciding what to do with your income tax refund money.

Have a great spring!

Craig Pope –
Hebron Branch President

Tis The Season-For Fun!

And SPRING is finally here! Spring brings us warmer temperatures and sunshine...makes us want to get outside and have some FUN!

Don't forget to get coverage on your 4-wheelers, motorcycles, boats, jet skis, campers, and other recreational vehicles.

Don't assume you have coverage – call us today!

And on the "fun" side of things, here are some "fun" thoughts about Experience:

- A man who carries a cat by the tail learns something he can learn in no other way. - Mark Twain
- Good judgment comes from experience, and often experience comes from bad judgment. - Fred Brooks

Have a safe and "fun" spring.

Fred Kobza, Kathy Roberts
& Kristen Monteforte – Insurance Agency*

*Not FDIC Insured *Not a guarantee of the Bank *Not a deposit of the Bank *Not insured by any federal government agency *May go down in value

Deception Point...

Have you ever kept a secret? I am not talking about a 3rd grade type of secret, like you know which boy Susie likes. I am talking about a real secret, the kind that keeps you up at night or you get that knot in your stomach when you see the person the secret is about. Well, we all have our secrets, but did you know that some of those secrets could be eating away at your marriage? According to Tim Grant, in his Pittsburgh Post-Gazette article Silent Partners: Keeping Financial Secrets from your Spouse can be Destructive, "Like infidelity, when couples and spouses hold financial secrets between them, it can erode trust and often spell doom for two people who love each other."

We all have kept things like a surprise birthday party or a special gift for our significant other, but do you have a little stash of petty cash in your drawer at work? Or have you ever "self-gifted" that gotta-have purse or toy tractor? While keeping secret a birthday party or a gift typically isn't damaging, behaviors like self-gifting or hiding cash can have long-term effects on a marriage. When we are single, what we do with our money doesn't matter because we only answer to ourselves. After we get married though, it can start to cause problems if we hold onto those old habits.

At this point in reading the article, my heart sank because I have done several of these. In our marriage, I have both funded a brokerage account without telling my wife and I have also self-gifted. In both cases, I had different motivations. The brokerage account was "innocent" enough – I saw an opportunity in the market and needed to put some money away for the kids' college savings. The problem I now see is that I didn't communicate this to my wife, Tracie, before allocating some of our available cash to this account. The self-gift was just what it sounds like – instead of waiting and talking about the item with Tracie, I decided to take some of that "petty cash" that I had stowed away for a rainy day and used it for the "have to have" item that is now sitting in a closet somewhere in my house, a double whammy.

We are all wired differently. Some of us are wired or "programmed" to spend and others of us are wired to save. Without consistent communication of expectations, Tim Grant says, "A big saver may come to resent a big-spending partner. The free-spirit also will tire of a penny-pinching spouse who doesn't allow them to have any fun with the money they've earned."

In an environment where the NFL owners can't communicate on how to split up \$11 Billion and our elected officials can't communicate on whether we should save \$6 Billion or \$60 Billion in the budget, is it too complicated for us to communicate with our spouses about \$50 secrets? The one big thing that I took from this article is those secrets that we consider little now can build up over time and become huge chasms in a marriage. As Herb Vest of True.com says, "If you are going to have secrets, join the CIA. Don't get married. Any type of secret can lead to other forms of deception." Tracie, I am not a CIA agent, so this is my public apology for all of those "little financial secrets." I hope for a better financial foundation for all of you couples out there.

*Chris Tonniges – Vice President,
Registered Representative**

Securities offered through Securities America, Inc. Member FINRA/SIPC. Christopher J. Tonniges, Registered Representative. Advisory Services offered through Securities America Advisors, Inc. Christopher J. Tonniges, Investment Advisor representative. Bruning State Bank and Securities America companies are not affiliated. *May lose value. *Not FDIC insured. *No Bank guarantee.

That Same Ol' Song...

One comment surfacing again in the banking industry is, "Most mistakes in lending money are made during the good times." This means during the "good times," a lot of us become so optimistic in our thinking that it's easy to get caught up in this trap. I have been lending money for 33 years and I would have to say these are the best financial times I have ever experienced. Listen to the news and read the government reports referring to net farm incomes increasing for 2010 and projected to increase for 2011. I am sure these statistics have filtered right back to Custer County. We are seeing financial progress with our customers and these are exciting times.

Customer demand for farm commodities has driven up input costs. The prices of all items needed to raise a crop are increasing along with rising machinery costs and rising real estate prices. We know the pendulum will swing and the cycle will change. Probably sooner rather than later, we will experience some stressful years in farming and ranching. Remember, undoubtedly, some of our capital expansion may have to be paid back during the hard times. This being said, we are still behind our customers when they take that leap of faith to expand and grow the size of their operation. We understand that if you do not expand at a moderate pace, it will be hard to catch up and maintain status quo in today's industry.

Another comment I have heard people say about bankers is, "Bankers will only lend money on cows when they are high." The fact of this matter is that borrowers never want to buy cows when they are cheap. I have noticed when cattle prices get expensive, everyone wants in! They want more of the action while it's fun! Thus bankers loan money for cows when they are high. HA!

Sometimes it seems like prices are going to stay at these profitable levels and become the norm. However, with rising expenses all across the board, what will this look like when commodity prices fall? Demand has driven up commodity prices. Exports of grains and meats have increased. Some of this is due to the value of our dollar and to the fact that people want to improve their diets. It's hard to know exactly how to pace expansion plans. Let's not make financial mistakes during these good times with the expectation that current profitability will continue. Don't bet the whole farm on your next farm!

*Dan Jelinek – Branch President,
Bank of Broken Bow*

How many times can we add on to the same building, you ask?

If only we could always anticipate our future needs and the changes in banking! Technology increasingly plays a larger and more significant role in bank operations. Our operations/bookkeeping department in Bruning now serves four locations and has outgrown the space we have. The addition planned for this summer will:

- Expand the work area for bookkeeping staff and the many hardware components they need for operations.
- Include a more highly secured basement for server and document storage.
- Increase the number of offices available for our insurance agents so we can better maintain confidentiality during appointments.

The new addition (on the west side of the building) will allow us to better serve all of our customers, not just those in Bruning. Some have questioned why we didn't "start over" with a whole new building long ago. One of our Bank's philosophies is to embrace the new without forgetting the old. We like our place in the heart of the Bruning Main Street business area and can't imagine being anywhere else!

Stay Focused...

Earlier in my banking career, I remember having a discussion with my boss about his concerns for the coming year. We had just had a very good year. I was feeling good about our business model and how successful we were at turning the bank's performance around. Everyone had worked very hard and it was truly a team effort that had made the year such a success.

He was not in the same mood as I was. As we talked, I kept bringing up how well we had done. I told him we were all a little tired and ready to take a break. That's when he said to me, "This is what I'm talking about." He went on to explain that the biggest challenge we had for next year was not going to be growing the bank and making money, it was going to be complacency. My boss said whenever you have a good year, it is human nature to want to sit back and enjoy it. When you get complacent, things start to fall apart. You don't pay enough attention to the details and your level of performance goes down.

The threat of complacency is real in every business, and farming is no exception. We have just come off of another good year with great grain prices and very good earnings. This is the fourth year in a row of strong performance for the cash grain farmer. With the business success everyone is having, it is easy to not stay as focused on the details. I suspect most of our farm customers don't pay as much attention to holding the line on crop input expenses, or even living expenses, as they did five years ago. If you're making a great profit, does it really matter?

Many farmers have purchased a significant amount of capital over the past several years. Part of the reason is their need to upgrade equipment. Part of the reason is that with the accelerated tax depreciation, they can divert a considerable amount of income tax and the tax savings can help to pay for the capital purchased. There is nothing wrong with buying capital, but many times the farmers are not talking to their banker prior to buying the equipment. Issues of whether to pay for the capital out of earnings or borrow the money and term out the debt have to be considered. Whether or not the farming operation has debt coverage if grain prices move back to more traditional levels also needs to be considered before the purchase.

The preservation of working capital is so important in any business. It is easy to not pay much attention to this when times are good. Dr. David Kohl, Professor Emeritus in the AAEC Department at Virginia Tech, says you need a minimum of 30% of net sales in working capital. Thus, if you have \$1,000,000 in net sales, you need a minimum of \$300,000 of working capital (current assets minus current liabilities). Anything less than this and you are exposing your business to the risk of not having the borrowing capacity you need to keep operating in tougher times. When you buy capital and pay for it out of cash, you are diminishing your working capital.

When times are good, it is easy to lose focus on the details, as they don't seem to matter. When times aren't as good, those details can come back to haunt you, and it can be painful.

*Darrell Raum –
Senior Vice President & Credit Supervisor*

What's Coming For Bank Client Technology?

Recently, four members of the Bruning State Bank team, including myself, attended the Nebraska Bankers Association (NBA) Annual Technology Conference in Lincoln, Nebraska and we heard from many speakers and industry experts.

My focus for attending was to learn more about information security for our small business clients and how to best protect our clients' non-public information. I was pleased to learn that improvements have been made and the technology that we'll look at implementing in the future has come down in cost. Don't panic - I'm not saying or implying that the multifactor authentication we currently use in conjunction with a user code and strong password combination is weak. I'm saying that with the coming upgrades we'll make, we can continue to improve how we protect you online. I'll let our other IT staff explain this more in a future article. I just wanted to give you assurance that we do evaluate the ever changing world of information security. Reading, visiting with bank peers, and attending technology conferences are great benefits to the staff as well as our clients. As we move ahead with this, we'll be able to offer our small business clients more products and services online.

Another area we spend time and resources on is vendor management. The NBA hosted a nationally renowned speaker on this subject for the conference. We review the financial statements and audits of our vendors to make sure that the companies, products, and services we use are safe and provide the best security available for our clients' non-public information. Our in-house system is called Fiserv Premier, whose support office is located in Lincoln, Nebraska. Fiserv is one of the largest providers of IT services to financial institutions worldwide, and we are very comfortable with the products and security features that are included in their software, which we use to track your account information.

Another conference speaker was from Georgia and works for Profit Stars, a Jack Henry Company and a competitor to Fiserv. Both are well-managed companies. One of his points was that in the future, banks need to provide predictive information about a customer's spending habits based on their peers' habits, such as whether the customer can afford to make a certain purchase. I heard this speaker say three or four times that we need to take the math away so clients don't have to think about it. Another of this speaker's points was that transactions will increasingly take place on smart phones with near field technology. I have to agree that banking on smart phones is the wave of the future and software applications for phones will become quite sophisticated. However, I do not agree with the concept that in our social media connected world, we should compare our spending habits with others who are similarly situated instead of doing our own math. Not doing the math is what caused the financial mess we see around the country. We'll provide more technology in the future, you keep a sharp pencil handy, and we'll all be better off.

*Jerry Catlett –
CFO*

Technology Updates...

Simplify Your Life

Ready to make the change from the delay, clutter, and inconvenience of paper statements? In April, we will be launching e-Statements! Some of you have been asking and waiting for this, so we are excited to tell you it's just around the corner! Watch our Facebook, Twitter, and web pages in April for the official announcement of when you can sign up.

You will be able to sign up simply through Online Banking, or you may ask any of our Customer Service Representatives to sign you up. There will be an agreement (of course!) that explains the details, and then you will have officially "gone paperless."

Each time your statement is created, you will receive an email notification. The statement will not be attached to the email. You will log into Online Banking to retrieve your e-Statements, making this a very safe and secure way to receive them. e-Statements will be available for up to 18 months, so you will have plenty of time to view, save, or print them at your convenience. e-Statements will be viewable in HTML and will contain all of the same information as your paper statement, including check images.

Still unconvinced about the advantages of electronic statements? There are many!

- **Access** – 24/7 availability of statements going back 18 months.
- **Speed** – no more waiting three, four, or more days to get your statement in the mail.
- **Security** – no statements sitting in your mailbox and no un-shredded statements going out in the garbage.
- **Organization** – no cluttered piles of statements on your desk or kitchen counter waiting to be opened and filed.
- **Peace of mind** – you're doing your part to conserve the environment and save trees!

Remember to watch our Facebook, Twitter, and web pages in April for the big announcement on when you can go paperless.

Tech Term of the Month – Authentication is the process of confirming that someone is, in fact, who they claim to be. In Online Banking, we "authenticate" you before letting you have access by asking for your user code, showing you an image and phrase to verify, and then asking you for your password. Authentication methods are always improving, and they help us maintain the safety and security of your personal data.

*Corey Swartzendruber, Janet Germer
& Angela Kuhlmann*

p.s. – If you already love electronic statements, did you know many billers provide them within our Online Bill Pay web site? So you can view your bills and pay them in the same place!

Personal Online Bill Pay - How Does It Work?

It's been a while since we've discussed how Online Bill Pay works, so a review might be helpful for both new and existing customers.

Log in to your Personal Online Banking as usual. From your list of accounts, select the checking account you want to have charged for your payment. Click on the "Payments" button, select "Add a Bill" and set up your payment. The pay date is the date you want the payment effective. To set up a recurring payment, go to "Manage My Bills" to select the biller you want, and then choose "Add an Automatic Payment" to set up the specifications you want.

The payments you authorize are handled in three different ways:

1. If an agreement is on file with the company you are paying, your payment will go to them electronically and will come from your account as an automatic debit also. It will say, for example: VERIZON WIRELESS ONLINE PMT. The debit will be on the effective date of the payment.
2. The second type sends a check to the payee or company so that they receive it by the pay date and creates an automatic debit from your checking account. Again the description will say, for example: DISH NETWORK ONLINE PMT.
3. The third type mails a check to the payee or company so they receive it by the effective date. When they receive the check, they deposit it into their account and it is processed as a regular check you might have written. It is posted from your account when it gets to us and has an image of the check with your account information.

By using Online Bill Pay, you can save on postage, the cost of checks, envelopes, and time writing those checks. Have you ever gotten bills ready and forgotten to mail them? Online Bill Pay will eliminate that possibility too! Let us help you with your bookwork.

As a reminder, Business Bill Pay is also now available. It costs \$2.50 per month for up to ten payments. Each additional payment beyond ten per month will cost 50 cents. Considering the cost of business checks, envelopes and postage, it's a bargain! Contact Corey Swartzendruber or anyone in the bookkeeping department in Bruning to set up Business Bill Pay. Our phone number is 1-800-403-5889; give us a call today!

*Pam Lemke, Janice Fintel, Carm Hinrichs
& Anna Sell – Bookkeeping Department*

GO GREEN!!

If you would rather receive an electronic copy of our newsletter by email, please contact Mabel at

mhogeland@bruningbank.com.



It Co\$t\$ How Much???

Wow... why does everything have to cost so much? Seems like the price tag on everything goes up on a regular basis! The increased cost of daily living makes us look for ways to save money and reduce expenses.

We have a few suggestions on how you could save some money on your auto and home insurance.

Auto Insurance:

- Consider raising the Comprehensive and Collision deductibles.
- Remove the Comprehensive and Collision coverage on older vehicles.
- Take advantage of multi-policy discounts by purchasing both your home and auto insurance with the same insurance carrier.
- Maintain good credit.
- Be a safe driver to avoid violations and accidents.
- Some companies offer additional discounts –
 - Low Mileage
 - Drivers Education
 - Multi-Car
 - Accident-Free
 - Good Student

We do not recommend reducing the amount of liability on your autos. In today's litigious society, buying the minimum amount of liability could result in large out-of-pocket costs if you are sued.

Car insurance premiums are based in part on a car's price, the cost of repairs, the overall safety record of the vehicle, and the likelihood of theft, etc. Check into the cost of insurance BEFORE you buy a vehicle.

Home Insurance:

- Consider raising your policy deductible.
- Buy your home and auto policy from the same insurance carrier.
- Maintain good credit.
- Improve your home security. Discounts are available if you have smoke detectors, fire extinguishers and dead-bolt locks, but you can get a higher discount with fire and burglar alarms that report to the police or other monitoring stations.
- Review the coverage limits on your insurance regularly. Make sure you have adequate coverage for additions to the home and personal possessions such as flat screen TVs, laptop computers, cameras, cell phones, collectibles, etc.

The Bruning State Bank Insurance Agency is an independent insurance agency with access to many companies and all kinds of insurance. Give us a call or stop by our office for all your insurance needs!

*Fred Kobza, Kathy Roberts
& Kristen Monteforte – Insurance Agency**

*Not FDIC Insured. *Not a guarantee of the Bank. *Not a deposit of the Bank. *Not insured by any federal government agency. *May go down in value.

Account Notice for Business Customers...

With the dramatic increase in Internet-based wagering, Congress has enlisted banks to assist in the effort of preventing illegal Internet gambling. The notice below briefly explains the new regulation and how Bruning State Bank will comply with it.

Unlawful Internet Gambling Enforcement Act (UIGEA)

The Unlawful Internet Gambling Enforcement Act (UIGEA), signed into law in 2006, prohibits any person engaged in the business of betting or wagering (as defined in the Act) from knowingly accepting payments in connection with the participation of another person in unlawful Internet gambling. The Department of Treasury and the Federal Reserve Board have issued a joint final rule, Regulation GG, to implement this Act.

As defined in Regulation GG, unlawful Internet gambling means to "place, receive or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the Internet where such a bet or wager is unlawful under any applicable Federal or State law in the State or Tribal lands in which the bet or wager is initiated, received or otherwise made." The regulation applies only to business accounts and not consumer accounts.

As a customer of Bruning State Bank, you should be aware of the following:

- These restricted transactions are prohibited from being processed through your account or banking relationship with us.
- In the event we gain actual knowledge that a business account has processed restricted transactions or engages in Internet gambling activity, we may elect to close the account.
- By maintaining a business account with Bruning State Bank, you agree to notify us if your account is ever used for Internet gambling of any kind, even if you believe the activity to be legal.

Welcome...



We would like to welcome Brian Hulse to our Bruning staff. Brian grew up in the Bruning area and has worked in the business markets of Lincoln, Nebraska and Phoenix, Arizona for the past 25 years. He has recently moved back to Bruning and is excited to be part of the community again. Brian has joined our insurance department and is excited for the opportunity to meet and interact with everyone. Stop in and say hi to Brian!

Spring Cleaning...

It is that time of year again. Time to sweep out the garage, organize the closet, fire up the grill, and enjoy the beautiful spring days as the grip of winter subsides. Every spring, we vow to clean and organize the house and garage. We should do the same with our financial documents. It is easier to stay on top of your finances if you have all the necessary documents neatly organized and easy to access. To help you get financially organized this spring, below are just a few guidelines.

1. Documents to Keep:

- Copies of your tax returns for seven years.
- Documents to support tax returns, including tax credits or deductions (W-2's, 1099's, bank statements, etc.) for seven years.
- Loan documents until the note is paid off and the title or deed is returned.
- Mortgage documents, including any documents related to home improvements, until six years after you sell the property.
- Life insurance policies.
- Estate planning documents.

2. Documents to shred after one year, unless you are using them for tax purposes:

- Credit card and bank statements.
- Receipts, unless you will need them for returns or warranties.
- Most insurance policies. (Most renew each year, so the old ones can be discarded.)
- Pay stubs, after you've reconciled them with your W-2 or 1099.

Your documents should be stored in a fire-proof safe or in a safe deposit box at your local Bruning State Bank Branch. We have a variety of box sizes to meet your needs and would love to open one up for you today.

Documents that you shred should be shredded using a cross cut shredder to decrease your chances of identity theft. You can also bring documents you want shredded into the Bank. Since we utilize a paper shredding company, we can properly dispose of your confidential documents. Or if you want to minimize your piles of paper in the first place, sign up for electronic statements whenever possible. E-statements from Bruning State Bank will be available in April!

These are just a few tips to help you get organized this spring and keep your financial house in order.

*Luke Thorell –
Personal Banker, Loan Officer
Holdrege Branch*

To All Ladies...

*We invite you to stop in at any
Bruning State Bank location on
Friday, May 6 to receive a flower in
honor of Mother's Day!*



Direct Deposit and You...

Are you one of the many people who receive your Social Security, Supplemental Security Income, Veteran's Affairs, Office of Personnel Management or Railroad Retirement Board payments through direct deposit? If so, good for you! You aren't worrying about whether your check came in the mail today or if you can get to town if the roads become icy or impassable. You know that your deposit will be made automatically to your account while you are enjoying a sunny beach vacation when the snow is flying in Nebraska.

If you are currently receiving checks, are you aware that this process will be changing? Any person that now receives paper checks for government benefit payments will be switched to direct deposit or the government debit card by March 1, 2013. Anyone who enrolls in a program to receive a government payment after May 1, 2011, will receive payments only by direct deposit or the government's debit card program. If you as a beneficiary do not specify direct deposit into your bank, you will automatically be enrolled in the government debit card program.

There are many good reasons for you to use direct deposit services. Among them are:

Safe: It lessens your chances of becoming a fraud victim.

Easy: You don't need to leave the comfort of your home – on the scheduled day, the payment is sent electronically to your bank account.

Fast: Your money is in the bank and immediately available to you.

If you do not currently receive direct deposit and would like to change before you are forced to do so, you may bring your check to the bank (there is certain information on your check that we will need to help get you enrolled), or you may go online at www.GoDirect.org or call the U.S. Treasury Processing Center's toll-free helpline at 800-333-1795. Find out how easy it is to arrange for direct deposit today!

Customer Service

Who Needs a Trust?

Not everyone must have one, but there are many good reasons to create one or several trusts. Depending on their characteristics, trusts can be designed to serve a variety of needs. There are a lot of questions to be considered before moving forward with a trust, including:

1. What assets do I have and who do I want to receive them?
2. How do I want to pass the assets on? Do I need a trust for taxable or nontaxable reasons?
3. Do I have a will? Who should be the personal representative of my will, or trustee on any trusts created?
4. Do I need or want to "gift" some assets during my lifetime to reduce my taxable estate?
5. What happens in the event of my incapacitation?

If you think you might be a candidate for creating a trust, consider some of these questions and visit with the attorney of your choice. When you're ready to move forward, keep in mind the Bruning State Bank Trust Department is available to help you!

BRUNING STATE BANK

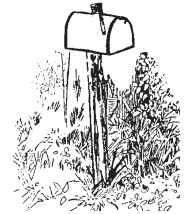
P.O. Box 100
Bruning, Nebraska 68322

Std
U.S. Postage
PAID
Permit No. 4
Bruning,
Nebraska

Address Service
Requested



YOUR COUNTRY BANK



Spring Means-Planting Season!

Well, it looks like the snow is finally gone and spring is finally here! Time to get out there and put those seeds in the ground!

Multi-Peril Crop Insurance goes into effect as soon as the crop is planted. Bushel prices are higher this year, so your coverage per acre is also higher. Here are a few reminders to help avoid issues in the event of a loss:

- Planting periods for most counties in Nebraska are:
Corn - from April 10 to May 25
Grain sorghum - from April 16 to June 15
Soybeans - from April 25 to June 10
- You need to make a discernible break in the planting pattern if you intend to keep your Irrigated and Non-Irrigated crops separate. The separated Irrigated and Non-Irrigated acres need to be certified at the FSA office and reported to your agent.
- The acreage-reporting deadline for Oats, Corn, Milo, and Soybeans is June 30. If possible, you should certify your acres at the FSA office prior to reporting your acres for crop insurance.
- Losses need to be reported immediately, so be sure to contact your agent if you think you might have a loss.

Spring also brings the chance of HAIL and storms, so don't forget your hail insurance. It doesn't cost extra to get hail insurance in place early, so don't wait until the storm clouds are overhead! Hail insurance helps provide coverage on the portion of crop that is not insured under your multi-peril crop insurance policy. We can provide standard hail insurance, companion hail, and production hail, along with green snap and wind coverage.

Give us a call or drop by our office to review your coverage, get a quote, or if you have ANY questions on Multi-Peril Crop Insurance, Crop Hail Insurance, or Livestock Insurance.

Jeff Hammer, Kathy Roberts, Craig Pope &
Shari Fisher – Crop Insurance Agents*

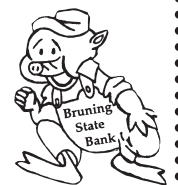
*Not FDIC Insured *Not a guarantee of the Bank *Not a deposit of the Bank *Not insured by any federal government agency *May go down in value

Howdy, Buckaroos!

Did you enjoy my word puzzle in the last newsletter? Well, here's another puzzle for you to try. Read the questions, and see if you can figure out the answer!
Helpful Hint: get a few coins to help you figure them out.

- I have three coins in my pocket. They are worth 7 cents. What do I have?
- I have three coins in my pocket. They are worth 16 cents. What do I have?
- I have three coins in my pocket. They are worth 11 cents. What do I have?
- I have three coins in my pocket. They are worth 30 cents. What do I have?
- I have six coins in my pocket. They are worth 30 cents. What do I have?

Good Luck
and
Keep Saving,
Buck



Answers:
1) 1 nickel and 2 pennies; 2) 1 dime, 1 nickel and 1 penny;
3) 2 nickels and 1 penny; 4) 3 dimes; 5) This problem is
tricky because it has more than one answer! 1 quarter and
5 pennies OR 6 nickels.