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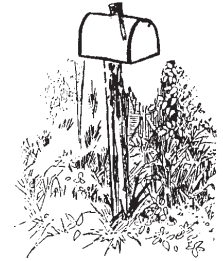
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"YOUR COUNTRY BANK"



August/September 2013

Vol. 30 No. 4

A Privilege, Not a Right...

Mary and I had an idea two years ago to make a bucket list of people to go visit, people who we have known over a period of years and who are good friends of ours. We wanted to visit all of them before travel would be difficult for us. We had such a good time in 2011, that we repeated the trip of one thousand miles again this summer.

Almost all of these friends were in Ag school after WW II or were livestock people I have known; some have lost their spouses over the years. Their ages ranged from 80 to 96. The trip included Ainsworth, Valentine, Hyannis, Ashby, North Platte, Kearney and others. Nearly all of the friends we visited were born and raised in their present locations.

We had a good time. Some of the stories we told were so good we started to believe them ourselves. Seriously though, the best impression I came away with was a statement from my friend, Pete Becker. Pete and his wife, Mary Catherine, live about eleven miles south of Ashby, NE, where he is an outstanding Quarter horse breeder. We stepped out on the deck and he made this remark, "Frank, I consider it a privilege to have been born in this area."

Isn't it great to hear someone who has been satisfied in his life and his home with all the dissatisfaction in the world? It also makes us realize that the lifestyle of rural America is a privilege.

Not everyone is satisfied with rural America. One observation I have made is that young people can't wait to get to the city, where supposedly the better jobs are. As time goes by, many realize they have good memories of the rural lifestyle and would go back in a minute if they could.

Parents, don't shut the door so kids can't come back. And kids, don't burn any bridges; keep your options open.

Pete and I, along with many others, consider it a privilege to be born in rural America.

*Banker Frank - Frank L. Bruning
Chairman of the Board*

*"A man travels the world over in search of what he needs... and returns home to find it."
- George Augustus Moore*

Service Industry...

When we think about what makes our economy work so well in the United States, we often think of factories, industry, agriculture – how much we can produce or manufacture. That's certainly one side of the equation. How we keep it all going day to day, hour to hour – that is the service side. For repairing breakdowns, retooling, adding functions, or increasing efficiency, we couldn't do it if we didn't have the service industry to support the production.

We rely often on the service industry at our farm, home, and bank facilities, especially in the last 30 days. The ones who come to mind are mechanics, veterinarians, plumbers, electricians, computer techs, deliverymen, and repairmen (air conditioning, television, pivot, etc.).

Speaking of pivots, we had 200+ pivots blown over in the Bruning area at the end of May. Our pivot dealers are working long, hard hours getting the old ones off and the new ones up and running again. We all get impatient when talking to service departments, but we don't realize the stress these people experience when they are overwhelmed with phone calls during times like these. The same can be said when other machinery needs repair, such as during harvest time.

I guess what I am trying to say here is that in this day and age with computers, iPads, cell phones and other devices, we are used to having instant access to everything. We've come to have the "right now" attitude and the "me first" expectation. However, we could not produce high crop yields or give superior service to our bank customers if we didn't have the right support to get us all going again, no matter what machine it is.

What would we do without our mechanics, plumbers, electricians, computer support techs – the list could go on and on. I feel these people do not get enough pats on the back or hear enough "please" and "thank you" in their daily work. I truly believe they would rather help the kinder, more respectful customer first and save the outspoken complainer until later or even de-market them from their service company. Think twice about how you treat service providers the next time you feel your patience slipping as you wait your turn.

We all need to keep our homes and businesses running efficiently. So, THANK YOU to the service industry for helping us do that. We appreciate you!

Fred D. Bruning – President

"Life is short but there is always time for courtesy." - Ralph Waldo Emerson

Fraud Watch...

In this age of technological advances, we are seeing things we only dreamt about 10 years ago, from tablets to smart phones, consumer space travel and cures for diseases. But none seem to be advancing as quickly as consumer fraud.

Somewhere in a foreign country there is a man living in his parents' basement scanning the internet for consumer debit card numbers, birth dates, social security numbers, and any kind of other personal information that he could use to make a quick buck...

Here at Bruning State Bank we have a computer program that monitors all card transactions and looks for "odd" purchases and then notifies a banker who in turn contacts the consumer. "Odd" transactions are usually tied to location. For example, if at 10:00 am you make a purchase at Wal-Mart in Kearney and then at 11:00 am you are buying clam chowder in some coastal town in Maine, we probably can figure on something being wrong. (If you plan on going on a trip, it is always a good idea to notify your banker of where you are going and how many days you'll be there so they know that transactions taking place in these areas are legit.)

While our bank's Fraud Watch program is very effective and has saved consumers a lot of money, it is not perfect and cannot catch every fraudulent transaction. Below are some types of scams and the precautions you can take to protect yourself from those basement-dwelling computer hackers.

ATMs – Some ATMs present a perfect opportunity for thieves to "skim" debit cards. Skimming is the practice of capturing card information with a device that reads the card's magnetic strip. These devices are often placed over the real card slots at ATMs. Outdoor ATMs have a slightly higher risk of skimming devices, unauthorized cameras, and crooks positioned in a way where they could survey it. If possible, use an indoor ATM or an ATM beside a bank with a lot of traffic. You can spot ATM skimmers by checking for ATM components that move or seem loose.

Online Purchases – The Internet is the number one place for fraud or stolen card numbers. When shopping online, always buy from well-known, reputable sites such as Amazon.com. Also using a program such as PayPal will help keep your personal payment information safer when shopping online. Checking your statements and account activity frequently is a great way to combat Internet fraud, or any fraud for that matter, and to get it stopped before major damage can be done.

Restaurants – Restaurant servers have the standard practice of taking customers' debit cards away from the table to run them. Any time your card is out of sight can increase the chances of fraud. When a server takes your card and disappears for a while, he or she has privacy and thus the opportunity to copy your card information. When you go out to eat, try to plan ahead and bring enough cash to pay for the meal.

Phone Phishing – Phone phishing is becoming more and more common. This happens when someone calls you pretending to be from the bank or your credit card company. One recent example – they say they have a large charge coming through your account from a foreign country. Obviously you are now alarmed and fear someone is trying to steal from you. The so-called representative then says they can stop the transaction but need to verify the numbers on your card to do so. You comply

and the representative says they were able to stop the transaction and they will shut your card off and send you a new one. They are very polite and thank you for your business, and you are thankful they called. In reality, you just gave away your information to the crook. Credit card companies and banks will never ask you for your entire card number, if they ask for it at all, because they already have it on file. If you get a phone call from someone claiming to be a representative of a bank or credit card company asking for your information, hang up and call the number on the back of your card or your bank directly and ask for the fraud department.

As you can see, card fraud crooks dream up all kinds of schemes to scam people out of their money. If they would spend even half of the time that they devote to defrauding consumers for doing something productive instead, they could probably discover a new cure or invent the next billion dollar gadget. Since that isn't likely, make sure you continue to take the necessary steps to protect your valuable personal information every time you go shopping, to a restaurant, or to make an online purchase.

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

Celebrating Independence...

Recently one of my favorite holidays has come and passed us by again. The 4th of July to me is about spending time with family, eating great summer food, and spending the day in the sun. Since the 4th of July was made a holiday to celebrate our independence, it also makes me think of one person specifically, my Grandpa Holtzen. He is a veteran and a man of great wisdom.

For this year's July 4th, my husband and I went to see the air show in Seward, NE. During the show, they put on a fun skit. It was about an old war veteran who was a pilot. He claimed that he didn't know how to fly a plane and wanted to learn. The younger gentleman offered to teach the veteran, and proceeded to let him into his plane. While the younger gentleman was checking the plane for any issues, the veteran started the plane and took off. I'm sure you can imagine the "chaos" that followed while the younger gentleman tried to "teach" the veteran to land the plane.

I'm sure at this point you are wondering where I'm going with this. It amazes me sometimes, how much the different generations can learn from each other. Every day I see the "youngsters" learning from their elders, and vice-versa. I think the most important lesson that my grandpa taught me, and that I saw through the 4th of July skit, is to never stop learning. Learning keeps the mind young and the heart light.

I hope you all had a wonderful 4th of July, and continue to enjoy your summer.

*Julia Schweer –
Customer Service,
Young Bankers of BSB*

Let's Review!

Your insurance coverage should be reviewed on a regular basis! Do you have the coverage you need should you have a loss? A few things to think about....

- **Dwelling & Personal Property** – Do you have enough coverage to rebuild your home and replace your personal property should you lose your home? Do you have replacement cost coverage?
 - **Pivot Irrigation Systems** – Do you have adequate coverage on your pivot? Do you have replacement cost coverage? The pivot systems should be insured to full replacement cost. Remember the irrigation pivot “system” includes more than just the pivot itself. Coverage needs to be calculated to include the pivot, a panel box, wiring, control panel, pivot motor, generator, cornering system, and any other additional features.
 - **Outbuildings & Grain Bins** – Most companies want these items insured close to the current cost to replace them. Do you have adequate coverage? Did you know that collapse due to the weight of ice and snow may not be covered on your policy? Coverage for this peril may need to be specifically added.
 - **Blanket/Peak Season Coverage** – Now is a good time to review your blanket inventory. Those miscellaneous items that you purchase throughout the year add up quickly. Coverage needs to be written at 80% of value to avoid any penalties at loss time. Grain, seed, hay, and cattle need to be adjusted to reflect current market prices. Peak Season coverage can be added for limited periods of time to cover additional grain, hay, seed, etc.
- In most cases, the following coverages are not automatically included on your farm policy, but they can be added:
- **Borrowed/Leased Equipment:** Coverage is added for a short term – only for the period of time you are borrowing or leasing a piece of equipment.
 - **Extra Expense Coverage:** This helps cover the cost of replacement equipment while yours is being repaired due to damage by a covered peril.
 - **Pollution Liability:** This provides financial protection for liability arising due to the accidental discharge, dispersal, release or escape of farm chemicals and for government mandated clean-up from the accidental discharge.
 - **Hunting & Fishing Liability:** This endorsement provides Liability and Medical Payments coverage to others for loss arising from the incidental business of charging a fee for others to hunt and fish on your property.
 - **Cross-Liability:** You may want to consider adding this if you have multiple named insureds listed on the policy. Without it, the policy does not provide coverage for any claim that one insured might bring against another insured.
 - **Outside Wiring and Power Poles:** Coverage needs to be added for any wiring and poles that go to outbuildings, grain bins, etc.

There are many other coverage options that can be added to your farm policy, such as Suffocation of Hogs, Fire and Lightning Coverage on Standing Grain, Freezing or Smothering in Blizzards

or Snowstorms, Outdoor Radio, TV, and Satellite Equipment, and more. DO NOT ASSUME you have coverage! Periodically review your policies with your agent, ask questions, and discuss your farming operation in detail with your agent. Be sure you have the protection you want and need. Remember an insurance review now could save you lots of headaches later.

*Kathy Roberts, Brian Hulse
& Kristen Monteforte –
Insurance Agency**

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*Not insured by any federal government agency. *May go down in value.

Changing Your Address...

Since summer is the season when lots of moving around occurs, this might be a good time to cover the topic of changing your address. Like all banks, we have developed “Red Flag Procedures” to help prevent identity theft and to safeguard all of the correspondence we send to you. We can only change an address if we have proper documentation that the information we received is correct.

There are three ways we can obtain the required documentation:

1. If you request an address change in writing, we will verify that the signature is valid and then change the address. This could be a signed letter or fax.
2. If you come into the bank to request an address change in person, we will ask you to sign an address change authorization form.
3. If you contact us by phone or email, a method where a signature is not involved, we will send a letter to both your old and new addresses explaining that a request for an address change has been received. Then we will wait 3 days before changing the address. That gives you time to contact us if you didn't request the change.

We aren't trying to make your life difficult; we are staying on the offensive doing our part to protect you and your identity.

Enjoy the rest of the summer. It's going by way too quickly! And let's hope you aren't moving – that's too much work!

*Pam Lemke & Janice Fintel –
Operations*

Husker Harvest Days

- This year's Husker Harvest Days will be held
- September 10-12 in Grand Island. As a joint effort
- between Bruning State Bank and the Nebraska
- Bankers Association, we are excited to offer one
- ticket per family at no cost. These tickets will be
- available on a first-come, first-served basis. Please
- let a Loan Officer at any location know if you are
- interested in attending!

Technology Update...

When my banking career began in May 2000, I opened an account with my new employer and got my checks ordered as well as a debit card. That first debit card sat in my wallet unused for the first eight months I was on the job; as I worked in a bank, I could get cash as necessary and had all of those checks, so why not use them? Then one cold January night, I needed cash fairly urgently, the bank wasn't going to be open until morning, and I realized that underutilized debit card in my wallet had a PIN number that I could no longer remember. It was at that point that I realized how convenient a functioning debit card could be, not only for cash but also for purchases.

Fast-forward 13 years to the present and my payment of choice, along with many others in this country and throughout the world, is the debit card. It's to the point where writing checks seems like a chore and I get a little upset if a business doesn't take plastic. As with many things in the banking industry though, as a payment device becomes more popular, the amount of people looking to defraud the financial system using that device grows. This time in the Technology Update, we will discuss EMV, the coming security feature in the card payment industry.

Tech Term of the Month: EMV – stands for Europay, MasterCard, and Visa and we generally use it to describe “chip and pin” technology on debit cards where the card itself has a computer chip imbedded in it that enhances security during transactions. When you swipe an EMV card at a terminal, the chip will create security information specific to that transaction, making the entire process more difficult to produce in a fraudulent environment. This process obviously won't solve Internet-based fraud but it would be an effective solution to fake card production.

There are very few countries that do not currently have this technology and only one of note – the United States. Because of this, fraudsters realize that America is the “low-hanging fruit” compared to Europe, Asia, and the rest of the world and therefore they attempt to commit their fraud here. Unfortunately, making this technology available in the U.S. is going to take some time and infrastructure changes that are most likely years away.

Businesses that currently accept cards as a payment option may receive information on EMV (or “chip and pin”) card readers as well as offers to replace their current machines with this new technology. At this time however, that change or replacement is not urgent as few issuers in the United States are even issuing EMV cards. Most experts don't expect broad adoption in the U.S. until closer to the 2017 deadline.

As always, the best way for you, as a consumer, to prevent fraud on your account is to review your statement often. Bruning State Bank has an array of options to help you out with this, including Online Banking, Mobile Banking, e-Statements, and Messenger alerts. Please contact us if you have any questions about these services (which are free!) or if you have any questions about your debit card, including questions about PIN numbers on rarely used cards that have been sitting in your wallet for months.

*Corey Swartzendruber –
Network Administrator*

College Bound...

It won't be long before many of you, or your children, will be going off to college. Here are some of BSB's convenient services you may find useful while away:

Online Banking – view your account balances and recent transactions, transfer money between accounts, and much more.

Online Bill Pay – make payments from our secure site, saving time, checks, and postage.

Popmoney – like Online Bill Pay, but you can send money to an individual rather than a company. All you need to know is the person's email address or mobile phone number!



NEW Mobile Banking – take your banking on the go with you! Get nearly all of the same features as Online Banking, including Bill Pay and Popmoney, from your smartphone.

E-Statements – Don't wait for your statements to come in the mail! Access them online the same day they are generated.

Messenger – request email or text alerts to let you know about your account activity and if your balance is getting low, potentially saving you overdraft fees or alerting you of possible identity theft.

If you have any questions or would like help getting set up for any of these wonderful services, come in or give us a call. We are always happy to help!

Customer Service



Mobile Banking is currently available to all Consumer Online Banking users. Standard text messaging and data usage rates from your phone service provider will apply.

Broken Bow Team Updates...

This summer is bringing some staffing changes in Broken Bow that we wanted to officially announce to everyone.

Dee Krantz will be retiring at the end of July. Dee has been a valuable employee to the Bank of Broken Bow, a branch of Bruning State Bank, since its beginning in 2005. My bank relationship with Dee began in 1993 when she was a customer service representative at United Nebraska Bank. Dee has continued her role as customer service representative with us and has excelled in this position. Our customers will greatly miss her smile and warm hello. Dee says, "I am so glad to have had the opportunity to be employed by the Bank of Broken Bow. This Bank's values show in their commitment to their customers and employees." Dee and her husband, Mike, are looking forward to spending more time with family. Mike was employed by Burlington Northern Sante Fe railroad for 39 years. We wish them lots of happiness!



Corinne Andreasen is also a recent retiree after spending her entire career in banking. She has been a wonderful co-worker and customer service team member. She too has been with the Bank of Broken Bow, a Branch of Bruning State Bank, since its start. My bank relationship with Corinne began 33 years ago. During the majority of that time, Corinne has worked in the loan department, processing new loan documents

and taking customer loan payments. She will be greatly missed by our customers. Corinne has said that the day has come to say goodbye. "I will miss you all so much and have enjoyed my years of working with you all. We have shared many laughs, jokes, and tears over the years. I am so glad to have been a part of growing our NEW Bank; what a great story that is. I am sad to leave but also excited to be closer to family." Corinne and her husband, Bob, are moving to Gretna, NE. With this move, they will be closer to their daughters, son-in-laws and granddaughter. Bob recently retired from teaching after 35 years at Anselmo-Merna Public Schools. We wish them lots of happiness too!



We are excited to welcome a new team member to Broken Bow this summer. Lisa Kinderknecht recently joined us and will be working in our lending department preparing loan documents and providing loan-related customer service. We are extremely happy to find someone who has had many years of banking experience. She was born and raised in Long Island, KS. Her husband, Toby, is employed with Custer County Fairgrounds

as fairground manager. They have two grown children and two grandchildren. When Lisa isn't working at the bank, you can usually find her barrel racing with her horse, Jazzy. Please stop by the Bank to meet Lisa and welcome her to our "bank family"!

Our employees are our greatest asset and it is our Bank's culture to have the friendliest, most knowledgeable team to meet your financial needs.

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

Important Crop Reminders...

You have spent a lot of time, money, and hard work getting your crops planted and getting the wheat harvested. Please make note of the following reminders to ensure you get the most out of your multi-peril crop insurance.

WHEAT INSURANCE REMINDERS:

- Report your 2013 wheat production to your agent right away. Wheat losses need to be reported NOW!
- The wheat crop insurance premium was billed on July 1st and interest will be added if payment is not received by August 1st.
- 2014 Wheat Crop Insurance – Sales closing date is Sept 30, 2013. The desired coverage must be in place by this date!

ROW-CROP INSURANCE REMINDERS:

- PLEASE review the crop acres shown on your Schedule of Insurance and BE SURE they match what was reported to the FSA office. Any loss payment may be reduced or eliminated if the acres are mis-reported!
- The crop insurance premium will be billed on August 15th. Interest will be added if payment is not received by October 1st.
- Bring your production information in to us as soon as harvest is complete so each unit can be reviewed to determine if there is a loss.

We will continue to mail out important reminders as future deadlines approach.

Please feel free to give us a call or stop by our office if you have any questions! We can help with all your multi-peril crop, crop hail, and livestock insurance needs.

*Jeff, Kathy, Brian, Craig,
Shari, Janet & Ryne—
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.

Card Comments...

If you've ever had your credit or debit card declined, you know the feeling of your stomach dropping and the red creeping up in your cheeks. The feeling is awful and we do all that we can to prevent it from happening! To do your part, you can keep in mind these common reasons a card might not work.

Is the purchase or withdrawal over your daily limit?

The standard daily limits for Bruning State Bank customers are:

- \$300 for cash withdrawals
- \$1,000 for point-of-sale purchases

These limits are very comparable to those at other banks and they have been set to give customers as much leeway as we can without significantly increasing the risk. If you feel these limits are not sufficient for your needs, please contact us.

Are you traveling out of the country or shopping on a website hosted in another country?

Nearly all foreign transactions are blocked because of the very high risk of fraud. However, the blocks can be lifted temporarily if you simply give us a call to inform us of your travel dates and destination, or if you tell us the location of the online purchase you are trying to make.

Is your card getting worn out?

Slow down on the shopping! Just kidding. If a clerk can run the transaction by keying in the card numbers, then perhaps the mag-strip is just worn and you need a replacement card. You can give us a call to order a new one.

Has your card expired?

We automatically renew expiring debit cards and send them to you in the mail. Your card will continue to work up until the last day of the month in which it expires, but you should always receive your new card in plenty of time before that so please watch for it in the mail. (It will come in a plain white envelope that looks a lot like junk mail!)

Is the store experiencing issues with other cards?

It is rare, but every once in a while, there may be a large service interruption that affects an entire card network or the communication lines themselves. It is for these unforeseen circumstances that you should try to always have a back-up form of payment available, if possible.

If you ever have any questions about your debit or ATM cards, we'd be glad to answer them.

*Craig Pope –
Hebron Branch President*

Welcome...



Bruning State Bank in Holdrege is happy to have Joslyn Large join our staff as an intern for this summer. Joslyn grew up in Hayes Center, Nebraska and graduated from Hayes Center High School. She is currently pursuing her degree at the University of Nebraska-Lincoln, with a major in Ag Business Banking & Finance and a minor in Music. She is a part of

the Nebraska Bankers Association Scholarship Program. Joslyn is involved with the Ag Econ Ag Business Club at UNL and met her fiancé while attending various University East Campus events. She is enjoying her summer of learning about every department in the Bank and meeting new people every day.

popmoney

Owe someone money but no cash on hand?
Or not located near them?

**Make a Popmoney payment
from your computer or smartphone!**

As long as you know the person's email address or mobile phone number, you can pay them back with no cash, checks, stamps, or envelopes involved! This service is available in Consumer Online Bill Pay and Mobile Bill Pay and costs only 50 cents per payment – just click on "Popmoney" to start.

Learn more at:
www.bruningbank.com/onlinebanking/billpay.htm

Economic Conditions and Market Volatility...

The economy and the markets have been leading the news for the past several weeks. It can be hard during volatile market swings to keep emotions in check and stay focused on the long-term objectives. Keep in mind, though, that your financial picture is much more complex than a single day's (and sometimes even a single year's) returns on the NASDAQ or NYSE. We need to remember that the markets offer only a single perspective on a bigger picture.

The economy in the U.S. has a history of resiliency, and today there are a number of controls, programs and processes that are being used to help the country cope with economic uncertainty. In addition, companies today often react more quickly and effectively to economic changes, which can shorten the duration of most downturns, and to some degree, lessen their intensities.

Too often investors seem to act emotionally to market volatility, resorting to market timing – trying to jump in before the highs and jump out before the lows – and that mentality rarely succeeds. A sensible, thoughtful long-term approach to managing investments can be an emotional (and financial) life saver.

Also keep in mind, your tolerance for risk and the allocation of your assets often have little correlation to the markets. Risk tolerance and asset allocation typically vary with your age, income, life stage, marital status and a myriad other factors, not market volatility. That's not to say your risk tolerance and asset allocation never need adjusting – they will as your life circumstances evolve over time, but not in response to temporary market conditions.

And that's really what current market fluctuations reflect – temporary economic conditions. Long-term investing and financial planning look past these periodic fluctuations in the market. Typically, a thorough financial plan requires little adjustment due specifically to market gyrations. The changes that really matter to your financial plan are typically those that take place in your own life. If you'd like to review your financial plan, please call our office at 402-353-2555 for a free consultation.

*David Frook –
Financial Planner**

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Bigger Isn't Always Better, But It Helps...

Anyone involved in agriculture can tell you that farming operations have been getting bigger and more complex. This has come about from a transformation that started back in the late 1700s with the invention of the moldboard plow, then in the late 1800s with the gas tractor. We all know that technology in farming has dramatically changed agriculture.

While many of us may not like the changes going on, it is reasonable to say that the transformation taking place today is simply a continuation of what has been occurring for the past 200 years. Technology has a way of making life easier; at the same time, it makes things much more complex.

The challenges of this transformation are many. On the positive side, the efficiency of farming more acres allows the fixed costs to be spread out over those acres. Fixed costs are also spread out over more bushels as crop yields improve because of both better farming practices and positive changes in seed technology.

Some of the negatives revolve around the costs of farming on a bigger scale. While it's no secret that farming is capital intensive, expansion creates a huge problem if you have to borrow all of the money to expand. Suddenly those efficiency advantages can be offset by large land and/or machinery payments plus more interest expense.

The farmers who are able to expand in such a way that they don't overextend their cash flow, don't leverage themselves too far, and can maintain or even build working capital, will be the beneficiaries of change.

At the end of the day, those who are not willing to expand their farming operations over time will have, and will continue to have, trouble competing in production agriculture as further technological changes transform agricultural economics even more. This means never stop learning. Find people who are well-qualified to help you become a better farm manager and a better financial manager.

Nobody said life would be easy. If you think about it, life wasn't easy 200 years ago either. What makes you think it would be easy now?

*Darrell Raum –
Credit Supervisor,
Senior Vice President*

BRUNING STATE BANK

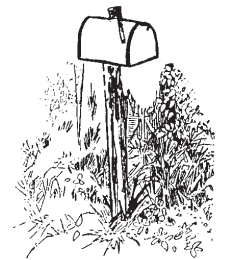
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Since 1891



Revocable, Living, Irrevocable...?

One hears a lot of different names for trusts, including Revocable, Living, and Irrevocable. "Living" and "Revocable" are used both together and interchangeably, depending on the source. This type of trust becomes "irrevocable" at the passing of the trustor, grantor, or settlor (that is, the person who is putting the assets into the trust), and may have different tax benefits and powers as compared to an irrevocable trust. Up until the death of the trustor, property may be added or removed from the revocable trust at the grantor's wish.

However, as the name implies, in an "Irrevocable" trust, assets which are put into this type of trust are no longer subject to the wishes of the person making the trust. Trusts become actual entities, subject to laws of the state in which it was originated. You will want to be fairly certain of your intentions in setting up an irrevocable trust, as while it is possible to dissolve an irrevocable trust, it can be quite problematic, and generally will not be done without court intervention. Still, there are many reasons to consider creating a trust, including:

- manage estate tax
- provide for your family according to your wishes,
- pass your assets on to your beneficiaries on YOUR time frame while still having the assets managed to your preferences
- provide for children or grandchildren
- keep the property together
- manage assets in the event of your incapacitation

In most cases, the trust estate does not have to go through probate so the property matters remain private.

Setting up a trust can be very complicated, especially if there is a great deal of property, contingencies, or beneficiaries involved, so you will certainly want to work with a dependable attorney with good trust knowledge, as well as involving your accountant, as applicable.

Additionally, it is imperative that you have trust in the person or business you choose to appoint as trustee, as the trust does not have the supervision of the courts, unless beneficiaries or other interested parties bring suit to contest the trust management. It is also vital that the attorney drawing the trust understand your intentions in creating the trust.

For maximum benefit, pretty much all of your assets should be included in the trust, which can present a challenge. If you neglect to change the title to real estate to the name of the trust or to list personal property which should be included in the trust, it will not be included, and could trigger probate. Titling assets in the name of the trust doesn't have to be done immediately, but should you pass away before getting it accomplished, you may negate the trust's purpose altogether.

Bruning State Bank has had a Trust Department for over twenty years. Our Trust committee consists of ten members who have a wide array of knowledge and experience, with the ability and design to provide professional service with a personal touch. Please stop by any of our locations to visit with a trust officer if you have questions. We hope you will consider us for your trust needs.

Trust Department