

# BRUNING STATE BANK

www.bruningbank.com



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

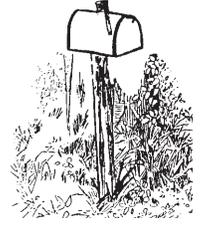
Hebron • 402-768-7473 or 1-800-405-6167

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"**



February/March 2012

Vol. 29 No. 1

## *A Little Discipline...*

I am really saddened when I see our overdraft list and think about the cost thereof to our customers. I am afraid we have done a bad job of educating our older customers as well as the new generation. Maybe an apology would be appropriate for our failure to teach our customers what they needed to know.

But the public doesn't have to go to financial experts to get out of trouble or to keep from getting there in the first place. The slickest and simplest way to stay out of financial trouble is to set up a little reserve called a savings account. Then make arrangements for automatic transfers FROM your checking account (to build up a nest egg) and an automatic transfer TO your checking account (to use only in an emergency). If you have the discipline...it works. On the loan side, a line of credit could be set up to cover a checking account balance with a transfer when needed.

Another simple way to stay out of financial trouble is to avoid accumulating credit card debt. If you are on the wrong side of credit card debt where you pay only the minimum amount due each month, it could take years to pay off. The interest you end up paying the credit card company could have started a sizable savings account for yourself.

Why do I act like I know it all? I've seen disciplined, small savers do some large things in life. I have also seen others who didn't discipline themselves lose out on many opportunities. That little nest egg you build up not only benefits yourself in the long run, but can show a lender you have the discipline to pay yourself, as well as pay your lender.

How about the next generation? Don't discount them; lately I've seen some very talented young people show great discipline with their finances. Many times, older generations think young people expect undeserved entitlement and have no respect for others. I find that not to be true. Maybe if we older people learn to respect them, we will find the respect returned.

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

*"Discipline is remembering what you want." - David Campbell*

## *Absentee Landlords...*

Many families who own land are hearing of land rents changing dramatically, as well as the price of land soaring, which tempts them to consider selling the family farm. Every situation is a unique combination of family wants, needs, and resources. Even though there may not be a farmer in the next generation, members of the family may still have an emotional attachment to the farm and desire to keep it in the family. Statistics show that more than half of agricultural land is owned by people over the age of 65, and thus is expected to gradually change hands over the next twenty years, through bequests, sales, and rentals.

I encourage everyone to have a succession plan. Gather the family for a meeting to get everyone's opinion on what to do if something happens to a family member. With low interest rates on CDs and poor returns on many investment opportunities, land is probably as good an investment vehicle as there is today, especially when one considers what the land originally cost.

Are you willing as a family to devote the time and effort to maintain the farm and continue a landlord-tenant relationship? Who owns the pivot, motor, bins, and buildings, and whose responsibility are the repairs and maintenance? Are you doing a cash-rent or crop share arrangement, and what about crop insurance?

Consider a business structure for your family land, such as an LLC, that allows multiple owners. Have a written agreement in place that specifies who makes the decisions on tenants, rent, profit and loss, etc. Establish a way for one member to buy out another through a buy-sell agreement that details what should happen in a situation where one family member wants to keep the land and others want out for financial or personal reasons.

All of this should involve your family attorney, your tax advisor, and your local banker because they can help you with various aspects of family financial planning. We have staff members at all of our Bank locations who have the experience to discuss your family's unique situation and offer ideas on what may be best for your family.

*Fred D. Bruning –  
President*

*"We did not inherit the land from our fathers. We are borrowing it from our children." - Amish Proverb*

# Is It Time to Refinance Your Refinance?

The Bruning State Bank (BSB) residential mortgage loan department has had a very busy last couple of years. We thought rates had hit "rock bottom" in 2010 when we saw a large refinance boom, but with rates continuing to stay at all-time lows, 2011 proved just as busy. Now analysts are telling us if you are going to refinance, now is the time as interest rates really have nowhere to go but up.

If you have already refinanced your mortgage loan with us and have watched rates drop with a lump in your throat, don't worry! You may qualify for our streamline refinance product that is available to customers who financed their home with the BSB secondary mortgage program in the last two years.

With this streamline product, we can refinance your mortgage loan into a new loan with minimal paperwork and minimal fees. Many of the closing costs you paid to originally refinance your mortgage loan in the secondary market are waived with the streamline refinance. The turnaround time is also shortened. Some other the attractive features of this product include:

- No new verification documents.
- Reduced processing and underwriting fee (usually \$70).
- Discount on updated title insurance (typically 30%).
- No new appraisal (thus no appraisal fee).
- Option to buy down the interest rate even lower.
- Free escrowing service for taxes and insurance.
- Same great convenience of ACH for monthly payments.
- Same great customer service you've become accustomed to!

Even if it has been longer than two years since you originally refinanced your mortgage loan with BSB, you may still qualify for a streamline refinance loan or a new secondary market loan at a lower rate. At Bruning State Bank, we have worked hard to take the hassle out of refinancing your home. So whether you have your current mortgage loan with us or another lender, we would be honored to have the opportunity to earn your business.

*Mortgage Loan Officers*  
(Bank NMLS #473773)

**Reminder:** Our gray ATM Cards will no longer be accepted for point-of-sale purchases after February 1, 2012, due to recent regulation changes. They will still work for all ATM transactions. If you would still like to use a BSB card for purchases, we invite you to apply for a Visa Debit Card instead. A Visa Debit Card can do everything an ATM card can do, but it can also be used to make purchases anywhere Visa is accepted. Debit cards are very convenient!



(If you happen to have more than one card from Bruning State Bank, our Visa Debit Card is blue and our ATM card is gray. It is the gray cards that will no longer work for making purchases.)

# Life Is a Journey...

As a banker, we always seem to focus on the bottom line when we deal with bank business or our customer's business practices. This comes from years of experience with having to pay a great deal of attention to these factors to be successful.

There is nothing wrong with being focused on the details and the bottom line, but your life and even your business's life is more than the bottom line. I know that's kind of crazy talk coming from a "conservative banker," but it's true. Everyone needs to look beyond the net profit, the financial growth, and the sales numbers to what makes you happy, what keeps you interested, what makes you look forward to getting up in the morning and going to work.

What has brought me to such philosophical thinking is watching my recently college graduated son agonize over what direction to head with his career. As a parent I cannot tell him what to do. He has to find his own way. What I've told him is to follow his passion. When it comes to his career: "Don't just go for the opportunity that pays the most, go for the opportunity which will keep you excited about going to work." If you love what you do you will be successful, and the financial rewards will follow.

Providing financial service to bank customers in the Bruning State Bank trade area demands we be focused on farmers and ranchers and meeting their needs. As a customer involved in the Ag industry, you have to remember it's not about how much you make or how large you can grow your operation. It also should be about the quality of your life, your family's life and making your community better for the people who live in it.

We all know of people who live in the community which will run over anyone who gets in their way when it comes to making an extra buck, or growing their operation. Don't get caught up in this type of behavior. In the long run you will come to hate yourself as will everyone else who has had the misfortune of crossing your path.

As the old story goes: The old preacher who consoled many people on their death bed, said he never heard of anyone wishing they had spent more time making money or growing their business, but he has consoled many people who wished they had spent more time with their family and making a difference in the lives of others.

*Darrell Raum,*  
*Senior Credit Supervisor*

We invite you to join us for our  
**Annual Crop Insurance Meeting & Luncheon**  
to learn more about crop insurance  
and the many changes coming soon.

**Tuesday, February 21 - 11:00am**  
**Belvidere Community Center, Belvidere, NE**

EVERYONE IS WELCOME TO ATTEND!  
Lunch will be served. RSVP appreciated: 402-353-2085

---

---

## Tell Me Your Story...

In case you're wondering how a guy from Michigan with a Construction Management degree is working in Financial Planning in Bruning, Nebraska, I thought I'd let you in on how I got here.

I paid my way through college with a U.S. Army stipend, R.O.T.C. stipend, and income from working in construction. After graduating with a Bachelor of Science degree in Construction Management, I moved to Colorado where I dreamed of building and skiing! And for a while, I did both quite successfully. I worked in project management on large scale residential community development projects for the largest public builder and largest private builders in the U.S. Our projects ran into the \$100's of millions. It was extreme high pressure every day. I skied whenever I could find time.

As great as the skiing was in Colorado, the best thing I did was marry my neighbor in Denver, Jolene Olson, from Hebron, Nebraska. We met in 1995 when we lived across the hall from each other in a 1920's converted apartment building, and we married in 1997. We built a home in the suburbs and started a family.

In 2007, our church sponsored the Dave Ramsey Financial Peace University course. Jolene and I attended. The course was a good overview of how to live debt-free and provided basic financial planning concepts. Jolene and I are both frugal but we didn't always agree on our finances. I would create elaborate financial spreadsheets that Jolene could care less about! What I discovered was that Dave Ramsey can make financial education fun and Jolene responded much better to an outside source than me trying to get her to read my fancy spreadsheets. (My one disclaimer is that I cannot fully endorse Dave Ramsey as I disagree with some of his insurance and investment strategies.) Another part of the course was what I would describe as a group therapy session for people in desperate financial straits. And I found myself wanting to reach out and help these people, so much so that I couldn't stop thinking about it. I began to research how I could become a financial counselor and volunteer to help people learn financial skills.

Ironically, in 2007, the housing and construction industries in large metropolitan cities began to unravel. With sales dropping off 50%, my employer was heading for bankruptcy fast. In 2008, they filed chapter 11 along with many other big builders. There were massive layoffs all over the country in my industry. I hung on as a General Manager of a small custom building firm, but finally was laid off in 2009.

With no job prospects in the Construction Management industry I began to prayerfully look for other opportunities. I kept coming back to financial planning. Through a great deal of research and discussions with many financial advisors, including my own, I developed a picture of what I wanted to do. I dreamed of being a financial planner and working with people in an independent and comprehensive manner to help meet a variety of financial goals. I wasn't sure how I was going to make the career change with a family of six to support, but with God's hand, no personal debt, a small mortgage, a tight budget, a good emergency fund, and help from our family and church, we did it!

Our first plan took us back to Nebraska. Jolene and I had wanted to move our family back since 2004. We figured if our whole world was changing, we might as well make a move now. We ran into one big problem. I didn't have a business network here.

After consulting with Fred and Frank Bruning, Jerry, Darrell, and Chris at Bruning State Bank, I decided to stay in Denver for a while longer. At least I had a "Rolodex" of over 700 contacts in Denver.

Networking led me to AXA Advisors, a financial consulting firm in Denver, and they gave me an opportunity. They would help me obtain my licenses and teach me financial planning. In exchange, I would give them my life – at least for a while. I ate, drank, and slept financial planning and business development from November 2009 to July 2011. I passed the Life / Accident / Health licensing exams, the FINRA Series 7 General Securities Representative exam (aka the "stockbroker" exam), and the FINRA Series 66 Uniform Combined State Law exam – allowing me to become a Registered Investment Advisor representative. I worked at the AXA office in the Denver World Trade Center and learned financial planning strategies from a great group of mentors.

In March 2011, a day after we returned from a trip to Hebron, I received a call from Bruning State Bank asking me if I would be interested in talking about a financial planning position in Bruning. Life was about to get interesting all over again....

One of the things I love most about my job is hearing your stories. I enjoy working with people to help develop financial strategies. It's not just about which stock to buy at the right time. There's so much more we can do. For some, planning might be how to save for college while trying to live on a budget. For others, planning will be about creating tax efficient retirement accumulation goals, or protecting assets or incomes with risk management strategies. And for many in our communities, planning is about how to maintain a standard of living with increasing life spans and efficient methods of estate planning for orderly wealth distribution.

I'm looking forward to meeting you in 2012 to hear your stories and be of help on your financial journey.

*David Frook – Financial Planner\**

Securities offered through Securities America, Inc. Member FINRA/SIPC.  
David Frook, Registered Representative  
Advisory Services offered through Securities America Advisors, Inc.  
David Frook, Financial Planner  
Bruning State Bank and the Securities America Companies are unaffiliated.  
\*May Lose Value, Not FDIC Insured, No Bank Guarantee

### Have You Moved Recently?



**If you have recently moved, please remember to update your mailing address with us!**

---

---

## Holdrege - A Family Town

Holdrege is small-town America where it only takes minutes to get to work, go to the doctor, take the kids to school, or go to the grocery store. Over the past few years, we have seen a number of younger families move back home or just move to Holdrege because they want to raise their family in a nice town. They want a simpler life with less traffic and crime. Many have their roots and family here or nearby, and they are tired of the stress that goes with living in a larger urban area.

Holdrege has a very nice YMCA, a great school system, excellent medical facilities, two full-service retirement homes, and a Senior Center. Jobs are abundant now with the industrial and manufacturing sectors increasing their business sales. The overall retail business climate in Holdrege is very strong.

Holdrege also has a great 18-hole golf course and a beautifully refurbished Sun Theatre. The town is fortunate to have two very nice parks, with a large lake located at the North Park. Within 30 miles are two recreational lakes, and the fishing and hunting is excellent in the area. The swimming pool has been modernized and is a hangout for young and old in the summertime.

The Holdrege Chamber of Commerce and the Phelps County Development Corporation are very active in the community. We host exciting community events like the Farmers Market and our annual Swedish Days. The Nebraska Prairie Museum is one of the finest museum for miles and our library is extremely valuable to the community. Of course, we don't want to forget the Tassel, our performing arts center, and the nationally-known talent that performs there.

Holdrege's main asset, though, is its people. We have a lot of great people who put church and family first and are always there to help a friend in need. Holdrege has been the home for some pretty well-known people:

- Grace Caroline Swanson was born in Holdrege and is the mother of Hugh Hefner of the Playboy Empire.

- Ryan Quincy was born in Holdrege and graduated from Holdrege High School. He is the technical director and lead animator for Comedy Central's "South Park."

- Charles W. McConaughy, a Holdrege resident, was a leader and pioneer in irrigation. In 1911, he began activities to form what is known today as Central Valley Irrigation. Guess where Lake McConaughy got its name?

- Forrest Petersen, who was born in Holdrege, was one of three Navy pilots who tested the X-15 and achieved a speed of 3,600 miles per hour and an altitude of 102,000 feet. He went on to head up the Naval Air Operations office in the Pentagon and then the Naval Air Systems Command.

- George Lundeen was born and raised in Holdrege. He is a world renowned sculptor, now in Loveland, CO, who sculpts portraits and interpretive works for well-known universities, municipalities, foundations, and corporations. He was a Fulbright-Hayes Scholar studying at the Academia de Belle Arte in Florence, Italy.

That's just a sampling of some who have lived in Holdrege. If you need a change from the fast life or know those who may,

recommend Holdrege as a place to live. You can't go wrong. We have great people of all ages here who make great friends forever. And when you come to Holdrege, stop at our Bruning State Bank branch and let us help you with your financial needs!

Now a few banker jokes to end on the light side...

"I'm not saying that the customer service in my bank is bad, but when I went in the other day and asked the clerk to check my balance ... she leaned over and pushed me."

A guy walked into a bank and said, "I want to open a joint account with somebody who has money."

Don't we all! Have a great 2012. My resolution is to laugh more, get together with some old friends, and hopefully meet 2,000 new ones. My wish is that a bunch of my new friends are those making their way to Holdrege to live.

*John Boehler –  
Holdrege Branch President*

## Always Glad You Came...

As I look back on the past year, I realize how little I knew about banking before I started working here. Since I opened my first checking account, I haven't really had to do much comparing of banks. I have always lived in a small town and done business locally – the thought never occurred to me not to. But now, I realize how lucky I have been by doing business locally.

You see ads on TV about "online" banks. What are these banks really? I understand the convenience of having everything and everyone at your fingertips, day and night. But, what is their customer service like? If I wanted to walk in and talk to someone about a loan, would that be possible? If I was having issues getting my checkbook to balance, would someone sit down and walk through it with me?

After pondering these and a slew of other questions, I have come to the following conclusion. I will be the first to tell you that I am all about convenience and ease of access, but I believe there is something to be said for a face-to-face conversation with someone. As I said before, I have not had the experience of anything but a small community bank, but I now realize what I would be missing if I went elsewhere.

To borrow a line from the "Cheers" theme song, (Gary Portnoy and Judy Hart Angelo) "Sometimes you want to go where everybody knows your name and they're always glad you came." Walking into our lobby, you are greeted with a smile and by your name. Our staff, as a whole, knows who you are and cares about you as our customer. We strive to make your banking experience as personalized as possible. Whether you are calling with a question about one of our services, checking your account balance, making a deposit, or just stopping by for some popcorn, we are always here to help you to the best of our abilities.

*Operations –  
Anna Sell, Carm Hinrichs,  
Pam Lemke, Janice Fintel*

## Did Your Needs Change With the New Year?

Major purchases and lifestyle changes can have a profound effect on your insurance needs, so an annual coverage review is always a good idea. Start 2012 off right by discussing your current insurance coverage needs with your agent. Consider the following questions:

**Have you gotten married?** Review your auto insurance - All vehicles and drivers in the household should be listed on your policy. Review your home insurance coverage - Update your coverage to include both spouse's property. Does special coverage need to be added for an engagement ring or wedding ring? Review your life insurance needs and update your beneficiaries.

**Have you had a baby?** Review your life insurance coverage to allow for the added expense to keep your family secure.

**Did your teenager get a driver's license?** It is usually cheaper to add your teenager to your auto policy rather than having them purchase their own insurance. Choose a vehicle that is easy to drive and offers protection in the event of a crash. Remember that the type of car they drive can dramatically affect the price of insurance. Encourage your kids to get good grades and to take a driver training course as most companies offer discounts.

**Have you switched jobs or had significant changes in your income?** Review your life and disability insurance needs!

**Did you make renovations to your home?** Did you add a new room, enclose a porch, expand a kitchen or bathroom, or make any other improvements? Review your home insurance coverage to be sure you are adequately insured. Don't overlook the new structures outside your home - gazebo, new shed, hot tub, deck, or other structures. You may need to increase personal property coverage if improvements included new furniture, exercise equipment, electronics, or other new property.

**Have you decided to buy a vacation or potential retirement home?** Make sure to research the availability and cost of homeowner's insurance before purchasing a secondary home. Consider flood insurance coverage if your home is close to water.

**Did you acquire new valuables such as jewelry, electronic equipment, fine art, or antiques?** A standard homeowner's insurance policy offers only limited coverage for highly valuable items. Consider supplementing your policy with additional insurance to cover your valuables for perils not included on your policy.

**Have you signed a lease on a house or apartment?** Your landlord is not responsible for your possessions, so you need to purchase a renter's policy for coverage on your personal property.

These are just a few items to think about. Life is constantly changing, so it is very important to review your insurance on a regular basis. Contact your agent at the Bruning State Bank Insurance Agency today and discuss all your insurance needs!

We thank you for your business and look forward to working with you in 2012!

*Fred Kobza, Kathy Roberts, Brian Hulse &  
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.

## New Grain Elevator Coming To Custer County

Many people probably didn't know that Custer County raised the most corn of any county in Nebraska in 2010. The county as a whole raised 42 million bushels of corn in 2010 and is one of the reasons why The Andersons Inc. out of Ohio announced they would build a new 3.8 million bushel facility on the Burlington Northern Santa Fe Railway near Anselmo, NE. The new elevator will have a railroad loop track that will allow trains to turn around after being loaded with grain and head back to the west coast. The Andersons Inc. has other ties to Nebraska, as they own an elevator in Kearney and a food grade corn facility in Fairmont.

The news of the grain elevator is exciting to Custer County because it will boost our local economy in many ways. It will bring construction workers to our area who end up spending money in our communities. It will also create new jobs locally, and it is expected to improve the local corn prices for the producers in our area.

If you talk to local farmers, they are eager to see this new elevator be built because many expect that it could improve corn prices by 10 to 15 cents per bushel. A 10-cent increase in the price of corn would mean another \$4.2 million in income to our area farmers (based on the 2010 number of bushels) and that \$4.2 million would most likely be spent right back in Custer County.

*Jim Scott, Branch Vice President –  
Bank of Broken Bow,  
A Branch of Bruning State Bank*

### Did You Know?

We offer a person-to-person payment option? This means you can pay someone without cash, card, or check! All you need to know is the person's email address or mobile phone number. This service is available in Consumer Online Bill Pay and costs only 50 cents per payment – just click on "Pay People."



Learn more at:

[www.bruningbank.com/onlinebanking/billpay.htm](http://www.bruningbank.com/onlinebanking/billpay.htm)

## The Time Is NOW...

When should you begin to plan to retire? If you are like many people, you wish you could retire tomorrow. If you had just done a little better job of saving when you were young, maybe your dreams of retiring would have come to fruition earlier. When you are young, retirement seems light years away. A new car appeals to you more than saving for your retirement.

The ideal time to begin planning for retirement is at the age of 20. The idea of "paying yourself first" is the key to developing habits of systematic saving. The most painless way for a person to save for a goal is to have the money taken right out of your paycheck or deducted from your bank account automatically. If the money doesn't end up in your pocket, you will more than likely find a way to get by.

Many employers offer retirement plans where an amount is automatically deducted from your paycheck. Some of these plans permit pre-tax deductions (and sometimes, the right to borrow against retirement savings for educational or medical expenses or to buy a home). Many of these employers who offer a retirement plan will also match a percentage of what you contribute to it. What could be better than "free" money?

Just because you are past the age of 20 doesn't mean you shouldn't begin to save for retirement. It is never too late! We offer both traditional individual retirement accounts (tax deferred) and Roth retirement accounts (earnings grow tax-free). Deposits may be made for 2011 until your tax filing due date. You may make contributions in any dollar amount, but there is a limit to the amount you may contribute each year.

Make the decision to "pay yourself first" and begin to make deposits into a retirement account. You will be glad you did!

### Customer Service

## Welcome



Bruning State Bank is pleased to announce that Shari Lovegrove has recently joined the Bruning location. Shari earned a Bachelor's Degree in Business Education from the University of Nebraska at Lincoln. Her past experience includes 20 years in

the banking industry in Fillmore and York counties, teaching, and working at a law office. She is the Customer Service Representative Manager and will be in charge of customer service and IRAs. Shari looks forward to meeting all of you in the community. Stop in Bruning and welcome Shari to the team!

## Crop Insurance Review...

Did your crop insurance policy provide sufficient protection in 2011? Does your policy provide the protection you need in 2012? Crop insurance is constantly changing and the coverage options can be confusing.

The sales closing deadline for the 2012 spring crop season is March 15th. This will be the final date to sign up for coverage or make changes to your existing coverage. If you do have existing coverage, then coverage will continue for the crops and counties currently listed on the policy. Be sure to contact the agents at the Bruning State Bank Insurance Agency to change your crop insurance coverage, especially if you have added or removed farm ground from your operation, or if you would like to discuss the crop insurance options in more detail.

Please review ALL information on your policy! All information MUST be correct to avoid penalties later.

Contact our office if you have any questions about crop insurance coverage, livestock protection coverage, hail insurance, or pasture/range land coverage. We appreciate your business and look forward to working with you in 2012!

### 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.

**Are you a self-employed individual or small business owner looking for a way to lower your taxes AND save for retirement?**

**The SEP IRA may be a great investment option to consider.**

A SEP (Simplified Employee Pension) Plan is an IRA-based plan that any employer may establish and has many attractive features:

- Tax savings – contributions are pre-tax and your money grows tax-deferred.
- Low costs – start-up and maintenance costs for SEPs are very low compared to qualified plans.
- Flexibility – contributions are not required to be made every year.
- Simplicity – opening and administering a SEP IRA is just as easy as a regular investment account.
- Generous limits – an employer may contribute up to 25% of the eligible compensation, providing the contribution does not exceed \$50,000 in 2012 in all of the employer's defined contribution plans (e.g. 401k, SEP, SIMPLE IRA, SAR SEP).

A few more details:

- Generally, any employee who is at least 21, earns at least \$550 per year, and has worked for the employer three out of the five preceding years is eligible to participate.
- Employees may use the same account to which SEP contributions are made for their Traditional IRA contributions.
- A SEP IRA is owned and controlled by the employee which means they may take contributions at any time, regardless of whether they still work for the employer's business.
- Distributions are subject to IRA Rules.

Contact us to discuss more details, and visit with your tax advisor to decide if a SEP IRA is the right plan for you! For more information, visit [www.irs.gov/retirement](http://www.irs.gov/retirement), IRS Publications 560 and 590.

---

---

## Money Is A Tool...

I recently read an article by Elisabeth Donati titled, "Why Kid's Allowances Work: Three Steps to Empowering Your Kids Financially," and I want to share a few of her thoughts with you.

Donati writes, "There are some relatively simple steps you can take to ensure that your kids leave home knowing what to do with that green stuff they will be in charge of making, managing, and multiplying in the future. More young adults are not only leaving college these days because of financial problems (student loan and credit card debt) but they are also moving back home after they graduate because they simply don't make enough money to go it on their own."

"The primary cause is kids don't have a clue what to do with their money, or anyone else's for that matter. Most of them are very good at spending money, but it's a rare 20-something that understands the dangers of credit card abuse or the power of saving and investing. Heck, for that matter, most adults don't understand these concepts either."

Donati's scenario below says it all...

Your son (or daughter) comes to you one day and says, "Mom, I have decided I really want to grow up and become a major league ball player." You say, "Wow, that's cool. Good for you." And you go back to doing what you were doing.

Your child looks at you and asks, "So, would you get me a ball so I can learn how to throw it?" You say, "Maybe later." He says, "What about a glove and a bat?" You respond, "Nah, I don't think so." He's frustrated at this point and asks, "OK, but will you at least teach me the rules?" You say, "Oh, you can learn the rules later."

Now he is really angry; he's fuming inside and feels stuck. "But MOM, how am I ever going to become a great ball player if I don't have a ball, bat, or glove to practice with and I don't know the rules?"

As Donati states, "This is what parents do, most unknowingly, to their children everyday in regard to money. We grow them into adults but rarely give them the equipment or rules to practice, and get good at, The Money Game!"

According to Donati, there are three simple steps you can take to empower your children with the tools, knowledge, and practice they need to grow up financially free.

FIRST, you must set the best example you can for your child. Children learn from us three ways: by what they see us do, by what they hear us say, and through the experiences they have with money.

SECOND, talk to your kids about money. Take every opportunity you can to start a conversation about family expenses, credit cards, debt, interest, investing, real estate, the stock market, etc. For example:

- When you take money out of the ATM, talk about where the money comes from, why you can only take out so much, etc.
- When you pay for the groceries with a credit card to get points so the whole family can go on vacation, make sure they understand the

importance of paying the bill off EVERY SINGLE MONTH!

- When you visit your bank, investment advisor, or accountant, take your child along.

THIRD, consider giving your child an allowance, but not the kind you may be thinking of. Take the money you already spend ON your child and run the money THROUGH them instead. It takes an average of \$275,000 to raise a child through age 17. If you run even a portion of that money through your child, imagine the practice he or she is going to get. By making plenty of financial choices—good and bad—they learn the ins and outs of money management before the consequences aren't so damaging.

A healthy way to look at money is simply as a tool to reach your dreams; it doesn't mean we're better or thinner or smarter than others. It's simply a tool. Empower your children by teaching them how to use it!

*Craig A. Pope –  
Hebron Branch President*

## Technology Update...

Cell phones have been evolving very quickly. Over the past few years, we've gone from making simple calls on our bag phones to using smart phones with thousands of apps that can do nearly anything we ask. Many believe the next big thing in the mobile industry is "context aware computing."

Context aware computing is a situation where your cell phone is able to read environmental clues to provide user content in the most effective way possible. For instance, your phone could use its motion sensor and accelerometer as you drive down the road to tell it that you are in a car and automatically switch to voice activated mode. Or as you walk through a shopping mall, your phone's GPS could pick up where you are and retrieve coupons from the various stores you are passing.

As you would expect, there are several conveniences that could be attained with such technology, including bank services. Imagine your phone being able to point out where the surcharge-free ATM's are located when you're on vacation. It may also allow a bank to send out alerts based on the customer's current location.

There are, of course, concerns about privacy with this emerging technology. Some believe that if a phone can access all of this data about where you are and what you are doing, there will be ways to exploit and ultimately compromise your privacy. As the technology evolves, it will be interesting to see if this remains an issue or if providers can allay these fears. At its heart though, context aware computing would make life easier and more convenient for those who choose to use it and understand the risks involved.

**Tech Term of the Month:** Intranet. Not to be confused with Internet, which you probably log onto every day, an intranet is a private network contained within a company or enterprise. Its primary use is to share information and data between coworkers and facilitate working in groups.

*Corey Swartzendruber, Janet Germer  
& Angela Kuhlmann*

# 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



## BRUNING STATE BANK

Charter No. 618

"Since 1891"

### Statement of Condition at Close of Business December 31, 2011

#### ASSETS

CASH.....	\$13,069,000.00
(Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	
U. S. BONDS.....	\$58,136,000.00
(This is the amount of government bonds owned by the Bank, most of which are due in less than three years.)	
MUNICIPAL BONDS.....	\$16,606,000.00
(Investments in high-grade bonds issued by cities, school districts and other municipal government.)	
FEDERAL FUNDS SOLD.....	\$1,595,000.00
(Funds loaned to other banks for daily cash needs, payable on demand.)	
<b>TOTAL CASH ASSETS.....</b>	<b>\$89,406,000.00</b>
(Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	
LOANS AND DISCOUNTS.....	\$156,781,000.00
(Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	
BANKING HOUSE, FURNITURE AND FIXTURES.....	\$3,734,000.00
(The depreciated value of the Bank, all furniture and equipment.)	
OTHER ASSETS.....	\$10,609,000.00
(Accrued interest earned but not collected and other receivables.)	
<b>TOTAL ASSETS.....</b>	<b>\$260,530,000.00</b>

#### LIABILITIES

DEPOSITS.....	\$196,127,000.00
(Amount of money on deposit by customers of the Bank, in the form of checking accounts, savings accounts and certificates of deposit.)	
BORROWED FUNDS - FHLB AND OTHERS.....	\$37,335,000.00
OTHER LIABILITIES.....	\$965,000.00
(Accrued interest payable on all interest bearing checking accounts, savings accounts and certificates of deposit, payable at a future date, and income taxes payable during the fiscal year.)	
<b>TOTAL LIABILITIES.....</b>	<b>\$234,427,000.00</b>

#### EQUITY CAPITAL

CAPITAL STOCK.....	\$600,000.00
(Par value of 6,000 shares of common stock of the Bank, paid by the people who own the stock.)	
SURPLUS.....	\$13,800,000.00
(Amount taken from the profits of the Bank to further strengthen the position of the Bank.)	
UNDIVIDED PROFITS AND RESERVES.....	\$11,703,000.00
(Amount that has accumulated from earnings of the Bank for reserves.)	
<b>TOTAL EQUITY CAPITAL.....</b>	<b>\$26,103,000.00</b>

#### TOTAL LIABILITIES & EQUITY

<b>CAPITAL.....</b>	<b>\$260,530,000.00</b>
---------------------	-------------------------

## ANNUAL PRIVACY POLICY NOTICE

### FACTS

### What Does Bruning State Bank Do With Your Personal Information?

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• account balances and payment history</li> <li>• credit history and credit scores</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Bruning State Bank chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information:	Does Bruning State Bank share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes –</b> to offer our products and services to you	YES	NO
<b>For joint marketing with other financial companies</b>	NO	NO
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	NO	NO
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	NO	YES
<b>For our affiliates to market to you</b>	NO	YES
<b>For non-affiliates to market to you</b>	YES	YES

<b>To limit our sharing</b>	<p>If you want to limit our sharing of your personal information, please mail the form below or call us at 1-800-403-5889 to opt out.</p> <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
-----------------------------	---

<b>Questions?</b>	Call us at 1-800-403-5889.
-------------------	----------------------------



### Mail-In Form (if you choose to opt out)

Mark any/all you want to limit:

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- Do not allow your affiliates to use my personal information to market to me.
- Do not share my personal information with non-affiliates to market their products and services to me.

Name		<b>Mail to:</b>  Bruning State Bank PO Box 100 Bruning, NE 68322-0100
Address		
City, State Zip		
Account Number(s)*		

\*If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.

Apply my choices only to me.

## ANNUAL PRIVACY POLICY NOTICE

### Who we are

Who is providing this notice?	Bruning State Bank
-------------------------------	--------------------

### What we do

How does Bruning State Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Bruning State Bank collect my personal information?	<p>We collect your personal information for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Pay your bills or apply for a loan</li> <li>• Use your credit or debit card</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.

### Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>(Bruning State Bank's affiliates include: Bruning Real Estate Agency, BrunCO, Bruning Farms LLC, Fence Land Inc, Running M LLC, Feedlot Fencing LLC.)</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>(Bruning State Bank does not participate in joint marketing with non-affiliates.)</i>