

BRUNING STATE BANK

FDIC

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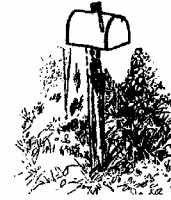
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**YOUR
COUNTRY
BANK**



"Do You Want Fries With That?"

Sometimes I think we have to look at opportunities in reverse. "Customer Loyalty" seems to be on the lips of every business and community. I think the emphasis of a bank and retailer should be on the question "How can we be loyal to our customers, clients and employees?"

Too many large corporations expect employee loyalty. I think we need to consider the reverse of that statement, or "How loyal is the company to their employees?"

Let's talk about our business. We fail to ask the customer what they want and, instead, develop services we think they want.

When we have a personal (or phone) contact with you our customer, we should add to the conversation just like that fast food restaurant that asks, "Do you want fries or a drink with that order?"

Bruning State Bank has been here for 114 years, and we know we shouldn't be in a rut. My mission with our employees in the future is to explain what services are available and ask you what other services you may want. Trusts, Money Market accounts, lines of credit, IRA's and savings plans are included in a whole host of products we offer to help you build and maintain wealth.

We are also going to ask you "Would you recommend us to others?" and "Do we meet or exceed your expectations?" We need to know if we give you a reason to continue doing business with us as well as return for other services. We also need to know what we should do to achieve the above. I'd like to spend my time developing a culture of building loyalty to you, our customer. So, do you want fries with that?

Banker Frank

Frank L. Bruning - President

Banker Frank's wife, Mary, and Attorney General Jon Bruning's grandmother, Delma, spent part of an evening in the Thayer County Jail on April 18. They had been attending a program at the Belvidere Museum, which was cut short because of a storm. A hailstorm was in progress in Bruning, so they headed south to avoid the weather. On reaching Hebron, the sheriff directed them to the jail basement. No charges were filed and I assume they were let out on good behavior.

No Name Change. . .

Recently, there has been much discussion in changing the name of the College of Agricultural Sciences and Natural Resources (CASNR) to a name that would attract a more urban clientele. Being a graduate of the college, as well as Frank, Nebraskans still view East Campus as Ag College. We want to be sure we do not alienate the alumni and donors that help support the college. Changing the name in an attempt to make it more appealing to others may show inconsistency on the part of the University on what it really wants to be.

It is my hope that the current Chancellor and the President continue to view CASNR as an important piece of the total University system. As out-state Nebraskans, we need to voice our opinions to our Regents and University Leaders as to what we feel would be the best long-term goals for our land-grant system.

With the evolution of new majors in the system, how can we attract new students to the college of agriculture? The face of agriculture is constantly changing; the university may have to diversify the class offerings and majors in agriculture. Some ideas may include offering ethanol production, golf course management, pleasure horse management, hunting guide, bed and breakfast/hotel management, global positioning farming, ground and surface water management, rural bank loan officers, livestock managers for feedlots and hog operations, as well as retaining the core curriculum. Keeping the name, College of Agriculture and Natural Resources shows tradition and stability, but making the name of the majors attractive may be a better answer.

Recruiting has a lot of potential; it would involve contacting students in their sophomore and junior years, giving them a tour of campus, explaining the programs, and tapping the FFA instructors, bankers, and Extension agents in the communities to find out who these students are. Also, working with Community Colleges, the Tech Schools, using the 2+2-program (meaning two years community college and two years UN-L) may present another diverse group of people to attract. I hope that people will contact their representatives or the College of Ag about what they would like to see the Land Grant System be, long term.

Fred D. Bruning - Executive Vice President

Top 5 Biggest Mistakes New Parents Make . . .

Do you know what they are? I didn't until I read Karen Hube's MSN article and found myself wanting to share it with others because it contains some very valuable advice.

Her article states "To most new parents, getting settled with a new baby means figuring out how to function on three hours of sleep and figuring out what detergent would best minimize spit-up stains." Financial issues rarely get the time of day, even though numerous important issues crop up once you have a child. As a result, many new parents put their family's long-term financial security at risk by making rash decisions or avoiding issues altogether. There is a list of the Top 10 biggest mistakes new parents make when it comes to their finances; we will cover five of them in this newsletter and expand on the final five next time:

1. Skimping on Life Insurance
2. Shrugging Off Disability Insurance
3. Buying Life Insurance for Baby
4. Delaying Saving for College
5. Forgetting About Retirement Savings

Skimping on Life Insurance: If one or both parents die, you have to make sure your dependents will be provided for. According to Lynn Ballou, financial planner, you need at least a \$500,000 policy as a bare-bones minimum and if you are healthy, group policies are rarely any cheaper for you than an individual policy, and you can't take it with you if you leave your employer. It's much smarter to get an individual policy right away.

Generally, people need 5 times their earnings, plus the total amount of their household debt and enough to cover college tuition for their children. Don't forget to run a calculation for a stay-at-home spouse, whose premature death may mean having to hire full-time childcare.

For new parents, most financial planners recommend term insurance since it meets most people's needs; it's the simplest, and the cheapest kind. However, choose a term that lasts until your dependents are through college and no longer have need of your financial support. And then, be sure your policy has the option to convert to a permanent whole life or variable life policy. That way if you decide later that you want lifelong coverage, it will be cheaper to convert than to buy a new policy.

Shrugging off disability insurance: Disability insurance is more important than life insurance because statistically each of us is more likely to get injured than die. Get a policy that enables you to cover expenses and maintain your standard of living if you had to be out of work for a while.

Buying life insurance for the baby: Should only occur if their death would create a financial hardship for the parents.

Delaying saving for college: Most parents start worrying about tuition when their kids enter high school, but the best time to start is when your child is born. The 529-college

savings plan and Coverdell education saving accounts are two college savings plans worth considering. The 529-college savings plan allows you to contribute \$25 per month or up to \$250,000 each year to these state-sponsored plans and grows tax-free as long as it is used for college costs. The Coverdell education savings accounts, formerly called education IRAs, allows you to contribute \$2,000 per year in a tax-free account where the earnings build up tax-free. Eligibility income limits are \$220,000 for couples filing jointly and \$110,000 for singles.

Retirement savings is the biggest mistake new parents make and should come "first" and college "second" because your child can figure out other ways of getting through college and it would be worse if your child had to support you during your retirement. You should max out contributions to your 401(k), an IRA, or whatever retirement plans are available to you. Stay-at-home spouses should sock cash into an IRA, preferably a Roth IRA which takes after-tax dollars, earnings build up tax-free, and you can withdraw money without incurring taxes later on. For more information or to obtain Life and Disability Insurance quotes, please contact Fred Kobza, Jeff Hammer, or Stephen Hoff.

Craig Pope - Hebron Branch President

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*Not a deposit of the bank *May go down in value
*Not insured by any federal government agency

From Bank of Broken Bow . . .

Since our last newsletter, a lot of changes have taken place for the Bank of Broken Bow. We have moved from the Loan Production Office into our full service bank located at 803 South D Street. Our Open House was held on April 1st and April 4th was our first day of business.

We have been very busy opening new accounts and giving people short tours of our new facility. Thanks to you and our community for the wonderful support and interest. Our complete employee group wishes to thank each of you for moving your business to the Bank of Broken Bow. Please remember we are open and receptive to any recommendations from you that will help us serve you better.

We are very pleased to announce that Julie Kulhanek has joined Bank of Broken Bow. Her first day with us was May 16th.

Many of our customers have been asking about Internet banking. We are presently working on providing this service which should be available by late summer.

Our Safety Deposit Boxes will be here in July, and we are making a list of customers who have requested a box.

We are all excited about warmer weather coming on. This area of Custer County is in better shape for moisture than we have been in recent years. Our rainfall was generous, but not flooding like central and eastern Nebraska experienced. It's going to be a great summer!

Dan Jelinek - Broken Bow Branch President

Data Encryption Standard (DES) and the Main Bank Drive-Up Automated Teller Machine (ATM)

By mid to late June 2005, Bruning State Bank will be retiring the drive-up ATM located on the west side of the building. We are replacing this ATM with a new walk-up machine to be located on the south (Main Street) side of the building.

The drive-up ATM was installed in January 2000. The outer shell and moving internal parts were refurbished from late 1980's - early 1990's machines (meaning we bought the least expensive machine available). The operating software was current at the time of installation and featured a moderately high-speed processor. After installation of the drive-up we knew we had a very valuable customer service tool. Over the years the west-facing machine took its shots from sun-generated heat in the summer and wind-added coldness in the winter to make for a somewhat unreliable ATM. I know from personal experience via customer phone calls and notifications from the ATM monitoring company, problems were plentiful (especially Saturday nights and Sunday mornings).

Our drive-up ATM had only a few months of service left. Since we are an associate member of the VISA International clearing network called CIRRUS we must make all our machines compliant with a higher version of DES or Data Encryption Standard (DES), so our single DES operating system must be upgraded with Triple DES. In 2004 we replaced 3 ATMs to comply with the new Triple DES standards. Unfortunately for our customers that have used the Geneva ATM we have had some downtime with our new machine - with assistance from the machine manufacturer and service company, we feel we have that issue resolved. I apologize for any inconvenience this may have caused.

Triple DES is a much higher data security cryptographic algorithm standard. It will safeguard your bank account information that travels across a dedicated telephone line from ATM to the Nebraska ATM central processor in Lincoln. This is a very safe and reliable data transfer system.

With the requirement to be Triple DES compliant by year end, we investigated the cost to upgrade the drive-up internal operating system and processor with the cost of installing a new drive-up ATM, since upgrading the operating system and processor would leave us with the same shell and internal moving parts. With the same weather related issues, we could not cost justify the upgrade or the purchase of a drive-up ATM. For a little over half the price of the drive-up upgrade, we opted to install a brand new walk-up machine that was fully Triple DES ready and will not be exposed to the extreme weather conditions that the north and west location caused for the old drive-up. This new machine will be more reliable and easier to use. The difference will be having to exit your vehicle to use it.

Look for this change mid-June to first of July, according to the manufacturer.

You can use your VISA Check Card or Bruning State Bank ATM card free of charge at all our locations:

BRUNING-Main Bank - 104 Main Street - 24 hours - 7 day a week

HEBRON-(2 locations) - Hebron Branch - 252 South 13th Street (Old US Highway 81) - 24 hours - 7 days a week and at the Casey's General Store, Inc., 105 South 13th Street (Old US Highway 81) - 6:00 AM till 11:00 PM 7 days a week.

BANK OF BROKEN BOW-803 South D Street - 24 hours - 7 day a week

GENEVA-Casey's General Store, Inc., 340 North 13th Street - (Old US Highway 81) - 6:00 AM till 11:00 PM 7 days a week.

Jerry

As many of you know, Mabel Hogeland has been quite ill. Jim has been keeping us posted on Mabel's progress. At last update, she was resting more and looking forward to continued improvement. If any of our readers would like to send Mabel a "Thinking of You" card, we would be happy to see that she receives them. You may mail a card to: Mabel Hogeland, c/o Bruning State Bank, PO Box 100, Bruning, NE 68322.

Living Will??

Is a living will enough? After the recent Terry Schiavo case, it makes us realize that most of us need to know more about how to draw advance directives - instructions for your care if you should become incapacitated and cannot make medical decisions for yourself. As many of you know, we can be put in these situations in a matter of moments.

If you are going to choose one thing to do, you should seriously consider a Health Care Power of Attorney. This document gives the person you select the legal right to make decisions for you if you no longer can. It is also very important that you discuss your preferences with the person you name to make any decisions, and also as important to discuss them with family members so they will be able to support the decision maker. Often times when you enter the hospital for any kind of care, you will be asked if you have a Health Care Directive.

Living Wills are another kind of advance directive, however they should be used in conjunction with a Health Care Power of Attorney. It is also very important that you share these documents with all your doctors, for them to place on file, if the need should arise.

For further information, please contact the attorney of your choice, or a member of our Bruning State Bank Trust Department.

Darlene Reinsch - Sr. Vice President



Attention Graduates . . .

We would like to congratulate all of the graduating seniors and college graduates this year. We feel you can "take us with you" when you go forward with your next step in life. Just because you are leaving the area or searching for that new job, in no way does this mean you have to leave "Your Country Bank."

It is convenient and easy to bank by mail, ATM, phone (800-403-5889) Bruning, 800-405-6167 Hebron, and 877-872-2757 Broken Bow) and in the future, Internet. Please remember to update your address with us when you move to a new location. We appreciate the opportunity to be your bank now and in the future!

"Un"-Jocundity From Janet. . .

Through most of the winter, I am "immersed" in Ag lending. Now that spring has "sprung", I find I am seeing a few more consumer-type customers. One item that repeatedly "rears its ugly head" is credit repair, a general term referring to the attempt to improve or rehabilitate one's financial reputation (or creditworthiness) among creditors. Credit repair is likely to come into play for people who are applying for home loans, and find that they have too many credit cards, too many times that their payments were late, etc., resulting in a less than desirable credit rating.

How do you find out what is on your credit report? In December 2003, Congress passed the Fair and Accurate Credit Transactions Act (FACT Act), which included the right to a free annual credit report on request and a number of provisions designed to improve the accuracy of credit reports (check at www.annualcreditreport.com).

Inaccurate credit reports could damage 1 in 4 consumer's ability to buy a home, rent an apartment, obtain credit, open a bank account, or even get a job.

It is possible, of course, that a poor credit rating may not be deserved. Over the last 11 years, there have been surveys showing that sloppy credit agency practices are at fault for errors in consumer credit reports. The mere fact that something negative shows up on your report does not mean it is positively yours. You may want to consider getting a copy of your report to verify the information to be found there. It is possible, for example, that a bad debt of a previous tenant could be associated with a current tenant, merely because of the common address. Even a transposition of your tax identification number could yield some questionable responses.

If your creditworthiness has been damaged due to incorrect or misleading information, you can undertake a credit repair campaign. Such an endeavor involves obtaining copies of one's credit reports and formally disputing erro-

neous or misleading information.

To dispute an entry in your credit report because it contains erroneous, misleading, or outdated information, as provided by federal law, simply write a letter to the credit-reporting agency. Even if you're not contemplating any financing at the present time, it might be good to clear up any discrepancies on your report.

What can you do about a less than perfect credit score that is deserved? Change those payment habits. Make your payments on time. Make arrangements with the creditors with whom you have delinquent payments to repay them. This is one of the major steps in improving one's credit habits. Creditors may be willing to accept slow payment, rather than writing off the debt, or paying some collection agency to collect it. In some cases, creditors may accept a less-than-full repayment. What is important is communication; make contact with the creditor and work on retiring the debt. A lender is more likely to work with someone who is responding to, not ignoring, requests for payment.

Janet Germer - Vice President

Life Insurance . . .

You've often heard those commercials on TV or the radio talking about the importance of Life Insurance and the need to protect your family and your assets. With the many different forms of Life Insurance, you may find yourself wondering which type would fit your situation best. Whole Life, Term, Variable Life, and Disability are just a couple of the most popular types.

Stop in and see Jeff, Stephen, or Fred K. to discuss your Life Insurance options. We can go through and explain the options you have so you can make an informed decision on how to protect your family from those unfortunate events that life throws us. Even if you want an explanation, give us a call or drop by and we will be glad to sit down with you!

*Jeff Hammer, Stephen Hoff & Fred Kobza -
Life Insurance Agents*

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*Not insured by any federal government agency

**Purchase... Build... Refinance...
Consolidate Debt...**



If any of these words catch your interest, please contact us!

**We have great, low interest rates & competitive terms
to meet your needs.**

Come Travel With Us . . .

There are still some seats available on the Black Hills Trip. It is a five day tour, July 13-17 to the Black Hills in South Dakota. Tour highlights include: Mt. Rushmore Memorial, 1880s Steam Train, Chapel in the Hills, Big Thunder Gold Mine with Gold Panning, Dinner on a Ranch, Crazy Horse Memorial and much, much more.

On September 15, we will be heading to Omaha for dinner "aboard the Titanic"! We will begin the day by stopping at Baker's Chocolate and then head to the Old Market for shopping and lunch. We will then stop at the Joslyn Castle, a Scottish baronial style home built in 1902. It is known for its elegant woodwork and beautiful stained glass. We will then have a nice evening meal "on the Titanic." It is a beautiful Renaissance Mansion where we will be treated to a re-created, authentic eight-course meal that would have been served with all the elegance and finery of the Titanic. During dinner, the captain and deck hands will involve the guests in what happened that fateful night. Call the Bank today to make your reservations.

If you have questions or are interested in having more information about the day trip, please stop in or give us a call. Additional travel destinations are offered from the travel company that we work with; we invite you to stop by anytime to look over their brochure. We look forward to you traveling with us!

*Pat Hobbs, Mabel Hogeland &
Sarah Miller - Group Travel*

EE Savings Bond Changes And Summer Fun . . .

We have been informed of changes to the Series EE Savings Bonds and need to get information out to our customers. The following is a news release provided by the Bureau of Public Debt United States Department of Treasury:

Series EE Savings Bonds To Earn Fixed Rates Beginning With May 2005 Issues

The Treasury Department announced today that Series EE Savings Bonds issued on and after May 1, 2005, will earn fixed rates of interest. The new fixed rate will apply for the 30-year life of each bond, which includes a 10-year extended maturity period, unless a different rate or rate structure is announced and applied at the start of the extension period.

Rates for new issues will be adjusted each May 1 and November 1, with each new rate effective for all bonds issued through the following six months. Interest accrues monthly and is compounded semiannually. Savings bonds must be held a minimum of one year, and there is a three-month interest penalty applied to bonds held less than five years from issue date. At a minimum, Treasury guarantees

that a bond's value will double after 20 years, its original maturity, and it will continue to earn the fixed rate set at the time of issue unless a new rate or rate structure is announced. If a bond does not double in value as the result of applying the fixed rate for 20 years, the Treasury will make a one-time adjustment at original maturity to make up the difference.

Series EE bonds issued prior to May 1, 2005, will continue to be governed by the terms in effect when they were issued.

Savings bonds are available in electronic or paper form. Paper EE bonds are issued at a 50 percent discount from face value, and electronic EE bonds are issued at face value. Issue prices for EE bonds start at \$25. Electronic savings bonds can be purchased directly from the Treasury Department by opening a Treasury Direct online account at www.treasury.direct.gov. Paper savings bonds can be purchased either through a financial institution or through payroll savings plans offered by thousands of employers.

For more information on the fixed rate for EE Bonds, check our [frequently asked questions](#).

We hope this information will be helpful in making a decision on your next EE Saving Bond purchase.

The summer vacation months are upon us. Don't forget to stop by the Bank to pick up your vacation cash or Traveler Cheques. Remember that we waive the fee for Traveler Cheques during the months of June, July and August. Also, remember to use your VISA Debit Card to make purchases without delays.

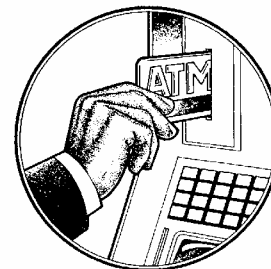
Enjoy the Fun Days of Summer! HINT: Don't just enjoy your neighbor's garden from afar, but plant your own. You can stop and smell the flowers whenever you want to.

*Cheryl Houser, Jan Bentley, Nancy Lahners
& Deb Schultz - Customer Service*

VISA Check Card

When you are out and about this Summer,
remember to use your card because...

- It serves as an ATM card for cash
- It is a fast way to pay – there is no check to write
- It is safer than carrying checks or cash



We would be happy to help you obtain a Visa Check Card today!

Hail - Just Another

"4-Letter" Word! . . .

Storm season is here and it looks like we are going to get our share of wind and hail. Do you have sufficient coverage to protect your income if you have a loss on your crops this year? Don't wait until you are saying other "4-letter" words—get your hail insurance coverage today!

We can provide you with a hail insurance policy that includes coverage for Fire, Lightning, Theft, Vandalism, and Malicious Mischief while the crop is in the field, and while in transit by other than common carriers (not to exceed 100 miles to the first place of storage). Coverage for Windstorm, Collision, Overturn, and Collapse of bridges, docks, and culverts while in transit is also included at "NO EXTRA CHARGE". Grain storage protection is also included as long as your policy is in force and no deductible applies to this coverage. We can also offer continuous hail insurance that will cover your crops before you have had time to report your acres. The continuous coverage also extends your grain storage coverage and is provided at "NO EXTRA CHARGE".

"Green Snap" coverage can be added to your hail insurance policy on corn only. "Green Snap" is defined as: Severing at a joint of the corn stalk (above the braceroots/below the ear) from a windstorm, which will prevent the harvesting of the ears by mechanical equipment. "Green Snap" coverage ends at midnight on September 15th.

Stop by to see one of us to get more details on the options available. Don't wait until the storm cloud is overhead as coverage does not go into effect until 2 hours after we have a completed, signed application.

*Jeff Hammer, Kathy Roberts, Fred Kobza,
Janet Germer, Larry Olson,
Craig Pope & Shari Fischer*

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Optimum vs. Maximum Production . . .

Since the 1970's when the Carter administration asked the American farmer to plant from fence row to fence row to feed the world, farmers have been pushing hard to increase production. Research and technology have played a very large part in this increase in production.

Corn has had an average increase of 1.8 bushel per year over the past 20 years. With the focus on maximizing yields, it is easy to lose sight of optimum production, rather than maximum production. When you talk to farmers in and around harvest time, the conversation usually re-

volves around production - whose corn or beans yielded the most.

While big yields are positive in the profit equation, maximum production may not always mean maximum net profit. This may become more of a consideration as we see fuel, fertilizer, and capital costs continue to increase. In addition to these factors, availability of water may also be a limiting factor in focusing only on maximum production. One example of this may be last year. Dryland corn made between 120 to 140 bushels per acre in our area, while 70 miles east of here, dryland corn made from 160 to 180 bushels per acre. The difference in the yields was because of rain received late in the growing season. Thus 3 to 4 inches of rain received in August made the difference. With this thought in mind, had we only watered our irrigated crops an additional 3 to 4 inches for the full growing season, we in theory would have had the same outcome in yield?

Most farmers ran their pivot system around 10 to 12 times last year to get a yield of 180 to 200 bushel yield per acre. For the cost of watering 7 to 9 more times, was it worth the extra 20 bushel per acre they received? Not likely, with corn at \$2.25 per bushel.

With input costs getting higher and higher, farmers will need to focus more on what brings the most to the bottom line rather than maximizing their production.

*Darrell Raum - Sr. Vice President
& Credit Supervisor*

We're Cool! . . .

The harsh, heavy weather of winter is past, the temperamental spring weather is passing quickly and summer will soon be here. I'm surprised there has not been a government-funded study to determine which region of the United States has the most "variety" in its weather. Maybe there has been! At any rate, we already know the answer, the mid-west region, with Nebraska in the center of it all.

I would like to share a recipe for a cool, light and refreshing dessert you might enjoy on those hot and humid days of summer.

Fluffy Lemon Delight

3 oz. Pkg. Lemon gelatin, 1/2 cup lemon juice, 1 cup boiling water. Dissolve and add 1/2 cup cold water. Chill until consistency of egg whites.

Make a crust from: 1 1/2 cups graham cracker crumbs, 1/2 cup sugar, 3 Tbsp. margarine.

Spread 2/3 of the crumbs in a 9x13 inch pan; reserve the rest for topping.

Whip together: 1 - 13 oz. can evaporated milk (chill in freezer until very cold), 1/2 cup sugar. Whip the gelatine mixture until it is fluffy and fold into the whipped evaporated milk mixture, pour over crust and sprinkle reserved crumbs on top. Chill until set.

When you enjoy this dessert, think of us at Bruning State Bank. We are here to "serve" all your banking needs.

*Pam Lemke, Janice Fintel & Carm Hinrichs
Bookkeeping Department*

"What Do I Do?". . .

- Have you had to set out buckets to catch the rain falling inside your home during a bad thunderstorm?
- Have you ever come home to discover water on your floor and find a broken water pipe?
- Have you had water dripping from the ceiling and discovered your upstairs tub or toilet is overflowing?
- Have you discovered your sewer has backed up leaving a nasty mess for you to clean up?
- Have you had water seeping into your house during the rainy season?

Do you know what kind of water loss your policy will cover? Some homeowner's policies do not provide coverage for sewer back-up, or only provide a minimal amount of coverage. Most homeowner's policies DO NOT provide coverage for ground water entering your home. Coverage would not be provided in a flood situation or if you have water seeping in during a rainy season.

Here are some steps that need to be taken to prevent additional damage in a water loss situation.

#1) Determine the cause of the leak and get the source of the water shut off or stopped.

#2) Contact your agent right away and advise the details and severity of the loss.

#3) Elevate all wood furniture—use styro-foam blocks or place tinfoil between the legs and the floor.

#4) Elevate draperies from the floor.

#5) Make sure there are no items lying on the floor that have a finish that could bleed. This includes clothing, clay pots, magazines, papers or metal objects.

#6) If it is determined that coverage would apply to the loss, we can authorize you to contact a qualified restoration company.

#7) If wood furniture gets wet, wipe down the furniture with a clean towel—DO NOT use oil or polish as this will trap in the moisture.

#8) Mold and mildew can begin growing right away. Regardless of whether your loss is covered by insurance, it is very important to get the area thoroughly dried out as soon as possible. A shop vac can be used to vacuum up excess water, a dehumidifier can be used to help remove moisture from the air, and fans can be run to help speed the drying process.

We are ready to review your coverage and help answer any questions you might have, so please stop by our office or give us a call.

*Fred Kobza, Kathy Roberts & Kristen
Monteforte - Insurance Department*

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*Not insured by any federal government agency

*May go down in value



ADDRESS REMINDER...

If you have received a post card from your Post Office notifying you of your new E911 address, we need it. Please notify the bank of any changes in your address, telephone number or name. We want to make sure you get all of your bank information. Thanks!

Are You Financially Ready For An Emergency? . . .

Do you have sufficient funds in short term savings to pay living expenses if one or more of the bread winners in your household loses their job, has an extended illness, or is faced with a major expense to repair your vehicle or house? Financial Planners recommend households should have 3 to 6 months of living expenses held in short term savings to replace income lost or to pay major repair expenses like those above. Households with 2 adults probably can survive with 3 or 4 months of living expenses held in savings, but a household of 3 or more should have a minimum of 6 months.

If you haven't been able to establish a short-term savings plan, we have a new product called the "Country CD (Certificate of Deposit) Loan" to help you achieve that goal. Here's how it works. We loan you the money to purchase a Certificate of Deposit (CD); we use the CD as loan collateral, and you make the monthly payments to repay the loan. It's that simple. The CD and loan amount is based upon: how large a monthly payment you can afford, the interest rate, and length of term for repayment. (See examples below).

Upon making your last loan payment, the lien on the CD is released and you now have a CD of your very own to use for emergency situations. However, since you are in the habit of making a monthly payment, you can continue to build or replenish any funds you may have used for emergency expenses. If you have any questions or wish to apply, please contact Jeff, Sarah, Stephen, or Craig.

Monthly payment amounts shown below are based on CD interest rates as of May 13, 2005, which are subject to change.

<u>Certificate of Deposit Amount</u>	<u>Term</u>		
	<u>36 Months</u>	<u>48 Months</u>	<u>60 Months</u>
	(Rounded Payment Amounts)		
\$5,000	\$152	\$118	\$ 98
\$7,500	\$228	\$177	\$147
\$10,000	\$304	\$236	\$195
\$12,500	\$379	\$295	\$244
\$15,000	\$455	\$353	\$293
\$17,500	\$531	\$412	\$342
\$20,000	\$607	\$471	\$391
\$22,500	\$683	\$530	\$440
\$25,000	\$758	\$589	\$489

BRUNING STATE BANK

Charter No. 618

"Since 1891"

Statement of Condition At Close Of Business On March 31, 2005

ASSETS

CASH	\$2,872,000.00
(Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	
U.S. BONDS	25,723,000.00
(This is the amount of government bonds owned by the bank, most of which are due in less than three years.)	
MUNICIPAL BONDS	11,259,000.00
(Investments in high-grade bonds issued by cities, school districts and other municipal government.)	
TOTAL CASH ASSETS	\$39,854,000.00
(Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	
LOANS AND DISCOUNTS	67,543,000.00
(Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	
BANKING HOUSE, FURNITURE AND FIXTURES	1,055,000.00
(The depreciated value of the bank, all furniture and equipment.)	
OTHER ASSETS	5,800,000.00
(Accrued interest earned but not collected and other receivables.)	
TOTAL ASSETS	\$114,252,000.00

LIABILITIES

DEPOSITS	\$83,928,000.00
(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 & OTHERS	13,406,000.00
OTHER LIABILITIES	259,000.00
(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.)	
TOTAL LIABILITIES	\$97,593,000.00

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	11,800,000.00
(Amount taken from the profits of the bank to further strengthen the position of the bank.)	
UNDIVIDED PROFITS AND RESERVES	4,259,000.00
(Amount that has accumulated from earnings of the bank for reserves.)	
TOTAL EQUITY CAPITAL	\$16,659,000.00
TOTAL LIABILITIES & EQUITY CAPITAL ...	\$114,252,000.00

**BRUNING
STATE
BANK**

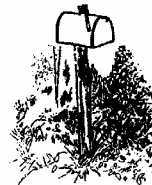
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