

# BRUNING STATE BANK

Volume 23 No. 2 Apr./May 2006

www.bruningbank.com

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

Hebron Branch 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

FDIC

YOUR  
COUNTRY  
BANK



## Where Is The Next Meal Coming From?

One of the best things that has happened to Nebraska Agriculture is a definite change in cooperation between agricultural entities, such as the Cattlemen, the Corn Board, Soybean Board, hog producers, Farm Bureau and others. Joy Philippi, in the pork producers' camp, was involved in this new spirit of cooperation. (Thanks, Joy!)



The Congress and President are talking about the "farm problem" and the new Farm Bill. As I see it, it's not a problem. The "fat cats" who are doing our trading seem to favor importing food because it's cheaper. Our farmers and educators have helped farmers all over the world to improve their production. A Chinese farmer may make as little as \$15 to \$20 a month; we are importing from them, while they, and countries like them, hate us. This situation has come to make us dependent on oil, cars, steel, lumber and ag products.

Someone said the image of farmers went from "salt of the earth" to "salt in your wounds." The formerly prevailing fondness for farmers has diminished on the national scale.

Maybe those who legislate farm and trade policy have never gone hungry or wondered about their next meal, like the Depression family shown in the picture above.

We need to tell our story and get the respect we deserve for the greatest job in the world – raising food to feed the world. Those in agriculture need to be active and raise our voices for a good farm program.

*Banker Frank  
Frank L. Bruning—  
President*

## Did You Miss A Growth Opportunity?

Farmers & Ranchers College programs have now ended for the season. We had very good programs on grain marketing, cattle and hog opportunities, crop insurance and ideas to improve farm operations. The attendance was lower than expected; we hope we can continue each year if there is enough interest. Most of the marketing seminars focused on marketing grain prior to harvest on rallies and using crop insurance as revenue coverage. We all struggle with marketing; we all love the production side. Whether we have livestock or crops, a market advisor is helpful, together with good crop insurance agents like we have in Bruning, Hebron, and Broken Bow. Their knowledge can help you with these decisions.

One of our seminar speakers made a good point that renting farmland from a landlord by paying more than the neighbor does not create any new wealth in a community. Only expansion of livestock or ethanol, other industries or manufacturing expand the economics. Therefore, diversifying your operating with livestock helps create more income to bring a son or daughter back to the operation, instead of always trying to rent more land. Custom farming, haying, custom feeding cattle, leasing cows, or a second job are all ways to create more income.

Agriculture is moving very fast as well as the marketing end. Seek advice from your banker, crop insurance agent, and/or market advisors, and make it a point to attend seminars. It will help you create a plan for growth, viability and sustainability.

*Fred D. Bruning—  
Executive Vice President*

---

---

## Why Do Interest Rates Change?

Interest rate changes are the result of the variation of many complex factors. Because of this complexity, it is very difficult to accurately forecast any rate changes, and long-term forecasting is not at all accurate. Some of the factors that help to dictate interest rate changes are:

**Supply and Demand –** Money is a commodity and, like any other commodity, its value goes up and down, based on how much demand there is for money versus how much of a supply of money there is. In a booming economy, many companies need to borrow money to expand their business. Consumers are making money, as they are fully employed and they have credit needs to buy homes and vehicles. This keeps the demand for capital high. High demand for money generally translates into higher interest rates. The supply of money, which is impacted to a large degree by government spending, can affect interest rates as well.

**The Monetary Policy –** The government may affect monetary policy when it directs the Central Bank to create more money by printing it. This lowers interest rates because it increases the supply of money available for lenders and borrowers alike. If the supply of money is lowered, interest rates will increase. The federal government thus adjusts the money supply in an effort to manage the economy.

**Inflation –** Investors want to preserve the “purchasing power” of their money. If inflation is high, the investor will want a higher interest rate to cover the loss in the “purchasing power” of his money. To entice the investor to loan his money out long-term, the rate will have to be even higher if there is inflation. If inflation is low, the investor does not need as high an interest rate, as his money will retain its “purchasing power”.

Through the Federal Reserve, the Federal Government uses interest rates to manage the National Economy. They have the ability to influence the movement of interest rates through raising or lowering the interest rate that banks pay to borrow money from the government. This, in turn, motivates banks to increase or decrease their interest rates, to compensate for the Federal Reserve interest rate movement.

Depending on your situation, higher interest rates can help or hurt you. If you are a businessman with large capital needs, you are likely to borrow money. High

rates can have a very negative impact on profitability. If interest is a part of your income, high rates are a positive factor in your cashflow, as the higher the rates, the more disposable income you will have.

*Darrell Raum—  
Senior Vice President &  
Credit Supervisor*

## "Government Grant" Scam Still Active...

Bruning State Bank is warning consumers to beware of callers fraudulently claiming to be representatives of the United States Government or groups assisting the federal government with grant distribution. There have been two reports recently of persons receiving phone calls from foreign-speaking individuals, informing them that they are eligible to receive a grant from the U.S. Government. These callers are very convincing and have quick answers to any questions or skepticism.

The caller tells the victim that he needs the victim's checking account number so that he can debit a “processing fee” from the account, then the “grant money” will be direct deposited into the account at a later date. According to the caller, this is totally free money from the federal government, to be used in any way, without repayment.

The purpose of the call is to obtain checking account and bank routing numbers from the victims and to get the victim to say “yes” so they could record the transaction and take funds from their account. In one instance, the victim finally gave a fictitious bank routing number to the caller, and the caller informed the victim that he had given an incorrect number. The caller then recited the victim's account and bank routing numbers to him – the caller already had them on file!

If you receive one of these telephone calls, or any calls asking for financial information, DO NOT give out your bank account number. It would be best to just hang up right away. After the call you will want to keep a close watch on your bank account and report any unauthorized transactions to your financial institution.

*Shari Fischer—  
Head Teller, Hebron Branch*

## ALERT...Storm Warnings!

Well, it looks like the storm season is here with our first hail storm of the year coming already in March! Do you have sufficient coverage to protect your income if your crops get hailed out? Don't wait until AFTER a hail storm hits - get your crop hail coverage started today! The hail premiums are the same whether you start your coverage in April or if you wait to start your policy in July or August - so don't wait until the storm warnings are issued and the storm cloud is overhead!

Hail insurance provides coverage for MORE than just HAIL. It also provides coverage for Fire, Lightning, Theft, Vandalism, and Malicious Mischief while the crop is in the field, and while in transit within 100 miles of the first place of storage. It provides coverage for Windstorm, Collision, Overtown, and Collapse of bridges, docks, and culverts while the grain is in transit. Grain storage protection is also included, with no deductible, as long as your policy is in force. 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 15<sup>th</sup>.

**CASH SAVINGS:** Our customers can receive a 3% cash discount when premium payments are made prior to the August 1<sup>st</sup> deadline in Nebraska, and the July 1<sup>st</sup> deadline in Kansas. Some areas in Kansas & Nebraska will also receive LOWER RATES in 2006, so be sure to call for a quote.

Let us help protect your income - Stop by to see one of us to get more details on the different deductible and coverage options available. DON'T WAIT!!! Your coverage does not go into effect until 2 hours after we have a completed and signed application submitted to the company.

We look forward to working with you in 2006!

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

## Travel Update...

We were dissapointed we had to cancel our trip on March 19, but your health and safety are our first priority. You never really know how to plan for the winter season in Nebraska!

- Looking ahead, we want to let you know that the summer dates have been revised for the trip to Jamesport, MO to **July 13 through 15**. We will stop in Washington, KS to tour the KSDS Company which trains service and guide dogs for the blind and visually impaired and also the Marcon Pies manufacturing plant the first day. On day two we will visit the Amish settlement in Jamesport MO to learn about their unique way of life and the Old Order Amish way. Back to our overnight in St. Joe for a chuckwagon buffet dinner with the "Wild Women of the Old West." Day three we tour St. Joe's historic district, an 1857 bank and Patee House Museum (and stroll down Old Main Street) with other stops before heading home. Flyers are now available.
- October 24 - 30 we will have our seven-day air trip to the Smoky Mountains of Tennessee and North Carolina. Personalized information flyers for our branches are available and seating is limited. We are proud to offer this trip and, as we pointed out last newsletter edition, **MANY WONDERFUL SITES & DESTINATIONS!** Let us know if you would like more information. Reservations are on a first come-first serve basis.

Give us a call or drop by any of our branches for more information or any questions you might have. We hope you will consider traveling with us this year!

*Sarah Miller, Renee Ferguson  
& Mabel Hogeland—  
Group Travel*

## Internet Banking For Everyone...

Bruning State Bank is pleased to offer its Internet Banking product for both consumers and businesses. Stop by any of our branches and fill out an Internet Banking agreement or print off an agreement from our website [www.bruningbank.com](http://www.bruningbank.com) and mail it to us.

Consumers can look up statements, see check images, transfer between accounts and pay bills all from the comfort of their own home and for free. Businesses no longer have to leave the office or call the bank for information; it will be at their fingertips. They can look at checks that are posted to the account, check the business loan balance, research a past statement, or transfer funds from the office. Please contact us at 1-800-403-5889 with questions or for more information.

*Corey Swartzendruber—  
Internal Auditor*

## Bad Apples...

Can one "bad apple" spoil the barrel? Yes, it can! Don't let a "bad apple" spoil your banking experience.

"Bad apples" are always on the lookout for a new way to get your checking, Visa Check Card or credit card information. In the past, the telephone was a major source of information for them, but now the Internet has been added to the list.

Did you hear about the woman who was sent several counterfeit one hundred-dollar bills by someone she met in an Internet chat room? The idea was that she should deposit the money and then wire most of it to someone else. They were hoping the wire would be sent before the counterfeit money was discovered. Luckily she was suspicious and contacted the police department.

Don't give out personal information unless you are sure whom you are dealing with. Carefully destroy personal papers to avoid identity theft. We all need to be vigilant and monitor our accounts carefully each month.

If you find fraudulent activity on your checking account, contact the bank immediately. If you believe you have been contacted by a "bad apple" or scam artist, you can call the consumer protection line at the Nebraska Attorney General's office. The telephone number is 1-800-727-6432.

### ATTENTION: Consumer Internet Banking Customers

Keep in mind when using our bill payment option that we are mailing checks out. You may need to allow time for postal delivery so that your payment arrives by the due date. If you haven't already seen it in another article in this newsletter, I'll give you some great news: Our Internet Banking Bill Payment service is now free!

*Pam Lemke, Janice Fintel  
& Carm Hinrichs-*

## Convenient Bank Trust Services...

There are many reasons to use a trust department, such as 1031 Like Exchanges, Power of Attorneys, Self-Directed Investment Accounts, Administration of Trusts and estates. If you find yourself in need of such assistance, please remember that Bruning State Bank has a full-service Trust Department. We now have trust services available at the Bank of Broken Bow, as well. Bruning Committee Members include Darlene Reinsch, Frank Bruning, Fred Bruning, Janet Germer, and Renee Dowdy. In Broken Bow, please contact Dan Jelinek or Kim Schipporeit.

*-Trust Department*

## Free Internet Banking Bill Pay Is Here...

Do you ever wish when paying those monthly bills that someone else could do it for you? We can...at least write out the check for you and mail it, without any fee. It actually saves you money to use Bill Pay because you don't have to use a check, an envelope or a stamp. Wow - what a deal!

If you are already signed up for Internet Banking, it's easy to get started. Simply log on as always, then go into Express Transfer. Select Payments, then Setup New Payment. At this screen, you will enter the needed information and "submit". It's on its way! Please remember to allow the same amount of time for the payment to get to the payee as you would if you were personally writing a check and mailing it yourself.

If you haven't signed up for Internet Banking yet, you need to do so in order to use the Internet Bill Pay feature. Stop in the Bank; we will be glad to get you started.

As always, please don't hesitate to ask if you have any questions concerning Internet Banking. We can even sit down with you the first time you sign on or the first time you use Bill Pay and walk you through it. We are always glad to help you and we think if you try it once, you will be hooked!

We now have mouse pads available to our Internet Banking customers. Please ask for one the next time you are in the Bank.

Happy Bill Paying!!!!

*Kim Schipporeit-*  
*Assistant Cashier, Bank of Broken Bow*

### To All Ladies...

*Please stop in at the  
Bruning State Bank in  
Bruning or at the Hebron  
Branch on Friday, May 12  
or Saturday, May 13 or at  
the Bank of Broken Bow  
on Friday, May 12 to  
receive your flower in  
honor of Mother's Day!*



## Did You Know???

Did you know...that the Bruning State Bank Insurance Agency offers many different types of insurance?  
Did you know... that some of our companies offer a discount of up to 30% when they write both your home and auto insurance?  
Did you know...that the Bruning State Bank Insurance Agency provides all the following types of insurance coverage, plus more?

- \*Personal Auto Insurance • \*Homeowner's Insurance
- \*Dwelling Owner's Insurance • \*Renter's Insurance
- \*Jewelry, Guns, Computers, Cameras, & other personal items Insurance
- \*Identity Theft Insurance
- \*Flood Insurance • \*Farm Insurance
- \*Farm Liability Insurance
- \*Watercraft Insurance • \*Personal Umbrella Liability
- \*Camper & Motor-home Insurance
- \*Motorcycle Insurance
- \*Commercial Auto Insurance
- \*Commercial Property Insurance
- \*Commercial Liability Insurance
- \*Commercial Umbrella Liability
- \*Workers Compensation Insurance
- \*Commercial Inland Marine
- \*Notary Bonds • \*Fiduciary Bonds
- \*Directors & Officers Liability
- \*Errors & Omissions Liability
- \*Life Insurance • \*Health Insurance
- \*Long Term Care Insurance • \*Disability Insurance
- \*Medicare Supplement Insurance
- \*Medicare – Part D Insurance
- \*Multi-Peril Crop Insurance • \*Crop Hail Insurance
- \*Livestock Risk Protection • \*Livestock Gross Margin

Did you also know...that we can provide you with great customer service and will do our best to get you the best rate possible?

Oh...and we are licensed to write business in both Nebraska and Kansas!

SO...keep us in mind for all your insurance needs!  
GIVE US A CALL OR STOP BY OUR OFFICE FOR A QUOTE!

*Fred Kobza, Kathy Roberts,  
Kristen Monteforte & Jeff Hammer—  
Insurance Department*

\*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

## Give Nothing Away...

There are at least a few articles on Internet banking and possible fraud in this issue, but I believe some of the following information bears repeating.

I know that many of our customers are too kind to be firm (or even rude, if necessary) to people who contact them, trying to get information that could be used for identity theft. These callers can be pretty crafty and sound really convincing while pretending to be official bank-related personnel or someone who is trying to help you. They may have just a bit of information and try to get you to "fill in the blanks." They may have incorrect information and work on you to give them "the right stuff." Please remember when these people contact you that you don't owe them anything. They called you. It is acceptable to hang up on them.

Things to keep in mind:

Don't give any personal information out, unless you are really sure you know with whom you are speaking.

This bank will not call you and ask you for your password or user name for Internet accounts.

This bank will not randomly call you and ask you to verify your account numbers, tax identification number and the like, nor will we hire someone else to do so.

If something sounds like too good a deal to be true, it probably isn't something you want to get into. Report such calls to law enforcement and your financial institution at once.

If you have a rural mailbox (as opposed to a post office box), don't leave your mail "out there" for any longer than you must.

Properly dispose of papers that do have personal information on them; those TV commercials mentioning "dumpster diving" and identity fraud aren't just making that all up!

I am not trying to increase paper shredder sales, necessarily, but it might be a good household purchase....

When you get an offer via e-mail, internet, standard mail or the telephone that sounds too good to be true, it is likely to be an attempt to defraud you in some way. Even things that should be workable have a way, at times, of going awry. While you could normally count on some protection for on-line purchases that would be available from bona fide places on-line vendors, there are sites that are actually counterfeits that attract a potential buyer, get money or information, then evaporate. It is a "Buyer Beware" situation. Be careful out there!

*Janet Germer—  
Vice President & Network Administrator*

## Anniversary Date!

Yes, the Bank of Broken Bow is ready for its one year anniversary on April 4<sup>th</sup>. At this time a year ago, the plastic structure still covered the front of our bank building. We celebrated our open house on April 1, 2005, receiving wonderful support and enthusiasm from our community. It was an exciting day for everyone.

Bank of Broken Bow received the Business Improvement and Renovation Award this year at the annual Chamber of Commerce Banquet. We are very thankful to the community for choosing us for this award. We have the plaque on display at the bank and hope you will stop in to see it soon.

We are excited to announce that construction is about to begin on our new drive-up window. This is one more improvement to help us in our endeavor to meet the needs of our customers. We appreciate you!

Our one year anniversary celebration will be advertised in the paper and on the radio. Please stop by and help us celebrate. We look forward to seeing you!

*Dan Jelinek-*

*Bank of Broken Bow Branch President*



## Establish A Safety Net On Your Cattle...

The livestock market has been through some recent downward trends. Now may be a good time to look into "Livestock Risk Protection" (LRP) Insurance or "Livestock Gross Margin" (LGM) insurance to protect your bottom line. The LRP and LGM insurance products were designed to give the producer an "easy-to-use" alternative to livestock options. See us for more details.

*Jeff Hammer, Craig Pope & Kathy Roberts-*  
*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

### **BANKING HOURS**

#### **BRUNING**

**402-353-2555 or 800-403-5889**

Lobby 8:30 a.m.-3:30 p.m. Monday-Friday;  
Wednesday 8:30 a.m.-5:00 p.m.;  
Saturday 8:30 a.m.-12:00 noon  
Drive-up 8:00 a.m.-4:30 p.m., Monday-Friday;  
Saturday 8:00 a.m.-12:00 noon

#### **HEBRON**

**402-768-7473 or 800-405-6167**

Lobby 8:30 a.m.-3:30 p.m. Monday-Friday;  
Saturday 8:30 a.m.-12:00 noon  
Drive-up 7:30 a.m.-4:30 p.m., Monday-Friday;  
Saturday 7:30 a.m.-12:00 noon

#### **BROKEN BOW**

**308-872-2757 or 877-872-2757**

Lobby 8:00 a.m.-5:00 p.m., Monday-Friday

## **BANK OF BROKEN BOW**

### *One-Year Anniversary Celebration*

#### **DAILY SPECIALS**

- **Monday, April 3, 2006-SAFE DEPOSIT BOX DAY.** Open a safe deposit box and receive free rent until the end of the year.
- **Tuesday, April 4, 2006-NEW ACCOUNT DAY.** Open a checking account and the bank will deposit \$10.00 into your new account.
- **Wednesday, April 5, 2006-BUCK'S BUCKAROO CLUB DAY.** Any savings account opened for a child, 12 and under, receives an automatic \$5.00 deposit from the bank.
- **Thursday, April 6, 2006-INTERNET BANKING DAY.** Stop by the bank and sign up for Internet Banking and receive a complimentary mouse pad.
- **Friday, April 7, 2006-CUSTOMER APPRECIATION DAY.** Cookies and refreshments to be served from 9:00 a.m. to 3:00 p.m. While you're here, register for the door prizes!

**\*\*Specials valid only during the week of April 3-7, 2006.\*\***

**COME HELP US CELEBRATE OUR FIRST YEAR IN BUSINESS!!!!!!**

## What is a Coverdell Education Savings Account?

The Coverdell Education Savings Account was formerly known as an Education IRA. It's an ideal way for you to begin saving money to help a child, grandchild or any young person you know pay for higher education expenses down the road.

Contributions to Coverdell Education Savings Accounts are not tax-deductible, but the distributions used to pay for qualified education expenses of the named beneficiary are generally tax-free.

You can contribute up to \$2,000 per year per beneficiary below the age of 18, provided you meet the following income limits:

Filing Status	Full \$2,000 contribution if your MAGI* is less than:	Partial contribution if your MAGI* is between:
Married, filing jointly	\$190,000 or less	\$190,000-\$220,000
All other filers	\$95,000 or less	\$95,000-\$110,000

Beneficiaries are limited to receiving a total of \$2,000 in contributions to one or more Coverdell Education Savings Accounts per year, regardless of the contributors' limits. Your contributions to a Coverdell Education Savings Account are separate from contributions made to a traditional or Roth IRA. Therefore, contributions may be made in addition to your contribution limits for those types of accounts.

Corporations and other entities, including tax-exempt organizations, are permitted to make contributions to Coverdell Education Savings Accounts regardless of the income of the corporation or entity in the year of the contribution.

You may continue to contribute to the account until the named beneficiary reaches the age of 18. After that time, no contributions may be made to the account. (If the beneficiary qualifies as a special needs beneficiary, you may continue to make contributions to their account after they reach 18 years of age.)

Distributions from a Coverdell Education Savings Account that are used to pay for the "qualified education expenses" of the beneficiary are tax-free. (Certain limitations apply.) Qualified education expenses include:

- Qualified elementary and secondary education expenses incurred at a public, private or religious school in connection with the enrolment or attendance of the designated beneficiary as a student.
- Qualified higher education expenses required for the enrollment or attendance of a designated beneficiary at an eligible education institution.
- Contributions made to a qualified tuition program.

Any amount of the distribution in excess of the qualified expenses, which is not attributable to contributions, will be taxed as earned income.

If the beneficiary does not use the earnings for qualified education expenses, the funds may be rolled over to certain qualified family members of the beneficiary. The funds from a Coverdell Account must be received by the time the beneficiary reaches the age of 30. If the funds have not been distributed or rolled over by the time, the earnings will be taxable and subject to the 10% IRS penalty tax. (This distribution rule does not apply in the event that the beneficiary qualifies as a special needs beneficiary.)

You are not required to make a contribution to the account each year. You may make contributions for a tax year no later than your tax-filing deadline.

For more information about setting up a Coverdell Education Savings Account for one of your loved ones, stop in to see one of our customer service representatives!

## Shoebox In The Closet?

Like it or not, we are heading into tornado season. It is now more important than ever to make sure you have all of your insurance documents, wills, titles to vehicles and personal valuables tucked away in a safe place. Most of us use the "shoebox in the closet" method. There is a much better way!

Rent a Safe Deposit Box from Bruning State Bank! We have many boxes available to rent. They range from small to large depending on what your needs are. We bill only once a year and you can make arrangements to have the amount taken directly out of one of your accounts here at the bank. Our safe deposit boxes are much safer than the shoebox in the closet.

So round up all of those odds and ends and bring them in to one of our branches before the wild winds of spring start to blow!

*Jan Bentley, Deb Schultz,  
Nancy Lahnens & Cheryl Houser—  
Customer Service*



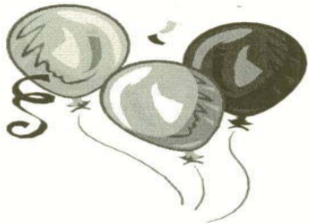
## WELCOME BACK ALUMNI...

Join us to renew old acquaintances and enjoy fun times together again.

Hot Dog Lunch—11:30 A.M. to 1:00 P.M.  
Saturday, May 27, 2006



# Happy Birthday, Frank!



*Join our celebration in honor of Frank's 80th Birthday.  
Stop in for Cake and Coffee at Bruning State Bank  
Friday, April 21 • 8:30 a.m. to 3:30 p.m.*