

# BRUNING STATE BANK

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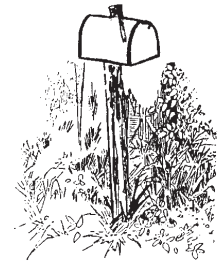
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**"YOUR COUNTRY BANK"**

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## Another Day in Paradise...

Mary and I were coming home from the Sandhills a few weeks ago and stopped at a small-town filling station north of Broken Bow. The operator was a middle-aged man with a smile on his face. I asked my usual question, "How're things going?" His reply was, "Another day in paradise..."

He may not have thought much about his quick comeback, but the more I thought about it, it was true. Especially in the agricultural and rural areas of Nebraska recently, we have experienced good crops and good times economically, even though Mother Nature has thrown us a curve once in a while.

Many older people reflect back to the '30s and '70s, when agriculture faced financial problems, and talk about hard times. But keep listening and soon they will smile and say, "Maybe those were good times, too." The adversity built character and connected neighbor to neighbor.

We have a generation now who perhaps can't remember difficult times or has not lived through any difficult times yet, only paradise.

A lesson to be learned: certain cycles in agriculture, and in our own lives, need adjustment. We can sometimes mess up paradise. Mankind has many self-inflicted problems, so stay alert to changes that will require adjustments.

Remember Adam and Eve lived in Paradise until the serpent told them to bite the apple. It seems to me that enjoying years of continued success and contentment, coupled with ignoring financial changes that face us, just might be that apple.

Today – a day in Paradise!

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

*"The location of Paradise has far more to do with the person than the place."  
– Nathaniel Brommer Jr.*

## Water Is an Asset Class...

In the midst of irrigation season, we are reminded how blessed we are to have water to use on our crops in Nebraska. The Plains, like many areas, are starting to recover from the recent drought, but California is still in the middle of a severe drought as are parts of Texas, Oklahoma, and Colorado.

In the Midwest, we should feel very fortunate with our water supply and condition. China, a country with 19% of the world's population, has only 7% of its fresh water. In 1950, China had 50,000 rivers, but industry and agriculture have siphoned off so much water that only 23,000 rivers remain, a third of which are too polluted for even agricultural use.

Seventy percent of water use in the world goes for agricultural production, mostly from rain, well water, and reservoirs. The general public sometimes feels that agriculture uses too much water and has too much priority over cities and other general public needs. When we hear things like it takes 924 gallons to produce an 8-ounce hamburger patty, it is easy to forget the cow eats grass grown with rain water and drinks water from a pond, not directly taking water away from the public water system, as it is portrayed.

However, these facts and statistics should remind us all of how valuable water is for producing the food our world needs. Tom Allan, professor at Kings College London, says, "Food security is totally connected to water security. We're going to have to get it into our heads that if we are going to have cheap food, we have to help farmers save water."

In the U.S., several Natural Resource Districts have implemented water controls and some have started to limit well drilling and water usage. Globally, many companies like Nestlé and Miller Brewing are reaching out to farmers and investing in water conservation as well. Even large investment firms are betting on rising ag commodity prices because of projected water scarcity.

Citigroup's chief economist, Willem Buiter, sums up the thinking of many: "Water as an asset class, in my view, will eventually become the single most important physical commodity – dwarfing oil, copper, agricultural commodities, and precious metals." We need to continue to take care of one of our most valuable resources, water!

*Fred D. Bruning – President*

*"We never know the worth of water 'til the well is dry." – Thomas Fuller*

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## Average is Over...

There is a joke told in cotton country about just how much a modern textile mill has been automated: "The average mill has only two employees today, a man and a dog; the man is there to feed the dog, and the dog is there to keep the man away from the machines."

With globalization and advanced technology, workers are being replaced with machines and foreign workers at an outstanding rate. Roughly one out of every three manufacturing jobs has disappeared over the past ten years. That amounts to six million workers in the U.S. Much of the work is now being done by robots. In the past, a worker with average skills, doing an average job, and living an average lifestyle could have it pretty good. But today, average is officially over, according to some experts.

Technology is also affecting the retail and service industries. One example is the Presto tablet that has been developed by E la Carte to reduce the need for waiters and waitresses. The Presto is a kind of souped-up iPad that lets you order and pay right at your table. It can give you nutritional information, ingredient lists, and food photos. Your order is submitted to the kitchen and you receive a reply on how long it will take. While the order is being prepared, you can play games on Presto. When you finish eating, the bill is on the Presto machine and you can split it any way you want and have a receipt emailed. Each Presto tablet costs about \$100 per month; if the restaurant is open seven days a week, for eight hours, the cost is \$0.42 per hour. This can amount to massive savings over a year's time. It is a win-win situation for the customer and the business owner. The loser is the waiter or waitress who no longer has a job.

As a result of this fast and constant change, jobs are lost and workers suffer, but at the same time, consumers' lives are made easier. They can save time, and they can generally save money too. Products are cheaper due to manufacturers being able to produce them more efficiently and pay lower wages. The negative is that people are going to lose jobs and that you will need to be above average to stand out in the work force and maintain your job and monthly income.

This goes for all walks of life, from the waiter to the farmer. If you are doing just enough to get by, and don't pay attention to providing great service, performing high quality work, improving efficiencies, or keeping up with the latest advances in technology, the chances are you are already below average.

Here at Bruning State Bank, we want to bring you the best of both worlds. We try to provide you with great service the minute you walk through the door or drive up to the window. We also want you to have the latest and most convenient technology at your disposal. This month we unveiled a new product that allows you to use our Mobile Banking app on your phone to take a picture of a check payable to you and deposit it to your personal account. You don't have to go to the bank or the post office. We hope this product will be a hit with many of our customers and allow us to keep delivering above average service to our customers, because as we see it, average is over.

*John Boehler –  
Holdrege Branch President*

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## Global Climate Change...

Climate change is a controversial subject these days. It has been politicized by both the liberals and the conservatives. It is an important subject to agriculture as it may dramatically change how each of us live our lives and how those involved in agriculture manage their businesses.

In early May of this year, the Wall Street Journal published an article titled, "The Myth of the Climate Change 97%." They stated in the article that Secretary of State John Kerry warned graduating students at Boston College of crippling climate change. He went on to say, "Ninety-seven percent of the world's scientists 'tell us this is urgent'."

Yet the assertion that 97% of scientists believe that climate change is man-made and is an urgent problem is fiction. The so-called consensus comes from a handful of surveys and abstract-counting exercises that have been contradicted by more reliable research.

According to Wall Street Journal writers Joseph Bast and Roy Spencer, when one digs into the surveys done, the actual results are somewhat different. Many scientists are skeptical of catastrophic global warming, and there is not a majority consensus that the human impact is large enough to constitute a problem.

We all want to have a stable climate to live in. Those involved in agriculture obviously want a stable climate in which to raise livestock and grow crops. But what we don't need is for extreme measures to be taken that are knee jerk reactions to inaccurate information. This could unnecessarily increase food production costs and result in much higher prices for the consumer.

Several years ago, I heard University of Nebraska climatologist Al Dutcher speak at a bank convention. Someone in the crowd asked him if he believed we are having global warming, and if it affects our climate. He said he did believe it. His comment was global warming and cooling have gone on for thousands of years. Global cooling is what caused the Ice Age and global warming is what ended the Ice Age. It is a natural phenomenon.

With this in mind, it is important that we don't overreact and allow politics to send us down a road that could end up financially hurting agriculture and increasing costs for consumers to a point where it significantly lowers their standard of living.

*Darrell Raum –  
Sr. Vice President,  
Credit Supervisor*

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## Good Things and Bad Things about Entities...

You know the article is not going to be simple when you read the writer's first disclosure, "I'm not an attorney and do not give legal advice; please consult with your own legal counsel."

The needs of businesses, organizations, families, and individuals vary according to business purpose, tax status, ownership interests, and other issues. Our law-making and regulatory bodies have listened to these needs, and they have established laws, regulations, and codes to follow in order to provide legal entity types for many different uses in our complex world. As these entities are set up to distribute tax and personal liability and to make transferring of assets more private, we see more and more incorporations (C and S), limited liability companies (LLC), limited liability partnerships (LLP), trusts and sole proprietorships (DBA, doing business as).

As I disclosed above, I'm not an attorney and I'm not qualified to offer any advice on the type of entity you may be thinking of creating or have already created. Yet as the bank compliance officer, I wanted to explain why we have a policy and procedures for handling banking relationships with these entities. When you conduct your affairs as an individual, it is a simple concept for everyone to visualize and transact. If you are of legal age and of sound mind, there is no limit to you conducting your own business.

If you have been advised to set up a new entity that might better fit your needs to reduce taxes, change ownership interests, etc., please remember that we'll need additional documentation from you or your attorney regarding the authorized agents, authorized signors, trustees, officers, and managers who will be able to transact business for you. We have policy to guide and protect us, as well as to protect you. For example, for our mutual protection we do not cash checks made payable to the entities that I've described above. We also don't allow split deposits on these accounts (taking a portion back in cash). Since the entity was set up for specific reasons, it can limit you on how you take distributions from the entity.

Sole proprietor, corporate business, and assets placed into trust accounts are areas where we've recently had friction with our clients and we want to avoid that. If you have set up any of these entities and have a check made payable to the entity, then it must be deposited into an account of the entity. We cannot cash it. Similarly, if you have a check payable to a trust, it must be deposited into the trust account. For example, if you put your land into a trust, you need to set up a checking account for depositing the income generated from the trust.

To avoid future friction, we wanted to let you know about the ramifications of conducting business through an entity. Our insurance/bonding company also reminded us recently of the importance of these requirements. We want to make sure the good things about entities help you! If have any questions about our bank's policy, please contact me. For questions on setting up or operating an entity, please contact your legal counsel.

*Jerry Catlett – Senior Vice President,  
CFO, Compliance Officer*

## We're Number One...

This spring, Nebraska was number one in the United States for number of cattle on feed! Texas held the top position in previous years but due to drought and other factors, the numbers shifted showing Nebraska winning out (according to Feb-May reports). This is good for our Nebraska economy.

With the profitability in cattle and hogs, a person recalls that just several years ago, corn and soybean prices were very high and that part of the economy was extremely profitable. Those high prices have driven up land prices, cost of machinery, fertilizer prices, and cash rent. Similar events are now happening to the livestock operations. Costs of operations are increasing. Even real estate taxes have increased substantially in recent years. I remember going to marketing meetings and when the spotlight turned to livestock, some would chuckle because the livestock sector profitability was so poor.

Unfortunately, corn prices have decreased to where farmers are looking at "break even" prices now. At \$4.00/bushel (the price of new crop delivery this fall), this will only generate around \$800/acre revenue at 200-bushel yields. This makes it difficult to cover all operating expenses plus provide a return on investment to the owner. Farmers had their heyday when prices were high and those times were fun.

If feeder calf prices were to return just to \$1.00/pound (still historic prices), I don't know if there would be enough dollars generated to cover all the costs of operations including living expenses. Current calf prices are close to \$2.00/pound, so these days are the livestock producer's heyday. This should provide opportunities for debt reduction, equipment replacement, and some improvements to ranch lands. The hopes are that when prices do fall, livestock producers will be able to weather the storm too. I have said many times, the "cow herd" is the rancher's factory.

My experience in banking has shown that people get through the tougher times easier than you might think. They do this by very closely managing their farm/ranch expenses or tightening the belt! This is one of the facts that keeps life interesting in the Heartland!

*Dan Jelinek –  
Broken Bow Branch President*

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• **Husker Harvest Days** •

• This year's Husker Harvest Days will be •

• held September 9-11 in Grand Island. As •

• a joint effort between Bruning State Bank •

• and the Nebraska Bankers Association, we •

• are excited to offer one ticket per family at •

• no cost. These tickets will be available on •

• a first-come, first-served basis. Please let a •

• Loan Officer at any location know if you are •

• interested in attending! •

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## Anytime, Anywhere...

The leaves will soon be falling, and for some of you that means it's time to head off to college. With the convenient services we offer for your account here at Bruning State Bank, it's easy for you to bank with us from wherever you are.

Our free Online Banking offers a variety of services for banking from afar. You can check your balance, transfer money between accounts, and monitor your account activity. Whether you're on your own for the first time, or a returning student, keep a watchful eye on your account with Alerts. This option allows you to sign up for an alert message when your balance is low, when money is withdrawn or deposited from your account, or if you have a loan payment coming up.

With personal Online Banking, Bill Pay is also offered for free. Now that postage is nearly 50 cents a stamp, this can save you time and money when paying bills every month. Similar to Bill Pay, we offer Popmoney as well which allows you to send money to an individual quickly and easily with just an email address or cell phone number. Popmoney is available for personal accounts and costs only 50 cents per payment.

Don't forget to download our free Mobile Banking App for your smart phone, too! You can find us in iTunes and Google Play. Have access on-the-go to all of our personal Online Banking services as well as our latest exciting feature – Mobile Deposit! You can deposit a check without even going to the bank by taking a picture of the front and back of the check with your smart phone. Learn more about this handy feature on our website.

Not signed up for personal Online Banking? No problem! You can sign up quickly and easily from our website: [www.bruningbank.com](http://www.bruningbank.com). From the homepage, click on Personal under the Online Banking heading at the right of the screen. On the next page, click First Time User. This will take you to the next page to enter your information and get started with Online Banking. You can always call or stop in to visit with one of our friendly customer service representatives if you have any questions.

Good luck out there from all of us at Bruning State Bank, and remember we're there for you even when you're not here.

*Scotti Ross –  
Customer Service (Broken Bow)*



If you should ever be a victim of identity theft, remember that we offer complimentary resolution services through **IDTheft 911**. Contact us as soon as possible to be put in touch with a fraud specialist who will advise you, place fraud alerts, call creditors, help you obtain replacement documents, and stick with you for as long as it takes to restore your good name and peace of mind!

## Following in Dad's Footsteps...

In 2008, when I first wrote about my daughter's graduation from high school and off to college, I had no idea that six years later (no, it didn't take her six years) when I reported again on her career path that she would be a banker. I would have thought she'd pursue some other business career path.

How often do young adults follow in a parent's footsteps? I'm not sure; maybe there is some statistical ratio available to address that. I'm delighted, to say the least. In many ways, her path is a simpler path, since she is working for another strong family-owned community bank and I'm not involved in any ownership or management of that bank. Fortunately for her, that makes breaking into this business a little less complicated, and not as difficult as it can be to transition into a family-owned farm or small business.

Looking around to neighbors and friends, better times have come for many farmers and small business owners over the last few years with record commodity prices. Many young adults have once again began the transition back. For some, it was difficult to get your children and grandchildren to move back and be interested in the farm or business; even harder to integrate them into the management or ownership of the operation.

Yet, as tough as it is, you have to look at the opportunity it presents for an ongoing family legacy, to build something that can be passed on to others. Experts can assist you in planning and implementing a transition plan, for example, certified public accountants, attorneys, insurance professionals, and bankers.

I'm honored that my daughter has chosen the same profession as me, yet with all the changes in government regulations, technology, and society, she may find a career that fits her better someday. The same can be said for farms and small businesses.

If we want our legacy to go on, let's be patient and understanding, and encourage learning from mistakes. We must loosen our grip on the management ropes over time – remember we all started out in a similar way as our kids are now. We've turned out alright and recovered from the mistakes we made as we learned how to manage and own our career or business. What we leave behind for others may be the most important thing we ever do.

Let's all keep moving forward and make sure we encourage others to keep following, because we'll all move aside some day. (Lead, Follow or Get Out of the Way.)

*Jerry Catlett –  
Senior Vice President,  
CFO, Compliance Officer*

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## ***Are You A Lucky Winner?***

In the forty-three states that have Powerball-type lotteries, many of their local TV news shows include a section where the state's winning lottery numbers are revealed. Doesn't it seem there is always another big-money lottery winner in the news (and it's not us)?

Most of us would have a good idea (or at least have THOUGHT about) what we'd do with a large "windfall" like winning the lottery. There are some who would simply blow through the cash, potentially letting the money "go to their heads" and ruin their lives. Others might give some to charity, hopefully after providing for themselves and their families. There would likely be a lot of financial plans to make, dealing with who gets what, should the money "outlast" the recipients. One would think that at least some estate planning would be a given, in those cases.

But even those of us who have NOT been the "lucky winner" should consider estate planning, so as to have some directives in place controlling the distribution of whatever of our funds may survive us, as well as who would take care of the ones we leave behind. Estate planning is not just about making a will, though it is a good place to start.

Just as importantly, how about setting up a durable power of attorney, so there would be some instructions as to who should make your financial decisions if you were suddenly incapacitated or otherwise unable to manage your own financial concerns? In that vein (so to speak), who would make your medical/health decisions should you be unable to do so? Having a Durable Health Care Power of Attorney in place could be very important, so if you were badly injured and unable to communicate your wishes, someone you designate could make health decisions on your behalf. Needless to say, (but I will anyway) one should be very careful who you would choose for either power of attorney position.

Please consult with your favorite attorney to get started on making these arrangements, whether or not you are a "lucky winner." If you already have a will, trust, health care and/or financial power of attorney, now might be a good time to review them to make certain those documents will accomplish what you intend.

Our trust department would be happy to visit with you, should you have questions on how we could help you. We have trust staff in all four of our locations for your convenience.

*Trust Department*

## ***Credit Inquiries...***

How many times have you been in a store's check-out line and the clerk says, "If you apply for our store's credit card today, you can save "x" number of dollars?" It happened to me several times over the 4th of July weekend, and I must admit the offers were tempting.

But I knew if I filled out a credit application, the store would obtain a copy of my credit report. This action is called an inquiry and recorded in your credit history. Too many inquiries within a short period of time may have a negative effect on your credit history and score. Lenders will assume you're trying to get as much credit as possible because your spending is out of control, even if it isn't.

When you request a copy of your own credit report though (which you should do periodically), it will not negatively affect your score. You are entitled to at least one free copy from each of the three bureaus every year.

So the next time you're asked if you want to apply for a store credit card, think twice because it could lower your credit score!

*Craig Pope –  
Hebron Branch President*

### **Judge's Advice to Young Adults Published in 1959 (Pierce County Tribune) but still so true today!**

"Always we hear the cry from teenagers 'What can we do, where can we go?'"

... My answer is this: Go home, mow the lawn, wash the windows, learn to cook, build a raft, get a job, visit the sick, study your lessons, and after you've finished, read a book.

Your town does not owe you recreational facilities and your parents do not owe you fun. The world does not owe you a living; you owe the world something. You owe it your time, energy and talent so that no one will be at war, in poverty, or sick and lonely again.

In other words, grow up, stop being a cry baby, get out of your dream world, and develop a backbone, not a wishbone. Start behaving like a responsible person. You are important and you are needed. It's too late to sit around and wait for somebody to do something someday. Someday is now and that somebody is you..."

# Mobile Deposit



<b>What is it?</b>	Mobile Deposit allows you to deposit a check with our Mobile Banking app using your smartphone camera.
<b>Which devices will work?</b>	<ul style="list-style-type: none"> <li>✓ Android phones, with our Mobile Banking app from the Google Play store.</li> <li>✓ iPhones, with our Mobile Banking app from the iTunes store.</li> </ul> <p><i>(Not yet available for tablets, Blackberry or Windows devices.)</i></p>
<b>Who is eligible?</b>	Customers who have Personal Online Banking and a personal checking, savings, or money market account linked to their Online Banking. <i>(Not yet available for business accounts.)</i>
<b>How do I get started?</b>	<p>If you already use our Mobile Banking app, you will now see a “Deposits” option when you log in to the app. No app update required!</p> <p>If you have not yet tried Mobile Banking, install our free app from iTunes or Google Play, and then log in using your current Online Banking Access ID and password.</p>
<b>How much can I deposit?</b>	You may deposit checks up to a total daily limit of \$3,000 per account.
<b>When will I receive credit?</b>	<p>If we receive your deposit by 4:00 PM on a business day, we'll credit your account by the end of that same day. Deposits received after 4:00 PM, or on a weekend or federal holiday, are credited to your account by the end of the next business day.</p> <p><i>(Availability of funds is pursuant to Regulation CC and our Funds Availability policy.)</i></p>
<b>How do I know if my deposit was accepted?</b>	At the time you make the deposit, the app will clearly indicate “Pending” or “Failed”. You can return to the app at any time, choose “Deposits” and then “View Deposit History” to see the status of your recent deposits.
<b>What do I do with the paper checks?</b>	<p>Before taking pictures of a check, please write “For Mobile Deposit Only” on the back and endorse it with your signature as usual.</p> <p>After taking pictures and submitting the deposit, keep checks in a safe place until you confirm proper credit to your account – usually within just a few days. Then shred or otherwise securely dispose of the checks.</p>
<b>What types of checks can I deposit?</b>	You may deposit personal or business checks made payable to and endorsed by you, drawn on a US bank, payable in US currency, and dated within six months of the deposit date.
<b>More questions? Stop by or give us a call!</b>	

## Crop Insurance Notes...

### Wheat:

• Wheat yield losses must be reported when the wheat is harvested. Be sure to report your 2014 wheat yields so we can determine if you have a bushel or revenue guarantee loss.

### Row Crops:

- Schedules of Insurance for your 2014 row crop acres need to be reviewed to be sure all the acres and shares are correct. The information needs to match what was reported to the FSA office or any loss payment could be reduced or eliminated.
- The crop insurance premium for row crops will be billed on August 15th and interest will be added if payment is not received by October 1st.
- Be sure to contact us right away if you think you have a loss on your crops and BEFORE chopping any crops for silage!
- As fall harvest approaches, remember to keep your production records separated by section – and also keep the irrigated and non-irrigated acres separated.

### Fire Coverage on Standing Grain:

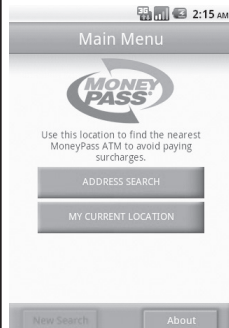
- Multi-Peril Crop Insurance does not provide coverage for fire unless the fire is started by a natural disaster like lightning. There is no coverage if your combine or truck sparks and causes a fire in the field.
- Fire coverage is usually included on a standard hail policy up to the dollar per acre covered on the policy.
- Fire coverage can be purchased separately.

We thank all of you for your cooperation in providing us with yields and acres for your crop insurance coverage! We appreciate your business and hope you have a bountiful harvest this fall.

Please be sure to contact us with any questions.

*Jeff Hammer, Kathy Roberts,  
Brian Hulse, Craig Pope,  
Shari Fischer & Janet Germer –  
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.



**Out of town and want to avoid ATM surcharges? Use the MoneyPass app!**

**It will help you find other MoneyPass member banks so you do not have to pay ATM surcharge fees.\***

*\*BSB's foreign ATM fees will still apply, depending on your account type.*

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# What's An Annuity Anyway?

Annuities are a staple in the financial business. Historians date the concept of an annuity back to the Roman Empire. Annuities came to America in the 1700's and were originally only offered to church pastors. Later, in the early 1900's, a life insurance company began offering annuities to the U.S. public.

In its simplest form, an annuity is a contract between you (owner) and an insurance company (issuer). You invest money (premium) with the insurance company and the insurance company promises to pay you income either for a certain period of time or for a lifetime.

There are three basic types of annuities (1) Fixed Annuity, (2) Variable Annuity, and (3) Indexed Annuity. I'll highlight the Fixed Annuity in this column.

A Fixed Annuity has maturity dates available. For example, I can purchase a 3-year, 4-year, 5-year or longer deferred fixed annuity called a Single Premium Deferred Annuity. If I purchase a 3-year deferred fixed annuity, I invest money in the annuity and the insurance company guarantees a fixed rate for the 3-year period.

A primary benefit of a fixed guaranteed rate is it is not subject to market risk. If the company guarantees me 2.0%, then I know I'll receive 2.0% each year for three years, in this example. Another benefit is that the interest earned is tax deferred during the term. In turn I agree that I will not make withdrawals during the term (there are "Surrender Charges" if I do).

At the end of the 3-year term (when the fixed annuity is "out of surrender"), I will have a few options. If I still like the rates, I may renew the annuity and continue to defer income. I could use the IRS 1035 Exchange rule to transfer into another annuity that's better without triggering a taxable event. Or I can take income from the annuity (interest income is taxable). Guarantees are based on the claims paying ability of the issuing company.

The Surrender Charge is a penalty cost charged by the insurance company for early withdrawal. For example, if you have a 3-year deferred annuity and take money out in the first year, it could cost you a significant penalty (such as 8%). Typically, the Surrender Charge is on a declining scale, so each year it is reduced until it reaches zero at the end of the term. The insurance company will normally have some percentage (typically 10%) they will allow you to access each year from the annuity without the Surrender Charge (called the "free withdrawal amount").

Because annuities have tax-favorable treatment (tax-deferred growth), they are subject to the IRS early withdrawal penalty. Like an IRA, if you're under 59 ½ years old when you take out income from your annuity, the IRS will not only require income tax on the amount withdrawn, but they also will assess a 10% penalty on the interest earned. If you're older than 59 ½, you avoid the early withdrawal penalty and only pay income tax on the interest earned when you take income from the annuity.

The two key benefits to remember with a fixed annuity are (1) the guaranteed interest rate is fixed – not subject to market fluctuations, and (2) the interest earned is tax-deferred.

The two key cautions to remember are (1) fixed annuities are fairly illiquid (have Surrender Charges for early withdrawal), and (2) if you are under 59 ½ years old, annuities are subject to the IRS early withdrawal penalty.

We typically advise clients to invest in fixed annuities with only a portion of your assets that you are comfortable deferring for a certain period of time. And like all investment products, it needs to fit within the scope of your investment plan.

*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, Investment Advisor Representative

Bruning State Bank and Bruning State Bank Wealth Management are unaffiliated with Securities America.

May Lose Value, Not FDIC Insured, No Bank Guarantee

## 2013-14 Broken Bow 5<sup>th</sup> Graders on Bank Tour Day



We believe in giving our kids a strong foundation in basic financial skills!

In Broken Bow, Loan Officer Janice Nozicka teaches a "Savings Is Fun" class each year to the 5th Graders. They meet once a week for lessons, projects, a pizza party, and a tour of the Bank to end their year, as shown in the photo above.

At Bruning-Davenport, the senior class comes each year for a bank tour and a financial lesson before they graduate. In Thayer and Phelps counties, we participate in college/career fairs for high school students.

And this year, 2014, marks the 18th year we have been participating in the Nebraska Bankers Association program, "Teach Children to Save Day," at several area elementary schools.

Teachers, if you would like someone from the Bank to come talk to your class about the importance of saving, new technology in banking, or financial topics in general, we would be happy to visit your classroom!

# BRUNING STATE BANK

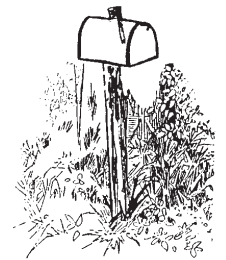
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## *College Bound...*

Going to college is expensive, and many students bring thousands of dollars worth of personal possessions with them to college – cell phones, iPods, laptop computers, DVD players, TVs, refrigerators...and the list goes on.

Will your homeowner's policy provide coverage for your student while they are at college?

In some cases, the parent's policy extends a limit of 10% of the total personal property coverage on the home insurance policy –subject to the policy deductible. Expensive computers, electronic equipment, and items such as jewelry may be subject to coverage limits under a standard homeowner's policy.

Each student's situation is different, so be sure to check with your agent to see what your policy covers. Be sure your student has the coverage they need. It may be necessary to purchase additional coverage on certain items or purchase a separate policy for your student.

### **Suggestions for students going off to college:**

- Leave valuables at home if possible. While it may be necessary to take a computer or sports equipment etc., other expensive items such as jewelry, luxury watches, and costly electronics should be left behind or kept in a safe deposit box.
- Create a "dorm" inventory. Make a detailed inventory of all the items being taken to college. If there is a theft or disaster, an inventory will help identify all items and will speed up the claim process.

- Engrave electronics. Engrave your name or other identifying information into items such as computers, televisions, iPods, cell phones, etc. This information can help police identify stolen articles.

- Always lock your dorm room door and keep your keys with you at all times, even if you leave briefly. Be sure your roommate does the same. Thefts happen both at night and during the day!

- Keep your purse, bag, cell phone, laptop, etc. with you while you're on campus. Thefts can occur while in class, in the library, in the dining hall, or any other public area.

- Buy a laptop security cable to possibly deter a thief.

- Keep your vehicle locked at all times. Do not leave any valuables in your vehicle.

College is expensive enough without having to replace items lost due to theft, fire, or other disaster. Be sure to include "Check insurance coverage" on your college preparation To Do list.

Hope you have a great summer!

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

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