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BRUNING STATE BANK

Your Country Bank Since 1891



Bruning • Hebron • Broken Bow • Holdrege • Kearney



Who Needs a Bank?

I saw this headline in a newspaper article last week, first with concern, then with a realization that some don't (or at least don't want to) have a bank relationship.

One of the reasons given that people don't use a bank is that the industry has done such a poor job. Or do people operate day-to-day on a cash basis?

Dad told me about the '30s when some people used the sugar bowl as a savings vehicle. One widow took land payments, using the furnace reservoir for a cash box. One entrepreneur stowed a cashbox at the head of the gutter in the cow barn and used it to hide money. At a couple of farm sales, cash showed up between the pages in magazines, and I've heard stories of cans of cash buried in the garden.

Hard times and a lack of financial stability back then may have led to this distrust of the banking industry. For some today, if you have had judgements or garnishments of wages, keeping a working account is difficult until remedied.

In rural America, it may be easier to see the role the banking industry plays. Your deposits and savings earn a small amount of interest, helping to provide for retirement. A portion of those deposits are loaned out as operating loans to farmers and ranchers, to pay for their production costs, land improvement, and machinery; the balance of those deposits are invested in government bonds, and local school and community bonds. The reserves the banks keep are tailored to the size of the deposits held. Banks also carry a large "Bad Debt" reserve for protection, as required by FDIC and banking regulations. The amount of these reserves depend on the economy and the size of the loans.

In Thayer and Fillmore counties, the three locally-owned banks have existed well over 100 years and have demonstrated the ability to meet depositors' needs.

Look around your communities and you can see the results of those 100 years of good banking. Yes, we have made some mistakes, like not making a loan we should have, or at times being too optimistic, and making a loan we shouldn't have. But yes, we do need a good solid banking system, and I am proud to say we have a good solid bank here at Bruning State Bank.

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

It's Not Just a Game...

After watching the Alabama/Clemson game for the National Football Championship, I was trying to figure out the personality differences between the two coaches and their programs. Lee Barfknecht from the Omaha World Herald summed it up after visiting with a coach named Thad Turnipseed who played at Alabama, later worked with Coach Saban at Alabama, then moved on to Clemson and worked for Coach Dabo Swinney. He said Alabama is "Process" – its coaches maintain total focus on winning even if it means not having fun or getting together socially. Clemson is "Culture" – its coaches share a people-person, hugging, relationship-building, family-fun atmosphere system.

This leads me to think of our Bruning State Bank family. I consider us as more like Clemson than Alabama; we work hard, building relationships with our employees and customers. We have a culture of hiring the best people at all of our locations and letting them operate each Bank location within our overall culture, while refining their operation to fit the culture of their community and its people.

Our Bank has been successful for nearly 125 years through five generations by empowering our staff with decision-making and responsibility.

Our employees in all locations laugh, hug, cry, encourage, and work together. Every employee wants to help our customers save, invest, borrow, and make good decisions in order to assist them, as our Mission Statement says, to "Build and Maintain Wealth" for themselves and their families.

As we enter a commodity market that is dropping to levels that may be difficult for our customers, please remember that our culture won't change, and we will be here to help solve problems and to help make decisions to get through these tougher times.

In football terms, we recruited our employees; in the same way, we recruited you, our customers, and we are all a team. It is our goal to work (and play) together, and help each other on the way.

*Fred D. Bruning –
President*

"If we want to succeed as a bank of choice, we must treat every person who walks through our door not like a customer but like a guest in our home." Fred

It Ain't for Sissies...

Farming with depressed commodity prices certainly isn't for sissies. Having written a number of articles for the bank's newsletter over the years, I have been accused more than once of being a pessimist. I prefer to think of myself as more of a realist. However you want to view me, it doesn't really matter. What matters is how you react to the ever changing forces that impact your farm and your ability to make money.

By now I feel most farmers have come to the realization that we are no longer going to sell corn for \$5.00, and it may not be coming back for a while. Some market prognosticators say there may be a time in 2016 when corn drops below \$3.00. With all this in mind, one has to take a hard look at their business model and see if it makes sense going forward.

If you can't find a realistic way to get your operation to break even with the lower commodity prices of today, then you need to think about making some changes. Just hoping for higher prices is not making a change.

The first place to look when thinking of making changes is your cash flow projections for 2016. I am not going to pretend to know your operation better than you. Each of you can go through the farm expense numbers and possibly tweak them to come up with some cuts you can make in your crop input costs. Beyond input costs, you have to take a look at the land you rent and how it fits in to your ability to make a profit. I know finding land to rent is hard to come by. If the costs associated with this land is a big drag on your ability to make a profit or break even, then you have to consider dropping the rented land when the rental agreement matures, if the landlord won't lower the rent. Remember we are talking about preserving your net worth.

The hardest thing for anyone to make an adjustment to is living expenses. This can have a very large impact on the success of your business depending on how large of a farm you have and how much you are spending on living expenses. Dr. Kohl, an ag economist from Virginia Tech, said the average farmer's living expenses equate to \$.71 per bushel of grain produced. Most of the time, people underestimate how much they spend on living expenses.

If you want to cut your living expenses, you have to have discipline to hold the line on these expenses. You may want to consider taking a withdrawal each month for living, and deposit it in an account separate from your business checking account. This will allow you to keep better track of your living expenses and give you a chance to better manage them.

You may also take the approach of reducing the burden of living expenses by working part-time or full-time off the farm or doing some type of contract work on the side to make additional income to pay for part of the living expenses. I know none of this is pleasant to talk about, but again, it affects your net worth and your ability to maintain a viable farming operation.

If you look out longer term than the next few years, the economic conditions will change again, hopefully putting you back into a position of profitability. You have to make sure you're still around to take advantage of it.

Darrell Raum – Senior Vice President

Earthquake...

Living in the flat lands of Nebraska, one thing we don't think about very often are earthquakes. On January 4th around 10:00 AM, we experienced an earthquake. I was walking and there was a rumble and a bang! To me it sounded like something hit the roof and shook the Bank. Others thought someone ran into the bank building. We ran outside and started looking around the Bank only to realize that our neighbors were outside investigating the noise too. At this time the thought occurred, we just experienced an earthquake. The earthquake was located 10 miles east and north of Broken Bow, 3.1 miles below the surface, and it registered 3.5 on the Richter scale.

Earthquakes happen when two blocks of the earth suddenly slip past each other. Earthquakes are recorded by seismographs. These instruments sit firmly on the ground and within the instrument, there is a hanging weight that moves. The amount of the movement of the weight is recorded electronically. These are located in various locations of the earth and it takes three of them to accurately pinpoint the center of the earthquake, or epicenter.

Within minutes of our earthquake, there were news releases of the exact location of the quake. From reading about earthquakes, I've now learned the intensity exponentially increases. For example, comparing an earthquake Richter rating of 3.0 to 4.0, the intensity is 10 times greater. But going from 3.0 to 5.0, the intensity is 100 times greater on the 5.0 compared to the 3.0. So you can imagine how destructive earthquakes become when they are rated in the 6.0, 7.0, or 8.0 range? Did you know there are about 100 earthquakes per day on average in various locations of the earth?

So many in our area began to wonder if they have earthquake coverage on their homeowners policy. I have found from talking to several local insurance agents that most people do not have earthquake coverage. This works somewhat like flood insurance. Both coverages are called a "special endorsement." From checking with local insurance agents, the cost for earthquake coverage is relatively cheap. I would guess for the average home in Custer County, the cost would be less than \$10/month. It makes you wonder, should we add earthquake endorsements to our homeowners policy?

Dan Jelinek – Broken Bow Branch President

We invite you to join us for our
**Annual Luncheon & Crop
Insurance Meeting**

Learn more about crop insurance
and any changes for 2016.

Tuesday, February 23 - 12:00 p.m.
Belvidere Community Center,
Belvidere, NE

EVERYONE IS WELCOME TO ATTEND!

Lunch will be served.

RSVP appreciated: 402-353-2085

Technology Update...

Every so often, while working away at my desk, I'll look down at my phone and see a text message from my lovely wife. The message is familiar, as it has been sent many times, and the content is always the same. The message will usually be some variation of: "Forgot my Online Banking password again, can you reset it for me? Sorry..."

She always adds the sorry, which is nice, but of course isn't necessary as we always like to hear from our customers, even ones who can't remember their passwords. No one can blame her for this situation either (she didn't even make me type that) because depending on what publication you read, the average user has between 15 and 26 online accounts, each requiring a password. What is a user to do when they forget one? This time in the Technology Update, we'll discuss a new option for resetting your password through Bruning State Bank's Personal Online banking.

In the past, if you needed to reset your password, you had to call the Bank. This worked well unless it was a night, weekend, or holiday, in which case you would be waiting for the next business day to get your new password. The problem with that is obvious – a user may not be able to access their Online Banking for several days if they happened to forget their password on say, a Saturday afternoon.

We've recently upgraded our Online banking service to solve this issue. If you forget your password, simply go to the Personal Online Banking login screen, enter your Access ID, answer your security question as you would normally do, and then you'll be at the Password screen. Below the box to input your password is a link that says Forgot Password. Click on that link and you will be asked to enter in your Access ID once again, the last four digits of your Social Security Number, and your email address. Our system will then come back with four out-of-wallet multiple choice questions for you to answer. These questions can range from what color eyes you have to what college you attended to various questions about your house. No worries, our new system pulls information from several databases to ask these questions and is 100% confidential. After you have answered the questions to verify your identity, our system will send a temporary password to your email address and you can use that to reset your password. This system also works if you have locked your account (by entering an incorrect password too many times).

Remember that when you are resetting your password, it is never a good idea to use family members' names, the word Password, or really any word you might find in a dictionary. It is better to use some combination of letters, numbers, and/or special characters as they make passwords more difficult to guess or hack. With this new system, it is our hope that customers can unlock and reset themselves, but of course, we are always here to help and are glad to hear from all of our customers, especially those of you who are married to me.

Tech Term of the Month: FinTech – is a line of business based on using software to provide financial services. FinTech companies generally look to parts of the financial sector that rely less on technology and attempt to create technology products to fit those sectors.

*Corey Swartzendruber – Vice President,
Network Administrator*

Jerry's Journal...

Before my update on activities here at Bruning State Bank and my Nebraska Bankers Association (NBA) duties, I just wanted to pass along a belated congratulations to the Bruning Davenport Shickley (BDS) D-1 Eight Man State Championship Football team. In 2014, the BDS Eagles were State Runner-Ups and in 2015, they returned to the State Championship game at Memorial Stadium in Lincoln, home of the Huskers, and achieved their ultimate goal. Congratulations to the players, coaches, managers, and parents! Those memories will last a lifetime.

As we begin 2016, New Year's resolutions always come up. I'm not very good at the common ones; for example, lose weight and read more books! One resolution that I have had a guarded amount of success in achieving has been to follow Bruning State Bank's mission statement of "Build and Maintain Wealth." Let's qualify this statement though by reiterating that wealth is not only measured by the amount of money you have in the bank or your net worth. Those things are important and we all must strive to make sure we are gaining in those areas, but we must also keep a balance in everything we do.

Setting goals is very important for achieving success with resolutions. In most cases, simple written goals can be very powerful to keep you grounded and on track financially. For example, one of my goals is to increase my net worth by 10% year over year. Here is a simple thing to do – complete an annual balance sheet every year (and try to do it on the same date every year). Jill and I complete one every year as of 12/31. It helps you make large and small decisions in your financial life. A balance sheet can guide you when you ask yourself, "Should I be doing this? Does it fit my goals?"

Here is a goal that we've found has repeated rewards in our personal planning and has kept us on track – giving. Whether it is to your church, community foundation, college or university foundation, or a shelter, it will make you feel great that you've done something to help others, and it keeps you from spending on things you really don't need! Just a reminder, feeling good about your goals puts more balance in your life. It is important!! Remember your blessings when deciding to give "Time, Treasure, and Talent."

My NBA activities have been slowed by the holiday season. With January 1st now passed, I'll begin a busier travel schedule away from the Bank. Banking, farming, and manufacturing industries all follow the Nebraska State Legislature when in session, and they are now in for a short 60-day session. I have already attended meetings on banking and community issues with State Senators, the Governor and the Nebraska Department of Banking and Finance Director. The NBA works to ensure that laws that are introduced are pro-business and pro-agriculture.

Thanks to all of you for your patience and support and a special thank you to my co-workers for making this experience possible.

*Jerry Catlett –
Senior Vice President,
Chief Financial Officer*

It's 2016...

And you've changed your calendar to the New Year! Have you had any changes in your insurance coverage needs?

Lots of things change in a year's time, so an annual insurance coverage review is always a good idea. Start 2016 off right by making sure your insurance will provide the coverage you need for this year! Major purchases and life changes can have a profound effect on your insurance needs.

Consider some of the following...

- Did you get married?

Auto insurance – All vehicles and drivers in the household should be listed on your policy.

Home insurance – Update coverage to include the property of your new spouse. Do you need additional coverage on a wedding/engagement ring or other jewelry?

Life insurance – Update or purchase coverage or update your beneficiary.

- Did you have a baby?

Life insurance – Update coverage to allow for the added expense to keep your family secure.

- Did your teenager get a driver's license?

Auto insurance – Your newly licensed driver needs to be added to your policy. Any newly purchased vehicle needs to be added to your policy. Don't forget to check into driver training and good student credits.

- Did you switch jobs or have significant changes in your income?

Life & Disability insurance – Update coverage to cover the new salary.

- Did you renovate your home?

Home insurance – Make sure you have adequate coverage for improvements, such as adding a new room, enclosing a porch, adding a deck, expanding a kitchen, or remodeling a bathroom. Don't overlook any new structures outside your home – like a gazebo, new shed, or hot tub, for example. You may need to increase personal property coverage if improvements included new furniture, exercise equipment, electronics, or other new property.

- Did you buy land, a vacation home, or potential retirement home?

Farm insurance – Make sure all farm ground and pasture is listed on your policy for liability.

Home insurance – Make sure you have both property and liability coverage for the new home. Consider flood insurance coverage if your home is close to water.

- Did you acquire new valuables such as jewelry, electronic equipment, fine arts, or antiques?

Home insurance – Standard home insurance policies offer limited coverage for highly valuable items. Consider adding specific coverage for your valuables.

- Did you rent a house or apartment?

Renter's insurance – Your landlord is not responsible for your

possessions, so you need to purchase a renter's policy for coverage on your personal property. Your renter's policy will also provide renter's liability coverage.

These are just a few items to think about. Life is constantly changing, so it is very important to review your insurance on a regular basis. Contact us today and discuss all your insurance needs!

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

Not FDIC Insured. Not a guarantee of the Bank. Not a deposit of the Bank. Not insured by any federal government agency. May go down in value.

Are You Ready to Buy Your First Home?

Purchasing a home, especially your first, can be a very overwhelming experience. You may ask yourself: How much can I afford? Do I want a house that is move-in ready, or do I want one that needs a little (or a lot!) of TLC? Is owning a home REALLY better than renting?

One thing to take into consideration is how long you plan to stay – if only for the short term, buying may not be the best decision.

I purchased my first home at the age of 23. Even with having some mortgage lending experience, I found myself second-guessing if owning a home was the right decision. Knowing that I was liable for the mortgage and any repairs that inevitably came up were hard pills to swallow. For all the stress it caused me at the time, I am so happy we went through with the purchase. Owning my home allows me to build equity and from a non-financial aspect, having the freedom to decorate and paint how I want is a plus as well!

Bruning State Bank is here to help you with the financial aspect of purchasing a home. We will sit down with you one-on-one and help you determine if buying a home is in your best interest. Even if you haven't found a house yet, but are interested in buying, we recommend that you call us about getting pre-qualified. This way, when you are ready to start looking at houses, you have an idea of what you can afford.

We offer quick turnaround times and personalized service. The majority of our loans are service-retained, which means you make your payments to us. And best of all, if you have any questions or concerns about your loan, we are here locally to help you!

Contact any of our Mortgage Lenders at Bruning State Bank to find out if buying a home is right for you!

*Michaela Nielsen –
Mortgage Loan Processor
(NMLS #894658)*

It's A New Year!

It's the beginning of a New Year which means it is time to be thinking about goal setting and New Year's resolutions for 2016. For farmers, it is a time to evaluate their operation and plan for the upcoming crop season. It's a time of cash flows, financial statements, and profit and losses along with goals for the operation as a whole. In this article, I will outline some of the analysis you as a manager need to be doing to keep your operation running in good condition.

Financial Statement. The first and most basic step is preparing a financial statement, also known as a balance sheet. This is a snapshot of your operation at a given moment in time. December 31st is the ideal time to put together a balance sheet, but if this is not possible, try to complete it around the same time each year. The balance sheet is your assets balanced against the sum of your liabilities and equity. Having an accurate financial statement every year is very important. You can use the history to compare year to year and determine whether or not you made money. A balance sheet will also allow you to determine your working capital which is your current assets minus your current liabilities. You want a positive working capital number that is around 33% of your total projected revenue for the upcoming season.

Cash Flow Analysis. A cash flow analysis shows cash incoming, cash that is outgoing, and financing activities. This can be broken down by months and show the revenue a producer will have coming in due to grain or livestock sales, government payments, custom work, or other sources of income. Expenses are also shown that have to do with the operation such as fertilizer and seed costs, utilities, labor, rent, and all other costs of production. A cash flow will help determine the amount a producer will need to borrow and when this will be most needed. It also helps when trying to determine if a new purchase or investment is feasible.

Income Statement. An income statement, also known as a profit and loss, is used to measure income and expenses for a length of time. An income statement can be prepared monthly or annually and should usually coincide with your balance sheet. There are two types of income statements, cash and accrual. A cash income statement measures revenues only when payment is received and expenses only when they are paid. An accrual income statement measures revenues when they are generated and expenses when they are incurred even if they haven't been collected or paid. An accrual-adjusted income statement is best used to get an accurate picture of profitability of a farming enterprise.

Business Plan. A farming operation is not complete without business plan. This plan should include everything from short- to long-term goals, a mission statement, estate and transition planning, lists of important documents and where they can be found, and anything else that is important to keeping the business running.

There are many tools that can be used to analyze the profitability and efficiency of a business. The list above is just a few of those tools that every producer should be utilizing and maintaining from year to year. Many producers rely on their banker or accountant to produce these for them when in reality, they should be sitting down with their loan officer having already prepared these. Knowing the profitability of an operation, or lack thereof, and being able to analyze the enterprise is crucial for making sound decisions that will ensure you stay in business.

*Luke Thorell – Vice President &
Loan Officer, Holdrege Branch*

Cattlemen's Classic...

February is a month with special meaning in Kearney. During the second week of February, the fairgrounds and the motels and restaurants fill up with pickups and stock trailers. For ten days, the Nebraska Cattleman's Classic is in full swing.

Besides show ring competition, educational seminars on the beef industry, and live auctions of all the breeds represented, there is also a sale of ranch stock horses, a working cow horse competition, and a special "ice" sale which features the auction of frozen embryos, select frozen bull semen, and flushes of eggs from outstanding heifers and cows. The show features many opportunities to sample great beef, attend socials, and to visit the numerous merchant vending stalls for all types of products useful in ranch and livestock production.

The Bruning State Bank has many points of connection with the Classic. Several of our customers have exhibited, sold, and purchased livestock at the Classic over the years, and we are proud to be one of the sponsors of the 2016 event, as well as one of the youth scholarship sponsors. Many of the Classic stockmen have also been customers of the Bruning family fencing operation.

My own involvement with the Cattlemen's Classic includes being a Director on the Board for 16 years and helping in all phases of the operation. My father, Keith King, was one of the founders of the show and was the second inductee into the Cattleman's Classic "Wall of Fame" prior to his death in 2000. This year marks the 25th Anniversary of the show.

The 2016 Classic will be held at the Buffalo County Fairgrounds in Kearney and runs from Saturday, February 13th to Sunday, February 21st, concluding with the very large Junior Shows for breeding heifers, market heifers, and market steers. If you are involved in the beef industry or just like to observe excellent examples in every breed, this show and sale should be of interest to you. More information is available at www.cattlemens.org or by calling (308) 627-6385.

*Douglas King –
Kearney Branch President*



We were honored to host a book signing at our bank in Holdrege for Dr. Tom Osborne's new book, *Mentoring Matters*. Thanks to all who stopped by! Pictured above are (L-R) Nancy Hoeck, Gayleen Maurer, Dr. Tom Osborne, Christi Anderson and Kyle Anderson.

What is an HSA?

I'm sure you have heard of Health Savings Accounts (HSAs) before. With all of the health insurance changes in recent years, I wanted to remind you of the basics in case you are reconsidering an HSA or perhaps your employer has started offering an HSA option.

Advantages. There are three key tax benefits for HSA account holders:

1. Contributions are tax-deductible, or if made through a payroll deduction, are pretax.
2. The interest earned is tax-free.
3. Withdrawals are tax-free as long as the funds are used for qualified medical expenses.

Another great advantage of an HSA is that it has no limit on carry-overs or when the funds may be used. Similar to building your general retirement savings, your HSA contributions can accumulate over time to be used for medical expenses after retirement, when healthcare bills typically rise.

Eligibility. You are eligible for an HSA if you meet all three of these requirements:

- Covered by a high-deductible health insurance plan (details below).
- Not yet enrolled in Medicare.
- Not eligible to be claimed as a dependent on another person's tax return.

Health Insurance Plan Requirements. These are the IRS Guidelines for 2016:

Individual Minimum Deductible: \$1,300
Individual Maximum Out-of-Pocket: \$6,550

Family Minimum Deductible: \$2,600
Family Maximum Out-of-Pocket: \$13,100

Contribution Limits. For 2015, you may contribute up to \$3,350 for an individual or \$6,650 for a family. For 2016, the individual limit remains the same (\$3,350) but you may contribute up to \$6,750 for a family. If you are over age 55 but not yet 65, you may make an additional "catch-up" contribution of up to \$1,000 per year for 2015 and 2016.

If you decide an HSA is right for you, come see us! We offer HSAs with no account-opening fee, a free debit card, and free Online Banking. And as long as you maintain a monthly average balance of at least \$1,500, there is no monthly service fee. (If your average balance falls below \$1,500, then a \$2 maintenance fee will be incurred that month.)

For a helpful guide on qualified expenses, please visit the Deposits page of our website (www.bruningbank.com) or ask for more info the next time you stop by!

*Mary Nova –
Business Banker,
Kearney Branch*

Crop Insurance 2016...

HAPPY NEW YEAR! 2015 has come and gone! The year brought us heavy rains and flooding in early spring, lack of moisture in late summer, and also some damaging hail in some areas. What will 2016 bring us?

Multi-peril Crop Insurance:

The 2016 sales closing deadline will be here before you know it! March 15 is the final date to sign up for or make any changes to your crop insurance (row crop) policy. If you have an existing policy, then the type of coverage you had in 2015 will automatically "carry-over" to 2016 unless you make changes by the deadline. Remember to contact us if you have added land to your operation to be sure you have the coverage needed on all your crops and acres in all counties needed.

All 2015 insurance premiums **MUST** be paid by March 15, 2016, or **ALL** your crop insurance coverage for 2016 will be cancelled and you would not be eligible for crop insurance until 2017.

Please report 2015 Row Crop yields at your earliest convenience.

REMEMBER: Contact us right away if you think you might have a loss on your 2016 wheat crop. It is important that all losses be reported timely! Be sure to contact our office **BEFORE** you destroy any wheat crop. Row crop planted on existing 2016 wheat ground is considered double-cropped and could be uninsurable if the wheat has reached head stage.

Hail Insurance: Did you sign up for continuous coverage on all your 2016 crops? There is **NO CHARGE** for a continuous policy and the premium is the same if you obtain coverage now versus waiting until spring... so don't wait!

Livestock Risk Protection: Do you have your cattle investment protected? Call in or stop by to find out how you can protect your livestock from downward price risk.

We are always available to answer any questions you might have. Please stop by to discuss your multi-peril crop insurance, hail insurance, and livestock insurance needs.

We appreciate your business and look forward to working with you in 2016!

*Kathy, Jeff, Brian, Shari,
Janet, Ryne, Zach –
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.

COUNTRY FREE CHECKING UPDATE

Good news! As of January 1, Country Free Checking accounts are now allowed **ten** free foreign ATM withdrawals per month instead of **five**. After the 10th, the fee is \$1.50 per withdrawal.

*A "foreign" ATM is any ATM not owned by Bruning State Bank.
There is no fee when you use your BSB card at BSB ATMs.*

Farm Management...

Did you know we have a Farm Management Department? We began managing several farms 20+ years ago and continue to grow. Our farm management service is provided through our Trust Department and can be utilized even if you don't have a trust.

I recently read that 44% of agricultural land in Nebraska is farmed by someone other than the owner. And out of the total rented farmland in Nebraska, nearly 80% is owned by non-farming landlords (according to a 2014 USDA survey). Whether the land is inherited by a relative who has no farming background or it is purchased as an investment, many landowners simply don't have the time, interest, or experience to run a farm and keep up with technological advances and new marketing strategies.

Our farm management department strives to know our clients and learn what their objectives and goals are for their farm. Our clients decide how involved they would like to be in management decisions.

As your farm manager, Bruning State Bank can:

- Negotiate rents on your behalf and prepare farm lease documents.
- Collect rents (grain proceeds or cash rents).
- Market grain and pay input expenses on your behalf in a crop share rental arrangement.
- Monitor soil fertility.
- Pay real estate taxes.
- Assist in getting income tax data together.
- Acquire crop insurance as applicable.
- Pay insurance premiums.
- Sign farm(s) up for government farm programs with Farm Service Agency (FSA).
- Arrange irrigation equipment replacement as appropriate.
- Oversee maintenance needs on irrigation equipment as applicable.
- Oversee irrigation development (converting dry land to irrigated) and acquire irrigation equipment as necessary.
- Work with Natural Resource District (NRD) regarding water meter readings and certifying irrigated acres.
- Work with Natural Resource District (NRD) pertaining to water well abandonment as relevant.
- Work with Nebraska Department of Water Resources regarding proper well registration.

We would be more than happy to answer any questions you have or discuss with you in more detail how we can help you manage your farm. You may contact Janet Germer, Renee Dowdy, or me to learn more.

*Craig Pope –
Hebron Branch President*

Farmers & Ranchers College - March 14th

Overcoming Challenges with Succession Planning for Families



Dr. Ron Hanson, UNL Professor of Agribusiness

Stone Creek Event Center, McCool Junction

5:30 PM Registration - 6:00 PM Dinner - Program to Follow

Please RSVP by March 7th to the Fillmore Co. Extension Office: 402-759-3712

Welcome...

We are excited to introduce you to a new member of our team! Alicia Kucera has joined us as our new Wealth Management Assistant in Bruning. Alicia grew up in Edgar, Nebraska, and graduated with her degree in Business Administration with an emphasis in Business Management from UNK. For the last four years, she has worked in Hastings in loan administration at Pinnacle Bank. She currently lives in Lawrence, Nebraska with her husband and one-year-old son. Alicia looks forward to meeting new people in the area and assisting our clients with their Wealth Management services. Stop in to say hello sometime!



Words to Live By...

"I believe in leadership from ourselves and respect from others. I believe in my own ability to work efficiently and think clearly, with such knowledge and skill as I can secure."

This is a quote from the FFA Creed, by E.M Tiffany. Recently I was able to attend the local FFA Leadership Skills contest as a judge for the Creed Speaking competition. After listening to 23 presenters, it is not a stretch to say I could recite the Creed along with them. This particular phrase struck a chord with me as it points to success that I have witnessed within the area.

Since moving to Nebraska, it's been interesting to experience the change of business models from the city living to a rural town. In the rural community, all of the surrounding businesses and farmers have an entrepreneurial foundation they have grown upon. It's easy to see that the leadership from the owners/operators and the respect to support them from the community go hand-in-hand. Without each, the businesses and farms would not be successful.

The rest of the phrase includes the ability to work with "such knowledge and skill as I can secure." This is seen daily as the farmer works to make a living and in return produces the nutrition needed to provide for the global population. Their ability to learn and adapt, combined with advances in technology have been able to boost the outcome for the farmer. Just as the farmer is consistently growing their knowledge to better their harvest each year, we can all achieve success by pushing ourselves to learn more each day. As we do so, we will be able to reach our personal and business goals.

*Mollie Schoenholz – Customer Service,
Young Bankers of BSB*

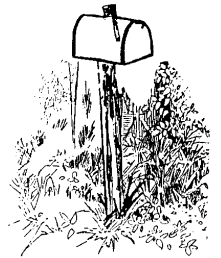
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BRUNING STATE BANK

"Your Country Bank" Since 1891, Charter No. 618

Statement of Condition at Close of Business December 31, 2015

ASSETS	LIABILITIES
CASH.....\$11,766,000.00 (Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	DEPOSITS.....\$261,818,000.00 (Amount of money on deposit by customers of the Bank, in the form of checking accounts, savings accounts and certificates of deposit.)
U.S. BONDS.....\$64,511,000.00 (This is the amount of government bonds owned by the Bank, most of which are due in less than three years.)	BORROWED FUNDS - FHLB AND OTHERS.....\$45,418,000.00
MUNICIPAL BONDS.....\$35,018,000.00 (Investments in high-grade bonds issued by cities, school districts and other municipal government.)	OTHER LIABILITIES.....\$164,000.00 (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.)
FEDERAL FUNDS SOLD.....\$0.00 (Funds loaned to other banks for daily cash needs, payable on demand.)	TOTAL LIABILITIES.....\$307,400,000.00
TOTAL CASH ASSETS.....\$111,295,000.00 (Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	EQUITY CAPITAL
LOANS AND DISCOUNTS.....\$212,503,000.00 (Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	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.)
BANKING HOUSE, FURNITURE AND FIXTURES.....\$4,586,000.00 (The depreciated value of the Bank, all furniture and equipment.)	SURPLUS.....\$23,400,000.00 (Amount taken from the profits of the Bank to further strengthen the position of the Bank.)
OTHER ASSETS.....\$12,763,000.00 (Accrued interest earned but not collected and other receivables.)	UNDIVIDED PROFITS AND RESERVES.....\$9,747,000.00 (Amount that has accumulated from earnings of the Bank for reserves.)
TOTAL ASSETS.....\$341,147,000.00	TOTAL EQUITY CAPITAL.....\$33,747,000.00
	TOTAL LIABILITIES & EQUITY CAPITAL.....\$341,147,000.00