

# BRUNING STATE BANK

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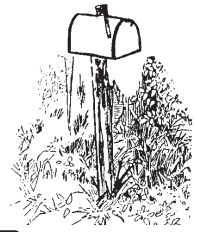
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**YOUR  
COUNTRY  
BANK**



## *When you're over the hill, the view is better...*

I am not trying to make fun of my generation, I think there is a lot of truth in the above statement. I think we need to suggest that the view in the rear view mirror is not too bad, either.

Maybe it's our generation's responsibility to share a lot of unsolicited advice. It's hard for me to comprehend that 50% of our population doesn't remember Bing Crosby. Those of you under 50 – can you remember \$2.75 a barrel for oil in 1973? It peaked to \$37 in 1981, then dropped to \$10 in 1986. Another kick in the rear – interest rates jumped to 20.5% for a time.

These are things we can see in our rear view mirror. We need to "think positive" about the future, but we would have our head in the sand if we never learn from the past. We also need to share the stories of successes we have had.

I wonder sometimes if some of us "more experienced" folks are still around because there is still a lot expected of us. Maybe those of us who are older are kept around to share the stories of cooperation. There are a lot of stories of neighbor helping neighbor to survive the 30's. Many survived only through sharing labor with neighbors in harvesting grain, and putting up hay and silage. I think being thrown together with others in hard times created the discipline of having to get along, of needing each other. I think we may have lost some of the spirit of cooperation that is still necessary for survival, and Young America needs to hear these stories.

I have also noticed in my rear view mirror that of those who had it the toughest and were even poor, many excelled in business and life beyond those who had unlimited help.

I was on a livestock tour to Georgia. The plantation owner was asked how he got everything done. He remarked, "When you are defeated in battle (Civil War) you're stronger!"

Kids, parents, and grandparents: interact and share these stories. I know our generation gets a little preachy and no one always wants to listen. We want everyone to enjoy the view!

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

## *From the President...*

I recently attended the Nebraska Bankers Conference in Lincoln, where several thought-provoking speakers intrigued me. One concept that struck a chord with me was about the importance of being able to differentiate a business from its competition.

Banks need to differentiate ourselves from other types of financial institutions. An example given at the Conference was a hair salon that advertised their "\$9 Haircuts". The competition decided to advertise "We Fix \$9 Haircuts!" That's creative thinking.

We were told "If you take care of your employees first, then they will take care of the customers" and that we should treat employees like we want to be treated:

Show respect; Listen: Be there- Try to Encourage often;  
Showing consideration, both in and out of the work place and  
Have fun!

A suggestion: Hire people based on attitude, then train them in skills, and instill our philosophy.

Other thoughts presented include:

Culture is what your people are doing when you are not looking.

In business, "zig" when everyone else is "zagging"; be creative, be visionary.

Vision is imagination, and imagination is more important than knowledge, as Einstein said.

Never walk past a problem; if you see it, it becomes your problem to help solve.

In summary, life is all about people, and how we interact with each other, whether as friends, family members, or customers. Looking out for each other, being encouraging and giving positive reinforcement goes a long way. We live in a great state and great country.

Many farms, ranches, businesses can be very successful by using many of the tools I talked about. Reading, studying, working hard all help constitute success. I close with this final thought:

*"Nothing can stop the man with the right mental attitude from achieving his goal; nothing on earth can help the man with the wrong mental attitude."*

- W.W. Ziege

*Fred D. Bruning -  
President*

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# Build and Maintain Wealth. . .

As promised, I'm following up on the words I borrowed from Warren Buffet, "Spend less than you make". This sounds so simple, yet millions of Americans struggle with this concept. This struggle may be more of a battle when you take a look at the national savings rate and the climbing debt owed on credit cards. This battle is being fought on many fronts and for most appears to be a battle that could be won. My objective in attacking this subject is to point out that building your net worth and reducing debt is easier than you think.

Spending, to many, equates into immediate gratification. Spending and gratification are driven by emotion. We need to do a better job in sorting through our perception of what we need and what we want. We are influenced emotionally by great marketing campaigns on our most used media outlets (television, internet, radio, daily publications) into believing we need to buy something that will make us better, faster and stronger. We forget to ask a few simple questions – (1) is this a need or is this a want? (2) if I need it, can I afford it in my budget? (3) if I want this, how can I afford it?

Buying (spending) influences and habits are hard to change. I have seen this across all the current generations. **Generation Next** is made up of 19-26 year-olds (born between 1981 and 1988). **Generation X** was born between 1966 and 1980 and ranges in age from 27-41. The **Baby Boom** generation, born between 1946 and 1964, ranges in age from 43-61. Finally, those over age 61 (born before 1946) are called the **Seniors**. These generational breaks are somewhat arbitrary but are roughly comparable to those used by scholars and researchers.

When it comes to spending, there are plenty of places to cut or reduce. The ideas presented are applicable to almost all consumers when it comes to reducing their own family living expenses.

**1. Pay off high-cost debt.** The best investment most borrowers can make is to pay off consumer debt with double-digit interest rates. For example, if you have a \$3,000 credit card balance at 19.8%, and you pay the required minimum balance of 2% of the balance or \$15, whichever is greater, it will take 39 years to pay off the loan. And you will pay more than \$10,000 in interest charges.

**2. Participate in a work-related retirement program.** Many employees turn down free money from their employer by not signing up for a work-related retirement program such as a 401(k) plan. If they did participate, with a dollar-for-dollar match they would likely receive an annual yield of greater than 100% on their investment.

**3. Outside of work, save monthly through an automatic transfer from checking to savings.** These savings will

provide funds for emergencies, home purchase, school tuition, or even retirement. Almost all banking institutions will, on request, automatically transfer funds monthly from your checking account to a savings account, U.S. Savings Bond, or stock mutual fund. What you don't see, you will probably not miss.

**4. Earn over 5% Annual Percentage Yield (APY) on some certificates of deposit (CDs) and on U.S. Savings Bonds.** Some CDs from a bank and Series EE and Series I Savings Bonds currently pay between 4.5% APY and 5% APY. A savings deposit earning 5% APY will double in size in less than 15 years.

As you can see, "Spend less than you make" is not rocket-science, it is a common sense habit we can train ourselves to do. It will take determination and discipline. It is not easy; more importantly, it is not impossible. This is a battle we can all win.

Stop in, call or email me and we can discuss in more detail ways that you can spend less and save more.

Thanks for your business.

*Jerry Catlett –  
CFO*

## Getting Ready For Summer...

We would like to welcome Alisha Farritor to the staff at the Bank of Broken Bow for the summer. Alisha will be a sophomore at college in Omaha next fall. She graduated from Broken Bow High School in May of 2006 and is the daughter of Mike and Judy Farritor. Please stop in the Bank and welcome Alisha.

We would also like to remind everyone we offer travelers cheques and the VISA travel card at the Bank. During the months of June through August we offer travelers cheques at no charge. The cost for a VISA travel card is \$10. If you are going on a vacation this summer, please stop in and get set up with one of these products. Another product that we have that is handy when traveling is the VISA check card.

The VISA check card is also convenient for college students. It isn't too early to start thinking about setting up an account for your college student and applying for a VISA check card to go with it. With our Country Free Checking account they can use their card to get cash out of an ATM, use their card five times during the month with no charge and no fees for purchases.

Have a good summer and we look forward to helping you with your banking needs!

*Bank of Broken Bow*



Hello everyone, my name is Chris Tonniges and I started working at the Bank on April 16<sup>th</sup>, 2007 and will start out with Jerry and Stephen on the investment side of the Bank. Many of you know me as Banker Frank's grandson, Fred's nephew, or Jane's son but I am writing to fill in the blanks and tell you that I am all of those things and more. I was raised in Hastings, where my dad, Dr. Tom, was a pediatrician for 18 years. I went to college at Augustana College in Rock Island, IL where I majored in Business Administration/Finance which is where I met my beautiful wife Tracie. Tracie and I moved back to Omaha where I started work at First National Bank in Omaha in their Management Trainee Program and then later taking a job in the Trust Department. I worked at First National Bank for almost eight years having several jobs with them over that time-frame with my final job as a Wealth Management Advisor (which is just a fancy name for sales) focusing primarily on individual investment accounts and company sponsored retirement plans. Tracie received her masters in occupational therapy from Washington University in St. Louis, MO and is currently working as a therapist at Heritage Crossings in Geneva. Tracie and I have two great kids, Rachel (age 4) and Zachary (age 2), that make us the happiest parents in the world one minute and the next the entire family needs to sit in timeout. If we haven't met yet, please stop by and say Hi! or if we have met but you remember me as Banker Frank's grandson, Fred's nephew, or Jane's son stop by and re-introduce yourself and we can get caught-up, fill-in the blanks or, if we have to, talk a little business.

*Chris Tonniges –  
Assistant Vice President*

## **Summer Vacation. . .**

Everyone enjoys taking some time away from their daily routine to "get away from it all" for a while. We tend to come home feeling more relaxed and usually have a better attitude toward life in general. That wonderful feeling could be cut short if you get home and find that a water line leaked while you were gone and turned your home into an indoor swimming pool! Needless to say...that "better attitude" would turn into total frustration pretty quickly!

So...we would like to suggest a few precautions that should be taken to help avoid a water loss:

- #1) If possible, turn off the water supply to your home when you will be gone for an extended period of time.
- #2) Inspect all water lines and connections for leaks or corrosion.
- #3) Arrange to have someone check your home on a daily basis.
- #4) Inspect your water heater and consider replacing if it's 10 years old or older.
- #5) Check all outside hydrants for leakage and be sure they are turned off.

A water loss can happen at any time, so a routine inspection of all water-related items could prevent future problems.

Speaking of summer! Summer also brings the increased use of motorcycles, boats, jet skis, 4-wheelers, campers and other recreational vehicles. Don't assume that your home or auto insurance policy will provide coverage for these items! Be sure to contact us to be certain that you have the necessary liability and physical damage coverage to protect you in the event of an accident.

Let us review your current coverage and provide you with a comparison quote on your insurance. We wish you a safe, fun and carefree summer!

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

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\* Not insured by any federal government agency \* May go down in value

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



If any of these words catch your interest, please contact us!  
*We have great, low interest rates & competitive terms  
to meet your needs.*

# Fire in Broken Bow...

On April 1<sup>st</sup>, a sad chapter in Broken Bow's history book was written. This was no April Fool's joke. At 5:25 p.m., on a Sunday afternoon, smoke was seen billowing from the South side of the square. The tragic fire began on the east end of the 240 ft. building and within a few hours, had completely destroyed the building originally known as the Dierks Block building. The history of this building dates back to the 1880s when a group began purchasing lots to improve the "young city of Broken Bow." The plans called for a 240 ft. by 80 ft. building.



*Photos Courtesy of Custer County Chief News*

On June 20, 1889, the construction team, including seven teams of horses, began excavating the basement. Thirty bricklayers were employed at the site. I asked, "How did the bricks get here?" The bricks were made locally. In fact, there were two brick-making factories located in Broken Bow. I wonder why we aren't still making bricks today?

Thirteen fire departments responded to the fire, including 175 firemen. The businesses located in this building were Square One Apparel, The Photo Center, Lyne's Appliance and Antiques, American Family Insurance, and Chapin's Furniture. My, what a change in the lives of the business owners and employees.



As I look across the street to the south side of the square, I see a pile of rubble, burned wood and blackened bricks. These bricks supported this structure for many years. They supported families and business of a wide variety during

the past 115 years. If only these bricks could speak. They would tell us of other fires in the building, burglaries and fights over city water meters.

So what's going to happen? As our Mayor, Mac McMeen, said on the radio, "Please be patient." Clean-up plans are underway, but no action has been taken yet. Mayor McMeen said that the city is working on getting a location where the bricks and rubble can be placed in a landfill that is close to town. This will be much cheaper than having to truck all of the ruins to the Lexington landfill. Once clean-up begins, we too, as a town, can begin to mend.

Our hearts go out to those businesses affected so directly. Sometimes you need to "look around" and notice the older, beautiful buildings and the businesses located within them. We need to do our duty of supporting them when we can, even with a mere thank you for their business and the service they provide to our community.

Time changes things and we take too much for granted. The community will pull together just as we have in the past for things such as the ag crisis in the mid-1980s. Fundraisers are in progress right now to help with the clean-up costs. I believe the spirit we have in this community will come through. The original spirit in the late 1880s, that served to improve the young city of Broken Bow, will be seen again a century later. The building will be cleaned up and there will be a thriving business future here once again.

*Dan Jelinek –*

*Bank of Broken Bow Branch President*

## **Mortgage Term Life and Disability Insurance Now Available...**

Looking for a home mortgage with affordable Term Life and Disability Insurance to go with it? Then look no further, Bruning State Bank offers competitively priced mortgages, now available with or without Life and Disability Insurance. We also handle Regular Term, Return of Premium Term, Whole life and Universal Life Insurance. We broker with some of the most competitive life insurance companies in the market today.

*Jeff Hammer -*

*Home Mortgage Lending*

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## Reflecting on Life's Lessons. . .

As I write this article, it is almost graduation. This year is especially meaningful to me, as my son graduates from high school and heads off to college. With this in mind, it is hard not to think about the lessons we parents have learned during our lives and how we want to share them with our children so they don't have to make the same mistakes. There are many lessons young people seem to have to learn on their own rather than take the advice of elders, but it is still worth sharing them as they do listen to us, even if we don't always think they are listening. From my experience of one time being a student and now a banker, I have the following advice to young people headed out of high school:

- Go to class and take notes. Unless you are a lot smarter than I was as a student in college, you better listen up or your days are numbered as a college student if you don't follow this simple rule.
- Don't wait until the last minute to start studying for an upcoming test. Work at studying after class each day. Last minute cramming or just not studying never worked out well for me. (I don't think it does for most students either.)
- This is a given, but I have to bring it up. Go to bed early during the week. Staying out all-night and partying is not synonymous with getting passing grades.
- Check the oil in your car at least once a week. Do I need to explain this any further?
- Budget your money. Whether you have a job or get spending money from home, you have to start managing your money. Charging on your credit card is not free money. You have to pay it back. Most people spend the first two-thirds of their working life making the first one-third of their net worth. Digging a deep hole through borrowing a lot on your credit card only makes it harder to be financially successful after you get a job.

Since there is a limit to the amount of space I can use in this newsletter, this is the last bit of advice I have for young people, and maybe the most important:

- After you get done with school and head out into the work force, start saving money. It doesn't matter how much money you make at your job, if you don't learn to save money. Pay yourself first before you pay bills or treat yourself to the luxuries of life. Separate the money you save from the rest of your money so it is not as easy to access and spend it.

*Darrell Raum –  
Senior Vice President,  
Credit Supervisor*

## Summer Solstice Ahead, Have You Made Plans?

The summer solstice marks the first day of the season of summer. In the northern hemisphere the summer solstice falls on June 21<sup>st</sup>, the longest day of the year, when the greatest length of time elapses between sunrise and sunset and the sun is in the farthest north position. We generally think of summer as being June, July and August, probably because of the school calendar, but it actually extends to the September equinox, around September 23<sup>rd</sup>. It is said you can balance an egg on end at the summer solstice.

In operations, our summer plans include several projects in our check processing department (this does not include egg balancing, although if you visit our Bruning location you may see someone doing a demonstration). You may have noticed your checks are clearing more quickly than in the past. Many banks are now sending "check images" instead of the physical checks for their "out bound" items. We will be joining that trend. We won't bore you with the details; you won't notice a thing!

We hope you plan a fun summer and include some relaxation time. If you will be traveling, be sure to "test out" your ATM or Visa Check Card before leaving. There is no charge for using your card at our ATM's located at 104 E Main Street in Bruning, in Hebron at 252 South 13<sup>th</sup> Street, Casey's in Hebron, Casey's in Geneva and 803 South D Street in Broken Bow. It is important to remember the daily withdrawal limit is \$250.00 and the Visa Check Card purchase limit is \$1000.00 per day depending on available funds. The time frame for the daily limit is a 24-hour period from 6 p.m. to 6 p.m., so after 6 p.m. the next day's limit begins.

Enjoy the summer, relax and if you have a steady hand, give egg balancing a try.

*Pam Lemke, Janice Fintel, Carm Hinrichs  
& Corey Swartzendruber –  
Operations Department*

### VISA Check Card

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

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



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

# Health Savings Account Update...

Public knowledge and awareness of Health Savings Accounts (HSA) is on the rise. With this increase come some changes. These changes make the HSA more flexible. As of January 1, 2007 the following rule changes are in effect:

1) The contribution limits are simplified. You are no longer limited by your health insurance deductible but rather by the amount set by the government. Those limits are \$2,850 for an individual and \$5,650 for a family plan. This not only simplifies an HSA's contribution limits, but will allow for a larger HSA contribution for an individual previously limited to the high-deductible-health-plan deductible. Simply put, if you have an individual health plan you can put in \$2,850 for 2007 and \$5,650 for anyone who has a family plan.

2) An HSA owner's contribution limit is no longer reduced due to partial-year eligibility. This will apply in the first year an individual becomes eligible.

3) An HSA owner may take a one-time (once in a lifetime) tax-free distribution from their IRA, and transfer that amount into an HSA. The amount eligible for deposit to the HSA is subject to the HSA contribution limits.

With these changes, people can make greater contributions with fewer restrictions. We are willing to discuss these changes and the specifics our HSA's offer.

If you are a business owner, you may want to discuss your options about HSAs for your employees. It may lower your health insurance costs and gives your employees an added benefit.

Please call or stop by and ask about our HSA at any of our locations.

*Stephen Hoff —  
Registered Representative*

# Long-term Care Insurance...

There are lots of reasons people purchase long-term care insurance. According to a recent survey conducted by Mutual of Omaha of their policyholders, the following reasons were given as motivation to buy a LTC policy.

1. **They acknowledged they're getting older and want to be prepared in case they need help.** They wanted to maintain their independence as long as they can and not rely on their kids to take care of them.

2. **They want to stay at home as long as they can!** Staying home is a top priority instead of having to go to a home.
3. **They've seen what happens to people who don't have it!** The majority of policyholders said they knew someone who needed LTC services and witnessed the struggle it put on them emotionally and financially.
4. **They don't want their kids to take care of them.** Many had experiences of caring for a parent and they know the difficulty of providing care for an aging relative.
5. **They don't want to spend their life savings on LTC services.** They know how expensive it can be and don't want to risk their life savings by not having a LTC policy.
6. **They want to leave an inheritance for their kids.** Having a policy is for the future of their kids.
7. **They know it's the smart thing to do.** Most people felt it's like any other insurance like auto or homeowners to protect them from wind or fire losses or life insurance if they die too soon; it's just a smart thing to have.

The survey also revealed one common misconception. Many policyholders didn't think they would be able to afford LTC insurance. They thought it was more expensive than it turned out to be. However, the longer you wait, the more costly it becomes. Give us a call if you have any questions regarding LTC coverage and let us give you a quote to see how affordable it may be for you.

*Fred Kobza —  
Insurance Department*

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## **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.-4:30 p.m., Monday-Friday;

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

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# Important Crop Insurance Notes...

## Multi-Peril Crop Insurance Deadlines:

**May 31:** Final planting date for corn in most counties

**June 15:** Final planting date for milo and soybeans in most counties

**June 30:** Final date to report your corn, milo, soybean and oats acres and plant dates for multi-peril crop insurance.

## Planting notes:

A discernible break in the planting pattern must be made by June 30<sup>th</sup> in order to keep your Irrigated and Non-Irrigated acres separated. This break must be visible in an aerial photo. Also...be sure to keep record of your acres by section, practice, and share for accurate acreage reporting. Remember that June 30<sup>th</sup> is the final date to report your acres, so try to get your acres certified with the FSA office as soon as possible.

## Replant & Claim notes:

Contact your agent BEFORE you destroy or replant any acres, as you must get authorization from the adjuster. Contact us right away if you think you will have a loss on your crops. Remember to keep your production separated by section and practice to prevent problems with any losses or yield reporting.

## **Hail Insurance Reminders:**

The storm season is here and it looks like we might get our share of bad weather again this year. Hail damage IS covered by your multi-peril crop insurance policy. However, your yields would have to fall below your guarantee in order to have a claim. Hail insurance will help you cover the "top end" of your crops.

A hail insurance policy does provide coverage for fire damage from an accidental fire of any kind. Additional fire insurance can also be purchased for a pretty reasonable rate! Keep in mind...your multi-peril crop insurance policy provides fire damage ONLY when the cause of the fire is lightning or other natural causes. Any damage caused by fires from any other causes would NOT be covered on your multi-peril crop insurance policy.

Hail insurance can be purchased at any time. However, coverage does not become effective until 2 hours AFTER a completed application is received in the company office. The rate is the same no matter when coverage is purchased...so don't wait!

We can also provide you with a "continuous" policy that would provide coverage should you have a hail-storm BEFORE you have reported your new acres to us. There is no additional cost for this coverage and coverage can be cancelled by May 1<sup>st</sup> if coverage isn't desired the following year. The acres on the continuous policy need to be revised as soon as the crop is planted.

Be sure to contact us with any questions on your hail or multi-peril crop insurance.

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

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## **What Is A Trust?**

A Trust is a legal instrument that transfers title to designated property from the owner, called the settlor, to a trustee, who holds the property for the beneficiaries of the trust. The settlor can also serve as the trustee, thereby enhancing control over the trust during the life of the settlor. A successor trustee is usually named in case the settlor dies or is incapacitated. This successor trustee may be an institution like Bruning State Bank.

A Testamentary Trust is created in a will and takes effect when the grantor dies. It will name the beneficiaries and gives directions for payment of the income from the trust and for disposition of the assets, and has the advantage of increasing the odds that an inheritance is used prudently. The trustee can manage the assets of the trust until such time as the beneficiaries are prepared to do so, as opposed to an immediate transfer of assets to the beneficiaries.

Inter Vivos Trust, also known as a living trust, is created during the settlor's lifetime. It can either be Revocable or Irrevocable. A Revocable Trust may be dissolved entirely by the settlor, or may change beneficiaries, replace the trustee or change the composition of the assets. The settlor pays taxes on its income during his or her lifetime, and if any assets remain in the trust at the death of the settlor, they are part of his or her estate and at least potentially taxable as such. An Irrevocable Trust permanently takes assets out of the settlor's estate and puts them into the trust. Assets in an Irrevocable Trust are generally not subject to estate taxes on the death of the settlor, but the transfer of assets may be subject to gift taxes. When the settlor of an inter vivos trust dies, the trust assets pass directly to the beneficiaries. An inter vivos trust maintains the privacy of the estate because bypassing probate also means that no public record is created as it would with a will.

For further information, please contact one of our Trust Officers – Frank, Fred B, Darlene, Janet or Renee, and a new addition is Chris Tonniges, who has had experience in wealth management. You may also need to visit with the Attorney of your choice. Bruning State Bank Trust Department would like to have the opportunity to serve as your Trustee or Personal Representative.

*Darlene Reinsch –  
Senior Vice President  
Trust Department*

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# Who's In Control Of Your Assets?

When was the last time you exercised your rights to control your assets? The bulk of most Americans' assets are a home, life insurance, retirement benefits, and various types of savings accounts and investments. In the majority of cases, someone other than yourself will make the decision about where the property is going to pass to upon your death. If you haven't begun planning the transfer of your wealth upon your death, begin now!

Most people feel uncomfortable discussing health care and estate planning concerns with an aging parent and family but initiating the conversation provides family members an opportunity to indicate their personal needs and wishes.

During the past year, my brothers and I moved our parents from their home to assisted-living facilities, and most recently, a nursing home. While it has been hard to watch them lose their independence, we are thankful they were able to live in their own home until they were 87 and 90 years old. What helped our family tremendously during this transition was our parents' foresight to discuss their health care and estate planning concerns with us when they were in their early 70's. They shared with us their financial position, where important documents were kept, burial plans, long term care policies, and their estate planning intentions.

As we look back now, we should have become a little more involved by determining the correct way to title liquid assets intended for the grandchildren. However, I do remember a few conversations with my parents, which many of you can relate to, that go something like this: "Don't worry about those items, we won't live that long before we have to cash in those items to pay for our health care."

Here are a few items to begin discussing with your aging parents and family. Don't be surprised if this discussion leads to other topics!

1. Encourage them to establish a durable power of attorney and health care proxy to protect their interests and their intentions.
2. Review your parents' health care options.
3. Accept the fact that your parents may need long-term care.
4. If they do not have a Long Term Care Insurance Policy in place, encourage them to consider purchasing one if they are concerned they may require long-term nursing care.
5. If a Long Term Care Insurance Policy has been purchased, do you, your spouse, and children know what it covers and where it is located? Some policies purchased earlier don't cover assisted-living care so it is good to check now if changes are needed.

6. Do they have a will and if so, where is it kept and who drew the will, since they should have a copy of the will on file?

7. Does your spouse and children know where your bank account(s), investment account(s), and safe deposit boxes are located?

8. Have you shared with your spouse and children where your legal documents are kept?

9. Are their accounts titled properly to pass down to children, grandchildren, or great grandchildren according to their wishes?

10. Have you made burial arrangements for yourself and spouse? If so, where are the burial arrangement documents kept, which funeral home, have plots and stones been purchased, stones placed, and have they prepaid their funeral expenses, etc.?

As you can see, there are a lot of topics to discuss and consider. Hopefully, a little discussion, planning, and implementation now will minimize the stress when we are faced with long term care and estate planning.

*Craig Pope -  
Hebron Branch President*

## Check Fraud Is Surging...

Corporate identities have been stolen and placed on fake checks in a new scam that rips off consumers. The reputations of legitimate corporations whose names are being hijacked and placed on fake corporate checks are being tarnished.

If you have received what appears to be a legitimate check from a reputable corporation with a request to send a portion of that check back, *stop immediately*. This scam is spreading rapidly, probably because technology allows hustlers to create very convincing counterfeits.

Reader's Digest has suggested the following ways to protect yourself:

- Discard offers from sources that ask you to pay fees, taxes or other charges to claim a prize. No legitimate company would do that.
- If selling something, never accept more than the sale price.
- If accepting payment by check, ask for one drawn on a local bank or on a bank with a local branch. That lets you personally verify the check's validity.
- And remember, **if something seems too good to be true, most likely it is.**



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# Life Insurance-Don't Wait Until It's Too Late!!!

Much like a retirement account, life insurance should be a part of everyone's financial portfolio. Not necessarily for an investment strategy, but rather as another tool for Building and Maintaining Wealth (BMW). The reasons for having a life insurance policy may vary like day and night. The purpose can be as simple as burial expense or as complex as a policy for business ownership succession. Below are just a few of the most common uses of Life Insurance:

## Family

All young families should have a policy. In the event the primary wage earner passes on, the family is able to benefit from tax-free insurance proceeds and live a normal life financially, including college for the kids.

## Business

A life insurance policy(s) to benefit the next generation of ownership, of a family-owned business. The new ownership uses the tax-free proceeds to purchase the assets or shares of stock in the business. The cash proceeds can also be used to buy out other family members that do not wish to retain ownership in the business.

## Funeral Expense

A single premium, 5-year pay or 7-year pay premium, for burial and other funeral-related expenses.

Life insurance premiums are the lowest in twenty-years and there's a plan to fit everyone's budget. Don't wait until it's too late.

*Fred Kobza, Jeff Hammer & Stephen Hoff –  
Life 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

# Building A Strong Foundation. . .

All buildings, from a skyscraper to the lowly out-house, need a strong foundation. Just as buildings need a strong foundation, so must a business.

This year we have a wonderful opportunity to put some extra support into our Ag-related business and farming foundations. Current grain prices and prospective prices for the balance of 2007 and 2008 look to be strong building blocks for all of those involved in agriculture.

Building blocks of reserve working capital or major debt reduction are to be looked at as necessary methods of foundation building.

I would strongly advise waiting until you at least are through with harvest to start spending on replacement capital. If your house is in order, that is, if you can repay your operating expenses, term payments, have cash reserve for taxes and have funds remaining, you could possibly then consider capital purchases.

The first thought will be "I've got to save on taxes by buying a piece of equipment." Examine your financial situation first with your lender, and then talk to your tax preparer. Then go back to talk with your lender. Even though your accountant knows your tax situation, your lender should know whether you would be able to handle the added expense. Sometimes it is better to pay the tax than create more debt. If you have been in financial distress, reduce debt first. When you have your debt under control, it is much easier to make money. When your debt is under control and you are increasing reserve working capital, you are then building a solid foundation.

Another building block is a business plan. Whether you are in commercial business or farming, a written business plan is your guide to achieve success. Plan your year out using cash flow projections, balance sheets, realistic profit and loss projections and a written comprehensive plan of where you are going and how you are going to achieve your goals. Most successful businesses have a written business plan that they follow, reviewing often and making adjustments as needed. Make this an on-going process.

I remember some of the first things I was told when I entered the lending business:

Agriculture always purchases capital in the good years and pays for it in the lean years.  
*"Little Capital Reserves".*

If today you buy what you don't need, tomorrow you may need what you cannot buy.  
*"Wasting Capital Reserves".*

It's not what you make that makes wealth; it is what you save.  
*"Building Capital Reserves".*

I've really never seen any of these axioms fail. If you are currently having a hard time paying for capital purchases, your foundation may be crumbling beneath you. Watch the markets, be reasonable in expectations, and don't be greedy.

*Larry Olson -  
Vice President, Loan Officer*

# Take Us With You...

We would like to congratulate all of you graduating seniors this year. We feel you can "take us with you" when you go forward with your next step in life. Just because you are leaving the area, by no means does this mean you have to leave "Your Country Bank."

We offer numerous products and services that can accommodate your needs. If you currently bank with us you can easily keep up with all of your account information even when you are far away. It is convenient and easy to bank with Bruning State Bank by mail, phone (800-403-5889 Bruning, 800-405-6167 Hebron, 888-872-2757 Broken Bow), Internet Banking, and ATM's.

In order to keep in contact with us, remember to always update your address when you move. Simply give us a call or drop us a note so that we can send your statements and any other information you may need. We want to be your Bank now and in the future!

*Sarah Miller -  
Marketing Director/Loan Officer*

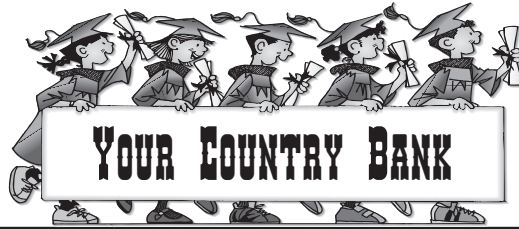
# Trip Destinations for 2007...

## *Las Vegas & Canyon Country – Air Tour – Sept. 12 through Sept. 17*

Some Highlights: Two-Night Stay in Las Vegas at the Golden Nugget, Las Vegas Sightseeing, North Rim of Grand Canyon, Zion National Park, Coral Pink Dunes State Park, Bryce Canyon National Park & much more, 65 + Discount Rate: \$1230 \*Including Airfare Per Person, Double Occupancy \$1435 Per Person, Single Occupancy Under Age 65 Rate: \$1365 double, \$1570 single \*Airfare subject to change until confirmed by Southwest Airlines

## *Holiday Trip – A Mile-High Christmas – Motorcoach – Dec. 11 through 14*

Some Highlights: Three-Night Stay in Denver, "White Christmas" Performance at the Denver Center for Performing Arts, Behind-the-Scenes Look at the Performing Arts Center, Celestial Seasonings Tea Tour, Leanin' Tree Card Museum, Red Rocks Visitor Center & Amphitheater, Denver Botanic Garden, Christmas Lights Extravaganza, Treasures from the Louvre at the Denver Art Museum, The Denver Aquarium & much more.



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