

# BRUNING STATE BANK

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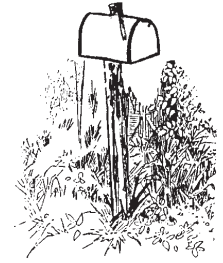
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**"YOUR COUNTRY BANK"**



February/March 2013

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## Value Added...

Small towns and all agricultural enterprises will require new and radical ideas to survive and grow. "Value added" in the simplest form was demonstrated in the old "hard-times" era. Raising corn, and then feeding it to chickens, hogs, and cattle yielded added value at both ends. Grain and livestock programs both received increased income.

Today's agriculture has changed; we can't go back to the old days, but the theory is the same. Do something that expands the operation, whether the business is an ag-related one or a "Main Street" one.

Over 60 years ago, my friend, Bernard, recognized that four sons may all want to farm, so he expanded much of the equipment on hand and utilized the labor to shell corn, bale hay, custom combine, and chop silage. These value-added businesses made room for them.

Similarly, Kurt, the grocer, decided to showcase his meat department, seasoning and selling prime rib as a specialty, as well as dried beef. Again, value-added services were enough to allow bringing his son into the business!

Sometimes added value can come from a part-time job for one of the spouses. This only works if the income streams to the operation. If it's a deal of "my money" or "her money", forget it—it may actually subtract from the value-added potential. My wife has been the value-added person in our situation, like many spouses, challenging at times, but then agreeing when an appropriate plan is made (not like the House and Senate...)

I realize this value-added theory may not help everyone, but if you want to make room for a son or daughter to come home, or if you're underutilizing your equipment and time, you may want to think about adding value to your operation. To young people who want to come back to small communities: think of working for someone successful and learning a trade that can add value. Internships through schools gave you the basics; you also need to gain real-life experience and learn while you earn.

Finally, everyone needs to remember to visit friends, be involved in your community and church, and assist the needy. This will be value-added to your life AND theirs!

*Banker Frank*

*Frank L. Bruning – Chairman of the Board*

## Our Culture...

Through five generations of banking, we've been guided by many strong values and principles that make up the culture of our bank and define who we are and what makes us unique. For example, you may already know that our primary mission at Bruning State Bank is to assist clients to "Build and Maintain Wealth." This may mean helping an elderly person to budget their social security check, a farmer to purchase a farm, or a young person to start his or her own business. We are here to assist those of all ages and all income levels to build wealth and maintain it.

Over the past few months, we've been further defining other aspects of our culture, including our Vision Statement. As this New Year begins, one of our goals is to clarify and communicate this within our team as well as with all of our customers.

Our vision is to be "Your Country Bank" through:

- Empowering our family of employees through training and education, and providing them with the tools they need to best serve our customers.
- Building relationships with customers based on integrity and mutual responsibility in order to help them achieve financial success.
- Contributing to our communities through philanthropy and service.
- Respecting our history and being good stewards of our family banking heritage.
- Embracing our future by adopting new technologies and assisting all generations to build, maintain, and transfer their wealth.

Our family, board members, shareholders, and staff are committed to our Mission and Vision. We all believe in helping people achieve their goals in a family atmosphere of banking with our skilled employees. Profitability is not our main priority; our priorities are the five items outlined above. If we keep our vision focused on these, we believe profits will follow.

We look forward to this New Year ahead and hope we can continue to be your Bank of choice.

*Fred D. Bruning - President*

*"Gratitude makes sense of our past, brings peace for today, and creates a vision for tomorrow." Melody Beattie*

# A Time for Reflection and Perspective...

As we begin the New Year, it's always a good time for reflection on the past year, the past decade, and our life. It is also a time to reflect on our business. As the old saying goes, the only things in life that are certain are death and taxes. The rest of life is a journey full of uncertainty and challenges. This is what motivates us to get up in the morning and meet the day. As I look out into this coming year, there are many unknowns which I'm sure will challenge each of us in our jobs and in our businesses.

For 2013, those of you in agriculture have to wonder what to do with all the uncertainty in the economy, the weather, and the grain market. I don't know what to do, either. All I know is if grain is at a price that offers you a profit, you should be marketing part of it now, as it very well may be much cheaper later if it rains in the Corn Belt.

Cash grain farmers have had six great years. Never in the past fifty years has the farm economy been this good for this long of a time. Will it be good in 2013? No one knows, but we do know it will not stay good forever. Everyone involved in agriculture needs to assess what they are doing and determine if there are things they need to do differently to meet the challenges of a weaker farm economy.

If you, like me, are a wage earner, you, too, need to think through what you are doing to manage the risk of a new and changing economy and the impact it may have on your personal assets. Many have had money sitting in retirement accounts that have not been reviewed since they were opened. What made good sense ten or fifteen years ago may not be the best investment for you today. It may be time to sit down with a financial planner and have them take a look at your personal assets to see if they can make some investment adjustments which are more appropriate in today's world. By the way, we do have a wealth management officer, Dave Froom, in the Bank who can help you with positioning your investments for the future.

This past year many of our friends, neighbors, and family have been struck with adversity, sickness, a family death, or an accident. These are life-changing events. None of us can stop these from happening, but we can take necessary steps to make these transitions a little less traumatic for the families involved. With the cost of everything going up, it may be a good time to let an insurance agent review your coverage to see if you have adequate protection should your family be hit with one of these tragedies. The Bruning State Bank Insurance Agency not only provides property and casualty insurance, but they also offer a host of other insurances such as health, life, and disability. It doesn't cost a dime to sit down with one of our agents and see if they can increase your coverage to better protect you or save you some money on your existing insurance. Stop by and talk to Kathy Roberts or Brian Hulse.

If you have made any New Year's resolutions, I hope you are all able to keep them. I hope you have a great year in 2013. Keep Bruning State Bank in mind; there are many things we can do to help you face the challenges of the coming year.

*Darrell Raum –  
Credit Supervisor, Senior Vice President*

# Numerous Options...

The Christmas decorations have been put away, and a New Year has begun. Have you started to evaluate your expenses for 2013? Has your insurance company taken a rate increase? Many of them have in the last year.

We wanted to take just a moment to remind you that as an independent insurance agency, we have the opportunity to provide you with many different options in choosing the right coverage for you at the best price.

A few of our property and casualty companies include:

- Farmers Mutual of Nebraska
- Travelers
- Met Life
- AAA
- Iowa Mutual
- Battle Creek
- Rain & Hail
- Progressive
- Dairyland
- Indiana
- SafeCo
- Foremost
- American Modern

The best part is there is never a charge for us to take a look at your current coverage and provide you with several different quotes! Stop in and see us today for ANY of your insurance needs!

*Kathy Roberts, Brian Hulse  
& Kristen Monteforte –  
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.

**Ever see a home mortgage  
interest rate  
advertisement that sounds  
too good to be true?**



It just might be! Many mortgage companies typically adjust their advertised rates upward due to the following reasons:

- Purchases for a dollar amount that is too low.
- Refinances versus purchases.
- Second homes versus primary residences.
- Cash-out refinances or debt consolidations.
- Credit scores too low.
- Income from self-employment.

At Bruning State Bank, we'll honor our quoted interest rates in all of the above situations!

Go online to learn more about our Home Mortgage services:

[www.bruningbank.com](http://www.bruningbank.com)

Or call a loan officer at your location today!

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## Things I Didn't Know...

It will be a couple of months before I can say that I have been in banking for two full years. Even though banking has been in my family for generations, there is a lot that I have learned in this short time that I did not know as just a customer. For example, I always wondered why tellers have to do things a certain way. Well, now I am a bank teller and have all these rules and regulations to follow, along with bank policies and procedures.

One thing I will start to expand on is check cashing. The first phrase I heard when I was being trained was, "We are not a public institution and we are not required by law to cash all checks." This may sound sort of stern, but what it basically means is that the bank itself has to take risks every time a check is cashed. There are all different types of checks that people want to have cashed, but the most questioned check is the one written to a business or corporation. These checks cannot be cashed and need to be deposited into the account it is written for.

"But why, it's my company?" you are probably asking. Well, to break it down for you, when you create a corporation, you are creating another entity. This entity is usually owned by partners, shareholders or similar individuals. If you cash a check made out to said entity, an important accounting trail required by the FDIC and our Bonding Company is eliminated. (A Bonding Company is an insurance company for banks, and their rules were made due to past losses from banks doing these things throughout the history of banking.)

Cashing business checks is how some people have been caught embezzling money. Since a business is a separate entity, we as the Bank are responsible for its transactions just as much as if we cashed a check made out to you and gave the money to somebody else. This is called a "Notice of Breach of Fiduciary Duty", which has a big long definition. (You can look it up under UCC 3-307 if you really want to!) Basically we have a duty to all of our customers and entities to put the money intended for the account into the account.

"So how do I get my cash?" Once you deposit the check into the corporation account, if you are a legal signer, we can withdraw the cash from the account that same day by just signing a debit slip at the teller window. This creates a paper trail for us to cover our legal obligations. This way, if and when you get audited, and all of your checks are reconciled, everything is legal. I don't know about you, but I don't want the IRS up in my business. The bottom line is, if the IRS can't find something, it is going to come to the Bank and ask why we didn't handle that check responsibly.

This is just one regulation, and there have been thousands more added in just the last year, which means there are more things that I do not know!

*Adam Bruning – Holdrege Branch  
Customer Service Representative*

## Where Can I Find Basic Financial Education?

In pursuit of learning more about personal finance, I ran across a website titled [MyMoney.gov](http://MyMoney.gov). I found it to be a great source of information and I know you will, too.

[MyMoney.gov](http://MyMoney.gov) is a U.S. government website dedicated to teaching Americans the basics of financial education. Whether you are buying a home, balancing your checkbook, or investing in your 401(k), the resources on [MyMoney.gov](http://MyMoney.gov) can help you maximize your financial decisions.

Throughout the site, you will find important information from twenty Federal agencies and bureaus designed to help you make smart financial choices. The website is organized by:

- Where you are in life ("Life Events")
- Who you are ("My Resources")
- And specific hands-on tools ("Tools")

Popular topics include: Spending Plan; Managing Debt and Credit; Dealing with Mortgages; Planning for Retirement; Saving & Investing; Getting a Loan; Getting Insured; Knowing Your Consumer Rights; and Scams/Fraud.

Please take time to explore this website to expand your financial knowledge for a prosperous new year! If you find something we can assist you with, or that you would like to discuss, please be sure to contact Your Country Bank and visit with your favorite country banker!

*Craig A. Pope –  
Hebron Branch President*

## Welcome



We would like to welcome KaDene Deke to Bruning State Bank. KaDene is originally from DeWitt, NE. She graduated in 2008 from the University of Nebraska-Kearney with her bachelor's degree in Business Administration. KaDene brings four years of banking experience and has joined our Operations staff in Bruning. She is excited for the opportunity to work with our staff in all four locations and to meet everyone in the community. Next time you stop by the drive-up window in Bruning, be sure to say hello!

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## The Fiscal Cliff, Part II...

Last newsletter edition I wrote about the pending Fiscal Cliff that occurred December 31, 2012. I predicted that Congress would reach some sort of compromise, likely less favorable than most of us would like. Wow, I must be a genius. OK, so that prediction was about as obvious as humanity will continue past the Mayan calendar. So here we are again, and the reason I'm discussing the Fiscal Cliff is that, unfortunately, it's still relevant.

On January 1, 2013, Congress passed the American Taxpayer Relief Act of 2012 (ATRA) as a barrier to the Fiscal Cliff. It was not the grand compromise most of us hoped for, but all in all, I have to admit it's not bad. It mainly kept the 2012 tax brackets the same for those individuals with income under \$400,000 (\$450,000 for married couples filing joint returns). I'd rather see taxes not rise at all, but it's better than the \$200,000 initially proposed.

The Social Security tax "holiday" will revert back to 6.2% from 4.2%, and that affects every taxpayer. One main concern according to Ed Mills, policy analyst of FBR Capital Markets, is that "the level of deductions is being phased out on items such as mortgage interest, charitable contributions and child tax credits, starting around the \$300,000 level. And the new Obamacare tax will carve all the way down to the \$200,000 to \$250,000 income levels via a new 'surcharge' on investment income. Instead of the 15% rate, investment income above \$250,000 will be hit with an additional 3.8% for a total of 18.8%."

There were certainly some positive aspects of this new law. ATRA 2012 allows virtually all traditional 401(k), 403(b) and 457 plan account balances to be transferred to [in-plan] Roth 401(k) plans. Previously a big chunk of 401(k) plan money, such as pretax contributions made by employees until they are age 59½, were not eligible for transfer to Roth 401(k) plans. The change raises money for the federal government by collecting taxes on the money moved from traditional 401(k) account to a Roth 401(k).

Here are some of the highlights:

- Tax brackets for incomes below \$400,000 (\$450k joint): 10%, 15%, 25%, 28%, 33%, and 35%.
- Top tax bracket for incomes over \$400k / \$450k-joint: 39.6%.
- Individuals with incomes over \$400k / \$450k (joint) subject to a maximum rate of 20% for long-term capital gain and qualifying dividends.
- Alternative Minimum Tax (AMT) was permanently "patched" to include inflation index.
- Estate Tax: the Act makes permanent the \$5 million exemption (indexed for inflation) for the estate tax, the gift tax, and the generation-skipping transfer tax. However, the top tax rate increased to 40%. There is a permanent "portability" provision that allows the executor of a deceased individual's estate to transfer any unused exemption amount to the individual's surviving spouse.
- "Qualified Charitable Distributions" or QCDs: Charitable IRA distributions (IRA holders over age 70½ are able to exclude from income up to \$100,000 in qualified distributions made to charitable organizations) are extended through 2013.
- Exclusion of 100% of the capital gain from the sale of qualified small business stock extended to apply to stock acquired before January 1, 2014.
- 50% bonus depreciation and expanded Section 179 expense limits extended through 2013.

This list is not at all conclusive of the 156-page bill but simply some of the items that I thought were of interest to pass along.

We will be changing gears in this first quarter of 2013 from tax revenue deals to the debt-ceiling crisis and the spending cuts part of the Fiscal Cliff. Of course all of this will have a volatile effect on the capital markets. But in case you missed it amongst the constant doom and gloom of the media, corporations were quite resilient last year; with the S&P 500 Total Return for the year ending 12/31/2012 up 16%.

Again, with the political turmoil still alive and well in 2013, this quote from Richard Bernstein, CEO of Eaton Vance, is more relevant than ever, "Although politics can affect markets in the short term, it is the longer-term fundamentals that drive investment returns."

*David Frook –  
Financial Planner\**

All investments involve the risk of potential investment losses and no strategy can assure a profit. Not intended for tax advice. Please see your tax advisor for your individual tax situation.

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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

## Would a Roth IRA Be Right for You?

I am sure you have all heard of a Roth IRA, but here is a little background that you may not know. Roth IRAs came about in 1997 with the passing of the Taxpayer Relief Act. William Roth Jr., Senator from Delaware, was the lead sponsor of the act and the namesake for the new Roth IRA.

The account was created to allow taxpayers to have more flexibility with their retirement funds. When compared to a Traditional IRA, there are a lot of similarities but the differences can make an impact on your savings plan.

Traditional IRAs are the most familiar to savers. They grow over time and when certain conditions are met, you start to withdraw money and pay tax on it. With a Roth IRA, you pay almost all of your taxes up front. Your money is generally tax-free when you withdraw it, including the earnings that have accumulated.

There are some restrictions on Roth IRA funds, but compared to a Traditional IRA, they are much more flexible when it comes to withdrawals. You can take out any part of your original contributions whenever you want with no penalty or fee. There are also benefits to help you take out some earnings tax-free as well, like when you are buying a home.

You can still contribute for 2012 until your tax filing date and also contribute for 2013. The contribution limit for 2012 is \$5,000. For 2013, it is \$5,500 with an extra \$1,000 allowed if you are age 50 or older.

Give us a call at Bruning State Bank. We would be glad to help you save for your future!

*Customer Service*

## In Other Words...

"Scintillate, scintillate, diminutive celestial sphere..." "28.35 grams of weight avoidupois worth of impedance may supplant sixteen times that in therapeutic activity..." What? What manner of opening is that for an article from your favorite trust department? Some of you more experienced BSB newsletter fans might recognize that first phrase from an article submitted years ago in a light-hearted frame of mind. Others may wonder if the writer has entirely "lost it."

Well, I may have lost it, but there is a point to be made here. With a little assistance, that lead phrase above can be translated loosely to read "Twinkle, twinkle, little star..." Now that you see my point of beginning, you may recognize the second line to be: "An ounce of prevention is worth a pound of cure." And my point is that sometimes it can be difficult to understand even simple things like a nursery rhyme or old expression when it has been couched in some "high-falutin' lawyer-speak."

When trying to make arrangements for the disposition of your assets for that time when you will no longer be able to manage them, it is important to work with a trusted attorney to set down your wishes in a manner that will ensure they are carried out according to your plan. But the reading of your resultant legal document may be pretty slow going! Your friendly Bruning State Bank Trust Department staff works daily with documents that have been written to try to cover any and every eventuality their customers have hoped to cover. When you are deciding who to name as Trustee, Personal Representative, etc., please keep in mind that we have a Trust Department that is here to help you.

In one last fancy phrase, "An equine may be induced to approach an aqueous solution, but perhaps not prevailed upon to imbibe." ("You can lead a horse to water, but you can't make him drink.") When you review what you have accumulated in your lifetime and consider how best to pass some value on to your family and favorite charities, or to maximize your holdings in a tax-efficient way such as through a 1031/Like Exchange, we hope that you will consider designating Bruning State Bank's Trust Department. We have been in the business for over twenty years and would like to be of service to you.

*Trust Department*

## The Three S's...

Hey, kids! Do you know about the Three S's? Everyone has heard of the Three R's - Reading, 'Riting, and 'Rithmetic. These are great skills for everyday life, but have you heard of the Three S's? They are:

- 1) **Saving** - put aside a portion of your allowance or birthday money to save for big things you want in the future.
- 2) **Sharing** - give to a charity or buy a gift for someone else. Sharing what you have feels good and makes others happy too.
- 3) **Spending** - choose wisely when deciding what to spend your money on. Make sure it's something you really need and something you won't regret buying!

**When it comes to your money, the Three S's are just as important as the Three R's!**

Keep Saving,  
Buck



## The New Year Is Here...

Did your multi-peril crop insurance policy provide sufficient protection for you in 2012? Will your policy provide the protection you will need in 2013?

The sales closing deadline for the 2013 spring crop season is March 15, 2013. March 15th is the final date to sign up for coverage or make changes to your existing coverage.

If you have existing coverage, then your current coverage will automatically continue into 2013. It is important to review the counties and the crops insured on the policy as you will only have coverage for the crops and counties currently listed on the policy. Be sure to contact us if you would like to change the type of coverage you have or if you have added or removed farm ground from your operation.

ALL information on the policy MUST be correct to avoid a penalty at loss time. It is very important that your name, address, phone number, and Social Security number are listed correctly on the policy. Any change in marital status, and all changes to beneficiaries of corporations, trusts, or partnerships must also be reported by March 15, 2013. Landlord/Tenant information and shares needs to be accurate also.

Please contact our office if you have any questions about all types of crop insurance coverage, livestock risk protection, hail insurance, or pasture/range/forage coverage.

We appreciate your business and look forward to working with you in 2013!

*Jeff, Kathy, Brian, Craig, Shari,  
Janet & Ryne -  
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.

## Don't Gamble with your Crops or Livestock

With the high cost of inputs,  
do you have the insurance you need?



Our experienced agents are  
here to help protect your  
bottom line!

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

**Thursday, February 14 - 11:00 a.m.  
Belvidere Community Center, Belvidere, NE**

**EVERYONE IS WELCOME TO ATTEND!  
Lunch will be served. RSVP appreciated:  
402-353-2085**

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# If You Build It, They Will Come...

The wind is nothing new in Nebraska. But when the devastating 70 mph windstorm made its way through Custer County in the midst of harvest season, people, especially farmers, took notice. Many discussions that my John Deere salesman of a husband was having with farmers involved trying to solve the dilemma of how to pick up all that corn blown down and just lying in the field. The corn was too thick to graze cattle on these fields. Many attempted to rake and bale what they could, but there was still so much corn! Could they find a solution before the weather turned? What to do?

The "what to do" was pondered by a few daring individuals in a brainstorming session for the Little Feet Big Dreams fundraising campaign. As small talk began our session, I told everyone about the dilemma my husband had been visiting with local farmers about. Another person mentioned the same topic and said, "Wouldn't it be great if we could find a group of people to go out and pick up corn?" We all kind of laughed at the idea of such a daunting task and how bad our backs would ache after a day of that! But then you could see people start to take the idea seriously and ask, "Why not?" It may just be crazy enough to work! And so was born the "Field of Dreams" fundraiser.



In the movie, Field of Dreams, the famous saying is, "If you build it, they will come." So that was the theme that was used for our "Field of Dreams" fundraiser! With great determination, a lot of community support, and a willing farmer, 175 volunteers met on November 10th to pick up corn. Volunteers, young and old, grabbed one or two 5-gallon buckets and headed out on the 160 acre pivot to find corn. It didn't take long before your bucket was full and it was time to dump! Volunteers worked from 9:00 a.m. to 2:00 p.m. with one goal in mind – pick up as much corn as you could get your hands on!

By the end of the event, 418 bushels of corn were piled neatly in the corner of the field. The bounty of our labor was \$3,350! What was even more amazing was when the field donating farmer matched our efforts with another \$3,350! \$6,700 is a great start to our Little Feet Big Dreams fundraising campaign. The campaign is raising money for new playground equipment and for improvements to the multi-purpose room at the expanded North Park Elementary site.



Broken Bow is a community of workers. So when asked to work towards a goal for our elementary students, naturally everyone lined up to help. Sometimes what you think is a travesty can turn out to be an opportunity. We are not afraid of a little work!

*Janice Nozicka –  
Loan Officer, Bank of Broken Bow*

## Farmers & Ranchers College...

The final program for the 2012-2013 season will take place on **March 14, 2013** in Milligan, NE. It will feature Dr. Ron Hanson from UNL. He will be discussing,



**"Keeping Your Farm in the Family for the Next Generation."** The program will include a meal at *Evening with Friends* starting at 6:00 p.m. with the presentation to follow.

The Farmers & Ranchers College began in 2000 with a mission to provide high quality continuing education to farmers and ranchers in a rapidly changing global agricultural environment.

Please let us know if you are interested in attending the program on March 14th!

*Fred D. Bruning & Sarah Miller*

# Technology Update...

My family's first cell phone was the classic Motorola "bag" phone. We glued a little antenna to the windshield of our 1991 Chevy Astro Minivan and wondered at the technical marvel that was inside. Imagine being able to make calls from the road! The future is now!

When I left for college, I got my own cellphone, this one small enough to fit into a pocket yet heavy enough to break a window. As the years progressed, my cell phones got more advanced as well as lighter with better battery life. I can still remember sending my first text message and taking my first picture with a camera phone. Then in 2009, I got my first smartphone. The possibilities then seemed, and still seem, endless. Tens of thousands of apps can do things that I didn't know I needed them to do, such as posting a picture taken on the phone to a social media site within seconds of taking it (my Facebook friends may get tired of that one). Along with that comes the possibility to use one's phone to conduct their banking business!



In the very near future, Bruning State Bank will debut its newest product, Mobile Banking. Mobile Banking is online banking for your phone. If you decide to sign up and give it a try, you will see that you will have much of the same functionality from your mobile device as you do by logging in from your computer. You can check your balances, look at your statement, transfer funds between accounts, and pay bills, as well as locate a BSB branch or ATM.

There are three different ways to access Mobile Banking. If you have a smartphone, you can download our app from your app store of choice. It will be out on both iTunes as well as the Google Play store. You can also access our mobile site from the browser on your phone. If you do not have a smartphone, we will also offer a text banking service so that you can text a balance inquiry or transfer request to us and receive a verification text message within seconds.

Signing up for Mobile Banking is very easy. You must first have online banking access. Once the service is available, our system will ask you if you'd like to enroll in Mobile Banking when you log into online banking. The enrollment process only takes a few minutes and during that process you can decide whether you'd like to use text banking, our mobile website, our app, or all three. Text messages will be sent to your phone for verification purposes and once the enrollment is complete, you will receive another message detailing how to get your selected Mobile Banking method(s) installed on your phone.



Transactions that you create through Mobile Banking will be posted much like they are when you perform them online. For instance, let's say you are at the ATM but your checking account is running a little low. You have ample funds in your savings account to make a transfer so you take out your phone, make the request via Mobile Banking, and the transfer is posted within seconds. You can then go withdraw the newly transferred funds from the ATM. What if you are out to eat with friends, they pick up the check but you want to pay them back? Rather than forgetting to do it later when you get home, you can just take your phone and use either the Bill Payment or Person-to-Person Payment option to send your friend the money now.

We feel the future for this product will be very bright as services continue to expand. One service that you may have seen on television is the ability to deposit checks from your phone by taking a picture of them. This service is on the horizon for Bruning State Bank and you will be hearing about it here as well as on our social media sites as we get closer to implementing it.

We hope this product will bring convenience to your busy life and allow you to better control your personal finances through up-to-the-minute information and tools, even when you're on the go. We'd like you to carry Bruning State Bank with you wherever you go and Mobile Banking will allow you to do that!

**Tech Term of the Month:** Wireless Application Protocol (WAP). WAP technology allows mobile phones to view webpages through their browsers. So if you choose to use our mobile website for Mobile Banking, you will most likely be using WAP.

*Corey Swartzendruber –  
Network Administrator*

## Debit Card Expiring Soon?



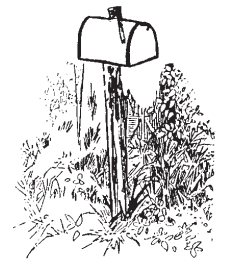
If you notice that your Visa Debit Card will soon be expiring, please watch your mail for a new card! Your current card will continue to work until the last day of the month in which it expires. You will automatically receive a new card in the mail during that month. Once you have received your new card, please dispose of your old card properly (by shredding, for example).

# BRUNING STATE BANK

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Bruning, Nebraska 68322

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Bruning,  
Nebraska

*Address Service  
Requested*



*"YOUR COUNTRY BANK"  
Since 1891*

## BRUNING STATE BANK

"Your Country Bank" Since 1891, Charter No. 618  
Statement of Condition at Close of Business December 31, 2012

ASSETS	LIABILITIES
CASH.....\$22,313,000.00 (Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	DEPOSITS.....\$236,390,000.00 (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.....\$60,731,000.00 (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.....\$37,925,000.00
MUNICIPAL BONDS.....\$30,385,000.00 (Investments in high-grade bonds issued by cities, school districts and other municipal government.)	OTHER LIABILITIES.....\$730,000.00 (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.)	<b>TOTAL LIABILITIES.....\$275,045,000.00</b>
<b>TOTAL CASH ASSETS.....\$113,429,000.00</b> (Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	<b>EQUITY CAPITAL</b>
LOANS AND DISCOUNTS.....\$174,286,000.00 (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.....\$3,951,000.00 (The depreciated value of the Bank, all furniture and equipment.)	SURPLUS.....\$19,400,000.00 (Amount taken from the profits of the Bank to further strengthen the position of the Bank.)
OTHER ASSETS.....\$11,259,000.00 (Accrued interest earned but not collected and other receivables.)	UNDIVIDED PROFITS AND RESERVES.....\$7,880,000.00 (Amount that has accumulated from earnings of the Bank for reserves.)
<b>TOTAL ASSETS.....\$302,925,000.00</b>	<b>TOTAL EQUITY CAPITAL.....\$27,880,000.00</b>
	<b>TOTAL LIABILITIES &amp; EQUITY CAPITAL.....\$302,925,000.00</b>



## ANNUAL PRIVACY POLICY NOTICE

### FACTS

### What Does Bruning State Bank Do With Your Personal Information?

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• account balances and payment history</li> <li>• credit history and credit scores</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Bruning State Bank chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information:	Does Bruning State Bank share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes –</b> to offer our products and services to you	YES	NO
<b>For joint marketing with other financial companies</b>	NO	NO
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	NO	NO
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	NO	We do not share.
<b>For our affiliates to market to you</b>	NO	We do not share.
<b>For non-affiliates to market to you</b>	YES	YES

<b>To limit our sharing</b>	<p>If you want to limit our sharing of your personal information, please mail the form below or call us at 1-800-403-5889 to opt out.</p> <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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<b>Questions?</b>	Call us at 1-800-403-5889.
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### Mail-In Form (if you choose to opt out)

Mark any/all you want to limit:

- Do not share my personal information with non-affiliates to market their products and services to me.

Name		<b>Mail to:</b> Bruning State Bank PO Box 100 Bruning, NE 68322-0100
Address		
City, State Zip		
Account Number(s)*		

\*If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.

- Apply my choices only to me.

## ANNUAL PRIVACY POLICY NOTICE

### Who we are

Who is providing this notice?	Bruning State Bank
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### What we do

How does Bruning State Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Bruning State Bank collect my personal information?	<p>We collect your personal information for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Pay your bills or apply for a loan</li> <li>• Use your credit or debit card</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.

### Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>(Bruning State Bank's affiliates include: Bruning Real Estate Agency.)</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>(Non-affiliates we share with can include: life, health, and long-term care insurance companies.)</i>
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <i>(Bruning State Bank does not participate in joint marketing.)</i>