



Neighbor to Neighbor Volume 18 – Issue 1

Dear Neighbors,

When I came back to the bank more than 40 years ago, I never could have imagined that a flu virus could travel around the world and affect us in the areas of health and commerce, in mostly rural Kansas, but here we are. Our bank has been required to have a Pandemic Flu Policy for more than 10 years. Prior to this, I thought the policy was a big waste of time. I was wrong! So, to let you know what is going on at Farmers, as per our flu policy, we have split the staff in half at all three locations with half working on site and the other half working from home. The idea behind this is that if someone gets sick who is working in any of the three bank locations, we can bring in a new staff member or an entire new staff. What we have discovered after a week of this, is that with today's computer systems, IT and other operations, staff can remote in and work quite well from home. For our loan customers, it is not quite as easy. If you need a loan you can call us; we will prepare the loan documents and then you can come to the bank and sign the paperwork.

One thing that I'd like you all to know, is our bank and the banking system is strong. The Federal Reserve Bank is flooding the system with reserves to provide credit to all banks in need across the country. Our bank reserves are among the strongest in Kansas.

Hopefully this virus will quickly pass and we can get back to normal. So far I've seen more replays of the past NCAA basketball and football games than I can stand. I'm ready for everything to get back to normal! In the meantime, we're trying to follow the guidelines and do our part so that everyone is safe.

If you have questions or concerns, as always, please give me a call.

- Jim Moore, President

FLINT HILLS HOME SHOW

Staff from Farmers State Bank attended the Flint Hills Home Show in Manhattan on February 29th and March 1st. Our experienced lenders answered numerous questions from prospective homeowners in attendance regarding financing or refinancing their home.

Visitors to our booth enjoyed goodies made from recipes in our Farmers State Bank cookbook, which we gave as gifts along with spatulas. Most visitors registered for a Kitchen Aid Mixer which was won by Trina McCarty! Pictured below are staff members Dena Flach, Kaylene Plummer, and Chase Sperber.



RATES ARE LOW... SHOULD YOU REFINANCE?

In the first three months of 2020, we have seen record lows for secondary market and conventional home loan interest rates. While these rates are obviously good for consumers who are wanting to buy a new home, they can also benefit consumers who already own their home.

One reason to consider refinancing your existing home is that over the years you may have built up equity in your home and might want to take what we call a “cash out” to remodel or build an addition on your home or pay off something that has a higher interest rate.

Secondly, refinancing your home may reduce your payment amount and give you extra money to spend on something else. A final reason to refinance might be to shorten the term on your existing home loan.

If you have questions about your home loan refinance or you're interested in purchasing a new home, stop in or call one of our mortgage loan officers pictured below.

Meet our

HOME

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MANHATTAN

We're here
to help you

MAKE

MOVE

PEER-TO-PEER PAYMENTS

Have you ever had the need to pay someone and not have any cash or a checkbook to do so? You may be interested in peer-to-peer (P2P) payment services. P2P apps allow you to quickly send money by using a phone number, email address or username. You can use an app for paying a friend back for lunch, gas money, or even rent. There are many P2P options available. Some of the most common companies are Zelle, Venmo, Cash App, PayPal, Google Pay and Apple Pay Cash. They all have advantages and disadvantages, such as having a fee involved and the length of time it takes for payments to be received.

At Farmers State Bank, we have been considering and researching options to offer our customers. We want them to be not only beneficial, but safe as well. Do you think you would utilize a P2P payment service? We are interested in your feedback. Please let us know your thoughts by emailing us at support@bankwithfarmers.com. We look forward to hearing from you!

BENEFITS OF A ROTH IRA

Roth IRAs offer advantages that Traditional IRAs lack, such as easy withdrawals and tax-free money in retirement.

The Roth IRA isn't exactly new. It was rolled out in 1997, but was slow to gain momentum. However, the benefits of a Roth IRA continue to serve consumers well. Here are some advantages.

- 1. Tax-free Retirement Income:** The major difference between a Roth IRA and a Traditional IRA is how each type of retirement account deals with taxes. A Traditional IRA offers an upfront tax break with contributions being deductible in the year that they are made. However, when you withdraw money out of a Traditional IRA, you owe income tax on the contributions. With the Roth IRA, you have to wait longer for the tax savings, but it's worth it. You took care of your taxes upfront when you funded the account, therefore when you start making withdrawals, you owe nothing. The money is yours, free and clear.
- 2. Easy, early access to the money:** We would hope that when you invest your money in a Roth IRA, you will leave it there until retirement, but things happen in life! If you need to take an early withdrawal before the age of 59 ½, you can avoid the taxes and the IRS penalty, as long as the money you withdraw comes from your contributions and not the earnings.
- 3. Required Minimum Distribution (RMD) Free:** Unlike Traditional IRAs, which require a minimum distribution to be taken at the age of 72, the Roth IRA Distributions are RMD free, which means that they do not require a distribution no matter what your age. The original account holder can let the money remain in a Roth IRA for as long as they live, which means investments can continue to grow tax free.
- 4. Better for your heirs:** Unlike money left to heirs in a Traditional IRA, where the requirement to pay taxes on a withdrawal passes down to heirs, distributions from an inherited Roth IRA are passed to heirs tax free.

If you think a Roth IRA might just be the ticket for you, come in and we will help you open an account. We recommend that you visit with your tax advisor before you open the account to be certain of your eligibility. If you have questions feel free to stop and visit with a staff member at one of our three locations.



FROM OUR KITCHEN TO YOURS

MINI MEATLOAVES

Contributed by: Jennifer Fleming
Loan Secretary, Westmoreland

Ingredients:

1 egg
3/4 cup milk
1 cup shredded cheddar cheese
1/2 cup quick cooking oats
1 teaspoon salt
1 pound ground beef
2/3 cup ketchup
1/4 cup packed brown sugar
1 1/2 teaspoons prepared mustard

Preheat oven to 350 degrees Fahrenheit. In a large bowl, combine the egg, milk, cheese, oats, and salt. Add the ground beef, mixing well, and form this mixture into eight miniature meatloaves. Place these in a lightly greased 9x13 inch baking dish. In a separate small bowl, combine the ketchup, brown sugar and mustard. Stir thoroughly and spread over each meatloaf. Baked uncovered for 45 minutes.

APPLE DUMPLINGS

Contributed by: Amy Winter
Accounts Payable, Manhattan

Ingredients:

2 cups sugar
2 cups water
1/4 tsp cinnamon
1/4 tsp nutmeg
1/4 cup butter, melted
6 apples
2 cups flour
1 tsp salt
2 tsp baking powder
3/4 cup shortening
1/2 cup milk

Make syrup of sugar, water, cinnamon and nutmeg; add melted butter. Pare apples and cut in fourths. Mix dry ingredients, cut in shortening, then stir in milk to form dough. Roll 1/4 inch thick and cut in 5 inch squares. Arrange apples in center, sprinkle with sugar, cinnamon, and nutmeg; dot with butter. Fold corners to center; pinch edges together. Place 1 inch apart in baking pan. Pour syrup over the dumplings. Bake at 375 degrees for 35 minutes. Serve warm with ice cream.

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FRAUD SCAMS IN 2020

Once again, scammers are continuing to evolve and are out to get your money! Here are a few recent scams we have been made aware of.

- ◆ Manipulating checks that have abbreviated the year with just the last two digits, “20”. A thief could use this to his or her advantage by depositing your check via mobile deposit (which means they remain in possession of your check). Then, at a later time, such as in 2022, they add the “22” digits to the end and deposit it again. To avoid this possibility, simply write out the full year (2020) each time you write a check.
- ◆ Another recent scam revolves around the new government stimulus program designed to give US citizens funds during the coronavirus crisis. The scammers will text, call, or email you asking for banking information or other sensitive personal data. As of this article, the government is still working out the details and will not contact you for this information. Anyone who is contacting you, is more than likely a scammer.



WELCOME TO THE FSB FAMILY!

Our Farmers State Bank family is growing! Take a peek at the newest arrival.

Bristol Ellyn Eisenbarth was born January 1, 2020. She is the daughter of Chelsie and Heath Eisenbarth. Chelsie is a loan officer at our Westmoreland bank. Bristol was welcomed home by proud big brother, Elliot. She loves to smile, but saves her biggest smiles for her daddy. Bristol is also very vocal and she is not afraid to give you a piece of her mind!

EMPLOYEE SPOTLIGHTS

Information Technology Department

Amanda Valburg and Mark Ten Eyck

Information Technology (or IT) in the banking industry is rapidly changing. To remain competitive, we must pursue new technologies and products for you, the customer, all the while assessing risks and protecting your data and money. At Farmers State Bank, we have two dedicated IT employees, Amanda Valburg and Mark Ten Eyck.

In February 2001, Amanda joined the Westmoreland staff in the operations department and is now the IT Coordinator. Amanda and her husband, David, grew up in Onaga and have five children. They reside outside of Westmoreland with their three younger children, two dogs, one cat, and many outside cats and chickens. They stay busy with their kids' activities, cattle, and David's electrical business. Amanda's favorite thing to do is to attend her boys' sporting events and take pictures, which she loves to share!

Mark is our Network Administrator and joined the bank full-time in June of 2018. Mark and his wife, Ann, live in Wamego where they are raising their two beautiful daughters, Cara (two years old) and Camryn (15 months old). Mark enjoys the challenges of securing our network and your data in a banking environment.

Our IT team strives to keep the bank running efficiently and making sure our customers have the banking applications and technology necessary to meet their banking needs.



INDUSTRY TIPS

Financial Statement Importance

A financial statement is a key piece of financial information used by Farmers State Bank in making loan decisions and is required in some instances by the bank examiners. A financial statement (in simple terms) is what you own with a value (assets) vs. what you owe with a value (liabilities). The difference between the assets and liabilities is your net worth.

For agricultural and business customers, we may request that you prepare and sign an annual financial statement with the bank. Prepared correctly, financial statements are an important tool that can provide a detailed look at an individual or operation's financial health at a point in time. Over a period of years, this information can then be used to identify trends and whether an individual or business is profitable.

Preparing a financial statement at the same time each year helps to eliminate seasonal fluctuations that may result if they are prepared at different times each year. Loan officers are

available to help you prepare an accurate financial statement if you don't feel comfortable completing it yourself.

To encourage our farm customers to get financial statements to us early in the year, we announced at last year's Farmers Night that we would enter everyone into a drawing for a chance to win a new Stihl Chain Saw if they provided us a year-end (December 31) financial statement by March 1, 2020.

-Alan Engelken, AVP & Asst. Ag Rep.

POTENTIAL TAX SAVING BENEFITS OF A SEP IRA

A Simplified Employee Pension (SEP) IRA is a type of traditional IRA that allows for higher, tax-deductible contributions, tax-deferred growth, and a flexible contribution schedule. This retirement plan is designed for owners and all employees who meet the qualifications. Employers do not have to have employees to qualify for a SEP IRA; the employer may be the only "employee". All of these benefits make it a good choice for self-employed individuals, small business owners, and farmers.

- Employers can contribute up to 25% of each employee's annual compensation.
- Self-employed persons can contribute up to 20% of their net self-employment earnings towards their own account.
- Contributions are limited to a maximum dollar amount of \$56,000 per plan participant for tax year 2019.
- The contribution deadline for the prior year can be made up until the tax filing deadline PLUS EXTENSIONS.

For more information, contact your tax advisor, Shellee Maginness at our Manhattan location, or Jayne Jepson at our Onaga location. You can reach Shellee by email at shellee@bankwithfarmers.com or (785) 539-9002. You can reach Jayne at jayne@bankwithfarmers.com or (785) 889-4211.



This year's winner, Larry Johnson from Blaine, with his new Stihl Saw.

Interest rates are at a historical low.

Meet with a loan officer to see if these opportunities are right for you.

1.

Start your next home improvement project.

Access the equity in your home with a cash-out refinance.

2.

Lower your mortgage payments.

Refinance your loan to get a lower interest rate.

Pay Less, Save More.



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