

THE KEY



FEBRUARY 2011



MEMBER FDIC

**Farmers
STATE BANK**

Building Your Success

UNLOCKING YOUR
FINANCIAL OPPORTUNITIES



SHEDDING LIGHT ON TAX SEASON

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PROTECT WHAT MATTERS
MOST, VALENTINE'S DAY
FUN FACTS & GO GREEN
WITH eSTATEMENTS

CD RATES:

9-13 Mo. - 1.22%^{APY*}

16-18 Mo. - 1.66%^{APY*}

25-30 Mo. - 1.90%^{APY*}

60-67 Mo. - 2.75%^{APY*}

IRA CD RATE:

36 Mo. - 2.25%^{APY*}

*APY=Annual Percentage Yield. IRA=Individual Retirement Account. Qualified funds only. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 16-18 month, 25-30 month, 36 month IRA and 60-67 month terms. \$2,000 minimum opening deposit for 9-13 month. 9-13 month CD interest rate 1.21%, 16-18 month CD interest rate 1.65%, 25-30 month CD interest rate 1.89%, 36 month IRA CD interest rate 2.24%, 60-67 month CD interest rate 2.72%. Interest compounds every 3 months for CDs with a term less than one year and every 6 months for CDs with a term of one year or greater. Effective 2/1/2011. Rates subject to change daily.

Filing your income tax returns can be frightening, but it doesn't have to be. It is something that everyone has been doing since 1913 and is something you will be doing for the rest of your life. The following are some things you should know to make the whole process easier.

Your income tax return is due on April 15th of the following year. For example, your 2010 return is due on April 18, 2011. You can file earlier if you wish. You should get your W-2 by the end of January and your 1099 forms shortly thereafter.

For most people the information needed is simple – your employer will send you a Form W-2 for your wages and your financial institutions will send you 1099's with information on your dividends, interest and other investment income. Income subject to tax includes: wages, investment income, distributions from retirement

plans, self employment income, and a few other items. Deductions for itemized expenses include: state and local taxes paid, mortgage interest, charitable contributions and a few other less common items. The net of these items is your taxable income.

Once you have your taxable income calculated, you then apply different tax rates based on the bracket of your income. There are different rates for single individuals and married couples filing joint returns.

Be sure to keep copies of your actual tax returns forever and copies of any supporting documents for three years following the due date of the return.

Everyone's tax situation is different, so if yours is complicated or if you do not feel comfortable with any part of preparing your return, find and use the services of a qualified tax professional.

1-877-372-1879
www.FSB1879.com



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PROTECT WHAT MATTERS MOST

Your life insurance needs can depend on a number of factors, including the size of your family, the nature of your financial obligations, your career stage, and your goals. For example, when you're young, you may not have a great need for life insurance. However, as you take on more responsibilities and your family grows, your need for life insurance increases. Here are some questions that can help you start thinking about the amount of life insurance you need:

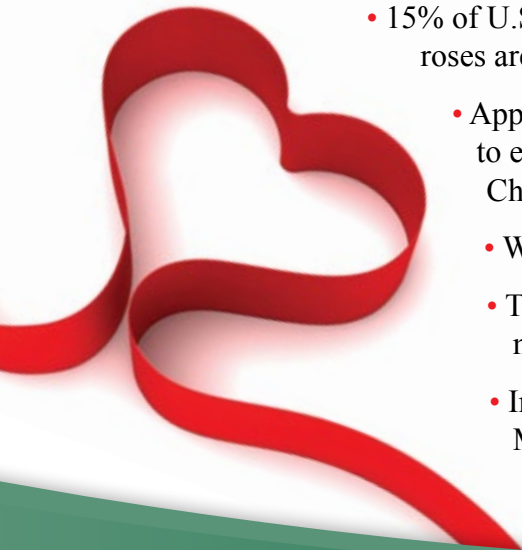
- What immediate financial expenses (e.g., debt repayment, funeral expenses) would your family face upon your death?
- How much of your salary is devoted to current expenses and future needs?
- How long would your dependents need support if you were to die tomorrow?
- How much money would you want to leave for special situations upon your death, such as funding your children's education, gifts to charities, or an inheritance for your children?
- What other assets or insurance policies do you have?

To learn more about a policy that fits your individual needs contact an Insurance Expert at FSB Warner Financial. Call 1-800-747-9999 or go online at www.FSBFS.com.



VALENTINE'S DAY FUN FACTS

- In 1537, England's King Henry VIII officially declared February 14th the holiday of St. Valentine's Day.
- Richard Cadbury produced the first box of chocolates for Valentine's Day in the late 1800's.
- Over \$1 billion worth of chocolate is purchased for Valentine's Day in the U.S.
 - 73% of people who buy flowers for Valentine's Day are men, while only 27% are women.
 - 15% of U.S. women send themselves flowers on Valentine's Day. 189 million stems of roses are sold in the U.S. on Valentine's Day.
- Approximately one billion Valentines are sent out worldwide each year according to estimates by the U.S. Greeting Card Association. That's second only to Christmas.
- Women purchase approximately 85 percent of all Valentines.
- Teachers will receive the most Valentine's Day cards, followed by children, mothers, wives, sweethearts and pets.
- In addition to the United States, Valentine's Day is celebrated in Canada, Mexico, United Kingdom, France, Australia, Denmark, and Italy.



TRUST SERVICES THAT FIT YOUR FUTURE



Trusts can be a complicated area of financial management, and the Trust Professionals at FSB understand how overwhelming it can be. Here are some of the services we offer to help make it easier for you:

- **Estate Planning:** FSB's Trust Department will work with you to create an estate plan or ensure your current plan is appropriate.
- **Trust Administration:** As your trustee, FSB trust experts are dedicated to protecting your assets and fulfilling your intentions in consideration of all parties involved.
- **Conservatorships:** Family members may rest assured that all their loved ones' assets are being professionally managed, all bills are paid on time, and all tax returns are promptly filed.
- **Agency/Custodial Services:** Even though your investments are diversified, your portfolio doesn't have to be. FSB trust experts can consolidate your record keeping, provide you with one statement reflecting all account activity, manage or maintain your current assets, and provide bill pay service when/as needed.
- **Irrevocable Life Ins. Trust:** Insurance policy owned by a trust to reduce estate tax
- **Estate Administration Services:** When you name FSB as executor/co-executor of your estate, you are ensuring that your last wishes will be carried out as you have planned.

Whether your goals are to preserve wealth, spend less time managing financial affairs, ensure your wishes are carried out, or make charitable donations, we provide Trust solutions to meet your needs. To learn more about how we can help you contact our Trust Specialist, Tammy Fleming, at 319-874-4321.

GO GREEN WITH eSTATEMENTS

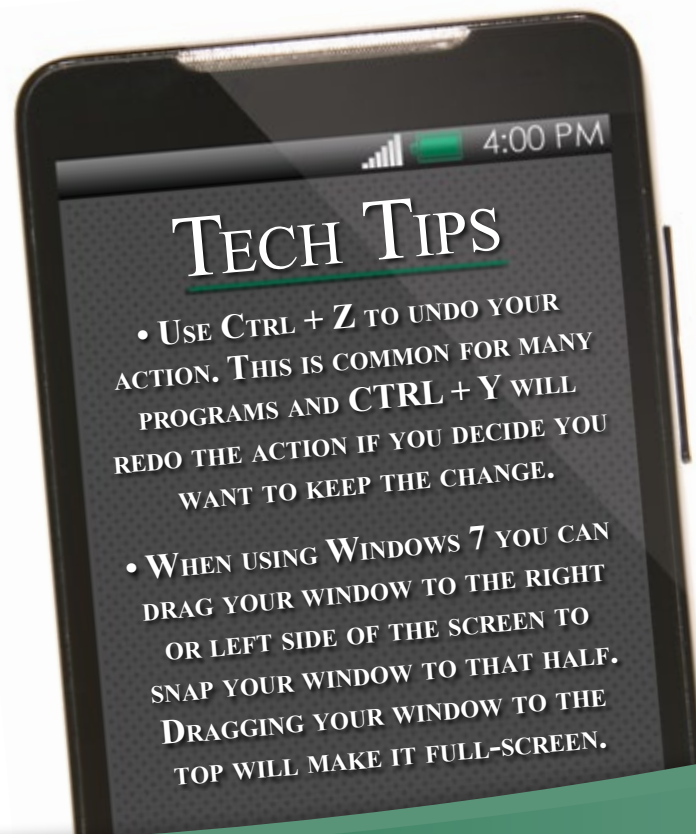
Stacks of your monthly statements can pile up before you have a chance to review and file them away. This can create clutter and chaos on your kitchen counter, not to mention waste paper.

Clean up your act and sign up for email statements (eStatements). You can have your monthly statements electronically delivered to your email address in a secure password-protected file.

There's no paper so there's no worry of losing your personal information in the mail. You can receive eStatements faster than mailed statements.

Improve your filing system by saving received statements to your PC. You can easily view and print them for tax season.

To sign up for eStatements give us a call at 1-877-372-1879 or stop by your local Farmers State Bank branch today.



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FSB Account

AT
www.FSB1879.com

BRANCH LOCATIONS:

Cedar Falls
(319) 268-1879

Waterloo
(319) 287-3961

Jesup
(319) 827-1050

Raymond
(319) 232-3070

Dunkerton
(319) 822-2521

Gilbertville
(319) 296-1410

Downtown Waterloo
OPEN IN 2011!

FIND YOUR KEYS

N E T E O T C I R E N B Y E
 P T R O M S R S S U D E C A
 P T R R O O L U R M O N R G
 R E N C I N C D S T A E U H
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 P E E D H R R A C N H U C E

KEY WORDS

- BENEFICIARY
- CONTRIBUTION
- COVERAGE
- DEDUCTION
- ESTATE
- FUTURE
- HEALTH
- INCOME
- INHERITANCE
- INSURANCE
- LIFE
- POLICY
- PORTFOLIO
- TAX
- TRUST
- UNIVERSAL

Golden Horizons

A Club For Farmers State Bank Customers 55 & Older



A Special Day in Dysart

The Golden Horizons Club is planning a special day in Dysart. We will enjoy delicious food, unique shops, local artist, interesting sites and friendly folks. You may call any of our local branches to make reservations, we hope you see you there!

We Need Your Ideas

We are looking for new and exciting events to make Golden Horizons even better in 2011! If you have any ideas or suggestions please give us a call or stop buy your local branch and let us know.