

CITY STATE BANK SPIRIT

Grimes • Indianola • Madrid • Martensdale • Mount Ayr • New Virginia • Norwalk



PRESIDENT'S LETTER

I would like to wish all of our City State Bank friends a Happy New Year! One of my New Year resolutions is to become a better coach to my children and young people. At City State Bank, we have had the honor of having fantastic student employees over the years, and I know that tradition will continue. It is a privilege to see them go on to be great members of their communities and occasionally, come back to us in a professional capacity and become full-time employees, customers, and

business partners. They are always full of energy and have a tendency to teach us as much as we teach them. Over the years you hear many philosophies to properly raising young ladies and gentlemen; I thought it may be beneficial to share some of those that I have learned and others I strive to improve. There are no perfect methods to teaching and/or coaching young people, but here are some to consider:

Coaching young adults and children

- 1) Teach the Ten Commandments and ask them to strive to live them.
- 2) Teach strong work ethic – one of the best gifts my parents taught me was to be able to work long hours and be part of a team.
- 3) Teach the importance of getting up early in the morning. A lot can be accomplished when your body and mind are fresh. It is a good time to address the most difficult tasks.
- 4) Teach them to exercise the body when the mind is tired and to exercise the mind when the body is tired. Well-conditioned bodies and minds will give them a step up in life.
- 5) Have them adopt strong mentors to learn leadership skills. Mentors should be sought out by parents and the young adults. Also, leadership courses are important.
- 6) Teach them the value of developing internal energy.
- 7) Emphasize the importance of respecting your parents and elders. Good manners are free and carry great value.
- 8) Explain to them the importance of developing the proper friend groups. Who you associate with, is what you will become in life.
- 9) Teach them to be strong minded in difficult situations. Being a strong leader can mean going against the grain. It can be difficult, but sometimes necessary.
- 10) Encourage them to give quietly and to be generous.
- 11) Treat people the way you want to be treated.
- 12) Explain the importance of prior preparation, which prevents poor performance.
- 13) Teach the importance of loyalty to family and friends.

Best to luck to all in 2017 – may your year be special!

Sincerely,

Steve Albrecht

INSIDE THIS ISSUE

- Take Us On Spring Break
- Purchasing or Building a New Home?
- Insurance Tips
- Tax Tips for the Self Employed
- City State Bank Donations
- Events from Last Quarter

**SPIRIT. DRIVE.
RELATIONSHIP.**





SPIRIT. DRIVE.
RELATIONSHIP.

PURCHASING OR BUILDING A NEW HOME?

Now is a great time of year to purchase or build... if you've been dreaming of a new home, make that dream a reality. Stop in today to visit with one of our mortgage lenders to get started.



TAKE US ON SPRING BREAK

If you're heading somewhere warm for spring break, don't forget to take us with you! Load our app to transfer money, pay bills, keep an eye on your account, deposit checks, and so much more.

You really can bank from anywhere... and let's face it, it's more fun to do your banking on the beach!



Jan Sparks

Norwalk
515-981-1378
NMLS #478069



Nicol Hoover

Norwalk
515-981-1382
NMLS #478070



Amanda Reid-Raper

Norwalk
515-981-1416
NMLS #478066



Steve Davis

Grimes
515-240-1111
NMLS #478064



Sheena Cook

Grimes
515-306-1425
NMLS #478071



Chrissy Draper

Grimes
515-339-5118
NMLS #815246



Mary Kay Hamell

Indianola
515-961-7000
NMLS #478060

INSURANCE TIPS

Although the winter season is still upon us, there are a few glimmers of spring here and there...or perhaps that is just our wishful thinking. Of course there will be more bursts of cold, ice and snow, this is Iowa after all, but before long, we will officially see the thawing. Blue skies, green grass, sunshine, and flowers starting to peek through the soil. That thawing occurring above ground, is obviously happening below ground as well, and can sometimes be tough on our houses. Although an insurance claim is always unexpected, you will want to make sure you understand how your insurance policy will react to issues that winter and spring can create:

Flood: quick temperature fluctuations can cause large amounts of snow to melt in a short period of time. This can often cause damage to your home. The standard insurance policy will not cover flood, so if this is a concern you should look into a flood policy.

Frozen Pipes: If you are traveling south to enjoy warmer weather for the winter months, it is important to take the necessary precautions when leaving your property unattended to prevent damages, such as frozen and bursting pipes. Insurance policies have requirements for preventing losses and failure to comply with these requirements

could result in uncovered damages. A few of these requirements may include having someone visit the property often to ensure that heat is being maintained above 55 degrees, shutting off the water completely, and draining the pipe before you leave.

Boat, RV and Motorcycle: As winter is here your boat is probably parked in the garage along with other summer toys. Do you still need to keep insurance on them? If you are concerned about fire or theft, you should keep full coverage in place. If you have a loss payee on your toy, you will also need to keep the insurance policy in force. Most insurance companies will adjust coverage based on the season, but it is very important to remember to endorse coverage back on when you start using it again.

If you have questions, concerns with your coverage, or would like a comparison quote please let us know.



INSURANCE SERVICES

* Not a deposit. Not FDIC insured. Not insured by any federal government agency. Not guaranteed by the bank. May go down in value.



* Must be an Internet Banking customer to use. Sign up at www.citystatebank.com. Availability may be affected by your mobile device's coverage area. Your mobile carrier's web access charges may apply. Mobile check deposits are subject to verification and not available for immediate withdrawal. Deposit limits and other terms, conditions, fees and restrictions may apply. View the CSB Mobile Deposit Services Agreement for full details. Member FDIC.

TAX TIPS FOR THE SELF-EMPLOYED

Being self-employed has many advantages, the opportunity to be your own boss and come and go as you please, for example. However, it also comes with challenges, especially when it comes to how to handle taxes. Whether you're running your own business or thinking about starting one, you'll want to be aware of the specific tax rules and opportunities that apply to you.

Understand the self-employment tax

When you worked for an employer, payroll taxes to fund Social Security and Medicare were split between you and your employer. Now you must pay a self-employment tax equal to the combined amount that an employee and employer would pay. You must pay this tax if you had net earnings of \$400 or more from self-employment.

The self-employment tax rate on net earnings (up to \$127,200 in 2017) is 15.3%, with 12.4% going toward Social Security and 2.9% allotted to Medicare. Any amount over the earnings threshold is generally subject only to the Medicare payroll tax. However, self-employment and wage income above \$200,000 is generally subject to a 0.9% additional Medicare tax. (For married individuals filing jointly, the 0.9% additional tax applies to combined self-employment and wage income over \$250,000. For married individuals filing separately, the threshold is \$125,000.)

If you file Form 1040, Schedule C, as a sole proprietor, independent contractor, or statutory employee, the net income listed on your Schedule C (or Schedule C-EZ) is self-employment income and must be included on Schedule SE, which is filed with your Form 1040. Schedule SE is used both to calculate self-employment tax and to report the amount of tax owed. You can deduct one-half of the self-employment tax paid (but not any portion of the Medicare surtax) when you compute the self-employment tax on Schedule SE.

Make estimated tax payments on time

When you're self-employed, you'll need to make quarterly estimated tax payments (using IRS Form 1040-ES) to cover your federal tax liability. You may have to make state estimated tax payments as well. Estimated tax payments are generally due each year on the 15th of April, June, September, and January. If you fail to make estimated tax payments on time, you may be subject to penalties, interest, and a large tax bill at the end of the tax year. For more information, see IRS Publication 505, Tax Withholding and Estimated Tax.

Invest in a retirement plan

If you are self-employed, it is up to you and you alone to save sufficient funds for retirement. Investing in a retirement plan can help you save for retirement and also provide numerous tax benefits.

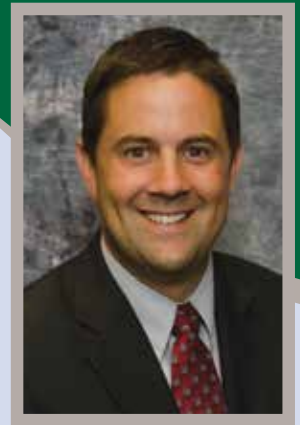
A number of retirement plans are suited for self-employed individuals:

- SEP IRA plan
- SIMPLE IRA plan
- SIMPLE 401(k) plan
- "Individual" 401(k) plan

The type of retirement plan you choose will depend on your business and specific circumstances. Explore your options and be sure to consider the complexity of each plan. In addition, if you have employees, you may have to provide retirement benefits for them as well. For more information, consult a tax professional or see IRS Publication 560, Retirement Plans for Small Businesses.

Take advantage of business deductions

If you have your own business, you can deduct some of the costs of starting the business, as well as the current operating costs of running that business. To be deductible, business expenses must be both ordinary (common and accepted in your field of business) and necessary (appropriate and helpful for your business).



Wade Lawrence
Trust & Investments Officer

Since business deductions will lower your taxable income, you should take advantage of any deductions to which you are entitled. You may be able to deduct a variety of business expenses, such as start-up costs, home office expenses, and office equipment.

Deduct health-care expenses

If you qualify, you may be able to benefit from the self-employed health insurance deduction, which would enable you to deduct up to 100% of the cost of health insurance that you provide for yourself, your spouse, your dependents, and employees.

In addition, if you are enrolled in a high-deductible health plan, you may be able to establish and contribute to a health savings account (HSA), which is a tax-advantaged account into which you can set aside funds to pay qualified medical expenses. Contributions made to an HSA account are generally tax deductible. (Depending upon the state, HSA contributions may or may not be subject to state taxes.)

.....

Information provided in this article is not intended to provide tax or legal advice. It is strongly advised that you discuss your specific circumstances with your tax, legal and financial advisors.

Not FDIC insured. Not deposits or other obligations of bank and are not guaranteed by bank. Are subject to investment risk, including possible loss of principal.

EXCITING NEWS!!!

We are working on revamping our City State Bank website to better serve you! It will be cleaner, easier to navigate, and filled with more information. We will keep you posted as the release date gets closer.

4TH QUARTER DONATIONS

- American Red Cross
- Cops with Carts
- Ducks Unlimited
- I-35 After Prom
- International Cooperative Ministries
- Norwalk Chamber
- Norwalk Music Boosters
- Norwalk Police Department Pink Patch
- Norwalk Student Education Foundation
- Operation Warm Clothing
- Special Olympics
- Warren County Child Abuse Prevention Council

MISSION STATEMENT

The City State Bank Spirit drives us to provide service and solutions exceeding customer expectations.



NORWALK EMPLOYEE PIE CONTEST

City State Bank held its annual Employee Pie Contest on Friday, November 6th. Pies were judged according to appearance, crust, taste, texture, and filling. With over 30 pies being entered by employees, it was a busy job for the judges. Winners were Mary Lou Goetz (1st place for Apple Crumb Pie) and David Lester (2nd place for Apple Pear Raisin Pie).

DECEMBER EVENTS

December was certainly the season of holiday events throughout City State Bank. Thank you for taking the time to join us at all of our locations. We appreciate your business, but more importantly, your friendship.

- Do You Know When it will Snow contest
- City State Bank Employee Outing at the Polar Express
- Breakfast with Santa in Norwalk
- Madrid Lighted Parade and Santa
- Indianola's Christmas on the Square
- Holiday Open House in Grimes
- Holiday Open House in Indianola
- New Virginia's 12 Days of Giveaways

Below: Madrid CSB employees visit with Santa.



Zoey Olsen, daughter of Madrid employee, Jessica Olsen, visits with Santa.



Sam Miller, son of Michael and Andrea Miller, meets Santa for the first time at the Norwalk breakfast with Santa event.



Indianola Christmas on the Square featured Lonnie Douglas' horse drawn wagon rides sponsored by City State Bank.

CONTACT INFORMATION

Grimes

100 NE Jacob St
Grimes, IA 50111
515-986-2265

Indianola

1510 N. 1st St.
Indianola, IA 50125
515-961-7000

Madrid

105 E. 2nd St.
Madrid, IA 50156
515-795-3807

Martensdale

368 N. Hwy 28
Martensdale, IA 50160
641-764-2265

Insurance Services**

1037 Sunset Drive
Norwalk, IA 50211
515-981-0434

Mount Ayr

103 W. South St.
Mount Ayr, IA 50854
641-464-3555

New Virginia

501 West St.
New Virginia, IA 50210
641-449-3314

Norwalk

801 Main St.
Norwalk, IA 50211
515-981-4234

Trust & Investments*

1104 Sunset Dr., Ste B
Norwalk, IA 50211
515-981-1400

.....
316 S. Kennedy Ave
Madrid, IA 50156
515-795-5112

* Not FDIC insured. Not deposits or other obligations of bank and are not guaranteed by bank. Are subject to investment risk, including possible loss of principal. **Not a deposit. Not FDIC insured. Not insured by any federal government agency. Not guaranteed by the bank. May go down in value.