



**GSB FINANCIAL**

**RESOURCE CENTER**  
INVESTMENT & INSURANCE SERVICES

*Your Money. Your Life. Your Journey.*

*Located at Guaranty State Bank & Trust Company*

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## The Basics of Required Minimum Distributions (Or, Ensuring that Uncle Sam Gets His Due)

### The Benefits of Tax-Advantaged Savings

The benefits of certain retirement accounts, such as an IRA or a 401(K), are two-fold:

- Tax-deductible contributions allow individuals to reduce the size of their current tax burden while they are saving for retirement – which effectively lets them save more.
- Tax-deferred growth inside these accounts allows funds to accumulate without concern for an annual tax bill on that growth

### When It's Time to Pay Taxes

All good things must come to an end; however, the IRS must be paid. The tax benefits of these accounts are provided for one purpose: to help individuals save for retirement. Therefore, once an individual reaches retirement age, the same rules that

provided the benefits now dictate that the funds must be used for retirement purposes and the taxes that have been avoided must be paid.

What does this mean? It means that the federal government has created a set of rules that require that a minimum amount of money must be withdrawn (distributed) from these accounts each year, starting at a specific age, known as the "required beginning date" (generally age 70 ½).

The amount to be distributed is determined by a special calculation that, in essence, takes the total amount in the account and divides it by the number of years the individual is expected to live. When the required minimum distribution amount is received, it is included as taxable income to the individual and Uncle Sam will, finally, get paid. But, one bit of good news is that the amount remaining in the account continues to grow tax deferred.

*This information is not intended to be a substitute for individualized legal advice. Please consult your legal advisor regarding your specific situation.*

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# the Vault

*The Monthly Newsletter of  
The Guaranty  
State Bank & Trust Co.*

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## We are Excited to Announce our Newest Employees!

**Vicky Noel** began working for The Guaranty in late August. She grew up on a farm and now lives near Portis. She graduated from Smith Center High School. Vicky has been married to Brad Noel for 36 years. Brad is a farmer/rancher in the Portis area. She has three daughters, Alecia (Josh) Smith, Rachel (Adam) Conway and Jordan (Brian) Gray and eight grandchildren: Ruby, Floyd, Hazel and Millie Smith, Max and Del Conway and Hadley and Piper Gray. Vicky had previously worked at MORE Chevrolet in Osborne for 16 years. Her responsibilities at The Guaranty will be loan assistant. She has been training in Beloit but will soon be located in the Smith Center office. In her spare time, Vicky enjoys quilting, reading and spending time with her grandchildren.

**Olivia Quimpo** joined our Smith Center staff in mid-September. She was born in the Philippines and moved to the United States with her mother and father when she was 13. Olivia graduated from Rancho High School in Las Vegas at the age of 16. She continued her education in the medical field at the Academy of Medical and Business Careers in Las Vegas. After graduation, she pursued a career in the medical field. Olivia and her significant other, Jerome, live in Lebanon and they have two children, JJ, who is 13 and Jade, who is 7. In her spare time, she enjoys reading and going for a long drive. You will find Olivia at the teller windows, processing your transactions or the friendly voice on the phone!

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## Because Life Is More Than Money

Briefly I searched for a good joke about bankers. One source said they didn't have any good banker jokes. Why? Because bankers don't think jokes about bankers are funny. And the rest of the people don't think they're jokes.

Jokes aside, integrity is a big deal for all of us. In banking it's especially important as we deal with other folk's money. Fiduciary is one of the legal terms for this responsibility. But in everyday language it's doing business in an honest and trustworthy manner with good faith. God had it written this way at PHILIPPIANS 2:4, "Each of you should look not only to your own interest, but also to the interests of others." Integrity is making the good of others the focus of our interest, strategy and work.

If integrity is doing what's right no matter the situation. And if integrity is doing the right thing no matter who, if anyone, is watching. And further, if integrity is honesty, truthfulness and accuracy of behavior/actions, then integrity in our society and world is very sick. Behavior and actions don't equal the values, beliefs and principles being spoken. Or, as some of you say, "the walk and the talk don't match."

The headlines are full of persons of influence and authority taking advantage of the ones in their charge – employees, customers, spouses, children, students and others. Lots of accusations are being made. Many of the accused are claiming innocence. Some of the accused may be innocent. Some are probably guilty. And some, we may never know for sure what the truth is.

Like many organizations, the bank has many rules, values, standards, policies, and procedures to help employees do the right thing. All of this is not because the employees lack integrity and aren't trustworthy. All the policies, rules and stuff are needed to minimize the temptation to do the wrong thing. We're human. And we're vulnerable to making bad choices and committing bad behavior in certain situations. If the opportunity for those situations to happen can be eliminated or almost so, we are much more likely to work with integrity.

However, as humans we cannot accomplish perfection of living with integrity? That only occurs on the heaven side of life. So, why do

many of us react with a fit of ire, resentment and incense when our integrity is challenged? It's sure right to highly value integrity. And it's right to protect our integrity. But, sometimes our actions do unintentionally look a little suspicious. We can make our best effort to be doing right and to look like we're doing right, but our best human efforts fall short.

There are lots of everyday situations that are ripe for actual lapses in our integrity or, at least, the appearance that we compromised. A parent coaching their child's sports team is ripe for appearing to show favoritism. In business we would say that the parent/coach has a conflict of interest. The responsibility to their child as a parent and the responsibility to the team as a coach are, at least potentially, in conflict. But, some conflicts of interests are unavoidable. To try and avoid them would make for even more difficult problems to solve.

In banking we have some of the same challenges as a parent/coach does. Making or voting on a loan to a family member or close friend or business partner is fraught with conflicts of interest. So, those kinds of situations are forbidden by policy and procedures. And what about the situation where one employee is proposing to do this or that. Can another family member participate in helping make that decision in a completely objective way? No, no way. That's beyond our human capacity. So, when there's a conflict of interest we abstain from voting or step out of the decision making process.

If you have experienced a challenge to your integrity, you're in good company. Jesus was accused of not walkin' His talkin'. At MATTHEW 11:19 Jesus is accused of being a drunkard. At MATTHEW 26:65 Jesus is basically called a liar. Jesus' response to His accusers is at MATTHEW 26:63 as an example for us.

*Live knowing God is working in you to give you the desire and the power to do what pleases Him according to PHILIPPIANS 2:13.*



**Doug Johnson**  
PRESIDENT

## Rural America Wake Up to Ethanol

### Hello to all our customers and friends,

Fall is befalling us. Corn and soybeans have started to be harvested but I haven't received yield reports. Most of the crops in our trade area look promising. Other areas in the state are not looking forward to that great of prospects. I will say because of the hay shortage this region experienced in early summer, there has been a lot of forage produce in place of normal cash crops and after wheat harvest, on the stubble fields. The dry heat wave in late September is allowing for some of the last good potential to put up good hay. Some of the harvested forage is not great but will make adequate cow feed and grinding hay for feedlot use. Hay markets remains relatively high with feed bales in the \$75 a bale range; that would traditionally be \$35-\$40. The grain markets continue to be poor with corn at \$3/bu and soybeans at \$7/bu. Cattle are really holding their own with fat cattle in the \$1.10 range or higher and feeder cattle priced high enough to make the fat market appear too low to be profitable.

The only positives I can come up with concerning cheap grain is that feeding cattle cost of gain is low and ethanol plants have been able to hold on despite oil companies monopolizing the fuel industry to the detriment

of ethanol. For example, I've expressed before E-10 fuel is no more than mid-grade at an oil company controlled station with likely a higher octane level than the posted 87. The 87 octane can be attained with regular 87 gas or 84 octane gas with ethanol added. You might get 89 octane gas labeled as 87 because that's acceptable if the 87 octane gas is blended with ethanol. As I put this newsletter together regular gas is \$2.07/gal wholesale and ethanol is \$1.27/gal wholesale. Simple arithmetic suggests mid-grade or E-10 fuel wholesale price should be about \$1.99/gal. With road tax, transportation costs and handling fees we can arrive at the \$2.59 locally in Beloit for E-10 fuel. What I really like though is the E-85 for \$2.09 or at least \$.40 cents less than the E-10 that promotes the use of an agricultural product. With every 3.3 gallons of E-85 and the cooperation of a cattleman using 17 pounds of dry distillers grains or about 48 pounds of wet distillers I am using up 1 bushel of corn. So a fill up of my vehicle uses about eight bushels of corn. I am using 1.35 pounds of corn per mile or a little over 7cents worth of corn per mile.

Think about that until next month,

**Myron Wolken**  
VICE PRESIDENT - LOANS

