



## THE FARMERS AND MERCHANTS BANK STUTTGART, ARKANSAS DECEMBER 31, 2011

## FARMERS & MERCHANTS BANK LOCATIONS

Main Office

708 South Mair

870.673.6911

Stuttgart Branches

North Main & Michigar

870.673.6911

South Main & 22

870.673.6911

South Buerkle & 22nd

870.673.6911

Bigelow

381 Highway 113 South

501.759.2611

DeValls Bluff

Highway 70

870.998.2268

DeWitt

1960 South Whitehead Dr.

870.946.3535

Des Arc

3rd & Erwin

870.256.4191

Hazer

110 W North Front

870.255.3042

Marianna

33 W. Main

870.295.3421

Mord

308 Front St

870.768.4419

Morrilton

1600 North Oak

501.977.1000

Perryville

813 N. Fourche Avenue

501.889.2318

24 Hour Telebanc

870.672.4222 or 1.888.672.4222

www.mebanking.com

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#### ASSETS

Cash and Sight Exchange	\$18,490,131.91
U. S. Government Bonds	\$125,209,663.56
State and Municipal Bonds	\$88,900,151.88
Other Investments	\$1,248,227.63
Fed Funds Sold	\$13,440,975.17
Net Loans	\$317,856,188.35
Income Earned – Not Collected	\$5,749,416.64
Furniture, Fixtures & Equipment	\$1,567,911.95
Banking House	\$3,957,933.37
Other Real Estate	\$8,867,364.51
Other Resources	\$37,346,855.53
Customer Liability Letter of Credit	\$837,701.00

#### **TOTAL ASSETS**

#### LIABILITIES

TOTAL LIABILITIES	\$540,140,437.57
Outstanding Letter of Credit	\$837,701.00
Other Liabilities	\$32,285,807.72
DEPOSITS	\$490,788,986.92
Fed Funds Purchased Other Borrowed Money	\$12,995,355.88
Federal Reserve Note Account	\$0.00
Other Expenses Not Due	\$3,232,586.05
Accrued for Interest, Taxes and	

#### STOCKHOLDERS' FOLUTY

TOTAL LIABILITIES AND EQUITY	\$623,472,521.50	
TOTAL STOCKHOLDERS' EQUITY	\$83,332,083.93	
Net Unrealized Gain on Marketable Securities	\$2,342,397.70	
Undivided Profits	\$39,465,822.29	
Capital and Surplus	\$41,523,863.94	
STOCKHOLDERS EQUITY		

#### **DIRECTORS**

ROY O. McCOLLUM, III

Chairman of Board Farmer

MICKEY PIERCE

Secretary of Board

Farmer

Vice Chairman of Board President, Pierce & Co., Inc.

ROBERT SEIDENSTRICKER **DON PATTILLO** 

Past President, F&M Bank

PATRICIA M. TOWNSEND

Investments

**RAY VESTER** 

Farmer

**JERRY CARTER** Owner, Carter Dental Lab **ROBERT H. POND** 

\$623,472,521.50

Farmer

**GARY HUDSON** 

President & CEO, F&M Bank

**ROBERT G. CONNELL** 

President, Western Div. F&M Bank

#### THE COST OF CAREGIVING TO YOUR RETIREMENT NEST EGG

If you are providing personal care and/ or financial assistance to your parents, or anticipate doing so in the future, you may need to take a closer look at how it could affect your savings. Providing care for a loved one can take a toll not only on your physical and mental well-being, but also on your financial health.

#### Who Is Caring for Aging Parents?

According to a recent study, 25% of adult children age 50 and older – primarily baby boomers – are providing personal care and/or financial assistance to their parents.\* The proportion of individuals providing such care has tripled over the past 15 years. And the trend is likely to continue.

In general, daughters are more likely to provide personal care and sons financial support, although many provide both. The impact on caregivers' wallets can be substantial. According to the study, the average total financial impact on a caregiver age 50 or older is \$303,880 (see chart).\*

#### Caring for You

You may feel an obligation to care for your aging parents and derive personal satisfaction from doing so. However, be sure to take steps to reduce the impact on your own financial security.

a frank discussion if your parents are still capable of talking about their finances. Find out about their financial situation, whether they have significant savings or long-term care insurance, and whether they are eligible for Medicaid or other government assistance. Depending on the situation, you may want to obtain power of attorney over their finances, especially if you are concerned about



their mental acuity or vulnerability to scams.

- Share the load. If you have siblings, ask if they can share the caregiving and/or financial responsibilities.
- Check with your employer. Some employers provide eldercare benefits, such as flexible hours, tax-advantaged dependent care accounts or counseling to help manage the stress of caregiving.
- Explore local resources. Your community may provide low-cost

- adult day care that can allow you to continue working or respite care to give you a break.
- Take care of yourself. Be sure to maintain a healthy diet and get adequate exercise and sleep. Help control your stress by meditating, spending time with friends or enjoying any activity that you find relaxing.

#### **Keep Saving**

It's not selfish to keep your own financial future in mind. If you have access to an employer-sponsored retirement plan, strive to continue contributions — especially if your employer offers matching contributions. You may also want to consider opening and contributing to a traditional or Roth individual retirement account (IRA), especially if you have to drop to part-time work and can no longer contribute to an employer-sponsored plan. Finally, it may be wise to consult your banker to review the state of your and your parents' finances.

To learn more, give Farmers and Merchants Bank a call at **870.673.6911** today.

\* Source: "The MetLife Study of Caregiving Costs to Working Caregivers," MetLife Mature Market Institute\*, June 2011.

# IMPACT ON ADULT CHILDREN OF PERSONAL CAREGIVING AND FINANCIAL ASSISTANCE TO PARENTS\*

	Lost Wages	Lost Social Security Benefits	Estimated Impact on Pensions	Total
Women	\$142,693	\$131,351	\$50,000	\$324,044
Men	\$89,107	\$144,609	\$50,000	\$283,716

<sup>\*</sup> Source: "The MetLife Study of Caregiving Costs to Working Caregivers," MetLife Mature Market Institute\*, June 2011. The impact on Social Security benefits and pensions is based on leaving the workforce early or reducing hours in order to provide caregiving.

## 5 WAYS SPRING CLEANING CAN SAVE YOU MONEY

Get the mop and feather duster ready! Following are five ways spring cleaning can actually improve your financial picture.

- Clear clutter. You may uncover loose change or more important things like bills, checks or documents you'll need for tax time.
- **2. Clean the refrigerator.** A sparkling fridge can make produce and other perishable items easier to find, cutting down on costly food waste.
- **3. Disinfect the kitchen.** Cleaning all kitchen surfaces thoroughly helps prevent foodborne illness caused by bacteria.
- **4. Control dust and pet dander.** Dusting and vacuuming helps remove dust mites, mold spores and/or pet dander that may trigger allergies and related health expenses.
- **5. Organize the garage, basement or attic.** Cleaning out storage areas may inspire you to sell items you no longer use, putting money back in your pocket!



#### MAKE YOUR OWN NATURAL HOMEMADE CLEANERS

Have you ever cleaned your bathroom, but first had to open the window, put on your gloves and try to hold your breath because of the fumes? Try making your own cleaners to use around the house instead. It's inexpensive, the ingredients you need are nontoxic and some of them are likely already in your kitchen. They include:

- **Baking soda** A naturally abrasive ingredient, it's a great deodorizer and stain remover.
- Vinegar It's a disinfectant that can remove stains while sanitizing.
- Tea tree oil, grapefruit oil and lemon juice – Tea tree and grapefruit oil are known for their antibacterial properties, while lemon juice cuts grease naturally, leaving behind a fresh scent.

■ Liquid castile soap – It's a vegetable-based soap, which makes it completely nontoxic.

Try making these cleaners:

#### All-purpose liquid cleaner:

- 1 gallon hot water
- 1 tablespoon baking soda
- 2 tablespoons liquid soap

#### Drain cleaner:

- 1 cup baking soda first
- 1 cup vinegar second
- 1 gallon boiling water

Allow baking soda and vinegar to foam in drain for five minutes before flushing with the boiling water.

#### Window, glass and chrome cleaner:

- 5 parts water to 1 part vinegar, OR
- 1 cup water, 1 cup vinegar, ½ teaspoon castile soap

#### Tub and tile cleaner:

- Apply full-strength vinegar to a sponge and wipe
- Scour with baking soda

#### Soft scrub for fixtures:

- ½ cup baking soda
- Castile soap
- 10 drops of tea tree oil (optional)

Add enough castile soap until you have a frosting-like consistency. Scrub and rinse with water.

BRICK OR CLICK?

## NO MATTER YOUR PREFERENCE, WE'RE HERE FOR YOU



More and more Americans turn to their computers and smartphones to access their financial accounts – nearly 63%, according to one study.\* And Farmers and Merchants Bank strives to offer the latest, greatest and safest methods for doing just that. But not everyone prefers virtual financial solutions, and some services just can't be replicated online. For those who still like to make a deposit in person, talk to a loan officer face-to-face or store valuables in a safe deposit box, we're here for you, too.

Our service representatives can help you with a range of needs at any one of our 13 convenient locations. In addition to taking care of your everyday transactions, such as deposits, withdrawals, check cashing and fund transfers, we can suggest additional products and services to help meet your financial needs. Our representatives can answer questions about your current accounts or help you open new ones. We can walk you through the steps of applying for a loan. We also offer products in our branches that aren't available with our online services, such as:

- Safe deposit boxes
- Certified checks
- Traveler's checks
- Notary services

In-branch service representatives can also demonstrate online banking to those who have yet to try it. If you're curious about online banking and bill payment, or our mobile resources, stop by and let us show you. We can help you find a comfortable balance between online and in-person account management.

#### Stop by and See Us!

Technology doesn't have to replace personal service entirely. Visit any branch for help with your financial needs and to discover more of what Farmers and Merchants Bank has to offer.

#### MUSHROOM LASAGNA



This hearty vegetarian meal is good for your heart! It combines low-fat dairy and low-sodium sauce with whole grains and plenty of vegetables.

Preparation time: 1 hour, 30 minutes Number of servings: 9

#### **Ingredients**

1 pound low-fat cottage cheese

 $\frac{1}{2}$  pound low-fat or part-skim ricotta cheese

2 egg whites

2 tablespoons grated Parmesan cheese

1 tablespoons fresh minced chives

1 tablespoon fresh minced parsley

1/4 teaspoon freshly ground black pepper

8 ounces whole wheat lasagna noodles, uncooked

1 cup onion (1 large), minced

1/4 cup dry red wine

1-1/2 pounds sliced mushrooms

1 cup chopped zucchini

4 cups low sodium red sauce of your choice

#### **Directions**

Puree cottage cheese, ricotta, egg whites and Parmesan cheese. Blend in chives, parsley and pepper by hand. In a large pot of lightly salted boiling water, cook lasagna noodles until just tender but not mushy, about 10 minutes. Remove noodles with a slotted spoon, dip into cold water and lay out flat on clean kitchen towels (not paper towel, or they will stick). In a covered skillet, simmer onions in wine for about 5 minutes until very soft. Stir frequently, but keep pot covered in between stirrings. Add mushrooms and zucchini and cook until soft and half their original volume, about 5 minutes. Drain the vegetables. Preheat oven to 375°F. Combine the cheese mixture and all but 1/4 cup of the mushroom mixture. Spread 2 cups of red sauce in the bottom of a 9-by-13 inch baking pan. Alternate layers of noodles and cheese mixture ending with a final layer of noodles. Cover with remaining sauce. Distribute reserved mushrooms over top. Bake, covered, for 1 hour. Uncover and bake for 5 minutes longer. Remove from oven and let sit for 10 minutes before cutting.

Recipe courtesy of the Centers for Disease Control and Prevention, www.fruitsandveggiesmatter.gov.

 $<sup>\</sup>hbox{* Source: American Bankers Association, } \textit{www.aba.com}.$ 

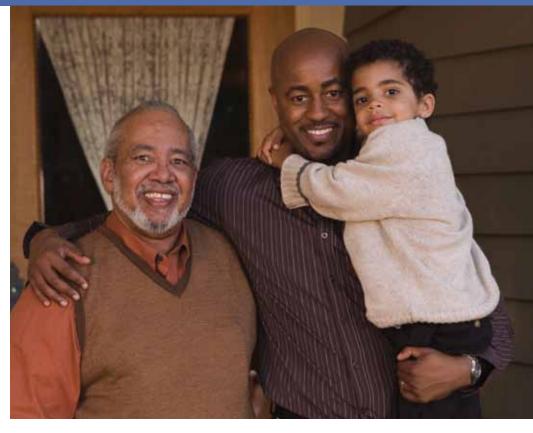
#### AVOID THESE 7 ESTATE PLANNING MISTAKES

In fiction, the reading-of-the-will scene typically sparks drama and intrigue. But in reality, most of us hope our estate plan will have the more humdrum effect of providing for our loved ones with a minimum of fees, fuss or furor. Unfortunately, common estate planning mistakes and misconceptions may undermine our good intentions. Steer clear of the following blunders.

- 1. Having no plan. Without an estate plan, you leave your assets to be distributed according to state law rather than in accordance with your wishes. In such cases, probate may be time-consuming and assets may not pass to heirs as you would have wished. Also, taxes and fees that may have been avoided with thoughtful planning can diminish the assets intended to provide for loved ones.
- 2. DIY estate planning. The self-reliant individual may opt to use estate planning software rather than hire a professional. For some, especially those who are single and have few assets, such a step may be feasible. But as assets accumulate and families grow, estate planning issues often become more complex than can be accounted for with a one-size-fits-all software program. And a poorly drafted estate plan can leave families in a bigger muddle than no plan at all.

#### 3. Unclear estate planning.

Regardless of directions given in your will, certain assets, such as retirement accounts, insurance policies and joint-tenancy property, will pass to heirs by beneficiary designation or right of survivorship rather than through probate. Be sure all of your



assets that pass outside of a will are coordinated with your estate plan to avoid unwittingly causing confusion and undermining your own arrangements.

**4. Overlooking trusts.** A trust is an estate planning tool through which assets are passed directly to heirs, saving the time and expense involved in probate and protecting assets from creditors and lawsuits. In addition, trusts allow you to stipulate how and when the assets are distributed.

#### 5. Neglecting disability planning.

A sound estate plan will provide for the possibility of your becoming physically or mentally incapacitated in order to ensure that loved ones have a guide to your wishes and that someone you trust takes charge of your financial and physical well-being.

- **6. Poor communication.** Alert the people you've named as trustee, executor or guardian to the role they may one day play. These positions often come with heavy responsibility, and you should select people who are willing to take on the task.
- 7. Assuming your estate plan is finished. Births and deaths, change in marital status, moving to a new state or changes in the law are just some of the events that can affect your estate plan. Review your plan annually to make sure that it still reflects your wishes, at the least possible cost.

We can help you tailor an estate plan to your situation and avoid estate planning mistakes and their unintended consequences. For more information, call **870.673.6911** or visit www.mebanking.com.

#### 10 WAYS TO LIVE LONGER

According to Abraham Lincoln, "It's not the years in your life that counts. It's the life in your years." You may be able to extend your lifespan – and bring more vitality to each day – with the following tips.

#### 1. Don't Smoke

Cigarette smoking accounts for nearly one of every five deaths in the United States.\* If you currently smoke, talk to your doctor about smoking cessation programs, or visit www.smokefree.gov.

#### 2. Maintain a Healthy Weight

Being overweight or obese raises your risk of heart disease, type 2 diabetes, certain kinds of cancer, hypertension and stroke – all some of the leading causes of death.\* To determine what weight is appropriate and healthy for you, talk to your doctor. Then control your portion sizes and the number of calories you consume, and get adequate physical activity, to help you achieve your goal.

#### 3. Exercise

People who are physically active for about seven hours a week have a 40% lower risk of dying early than those who are active for less than 30 minutes a week.\* A mix of cardiovascular exercise (such as walking briskly) and balance/muscle-strengthening activities (such as yoga) can offer multiple health benefits. Exercise can also help you prevent unwanted weight gain, depression and insomnia.

#### 4. Get Enough Sleep

Inadequate sleep and fatigue make it more difficult for the body to fight infection and maintain a healthy metabolism and can raise the risk of being involved in an accident. If left untreated, sleep disorders raise the risk of heart disease, high blood pressure,

obesity and diabetes.\*\* Try to carve out enough time to unwind, and talk to your doctor about your sleep habits if you have concerns.

#### 5. Eat a Healthy Diet

Over time, our tastes can change. But it's always important to follow a nutritious diet. Strive to eat vegetables and fruits of different colors and types, and opt for whole grains when possible. Try to limit your intake of foods high in sugar, saturated fats and trans fats. For more tips on healthful eating, talk to your doctor and visit www.nutrition.gov.

## 6. Get Regular Screenings and Immunizations

Screenings may help find diseases or conditions early, when they are easier to treat and before symptoms begin. Immunizations such as a yearly flu shot (and/or appropriate vaccinations before traveling overseas) can greatly reduce your chances of becoming ill, and – in the event that you do get sick – minimize your symptoms and risk of complications.

#### 7. Be Safe Behind the Wheel

To lower your risk of being injured or killed in a serious car accident, remember to always wear your seatbelt and know the rules of the road. You can also lower your chances of being in an accident if you avoid driving at night, in heavy traffic and on unfamiliar roads.

#### 8. Manage Stress

Long-term stress can increase your risk of heart disease, depression and other conditions. Embrace healthy ways to relax and recharge, such as going for a walk, talking about your feelings, listening to soothing music, writing in a journal or watching a comedy. If



necessary, talk to your doctor about counseling and/or medication.

#### 9. Look at Your Liquids

Water is essential to good health and is vital for the body to function properly. To prevent dehydration, consider drinking a glass of water (or other low-calorie beverage) with each meal, between each meal and before, during and after exercise. Hydration needs vary, so consult your doctor.

## 10. Build and Maintain Social Connections

Researchers examined 148 studies – involving a total of more than 300,000 men and women – and found that people with poor social connections had a 50% higher chance of death, on average, than people with stronger social connections.\*\*\* Reconnect with friends and family or make new social connections through volunteering, taking a class and/or joining a community organization.

- \* Source: Centers for Disease Control and Prevention, www.cdc.gov.
- \*\* Source: HealthyPeople.gov, www.HealthyPeople.gov.
- \*\*\* Source: *PLoS Medicine*, July 10, 2010.



Farmers & Merchants Bank PO Box 1010 Stuttgart, AR 72160

# Love Trees? We do, too.



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