1980 FINANCIAL REPORT

FEDERAL RESERVE BANK OF KANSAS CITY

To All Financial Institutions in the Tenth Federal Reserve District:

The year 1980 was one of change and challenge for the Federal Reserve Bank of Kansas City and its branches in Denver, Oklahoma City and Omaha. With the passage of the Depository Institutions Deregulation and Monetary Control Act, the financial industry entered a new economic environment which is sure to make the '80s a dynamic time for all financial institutions.

The services provided by the Federal Reserve Bank, such as check clearing, wire transfer processing, currency and coin processing, and fiscal agency servicing will become directly available to many more financial institutions. The Monetary Control Act also requires that these services be priced explicitly. In light of these changes, this Bank will continue its concerted efforts to offer high quality services and to satisfy the needs of financial institutions using these services. As an example, we have introduced a new automated system which allows the Kansas City Fed to offer all Tenth District financial institutions on-line access to our wire transfer service, without regard to their location or volume of transfers.

This financial report provides consolidated financial statements for the Federal Reserve Bank of Kansas City and its branches for 1980. Included are comparative statements of financial condition and of earnings and expenses, as well as listings of the Bank's directors and officers for the coming year.

As we look ahead to 1981, I anticipate that the Federal Reserve Bank of Kansas City will continue to play an active and vital role in the financial industry and in the regional and national economies. We look forward to working together with you in meeting the challenges associated with this rapidly changing financial environment.

Roger Guffey

ROGER GUFFEY
President

January 1981

COMPARATIVE STATEMENT OF CONDITION

ASSETS	December 31, 1980	December 31, 1979
Cash Reserves		
Gold Certificate Reserves	$ 501,000,000	$ 472,829,100
Special Drawing Rights Certificates	111,000,000	75,000,000
Other Cash	44,443,585	48,961,843
Loans and Securities		
Loans	138,277,000	50,740,000
Federal Agency and United States Government Securities	6,000,039,212	5,496,068,424
Cash Items in Process of Collection	1,521,372,943	1,529,920,192
Bank Premises, Net	21,581,208	19,889,508
Interdistrict Settlement Account	(71,567,548)	365,801,852
Other Assets	340,408,035	225,735,610
Total Assets	**$8,606,554,435**	**$8,284,946,529**
LIABILITIES		
Federal Reserve Notes Outstanding	$5,758,089,074	$4,999,992,605
Deposits		
Member Bank Reserve Accounts	1,349,859,370	1,458,854,638
United States Treasury Account	—*	305,656,028
Other Deposits	26,832,920	52,835,707
Deferred Availability Cash Items	1,269,085,854	1,278,373,108
Other Liabilities	99,100,317	91,124,043
Total Liabilities	**$8,502,967,535**	**$8,186,836,129**
CAPITAL ACCOUNTS		
Capital Paid In	$ 51,793,450	$ 49,055,200
Surplus	51,793,450	49,055,200
Total Capital Accounts	**$ 103,586,900**	**$ 98,110,400**
Total Liabilities and Capital Accounts	**$8,606,554,435**	**$8,284,946,529**

*End-of-day balance was transferred to U.S. Treasury account at the Federal Reserve Bank of New York.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

CURRENT EARNINGS	YEAR 1980	YEAR 1979
Loans	$ 8,398,459	$ 9,453,210
United States Government Securities	570,198,456	431,916,313
Foreign Currencies	5,162,833	2,884,626
All Other	201,257	136,970
Total Current Earnings	**$583,961,005**	**$444,391,119**
CURRENT EXPENSES		
Net Operating Expenses	$ 47,176,457	$ 41,699,193
Federal Reserve Currency Expense (Printing, Shipping, and Redemptions)	3,952,861	3,697,995
Total Current Expenses	**$ 51,129,318**	**$ 45,397,188**
Current Net Earnings	**$532,831,687**	**$398,993,931**
ADJUSTMENTS TO CURRENT NET EARNINGS		
Additions		
Net Profit on Foreign Exchange Transactions	$ 4,133,104	$ —
Other—Net	—	457,478
Total Additions	**$ 4,133,104**	**$ 457,478**
Deductions		
Assessment for Expenses of Board of Governors	$ 2,666,400	$ 2,135,800
Net Loss on Sale of United States Government Securities	9,041,188	6,552,263
Net Loss on Foreign Exchange Transactions	—	153,394
Other—Net	638,798	—
Total Deductions	**$ 12,346,386**	**$ 8,841,457**
Net Earnings	**$524,618,405**	**$390,609,952**
Distribution of Net Earnings		
Dividends Paid	$ 3,013,706	$ 2,835,650
Payments to United States Treasurer (Interest on Federal Reserve Notes)	518,866,449	384,374,352
Transferred to Surplus	2,738,250	3,399,950
	$524,618,405	**$390,609,952**

DIRECTORS

1981

FEDERAL RESERVE BANK OF KANSAS CITY

PAUL H. HENSON, Chairman, United Telecommunications, Inc., Kansas City, Missouri—Chairman and Federal Reserve Agent
DORIS M. DRURY, Professor of Economics, Director of Public Affairs Program, University of Denver, Denver, Colorado—Deputy Chairman
JOHN F. ANDERSON, President and Chief Executive Officer, Farmland Industries, Inc., Kansas City, Missouri
WAYNE D. ANGELL, President, Council Grove National Bank, Council Grove, Kansas
CHARLES C. GATES, President and Chairman, Gates Rubber Company, Denver, Colorado
JAMES G. HARLOW, JR., President and Chief Executive Officer, Oklahoma Gas and Electric Company, Oklahoma City, Oklahoma
HOWARD K. LOOMIS, President, The Peoples Bank, Pratt, Kansas
ALAN R. SLEEPER, Livestock Rancher and Investments, Alden, Kansas
JOHN D. WOODS, Chairman and Chief Executive Officer, The Omaha National Bank, Omaha, Nebraska

DENVER BRANCH

C. B. HURTT, President, Denver Division, Martin Marietta Aerospace, Denver, Colorado—Chairman
ALVIN F. GROSPIRON, Retired President, Oil, Chemical, and Atomic Workers International Union, Denver, Colorado
GEORGE S. JENKS, Chairman and Chief Executive Officer, Albuquerque National Bank, Albuquerque, New Mexico
KENNETH C. NARAMORE, President, Stockmen's Bank and Trust Company, Gillette, Wyoming
DELANO E. SCOTT, President and Chairman, The Routt County National Bank, Steamboat Springs, Colorado

OKLAHOMA CITY BRANCH

CHRISTINE H. ANTHONY, Oklahoma City, Oklahoma—Chairman
JACK A. MAURER, Chairman of the Board, Security National Bank and Trust Company, Duncan, Oklahoma
SAMUEL R. NOBLE, Chairman of the Board, Noble Affiliates, Inc., Ardmore, Oklahoma
W. L. STEPHENSON, JR., Chairman and Chief Executive Officer, Central National Bank and Trust Company, Enid, Oklahoma
MARCUS R. TOWER, Vice Chairman, Bank of Oklahoma, Tulsa, Oklahoma

OMAHA BRANCH

ROBERT G. LUEDER, President, Lueder Construction Company, Omaha, Nebraska—Chairman
WILLIAM W. COOK, JR., President, Beatrice National Bank and Trust Company, Beatrice, Nebraska
JOE J. HUCKFELDT, President, Gering National Bank and Trust Company, Gering, Nebraska
DONALD J. MURPHY, Chairman and Chief Executive Officer, United States National Bank, Omaha, Nebraska
GRETCHEN S. PULLEN, Chairman of the Board, Swanson Enterprises, Omaha, Nebraska

FEDERAL ADVISORY COUNCIL MEMBER

GORDON E. WELLS, Chairman of the Board, First National Charter Corporation, Kansas City, Missouri

OFFICERS

January 1, 1981

FEDERAL RESERVE BANK OF KANSAS CITY

Roger Guffey, President
Henry R. Czerwinski, First Vice President

James R. Bell, Senior Vice President—Operations
Wilbur T. Billington, Senior Vice President—Bank Supervision and Structure
James R. Bowen, Senior Vice President—Administrative Services
Thomas E. Davis, Senior Vice President—Economic Research

J. A. Cacy, Vice President and Senior Economist
Cecil B. Foley, Vice President
Louis W. Kupersmith, Jr., General Auditor
Jay K. Mast, Vice President
Glenn H. Miller, Jr., Vice President and Senior Economist
Marvin L. Mothersead, Vice President
Barry K. Robinson, Vice President
Robert E. Scott, Vice President and Chief Examiner
Jerry D. Shreeves, Vice President
Donald A. Slover, Vice President
Dick H. Woods, Jr., Vice President, General Counsel and Secretary

Enis Alldredge, Jr., Assistant Vice President
Dan M. Bechter, Assistant Vice President and Economist
Robert J. Brinton, Assistant Vice President
Marvin Duncan, Assistant Vice President and Economist
David J. France, Assistant Vice President
Carl M. Gambs, Assistant Vice President and Economist
Kenneth E. Heidler, Assistant General Auditor
Bryon Higgins, Assistant Vice President and Economist
Thomas M. Hoenig, Assistant Vice President
Vernon L. Hoskinson, Assistant Vice President
Richard J. Klein, Assistant Vice President
Larry G. Meeker, Assistant Vice President
Richard J. Patterson, Assistant Vice President
Kermit R. Peters, Assistant Vice President
Richard K. Rasdall, Assistant Vice President
Philip E. Schmidt, Assistant Vice President
Kent M. Scott, Assistant Vice President
Harold L. Shewmaker, Assistant Vice President
Lewis W. Smith, Assistant Vice President
Donald I. White, Assistant Vice President
John H. Wilhouse, Jr., Assistant Vice President
Carroll H. Wilkerson, Assistant Vice President
Marvin R. Wilson, Assistant Vice President
John E. Yorke, Assistant Vice President

DENVER BRANCH

Wayne W. Martin, Senior Vice President
James F. O'Meara, Jr., Vice President and Assistant Branch Manager
J. T. Leake, Assistant Vice President
Larry G. Kalina, Assistant Vice President
Gayle J. Zonnefeld, Assistant Vice President

OKLAHOMA CITY BRANCH

William G. Evans, Vice President
Jon M. Davis, Assistant Vice President and Assistant Branch Manager
J. W. Davis, Assistant Vice President
Thomas E. McGee, Assistant Vice President

OMAHA BRANCH

Robert D. Hamilton, Vice President
Ronald L. Lahm, Assistant Vice President and Assistant Branch Manager
Donald L. Mahan, Assistant Vice President
Robert T. Mazur, Assistant Vice President