

# FINANCIAL STATEMENT

## STATEMENT OF INCOME

**1997**

**1996**

### INTEREST INCOME:

Interest on U.S. government securities	\$ 737,992,741	\$ 783,759,786
Interest on foreign currencies	14,264,223	16,927,827
Interest on loans to depository institutions	1,589,659	1,132,022
<b>TOTAL INTEREST INCOME</b>	<b>\$ 753,846,623</b>	<b>\$ 801,819,635</b>

### OTHER OPERATING INCOME (LOSS):

Income from services	\$ 53,675,247	\$ 50,787,341
Reimbursable services to government agencies	18,634,708	19,087,772
Foreign currency (losses), net	(98,463,460)	(63,832,062)
Government securities gains, net	378,712	1,129,151
Other income	270,617	260,678
<b>TOTAL OTHER OPERATING INCOME (LOSS)</b>	<b>\$ (25,504,176)</b>	<b>\$ 7,432,880</b>

### OPERATING EXPENSES:

Salaries and other benefits	\$ 76,623,002	\$ 78,308,205
Occupancy expense	6,993,447	7,337,158
Equipment expense	7,422,913	6,980,082
Cost of unreimbursed Treasury services	2,404,629	2,624,738
Assessments by Board of Governors	16,832,404	18,685,611
Other expenses	48,020,650	50,394,333
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 158,297,045</b>	<b>\$ 164,330,127</b>
<b>NET INCOME PRIOR TO DISTRIBUTION</b>	<b>\$ 570,045,402</b>	<b>\$ 644,922,388</b>

### DISTRIBUTION OF NET INCOME:

Dividends paid to member banks	\$ 9,014,200	\$ 10,052,800
Transferred to (from) surplus	(47,818,950)	23,005,650
Payments to U.S. Treasury as interest on Federal Reserve notes	0	457,250,081
Payments to U.S. Treasury as required by statute	608,850,152	154,613,857
	<b>\$ 570,045,402</b>	<b>\$ 644,922,388</b>

# STATEMENT OF CONDITION

**1997**

**1996**

## ASSETS

Gold certificates	\$	286,000,000	\$	321,000,000
Special drawing rights certificates		247,000,000		280,000,000
Coin		35,556,563		55,804,100
Items in process of collection		439,732,408		843,294,858
Loans to depository institutions		12,770,000		7,115,000
U.S. government and federal agency securities, net		12,392,581,948		12,349,450,830
Investments denominated in foreign currencies		647,484,298		737,300,775
Accrued interest receivable		117,209,818		111,403,267
Interdistrict settlement account		879,925,921		(650,155,425)
Bank premises and equipment, net		76,579,358		78,489,286
Other assets		14,987,495		12,916,394
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>15,149,827,809</b>	<b>\$</b>	<b>14,146,619,085</b>

## LIABILITIES AND CAPITAL

### LIABILITIES:

Federal Reserve notes outstanding, net	\$	13,540,862,871	\$	12,434,974,495
Deposits:				
Depository institutions		760,745,775		816,865,472
Other deposits		8,181,325		9,148,673
Deferred credit items		472,557,575		462,596,938
Statutory surplus transfer due U.S. Treasury		60,724,346		17,510,696
Accrued benefit cost		55,297,890		54,305,603
Other liabilities		5,663,225		5,720,599
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>14,904,033,007</b>	<b>\$</b>	<b>13,801,122,476</b>

### CAPITAL:

Capital paid-in	\$	126,957,350	\$	174,776,300
Surplus		118,837,452		170,720,309
<b>TOTAL CAPITAL</b>	<b>\$</b>	<b>245,794,802</b>	<b>\$</b>	<b>345,496,609</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$</b>	<b>15,149,827,809</b>	<b>\$</b>	<b>14,146,619,085</b>

# STATEMENT OF CHANGES IN CAPITAL

For the Years Ended December 31, 1997 and December 31, 1996

	<u>CAPITAL PAID-IN</u>	<u>SURPLUS</u>	<u>TOTAL CAPITAL</u>
<b>BALANCE AT JANUARY 1, 1996</b> (3,035,413 shares)	\$ 151,770,650	\$ 151,770,650	\$ 303,541,300
Net income transferred to surplus	—	23,005,650	23,005,650
Net change in capital stock issued (460,113 shares issued)	23,005,650	—	23,005,650
Surplus transferred to the U.S. Treasury as required by statute	—	(4,055,991)	(4,055,991)
<b>BALANCE AT DECEMBER 31, 1996</b> (3,495,526 shares)	\$ 174,776,300	\$ 170,720,309	\$ 345,496,609
Net income transferred (from) surplus	—	(47,818,950)	(47,818,950)
Net change in capital stock (redeemed) (956,379 shares redeemed)	(47,818,950)	—	(47,818,950)
Surplus transferred to the U.S. Treasury as required by statute	—	(4,063,907)	(4,063,907)
<b>BALANCE AT DECEMBER 31, 1997</b> (2,539,147 shares)	<u>\$ 126,957,350</u>	<u>\$ 118,837,452</u>	<u>\$ 245,794,802</u>

*These statements are prepared by Bank Management.*

*Copies of full financial statements complete with footnotes are available by contacting the Public Affairs Department of the Federal Reserve Bank of Kansas City, 925 Grand Boulevard, Kansas City, Missouri, 64198-0001.*

# VOLUME OF PRINCIPAL OPERATIONS

	<u>1997</u>	<u>1996</u>
Loans and Discounts, Daily Average	\$ 28,846,000	\$ 21,239,000
Number of Institutions Borrowing	147	156
Commercial Checks	\$ 813,387,000,000	\$ 751,239,000,000
Commercial Checks Collected	1,331,658,000	1,289,297,000
Currency Receipts and Payments	\$ 31,659,385,000	\$ 31,445,190,000
Pieces	2,336,388,000	2,268,061,000
Coin Receipts and Payments	\$ 629,238,000	\$ 710,610,000
Bags	1,080,000	1,139,000
Issues and Redemption of U.S. Government Securities	\$ 52,136,397,000	\$ 56,196,978,000
Funds Transfers	\$ 9,046,713,000,000	\$ 9,822,872,000,000
Numbers	6,556,000	6,531,000

This annual report is also available on the Federal Reserve Bank of Kansas City's Web site located at [www.kc.frb.org](http://www.kc.frb.org).