1557-0081
FFIEC 031, 041, & 051

The First National Bank of Fairfax

P. O. Box 200 • 16 First Street SE
Fairfax, Minnesota 55332
Telephone: 507-426-7242 • Fax 507-426-7882
Visit us on the Web: www.fnbfx.com

August 16, 2017

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attention: 1557-0081, FFIEC 031, 041 and 051
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Subject: Recommended revisions to the Consolidated Report of Condition and Income (Call Report) pursuant to FFIEC letters of FIL-24 & 25 – 2017

Dear Sirs:

My name is Joseph Robert Dickson, and I have been preparing the bank's Call Reports since 1971, when the document was only two (2) pages in length (see enclosed example).

Recent strides have been made to reduce the size of the 85 plus pages of the FFIEC 041 Call Report to 61 plus pages of the 051. From my perspective, even the 051 is too onerous. As a small $30,000,000 asset bank with six (6) employees, I find no mention of the proposed burden-reducing changes to Schedule RC-R – Regulatory Capital and Schedule RC-C Part II – Loans to Small Businessess and Small Farms. Schedule RC-R is ludicrously long and should be reduced to only <u>two</u> pages, and RC-C Part II should be eliminated completely.

Respectfully,

J.R. Dickson

J.R. Dickson, CEO
The First National Bank of Fairfax

Copies: Federal Reserve Board
FDIC
OMB

Directors

J. R. Dickson
Robert Dickson
Ronald A. Winch
David J. Rieke
Robert Kiecker

Officers & Staff:

Ronald A. Winch
President

J. R. Dickson
Executive Vice President
Cashier

Patricia L. Buboltz
Assistant Vice President
Assistant Cashier
Compliance Officer

Cindy K. Schweiss
Internal Auditor
Assistant Compliance Officer

Carmin L. Van Epps
Loan Asst./Secretary

Brenda L. Johnson
Computer Operator

Kathy M. Schmitz
Head Teller

BEAR GRAPHICS 800-325-8094

Statement of Condition

The First National Bank
OF FAIRFAX

Fairfax, Minnesota

Member Federal Deposit Insurance Corporation

THE FIRST NATIONAL BANK OF FAIRFAX

Fairfax, Minnesota 55332
(507)426-7242

STATEMENT OF CONDITION

June 30, 2017

Assets

Cash and Due From Banks		$ 745,000
Investments		10,160,000
Loans and Leases:		
Agriculture	11,078,000	
Commercial & Other	7,526,000	
Consumer	648,000	
Total Loans and Leases		19,252,000
Land, Building, Fixtures & Equipment		0
Goodwill		0
Intangilbe Assets		0
Other Assets		658,000
Total Assets		$ 30,815,000

LIABILITIES & CAPITAL

Deposits	$ 19,141,000
Other Liabilities	64,000
Capital & Reserves	11,610,000
Total Liabilities & Capital	$30,815,000

Loan to Deposit Ratio: 100.58%
Capital to Asset Ratio: 37.68%

Call No. 480

Comptroller of the Currency
Treasury Department

Charter No. 9771

REPORT OF CONDITION

(Consolidating Domestic Subsidiaries)

Any amounts which cannot be properly included in the printed items must be entered under "Other Assets" or "Other Liabilities".

First National Bank, 18 S.E. 1st
(Name of bank) (Street address or P.O. Box)

Fairfax, Renville, Minnesota, 55332
(City or Town) (County) (State) (Zip Code)

at the close of business on December 31, 1971

ASSETS

		Dollars	Cts.
1	Cash and due from banks (including $32,392.42 unposted debits) (Schd. D, Item 7)	413,649	75
2	U.S. Treasury securities	1,140,735	86
3	Obligations of other U.S. Government agencies and corporations	575,406	25
4	Obligations of States and political subdivisions	317,862	03
5	Other securities (including $ none corporate stock)	46,529	00
6	Trading account securities (Schedule K, Item 1 (e))	none	
7	Federal funds sold and securities purchased under agreements to resell (Schedule K, Item 2 (d))	200,000	00
8	Loans (Schedule A, Item 8)	2,199,588	66
9	Bank premises, furniture and fixtures, and other assets representing bank premises	61,568	46
10	Real estate owned other than bank premises	4,087	52
11	Investments in subsidiaries not consolidated	none	
12	Customers' liability to this bank on acceptances outstanding	none	
13	Other assets (including $ none direct lease financing) (Schd. H, Item 6)	1,200	00
14	TOTAL ASSETS	4,960,658	33

LIABILITIES

		Dollars	Cts.
15	Demand deposits of individuals, partnerships, and corporations (Schedule B, Item 3)	1,037,962	71
16	Time and savings deposits of individuals, partnerships, and corporations (Schedule F, Item 5)	3,313,420	44
17	Deposits of United States Government (Schd. E, Item 4 and Schd. F, Item 6)	18,707	31
18	Deposits of States and political subdivisions (Schd. E, Item 5 and Schd. F, Item 7)	188,676	82
19	Deposits of foreign governments and official institutions (Schd. E, Item 6 and Schd. F, Item 8)	none	
20	Deposits of commercial banks (Schd. E, Items 7 and 8, and Schd. F, Items 9 and 10)	none	
21	Certified and officers' checks, etc. (Schedule E, Item 9)	10,249	67
22	TOTAL DEPOSITS (Items 15 through 21) $4,569,004.95	(Amounts not to be extended.)	
(a)	Total demand deposits (Schedule E, item 10) $1,220,576.51		
(b)	Total time and savings deposits (Schedule F, item 11) $3,348,428.44		
23	Federal funds purchased and securities sold under agreements to repurchase	none	
24	Liabilities for borrowed money	none	
25	Mortgage indebtedness	none	
26	Acceptances executed by or for account of this bank and outstanding	none	
27	Other liabilities (Schedule I, Item 7)	31,482	68
28	TOTAL LIABILITIES	4,600,487	63
29	MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	none	

RESERVES ON LOANS AND SECURITIES

		Dollars	Cts.
30	Reserve for bad debt losses on loans (set up pursuant to IRS rulings)	20,086	44
31	Other reserves on loans	none	
32	Reserves on securities	none	
33	TOTAL RESERVES ON LOANS AND SECURITIES	20,086	44

CAPITAL ACCOUNTS

		Dollars	Cts.
34	Capital notes and debentures	none	
35	Equity capital, total (sum of Items 36 to 40 below)	340,084	26
36	Preferred stock, total par value (No. shares outstanding none)	none	
37	Common stock, total par value (No. shares authorized 500) (No. shares outstanding 500)	50,000	00
38	Surplus	175,000	00
39	Undivided profits	115,084	26
40	Reserve for contingencies and other capital reserves	none	
41	TOTAL CAPITAL ACCOUNTS (sum of Items 34 and 35 above)	340,084	26
42	TOTAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS (sum of Items 28, 29, 33, & 41 above)	4,960,658	33

MEMORANDA

		Dollars	Cts.
1	Average of total deposits for the 15 calendar days ending with call date	4,498,506	63
2	Average of total loans for the 15 calendar days ending with call date	2,188,195	92
3	Interest collected not earned on installment loans included in total capital accounts	none	

NOTE: This report must be signed by an authorized officer, attested by not less than three directors other than the officer signing the report and forwarded within ten days after receipt

I, J. R. Dickson, Vice President
(Name and title of officer authorized to sign report)
of the above-named bank do hereby declare that this report of

SCHEDULE A - LOANS (including rediscounts and overdrafts)

	DOLLARS			CTS.	
1. Real estate loans (include only loans secured primarily by real estate):	x x x	x x x	x x x	x x	1
(a) Secured by farm land (including improvements)		67	421	66	(a)
(b) Secured by 1- to 4-family residential properties (other than farm):	x x x	x x x	x x x	x x	(b)
(1) Insured by the Federal Housing Administration		202	743	00	(b)(1)
(2) Guaranteed by the Veterans Administration		7	302	40	(b)(2)
(3) Not insured or guaranteed by FHA or VA (conventionally financed)		81	172	95	(b)(3)
(c) Secured by multifamily (5-or-more) residential properties (other than farm):	x x x	x x x	x x x	x x	c
(1) Insured by the Federal Housing Administration			none		(c)(1)
(2) Not insured by FHA (conventionally financed)			none		(c)(2)
(d) Secured by nonfarm non-residential properties (e.g., business, industrial, hotels, office buildings, churches)		9	143	37	d
2. Loans to financial institutions:	x x x	x x x	x x x	x x	2
(a) To domestic commercial and foreign banks			none		(a)
(b) To other financial institutions (include loans to sales finance, personal finance, insurance and mortgage cos., factors, mutual savings banks, savings and loan assoc., Federal lending agencies, and all other business and personal credit agencies)			none		(b)
3. Loans for purchasing or carrying securities (secured or unsecured):	x x x	x x x	x x x	x x	3
(a) To brokers and dealers in securities			none		(a)
(b) Other loans for the purpose of purchasing or carrying stocks, bonds, and other securities			none		(b)
4. Loans to farmers (secured and unsecured except loans secured by real estate above, but including loans for household and personal expenditures)	1	528	593	91	4
5. Commercial and industrial loans (include all loans for commercial and industrial purposes, secured or unsecured, except those secured by real estate above)		39	772	11	5
6. Loans to individuals for personal expenditures:	x x x	x x x	x x x	x x	6
(a) Loans to purchase private passenger automobiles on installment basis (include purchased paper)		154	891	06	(a)
(b) Credit cards and related plans: (1) Retail (charge account) credit card plans			none		(b)(1)
(2) Check credit and revolving credit plans			none		(b)(2)
(c) Loans to purchase other retail consumer goods on installment basis (include purchased paper-exclude credit card plans)	x x x	x x x	x x x	x x	
(1) Mobile homes, not including travel trailers		42	489	35	c (1)
(2) Other retail consumer goods		8	823	14	c (2)
(d) Installment loans to repair and modernize residential property		3	004	20	d
(e) Other installment loans for household, family, and other personal expenditures (exclude check/credit plans)		5	084	28	e
(f) Single-payment loans for household, family, and other personal expenditures		42	973	78	f
7. All other loans (incl overdrafts). (To churches, hospital, charitable or educational institutions, etc., not secured by real estate above)		6	183	45	7
8. Total loans (total of items 1 to 7) (must agree with item 8 of "Assets")	2	199	598	66	8

SCHEDULE D—CASH, BALANCES WITH OTHER BANKS, AND CASH ITEMS IN PROCESS OF COLLECTION

1. Cash items in process of collection and unposted debits drawn on the reporting bank-total			70	650	80	1
(Banks electing to report subitems (a) and (b), or (a) and (c)—see Instructions)						
(a) Cash items in process of collection including exchanges for clearing house (item 1 less subitem (b) or (c))	$	x x x	x x x	x x x	x x	(a)
(b) Actual amount of all unposted debits or single factor ....% of item 22	$	x x x	x x x	x x x	x x	(b)
(c) Separate amount of unposted debits or separate factors:						(c)
(1) Actual amount for Demand Deposits or........% of item 10, Schedule E	$	x x x	x x x	x x x	x x	(c)(1)
(2) Actual amount for Time and Savings Deposits or........% of item 11, Schedule F	$	x x x	x x x	x x x	x x	(c)(2)
2. Demand balances with banks in the United States			84	121	11	2
3. Other balances with banks in the United States (including all balances with American branches of foreign banks)				none		3
4. Balances with banks in foreign countries (including balances with foreign branches of other American banks)				none		4
5. Currency and coin			72	238	69	5
6. Reserve with Federal Reserve Bank			186	639	75	6
7. Total of items 1 to 6 (must agree with item 1 of "Assets")			413	648	25	7

SCHEDULE E—DEMAND DEPOSITS

1. Deposits of mutual savings banks			none		1
2. Deposits of other individuals, partnerships, and corporations	1	037	942	71	2
3. Total of items 1 and 2 (must agree with item 15 of "Liabilities")	1	037	942	71	3
4. Deposits of United States Government		18	707	31	4
5. Deposits of States and political subdivisions		153	676	82	5
6. Deposits of foreign governments and official institutions, central banks and international institutions			none		6
7. Deposits of commercial banks in the U.S.			none		7
8. Deposits of banks in foreign countries (including balances of foreign branches of other American banks)			none		8
9. Certified and officers' checks, travelers' checks, letters of credit, etc. (must agree with item 21 of "Liabilities")		10	249	67	9
10. Total Demand Deposits (items 3 to 9) (must agree with item 22(a) of "Liabilities")	1	220	576	51	10

SCHEDULE F—TIME AND SAVINGS DEPOSITS

1. Savings deposits		266	087	44	1
2. Deposits accumulated for payment of personal loans			none		2
3. Deposits of mutual savings banks			none		3
4. Other time deposits of individuals, partnerships, and corporations	3	047	341	00	4
5. Total of items 1 to 4 (must agree with item 16 of "Liabilities")	3	313	428	44	5
6. Deposits of United States Government			none		6
7. Deposits of States and political subdivisions		35	000	00	7
8. Deposits of foreign governments and official institutions, central banks and international institutions			none		8
9. Deposits of commercial banks in the United States			none		9
10. Deposits of banks in foreign countries (including balances of foreign branches of other American banks)			none		10
11. Total Time and Savings Deposits (items 5 to 10) (must agree with item 22(b) of "Liabilities")	3	348	428	44	11

SCHEDULE H—OTHER ASSETS

1. Securities borrowed	$	none		1
2. Income earned or accrued but not collected		none		2
3. Insurance and other expenses prepaid		none		3

SCHEDULE I—OTHER LIABILITIES

1. Securities borrowed	$	none		1
2. Dividends declared but not yet payable	5	000	00	2
3. Income collected but not earned	26	482	68	3

Form CC-8022-14
Rev. 11/71
UNITED STATES TREASURY
COMPTROLLER OF THE CURRENCY

N. B. Region No.	9
F. R. Dist. No.	9
Charter No.	7991
Tot. Deposits 12/31/71	$ 4,569,004.95

CONSOLIDATED REPORT OF INCOME—CALENDAR YEAR 1971
(Including Domestic Subsidiaries)

First National Bank of Fairfax
(Name of bank)

Fairfax (City), Renville (County), Minnesota (State), 55332 (Zip code)

PLEASE FOLD THIS SIDE OUT

Section A—SOURCES AND DISPOSITION OF INCOME	Dollars		Cts.	
1. OPERATING INCOME:				1
(a) Interest and fees on loans	154	265	60	(a)
(b) Income on Federal funds sold and securities purchased under agreements to resell	2	370	04	(b)
(c) Interest and dividends on investments (exclude trading account income):				(c)
1. U.S. Treasury securities	73	431	28	1
2. Obligations of other U.S. Government agencies and corporations	53	952	16	2
3. Obligations of States and political subdivisions	11	618	21	3
4. Other securities	1	831	47	4
(d) Trust department income		none		(d)
(e) Service charges on deposit accounts	7	260	81	(e)
(f) Other service charges, collection and exchange charges, commissions, and fees	2	148	74	(f)
(g) Other operating income (itemize net income on trading account, net remittable earnings from foreign branches, remitted net earnings from foreign subsidiaries and amounts over 25% of total) Box Rent	1	111	00	(g)
(h) **Total operating income**	307	989	31	(h)
2. OPERATING EXPENSE:				2
(a) Salaries and wages of officers and employees (Number on payroll at the end of period 8)	73	659	68	(a)
(b) Pensions and other employee benefits	8	913	18	(b)
(c) Interest on deposits	152	628	20	(c)
(d) Expense of Federal funds purchased and securities sold under agreements to repurchase		none		(d)
(e) Interest on borrowed money		none		(e)
(f) Interest on capital notes and debentures		none		(f)
(g) Occupancy expenses of bank premises, net Gross occupancy expense $ Less rental income $	6	207	90	(g)
(h) Furniture and equipment, depreciation, rental costs, servicing, etc.	3	986	03	(h)
(i) Provision for loan losses (or actual net loan losses) [2]	5	086	44	(i)
(j) Other operating expenses (itemize amounts over 25% of total)	20	199	65	(j)
(k) **Total operating expense**	270	681	08	(k)
3. INCOME BEFORE INCOME TAXES AND SECURITIES GAINS OR LOSSES [Item 1(h) minus 2(k)] [1]	37	308	23	3
[redacted]				4
[redacted]				5

6 50.33

	(1) GROSS DOLLARS			CTS.	(2) NET OF TAX EFFECT DOLLARS			CTS.	
6. NET SECURITIES GAINS OR LOSSES (show net loss as minus or in parentheses)		1	325	19					6
7. NET INCOME BEFORE EXTRAORDINARY ITEMS (Item 5 plus or minus 6) [1]	XXX	XXX	XXX	XX					7
8. EXTRAORDINARY CHARGES OR CREDITS (show net charges as minus or in parentheses and itemize each charge and credit)			none				none		8
9. LESS MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES							none		9
10. NET INCOME (Item 7 plus or minus 8, minus 9) [1]						26	494	99	10

[illegible] 2.99

I, J. R. Dickson (Name of officer authorized to sign report) (Title) of the above-named bank, hereby certify that the foregoing statement (including the information on the back) is true, to the best of my knowledge and belief.

1-6-72
(Date)

J. R. Dickson
(Signature of officer authorized to sign report)

[1] If a loss, indicate by a minus sign or in parentheses.
[2] Indicate method of Computing provision for loan losses:
5 year average, ___ forward average, ☒ actual net charge offs.

EXHIBIT C-4-6

Section B—CHANGES IN CAPITAL ACCOUNTS DURING 1971

		Amount	
1. NET INCOME TRANSFERRED TO UNDIVIDED PROFITS (Item 10 from face side)		26 494 99	1
2. OTHER INCREASES IN CAPITAL ACCOUNTS:			2
(a)	Common stock (par value) sold (excluding $________ common stock dividends issued		(a)
(b)	Common stock (par value) issued incident to mergers, etc.		(b)
(c)	Preferred stock or capital notes and debentures sold (par or face value)		(c)
(d)	Premium on new capital stock sold		(d)
(e)	Addition to surplus, undivided profits and reserves incident to mergers, etc.		(e)
(f)	1. Transfer from reserve for bad debt losses on loans setup pursuant to IRS rulings (must agree with Section D, Column 1, Item 7)		(f) 1
	2. Transfer from other reserves on loans (must agree with Section D, Column 2, Item 7)		(f) 2
(g)	Transfers from reserves on securities (must agree with Section D, Column 3, Item 7)		(g)
(h)	All other increases in capital accounts (itemize)		(h)
(i)	Total other increases in capital accounts		(i)
3. OTHER DECREASES IN CAPITAL ACCOUNTS:			3
(a)	Cash dividends declared on common stock	5 000 00	(a)
(b)	Cash dividends declared on preferred stock		(b)
(c)	Preferred stock or capital notes and debentures retired (par or face value)		(c)
(d)	Premium paid on preferred stock retired		(d)
(e)	Reduction in surplus, undivided profits and reserves incident to mergers, etc.		(e)
(f)	1. Transfer from undivided profits to reserve for bad debt losses on loans (must agree with Section D, Column 1, Item 4 less Item 2(i) of Section A) $______ Less: Amount of income tax effect $______		(f) 1
	2. Transfer to other reserves on loans (must agree with Section D, Column 2, Item 4)		(f) 2
(g)	Transfers to reserves on securities (must agree with Section D, Column 3, Item 4)		(g)
(h)	All other decreases in capital accounts (itemize)		(h)
(i)	Total other decreases in capital accounts		(i)
4. NET CHANGE IN TOTAL CAPITAL ACCOUNTS (Item 1 plus 2(i) minus 3(ii); indicate net decrease by minus sign or parentheses. Must agree with the net change at Item 7 of Section C)		21 494 99	4

Section C—CAPITAL ACCOUNTS AT END OF PRECEDING AND CURRENT YEAR

The items in this Section must agree with the corresponding items in the Condition Reports rendered as of the same dates. The items in the first column must agree with the corresponding items for the same date in the preceding Report of Income.

	December 31, 1970	December 31, 1971	
1. Capital notes and debentures			1
2. Preferred stock			2
3. Common stock	50 000 00	50 000 00	3
4. Surplus	175 000 00	175 000 00	4
5. Undivided profits	93 589 27	115 084 26	5
6. Reserve for contingencies and other capital reserves			6
7. Total capital accounts [redacted]			7

[redacted]

	RESERVE FOR BAD DEBT LOSSES AND OTHER RESERVES ON LOANS: Reserve set up pursuant to IRS rulings	Other reserves on loans	RESERVES ON SECURITIES	
1. Balance December 31, 1970	15 000 00			1
2. Additions due to mergers and absorptions				2
3. Recoveries credited to these reserves				3
4. Transfers to these reserves (included in Item 2(i) of Section A and 3(f)1, 3(f)2 and 3(g) of Section B)	5 086 44			4
5. Total (sum of Items 1, 2, 3 and 4)	20 086 44			5
6. Losses charged to these reserves	none			6
7. Transfers from these reserves (included in Item 2(f)1, 2(f)2 and 2(g) of Section B)	none			7
8. Balance December 31, 1971 (Must agree with corresponding items in Condition Reports rendered as of the same date)	20 086 44			8

MEMORANDA

1. Total provision for Federal, State and local income taxes for current year (Must agree with Item 4 of Section A plus or minus the difference between Columns 1 and 2 at Items 6 and 8 of Section A and the tax effect inset to Item 3(f)1 of Section B)	12 142 43	1
(a) Provision for Federal income taxes .... $ 10,025.58		(a)
(b) Provision for State and local income taxes .... $ 2,116.85		(b)
2. Recoveries of previous years income taxes reflected in Item 2(h) of Section B		2
3. Payments reflecting adjustments to previous year taxes included in Item 3(h) of Section B		3
4. Minority interest in Item 5 of Section A, income before securities gains or losses		4
5. Total amount of accretion of discount on securities reflected in income Items 1(c)1 to 1(c)4 of Section A		5
6. If this bank merged or consolidated with any banks during this period, list the banks (Figures should reflect full year operations for these banks)		6

EXHIBIT C-4-6