

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2016

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Groesbeck Bancshares, Inc

Legal Title of Holding Company

P.O. Box 499

(Mailing Address of the Holding Company) Street / P.O. Box

Groesbeck Texas 76642
 City State Zip Code

121 S. Ellis, Groesbeck, TX 76642

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Morris DeFriend President/CEO

Name Title

254-729-3272

Area Code / Phone Number / Extension

254-729-3891

Area Code / FAX Number

morrisd@fsbtexas.net

E-mail Address

Address (URL) for the Holding Company's web page

I, **Morris DeFriend**

Name of the Holding Company Director and Official

President/CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

Is confidential treatment requested for any portion of this report submission?	0=No 1=Yes	0
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report		<input type="checkbox"/>
2. a letter justifying this request has been provided separately		<input type="checkbox"/>
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

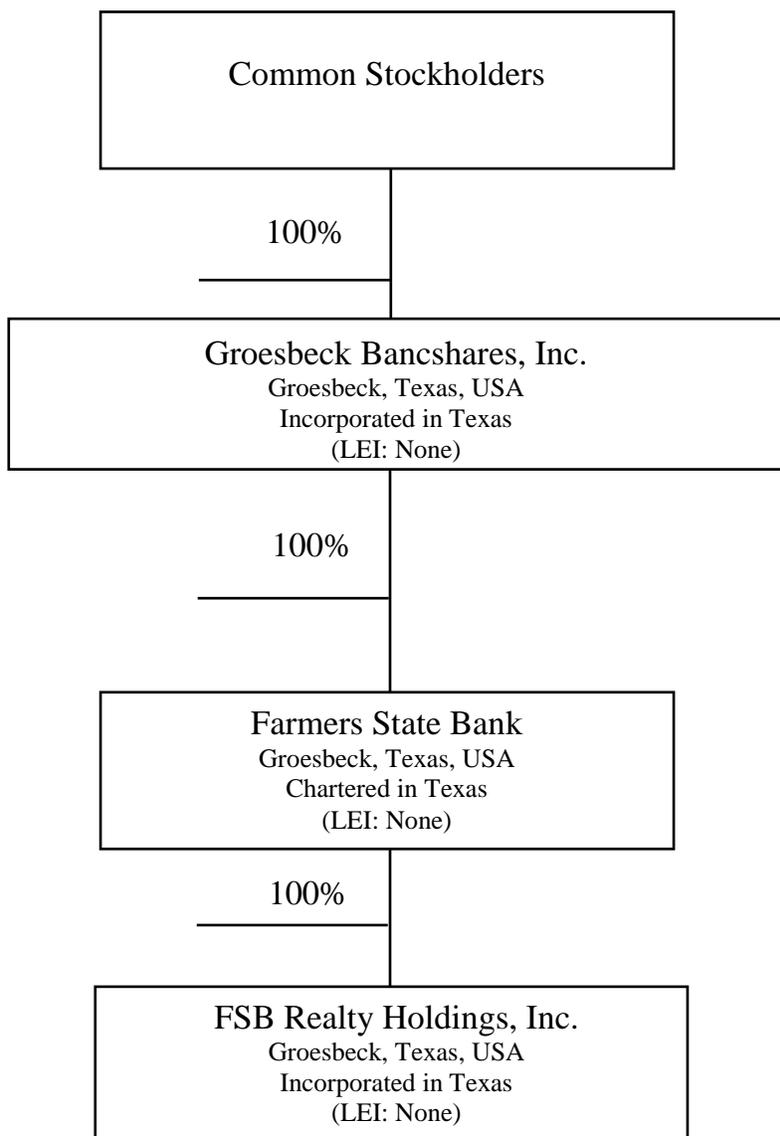
GROESBECK BANCSHARES, INC.

SCHEDULE I - FORM FRY-6 – ORGANIZATION CHART

YEAR ENDED DECEMBER 31, 2016

1: Groesbeck Bancshares, Inc. prepares an annual report for its securities holders and is not registered with the SEC. Enclosed are copies of the financial statements as specified by the appropriate Reserve Bank.

2a: Organizational Chart



2b: Domestic branch listing provided to the Federal Reserve Bank.

See accountants' report.

Results: A list of branches for your depository institution: FARMERS STATE BANK (ID_RSSD: 461058).
 This depository institution is held by GROESBECK BANCSHARES, INC. (1144228) of GROESBECK, TX.
 The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

- OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	461058	FARMERS STATE BANK	121 S. ELLIS STREET	GROESBECK	TX	76642-0499	LIMESTONE	UNITED STATES	9694	0	FARMERS STATE BANK	461058	
OK		Full Service	2850423	FAIRFIELD BRANCH	360 W COMMERCE	FAIRFIELD	TX	75840	FREESTONE	UNITED STATES	233780	5	FARMERS STATE BANK	461058	
OK		Full Service	3835379	JEWETT BRANCH	523 SOUTH MAIN STREET	JEWETT	TX	75846-4605	LEON	UNITED STATES	481877	7	FARMERS STATE BANK	461058	
OK		Full Service	3174984	KOSSE BRANCH	104 N NARCISSUS	KOSSE	TX	76653	LIMESTONE	UNITED STATES	418616	6	FARMERS STATE BANK	461058	
OK		Full Service	2168089	MEXIA BRANCH	604 W MILAM	MEXIA	TX	76667	LIMESTONE	UNITED STATES	233778	3	FARMERS STATE BANK	461058	
OK		Full Service	188766	THORNTON BRANCH	708 HIGHWAY 14	THORNTON	TX	76687	LIMESTONE	UNITED STATES	10601	1	FARMERS STATE BANK	461058	
OK		Full Service	1831564	WORTHAM BRANCH	110 WEST MAIN STREET	WORTHAM	TX	76693	FREESTONE	UNITED STATES	3808	2	FARMERS STATE BANK	461058	

GROESBECK BANCSHARES, INC.
SCHEDULE II - FORM FRY-6 - SHAREHOLDERS
YEAR ENDED DECEMBER 31, 2016

<u>NAMES AND ADDRESSES</u>	<u>COUNTRY OF CITIZENSHIP</u>	<u>NUMBER OF VOTING SHARES OWNED</u>	<u>PERCENT OF VOTING SHARES OWNED</u>
Shareholders that directly or indirectly own, control or hold with power to vote 5% or more of the voting stock of Groesbeck Bancshares, Inc.:			
James L. Bradley, Sr. Bradley 2012 Irrevocable Trust James L. Bradley, Sr., Trustee Groesbeck, Texas USA	United States	810 300	12.23% 4.53%
The David & Carolyn Hughes Trust David Hughes, Trustee Groesbeck, Texas USA	United States	847	12.79%
Diana McBay Bradley Intervivos Trust Diana Bradley, Trustee Fairfield, Texas USA	United States	555	8.38%
Robert L. Fewell Groesbeck, Texas USA	United States	517	7.80%
James E. Fewell Groesbeck, Texas USA	United States	500	7.55%
Bryan L. Bradley Wortham, Texas USA	United States	450	6.79%
Christopher Bradley Groesbeck, Texas USA	United States	400	6.04%
Jimmy Bradley Groesbeck, Texas USA	United States	400	6.04%
Brenda Hughes Groesbeck, Texas USA	United States	340	5.13%
The J. W. & S.J. Hughes Living Trust John W. Hughes, Trustee Jewett, Texas USA	United States	214	3.23%
Douglas R. Rand Groesbeck, Texas USA	United States	113	1.71%
Donald Rand Groesbeck, Texas USA	United States	112	1.69%
Richard K. Rand Groesbeck, Texas USA	United States	112	1.69%
Brett Fewell Groesbeck, Texas USA	United States	37	0.56%

GROESBECK BANCSHARES, INC.

SCHEDULE II - FORM FRY-6 - SHAREHOLDERS

(Continued)

YEAR ENDED DECEMBER 31, 2016

<u>NAMES AND ADDRESSES</u>	<u>COUNTRY OF CITIZENSHIP</u>	<u>NUMBER OF VOTING SHARES OWNED</u>	<u>PERCENT OF VOTING SHARES OWNED</u>
Jimmy Fewell Groesbeck, Texas USA	United States	37	0.56%
June Fewell Stone Groesbeck, Texas USA	United States	37	0.56%
Sherrie Fewell McGilvray Groesbeck, Texas USA	United States	37	0.56%

Shareholders not listed above that owned or controlled 5% or more of any class of voting securities in Groesbeck Bancshares, Inc., during the fiscal year ended December 31, 2015:

None

See accountants' report.

GROESBECK BANCSHARES, INC.
SCHEDULE III - FORM FRY-6 - DIRECTORS AND OFFICERS
YEAR ENDED DECEMBER 31, 2016

Director, Officer, Principal's Name, Address, and Principal Occupation	Organization	Title or Position	Percentage of Shares Owned Controlled, or Held With Power to Vote
James L. Bradley, Sr. * Grosbeck, Texas USA Attorney- Retired Banker	Grosbeck Bancshares, Inc.	Principal Shareholder	16.76%
	Subsidiaries - n/a	n/a	n/a
	Bradley & Bradley, Attorneys	Owner	100%
	Circle J Ranch	Owner	100%
	Freestone County Abstract	Owner	40%
James E. Fewell Grosbeck, Texas USA Rancher	Grosbeck Bancshares, Inc.	Director, Principal Shareholder	7.55%
	Farmers State Bank - Grosbeck	Director	0%
	James Cattle Co.	Owner	100%
Christopher Rand Grosbeck, Texas USA Optometrist	Grosbeck Bancshares, Inc.	Director	0.00%
	Farmers State Bank - Grosbeck	Director	0%
	Chris R. Rand O.D. P.A.	Owner	100%
David K. Hughes ** Grosbeck, Texas USA Trader/Investor	Grosbeck Bancshares, Inc.	Chairman, Principal Shareholder	12.79%
	Farmers State Bank - Grosbeck	Chairman	0%
	Grosbeck Mini Storage	Owner	100%
	Holloway, Jackson & Hughes	Partner	33.33%
	Kyle's Trading Post	Owner	100%
	Kyle's U-Haul	Owner	100%
Dan Collins Grosbeck, Texas USA Retired Banker	Grosbeck Bancshares, Inc.	Director	0.38%
	Farmers State Bank - Grosbeck	Director	0%
	Other companies - n/a	n/a	n/a

See accountants' report.

GROESBECK BANCSHARES, INC.

SCHEDULE III - FORM FRY-6 - DIRECTORS AND OFFICERS

(Continued)

YEAR ENDED DECEMBER 31, 2016

Director, Officer, Principal's Name, Address, and Principal Occupation	Organization	Title or Position	Percentage of Shares Owned Controlled, or Held With Power to Vote
John L. Awalt Fairfield, Texas USA Real Estate Investor/Car Wash Owner	Groesbeck Bancshares, Inc.	Director	0.65%
	Farmers State Bank - Groesbeck	Director	0%
	Awalt Wholesale	Owner	60%
	Roadster Car Wash	Owner	100%
	JA & SA Management, LLC	Partner	60%
	J & S Awalt Realty LTD	Partner	60%
Morris E. DeFriend College Station, Texas USA Banker	Groesbeck Bancshares, Inc.	Director, President	0.75%
	Farmers State Bank - Groesbeck	Director, 1st Vice Chairman and President & CEO	0%
	MMD Properties, LLC	Partner	33%
Bryan L. Bradley Wortham, Texas USA Banker	Groesbeck Bancshares, Inc.	Director, Principal Shareholder, Vice President	6.79%
	Farmers State Bank - Groesbeck	Director, 2nd Vice Chairman	0%
	Other companies - n/a	n/a	n/a
Rick Sadler Mexia, Texas USA CPA	Groesbeck Bancshares, Inc.	Director	0.65%
	Farmers State Bank - Groesbeck	Director	0%
	Rick Sadler, CPA	Sole Proprietor	100.00%
John W. Hughes *** Jewett, Texas USA Rancher	Groesbeck Bancshares, Inc.	Director, Principal Shareholder	3.23%
	Farmers State Bank - Groesbeck	Director	0%
	Bill Hughes Cattle Co.	Owner	100%

See accountants' report.

GROESBECK BANCSHARES, INC.

SCHEDULE III - FORM FRY-6 - DIRECTORS AND OFFICERS

(Continued)

YEAR ENDED DECEMBER 31, 2016

Director, Officer, Principal's Name, Address, and Principal Occupation	Organization	Title or Position	Percentage of Shares Owned Controlled, or Held With Power to Vote
Stephen Bradley Goesbeck, Texas USA Rancher/Manager Livestock Auction	Goesbeck Bancshares, Inc. Farmers State Bank - Goesbeck Goesbeck Auction & Livestock	Director Director Partner	0% 0% n/a
Jeri Penny Goesbeck, Texas USA Banker	Farmers State Bank - Goesbeck Goesbeck Bancshares, Inc. Other companies - n/a	Senior Vice President, Financial Officer Secretary n/a	0% 0% n/a
Diana McBay Bradley Intervivos Trust Diana Bradley, Trustee Fairfield, Texas USA Homemaker	Goesbeck Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	8.38% n/a n/a
Jimmy Bradley Goesbeck, Texas USA Rancher	Goesbeck Bancshares, Inc. Subsidiaries - n/a Bradley's Circle J Cattle Services	Principal Shareholder n/a Sole Proprietor	6.04% n/a 100%
Christopher Bradley Goesbeck, Texas USA Cabinetmaker	Goesbeck Bancshares, Inc. Subsidiaries - n/a Bradley Woodworking	Principal Shareholder n/a Sole Proprietor	6.04% n/a 100%
Brenda Hughes Goesbeck, Texas USA Rancher	Goesbeck Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	5.13% n/a n/a

See accountants' report.

GROESBECK BANCSHARES, INC.

SCHEDULE III - FORM FRY-6 - DIRECTORS AND OFFICERS

(Continued)

YEAR ENDED DECEMBER 31, 2016

Director, Officer, Principal's Name, Address, and Principal Occupation	Organization	Title or Position	Percentage of Shares Owned Controlled, or Held With Power to Vote
Robert L. Fewell Groesbeck, Texas USA Retired Farmer/Rancher	Groesbeck Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	7.80% n/a n/a
Brett Fewell Groesbeck, Texas USA Energy Services Office Supervisor	Groesbeck Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	0.56% n/a n/a
Jimmy Fewell Groesbeck, Texas USA Beverage Industry/Rancher	Groesbeck Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	0.56% n/a n/a
June Fewell Stone Groesbeck, Texas USA Cosmetologist	Groesbeck Bancshares, Inc. Subsidiaries - n/a Shear Elegance	Principal Shareholder n/a Sole Proprietor	0.56% n/a 100%
Sherrie Fewell McGilvray Groesbeck, Texas USA Banker	Groesbeck Bancshares, Inc. Subsidiaries - n/a BBVA Compass	Principal Shareholder n/a Mortgage Banking Officer	0.56% n/a n/a

* Note: The Percentage of Shares, Owned, Controlled, or Held with Power to Vote represents shares owned personally and controlled as Trustee of the Bradley 2012 Irrevocable Trust.

** Note: The Percentage of Shares, Owned, Controlled, or Held with Power to Vote represents shares controlled as Trustee of The David & Carolyn Hughes Trust.

*** Note: The Percentage of Shares, Owned, Controlled, or Held with Power to Vote represents shares controlled as Trustee of The J. W. & S.J. Hughes Living Trust.

See accountants' report.

**DOMESTIC BANK HOLDING COMPANY
ANNUAL REPORT F.R.Y. - 6
DECEMBER 31, 2016 AND 2015**

**GROESBECK BANCSHARES, INC.
P. O. Box 499
Groesbeck, Texas 76642**

GROESBECK BANCSHARES, INC.

FEDERAL RESERVE FORM Y-6

DECEMBER 31, 2016

I N D E X

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GROESBECK BANCSHARES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

TOGETHER WITH ACCOUNTANTS' COMPILATION THEREON



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
of Groesbeck Bancshares, Inc.

Management is responsible for the accompanying financial statements of Groesbeck Bancshares, Inc. (a corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and comprehensive income, the statements of changes in stockholders' equity and cash flows for the years then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information on pages 6 through 12 is presented for purposes of additional analysis and is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Matter

The financial statements included in the accompanying prescribed form are intended to comply with the requirements of the Board of Governors of the Federal Reserve System, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Pattillo, Brown & Hill, L.L.P.

March 24, 2017
Waco, Texas

FORM FRY-6
GROESBECK BANCSHARES, INC.
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash	\$ 82,587	\$ 109,066
Investment in Farmers State Bank	12,168,832	12,349,455
Goodwill, net	683,584	683,584
Other assets	<u>59,906</u>	<u>59,906</u>
Total Assets	<u>\$ 12,994,909</u>	<u>\$ 13,202,011</u>

LIABILITIES

Liabilities	\$ <u>25,000</u>	\$ <u>25,000</u>
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CAPITAL

Capital stock	66,950	66,950
Additional paid-in capital	2,450,053	2,450,053
Treasury stock	(710)	(710)
Retained earnings (loss)	10,116,214	9,769,163
Equity - net income (loss)	1,300,892	1,493,732
Dividends paid	(1,045,399)	(1,146,681)
Net unrealized gain (loss) on SEC. AFS	<u>81,909</u>	<u>544,504</u>
Total Capital	<u>12,969,909</u>	<u>13,177,011</u>
Total Liabilities and Capital	<u>\$ 12,994,909</u>	<u>\$ 13,202,011</u>

See accountants' report.

FORM FRY-6**GROESBECK BANCSHARES, INC.****STATEMENTS OF INCOME AND COMPREHENSIVE INCOME****YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
INCOME (LOSS)		
Dividends	\$ <u>1,135,620</u>	\$ <u>1,264,145</u>
Total Income (Loss)	<u>1,135,620</u>	<u>1,264,145</u>
OPERATING EXPENSES		
Margin tax	3,338	4,645
Directors' life insurance	99,750	98,433
Professional fees	13,572	15,006
Other expenses	<u>-</u>	<u>9,839</u>
Total Operating Expenses	<u>116,660</u>	<u>127,923</u>
INCOME (LOSS) FROM OPERATIONS	1,018,960	1,136,222
OTHER INCOME (LOSS)		
Earnings in subsidiary	281,932	357,510
Other Income	<u>-</u>	<u>-</u>
Total Other Income (Loss)	<u>281,932</u>	<u>357,510</u>
Total Net Income (Loss)	1,300,892	1,493,732
OTHER COMPREHENSIVE INCOME		
Unrealized holding gain (loss) on available-for-sale securities	<u>(462,595)</u>	<u>(117,627)</u>
COMPREHENSIVE INCOME	<u>\$ 838,297</u>	<u>\$ 1,376,105</u>

See accountants' report.

FORM FRY-6

GROESBECK BANCSHARES, INC.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, December 31, 2014	\$ 66,950	\$ 2,450,053	\$ 9,769,163	\$(710)	\$ 662,131	\$ 12,947,587
Net income	-	-	1,493,732	-	-	1,493,732
Dividends paid	-	-	(1,146,681)	-	-	(1,146,681)
Change in net unrealized gain (loss) on securities available-for-sale	-	-	-	-	(117,627)	(117,627)
Balance, December 31, 2015	66,950	2,450,053	10,116,214	(710)	544,504	13,177,011
Net income	-	-	1,300,892	-	-	1,300,892
Dividends paid	-	-	(1,045,399)	-	-	(1,045,399)
Change in net unrealized gain (loss) on securities available-for-sale	-	-	-	-	(462,595)	(462,595)
Balance, December 31, 2016	<u>\$ 66,950</u>	<u>\$ 2,450,053</u>	<u>\$ 10,371,707</u>	<u>\$(710)</u>	<u>\$ 81,909</u>	<u>\$ 12,969,909</u>

See accountants' report.

FORM FRY-6
GROESBECK BANCSHARES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 1,300,892	\$ 1,493,732
(Increase) decrease in other assets	-	9,839
(Increase) decrease in earnings of Subsidiary	(1,417,592)	(1,621,655)
Net Cash Provided (Used) by Operating Activities	<u>(116,700)</u>	<u>(118,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from subsidiary	<u>1,135,620</u>	<u>1,264,145</u>
Net Cash Provided (Used) by Investing Activities	<u>1,135,620</u>	<u>1,264,145</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,045,399)	(1,146,681)
Purchase of Treasury Stock	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(1,045,399)</u>	<u>(1,146,681)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,479)	(620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>109,066</u>	<u>109,686</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 82,587</u>	<u>\$ 109,066</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Total increase (decrease) in unrealized gain on securities available for sale	<u>\$ (462,595)</u>	<u>\$ (117,627)</u>

See accountants' report.