

Consolidated Balance Sheet

	September 30,	
	2011	2010
Assets		
Cash and due from banks	\$ 355,320	\$ 14,059,410
Short term investments	2,420,000	2,480,000
Investment securities available for sale	29,522,436	21,878,783
Investment securities (market value of \$10,582,922 in 2011 and \$10,218,712 in 2010) held to maturity	10,525,277	9,982,944
Federal funds sold and other overnight investments	38,083,000	24,984,000
Loans	158,991,142	160,452,000
Less: Allowance for loan loss	(3,487,531)	(3,592,235)
Loans, Net	155,503,611	156,859,766
Bank premises and equipment, net	5,462,729	5,800,420
Bank owned life insurance	7,089,274	6,845,187
Accrued interest receivable and other assets	3,338,460	3,775,866
Total Assets	\$ 252,300,107	\$ 246,666,375
Liabilities		
Deposits		
Non-interest bearing	\$ 35,769,615	\$ 32,726,945
Interest bearing	186,914,775	186,684,758
Total Deposits	222,684,390	219,411,703
Accrued interest payable and other liabilities	1,897,908	453,616
Long-term borrowings	0	0
Total Liabilities	\$ 224,582,298	\$ 219,865,319
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2011 and 2010;		
issued and outstanding: 1,979,460 in 2011		
and 1,979,460 in 2010		
	\$ 1,979,460	\$ 1,979,460
Paid in capital	19,652,705	19,652,705
Retained earnings	7,721,443	6,047,246
Accumulated other comprehensive loss	(1,635,799)	(878,355)
Total Shareholders' Equity	\$ 27,717,809	\$ 26,801,056
Total Liabilities and Shareholder's Equity	\$ 252,300,107	\$ 246,666,375
Book Value Per Share	\$ 14.00	\$ 13.54

Consolidated Statement of Income

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest Income				
Loans, including fees	\$ 2,067,595	\$ 2,131,014	\$ 6,161,163	\$ 6,476,740
Securities				
Taxable	205,543	156,936	576,300	487,524
Non-Taxable	84,460	80,464	263,966	234,305
Federal funds sold and other overnight investments	20,843	14,273	55,674	35,674
Short term investments	8,975	8,462	27,604	24,515
Total Interest Income	2,387,416	2,391,149	7,084,707	7,258,758
Interest Expense				
Interest on other deposits	157,324	249,722	529,930	765,507
Interest on time deposits over \$100,000	99,626	119,896	336,477	365,385
Other interest expense	51	198	199	40,477
Total Interest Expense	257,001	369,816	866,606	1,171,369
Net Interest Income	2,130,415	2,021,333	6,218,101	6,087,389
Provision for Loan Losses				
Net Interest Income after Provision for Loan Losses	1,755,415	1,971,333	5,503,101	2,167,993
Non-interest Income				
Trust and investment management revenue	337,913	300,000	1,013,738	938,642
Service charges on deposit accounts	415,221	366,212	1,161,808	1,048,239
Gain on sale of mortgage loans	119,160	188,403	230,597	300,981
Other income	136,740	375,030	418,902	702,244
Total Non-interest Income	1,009,034	1,229,645	2,825,045	2,990,107
Non-interest Expense				
Salaries	799,269	736,392	2,385,728	2,338,032
Employee benefits	380,784	323,668	1,170,302	1,017,896
Occupancy and equipment expense	461,754	528,216	1,400,100	1,614,559
Securities impairment write-down	0	0	0	200,000
Other expense	637,227	607,270	1,946,532	1,789,426
Total Non-interest Expense	2,279,034	2,195,546	6,902,662	6,959,913
Income Before Income Taxes	485,415	1,005,431	1,425,484	(1,801,814)
Income Taxes	91,239	277,803	217,971	(738,157)
Net Income	\$ 394,176	\$ 727,628	\$ 1,207,513	\$ (1,063,657)
Basic Earnings Per Share	\$ 0.20	\$ 0.37	\$ 0.61	\$ (0.54)
Diluted Earnings Per Share	\$ 0.20	\$ 0.37	\$ 0.61	\$ (0.54)

Certain amounts in the prior year consolidated financial statements may have been reclassified to conform with the current year presentation.