

Consolidated Balance Sheet

	March 31,	
	2005	2004
Assets		
Cash and due from Banks	\$ 9,450,740	\$ 8,295,570
Short term investments	15,380,000	18,320,000
Investment securities available for sale	23,186,786	26,656,461
Investment securities (market value of \$7,497,065 in 2005 and \$8,361,148 in 2004)	7,382,703	7,990,658
Federal funds sold and other overnight investments	13,500,000	7,600,000
Loans	150,974,321	142,560,564
Less: Allowance for loan loss	(2,350,251)	(2,257,540)
Loans, Net	148,624,070	140,303,024
Bank premises and equipment, net	5,329,565	5,740,972
Bank owned life insurance	5,543,270	5,329,134
Accrued interest receivable and other assets	1,651,556	1,824,119
Total Assets	\$ 230,048,690	\$ 222,059,939
Liabilities		
Deposits		
Non-interest bearing	\$ 34,885,152	\$ 34,499,037
Interest bearing	161,526,054	155,191,878
Total Deposits	196,411,206	189,690,915
Accrued interest payable and other liabilities	462,123	981,581
Long-term borrowings	5,000,000	5,000,000
Total Liabilities	\$ 201,873,329	\$ 195,672,496
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2004 and 2003;		
issued and outstanding: 1,844,197 in 2005		
and 1,867,788 in 2004	\$ 1,844,197	\$ 1,867,788
Paid in capital	16,399,862	16,920,855
Retained earnings	10,216,569	8,547,336
Net unrealized gain/loss on securities available for sale, net of tax effect	(285,267)	51,464
Total Shareholders' Equity	\$ 28,175,361	\$ 27,387,443
Total Liabilities and Shareholder's Equity	\$ 230,048,690	\$ 223,059,939
Book Value Per Share	\$ 15.28	\$ 14.66

Consolidated Statement of Income

	Three Months Ended March 31,	
	2005	2004
Interest Income		
Loans, including fees	\$ 2,428,289	\$ 2,085,499
Securities		
Taxable	267,927	208,121
Non-Taxable	50,313	53,306
Federal funds sold and other overnight investments	46,013	29,521
Short term investments	98,853	51,681
Total Interest Income	2,891,395	2,428,128
Interest Expense		
Interest on other deposits	464,352	379,043
Interest on time deposits over \$100,000	132,580	100,898
Other interest expense	23,281	29,394
Total Interest Expense	620,213	509,335
Net Interest Income	2,271,182	1,918,793
Provision for Loan Losses	25,000	25,000
Net Interest Income after Provision for Loan Losses	2,246,182	1,893,793
Other Income		
Trust income	318,750	301,500
Service charges on deposit accounts	279,703	305,525
Gain on sale of mortgage loans	91,673	61,336
Other income	169,295	167,899
Total Other Income	859,421	836,259
Other Expense		
Salaries	904,201	804,640
Employee benefits	309,472	262,203
Occupancy and equipment expense	406,805	408,318
Other expense	344,429	313,415
Total Other Expense	1,964,907	1,788,577
Income Before Income Taxes	1,140,696	941,475
Income Taxes	337,069	238,604
Net Income	\$ 803,627	\$ 702,871
Basic Earnings Per Share	\$ 0.44	\$ 0.38
Diluted Earnings Per Share	\$ 0.41	\$ 0.37

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