

Consolidated Balance Sheet

	June 30,	
	2007	2006
Assets		
Cash and due from banks	\$ 9,210,734	\$ 10,100,790
Short term investments	4,110,000	8,740,000
Investment securities available for sale	30,979,287	29,621,300
Investment securities (market value of \$8,064,789 in 2007 and \$9,019,222 in 2006)	7,949,814	8,948,446
Federal funds sold and other overnight investments	25,900,000	16,200,000
Loans	151,235,486	147,699,365
Less: Allowance for loan loss	(2,363,930)	(2,309,902)
Loans, Net	148,871,557	145,389,463
Bank premises and equipment, net	5,263,677	5,068,510
Bank owned life insurance	6,029,587	5,802,924
Accrued interest receivable and other assets	2,181,235	1,886,246
Total Assets	\$ 240,495,890	\$ 231,757,679
Liabilities		
Deposits		
Non-interest bearing	\$ 35,553,630	\$ 35,676,757
Interest bearing	166,239,207	158,502,729
Total Deposits	201,792,837	194,179,486
Accrued interest payable and other liabilities	1,331,905	1,030,192
Long-term borrowings	8,000,000	8,000,000
Total Liabilities	\$ 211,124,742	\$ 203,209,678
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2007 and 2006;		
issued and outstanding: 2,020,376 in 2007		
and 1,983,433 in 2006	\$ 2,020,376	\$ 1,983,433
Paid in capital	20,363,262	19,568,161
Retained earnings	7,142,767	7,412,357
Net unrealized gain/loss on securities available for sale, net of tax effect	(155,258)	(415,950)
Total Shareholders' Equity	\$ 29,371,147	\$ 28,548,001
Total Liabilities and Shareholder's Equity	\$ 240,495,889	\$ 231,757,679
Book Value Per Share *	\$ 14.54	\$ 13.71

Consolidated Statement of Income

	Six Months Ended	
	June 30,	
	2007	2006
Interest Income		
Loans, including fees	\$ 6,470,247	\$ 5,780,077
Securities		
Taxable	818,334	701,748
Non-Taxable	112,503	91,963
Federal funds sold and other overnight investments	568,301	386,389
Short term investments	155,987	217,316
Total Interest Income	8,125,372	7,177,493
Interest Expense		
Interest on other deposits	1,862,326	1,487,162
Interest on time deposits over \$100,000	623,737	436,777
Other interest expense	85,510	59,372
Total Interest Expense	2,571,573	1,983,311
Net Interest Income	5,553,800	5,194,182
Provision for Loan Losses	50,000	180,000
Net Interest Income after Provision for Loan Losses	5,503,800	5,014,182
Other Income		
Trust income	675,000	641,250
Service charges on deposit accounts	662,330	600,862
Gain on sale of mortgage loans	88,826	87,404
Other income	307,163	301,275
Total Other Income	1,733,320	1,630,791
Other Expense		
Salaries	2,188,931	1,945,529
Employee benefits	613,877	621,399
Occupancy and equipment expense	942,630	911,422
Other expense	837,970	778,613
Total Other Expense	4,583,408	4,256,962
Income Before Income Taxes	2,653,712	2,388,011
Income Taxes	782,442	700,980
Net Income	\$ 1,871,270	\$ 1,687,031
Basic Earnings Per Share *	\$ 0.92	\$ 0.81
Diluted Earnings Per Share *	\$ 0.91	\$ 0.79

* Per share amounts have been restated to reflect a 5% stock dividend in May 2007.

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