

**Consolidated Balance Sheet**

	September 30,	
	2005	2004
<b>Assets</b>		
Cash and due from Banks	\$ 10,079,356	\$ 10,017,130
Short term investments	12,740,000	16,475,000
Investment securities available for sale	23,453,853	24,623,029
Investment securities (market value of \$7,325,544 in 2005 and \$7,713,417 in 2004)	7,217,575	7,368,162
Federal funds sold and other overnight investments	12,600,000	10,700,000
Loans	153,610,996	147,195,593
Less: Allowance for loan loss	(2,213,286)	(2,341,815)
Loans, Net	151,397,710	144,853,778
Bank premises and equipment, net	5,221,255	5,510,748
Bank owned life insurance	5,646,433	5,438,652
Accrued interest receivable and other assets	1,809,228	1,812,063
<b>Total Assets</b>	<b>\$ 230,165,408</b>	<b>\$ 226,798,562</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 32,510,772	\$ 34,333,485
Interest bearing	163,815,660	160,046,146
<b>Total Deposits</b>	<b>196,326,432</b>	<b>194,379,631</b>
Accrued interest payable and other liabilities	435,115	613,120
Long-term borrowings	5,000,000	4,000,000
<b>Total Liabilities</b>	<b>\$ 201,761,547</b>	<b>\$ 198,992,751</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2005 and 2004;		
issued and outstanding: 1,915,924 in 2005		
and 1,859,398 in 2004	\$ 1,915,924	\$ 1,859,398
Paid in capital	18,099,827	16,721,822
Retained earnings	8,680,249	9,221,536
Net unrealized gain/loss on securities available for sale, net of tax effect	(292,139)	3,055
<b>Total Shareholders' Equity</b>	<b>\$ 28,403,861</b>	<b>\$ 27,805,811</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 230,165,408</b>	<b>\$ 226,798,562</b>
<b>Book Value Per Share *</b>	<b>\$ 14.83</b>	<b>\$ 14.24</b>

**Consolidated Statement of Income**

	Nine Months Ended	
	September 30,	
	2005	2004
<b>Interest Income</b>		
Loans, including fees	\$ 7,676,427	\$ 6,262,882
Securities		
Taxable	811,538	672,180
Non-Taxable	145,402	155,168
Federal funds sold and other overnight investments	264,387	81,479
Short term investments	328,505	172,479
<b>Total Interest Income</b>	<b>9,226,258</b>	<b>7,344,188</b>
<b>Interest Expense</b>		
Interest on other deposits	1,607,172	1,102,163
Interest on time deposits over \$100,000	472,279	286,245
Other interest expense	57,689	78,735
<b>Total Interest Expense</b>	<b>2,137,140</b>	<b>1,467,143</b>
Net Interest Income	7,089,118	5,877,045
<b>Provision for Loan Losses</b>	<b>475,000</b>	<b>35,000</b>
Net Interest Income after Provision for Loan Losses	6,614,118	5,842,045
<b>Other Income</b>		
Trust income	926,250	904,500
Service charges on deposit accounts	922,928	955,636
Gain on sale of mortgage loans	277,521	202,329
Other income	508,779	483,803
<b>Total Other Income</b>	<b>2,635,478</b>	<b>2,546,268</b>
<b>Other Expense</b>		
Salaries	2,533,260	2,309,702
Employee benefits	926,385	852,433
Occupancy and equipment expense	1,251,137	1,211,303
Other expense	1,166,945	1,070,468
<b>Total Other Expense</b>	<b>5,877,727</b>	<b>5,443,906</b>
<b>Income Before Income Taxes</b>	<b>3,371,870</b>	<b>2,944,407</b>
<b>Income Taxes</b>	<b>995,099</b>	<b>784,395</b>
<b>Net Income</b>	<b>\$ 2,376,771</b>	<b>\$ 2,160,012</b>
<b>Basic Earnings Per Share *</b>	<b>\$ 1.25</b>	<b>\$ 1.10</b>
<b>Diluted Earnings Per Share *</b>	<b>\$ 1.22</b>	<b>\$ 1.09</b>

\* Per share amounts have been restated to reflect a 5% stock dividend in May 2005.

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