

**Consolidated Balance Sheet**

	June 30,	
	2009	2008
<b>Assets</b>		
Cash and due from banks	\$ 7,075,811	\$ 11,538,511
Short term investments	3,825,000	2,830,000
Investment securities available for sale	22,555,476	29,359,900
Investment securities (market value of \$9,246,983 in 2009 and \$8,541,547 in 2008) held to maturity	9,166,455	8,597,994
Federal funds sold and other overnight investments	16,700,000	16,000,000
Loans	161,234,448	156,746,011
Less: Allowance for loan loss	(2,507,856)	(2,272,329)
Loans, Net	158,726,592	154,473,682
Bank premises and equipment, net	6,185,605	6,107,057
Bank owned life insurance	6,531,429	6,276,589
Accrued interest receivable and other assets	2,494,717	1,939,753
<b>Total Assets</b>	<b>\$ 233,261,085</b>	<b>\$ 237,123,486</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 29,565,700	\$ 36,205,681
Interest bearing	169,557,095	164,385,727
<b>Total Deposits</b>	<b>199,122,795</b>	<b>200,591,408</b>
Accrued interest payable and other liabilities	2,254,037	682,186
Long-term borrowings	3,000,000	6,000,000
<b>Total Liabilities</b>	<b>\$ 204,376,832</b>	<b>\$ 207,273,594</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2009 and 2008;		
issued and outstanding: 1,979,460 in 2009		
and 1,985,160 in 2008	\$ 1,979,460	\$ 1,985,160
Paid in capital	19,652,705	19,721,975
Retained earnings	8,662,182	8,362,678
Accumulated other comprehensive loss	(1,410,094)	(219,921)
<b>Total Shareholders' Equity</b>	<b>\$ 28,884,253</b>	<b>\$ 29,849,892</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 233,261,085</b>	<b>\$ 237,123,486</b>
<b>Book Value Per Share</b>	<b>\$ 14.59</b>	<b>\$ 15.04</b>

**Consolidated Statement of Income**

	Six Months Ended	
	2009	2008
<b>Interest Income</b>		
Loans, including fees	\$ 4,465,477	\$ 5,423,434
Securities		
Taxable	578,824	829,509
Non-Taxable	118,403	122,419
Federal funds sold and other overnight investments	23,873	322,536
Short term investments	79,658	52,255
<b>Total Interest Income</b>	<b>5,266,235</b>	<b>6,750,153</b>
<b>Interest Expense</b>		
Interest on other deposits	674,965	1,455,436
Interest on time deposits over \$100,000	278,379	553,915
Other interest expense	62,330	48,608
<b>Total Interest Expense</b>	<b>1,015,674</b>	<b>2,057,959</b>
Net Interest Income	4,250,561	4,692,194
<b>Provision for Loan Losses</b>	<b>255,000</b>	<b>130,000</b>
Net Interest Income after Provision for Loan Losses	3,995,561	4,562,194
<b>Non-interest Income</b>		
Trust and investment management revenue	637,602	690,650
Service charges on deposit accounts	659,788	637,748
Gain on sale of mortgage loans	527,636	133,331
Other income	291,405	344,694
<b>Total Non-interest Income</b>	<b>2,116,431</b>	<b>1,806,423</b>
<b>Non-interest Expense</b>		
Salaries	1,484,892	1,535,057
Employee benefits	647,048	674,877
Occupancy and equipment expense	1,068,389	1,020,938
Other expense	1,301,906	976,669
<b>Total Non-interest Expense</b>	<b>4,502,235</b>	<b>4,207,541</b>
<b>Income Before Income Taxes</b>	<b>1,609,757</b>	<b>2,161,076</b>
<b>Income Taxes</b>	<b>408,093</b>	<b>597,054</b>
<b>Net Income</b>	<b>\$ 1,201,664</b>	<b>\$ 1,564,022</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.61</b>	<b>\$ 0.79</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.61</b>	<b>\$ 0.78</b>

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