

Consolidated Balance Sheet

	September 30,	
	2012	2011
Assets		
Cash and due from banks	\$ 4,882,824	\$ 355,320
Short term investments	2,150,000	2,420,000
Investment securities available for sale	48,579,694	29,522,436
Investment securities (market value of \$6,078,510 in 2012 and \$10,582,922 in 2011) held to maturity	6,373,148	10,525,277
Federal funds sold and other overnight investments	38,527,000	38,083,000
Loans	147,208,193	158,991,142
Less: Allowance for loan loss	(3,308,164)	(3,487,531)
Loans, Net	143,900,029	155,503,611
Bank premises and equipment, net	5,550,354	5,462,729
Bank owned life insurance	7,332,405	7,089,274
Accrued interest receivable and other assets	3,608,780	3,338,460
Total Assets	\$ 260,904,234	\$ 252,300,107
Liabilities		
Deposits		
Non-interest bearing	\$ 37,398,956	\$ 35,769,615
Interest bearing	192,028,496	186,914,775
Total Deposits	229,427,452	222,684,390
Accrued interest payable and other liabilities	2,700,555	1,897,908
Long-term borrowings	0	0
Total Liabilities	\$ 232,128,007	\$ 224,582,298
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2012 and 2011;		
issued and outstanding: 1,979,460 in 2012		
and 1,979,460 in 2011	\$ 1,979,460	\$ 1,979,460
Paid in capital	19,652,705	19,652,705
Retained earnings	9,187,842	7,721,443
Accumulated other comprehensive loss	(2,043,780)	(1,635,799)
Total Shareholders' Equity	\$ 28,776,227	\$ 27,717,809
Total Liabilities and Shareholder's Equity	\$ 260,904,234	\$ 252,300,107
Book Value Per Share	\$ 14.54	\$ 14.00

Consolidated Statement of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest Income				
Loans, including fees	\$ 1,862,947	\$ 2,067,595	\$ 5,646,582	\$ 6,161,163
Securities				
Taxable	279,837	205,543	868,790	576,300
Non-Taxable	53,012	84,460	184,267	263,966
Federal funds sold and other overnight investments	19,444	20,843	50,972	55,674
Short term investments	7,487	8,975	25,213	27,604
Total Interest Income	2,222,727	2,387,416	6,775,824	7,084,707
Interest Expense				
Interest on other deposits	94,100	157,324	301,133	529,930
Interest on time deposits over \$100,000	47,986	99,626	165,108	336,477
Other interest expense	5	51	56	199
Total Interest Expense	142,091	257,001	466,297	866,606
Net Interest Income	2,080,636	2,130,415	6,309,527	6,218,101
Provision for Loan Losses	0	375,000	0	715,000
Net Interest Income after Provision for Loan Losses	2,080,636	1,755,415	6,309,527	5,503,101
Non-interest Income				
Trust and investment management revenue	352,689	337,913	1,079,370	1,013,738
Service charges on deposit accounts	404,958	415,221	1,223,344	1,161,808
Gain on sale of mortgage loans	325,915	119,160	656,467	230,597
Other income	136,877	136,740	419,802	418,902
Total Non-interest Income	1,220,439	1,009,034	3,378,983	2,825,045
Non-interest Expense				
Salaries	847,250	799,269	2,531,571	2,385,728
Employee benefits	431,111	380,784	1,237,131	1,170,302
Occupancy and equipment expense	483,600	461,754	1,488,913	1,400,100
Other expense	483,060	637,227	1,778,920	1,946,532
Total Non-interest Expense	2,245,021	2,279,034	7,036,535	6,902,662
Income Before Income Taxes	1,056,054	485,415	2,651,975	1,425,484
Income Taxes	302,792	91,239	734,697	217,971
Net Income	\$ 753,262	\$ 394,176	\$ 1,917,278	\$ 1,207,513
Basic Earnings Per Share	\$ 0.38	\$ 0.20	\$ 0.97	\$ 0.61
Diluted Earnings Per Share	\$ 0.38	\$ 0.20	\$ 0.97	\$ 0.61

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