

Consolidated Balance Sheet

	June 30,	
	2011	2010
Assets		
Cash and due from banks	\$ 12,577,210	\$ 14,059,410
Short term investments	2,435,000	2,480,000
Investment securities available for sale	26,586,500	21,878,783
Investment securities (market value of \$9,681,178 in 2011 and \$11,428,310 in 2010) held to maturity	9,627,988	9,982,944
Federal funds sold and other overnight investments	31,553,000	24,984,000
Loans	162,978,707	160,452,000
Less: Allowance for loan loss	(3,757,245)	(3,592,235)
Loans, Net	159,221,462	156,859,766
Bank premises and equipment, net	5,548,140	5,800,420
Bank owned life insurance	7,027,788	6,845,187
Accrued interest receivable and other assets	3,436,633	3,775,866
Total Assets	\$ 258,013,721	\$ 246,666,375
Liabilities		
Deposits		
Non-interest bearing	\$ 36,621,480	\$ 32,726,945
Interest bearing	192,347,591	186,684,758
Total Deposits	228,969,071	219,411,703
Accrued interest payable and other liabilities	1,649,005	453,616
Long-term borrowings	0	0
Total Liabilities	\$ 230,618,076	\$ 219,865,319
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2011 and 2010;		
issued and outstanding: 1,979,460 in 2011		
and 1,979,460 in 2010	\$ 1,979,460	\$ 1,979,460
Paid in capital	19,652,705	19,652,705
Retained earnings	7,327,233	6,047,246
Accumulated other comprehensive loss	(1,563,753)	(878,355)
Total Shareholders' Equity	\$ 27,395,645	\$ 26,801,056
Total Liabilities and Shareholder's Equity	\$ 258,013,721	\$ 246,666,375
Book Value Per Share	\$ 13.84	\$ 13.54

Consolidated Statement of Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Interest Income				
Loans, including fees	\$ 2,013,509	\$ 2,147,551	\$ 4,093,568	\$ 4,345,726
Securities				
Taxable	202,624	156,143	370,757	330,588
Non-Taxable	81,501	77,223	179,506	153,841
Federal funds sold and other overnight investments	18,182	10,915	34,831	21,401
Short term investments	9,192	8,081	18,629	16,053
Total Interest Income	2,325,008	2,399,913	4,697,291	4,867,609
Interest Expense				
Interest on other deposits	169,399	251,310	372,606	515,784
Interest on time deposits over \$100,000	110,102	121,545	236,851	245,490
Other interest expense	60	21,676	148	40,279
Total Interest Expense	279,561	394,531	609,605	801,553
Net Interest Income	2,045,447	2,005,382	4,087,686	4,066,056
Provision for Loan Losses	155,000	3,639,396	340,000	3,869,396
Net Interest Income after Provision for Loan Losses	1,890,447	(1,634,014)	3,747,686	196,660
Non-interest Income				
Trust and investment management revenue	337,912	300,821	675,825	638,642
Service charges on deposit accounts	388,424	353,998	746,587	682,028
Gain on sale of mortgage loans	65,987	48,924	111,437	112,578
Other income	140,719	162,251	282,162	327,214
Total Non-interest Income	933,042	865,994	1,816,011	1,760,462
Non-interest Expense				
Salaries	732,868	755,819	1,586,459	1,601,640
Employee benefits	398,872	344,645	789,518	694,227
Occupancy and equipment expense	444,989	514,965	938,346	1,086,343
Securities impairment write-down	0	200,000	0	200,000
Other expense	628,141	638,809	1,309,305	1,182,156
Total Non-interest Expense	2,204,870	2,454,238	4,623,628	4,764,367
Income Before Income Taxes	618,619	(3,222,259)	940,069	(2,807,245)
Income Taxes	124,279	(1,351,110)	126,732	(1,015,960)
Net Income	\$ 494,340	\$ (1,871,148)	\$ 813,337	\$ (1,791,285)
Basic Earnings Per Share	\$ 0.25	\$ (0.95)	\$ 0.41	\$ (0.90)
Diluted Earnings Per Share	\$ 0.25	\$ (0.95)	\$ 0.41	\$ (0.90)

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