

Consolidated Balance Sheet

	March 31,	
	2008	2007
Assets		
Cash and due from banks	\$ 9,405,134	\$ 8,875,056
Short term investments	2,830,000	7,510,000
Investment securities available for sale	27,827,373	28,066,674
Investment securities (market value of \$6,772,052 in 2008 and \$6,949,579 in 2007) held to maturity	6,626,950	6,821,939
Federal funds sold and other overnight investments	30,100,000	24,300,000
Loans	153,202,772	152,153,923
Less: Allowance for loan loss	(2,258,686)	(2,415,995)
Loans, Net	150,944,086	149,737,928
Bank premises and equipment, net	5,554,152	5,279,025
Bank owned life insurance	6,211,619	5,971,040
Accrued interest receivable and other assets	1,983,473	2,289,246
Total Assets	\$ 241,482,787	\$ 238,850,908
Liabilities		
Deposits		
Non-interest bearing	\$ 31,581,223	\$ 32,611,842
Interest bearing	173,955,323	167,443,882
Total Deposits	205,536,546	200,055,724
Accrued interest payable and other liabilities	1,054,791	1,094,386
Long-term borrowings	5,000,000	8,000,000
Total Liabilities	\$ 211,591,337	\$ 209,150,110
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2008 and 2007;		
issued and outstanding: 1,987,960 in 2008		
and 1,955,449 in 2007	\$ 1,987,960	\$ 1,955,449
Paid in capital	19,768,315	18,973,440
Retained earnings	8,355,096	8,873,697
Accumulated other comprehensive loss	(219,921)	(101,788)
Total Shareholders' Equity	\$ 29,891,450	\$ 29,700,798
Total Liabilities and Shareholder's Equity	\$ 241,482,787	\$ 238,850,908
Book Value Per Share*	\$ 15.04	\$ 14.47

Consolidated Statement of Income

	Three Months Ended	
	March 31,	2007
	2008	2007
Interest Income		
Loans, including fees	\$ 2,829,850	\$ 3,321,841
Securities		
Taxable	411,670	416,958
Non-Taxable	65,239	61,523
Federal funds sold and other overnight investments	226,330	225,380
Short term investments	26,106	99,538
Total Interest Income	3,559,195	4,125,240
Interest Expense		
Interest on other deposits	820,949	921,561
Interest on time deposits over \$100,000	337,246	253,725
Other interest expense	29,109	51,933
Total Interest Expense	1,187,304	1,227,219
Net Interest Income	2,371,891	2,898,021
Provision for Loan Losses	95,000	-
Net Interest Income after Provision for Loan Losses	2,276,891	2,898,021
Non-interest Income		
Trust and investment management revenue	356,325	337,500
Service charges on deposit accounts	306,262	318,927
Gain on sale of mortgage loans	87,364	36,384
Other income	186,283	151,342
Total Non-interest Income	936,234	844,153
Non-interest Expense		
Salaries	775,983	1,205,549
Employee benefits	346,263	313,322
Occupancy and equipment expense	501,066	422,766
Other expense	476,464	401,214
Total Non-interest Expense	2,099,776	2,342,851
Income Before Income Taxes	1,113,349	1,399,323
Income Taxes	308,464	413,587
Net Income	\$ 804,885	\$ 985,736
Basic Earnings Per Share*	\$ 0.40	\$ 0.48
Diluted Earnings Per Share*	\$ 0.40	\$ 0.47

* 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.