

Consolidated Balance Sheet

	September 30,	
	2007	2006
Assets		
Cash and due from banks	\$ 12,209,634	\$ 9,763,705
Short term investments	2,950,000	7,660,000
Investment securities available for sale	32,712,264	29,933,403
Investment securities (market value of \$7,912,436 in 2007 and \$8,849,662 in 2006)	7,822,304	8,713,651
Federal funds sold and other overnight investments	20,500,000	16,000,000
Loans	153,694,922	150,353,620
Less: Allowance for loan loss	(2,152,182)	(2,312,586)
Loans, Net	151,542,740	148,041,034
Bank premises and equipment, net	5,548,249	5,137,755
Bank owned life insurance	6,089,518	5,857,204
Accrued interest receivable and other assets	2,118,546	2,118,886
Total Assets	\$ 241,493,255	\$ 233,225,638
Liabilities		
Deposits		
Non-interest bearing	\$ 33,143,059	\$ 34,249,426
Interest bearing	171,237,150	160,887,170
Total Deposits	204,380,209	195,136,596
Accrued interest payable and other liabilities	1,265,370	1,017,778
Other borrowings	6,000,000	8,000,000
Total Liabilities	\$ 211,645,579	\$ 204,154,374
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2007 and 2006;		
issued and outstanding: 2,008,834 in 2007		
and 1,973,524 in 2006	\$ 2,008,834	\$ 1,973,511
Paid in capital	20,142,416	19,355,338
Retained earnings	7,707,146	7,924,609
Net unrealized gain/loss on securities available for sale, net of tax effect	(10,720)	(182,194)
Total Shareholders' Equity	\$ 29,847,676	\$ 29,071,264
Total Liabilities and Shareholder's Equity	\$ 241,493,255	\$ 233,225,638
Book Value Per Share *	\$ 14.86	\$ 14.03

Consolidated Statement of Income

	Nine Months Ended September 30,	
	2007	2006
Interest Income		
Loans, including fees	\$ 9,654,072	\$ 8,819,770
Securities		
Taxable	1,293,205	1,116,177
Non-Taxable	195,285	164,393
Federal funds sold and other overnight investments	827,083	614,184
Short term investments	198,997	321,485
Total Interest Income	12,168,642	11,036,009
Interest Expense		
Interest on other deposits	2,827,508	2,342,046
Interest on time deposits over \$100,000	954,426	704,658
Other interest expense	113,342	108,042
Total Interest Expense	3,895,276	3,154,745
Net Interest Income	8,273,366	7,881,264
Provision for Loan Losses	75,000	225,000
Net Interest Income after Provision for Loan Losses	8,198,366	7,656,264
Other Income		
Trust income	1,005,362	960,000
Service charges on deposit accounts	978,160	911,689
Gain on sale of mortgage loans	127,353	167,320
Other income	545,113	453,832
Total Other Income	2,655,988	2,492,841
Other Expense		
Salaries	2,925,406	2,861,953
Employee benefits	1,041,095	934,623
Occupancy and equipment expense	1,438,148	1,408,422
Other expense	1,336,498	1,215,831
Total Other Expense	6,741,147	6,420,829
Income Before Income Taxes	4,113,207	3,728,276
Income Taxes	1,212,625	1,098,300
Net Income	\$ 2,900,582	\$ 2,629,976
Basic Earnings Per Share *	\$ 1.43	\$ 1.26
Diluted Earnings Per Share *	\$ 1.42	\$ 1.23

* Per share amounts have been restated to reflect a 5% stock dividend in May 2007.

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