

Consolidated Balance Sheet

	September 30,	
	2006	2005
Assets		
Cash and due from banks	\$ 9,763,705	\$ 10,079,356
Short term investments	7,660,000	12,740,000
Investment securities available for sale	29,933,403	23,453,853
Investment securities (market value of \$8,849,662 in 2006 and \$7,325,544 in 2005)	8,713,651	7,217,575
Federal funds sold and other overnight investments	16,000,000	12,600,000
Loans	150,353,620	153,610,996
Less: Allowance for loan loss	(2,312,586)	(2,213,286)
Loans, Net	148,041,034	151,397,710
Bank premises and equipment, net	5,137,755	5,221,255
Bank owned life insurance	5,857,204	5,646,433
Accrued interest receivable and other assets	2,118,886	1,809,228
Total Assets	\$ 233,225,638	\$ 230,165,408
Liabilities		
Deposits		
Non-interest bearing	\$ 34,249,426	\$ 32,510,772
Interest bearing	160,887,170	163,815,660
Total Deposits	195,136,596	196,326,432
Accrued interest payable and other liabilities	1,017,778	435,115
Long-term borrowings	8,000,000	5,000,000
Total Liabilities	\$ 204,154,374	\$ 201,761,547
Shareholders' Equity		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2006 and 2005;		
issued and outstanding: 1,973,511 in 2006		
and 1,915,924 in 2005	\$ 1,973,511	\$ 1,915,924
Paid in capital	19,355,338	18,099,827
Retained earnings	7,924,609	8,680,249
Net unrealized gain/loss on securities available for sale, net of tax effect	(182,194)	(292,139)
Total Shareholders' Equity	\$ 29,071,264	\$ 28,403,861
Total Liabilities and Shareholder's Equity	\$ 233,225,638	\$ 230,165,408
Book Value Per Share *	\$ 14.73	\$ 14.12

Consolidated Statement of Income

	Nine Months Ended September 30,	
	2006	2005
Interest Income		
Loans, including fees	\$ 8,819,770	\$ 7,693,752
Securities		
Taxable	1,116,177	811,538
Non-Taxable	164,393	145,402
Federal funds sold and other overnight investments	614,184	264,387
Short term investments	321,485	328,505
Total Interest Income	11,036,009	9,243,583
Interest Expense		
Interest on other deposits	2,342,046	1,607,172
Interest on time deposits over \$100,000	704,658	472,279
Other interest expense	108,042	57,689
Total Interest Expense	3,154,745	2,137,140
Net Interest Income	7,881,264	7,106,443
Provision for Loan Losses	225,000	475,000
Net Interest Income after Provision for Loan Losses	7,656,264	6,631,443
Other Income		
Trust income	960,000	926,250
Service charges on deposit accounts	911,689	922,928
Gain on sale of mortgage loans	167,320	277,521
Other income	453,832	472,951
Total Other Income	2,492,841	2,599,650
Other Expense		
Salaries	2,861,953	2,533,260
Employee benefits	934,623	926,385
Occupancy and equipment expense	1,408,422	1,233,137
Other expense	1,215,831	1,166,442
Total Other Expense	6,420,829	5,859,224
Income Before Income Taxes	3,728,276	3,371,870
Income Taxes	1,098,300	995,099
Net Income	\$ 2,629,976	\$ 2,376,771
Basic Earnings Per Share *	\$ 1.33	\$ 1.17
Diluted Earnings Per Share *	\$ 1.29	\$ 1.15

* Per share amounts have been restated to reflect a 5% stock dividend in May 2006.

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