

Consolidated Balance Sheet

	March 31,	
	2011	2010
Assets		
Cash and due from banks	\$ 6,644,721	\$ 7,797,870
Short term investments	2,455,000	3,590,000
Investment securities available for sale	32,891,050	21,189,365
Investment securities (market value of \$12,103,181 in 2011 and \$9,608,152 in 2010) held to maturity	12,119,688	9,385,829
Federal funds sold and other overnight investments	31,951,000	19,950,000
Loans	162,214,013	164,301,589
Less: Allowance for loan loss	(3,730,974)	(2,900,422)
Loans, Net	158,483,039	161,401,167
Bank premises and equipment, net	5,623,035	6,016,141
Bank owned life insurance	6,966,991	6,721,271
Accrued interest receivable and other assets	3,107,871	4,001,962
Total Assets	\$ 260,242,395	\$ 240,053,605
Liabilities		
Deposits		
Non-interest bearing	\$ 36,471,564	\$ 31,229,622
Interest bearing	195,453,352	177,269,733
Total Deposits	231,924,916	208,499,355
Accrued interest payable and other liabilities	1,455,811	1,289,343
Long-term borrowings	0	2,000,000
Total Liabilities	\$ 233,380,727	\$ 211,788,698
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	6,832,897	7,603,931
Accumulated other comprehensive loss	(1,603,393)	(971,189)
Total Shareholders' Equity	\$ 26,861,669	\$ 28,264,907
Total Liabilities and Shareholder's Equity	\$ 260,242,396	\$ 240,053,605
Book Value Per Share	\$ 13.57	\$ 14.28

Consolidated Statement of Income

	Three Months Ended	
	March 31,	
	2011	2010
Interest Income		
Loans, including fees	\$ 2,080,059	\$ 2,198,175
Securities		
Taxable	168,133	174,445
Non-Taxable	98,005	76,618
Federal funds sold and other overnight investments	16,649	10,486
Short term investments	9,437	7,972
Total Interest Income	2,372,283	2,467,696
Interest Expense		
Interest on other deposits	203,207	264,474
Interest on time deposits over \$100,000	126,749	123,945
Other interest expense	88	18,603
Total Interest Expense	330,044	407,022
Net Interest Income	2,042,239	2,060,674
Provision for Loan Losses	185,000	230,000
Net Interest Income after Provision for Loan Losses	1,857,239	1,830,674
Non-interest Income		
Trust and investment management revenue	337,913	337,821
Service charges on deposit accounts	358,163	328,030
Gain on sale of mortgage loans	45,450	63,654
Other income	141,443	164,963
Total Non-interest Income	882,969	894,468
Non-interest Expense		
Salaries	853,591	845,821
Employee benefits	390,646	349,582
Occupancy and equipment expense	493,357	571,378
Other expense	681,164	543,348
Total Non-interest Expense	2,418,758	2,310,129
Income Before Income Taxes	321,450	415,013
Income Taxes	2,453	79,863
Net Income	\$ 318,997	\$ 335,150
Basic Earnings Per Share	\$ 0.16	\$ 0.17
Diluted Earnings Per Share	\$ 0.16	\$ 0.17

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