

## Consolidated Balance Sheet

	September 30,	
	2010	2009
<b>Assets</b>		
Cash and due from banks	\$ 14,059,410	\$ 6,197,790
Short term investments	2,480,000	3,510,000
Investment securities available for sale	21,878,783	20,158,207
Investment securities (market value of \$10,218,712 in 2010 and \$10,542,989 in 2009) held to maturity	9,982,944	10,296,184
Federal funds sold and other overnight investments	24,984,000	17,600,000
Loans	160,452,000	165,214,609
Less: Allowance for loan loss	(3,592,235)	(2,601,566)
<b>Loans, Net</b>	<b>156,859,766</b>	<b>162,613,043</b>
Bank premises and equipment, net	5,800,420	6,186,370
Bank owned life insurance	6,845,187	436,201
Accrued interest receivable and other assets	3,775,866	8,677,266
<b>Total Assets</b>	<b>\$246,666,375</b>	<b>\$235,675,061</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 32,726,945	\$ 27,539,693
Interest bearing	186,684,758	175,552,563
<b>Total Deposits</b>	<b>219,411,703</b>	<b>203,092,256</b>
Accrued interest payable and other liabilities	453,616	1,788,867
Other borrowings	0	2,000,000
<b>Total Liabilities</b>	<b>219,865,319</b>	<b>206,881,123</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value; Shares authorized: 3,000,000 in 2010 and 2009; issued and outstanding: 1,979,460 in 2010 and 1,979,460 in 2009	1,979,460	1,979,460
Paid in capital	19,652,705	19,652,705
Retained earnings	6,047,246	8,494,638
Accumulated other comprehensive loss	(878,355)	(1,332,865)
<b>Total Shareholders' Equity</b>	<b>26,801,056</b>	<b>28,793,938</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$246,666,375</b>	<b>\$235,675,061</b>
<b>Book Value Per Share</b>	<b>\$ 13.54</b>	<b>\$ 14.55</b>

## Consolidated Statement of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
<b>Interest Income</b>				
Loans, including fees	\$ 2,131,014	\$ 2,254,963	\$ 6,476,740	\$ 6,720,440
Securities				
Taxable	156,936	227,106	487,524	805,930
Non-taxable	80,464	73,543	234,305	191,946
Federal funds sold and other overnight investments	14,273	11,348	35,674	35,221
Short term investments	8,462	14,739	24,515	94,397
<b>Total Interest Income</b>	<b>2,391,149</b>	<b>2,581,699</b>	<b>7,258,758</b>	<b>7,847,934</b>
<b>Interest Expense</b>				
Interest on other deposits	249,722	306,333	765,507	981,298
Interest on time deposits over \$100,000	119,896	117,712	365,385	396,091
Other interest expense	198	27,389	40,477	89,719
<b>Total Interest Expense</b>	<b>369,816</b>	<b>451,434</b>	<b>1,171,369</b>	<b>1,467,108</b>
Net Interest Income	2,021,333	2,130,265	6,087,389	6,380,826
<b>Provision for Loan Losses</b>	<b>50,000</b>	<b>530,000</b>	<b>3,919,396</b>	<b>785,000</b>
Net Interest Income after Provision for Loan Losses	1,971,333	1,600,265	2,167,993	5,595,826
<b>Non-interest Income</b>				
Trust and investment management revenue	300,000	357,300	938,642	994,902
Service charges on deposit accounts	366,212	354,468	1,048,239	1,014,256
Gain on sale of mortgage loans	188,403	100,852	300,981	628,488
Other income	375,030	162,845	702,244	454,250
<b>Total Non-interest Income</b>	<b>1,229,645</b>	<b>975,465</b>	<b>2,990,107</b>	<b>3,091,896</b>
<b>Non-interest Expense</b>				
Salaries	736,392	755,411	2,338,032	2,240,303
Employee benefits	323,668	400,930	1,017,896	1,047,978
Occupancy and equipment expense	528,216	512,020	1,614,559	1,580,409
Securities impairment write-down	0	0	200,000	0
Other expense	607,270	635,159	1,789,426	1,937,065
<b>Total Non-interest Expense</b>	<b>2,195,546</b>	<b>2,303,520</b>	<b>6,959,913</b>	<b>6,805,755</b>
<b>Income Before Income Taxes</b>	<b>1,005,431</b>	<b>272,210</b>	<b>(1,801,814)</b>	<b>1,881,967</b>
<b>Income Taxes</b>	<b>277,803</b>	<b>26,310</b>	<b>(738,157)</b>	<b>434,403</b>
<b>Net Income</b>	<b>\$ 727,628</b>	<b>\$ 245,900</b>	<b>\$ (1,063,657)</b>	<b>\$ 1,447,564</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.37</b>	<b>\$ 0.12</b>	<b>\$ (0.54)</b>	<b>\$ .73</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.37</b>	<b>\$ 0.12</b>	<b>\$ (0.54)</b>	<b>\$ .73</b>

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