

Consolidated Balance Sheet

					(Unaudited) Jun 2016	Jun 2015
ASSETS						
Cash and due from banks						
Non-Interest Bearing					$15,176,748	$12,723,546
Interest Bearing					$8,910,773	$12,413,075
Federal funds sold					$0	$0
Securities available for sale:						
U.S. Government agencies & Other MBS						
book value of 2016	$52,334,634	2015	$65,591,450		54,014,399	67,110,331
Obligations of state and politial subdivisions						
book value of 2016	$117,880,074	2015	$115,744,644		127,875,543	121,133,454
Other Debt Securities						
book value of 2016	$2,902,600	2015	$2,286,600		2,902,600	2,286,600
Loans held for sale					0	753,000
Loans					440,657,190	392,156,859
Less: Allowance for loan loss					(4,886,589)	(6,162,006)
					435,770,601	385,994,853
Bank premises and equipment, net					18,243,054	17,989,584
Accrued interest receivable					2,907,118	2,899,431
Cash Flow assets					22,397,384	20,138,102
Foreclosed assets					1,476,943	2,128,696
Bank-owned life insurance					11,219,999	10,914,803
Other assets					6,702,886	8,663,192
Total Assets					**$707,598,047**	**$665,148,666**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits						
Noninterest bearing deposits					$148,464,994	$136,013,513
Savings and interest bearing deposits					257,462,179	245,690,708
Certificates of deposits					184,067,970	188,813,435
Total deposits					589,995,143	570,517,656
Federal funds purchased, FHLB Daily & Term borrowing					25,000,000	10,000,000
Accrued interest payable					$122,962	$104,744
Other liabilities					6,276,128	6,115,417
Notes payable & TruPS					5,328,787	5,474,637
Total liabilities					626,723,019	592,212,454
Commitments						
Shareholders' equity						
Preferred stock, par value $1 per share; authorized						
50,000 shares; none outstanding					0	0
Common stock, voting					19,792,495	19,688,960
Common stock, non-voting					0	0

	voting		non-voting	
	06-16	06-15	06-16	06-15
Shares auth	4,800,000	4,800,000	635,000	635,000
Shares o/s *	4,030,812	4,018,472	0	0

*includes 72,313 in nonvested shares

Paid in capital	919,095	565,664
Unrealized gains/(losses) on securities available for sale	7,705,655	4,559,076
Unearned ESOP shares	0	(138,400)
Retained earnings	52,457,783	48,260,912
Total shareholders' equity	80,875,029	72,936,212
Total liabilities and shareholders' equity	**$707,598,047**	**$665,148,666**

**See accompanying notes to consolidated financial statements



Consolidated Balance Sheet

(Unaudited)

ASSETS	June 2016	December 2015
Cash and due from banks		
Non-Interest Bearing	$15,176,748	$11,734,624
Interest Bearing	$8,910,773	$3,069,202
Federal funds sold	$0	$0
Securities available for sale:		
U.S. Government agencies & Other MBS		
book value of 2016 $52,334,634 2015 $63,101,580	54,014,399	64,671,951
Obligations of state and politial subdivisions		
book value of 2016 $117,880,074 2015 $114,778,860	127,875,543	121,700,434
Other Debt Securities		
book value of 2016 $2,902,600 2015 $2,677,400	2,902,600	2,677,400
Loans held for sale	0	578,000
Loans	440,657,190	412,892,651
Less: Allowance for loan loss	(4,886,589)	(5,488,068)
	435,770,601	407,404,583
Bank premises and equipment, net	18,243,054	18,724,375
Accrued interest receivable	2,907,118	2,737,675
Cash Flow assets	22,397,384	24,338,473
Foreclosed assets	1,476,943	2,078,493
Bank-owned life insurance	11,219,999	11,069,462
Other assets	6,702,886	8,273,480
Total Assets	**$707,598,047**	**$679,058,152**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Noninterest bearing deposits	$148,464,994	$138,987,307
Savings and interest bearing deposits	257,462,179	253,318,726
Certificates of deposits	184,067,970	173,246,698
Total deposits	589,995,143	565,552,731
Federal funds purchased, FHLB Daily & Term borrowing	25,000,000	25,803,000
Accrued interest payable	$122,962	$104,188
Other liabilities	6,276,128	6,238,610
Notes payable & TruPS	5,328,787	5,402,464
Total liabilities	626,723,019	603,100,993
Commitments		
Shareholders' equity		
Preferred stock, par value $1 per share; authorized		
50,000 shares; none outstanding	0	0
Common stock, voting	19,792,495	19,771,365
Common stock, non-voting	0	0

	voting		non-voting	
	06-16	12-15	06-16	12-15
Shares auth	4,800,000	4,800,000	635,000	635,000
Shares o/s*	4,030,812	4,015,233	0	0

*includes 72,313 in nonvested shares

Paid in capital	919,095	834401.21
Unrealized gains/(losses) on securities available for sale	7,705,655	5,604,683
Unearned ESOP shares	0	0
Retained earnings	52,457,783	49,746,710
Total shareholders' equity	80,875,029	75,957,159
Total liabilities and shareholders' equity	**$707,598,047**	**$679,058,152**

**See accompanying notes to consolidated financial statements



Consolidated Statements of Earnings

(Unaudited)

	Three Months Ended	
	Jun 2016	**Jun 2015**
Interest Income		
Interest and fees on loans	$5,417,416	$5,090,332
Interest on federal funds sold	0	0
Interest on time deposits with banks & other	2,887	3,900
Interest on U.S. Agency Obligations & MBS	548,772	568,802
Interest on obligations of state and political subs	995,857	1,014,642
Total interest income	6,964,933	6,677,675
Interest Expense		
Interest on savings and interest bearing deposits	195,064	159,544
Interest on certificates of deposits	498,687	645,420
Interest on federal funds purchased	0	0
Other interest expense	138,780	110,885
Total interest expense	832,531	915,849
Net interest income	6,132,402	5,761,826
Provision for loan losses	362,499	72,498
Net interest income after provision for loan losses	5,769,903	5,689,328
Noninterest Income		
Income from fiduciary activities	668,990	622,938
Service charges on deposit accounts	297,086	327,910
Securities gains (losses)-net	636	281,850
Net other-than-temporary impairment losses	($9,740)	($66,678)
Merchant card income	2,350,400	1,913,686
ATM income	324,431	302,347
Cash Flow income	767,708	727,576
Other income	715,408	895,890
Total noninterest income	5,114,920	5,005,518
Noninterest Expense		
Salaries	3,352,598	2,717,042
Employee benefits	747,379	613,029
Occupancy expenses	706,949	686,181
Net gain (loss)on other real estate owned	40,776	167,343
Merchant card expense	1,504,480	1,198,567
ATM expense	203,976	207,928
Cash Flow expense	24,999	75,000
Other expenses	2,045,209	2,288,678
Total noninterest expense	8,626,367	7,953,769
Income before income taxes	2,258,456	2,741,077
Income taxes	354,983	544,583
Net income	**$1,903,473**	**$2,196,494**
Earnings per share, primary	$0.473	$0.549
Earnings per share, assuming dilution	$0.463	$0.538
Dividends per share	$0.120	$0.113

***See accompanying notes to consolidated financial statements.



Consolidated Statements of Earnings

(Unaudited)

	Six Months Ended	
	Jun 2016	**Jun 2015**
Interest Income		
Interest and fees on loans	$10,761,559	$10,177,226
Interest on federal funds sold	0	0
Interest on time deposits with banks & other	7,002	7,842
Interest on U.S. Agency Obligations & MBS	1,075,391	1,154,090
Interest on obligations of state and political subs	1,978,922	2,031,342
Total interest income	13,822,875	13,370,499
Interest Expense		
Interest on savings and interest bearing deposits	366,016	310,990
Interest on certificates of deposits	970,657	1,207,689
Interest on federal funds purchased	0	0
Other interest expense	272,521	229,489
Total interest expense	1,609,194	1,748,169
Net interest income	12,213,681	11,622,330
Provision for loan losses	424,998	144,996
Net interest income after provision for loan losses	11,788,683	11,477,334
Noninterest Income		
Income from fiduciary activities	1,212,822	1,166,957
Service charges on deposit accounts	599,863	638,631
Securities gains (losses)-net	7,635	571,924
Net other-than-temporary impairment losses	($135,069)	($115,688)
Merchant card income	4,298,709	2,873,587
ATM income	625,911	566,593
Cash Flow income	1,580,232	1,426,440
Other income	1,387,811	2,790,856
Total noninterest income	9,577,914	9,919,301
Noninterest Expense		
Salaries	6,154,843	5,596,127
Employee benefits	1,611,659	1,408,559
Occupancy expenses	1,431,338	1,425,100
Net gain (loss)on other real estate owned	92,486	170,275
Merchant card expense	2,812,536	1,769,802
ATM expense	339,581	363,541
Cash Flow expense	49,998	150,000
Other expenses	4,211,173	4,431,325
Total noninterest expense	16,703,614	15,314,729
Income before income taxes	4,662,983	6,081,906
Income taxes	791,188	1,241,563
Net income	**$3,871,795**	**$4,840,343**
Earnings per share, primary	$0.963	$1.214
Earnings per share, assuming dilution	$0.942	$1.190
Dividends per share	$0.240	$0.225

***See accompanying notes to consolidated financial statements.