

STATEMENTS OF CONDITION AS OF DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$25,466,105	\$34,751,763
Federal funds sold	<u>1,195,703</u>	<u>1,478,124</u>
	26,661,808	36,229,887
Certificates of Deposit	0	0
Held to maturity securities, at cost (market value of \$73,025,586 and \$82,150,544 and \$101,450,601 in 2017 and 2016, respectively):		
Debt securities	72,541,321	81,363,492
Available for sale securities, at market (cost of \$100,575,838 and \$91,336,293 in 2017 and 2016, respectively):		
Debt securities	80,936,358	75,303,717
Marketable equity securities	44,363,591	37,682,675
Federal Home Loan Bank stock, at cost	<u>3,138,900</u>	<u>3,138,900</u>
Total investments	200,980,170	197,488,784
Loans Held for Sale	4,051,346	683,135
Loans		
Residential Mortgage Loans	549,248,606	521,590,451
Commercial Mortgages/Loans	234,445,635	228,657,083
Consumer Loans	<u>6,622,300</u>	<u>6,140,758</u>
Total Loans	790,316,541	756,388,292
Less - Allowance for possible loan losses	<u>(7,038,145)</u>	<u>(6,550,973)</u>
Net loans	783,278,396	749,837,320
Bank owned life insurance	34,031,426	33,486,274
Accrued interest receivable	2,860,400	2,576,432
Premises and equipment, net	16,289,023	15,636,524
Deferred income tax asset, net	2,850,998	5,214,146
Other real estate owned	929,456	554,952
Other assets	<u>2,023,558</u>	<u>2,015,277</u>
Total assets	<u>\$1,073,956,581</u>	<u>\$1,043,677,731</u>
LIABILITIES AND CAPITAL		
Liabilities:		
Deposits -		
Certificates of Deposit	\$138,713,322	\$150,032,714
Savings	390,465,403	369,401,266
Checking	<u>331,217,654</u>	<u>316,973,244</u>
Total deposits	860,396,378	836,407,224
Mortgagors' escrow accounts	9,139,318	8,447,127
FHLB advances	18,000,000	24,000,000
Other post-retirement benefits	13,844,263	11,603,207
Supplemental executive & trustees retirement plans	8,085,395	7,253,371
Other liabilities and accrued expenses	<u>3,024,240</u>	<u>3,160,832</u>
Total liabilities	912,489,594	890,871,761
Capital accounts:		
Surplus	3,190,000	3,190,000
Undivided profits	147,484,250	143,376,177
Accumulated other comprehensive income	<u>10,792,737</u>	<u>6,239,793</u>
Total capital	<u>161,466,987</u>	<u>152,805,970</u>
Total liabilities and capital	<u>\$1,073,956,581</u>	<u>\$1,043,677,731</u>

STATEMENTS OF OPERATIONS AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
INTEREST AND DIVIDEND INCOME		
Loans, including fees	\$30,009,271	\$28,109,642
Investment securities	4,633,101	5,428,872
Federal funds sold	291,821	85,895
	<u>34,934,193</u>	<u>33,624,409</u>
INTEREST EXPENSE		
Deposits	1,632,816	1,766,640
Borrowed funds	217,698	155,037
	<u>1,850,514</u>	<u>1,921,677</u>
Total interest expense	1,850,514	1,921,677
Net interest income	33,083,679	31,702,732
PROVISION FOR POSSIBLE LOAN LOSSES		
	<u>480,000</u>	<u>790,000</u>
Net interest income after provision for possible loan losses	32,603,679	30,912,732
NONINTEREST INCOME		
Realized securities gains (losses)	1,144,966	3,000,657
Service fee income on deposit accounts	4,910,529	4,461,024
Commissions and Fees	1,162,617	905,575
Increase in cash surrender value-Bank owned life insurance	952,885	953,142
Gains (losses) on sale of mortgage loans	384,645	502,764
Other	421,499	405,593
	<u>8,977,141</u>	<u>10,228,755</u>
Total noninterest income	8,977,141	10,228,755
NONINTEREST EXPENSES		
Salaries and employee benefits	20,198,130	20,728,885
Fees and services	4,333,750	4,351,665
Occupancy	1,862,716	1,738,560
Marketing and public relations	618,452	579,046
Furniture and equipment	830,930	949,610
FDIC assessment fee	302,549	533,894
Other	2,844,255	2,799,828
	<u>30,990,782</u>	<u>31,681,488</u>
Total noninterest expenses	30,990,782	31,681,488
Income before provision for taxes	10,590,038	9,459,999
INCOME TAX PROVISION		
	<u>4,502,384</u>	<u>2,455,915</u>
Net income	<u>\$6,087,654</u>	<u>\$7,004,084</u>

NONACCRUAL LOANS

December 31, 2017

	<u>Nonaccrual Loans</u>
Loans secured by real estate	\$7,541,249
Commercial and industrial loans	355,250
Loans to individuals for household, family and other personal expenditures	<u>80,614</u>
TOTAL	<u>\$7,977,113</u>

CHARGE-OFFS AND RECOVERIES ON LOANS

For the Year Ended December 31, 2017

	<u>Charge-Offs</u>	<u>Recoveries</u>
Loans secured by real estate	\$149,797	\$32,190
Commercial and industrial loans	23,227	151,520
Loans to individuals for household, family and other personal expenditures	<u>7,279</u>	<u>3,767</u>
TOTAL	<u>\$180,303</u>	<u>\$187,477</u>

CHANGES IN ALLOWANCE FOR LOAN LOSSES

For the Year Ended December 31, 2017

	<u>Allowance for Loan Losses</u>
Balance at beginning of year	\$6,550,973
Charge-offs	(180,303)
Recoveries	<u>187,477</u>
Net (Charge-offs) / Recoveries	7,174
Provision for loan losses	<u>480,000</u>
Balance at end of year	<u>\$7,038,147</u>

This statement has not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.