

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2007**

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number **333-48402**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Lakeland Financial Corporation 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Lakeland Financial Corporation
202 East Center Street, P.O. Box 1387
Warsaw, Indiana 46581-1387**

REQUIRED INFORMATION

Audited statements of net assets available for benefits of the Lakeland Financial Corporation 401(k) Plan as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the year ended December 31, 2007 are provided as Exhibit 99.1 to this Form 11-K.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**LAKELAND FINANCIAL CORPORATION
401(k) PLAN**

Date: June 10, 2008

By: Lakeland Financial Corporation, as Trustee
to the Plan

By:/s/Jill A. DeBatty
Jill A. DeBatty

LAKELAND FINANCIAL CORPORATION 401(k) PLAN

EXHIBIT INDEX
TO
ANNUAL REPORT ON FORM 11-K

Exhibit No.	Description	Sequential Page No.
23.1	Consent of Crowe Chizek and Company LLC	5
99.1	Financial Statements	6

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Lakeland Financial Corporation's Registration Statement on Form S-8 (Registration # 333-48402) of our report, dated June 10, 2008, on the financial statements of the Lakeland Financial Corporation 401(k) Plan which is included in this Annual Report on Form 11-K for the year ended December 31, 2007.

Crowe Chizek and Company LLC

South Bend, Indiana
June 10, 2008

LAKELAND FINANCIAL CORPORATION
401(k) PLAN

FINANCIAL STATEMENTS
December 31, 2007 and 2006



FINANCIAL STATEMENTS
December 31, 2007 and 2006

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	3
NOTES TO FINANCIAL STATEMENTS	4
SUPPLEMENTAL SCHEDULE	
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)	10

Audit Committee and Plan Administrators
Lakeland Financial Corporation
401(k) Plan
Warsaw, Indiana

We have audited the accompanying statements of net assets available for benefits of the Lakeland Financial Corporation 401(k) Plan ("Plan") as of December 31, 2007 and 2006, and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for benefits for the year ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year), is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2007 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 basic financial statements taken as a whole.

Crowe Chizek and Company LLC

South Bend, Indiana
June 10, 2008

LAKELAND FINANCIAL CORPORATION 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Investments, at fair value (Note 4)	\$ 29,556,679	\$ 34,321,712
Receivables		
Accrued income	771	940
Other	<u>72,368</u>	<u>262,067</u>
Total receivables	<u>73,139</u>	<u>263,007</u>
 Total assets	 <u>29,629,818</u>	 <u>34,584,719</u>
LIABILITIES		
Payable for investments purchased but not received	<u>148,936</u>	<u>4,196</u>
Total liabilities	<u>148,936</u>	<u>4,196</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 29,480,882</u></u>	 <u><u>\$ 34,580,523</u></u>

See accompanying notes to financial statements.

LAKELAND FINANCIAL CORPORATION 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2007

Additions to net assets attributed to:

Investment income	
Net appreciation in fair value of investments (Note 4)	\$ (4,346,551)
Interest	82,668
Dividends	1,286,258
	<u>(2,977,625)</u>

Contributions	
Employer	844,575
Participants	1,331,187
Rollovers	40,819
	<u>2,216,581</u>

Total additions (761,044)

Deductions from net assets attributed to:

Benefits paid directly to participants or their beneficiaries	4,336,776
Administrative expenses	1,821
	<u>4,338,597</u>

Total deductions 4,338,597

Net decrease (5,099,641)

Net assets available for benefits	
Beginning of year	<u>34,580,523</u>
End of year	<u>\$ 29,480,882</u>

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Lakeland Financial Corporation 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution 401(k) profit sharing plan covering substantially all employees of Lakeland Financial Corporation ("LFC") and its subsidiary, Lake City Bank (collectively, "employer"). An employee becomes eligible to enter the Plan on January 1, April 1, July 1 and October 1 following attainment of age 18 and completion of one month of service.

The Plan was originally adopted December 13, 1983 and has been amended. Effective October 10, 2000, the Plan was amended and restated. The provisions of the amended and restated Plan state that the employer each year may set the matching percentage as well as any discretionary contributions. The amended and restated Plan also does not permit loans to plan participants. Effective January 1, 2001, the Plan was further amended. The provisions of the amended Plan state the matching contributions shall be allocated to participants who have completed at least one hour of service during the Plan year. Effective January 1, 2003, the Plan was further amended. The January 1, 2003 amendment states that employees become eligible to participate in the Plan following attainment of age 18 and completion of one month of service. Information regarding the changes to the Plan is provided for general information purposes only. Participants should refer to the amended and restated Plan agreement for a more complete description of the Plan's provisions. The Plan provides for retirement, death, disability and termination benefits, and it is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Investment Funds: The Plan consists of 24 funds, or investment options, one of which is invested primarily in LFC common stock. Twelve of the funds are "Fidelity Freedom" funds that are targeted retirement funds consisting of blends of equities and fixed income securities. The "Artisan Mid Cap Fund", "Royce Low Priced Stock Fund", "American Century Large Company Value Fund", "Fidelity Contrafund", "Fidelity Value Fund", "Fidelity Capital Appreciation Fund", "Fidelity Small Cap Stock Fund" and "Fidelity Spartan US Equity Index Fund" are invested primarily in common and preferred stock. The "Fidelity US Bond Index Fund" is invested primarily in fixed income securities. The "Fidelity Retirement Money Market Fund" is invested primarily in short-term fixed income investments having maturities of one year or less, and the "Fidelity Diversified International Fund" is invested primarily in foreign common stocks.

(Continued)

NOTE 1 - DESCRIPTION OF PLAN (Continued)

A participant's salary redirection is invested in any of the funds offered at the participant's discretion. Employer matching contributions are initially invested in employer stock. Participants may redirect the matching contributions at their discretion.

Participant Accounts: Each participant's account is credited with the participant's contribution and an allocation of (a) the employer's contributions, (b) Plan earnings and (c) forfeitures of non-vested balances of accounts of participants who have left the plan. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Contributions: The Plan provides that participants may make voluntary pre-tax contributions to the Plan in amounts equal to the maximum amount allowable under the Internal Revenue Code (\$15,500 in 2007). Each year the employer may set a matching percentage of up to 6% of a participant's compensation, as well as make discretionary contributions. For 2007, the matching percentage was set at 90% of the first 6% of compensation an employee contributes to the Plan as a voluntary pre-tax contribution. In addition, no discretionary contributions were made.

Retirement, Death and Disability: A participant is entitled to 100% of his or her account balance upon retirement, death or disability.

Vesting: Participants are 100% vested in salary deferral contributions. Employer contributions vest according to a five-year graded schedule.

Payment of Benefits: On termination of service, a participant may elect to receive either a lump sum or a direct rollover equal to the value of his or her vested interest in the account. For distributions of LFC common stock, distributions are made in stock or cash at the participant's option, with the exception of fractional shares which are paid out in cash. Distributions out of the other funds are made in cash.

Loan Provisions: Prior to the restatement of the Plan effective October 10, 2000, participants were able to borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50 percent of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates equal to the prime interest rate stated in the Wall Street Journal plus 1% at the date the participant applied for the loan.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies and principles which significantly affect the determination of net assets and results of operations are summarized below.

Accounting Method: The accounting practices and principles followed by the Plan and the methods of applying those principles conform to accounting principles generally accepted in the United States of America. The financial statements are prepared using the accrual basis.

Investments Valuation and Income Recognition: Investments are stated at fair value. The fair values of mutual fund investments and LFC common stock are based upon quoted market prices. Money market fund investments and participant loans are reported at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation (Depreciation) in Fair Value of Investments: In accordance with the policy of stating investments at fair value, net unrealized appreciation (depreciation) for the year along with gains and losses on sales of investments are reflected in the statement of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments. Unrealized appreciation (depreciation) for investments held as of the end of the current fiscal year is the difference between the current value of those investments and the value of those investments as of the end of the prior fiscal year or the purchase date for investments purchased during the year.

Administrative Expenses: Trustee expenses have been waived by Lake City Bank, the Plan Trustee.

Estimates: The preparation of financial statements in conformity with United States generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates. It is at least reasonably possible that a significant change may occur in the near term for the estimates of investment valuation.

Concentration of Credit Risk: At December 31, 2007 and 2006, the majority of the Plan's assets were invested in LFC common stock.

Risk and Uncertainties: The Plan provides for various investment options including any combination of certain mutual funds, stocks, and money market funds. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that

LAKELAND FINANCIAL CORPORATION 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

changes in the values of investment securities will occur in the near term and that such changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits and participant's individual account balances.

NOTE 3 - PLAN TERMINATION

Although it has not expressed any intent to do so, LFC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event of termination, participants will become 100% vested in their accounts.

NOTE 4 - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets.

	December 31,	
	<u>2007</u>	<u>2006</u>
LFC common stock, 848,443 and 985,797 shares, respectively	\$ 17,732,459	\$ 25,167,397

The following table presents the net appreciation (depreciation) (including investments bought, sold and held during the year) in fair value for each of the Plan's investment categories for the year ended December 31, 2007.

Mutual funds	\$ 710,027
LFC common stock	<u>(5,056,578)</u>
	<u>\$ (4,346,551)</u>

All of the Plan's investments are uninsured.

NOTE 5 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. At December 31, 2007 and 2006, certain investments of the Plan are shares of mutual funds offered by Fidelity Investments and money market funds offered by Fidelity Management Trust Company (collectively, Fidelity). Fidelity is the Plan trustee and, therefore, these transactions and the payment of trustee fees to Fidelity qualify as party-in-interest transactions. Fees paid by the Plan to Fidelity for accounting services amounted to \$1,821 for the year ended December 31, 2007. The Plan also invests in shares of common stock issued by Lakeland Financial Corporation, which qualifies as a party-in-interest investment. Further, participant loan transactions and investments are also party-in-interest transactions.

During 2007, the Plan purchased 82,160 shares of Lakeland Financial Corporation common stock at a cost ranging from \$18.49 to \$25.36 per share. In 2007, the Plan sold 203,592 shares of Lakeland Financial Corporation common stock at a sales price ranging from \$19.39 to \$25.37 per share and distributed 15,922 shares of common stock to employees due to termination or retirement. Cash dividends of \$503,567 were paid to the Plan by Lakeland Financial Corporation for 2007.

At December 31, 2007 and 2006, the Plan held the following related party investments (at estimated fair value):

2007:

Lakeland Financial Corporation common stock – 848,443 shares	\$17,732,459
--	--------------

2006:

Lakeland Financial Corporation common stock – 985,797 shares	\$ 25,167,397
--	---------------

NOTE 6 - TAX STATUS

The Plan was established using a prototype plan document sponsored by Fidelity Management & Research Company. The Internal Revenue Service has ruled in a letter dated December 5, 2001, that the prototype plan, as then designed, qualifies under Section 401 of the Internal Revenue Code (IRC) and was, therefore, exempt from taxation. The Plan has been amended from the original prototype document. However, the plan administrator believes that the Plan is being operated in compliance with applicable requirements of the IRC.

NOTE 7 - TERMINATED PARTICIPANTS

Included in net assets available for benefits are amounts allocated to individuals who have withdrawn from the Plan and requested a distribution prior to year-end. Amounts allocated to these participants were approximately \$667,895 and \$249,983 at December 31, 2007 and 2006.

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

Effect of Newly Issued But Not Yet Effective Accounting Standards: In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This Statement establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. The standard is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued Staff Position (FSP) 157-2, *Effective Date of FASB Statement No. 157*. This FSP delays the effective date of FAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The impact of adoption of FASB Statement No. 157 on the Plan's net assets available for benefits and changes in net assets available for benefit is not anticipated to be material.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. The standard provides reporting entities with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between reporting entities that choose different measurement attributes for similar types of assets and liabilities. The new standard is effective for the Plan on January 1, 2008. The Plan did not elect the fair value option for any financial assets or financial liabilities as of January 1, 2008.

SUPPLEMENTAL INFORMATION

LAKELAND FINANCIAL CORPORATION 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2007

Name of Plan Sponsor:	Lakeland Financial Corporation
Employer Identification Number:	35-1559596
Three-digit Plan Number:	004

		(C) Description of Investment Including Maturity Date, Rate of Interest, Collateral, <u>Par or Maturity Value</u>	(d)(1) <u>Cost</u>	(e) Current <u>Value</u>
(a)	(b) Identity of Issue, Borrower, <u>Lessor, or Similar Party</u>			
	<u>Money market accounts:</u>			
*	Fidelity Management Trust Company	Retirement Money Market 1,459,161 units		\$ 1,459,161 \$ 1,459,161
	<u>Mutual funds:</u>			
	Artisan Partners	Artisan Mid Cap Fund 14,038 units		434,325
	Royce Funds	Royce Low Price Stock Fund 44,617 units		659,444
	American Century Investments	American Century Large Company Value Fund 49,216 units		352,389
*	Fidelity Investments	Fidelity Contrafund 12,827 units		937,788
*	Fidelity Investments	Fidelity Value Fund 7,175 units		538,169
*	Fidelity Investments	Fidelity Capital Appreciation Fund 28,080 units		751,417
*	Fidelity Investments	Fidelity Diversified International Fund 24,439 units		975,125
*	Fidelity Investments	Fidelity Small Cap Stock Fund 24,974 units		435,304
*	Fidelity Investments	Fidelity Freedom Income 2,084 units		23,859
*	Fidelity Investments	Fidelity Freedom 2000 471 units		5,823
*	Fidelity Investments	Fidelity Freedom 2010 23,744 units		351,884
*	Fidelity Investments	Fidelity Freedom 2020 59,594 units		942,183
*	Fidelity Investments	Fidelity Freedom 2030 18,735 units		309,509

LAKELAND FINANCIAL CORPORATION 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2007

Name of Plan Sponsor:	Lakeland Financial Corporation
Employer Identification Number:	35-1559596
Three-digit Plan Number:	004

		(C) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Rate of Interest, Collateral, <u>Par or Maturity Value</u>	(d)(1) <u>Cost</u>	(e) Current <u>Value</u>
(a)	(b) Identity of Issue, Borrower, <u>Lessor, or Similar Party</u>			
*	Fidelity Investments	Fidelity Spartan US Equity Index 6,583 units		341,677
*	Fidelity Investments	Fidelity US Bond Index 68,673 units		747,846
*	Fidelity Investments	Fidelity Freedom 2040 51,057 units		496,785
*	Fidelity Investments	Fidelity Freedom 2005 5,682 units		66,985
*	Fidelity Investments	Fidelity Freedom 2015 73,364 units		914,852
*	Fidelity Investments	Fidelity Freedom 2025 35,766 units		471,393
*	Fidelity Investments	Fidelity Freedom 2035 22,684 units		310,322
*	Fidelity Investments	Fidelity Freedom 2045 2,653 units		30,115
*	Fidelity Investments	Fidelity Freedom 2050 1,154units		13,186
				10,110,380
*	Lakeland Financial Corporation	Common Stock 848,443 shares		17,732,459
*	Fidelity Investments	Interest Bearing Cash 254,183 units		254,183
*	Participants	Loans to Participants Interest rate 9.5%		496
				\$ 29,556,679

* Denotes party-in-interest

(1) Cost is not presented as all investments are participant directed investments.