

**REPORT OF THE SECRETARY - TREASURER  
STATEMENT OF FINANCIAL CONDITION**

**CROSSETT PAPER MILLS EMPLOYEES  
FEDERAL CREDIT UNION**

December 31, 2006

<b>ASSETS:</b>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Loans	\$ 53,116,166	\$ 64,749,461	\$ (11,633,295)
Less Allowance for Loan Loss	(878,231)	(1,561,663)	683,432
Net Loans	<u>\$ 52,237,935</u>	<u>\$ 63,187,798</u>	<u>\$ (10,949,863)</u>
Cash on Hand and in Banks	4,182,074	5,813,666	(1,631,592)
Investments	27,121,407	26,610,500	510,907
Accrued Interest	421,731	336,112	85,619
Land & Building	2,773,053	2,776,319	(3,266)
Furniture & Equipment	202,169	200,543	1,626
NCUSIF Deposit	807,686	870,621	(62,935)
Loans/Collateral Liquidation	47,752	23,964	23,788
Other Real Estate Owned (Net Impairment Allowance)	143,616	187,263	(43,647)
Accounts Receivable & Other Assets	231,151	486,510	(255,359)
<b>TOTAL ASSETS</b>	<b><u>\$ 88,168,574</u></b>	<b><u>\$ 100,493,296</u></b>	<b><u>\$ (12,324,722)</u></b>
<b>LIABILITIES AND EQUITY:</b>			
Accounts Payable & Other Liabilities	\$ 494,392	\$ 317,557	\$ 176,835
Dividends Payable	49,685	54,042	(4,357)
<b>TOTAL LIABILITIES</b>	<b><u>\$ 544,077</u></b>	<b><u>\$ 371,599</u></b>	<b><u>\$ 172,478</u></b>
Shares - Checking	\$ 559,729	\$ 595,215	\$ (35,486)
Shares - Regular	21,762,943	24,938,842	(3,175,899)
Shares - Certificates of Deposit	30,195,724	37,788,444	(7,592,720)
Shares - IRA	20,229,248	21,239,265	(1,010,017)
Shares - Money Market	889,823	989,347	(99,524)
<b>TOTAL SAHARES</b>	<b><u>\$ 73,637,467</u></b>	<b><u>\$ 85,551,113</u></b>	<b><u>\$ (11,913,646)</u></b>
Regular Reserve (Bad Debt Reserve)	4,264,053	4,264,053	(0)
Special Reserve	(233,545)	-	(233,545)
Undivided Earnings	9,956,522	10,306,531	(350,009)
<b>TOTAL SHARES and EQUITY</b>	<b><u>87,624,497</u></b>	<b><u>100,121,697</u></b>	<b><u>(12,497,200)</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 88,168,574</u></b>	<b><u>\$ 100,493,296</u></b>	<b><u>\$ (12,324,722)</u></b>
Members	10,810	10,722	38

<b>INCOME STATEMENT FOR YEARS ENDED</b>	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>Change</u>
<b>REVENUE</b>			
Interest on Member's Loans	\$ 4,163,716	\$ 4,852,775	\$ (689,059)
Earnings on Investments	1,296,300	983,677	312,623
Other Income	261,020	210,157	50,863
<b>TOTAL GROSS INCOME</b>	<b><u>\$ 5,721,036</u></b>	<b><u>\$ 6,046,609</u></b>	<b><u>\$ (325,573)</u></b>
<b>EXPENSES</b>			
Borrowers' and Savers' Insurance Premiums	\$ 329,320	\$ 390,413	\$ (61,093)
NCUA Supervision Fee	21,298	19,481	1,817
Provision for Loan Losses	6,882	1,773,332	(1,766,450)
Other Operating Expenses	3,191,722	3,227,044	(35,322)
<b>TOTAL EXPENSES</b>	<b><u>\$ 3,549,222</u></b>	<b><u>\$ 5,410,270</u></b>	<b><u>\$ (1,861,048)</u></b>
Non-Operating Gains (Losses):			
Investments	(20,350)	-	(20,350)
Loss on Disposition of OREOs and Chattels	(72,183)	(63,331)	(8,852)
Net Income (Loss) Before Dividends	2,079,281	573,008	1,506,273
Dividend Expense	2,439,290	2,247,009	192,281
<b>NET INCOME</b>	<b><u>\$ (360,009)</u></b>	<b><u>\$ (1,674,001)</u></b>	<b><u>\$ 1,313,992</u></b>
Other Adjustment — Pension Plan Liability	(233,545)	-	(233,545)
Beginning Equity	14,570,584	16,244,585	(1,674,001)
<b>ENDING EQUITY</b>	<b><u>\$ 13,977,030</u></b>	<b><u>\$ 14,570,584</u></b>	<b><u>\$ (593,554)</u></b>